Sustainability Report

Sustainability Report

1. About the Sustainability Report 2021

(GRI 102-46, GRI 102- 50, GRI 102- 52, GRI 102- 54)

This sustainability report is prepared annually in compliance with the Essential option of the GRI Standard.

The scope of this report includes the activities carried out during the year 2021 by the business units (BU hereinafter) that make up the InRetail Perú Corp. group:

Business units	Companies	Brands
Food Retail	Supermercados Peruanos, Makro and Oslo Logistics	Plaza Vea, Vivanda, Mass, Makro and Economax
Pharma	InRetail Pharma, Farmacias Peruanas and Química Suiza	Inkafarma, Mifarma and Química Suiza
Shopping Malls	InRetail Shopping Malls	Real Plaza
Digital	Agora Servicios Digitales e InDigital XP	Agora

At InRetail, we have been reporting our economic, social, and environmental performance since 2018. The sustainability reports of 2020 and 2021 have been prepared using the *Global Reporting Initiative Guidelines*. To learn more about our reporting history, you can visit our web.

Additionally, in order to ensure the traceability and veracity of the information reported, the following sections of the report have been audited by the third-party company *Valora*:

Chapter	Verified content	Page
We ensure health and safety in the workplace	- LFTIR Results - Fatality Results	-
We spread diversity, equity, and inclusion	- Wage equity results	-
Circular Economy	- Waste management results - Food Waste and Donation Management Results	-
Climate change	- Carbon footprint measurement results - Water consumption results - Energy consumption results	-

2. Letter from our CEO

(GRI 102-14)

I would like to share with you InRetail Perú's Sustainability Report 2021, which shows how we create value and contribute to the economic, social and environmental development of our country. This report will give you a complete overview of our business strategy and the performance of our businesses in relation to our stakeholders.

InRetail Perú is a company constituted mainly with Peruvian capital and as such, we feel committed to the integral development of the country, in a decentralized manner. We are committed, as our purpose states, to transform the places where we operate, improving the quality of life of these communities.

In our Food Retail segment, in 2021 we managed to open 130 new Mass format stores in Lima and Provinces. These stores are known for their discount offerings, accessible products, and for being close to our customer. Furthermore, we opened 2 new Makro stores, our wholesale stores that serve the HORECA channel. In the the PlazaVea format, we remodeled 2 stores.

In our Pharma segment, thanks to our Inkafarma brand, we have strengthened our presence in remote and hard-to-reach areas, implementing *express pharmacies* in regions such as Loreto, Ucayali, Cusco, Amazonas, Huancavelica, Pasco, Puno, Ayacucho, among others; to bring medicines and personal care products, at affordable prices and with great assortment to places where there is no medical center or hospital, or where people must travel long distances to find guidance from a pharmaceutical chemist and purchase medicines. We are continuously working to contribute to the local economy in the areas where we operate through the generation of direct and indirect jobs, as well as by hiring local suppliers.

Additionally, in 2021 we added new digital companies, InDigital XP and Agora. The first provides digital shared solutions and services to the retail platform; and, Agora is our commitment to a digital ecosystem containing three brands: Agora Pay, our digital payment app; Agora Shop, our last mile service; and, lastly, Agora Club, our commitment to build loyalty and get to know our affiliated customers better, offering monetary rewards for purchases made through Agora Pay.

As a result of our efforts, we recorded revenues of S/17,922 million and EBITDA of S/2,249 million in the year 2021, registering a 24.4% and 23.4% growth above 2020, respectively, and thus showing solid growth and the high resilience of our businesses.

2021 has also been a year in which our economic performance has gone hand in hand with our sustainability performance. We were recognized in the S&P Yearbook, as an "Industry Mover", we entered the S&P DJSI MILA Pacific index and we were the first Peruvian company to enter Bloomberg's gender equality index.

It is important to highlight that at InRetail we are a team of more than 40,000 employees who drive the country every day and who are committed to our pillars of sustainability, promoting the generation of shared value. Therefore, thanks to the work of the entire team, we were able to maintain and strengthen the national food and product donation program "*Bueno por Dentro*" (Good on the Inside). This program, in partnership with the Food Bank of Peru, benefits 72,500 people weekly in all the provinces where we operate and in 2021, we delivered products valued at more than S/50 million . Similarly, Pharma donated more than 80,000 packs of medicines to vulnerable communities of the *Asociación de la Bienaventuranzas*. And lastly, our shopping malls continued with "*La Placita del Emprendimiento*", where entrepreneurs receive a physical module to exhibit their products. In 2021, 1,371 small enterprises participated and sold more than S/3 million. We also maintain our efforts to have diverse and inclusive workspaces, providing training at all levels, including our suppliers and customers, especially in the prevention of gender violence.

Finally, during 2021, we continue to promote our climate strategy and once again conducted the TCFD to assess the risks associated with climate change in our operations. Likewise, we are managing our carbon footprint by generating maximum efficiency in our operations, as well as the proper management and disposal of our waste, managing to recycle 61.6% of the waste generated in our operations. In addition, during 2021 we continued with the national movement #ReciclaConsciente led by Food Retail with the participation of 14 partners from the private sector, mainly from consumer goods, 10 municipalities and civil society partners. In this program we raise awareness and involve citizens from the moment of purchase about the importance of recycling and offer them the largest network of recycling points in the country where they can dispose of this valuable waste. Moreover, this year we have trained more than 200 recyclers.

Without further preamble, I invite you to learn in detail the progress of our sustainability management during 2021.

3. InRetail in figures

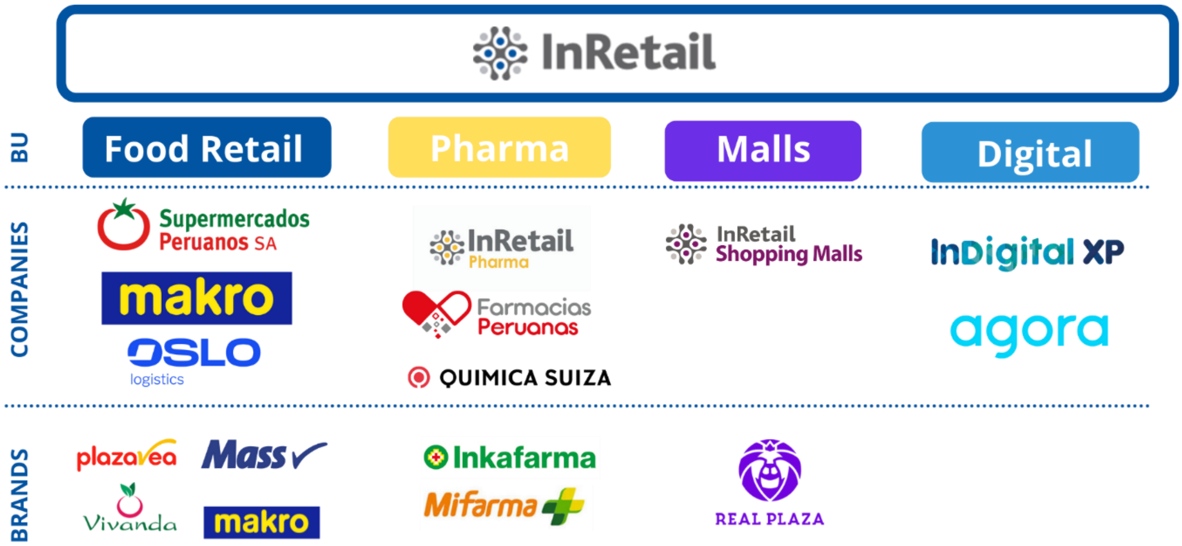
Main results

S/ 17,922 mm	S/ 2,249 mm
REVENUES	FROM EBITDA
S/ 375 mm	+174
NET INCOME	NEW ESTABLISHMENTS IN 2021
+47K	+87 + 0 +87
STAKEHOLDERS	STORES, MALLS, DRUG STORES
+10K	+90%
SUPPLIERS	LOCAL SUPPLIERS
OPERATING ALL OVER PERU	AND IN 3 COUNTRIES

4. InRetail: integrity and growth

4.1. Business units

InRetail Perú is the main retail platform in Peru and is formed by four BU in different business areas: Food Retail, Pharma, Shopping Malls and our new Digital unit.

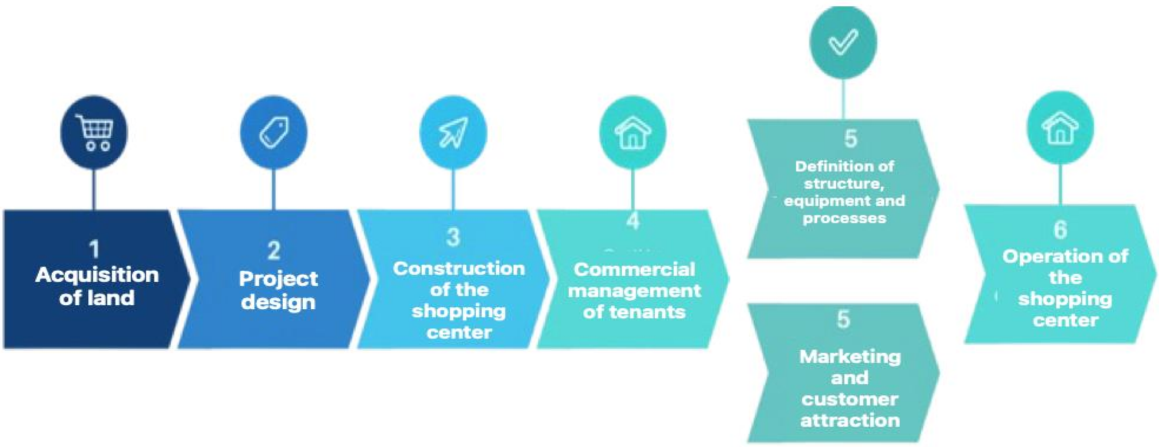


Value chains

<u>Food Retail</u>

<u>Pharma</u>

<u>Shopping Malls</u>



4.2. Our operations

InRetail operates in the 25 regions of Peru, and we transform the places where we operate, seeking to improve the quality of life for everyone. Our strategy is to expand the capillarity of our services throughout the country, offering accessible products at low prices and good quality.

Food Retail

Our Food Retail platform consists of Supermercados Peruanos, Makro and Oslo Logistics. We are the country's leading chain in terms of sales and number of stores, which includes the Plaza Vea, Vivanda, Mass and Makro brands, as well as different distribution and storage logistics centers.

Our platform consists of a multi-format operation, developing differentiated formats (*hypermarket, supermarket, hard discount, and cash and carry*) with differentiated product assortments, price levels and shopping experience, to satisfy the needs of customers of different socioeconomic levels.

- 689 stores
- 498 thousand m^2 of sales area
- S/ 9,410 million in revenues in the year 2021
- 22,576 employees

Pharma

Our Pharma platform consists of *Farmacias Peruanas* and *Química Suiza*, which have the leading pharmacy chains *Inkafarma* and *Mifarma*, and a pharmaceutical product distribution business, positioning us as the country's leaders in terms of market share and sales. This BU is present in Ecuador and Bolivia through the distribution business.

We maintain a diversified network of pharmacies in Peru, with presence in the 25 regions of the country, offering medicines, nutritional supplements, and other personal care items. In this way, we contribute to well-being, bringing health at low prices to the most needy and remote populations in the country.

- 2,252 stores
- S/ 8,064 million in revenues in the year 2021
- 24,051 employees

Shopping Malls

We operate the largest chain of shopping malls in Peru under the brand Real Plaza, which has 21 shopping malls throughout Lima and different regions of the country. We were the first chain to build a shopping mall outside the capital city. Our shopping malls serve as places for shopping, but also as a point of entertainment through an optimal commercial mix, in accordance with the needs of each market.

- 21 shopping malls
- 834 mil m^2 of leasable area (GLA)
- S/ 531 million in revenues in the year 2021
- 445 employees

Our stores by region

Departments	Food Retail			Pharma		Shopping Malls	Total
	Vivanda and Plaza Vea	Mass	Makro	Inkafarma	Mifarma	Real Plaza	
Amazonas				8	4		12
Áncash	3			42	24	1	69
Apurímac				7	6		13
Arequipa	2	26	2	68	65	1	164
Ayacucho				16	9		25
Cajamarca	2			36	31	1	70
Cusco	1		1	32	31	1	66
Huancavelica				5	1		6
Huánuco	1			19	15	1	36
Ica	3	1	2	50	39		95
Junín	2		1	46	33	1	83
La Libertad	5		2	77	57	1	142
Lambayeque	2		1	48	40	1	92
Lima	74	530	11	572	521	9	1,718
Loreto				38	21		59
Madre de Dios				5	3		8
Moquegua	2			9	5		16
Pasco				9	4		13
Piura	6		3	55	48	2	114
Puno	2			24	8	1	35
San Martín	1			25	18		44
Tacna	1			15	15		31
Tumbes	1			11	8		20
Ucayali	1			21	8	1	31
Total	**109**	**557**	**23**	**1,238**	**1,014**	**21**	**2,962**

Our logistics centers

In Food Retail, through the company Oslo, we have 5 distribution centers nationwide in the regions of Piura, La Libertad, Arequipa, and Lima (2) to serve our more than 600 stores. In Lima we also have 3 cross dock transfer centers to continuously supply our smaller stores, Mass. Finally, we have a manufacturing center for our bakery and prepared foods and a dark store in Lima for our *e-commerce* business.

