

# Equator Principles Report

June 2024

Banco Internacional del Perú S.A.A.

# Equator Principles Report

## 1. EQUATOR PRINCIPLES AND INTERBANK'S ADHERENCE

The Equator Principles are voluntary arrangements established by financial institutions around the world to pledge not to provide loans to large-scale development projects that may cause environmental damage or human rights violations.

In January 2023, Interbank was included as signatory of the Equator Principles. Therefore, during 2022-2023 we were assessed by a consultant in order to adjust our environmental and social risk analysis (ESRA) processes to the Equator Principles (EP4) and IFC Performance Standards. The updated version of our ESRA was internally approved in May, 2023 and in June, 2023 our Board of Directors approved the ESRA Policy which is currently available in our web.

Our ESRA Policy establishes the guidelines for social and environmental risk management of the Bank's commercial financing portfolio. For more information please visit our [Environmental and Social Risk Analysis Policy](#).

## 2. FINANCIAL PRODUCTS COVERED

Our ESRA system applies to:

- Advisory service for project financing when the total estimated investment in the project exceeds US\$10 million.
- Financing of a project when the total estimated investment in the project exceeds US\$ 10 million.
- Corporate loans in excess of US\$10 million to primary suppliers of a project.
- Bridge loan for the financing of a project requiring an estimated total investment in excess of US\$10 million.
- Credits to a non-retail customer related to a stage of a project, provided the following conditions are met: (i) the customer's total amount of credits related to the project in the financial system amounts to at least US\$ 50 million; and (ii) the customer's total amount of credits related to the project in the company (before syndication or resale) is at least US\$ 25 million.
- Project-related refinance and project-related acquisition finance of the above mentioned financings.

## 3. OUR ENVIRONMENTAL AND SOCIAL RISK ANALYSIS PROCESS

Our ESRA is aligned with the IFC's Performance Standards and Equator Principles, and is divided in three stages, as defined below. This has been incorporated in Interbank's credit and risk management policies and procedures with clear responsibilities across corporate commercial and credit risk managements.

### a. INITIAL REVIEW

The Exclusion List will be applied as a primary filter in environmental and social evaluation. The goal of the Exclusion List is to prevent financing illegal activities or activities that are excessively harmful to the environment and society. If the operation is not included in the Exclusion List, a questionnaire must be completed to decide whether the E&S Due Diligence Evaluation applies or not, as defined in the following paragraph. The questionnaire contains application criteria based on financing amounts, type of client activity, use of proceeds, among others. This initial review is responsibility of the commercial executives.

### b. E&S DUE DILIGENCE EVALUATION

For every financing that qualifies as applicable according to the preceding paragraph a), an initial evaluation will be performed to categorize the environmental and social risk as A, B or C. The determination will be based on the questionnaire's answers, which aim to measure the likelihood of a high to low environmental or social impact. The Due Diligence evaluation, depending on the risk category, will be carry out by a commercial executive or an external expert. According to the results, an Environmental and Social Risk Management Plan is established and revised jointly with the Credit Risk Management.



### Categories definition:

- Category A: operations with potentially significant adverse social or environmental impacts. These are characterized as diverse, irreversible, and unprecedented.
- Category B: operations with limited potential adverse social or environmental impacts. Impacts are few in number, and generally localized to specific sites and are reversible and easily addressed through mitigation measures.
- Category C: operations with minimal or no social or environmental impacts.

### c. MANAGEMENT AND MONITORING PROGRAM

Depending on the category and findings identified in the questionnaires, the necessary backstopping will be provided to help clients align with the requirements, looking to mitigate exposure to significant environment and social risks through action plans, as required, and monitoring measures to confirm that the environmental and social performance is maintained during the loan's term. The Risk Credit Monitoring Management is responsible of the execution of the monitoring phase.

## 4. INTERNAL TRAINING

Since joining the Equator Principles, Interbank has developed internal trainings to equip its corporate commercial and credit risk teams with a thorough understanding of the EP framework and ESRA process. Also, Interbank has updated manuals to assist staff in applying the EP framework effectively in their daily work.

## 5. TRANSACTIONS FINANCED UNDER THE EQUATOR PRINCIPLES

This Report discloses transactions financed during January 16<sup>th</sup>, 2023 (adoption date) to December 31<sup>st</sup>, 2023.

- Project Finance Advisory Services: No transactions
- Project-Related Corporate Loans: No transactions
- Project-Related Refinance: No transactions
- Project-Related Acquisition Finance: No transactions
- Bridge Loans: No transactions
- Project Finance:

Project Finance		Category A	Category B	Category C
Sector	Mining	0	2	0
	Infrastructure	0	0	0
	Oil & Gas	0	0	0
	Power	0	0	0
	Others	0	0	0
Region	Americas	0	2	0
	Europe, Middle East & Africa	0	0	0
	Asia Pacific	0	0	0
Country Designation	Designated Country	0	0	0
	Non Designated Country	0	2	0
	Both	0	0	0
Independent Review	Yes	0	0	0
	No	0	2	0
<b>Total</b>		<b>0</b>	<b>2</b>	<b>0</b>