In Pharma we have 5 distribution centers nationwide in the regions of Chiclayo, Arequipa, and Lima (3) to serve our more than 2,000 pharmacies and our Distribution business. We also have 12 cross dock centers throughout the country to supply our pharmacies. Finally, we have 2 dark stores in Lima dedicated to our *e-commerce* business.

4.3. Our economic performance

4.3.1. Financial results

(GRI 102-45)

InRetail Perú recorded revenues of S/17,922 million and EBITDA of S/2,249 million in 2021, registering a 24.4% and 23.4% growth above 2020, respectively, thus showing solid growth and the high resilience of our businesses. The year 2021 was another challenging year for the world in the context of the global pandemic due to COVID-19. During the first months of 2021, Peru experienced a new chain of very high infections, which was called the "second wave". This new chain of contagion caused some of the phases of the economic reactivation already implemented to gradually recede. In February 2021, after the Peruvian Government concluded its negotiations with different laboratories for the acquisition of vaccines, the distribution of doses to face COVID-19 began in our country. In this context, the Company did not suspend or shut down its operations and continued to carry out its activities normally as these were essential products and services and in the case of shopping malls, there were fewer temporary closures during the year 2021 compared to the year 2020.

Below, we will briefly explain the results by segment. The numbers presented include the IFRS 16 accounting policy and are comparable to 2020.

InRetail Perú Corp.

Consolidated Statement of Financial Position

In millions (S/)

	Twelve months ending on December 31		
	2021	**2020**	**Var %**
Revenues:			
Food Retail	9,410	6,917	36.0%
Pharma	8,064	7,191	12.1%
Pharmacies	6,018	5,333	12.8%
Distribution	2,751	2,525	8.9%
Shopping Malls	531	385	38.0%
Total revenues	**17,922**	**14,409**	**24.4%**
Cost of sales:			
Food Retail	-7,177	-5,119	40.2%
Pharma	-5,579	-4,992	11.7%
Pharmacies	-3,867	-3,444	12.3%
Distribution	-2,412	-2,210	9.1%
Shopping Malls	-185	-152	21.9%
Total cost of sales	**-12,925**	**-10,241**	**26.2%**
Gross profit:			
Food Retail	2,232	1,798	24.2%
Pharma	2,486	2,199	13.0%
Pharmacies	2,151	1,889	13.9%
Distribution	339	315	7.6%
Shopping Malls	346	234	48.4%
Total gross profit	**4,997**	**4,169**	**19.9%**

Selling and administrative expenses	-3,498	-2,952	18.5%
Other operating income (expense), net	132	-88	-
Operating profit	**1,632**	**1,129**	**44.6%**
Financial income (expenses), net	-961	-578	66.2%
Income tax	-295	-211	39.9%
Net profit	**375**	**339**	**10.6%**

Food Retail

During the year 2021, our Food Retail segment registered a net growth of +21 thousand m^2 (+4.4%) of sales area, which includes the opening of 85 net *Mass* stores, 2 new *Makro* stores and additional sales area for an expansion of *Plaza Vea*. We closed the year with a total of 498 thousand m^2 of sales area among all formats and 689 stores: 101 *Plaza Vea* stores, 8 *Vivanda* stores, 23 *Makro* stores and 557 *Mass* stores.

As a result of the increase in the sales area and the strong growth in sales of existing stores (SSS) of 7.8%, total revenues for the segment reached S/9,410 million, 36.0% above 2020 revenues. Both our food and non-food categories showed good performance, and we increased online sales by more than 4 times, strengthening our leadership position.

Our adjusted EBITDA for Food Retail was S/889 million, 31.5% above that registered in 2020, with an adjusted EBITDA margin of 9.4%, slightly lower than the 9.8% registered in 2020 as a result of the lower gross margin due to the incorporation of Makro, which was partially compensated by the higher dilution of fixed costs and operating efficiencies.

Pharma

The Pharma segment's revenues reached S/8,064 million in 2021, 12.1% higher than in 2020, with growth of 12.8% in the Pharma unit and 8.9% in the Distribution unit. The adjusted EBITDA of the segment reached S/1,140 million, 13.7% above 2020, with an adjusted EBITDA margin of 14.1% compared to 13.9% in 2020.

In 2021, the pharmacy chain ended the year with a total of 2,252 pharmacies nationwide between both brands (1,238 *Inkafarma* and 1,014 *Mifarma*).

Shopping Malls

In 2021, the Shopping Malls segment ended the year with 834 thousand m^2 of gross leasable area. In 2021 we included 26 thousand m^2 of leasable area, after the expansion of Real Plaza Cusco. This represented an increase of 3.2% compared to the end of 2020 (808 thousand m^2 of total gross leasable area). As a result, the segment's revenues were S/531 million, representing an increase of 38.0% compared to 2020.

Adjusted EBITDA was S/302 million, 53.9% higher compared to 2020, with an adjusted EBITDA margin (calculated as EBITDA divided by leasing revenues, net) of 76.8% compared to 71.3% in 2020.

4.3.2. Generated and distributed value

The economic value generated and distributed is presented below, which shows how InRetail creates wealth for its main stakeholders and is also an indicator of its good performance.

Direct economic value created (EVC)		**18,167**
a) Revenues	Operating revenues, other non-operating revenues, financial revenues	18,167
Economic value distributed (EVD)		**17,714**
b) Operating expenses	Cost of sales, sales expenses, administrative expenses, other non-operating expenses	14,414
c) Salaries and social benefits for employees	Staff expenses	1,428
d) Payments to suppliers of funds	Financial expenses, payment of dividends	1,372
e) Payments to governments	Taxes, current income tax, tax related to special purpose entities	450
f) Investments in the community	Cash contributions, employee volunteer time, in-kind donations, other	51
g) Amortization, depreciation, provisions, and others	Depreciation and amortization including right-of-use assets, inventory impairment, accounts receivable provisions, others	77
Economic value retained (EVR)		**452**

4.3.3. Tax policy and taxes paid

At InRetail we have a Corporate Tax Policy, applying good tax practices and acting with transparency, clarity, order, and consistency. This policy applies to InRetail and all its subsidiaries' companies.

Among the main guidelines that govern the employees and directors of the companies are:

1. Compliance with tax regulations in the different countries and territories in which it operates.
2. The adoption of business and strategic decisions based on a reasonable and informed interpretation of the applicable tax regulations.
3. The mitigation of significant tax risks, ensuring that taxation reflects the business activity carried out.
4. Collaboration with the tax authorities based on respect for the law, transparency, and good faith.

The verification of compliance with the Corporate Tax Policy is responsibility of the General Managements, which shall have an active and permanent participation in its implementation and execution. Furthermore, when the General Management considers it convenient to submit to the consideration of its Board of Directors any act or situation regarding the company's tax strategy or tax planning, this fact must be expressly mentioned as an agenda item of the corresponding meeting.

In the following table, we detail the taxes paid by Business Unit in 2021:

Business Unit	Entities	Country	Primary Activity	# Of Employees	Revenues (MM of S/)	Profit Before Taxes (MM of S/)	Income Tax Accrued in the year (MM of S/)	Income Tax and IGV Paid (MM of S/) *
Food	*Supermercados Peruanos* and Subsidiaries	Peru	Retail	22,576	9,410	219	77	107
Pharma	InRetail Pharma	Peru	Commercialization of pharmaceutical products, and other elements destined to the protection and recovery of health.	24,051	8,064	359	137	310
Shopping Malls	*Real Plaza*	Peru	Shopping malls operations	445	531	192	57	69

Note: Accounting information in accordance with Audited Financial Statements as of the end of December 2021. *Does not include tax recovery.

4.4. Value generated for investors

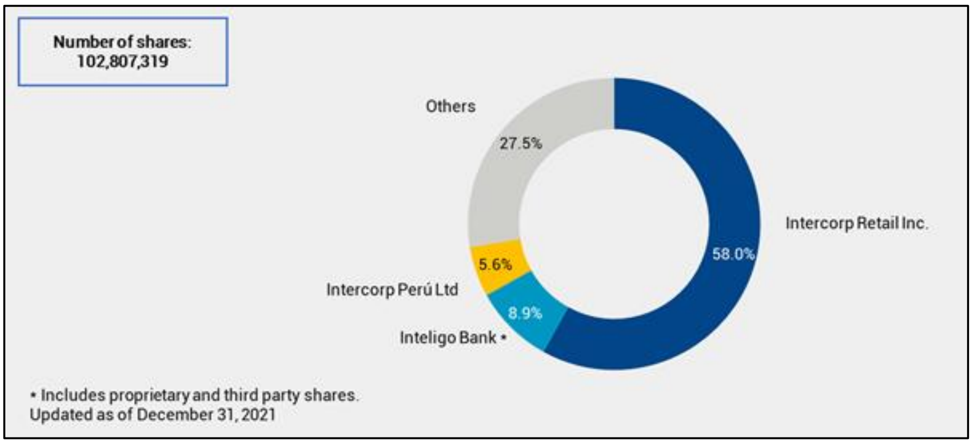
Below, we show InRetail's shareholding structure under the criteria requested by the Lima Stock Exchange (BVL). As can be seen in numbers 5 and 6 of this table, there are no government entities or members of the Peruvian Government that own InRetail shares.

Also, it is important to record that as of December 31, 2021, 72.48% of the shares issued by InRetail were owned by the companies of the same economic group.

Main shareholders

Shareholder	Country	Percentage
Intercorp Retail Inc.	Panamá	58.04%
Inteligo Bank Ltd.	Bahamas	8.85 %
Intercorp Perú Ltd.	Bahamas	5.59%
Others	N/A	27.52%
Total		**100.00%**

Voting shares



Percentage of ownership	Ownership	Number of shareholders
7.76%	Less than1%	Indefinite number
14.63%	Between 1% - 5%	6
19.57%	Between 5% - 10%	3
58.04%	Greater than 10%	1
100%	**Total**	**Indefinite number**

Shareholding structure by type of investor- Lima Stock Exchange Criteria (*Bolsa de Valores de Lima - BVL*)

Shareholding structure by type of investor			
Share (Nemonic):	INRETC1 PE		
Ownership by type of shareholders of the share or equity security comprising the S&P Perú Select Index (at the end of the fiscal year)	Number of shares	Number of holders	% Of ownership[3/]
1. Members of the Board of Directors and senior management of the company, including relatives[1/]	2,060	2	0.00%
2. Employees of the company, not included in numeral[1/]	-	-	-
3. Natural persons, not included in numerals 1 and 2.	124,495	293	0.12%
4. Pension funds administered by the Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance and AFPs.	22'024,335	12	21.42%

5. Pension fund administered by the Office of Previsional Normalization (ONP).	-	-	-
6. Entities of the Peruvian State, with the exception of the case included in number 5.	-	-	-
7. Banks, finance companies, municipal savings banks, Small and Micro-enterprise Development Companies, rural savings banks and savings and credit cooperatives under the supervision of the Superintendency of Banking, Insurance and AFPs.	350	1	0.00%
8. Insurance companies under the supervision of the Superintendence of Banking, Insurance and AFPs.	-	-	-
9. Brokerage agents, under the supervision of the SMV.	11,784	2	0.01%
10. Investment funds, mutual funds, and trust assets under the scope of the Securities Market Law and Investment Funds Law, and bank trusts under the scope of the General Law of the Financial System.	159,213	14	0.15%
11. Autonomous estates and bank trusts abroad, to the extent that they can be identified.	1’605,487	45	1.56%
12. Foreign depositaries that appear as holders of the share in the framework of ADR or ADS programs.	-	-	-
13. Depositaries and foreign custodians who appear as holders of shares not included in number 12.	9’099,358	2	8.85%
14. Foreign custodians listed as holders of shares.	4’091,980	4	3.98%
15. Entities not included in previous numbers[2,4/].	65’688,257	14	63.89%
16. Shares belonging to the S&P/BVL Peru Select Index or representative value of these shares, in the company's portfolio.	-	-	-
Total[5/]	**102’807,319**	**389**	**100.00%**

Ownership by holders of the share or value representative of the participation that makes up the S&P/BVL Peru Select Index, according to their residence (at the end of the fiscal year)	Number of shares	Number of holders	% Of ownership[3/]
Domiciled	22’324,732	326	21.72%
Not domiciled	80’482,587	63	78.28%
Total	**102’807,319**	**389**	**100.00%**

(1) Term “Relatives” according to the regulation of indirect ownership, connection, and economic groups.

(2) Term "Entities" according to the regulation of indirect ownership, connection, and economic groups.

(3) Two decimals.

(4) Includes shares corresponding to the Intercorp Group that do not belong to the *float*.

(5) Total number of holders includes Inteligo Bank in numbers 15 and 13. The position included in number 15 reflects shares that are not part of the *float*.

4.5. Corporate governance

(GRI 102-18)

The company is managed by the Board of Directors, which in fiscal year 2021 consisted of Carlos Rodríguez Pastor, Fernando Zavala, Julio Luque, Pablo Turner, Mariela García, Hugo Santa María (acting as alternate director for Mariela García) and Ignacio Benito.

Except for Mr. Carlos Rodríguez Pastor, who is related to InRetail's principal shareholders, the other directors, management, and principal officers are not related to each other or to the company's shareholders by affinity or consanguinity.

In accordance with applicable NYSE regulations and considering the criteria used by the *Dow Jones Sustainability Index (DJSI)*, we have 4 out of 6 independent directors, with Carlos Rodriguez Pastor and Fernando Zavala Lombardi being the only non-independent directors.

In accordance with the "Guidelines for the Qualification of Independent Directors" approved by Resolution SMV 016-2019-SMV/01, we have 2 out of 6 independent directors: Mariela García and Ignacio Benito. The other incumbent directors are not considered independent because they are part of the management team or participate in other Intercorp Group Boards.

The following is a brief description of the different careers that each director has accumulated over the course of his or her career, after which relevant information on the Board of Directors as a whole will be presented.

- **Carlos Rodríguez Pastor** (04/11/1959): Chairman of the Board of Directors of InRetail Perú since our incorporation in 2011. He is also Chairman of the Board of *Intercorp Perú, Intercorp Financial Services, Interbank, Colegios Peruanos* and *Supermercados Peruanos*, as well as other *Intercorp* Perú companies. He holds a Bachelor's degree in Social Sciences from the University of California at Berkeley and an MBA from the Amos Tuck School of Business at Dartmouth University.

- **Julio Luque** (02/15/1960): director of InRetail Perú since 2012. He is also director of other companies of the Intercorp Group: Supermercados Peruanos, InRetail Pharma, InRetail Real Estate, Tiendas Peruanas, Homecenters Peruanos, Financiera Oh!, Intercorp Retail, Colegios Peruanos, Servicio Educativo Empresarial, Transformando la Educación in Mexico and San Miguel Industrias. Mr. Luque is also managing director of Métrica Inc, senior advisor for CPP Investments in Peru, chairman of the board of Hoteles Casa Andina, chairman of Endeavor Peú and director of: CinePlanet, Transportadora de Gas del Perú, Talma Servicios Aeroportuarios, Aeropuertos del Perú, DINET Servicios Logísticos and Redondos. Previously, he was director of Marsh Perú, ROCSA, Promperú and Grupo LAR Perú. Mr. Luque has more than 35 years in the mass consumption industry and has worked at SC Johnson in the USA and at Fabril (formerly Alicorp); and is a professor at the Business School of the Universidad de Piura, Peru. He holds a Bachelor's degree in mechanical engineering from Universidad Simón Bolívar, Caracas, Venezuela, and a MBA from the IESE Business School of the Universidad de Navarra.

- **Pablo Turner** (01/01/1960): director of InRetail Perú since 2012. He is also director of other Intercorp Group companies: Supermercados Peruanos, InRetail Pharma, InRetail Real Estate, Tiendas Peruanas, Homecenters Peruanos, Financiera Oh! and Intercorp Retail. In Chile, Mr. Turner is director of CMPC, Watts, Gastronomía y Negocios, Adretail, Moneda AGF and Corpora. Mr. Turner worked for more than twenty years at Falabella Chile, where he was General Manager of Falabella Latin America for a period of four years. His professional experience also includes being General Manager of Almacenes París in Chile and General Manager of Viña San Pedro. Mr. Turner has actively participated in Risk and Technology Committees in various industries during his career, including financial, credit, regulatory and cybersecurity risks, among others. He holds a Bachelor's degree in Management from the Universidad Católica de Chile and an MBA from the University of Chicago.

- **Fernando Zavala** (02/16/1971): director of InRetail Perú and has held the position of general manager of Intercorp Perú since the same year. Mr. Zavala is also director of Intercorp Financial Services, Interbank, Colegios Peruanos and Supermercados Peruanos, among other Intercorp companies. Formerly, Mr. Zavala was general manager of SABMiller in Peru and Panama, general manager of Indecopi and director of Alicorp, Enersur, Enseña Perú and Comex, among other companies. He also served in the public sector as Prime Minister and Minister of Economy and Finance of Peru. His experience includes more than fifteen years in the mass consumption, financial and governmental sectors, as well as experience in risk management, actively participating as a member of several Risk Committees. He holds a Bachelor's degree. in Economics from Universidad del Pacífico, Lima, and an MBA from the University of Birmingham, England

- **Mariela García** (05/20/1964): director ofInRetail Perú since 2019. She currently serves as general manager of Ferreycorp and is also director of Ferreycorp's subsidiaries. During her thirty-year career at Ferreycorp, she has gained experience in the machinery, construction and mining industries, among others, and has excelled in risk management and cybersecurity for having implemented and supervised risk and cybersecurity plans for the company, receiving training from Caterpillar on these topics. Ms. Garcia is also director of the Sociedad de Comercio Exterior del Peru (COMEX), Empresarios por la Integridad and Peru 2021. Previously, she was president of the Board of Directors of the American Chamber of Commerce of Peru (AMCHAM) and director of the Sociedad Nacional de Minería y Petróleo and Procapitales. She holds a Bachelor's degree in Economics from Universidad del Pacífico and an MBA INCAE from Universidad Adolfo Ibañez

- **Hugo Santa María** (07/13/1963): director of InRetail Perú since 2019. He has worked at Apoyo Consultoría since 1997, where he is partner of Economic Studies and chief economist. In addition, he directs Servicio de Asesoría Empresarial (SAE), a leading economic and business analysis service in the Peruvian market. His twenty-year career at Apoyo brings together experience in diverse industries, including mass consumption, retail, agribusiness, mining, and construction. Mr. Santa María has extensive experience in financial risk assessment and management, having participated in financial risk consulting for Apoyo's customers, and has also participated as a member of the Risk Committee of several companies, such as MiBanco, Compañía Minera Atacocha and Interbank. Mr. Santa María is also director of Apoyo Consultoría, AC Pública, Apoyo Comunicación, AC Capitales SAFI, Virú, Intercorp Financial Services, Interbank and Colegios Peruanos. He is also a member of the advisory board of Edyce-Chile corporation and contributes regularly to several publications, both in Peru and abroad. He holds a PhD in Economics from Washington University in Saint Louis and is an economist from Universidad del Pacífico.

- **Ignacio Benito** (11/23/1968): director of InRetail Perú since 2019. He worked for twenty years at JP Morgan, where he led the Latin America Advisory team until the end of 2018, involved in different industries such as retail, mass consumption and construction materials, among others. Previously, he held other positions in Banking, Consulting and Pharmaceuticals. His experience includes financial risk assessment, having worked in securities trading at ABN/Amro, Citibank and JP Morgan. He holds a Bachelor's degree in Business Administration and Accounting from the Universidad Católica de Argentina and an MBA from the University of Pennsylvania, Wharton School of Business.

The average tenure of our directors is 5.9 years, considering their date of entry until December 31, 2021. We have one woman on our Board of Directors, Ms. Garcia, which represents 17% of the total of 6 incumbent directors. Finally, our directors have participated in 100% of the 15 sessions during the year.

Years of permanence and experience of the Board of Directors

Director	Years in the InRetail Directory	Gender	Independence according to CSA criteria	Independence according to Peruvian Law	Attendance to Directories 2020	Participation in other Boards of Directors of public companies (#) 1/	Risk Experience	Cybersecurity Experience	Experience in Industries (years)						
									Massive consume	Retail	Health	Banking and Finance	Education	Mining	Construction and Materials
Carlos Rodríguez Pastor	10.9	M	No	No	15/15	-	X	-	15+	15+	10+	30+	10+		
Julio Luque Badenes	9.4	M	Yes	No	15/15	-	X	-	35+	10+	10+				
Pablo Turner González	9.4	M	Yes	No	15/15	6	X	X	30+	30+		30+			
Fernando Zavala Lombardi	3.0	M	No	No	15/15	-	X	X	15+	2+	2+	15+	2+		
Mariela García Figari	2.8	W	Yes	Yes	15/15	-	X	X						30+	30+
Hugo Santa María Guzmán	2.8	M	Yes	Yes	15/15	2	X	-	20+	20+		20+		20+	20+
Ignacio Benito Marchese	2.8	M	Yes	Yes	15/15	-	X	-	20+	15+		25+			15+

1/ It only applies to independent directors according to CSA criteria.

Role of the Chairman of the Board

The role of the Chairman of the Board of Directors is established in the Board Regulations of InRetail Perú Corp., in article 10, where its main functions are detailed, which include: ensuring that the Board of Directors sets and efficiently implements the strategic direction of the Company; promote government action, acting as a link between the shareholders and the Board of Directors; direct the operation of the Board of Directors and be the institutional representation of the Company, among others. Below are articles 9 and 10 with the full details of the powers of the Board of Directors and the Chairman:

Article 9. Board of Directors Competencies

1.1) The Board of Directors has the management and legal representation faculties necessary for the administration of the Company within its purpose, apart from those matters that the applicable Legislation or the Bylaws attribute to the General Shareholders' Meeting.

- Without prejudice to the functions already assigned by the applicable Legislation and the Bylaws, the Board of Directors has the following strategic functions:
- Approve and manage the Company's corporate strategy.
- Establish objectives, goals, and action plans, including annual budgets and business plans.

- To control and supervise the management and to be responsible for the governance and administration of the Company.
- Oversee good corporate governance practices and establish the necessary policies and measures for their better implementation and disclosure.

Article 10. Responsibilities of the Chairman, Vice-Chairman and Secretary

10.1) The Chairman of the Board of Directors has the following main responsibilities:

- To ensure that the Board of Directors efficiently sets and implements the strategic direction of the Company, in line with the aforementioned, previous article.
- To promote the governance of the Company, acting as a link between the shareholders and the Board of Directors.
- Coordinate and plan the operation of the Board of Directors, which includes:
    a. Calle the meetings of the Board of Directors.
    b. Prepare the agenda of the meetings (in coordination with the general manager, the secretary of the Board of Directors and the other directors).
    c. Deliver in a timely and due manner the information on the items to be discussed to the directors.
    d. Chair the meetings and manage the debates.
    e. Ensure the execution of the resolutions of the Board of Directors and the follow-up of assignments of the Board of Directors, among other aspects.
- Monitor the participation of the directors.
- Coordinate the annual evaluation of the Board of Directors.
- Institutional representation of the Company, jointly with the General Manager.

4.6. Integrity

(GRI 102-17)

At InRetail we have a Corporate Code of Conduct that aims to ensure that the actions of our entire team are consistent with the pillars/values and ethical principles of the organization, supported by Senior Management.

In the same way, our Code of Ethics applies to all employees that make up InRetail and its subsidiaries, employees of the Corporate Unit and members of the Board of Directors. To this end, each BU has its own policies that set out the regulations and considerations that must be taken into account by the teams. For this reason, we also extend this document to our suppliers, consultants, contractors and all those business partners who work with us, so that they act in an ethical manner and in a way that is consistent with our Code of Ethics.

From the moment we contract with a third-party company, we share, through our contracts, purchase orders and supplier registration process, relevant documentation, and the Code of Ethics. In this way, we promote integrity and responsibility, consistent with our organization and principles.

To ensure that the Code of Ethics is part of our actions, we have a platform for anonymous complaints: *ConÉtica*. In this platform, employees, former employees, suppliers, or any person can report, confidentially, cases related to unethical behavior, violations to legislation, regulations, or internal policies.

www.conetica.pe

The channel confidentially receives, registers, and classifies the reports made and then sends them to the responsible Committee for evaluation. The Ethics Committee of each UN and InRetail will be responsible for receiving the reports submitted directly or through the company that manages the *ConÉtica* line, which must be resolved and reported to the general manager. All reports received will be reviewed and evaluated and treated in a completely confidential manner.

Its members, who can be contacted directly if required, are:

- Director/Vice President of Finance.
- Director/Vice President of Human Resources.
- Legal Director/Vice President/Corporate Affairs.
- Auditors or Ethics Officers of the different business units that make up InRetail.
- Compliance Officer.

In the event that our employees or a third party have any concerns that they would like to report, related to conduct that may be illegal, unethical or in breach of our regulations, i.e., that is inconsistent with InRetail's Code of Ethics, they should report it to their immediate supervisor. Nevertheless, if we consider that this is not appropriate, *ConÉtica* makes available the following channels of attention

- Web form: www.conetica.pe
- Mailbox:
  - ➔ InRetail Corporate Unit: inretail@conetica.pe
  - ➔ Supermercados Peruanos: spsa@conetica.pe
  - ➔ Farmacias Peruanas: farmaciasperuanas@conetica.pe
  - ➔ Inkafarma: inkafarma@conetica.pe
  - ➔ Mifarma: mifarma@conetica.pe
  - ➔ Química Suiza: quicorp@conetica.pe
  - ➔ Real Plaza: realplaza@conetica.pe
- Free phone line:
  - ➔ 0-800-7-8323

Statistics: Complaints received and handled by *ConÉtica*

Misconduct reported by area	#
Labor relationships	312
Conflict of interest, violations of the code of conduct, corruption, or bribery	128
Other / Not classified	77
Total misconduct	517

Status	%
Misconduct handled and processed	100%
Misconduct with completed investigation	100%
Misconduct under investigation	0%
Severe misconduct out of total reported	9%

At InRetail we do not use political and/or charity contributions as a means of bribery and corruption. Therefore, we have our Policy for the Prevention of Corruption, Money Laundering and Financing of Terrorism which aims to establish principles, rules, and requirements to ensure compliance with the laws and regulations in force. In that way, we avoid any risk of involvement in illicit activities. This policy covers all employees of our company, as well as third parties acting on its behalf or as an extension of it. We have mandatory specialized courses that promote ethics and prevent bribery and acts of corruption. The points that are regulated through this policy are:

- Delivery and receipt of gifts or courtesies.
- Delivery and receipt of donations to public entities.
- Relationships with public officials.
- Financing of political activities.
- Selection and contracting of suppliers.
- Conflict of interest.
- Confidentiality and secrecy of information.
- Accounting books and records.

4.7. Risk management

We have a Corporate Audit Management, whose mission is to add value and improve the operations of InRetail and its subsidiaries by providing assurance, advisory and risk-based analysis to help achieve the organization's goals and improve its operations.

The Corporate Audit Management depends administratively on the Vice President of Finance and, functionally, on the Audit Committee. We also have an internal auditor in each of the subsidiaries, who must communicate, in a timely manner, to the Corporate Audit Management any significant risk they have identified, and thus, together, carry out the audit work. The roles, responsibilities and objectives of the Audit Management are based on our Corporate Audit Status Policy.

The company's Audit Committee is comprised of 3 members: Fernando Zavala, Mariela García and Hugo Santa María, out of which the last 2 are independent directors. Committee members have an average length of service of 1.7 years. During the year, the committee held 4 meetings with an average of 100% attendance. The Audit Committee has an annual improvement plan for which this year we plan to train the entire committee and its directors in risk management.

We also have a Compliance Officer at the InRetail level, who is in charge of ensuring that the Model for the Prevention of Corruption, Money Laundering and Terrorist Financing Crimes complies with the requirements of the regulations and our policy. He/she is also responsible for the operation, functioning, effectiveness, and continuous improvement of the Prevention Model.

The Corporate Compliance Officer reports to the Corporate Legal Affairs Department and there are also Compliance Officers at each subsidiary level.

In a joint effort between the Internal Audit area and the Compliance Officer, risk matrices are prepared for each of our subsidiaries and at the corporate level, identifying *operational, financial, compliance and environmental risks*, among others.

As part of the analysis, the following emerging risks have been identified, which we believe are long-term risks that could have a significant impact on the organization.

4.7.1. Emerging risks

Name of the emerging risk	Description	Business impact	Mitigation actions if any
Political Risk	Rise of movements against the free market in favour of statist policies.	Decrease in consumption, difficulty for imports, more expensive credit, lack of liquidity of suppliers. Impact on exchange rate.	Conservative position in the capital structure, lower the level of debt and review of investment projects.
Exchange rate	Political instability generates exchange rate fluctuations.	Impact on the income statement (losses), decrease in liquidity, increase in lease expenses, etc.	Expand the current financial coverage to more comprehensive coverage, look for the replacement of debt in local currency, renegotiation of dollar leases to local currency.
Recrudescence of the health crisis	Increase in infections and deaths from COVID 19, appearance of new strains.	Decrease in revenue from sales of non-essential consumer businesses (25% of the portfolio) due to limitations in capacity, hours of operation and closure of stores due to restrictions on the type of business that can operate.	Strengthening of electronic commerce channels and alliances with the state to make our infrastructure platforms available for the benefit of the vaccination process.

Regulatory changes	Promulgation of legal regulations that unfavorably change the tax framework, leasing conditions and labor costs.	Increase in operating costs.	Strengthening of participation with trade unions and transparent and legal relationship with regulatory entities in search of respect for legality and constitutional rights.
Regulatory changes	Restriction or prohibition of inputs such as types of plastics, supplies, refrigerants, fuels, etc.	Increased costs and expenses in adapting to new regulations.	Collaborate with the working groups of national and local governments to work together on alternatives that benefit the environment and at the same time are progressive for implementation in the business.
Increase in the severity of extreme weather events Change in rainfall patterns and extreme climate variability. water stress	Natural disasters are a common occurrence in the country, triggering floods and landslides that affect the welfare of the most vulnerable communities and force the closure of important roads in the country. It refers to variations in the mean state and other statistical data (such as standard deviations, occurrence of extreme phenomena, etc.) of the climate at all temporal and spatial scales, beyond specific meteorological phenomena.	Increase in travel times, increase in the value of supplies and raw materials, the need to implement new industrial processes and the training of executives, as well as variations in access to the use of water and energy. Variability of prices of products and assortment.	Implement a disaster prevention plan, as well as a climate change mitigation plan through the reduction of greenhouse gases emitted within the operation. Diversify products and producers.
Hydric Stress	Lack of necessary infrastructure to treat and transport water. The coast concentrates 70% of the population and only has 1.8% of the water. Therefore, the demand for water is greater than the amount of the resource available.	Inability to operate and of our suppliers to operate.	Anticipate situations and work with suppliers to find solutions.
Cybersecurity	Cyber risks arise from criminal attempts to damage, steal, or destroy data, compromising websites, servers or disrupting technology infrastructure.	Cyber-attacks can have multisectoral and disruptive impacts on the operation. Inability to operate for a certain period, legal contingencies due to loss of information, economic losses due to identity theft.	Implementation of a plan to strengthen protocols, access controls, communication and training, and ethical hacking. Furthermore, have cyber-attack prevention tools, vulnerability assessment consultancies and a crisis management plan for these attacks.
Availability of human talent	Retain digital talent and replace a workforce dedicated to operational tasks with those who manage systems.	Interruption of the operation and growth of the business.	Promote an innovative, diverse organizational culture that is valued by future generations. Prepare the operational workforce with new skills so they can enter the digital economy.

Supply chain disruptions	External and internal factors can affect the continuity of the supply chain. The war between Russia and Ukraine, the shortage of fertilizers and global warming are some of the causes that can affect the supply of businesses.	Disruption of supply chains.	Diversify suppliers, identify negotiation opportunities to avoid shortages, create alliances with local labor unions and the state to boost the economy and the supply of products in the country.

4.8. Associations we belong to

(GRI 102-12, GRI 102-13)

We work hand in hand with public and private organizations, forming alliances to work in favor of sustainable development in our country. In that sense we are part of the following associations and agreements:

Patronato Perú 2021	Leading companies that carry out good social responsibility practices, with the goal of achieving sustainable development in our country.
Asociación Peruana de Actores para la Gestión de Residuos (ASPAGER)	Promotes the recycling of electrical and electronic equipment waste (WEEE).
AEQUALES Community	Seeks to eliminate the gender gaps in our country, heading with a firm commitment to equity, by being agents of change from the generation and retention of our employees.
Líderes + 1	Promotes positive economic, environmental, and social impact, and competitiveness in the most productive sectors of the country.
Perú Sostenible	Program that aims for the private sector to contribute to the sustainable development of the country in coordination with the public sector, academia, and civil society, with the Sustainable Development Goals (SDGs) as a framework for action.
Desafío Kunan	Annual award for the best social and environmental entrepreneurship in Peru. Identifies the greatest diversity of social enterprises throughout Peru and recognizes those that stand out for being innovative, scalable, and sustainable, offering funds and technical support to take them to the next level.
Pride Connection	Network of companies that provides labor rights to people of the LGBTIQ+ community and promotes safe and inclusive workspaces for their teams.

Sociedad Comercio Exterior Del Perú (COMEX)	Business association that brings together the main exporters, importers, and service suppliers in various economic sectors, such as agro-export, mining, energy, manufacturing, retail, digital, logistics, tourism, infrastructure, and health, among others, with the aim of influencing public policies in favor of employment generation, creation of opportunities and better quality of life for citizens.
Chamber of Commerce	Business association that promotes market freedom, facilitates business opportunities, provides assistance and services, and promotes competitiveness in the private sector.
Fundación OLI	Solidarity platform dedicated to channel efforts and resources, and therefore connect people and institutions for equal opportunities in the areas of environment, health, culture, education, and poverty reduction. We work together with them in the "*Ayudando Abrigando*" Program, for the donation of clothes to vulnerable communities in Cusco, Ayacucho, and Comas, along with the association *Ayudando Abrigando*. The warm clothes were made from plastic bottles recycled at our Ecoven and Ecosmart recycling stations.
Asociación Nacional de Cadenas de Boticas (ANACAB)	Its purpose is to promote that Peruvian families have access to comprehensive health services, and thus obtain safe and effective medicines. Our network guarantees the advice of a team of health professionals whose main interest is to serve and care for patients and consumers.
Instituto Peruano de Economía (IPE)	Non-profit private institution that seeks to promote balanced and sustained economic development, carrying out activities that debate economic policy measures.

The details of our contributions are specified below:

Monetary contributions per year	2018	2019	2020	2021
Pressure groups (lobbying), representation of interests or similar	0	0	0	0
Local, regional, or national political campaigns / organizations / candidates	0	0	0	0
Trade and labor union associations, associations, or tax-exempt groups (for example, think tanks)	68,019	71,758	451,071	431,896
Other (for example, expenses related to electoral measures or referendums)	0	0	0	0

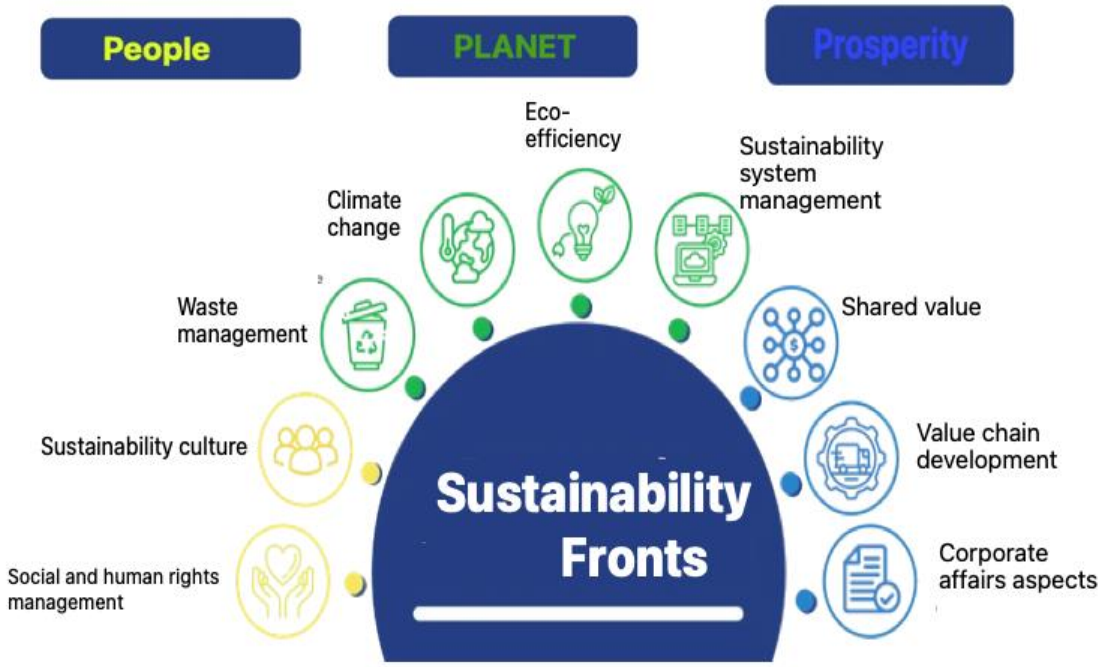
Total contributions and other expenses	68,019	71,758	451,071	280,000
Data coverage (as % of revenue, other)	42%	44%	100%	100%

In accordance with our Policy for the Prevention of Crimes of Corruption, Money Laundering and Financing of Terrorism, at InRetail we do not make direct or indirect political contributions and no employee nor third party that directly or indirectly represents InRetail can make a contribution on its behalf for any type of proselytizing activity.

5. Transforming the places where we operate

At InRetail, sustainability is our way of doing business. We seek to transform the places where we operate by improving the quality of life for Peruvians, generating sustainable and economic development. We offer the best products and services that meet the current needs of the population, at affordable prices and of the best quality, and with a firm commitment to our environmental impact and social inclusion for future generations.

We irradiate sustainability under three pillars: People, Planet and Prosperity, which address 9 work fronts based on our corporate materiality analysis and aligned with our purpose. Each pillar has medium-term corporate goals that allow us to draw a real and tangible commitment for all our operations and value chain. Our Corporate Sustainability Policy Our Corporate Sustainability Policy explains the commitment we have with our different stakeholders: suppliers, employees, the environment and the community.



5.1. Commitments and progress

People

Actions 2021-2022

Front	Main actions 2021	Challenges 2022
Social and human rights management	• Human Rights: evaluation of due diligence at corporate level. • Diversity, equity, and inclusion: internal awareness, workshops, and training with the supply chain in prevention of workplace sexual harassment, discrimination, and human rights. • Diversity, equity, and inclusion (DEI): promotion of women in leadership, recognition of multiculturalism, LGTBIQ+ talent network, 19.8k employees trained in gender and diversity. • Donation of products in good condition that have lost commercial value to non-profit social organizations.	• Human Rights: Closing gaps in the Human Rights plan and extending due diligence to critical business suppliers. • DEI: inclusion of people with disabilities. • Promoting more position in STEM for women. • Development and economic autonomy projects for non-profit social organizations.
Culture of sustainability	• Encouraging Volunteering. • Sustainability Leaders Program in Shopping Malls. • Green Scrum: Innovation and sustainability challenge. • Mandatory sustainability e-learning for operational areas. • Launch of corporate identity: “Irradia Sostenibilidad” (Irradiate Sustainability). • +12.6K employees trained on sustainability.	• Volunteer Program. • Pharma Sustainability Leaders Program. • Execution of 100% of Green Scrum projects. • Sustainability e-learning for administrative areas.

Goal 2025

- Increase 20% of women in STEM positions.
- Increase 20% employees with disabilities
- Companies conduct Human Rights Assessment to 100% of critical suppliers

In process

PLANET

Actions 2021-2022

Front	Main actions 2021	Challenges 2022
Waste management	• Characterization and execution of plans to improve waste management. • Plan for the reuse of cardboard boxes in Pharma processes. • Launch of the waste management program for tenants in Shopping Malls. • Lead the #ReciclaConsciente movement. • Rescue and donation of otherwise waste* in Pharma and Food Retail. • Extension of the recycling reverse logistics program in Food Retail "Mass" stores.	• Launch recycling plan in drugstores. • Corporate joint bidding to improve the sale and processing of waste management. • Improve recycling rates in Food Retail logistics centers. • Promote and improve waste management in the provinces.
Climate change	• Measurement and verification of the carbon footprint, scope 1 and 2.	• Carbon footprint measurement and verification, scope 1, 2 and 3. • Greenhouse Gas (GHG) reduction plans. • Emissions reduction analysis in line with the SBTi.
Eco-efficiency	• Start of operations of the energy cogeneration plant in Shopping Mall Puruchuco. • Launch of the Centauro committee to promote energy efficiency plans throughout the platform. • Technology installation	• Change of luminaires to led lights in drugstores.

Management of the sustainability system	• Design and compliance with corporate policies:
	  ○ Climate Change Policy.
	  ○ Packaging Policy.
	  ○ Sustainable Agriculture Policy.
	  ○ Animal Welfare Policy.
	  ○ o Health and Nutrition Policy.
		• Deployment of digital platform to monitor and evaluate sustainability indicators.
		• Internal audit for compliance with corporate sustainability policies.

* We define waste as all those losses of products or parts of them that occur throughout the distribution and sales chain in the retail market.

Goal 2025

- **Reduce and recycle 60% of the waste generated in all BU operations.** — **In process**
- **Reduce the carbon/sales footprint by 15% (scope 1 and 2), based on 2019.** — **In process**

Prosperity

Actions 2021-2022

Front	Main actions 2021	Challenges 2022
Shared value	• Launch of a challenge to promote innovation with an impact on business.	• Execution and monitoring of shared value programs in all the BU.
Value chain development	• Design and deployment of methodology to assess sustainability risks in suppliers. • Development of MSMEs (micro, small and medium companies) through the *Perú Pasión* program.	• Environmental, Social and Governance Assessment (ESG) for 100% critical suppliers. • Execute sustainability improvement plans for suppliers.
Corporate affairs aspects	• Launch of the IRIS program to foster a culture of ethics and transparency. • 1,984 trained employees.	

Goal 2025

- **Assess sustainability to 50% of suppliers.** — **In process**

- **Develop 10,000 MSMEs through the Perú Pasión program.** **In process**

- **Have at least one eco-friendly or wellness product line positioned in the market.** **To begin**

IRRADIA [IRRADIATE]

To consolidate the culture of sustainability in our team and that of the Business Units, we have IRRADIA, our corporate identity that displays and positions the entire sustainability strategy in our employees.

IRRADIATE SUSTAINABILITY

IRRADIATE DIVERSITY

IRRADIATE VOLUNTEERING

5.2. Contribution to the SDGs

We align and measure the contribution of our sustainability strategy to the Sustainable Development Goals. In this sense, we have identified six SDGs with which we contribute directly, and three that we prioritize: SDG 3 - Health and well-being, SDG 2 - Zero hunger, SDG 5 - Gender equality, SDG 8 - Decent work and economic growth, SDG 10 - Reduced inequalities, SDG 12 - Responsible consumption and production.

Prioritized SDGs in accordance with our sustainability strategy

How do we impact this SDG?		How do we measure the socio-environmental impact?
SDG 8	• We are committed to our employees and our value chain to ensure that we do not discriminate in hiring, compensation, benefits, training, and promotion. We promote a culture of human rights in the company in which we carry out due diligence processes evaluating possible negative impacts throughout the entire value chain to prevent, mitigate and remedy them. • In addition, due to the nature of the business, we encourage youth employment, especially with young people from disadvantaged backgrounds, to promote social development. • Finally, we promote the local economy and culture through the promotion of local enterprises and hiring people from the area.	99.77% average local employees. 583 small enterprises included in the value chain. +90% as an average result of the GPTW indicators People are treated fairly regardless of their socioeconomic status, sexual orientation and gender.

SDG 12	• First of all, we promote circular economy through policies of prevention, reduction, reuse, recycling and waste management by adopting sustainable practices and promoting them with our customers and suppliers. • We have a firm commitment to prevent and eliminate food waste from production to distribution, as well as promoting it throughout our value chain. • Finally, we have a firm commitment to use resources in the most efficient way and use energy efficiently, reduce the impact that our operations have on biodiversity and ecosystems, and promote these practices inside and outside the companies, with our customers, employees, and suppliers.	+7,000TN waste recycled in the operation. +12,000 people trained in sustainability (ecoefficiency, waste reduction and recycling). +200 micro and small recyclers trained (formal and informal) + 90TN of waste recycled through our 54 Recycling Stations.
SDG 3	• For us, the health and well-being of our employees is essential. For this reason, we make sure that everyone has access to health, and we encourage a culture of health and safety at work, being a strategic pillar in the operation of all businesses. • We complement this effort by promoting health among our customers, whom we reach through a wide range of products that allow them to have a balanced life. In addition, we constantly share tips for your health. • Finally, we work with the communities we impact through shared value programs, giving them access to health products and food in perfect condition. In this way, we alleviate their expenses and offer them a better quality of life.	0 fatalities +80 thousand packs of donated medicines. 13 million rations of food donated.

5.3. Stakeholders

(GRI 102-40, 102-42, GRI 102- 43)

Stakeholders	Specific stakeholders	Our commitments	Our communication channels
Customers	Retail and wholesale customers	• Provide quality products at low prices. • Provide safe and accessible facilities.	• Social networks. • *E-commerce.* • Customer care center.
	Tenants		

		• Offer products with social and environmental added value. • Provide clear and transparent information about the composition and traceability of our products.	
Suppliers	Business suppliers Service, asset, and stock suppliers	• Align our suppliers with the standards and criteria of sustainability and quality of the BU. • Evaluate the performance of our suppliers to ensure that they fully comply with labor regulations and practices. • Provide facilities, technical advice, to encourage the development of micro, small and medium companies (MSMEs) and include them in our commercial channels.	• B2B portal. • Camunda. • Website Impulsa Perú Pasión.
Employees	Direct employees Outsourced employees	• Promote their development in an equitable manner avoiding any type of discrimination or unjustified differentiation. • Promote high standards of safety, occupational health, and the environment. • Encourage a diverse and inclusive climate and culture, and meritocracy. • Encourage work and personal balance. • Inform employees about the company's Sustainability policies and practices, promoting their knowledge and participation in activities. •	• Corporate *mailing*. • Corporate events. • *Briefings* in store. • Complaint channels: *ConÉtica* • Internal social networking groups. • Websites. • Sustainability leaders. • Reporters. • Climate and culture ambassadors. • Sustainability Bulletins. • Sustainability reports.
Community	Shopping Malls area of influence Households, common pots, NGOs Waste operators	• Create social value through the generation of employment, awareness and environmental education, and volunteering. • Provide support to vulnerable populations in accordance with their needs and the company's capabilities. • Alleviate hunger and health problems of the different vulnerable populations. • Inform the community about the positive and negative	• Digital advertising. • Digital and physical material in store. • Store cashiers. • Websites. • Company social networks. • Press.

		externalities generated by the company. • When making decisions, consider variables of social impact, such as the inclusion of minorities, gender equality and vulnerable populations. • Encourage the creation of alliances with the third sector, in order to contribute to sustainable development.	
Investors	-	• Provide clear information about the company's environmental, social, and economic performance. • Maintain transparent, ethical, and safe commercial and non-commercial relationships with our stakeholders. • Ensure a positive and growing economic performance.	• Sustainability and corporate governance report. • Websites. • Investor relations area. • Financial statements. • *Conference calls.*

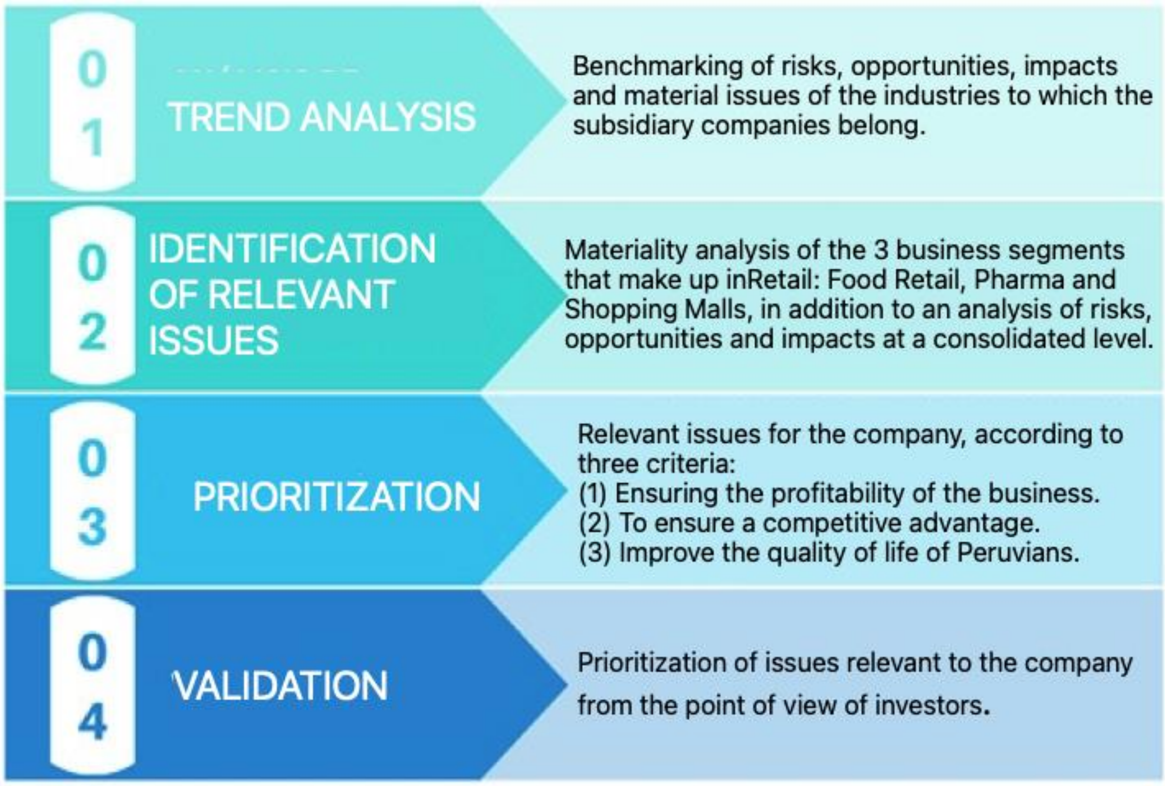
5.4. Materiality analysis

(**GRI 102-44, 102-47)**

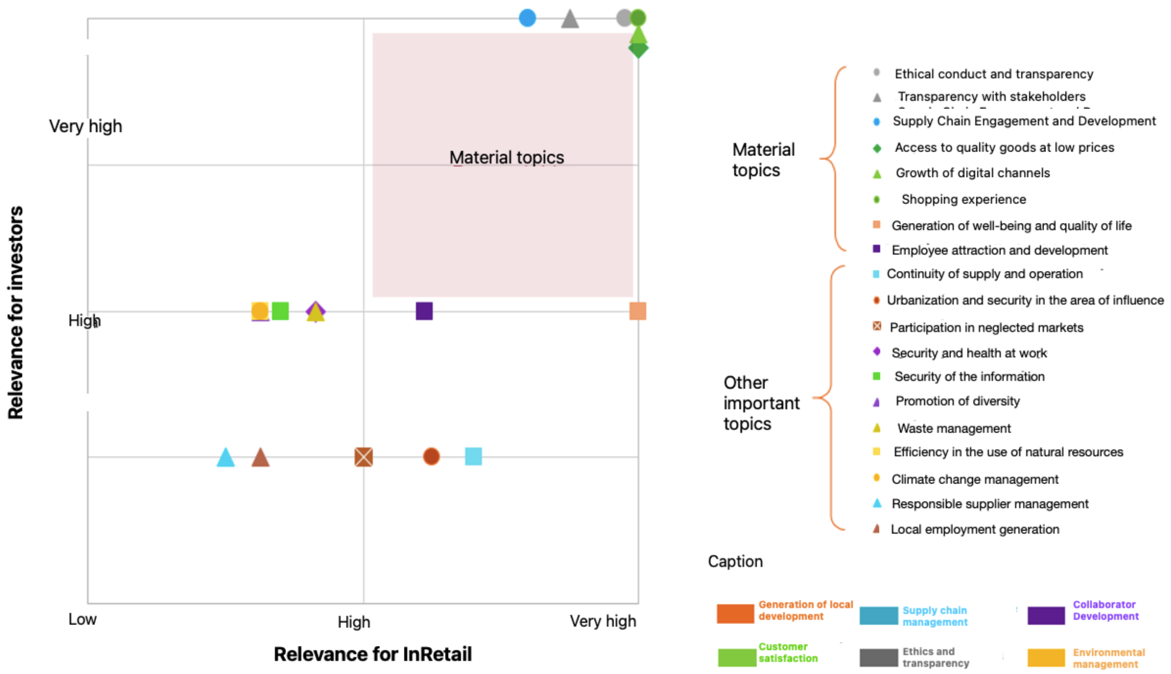
The materiality process analyzes the risks, opportunities, and impacts of the three business units in which InRetail Perú Corp. operates: Food Retail, Pharma and Shopping Malls, determining the main management and reporting issues to ensure the long-term sustainability of the company, and considering the priorities for the company and, in turn, for our stakeholders.

The process was carried out under the *Global Reporting Initiative* (GRI) methodology, which gathers the trends of the retail sector and takes into consideration the perspective of our investors. As a result, 19 relevant issues were obtained for InRetail's sustainability, of which 7 turned out to be priority material issues.

5.4.1. *Materiality process*



5.4.2. *Material topics*



Priority material topic	Definition	Business impact	Goal	Progress
Ethical and transparent conduct	For a company, ethics is of vital importance to define the concepts, values, and beliefs with which the organization and, therefore, its employees identify. It allows building and maintaining a good reputation and positive image, both inside and outside the company.	• Ethics makes business sense because our companies benefit from a reputation for acting with honesty and integrity. • In Peru, we seek to inspire others to act ethically to lead the country into modernity: treating our employees well, paying fair wages, condemning harassment, and showing the same high level of respect for everyone. As a result, we reduced our turnover and increased employee motivation, productivity, and commitment to grow with us. • Honesty in all business dealings with suppliers and being fair and honest with customers produced an excellent reputation that helped us to prevail even in difficult times. • Transparency with our investors is also vital for us to continue to mature in the capital markets, which we actively seek as a company that continues to grow. • Being socially responsible by not polluting the environment and giving back to the community will bring goodwill that will enhance our reputation as a positive force in civil society.	100% of administrative employees took the virtual ethics courses.	1948 Employees took ethics courses.

Transparency with *stakeholders*	Transparency with investors, consumers, and society as a whole, who increasingly demand more; have transparent, comparable, and accurate information on aspects of a qualitative nature (company structure, strategy and activities, among others) and quantitative (financial results).	• Having access to more information allows our stakeholders to better understand the real risks and the sustainability of the business, as well as to measure and compare the impact of business activities on society and the environment.	Prepare and publish an annual sustainability report and quarterly progress reports.	Quarterly and annual reports
Commitment and development of the supply chain	Companies are increasingly aware of this and that is why responsible management of the supply chain is a more relevant trend in the field of business sustainability. This management is an opportunity to improve business relationships, to achieve greater efficiency in processes and to deal with present and future crises.	• Our value chain is a fundamental aspect of our retail business. For that reason, the relationship of our suppliers directly affects the variety, quality and costs of our goods and services. • We need to build a solid connection to ensure trust and negotiate better prices and transparency in their processes. Having an open and ongoing dialogue with our suppliers allows us to manage risk and build better processes and products, from sourcing raw materials to conducting gender equality efforts. • In addition, supporting local suppliers in their growth brings tangible benefits, such as improved brand reputation, exclusivity and employee commitment. The key advantage of strong and healthy supplier relationships is that they can get better value for your business by selling more, reducing risk, increasing assortment, and improving quality and processes.	10,000	10,000
Access to quality goods at low prices	The market today is demanding a change in the traditional relationship between	• As the leading retail company in Peru, we are committed to the country's development and growth by		

	companies and consumers, and demands that they adapt to their capabilities and that they be provided with a quality value proposition. Moreover, people's incomes have deteriorated, and they are demanding that the main products and services required for a normal and even dignified life be within their reach.	providing quality products at low prices. • We developed a commercially viable business model to sell food and pharmaceutical products to middle-class and low-income consumers with the commercial strategy of " low prices every day". Customers buy through traditional "grocery store", where product quality and availability are not guaranteed. • Our companies offer high quality products at affordable prices where we operate, establishing our presence as the first significant private investment in many provinces, and generating customer recognition and loyalty. Reaching new markets allows us to innovate; in this way, we achieve new service formats with lower costs that give us greater efficiency and competitiveness over time. Instead of increasing our assortment, we are strengthening our "white" brands, which have a higher profit margin.		
Shopping experience	Guarantee customer satisfaction through our sales channels	• The shopping experience strategy is based on thinking like the customer and, from there, all company decisions and policies are created thinking about what can be done so that customers live an extraordinary experience at the time to make the purchase. • A good customer experience means making them feel special and unique, while being able to do everything with ease.	NPS customer satisfaction Goal: Food Retail (Plaza Vea: 45%, Vivanda 60%) Shopping malls 49%	NPS customer satisfaction per brand: Food Retail (Plaza Vea: 50%, Vivanda 67%) Shopping malls 41.8%

		This generates confidence in our product or service, security, satisfaction, and that in the end they want to return to our business to repeat that experience. • To achieve a satisfactory experience, all companies are aligned with this objective and make it part of their culture, so that this strategy becomes a constant, since the human capital of a company is direct contact with the consumer and is an essential part of the purchasing process.		
Creating well-being and quality of life	Sale of products that generate physical health, metal health and nutrition. Discuss health and nutrition.	• We promote well-being among consumers through best practices, better communication systems and by helping them to generate a better level of well-being. Furthermore, retailers have positioned themselves as one of the most important economic sectors in Latin America, generating employment, contributing to GDP, developing technological innovation and using organizational flexibility strategies. In addition, they are positioned as the only private investment in many regions and provinces of the country, providing quality products and low prices.	100% digital platforms with healthy products promotion	100%
Employee attraction and development	Retain and develop technical talent, work environment and operation.	• Our businesses are quite dynamic, they require strategies to attract and retain the right talent. For example, in the case of Pharma, our challenge is to develop and train new pharmaceutical chemists to ensure that we can expand our pharmacies in neglected areas, when in Peru the supply of these professionals is very scarce.	+30 hours of training per FTE	33.38

		In the case of supermarkets, we retain young talent with part-time modalities that allow them to continue developing their academic and work life. • In order to retain our teams, we work with our climate and culture areas, which ensure the satisfaction and commitment of our employees through different programs.		

5.5. We promote the integral development of the country

Prosperity

5.5.1. Access to quality goods at low prices

Aligned with our purpose of transforming the places where we operate, improving the quality of life for everyone, our main objective is to bring the best quality products at fair and accessible prices, so that more and more Peruvians can satisfy their basic needs.

We have differentiated strategies for different businesses. At Food Retail we have formats to develop greater presence and market penetration. These are: hypermarket, supermarket, hard discount and cash and carry. For our network of pharmacies, our strategy is to promote savings and low prices.

For both Food Retail and Pharma, we add to this strategy the sale of own or controlled brands, which allows us to build customer loyalty, offering products at affordable prices that they can only find in our stores.

5.5.1.1. Differentiated value proposals

Food Retail

We developed a pricing management tool, called Pricing Go, which allows us to streamline price adjustments, automate management rules and improve controls, so that we always have the best prices in the market and pass these benefits on to our customers. We also implemented a space management and planogram tool called Intactix (Blue Yonder), which improves the display and organization of products in stores. Customer preferences are taken into account when defining the arrangement of products, thus ensuring that they can buy the products they prefer at the best price.

Our stores sell products for mass consumption, electro and home, retail, and wholesale; for personal, family and also for companies' consumption, where we maintain a transversal promise of low prices, through negotiation with our suppliers, which guarantees us to sell our products in a competitive way. Each format has an assortment of products and a differentiated shopping experience in 4 formats, to meet our different customer profiles:

Low prices every day

Retail sale of differentiated products and own brands, aimed at individuals and families.

Think fresh!

Retail sale of exclusive and high-quality products, aimed at individuals and families.

Hard discount format for retail and bulk sale of staple consumer products. Seeks to be our chain with the largest number of points of sale to bring products closer to individuals and families.

Wholesale of mass consumption products, at low and competitive prices, which seeks to meet the needs, not only of families, but also of entrepreneurs, mainly in the HORECA sector.

Pharma

We distribute pharmaceutical, personal care and nutritional products at low and accessible prices through our + 2k pharmacies or drugstores, which are present throughout the country, distributed under two brands. Each one has a sales strategy focused on our customers' savings; in addition, each brand has a different sales experience, which is differentiated mainly by the design and distribution of the point of sale:

Inkafarma provides care through a counter, where a pharmaceutical chemist or a pharmacy technician offers the requested products.

Our sales strategy is based on maintaining customer loyalty by offering **low prices every day**. That is to say that the discounts are already included in the products, through competitive prices. There is also Inkaclub, which offers its members a system for accumulating points equivalent to money.

Mifarma has a sales room with gondolas and shelves available to customers.

The sales strategy is based on building customer loyalty by joining the **savings wallet, offering them 3 types of exclusive discounts:**

- Purchases with discounts.
- Points equivalent to money.
- Discount coupons.

In 2021, the program registered more than 13 thousand affiliates, adding a total of almost 8 million active clients.

5.5.1.2. Own, exclusive, and controlled brands

To ensure accessibility and attractive prices for our customers, our own brands play a fundamental role in our offer. They build customer loyalty and position us as leaders in the market through three types of strategy: profitable, competitive, and attractive skus; differentiated products through assortment and packaging innovation; and bargaining power in our categories.

At Food Retail we have more than 20 own brands; while in Pharma we have more than 30, with which we offer products exclusively, which can be Premium or Gold, with added value and differential in the market, as well as more traditional brands that offer more competitive prices and essential products.

Food Retail

Pharma

5.5.2. New markets

In Peru there are areas where access to health and food services is limited. Our geography and the lack of road routes complicate the appearance of new markets and access to services and represent a challenge for the population and also for our Business Units.

In the case of Food Retail, in 2021 we opened 130 new Mass format stores in Lima and provinces. These stores of approximately 100 to 200 square meters are characterized by having a discount offer, with accessible products, and for being close to our consumers, as well as for selling mainly own-brand products. Furthermore, in the Makro format, wholesale stores that serve the HORECA channel, we opened 2 new stores. As for the PlazaVea format stores, we remodeled 2 stores in 2021.

In the case of Pharma, "We go further to be closer": thanks to our Inkafarma brand, our presence in remote and difficult-to-reach areas has been strengthened, implementing express pharmacies in regions such as Loreto, Ucayali, Cusco, Amazonas, Piura , Áncash, Arequipa, Cajamarca, Huancavelica, Pasco, Puno, Ayacucho, Junín, San Martín and Huánuco, to bring medicines and personal care products, at affordable prices and with a large assortment to places where there is no medical post or hospital , or where people must travel long distances to find guidance from a pharmaceutical chemist and acquire medicines. Our presence in remote areas contributes to the local economy through direct and indirect jobs, such as hiring local suppliers.

In 2021, we add new digital companies, InDigital XP and Agora. The first provides digital solutions and services to the group and includes everything related to the best customer service and experience. Agora is our commitment to a digital ecosystem that comprises three fronts: Agora Pay, our digital payment method, which allows purchases and transactions to be made through a mobile application or a physical card; Agora Shop, our proposal for the *last mile,* where our customers can buy all our brands and receive them instantly; and, finally, Agora Club, our commitment to build loyalty and get to know our affiliated customers better, offering monetary rewards for purchases made through Agora Pay.

Inkafarma, Caballococha, Loreto.

Inkafarma, Paucará, Huancavelica.

5.5.3. Shopping experience and quality of our offer

Year after year, we carry out surveys for our customers to measure the Net Promoter Score (NPS) of our brands. This is an indicator that allows us to know our promoters and detractors, obtaining a percentage to measure the loyalty of our clients in the short and medium term.

The NPS can be as low as -100 (everyone is a Detractor) or as high as 100 (everyone is a Promoter). An NPS greater than 0 is perceived as good and an NPS of 50 is excellent.

Our BUs strive to ensure the best shopping experience for our customers in all channels, digital and face-to-face, offering stores that are always stocked, with a wide variety of assortment, of good quality and at the best prices. Of the transactions made by our customers in Food Retail and Pharma in 2021, only 0.028% ended in a complaint.

Customer satisfaction results (NPS)

	2019	2020	2021
Food Retail *	46.5%	62.5%	53%
Pharma: Farmacias Peruanas **	41%	48%	38%
Shopping Malls	45%	5.7%	41.8%

*The result of Food Retail averages the PlazaVea and Vivanda brands. Starting in 2021, Makro's results are included in the calculation.
**The result of Farmacias Peruanas averages the results of its Inkafarma and Mifarma brands.

Quality assurance and recall policy

Our Quality Assurance and Management areas prevent the risks associated with the marketing of our products, ensuring that they comply with current regulations and that they have the best storage, distribution, and production practices.

Food Retail

The audit and quality area works under a quality management system certified by ISO 9001:2015, under which we evaluate all our suppliers and products in terms of standards, good practices, and microbiological analysis, to ensure that they comply with current regulations and have the best quality. We also carry out quality assurance visits to our suppliers, and, at the same time, audits in stores to ensure safe spaces for handling. In our logistics centers we have staff who evaluate the quality of the products found in our distribution centers. The analyzes are made based on samples. Everything mentioned is done in order to have a diagnosis of the health situation in which our companies find themselves. It is also important to point out that all our plants have the approval of DIGESA.

Main metrics and results

The average audit score obtained in our stores and logistics centers is 93%.

Our goal is to reduce the number of claims regarding product quality problems in five areas: operations; providers; meats, fish, fruits, and vegetables; laboratory; manufacturing center.

	Goal 2021	Achievement 2021	Goal 2022
Quality audit results in stores	92.00	93.3	93.5

Pharma

In the area of Quality Assurance and Management of *Farmacias Peruanas,* we supervise the medicines that are purchased and distributed from the drugstore InRetail Pharma to all the pharmacies under the trade name *Inkafarma* and *Mifarma*, in order to prevent risks in the commercialization of the products in the market. InRetail Pharma is registered and authorized by Digemid and has certifications in good storage practices and good distribution and transportation practices. During the purchase process, the team supervises in detail from the distribution centers located in Santa Anita, Chorrillos, Villa El Salvador (2) and Punta Hermosa (2), the first two being the main ones and from which the distribution to the chains takes place. More specifically, the process varies according to the type of product being marketed. Regular products are those that by their nature are acquired and distributed by the suppliers themselves and are made available for sale as appropriate. Products classified as private label require sanitary registration from Digemid before they can be marketed; for this purpose, a microbiological sampling of all incoming products is carried out, followed by regulatory validation. Additionally, our products must have information on the lot, expiration date and sanitary registration in a legible manner on the labeling.

Recall policy

In the event that our stores have to withdraw a product from mass sale, either because of doubts about its composition or because of a request from a regulatory body, we have processes in place to ensure that the mass withdrawal and return is effective and fast. First we send an immediate communication to all our stores, which remove the products from the shelves or counters; then the commercial team makes sure that the sales code is not available for the physical or virtual vein. If the product must be disposed of, DIGESA is notified and the disposal is carried out with a notary's validity; in the case of Pharma, if the product must be stored, it is kept in a specific place so as not to be cross-contaminated.

5.5.4. Growth of digital channels

At InRetail we are committed to the growth of our digital channels to reach more and more customers and provide them with the best experience through an omnichannel proposal. To achieve this, the marketing and e-commerce areas of each business unit work together, achieving successful results and significant market penetration. We have grown through our click-and-collect sales system, which in the case of Pharma led us to set up an exclusive distribution center, a dark store, to serve our e-commerce sales. To serve our B2B customers, the pharmacies, at *Química Suiza* we transformed the shopping experience to a fully digital one, through the *Mi Química* platform, where customers can access deals and new products, and find out their credit. In the case of Food Retail, e-commerce sales have tripled, compared to the sales of the entire market. In the last year, we have become the leading seller of non-food products compared to our competitors. Part of the strategy used for the growth of our e-commerce is to strengthen our Marketplace through alliances with national and international brands. In this way we increase our product offerings on our websites. In Food Retail alone, through the Marketplace, this year we were able to sell +290 thousand SKUs.

Realplaza.com In 2020, the immobility measures taken in the different cities to prevent the effects of the pandemic forced us to close our doors to our customers for approximately 4 months of quarantine. Nevertheless, this time served as an incentive for us to reinvent ourselves. We decided to transform the experience of our customers and bring the mall to them through a digital proposal. In this way, we set out to contribute to the development of the digital strategy in Real Plaza, promoting omnichannel to add value to our visitors and tenants through different digital products. In 2021, we transformed our website so that through Realplaza.com our customers could interact with the tenants who worked with us and, by the end of the year, we not only worked with tenants, but also with more than 1,000 sellers under a marketplace modality. We want our customers to live the omnichannel and travel from the digital experience to the physical one and vice versa; for this we implemented new sales modes such as click and collect, implementing 3 collection points in Lima and 3 in provinces such as Trujillo, Piura and Arequipa. We also implemented sales via WhatsApp, through a personalized shopper, at no additional cost to the customer; through this channel, the customer can access products from the marketplace and products from our retailers that are not on the web. By 2021, 10% of our physical customers already know and use digital channels; by 2022 we have the challenge of implementing our Real Plaza app.

Mi Química

Química Suiza, from Pharma, is our company that serves B2B customers, such as independent pharmacies and drugstores, clinics, and hospitals, and delivers medicines and other health-related products to their establishments. Pharmacies and drugstores were being managed by expert pharmacy technicians, but with management limitations. So, the strategy is that they can see the portfolio transparently and anywhere. We help them make informed purchases through recommendations and market trends. We decided to innovate and automate our sales channels, launching the first buying and selling platform for Peruvian pharmacies, called "*Mi Química*".

We started with a pilot for 50 pharmacies and drugstores, which showed us that they had digital difficulties. Our challenge was to make these customers feel that the new application would be more efficient than traditional sales. *Mi Química* allows our customers to buy on the spot and have clarity about their accounts, bill payments and due dates, as well as to track their orders. Since 2021, we have had a web version and a mobile application. We have boosted the use of the platform, having a significant growth in reaching +10% of pharmacies in Peru, approximately 1.5k pharmacies, of which 30% come from the digital channel. In 2021 we had more than 1,100 customers, and, according to the Superhuman Metric (a methodology that measures the attractiveness of the platform), 70% of our users stated that they would be very disappointed if the platform ceased to exist. By 2022 we aim to increase the number of customers to 2,250.

Go Medic

With the aim of promoting digital transformation, not only for our clients, but also for our operations, at Pharma we have the Go Medic platform, which is a tool developed in-house and used to improve the productivity of our medical visitors, bringing a record of their work done in the field. On this platform, medical visitors find different modules; in addition, they can record the visits made in the cycle and the medical samples delivered, among other important data. With all the information collected by the platform, different indicators are obtained that will allow us to measure the effectiveness of the medical representative, both in its coverage and in its planning and use of resources. This information is available to each visitor and to the supervisors, so that they can follow up and establish plans that are better focused on their doctors.

5.5.5. Cybersecurity and information security

Our cybersecurity and information security strategy is executed through a "maturity model" that promotes the implementation of material criteria inspired by ISO 27001 and contextualized in the country's legal guidelines (Law No. 29733). At the corporate level, we have a Corporate Technology Vice Presidency (CTO) led by Patricia Wissar. Within her area are the Technology Management and the Information Security Management; together and in coordination, they protect the information of our employees, suppliers, and customers in the different interaction platforms (Microsoft Office, online sales, mobile applications, customer service, etc.). Additionally, each business unit has a person responsible for cybersecurity and information security, which allows the guidelines to be executed, as well as the deployment of corporate policies and tools according to their own characteristics.

Our objective is focused on maintaining and raising the security level of InRetail companies in a reasonable manner, based on the principles of financial efficiency and effectiveness. For this purpose, we have a Corporate Information Security Policy, which includes cybersecurity aspects, as well as information privacy, and seeks to maintain the confidentiality, integrity and availability of the information, resources and personal data of our operations, suppliers, and customers.

We have a board member, Mariela García Figari, with experience in risk and cybersecurity, who has received training, executed, and supervised plans during her professional experience. Furthermore, our CEO is trained in the topics, and works hand in hand with the Corporate Technology Vice Presidency (CTO), in order that the security policy and the different maturity plans are communicated, complied with, and reflect the company's vision. The action plans are reviewed by the Board of Directors on a regular basis. Likewise, the Audit Committee reviews and follows up on cybersecurity cases, which are evaluated by the Board of Directors every three months or less.

To ensure that all employees are responsible for the security of the company's information and resources, we conduct annual trainings such as e-learning on information security, aimed at all administrative employees and included in the inductions of our BU. We also trained 9 security specialists in the Certified ISO 27001 Lead Implementer course.

Finally, we contracted a vulnerability analysis service for the exposed technology which, through attack simulation and network analysis, identified possible risks, which were almost entirely remediated. Both our area in charge and our systems in each company undergo technology and financial audits that are based on the Corporate Maturity Model. In 2021 we had a cybersecurity attack in BU Pharma, which was effectively mitigated so as not to cause damage to the business.

Management tools:

- Maturity Model for the BU.
- Cyber surveillance service for data protection.
- Ethical Hacking and cybersecurity training processes.
- EDR to provide visibility and respond to advanced threats.

Achievements 2021

- We carry out Ethical Hacking: a vulnerability analysis service for exposed technology; vulnerability exercises, attack simulation and network analysis were carried out within this service. 100% of findings were remedied.
- We carry out social engineering exercises, which are simulations of phishing attacks under a theme and target audience. As results, the actions of entering and delivering credentials to the supposedly malicious site are obtained.
- Training and awareness talks about phishing.
- We carried out a security assessment, where we evaluated the cybersecurity maturity of our system and managed to establish a roadmap of projects prioritized by the BU, as well as the maturity ratings according to an international measurement in the sector.

Challenges 2022

- Implement the Corporate CyberSOC, a digital platform for monitoring and cyber protection of information.

Information Privacy

Our Corporate Information Security Policy also seeks to ensure the protection of the personal data of our employees, customers, partners and suppliers. Our BU respects the principles of legality, consent, purpose, proportionality, quality, provision of recourse and adequate level of protection, in accordance with the provisions set forth in Peruvian Law No. 29733 - "Personal Data Protection Law". Therefore, all processing of personal data, including its delivery or transfer to any third party, must be carried out only with prior informed, free, express, and unequivocal consent of the holder of the personal data, unless otherwise authorized by law.

The Corporate Vice-Presidency of Technology (CTO) is also in charge of ensuring the security of personal data information in a corporate manner. To this end, each BU has its own responsible individuals, as well as its brands have Information Privacy Policies based on the aforementioned regulations, which are publicly available to our customers.

In order to evaluate compliance with the company's maturity plan, an internal audit is carried out that specifically evaluates compliance with aspects related to information security. Some of the most important aspects that our BUs comply with are:

- All BU must have an Information Security policy defined, approved, published and communicated to employees. This is reviewed annually and is aligned with ISO 27001.
- They must ensure that the security correspondent of each BU complies with the required functions.
- Each BU must have a committee of information security correspondents to coordinate information security activity throughout the organization.
- They must ensure that the members of the committee of information security correspondents meet regularly.
- They must have Personal Data Banks, in accordance with Peruvian regulations, and safeguard their information in an integral manner.
- They must have recurrent authorized staff with access to the physical Personal Data Bank.
- They must keep an updated record of all access other than that authorized by the physical Personal Data Bank.

In 2021, no customer complaints related to information privacy were recorded.

Check our policies here:

Inkafarma REAL PLAZA Vivanda piensa fresco

Mifarma makro plazavea ahorra más, disfruta más

5.5.6. Supply Change: enhancing to a sustainable value chain
(GRI 103-1, 103-2, 103-3)

At InRetail, we are committed to working with consistent and responsible companies to ensure that environmental and social risks and opportunities are managed throughout our value chain. Our suppliers are the main stakeholders in our sustainability strategy; therefore, we make efforts to evaluate them and standardize practices. Their development generates a positive impact both for their growth and for our company.

Our supply chain strategy is mainly based on three fronts. On one hand, we work with commercial suppliers and the own brands we sell in our stores, which we evaluate with the support of our Quality and Commercial areas; on the other hand, there is the work of the Procurement or Purchasing areas, which are responsible for acquiring, negotiating, evaluating, and managing the suppliers of services, assets and supplies that work for us. Finally, in a transversal manner, there is the sustainability approach, which evaluates and works with suppliers on social, environmental, ethics and compliance issues. All our suppliers, regardless of whether they are commercial or not, receive our Corporate Sustainability Policy for suppliers and our Code of Ethics.

First of all, commercial suppliers are assessed by the Commercial Area of each BU to analyze their possible commercial potential. Then, the Quality Area ensures that the supplier complies with all legal, sanitary and labeling specifications, among other required aspects; the supplier also undergoes audits at its facilities, which it must pass satisfactorily in order to be able to work with us. We also work with our own or controlled brands that we market exclusively.

Non-commercial suppliers can be part of a centralized requirement, through the procurement area, or decentralized, through the different administrative areas. We conduct bids to ensure that we work with the supplier with the most attractive proposal in the market, where we evaluate competitive prices, service or delivery terms, and compliance with legal requirements, as well as administrative aspects, such as having Occupational Health and Safety (OHS) protocols, protocols for attention and prevention of sexual harassment at work, and COVID protocols, among others. The companies are audited and certified in occupational health and safety aspects.

We have a corporate policy that defines the Requirements and Evaluation for non-commercial suppliers. This document determines the level of experience and formal requirements that a supplier must meet in order to work with us; it also establishes that we must carry out a six-monthly evaluation that establishes action measures according to the number of incidents and type of supplier we are working with. Suppliers with a deficient result are registered in a database that identifies them.

(GRI 102-9, GRI 102-10)

Commercial supplier management
• Food Retail: quality assessment, health records, microbiological specifications, labelling, health aspects. • Pharma: works with laboratories accredited by the Ministry of Health. All medications sold in pharmacies must be registered with DIGEMID.

Supplier management tools
• Sustainability guidelines for suppliers. • Criticality analysis of suppliers. • Supplier sustainability risk assessment. • Audit and homologation in OHS. • Requirements and Evaluation Policy for non-commercial suppliers.

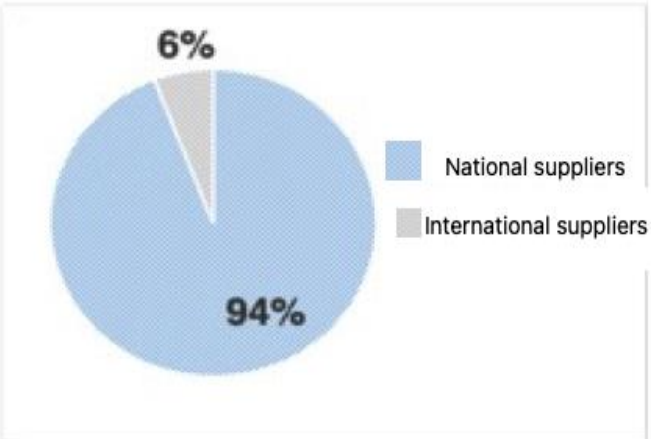
We have more than 8 thousand suppliers among our BUs, these can be commercial (28%) and non-commercial (72%), national or foreign. We mainly work with national suppliers, which represent +90% of all suppliers and who make our operations more efficient, with a lower carbon footprint and with a greater economic impact in our local area of influence.

Suppliers by type

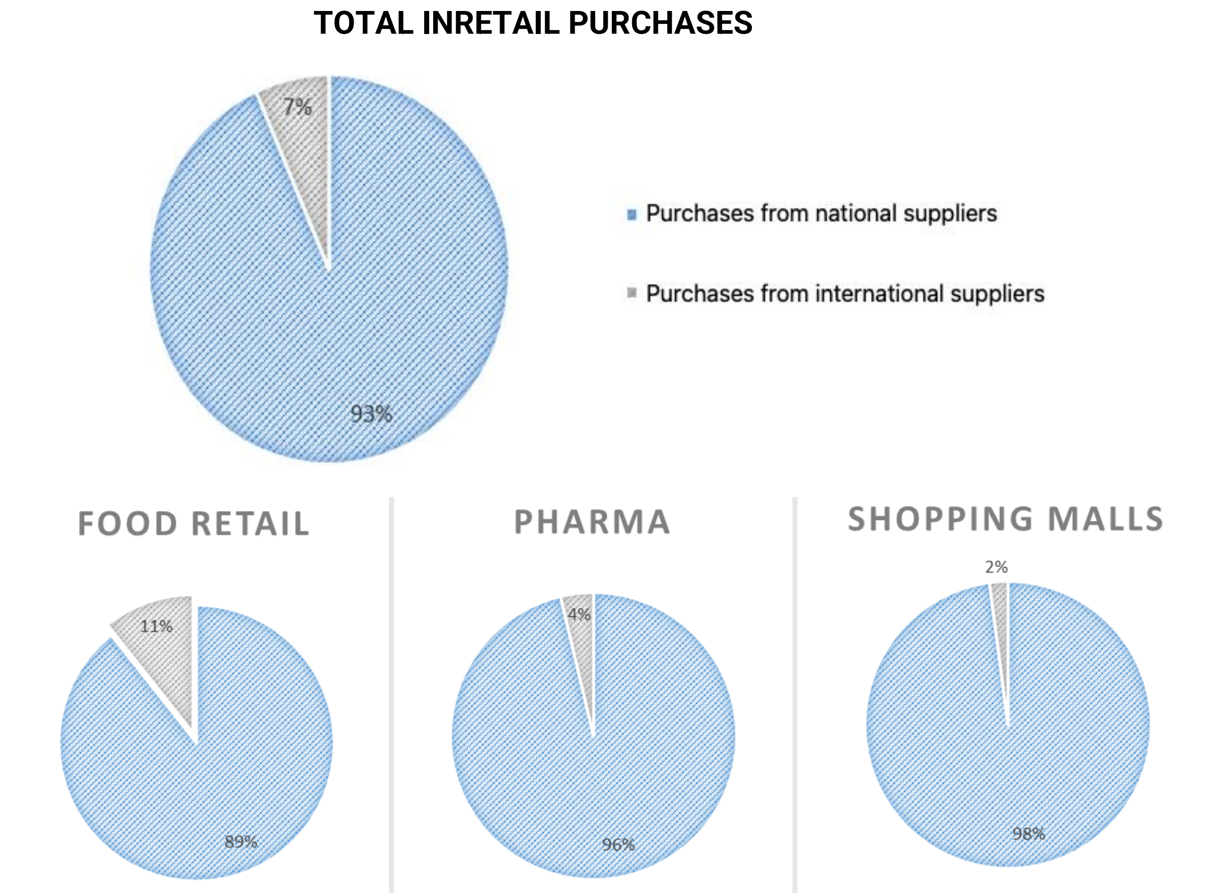
	Food Retail	Pharma	Shopping Malls	Total InRetail	%
Commercial suppliers	2,701	374	0	3,075	28%
Non-commercial suppliers	1,499	6011	278	7,788	72%

Suppliers by origin

	Food Retail	Pharma	Shopping Malls	Total InRetail	%
National suppliers	2,017	6,009	267	8,293	94%
International suppliers	336	172	11	519	6%



Purchases made from national and foreign suppliers



<u>Responsible Supply Chain: managing our potential risks</u>

We are convinced that, by incorporating supply chain management into our sustainability strategy, we ensure that we reduce our exposure to risks and properly manage the impacts related to operations in our area of influence. Thus, at the beginning of 2021, we designed what would be our methodology to evaluate suppliers in ESG aspects, which has been gradually deployed throughout the year for our old suppliers and is mandatory for our new suppliers. This assessment is part of a 3-phase supply chain management plan shown below.

Supplier Sustainability Management

IDENTIFICATION OF CRITICAL SUPPLIERS

1

- Higher turnover
- Business continuity
- Few substitutes
- Own brands

IDENTIFICATION OF CATEGORIES WITH HIGHER EXPOSURE TO ASG RISKS

2

- 4 environmental criteria
- 4 social criteria
- 4 ethical and compliance criteria

SUPPLIER SUSTAINABILITY ASSESSMENT

3

Sustainability assessment website

First, we identify critical suppliers for our business. These represent the most significant participation in each of the BU (80% of purchases) or that have an essential service or product for business continuity or have few substitutes. In addition, our private label suppliers are considered critical because they directly affect the business's quality, assortment and reputation. As of 2021, we have 653 critical suppliers.

	Food Retail	Pharma	Shopping Malls	Total InRetail
Critical suppliers	419	176	58	653

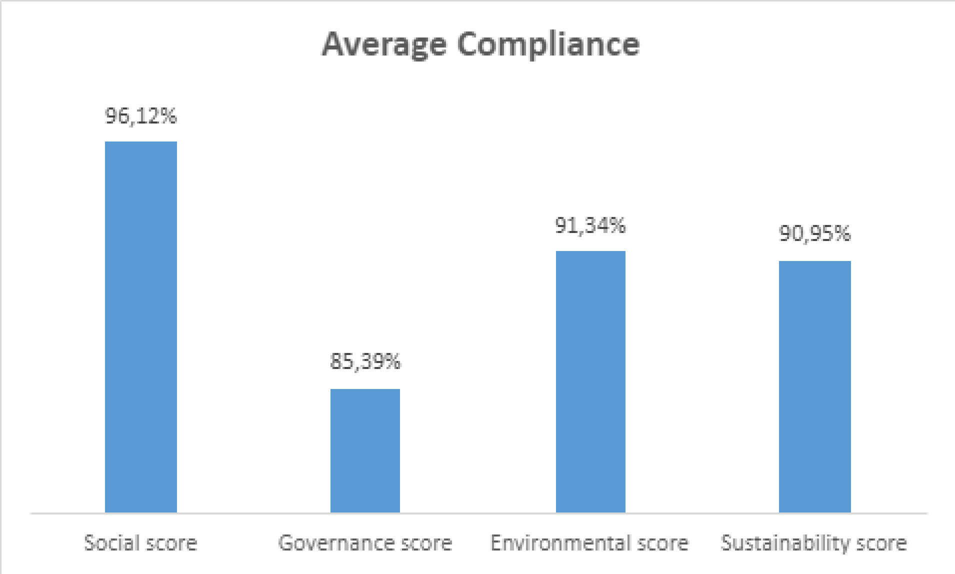
At the same time, we analyze the exposure to sustainability risks of all categories of commercial and non-commercial suppliers with whom we work. Thus, we identify those types of suppliers that represent a medium or high risk in our operations.

Finally, we assess each of our new and existing suppliers against more than 15 sustainability criteria, to identify their level of compliance. Based on their results, we automatically share opportunities for improvement. A supplier will be considered high risk in sustainability if it fails to meet 70% of the criteria evaluated and is in a risky category; as of 2021, we have not identified high risk suppliers in sustainability.

Based on the results of the three steps mentioned above, we have determined corresponding action plans. For example, if we are dealing with a supplier in a high-risk category, who is critical and has a medium or low level of compliance, we will require and work with the supplier on an improvement plan, which will then be audited. This new evaluation system will provide us with information on how our suppliers are performing in their operations and will allow us to make decisions for our own management.

As of 2021, we have analyzed 567 commercial and non-commercial categories; of which 8 represent a high risk in sustainability, both for Food Retail and Pharma.

Likewise, at the end of 2021, more than 350 suppliers of Food Retail, Pharma and Shopping Malls have been evaluated. Of which, 89% have high compliance; 11%, medium compliance; and 1%, low compliance. Our goal is to evaluate 100% of critical suppliers by 2022, and 50% of all our suppliers by 2025.



As a preventive improvement plan, we have put together a Responsible Chain plan, which develops training for our critical suppliers, aligned with our sustainability policies and which will be developed in 2022.

Topics
Topic 1: Eco-efficiency practices and waste management.
Topic 2: Plastic pollution.
Topic 3: Practices related to the correct consumption of water.
Topic 4: Responsible production in marine ecosystems.
Topic 5: Reforestation practices and how to get certified.
Topic 6: Ecological methods in pest control.
Topic 7: Technology and sustainable methods of irrigation and risks associated with water.
Topic 8: Livestock breeding: food and health.
Topic 9: Regenerative agriculture techniques.

In the same way, we have carried out audits and homologations in OHS of our suppliers, as well as training in sustainability, diversity, code of ethics and OHS, obtaining the following results.

	Food Retail	Pharma	Shopping Malls	Total InRetail
Approved suppliers	625	187	0	812

	Food Retail	Pharma	Shopping Malls	Total InRetail
Audited suppliers	573	0	0	573

	Food Retail	Pharma	Shopping Malls	Total InRetail
Trained suppliers	233	562	20	815

Supplier Development

One of the opportunities we identified through the materiality analysis is the development of suppliers, mainly micro and small enterprises (MSMEs) that can be included in our value chain so that they can grow together with us. Therefore, we have developed different initiatives in Food Retail, Shopping Malls and Pharma, such as *Perú Pasión*, *Placita del Emprendimiento*, *Coco Cookworking* and *Gamarra Imparable*, to develop these companies; this way, we have set indicators and goals for 2025 related to the supply chain.

KPI	Goal	Target year	Progress to date
Number of small and medium-sized enterprises with a socio-environmental purpose that sell their products on our commercial platforms.	400	2025	583
Number of MYPES that have been trained in commercial, logistical, and financial skills.	10,000	2025	714
Percentage of critical and risky suppliers in ESG aspects trained to improve their sustainability practices.	50%	2025	12.9%

Developing MSMEs

Perú Pasión

Perú Pasión is our development program for MSMEs, where we give them access to new physical and/or digital sales channels in our companies: Oechsle, Real Plaza, Promart and Plaza Vea, with preferred commercial conditions, and where we also prepare them to succeed through training, mentoring, access to digital tools and media exposure.

During 2021 we influenced 243 ventures, exhibiting more than 5,000 Peruvian products, generating income of S/1.5 million and accumulating 640 hours of training.

Placita del Emprendimiento

With the aim of promoting spaces that serve as a showcase for small commercial, cultural and, above all, sustainable enterprises, we created the *Placita del Emprendimiento*, our Shopping Malls initiative, where visitors to our shopping centers can learn about and buy a variety of products made by Peruvian families.

Entrepreneurs receive a physical module located in the areas with the highest traffic in the shopping center, as well as advice from our team. To date, more than 1,371 enterprises have participated, located in 10 places in the regions of Lima, Cusco, and Huánuco, reporting more than S/3 million in sales.

Gamarra Imparable

Together with the Ministry of Production (PRODUCE), in July 2021 we started the "*Gamarra Imparable*" fair, where we seek to contribute to the reactivation of the national production, especially of the businessmen and businesswomen of the textile sector of the commercial emporium Gamarra, who offer garments made of 100% Peruvian cotton.

Our modules in Real Plaza Guardia Civil housed 48 entrepreneurs who had the opportunity to exhibit their products and generate sales of up to S/250 thousand.

Coco Cookworking

With the purpose of empowering gastronomic entrepreneurs in Peru, the innovation laboratory of our Real Plaza shopping center chain created, in 2019, Coco Cookworking, the first gastronomic coworking in the country, designed so that entrepreneurs from this sector can produce in 100% equipped kitchens, with zero investment, manage and sell their products.

Together with Coco Cookworking we have managed to empower more than 180 businesses, thus becoming the new engine of the gastronomic revolution.

***Compliance* in the supply chain**

We have sustainability guidelines for all our suppliers, which establish the social, environmental, ethical and compliance conditions that our suppliers undertake to comply with. Also, within our purchase orders and contracts we explicitly include the commercial and non-commercial conditions required at the time of initiating commercial relations. In the same way, our suppliers go through a registration process where they sign an anti-corruption clause and receive our Code of Ethics.

Aspects included in our guidelines for suppliers:

- Regulatory compliance.
- Free competition, anti-bribery, corruption, and money laundering prevention.
- Confidentiality.
- Safety and quality of products and services.
- Environmental impact prevention.
- Eco-efficiency in use of materials.
- Optimized use of material resources.
- Prohibition of child labor and labor exploitation.
- Working hours, salaries, and benefits.
- Discrimination, harassment, and sexual harassment.
- Safety and health at work.

5.6. We contribute to well-being

At InRetail we are committed to the generation of well-being, so our policies and practices are aimed at improving the quality of life of our talent, our customers, and the community. Therefore, we have established a transversal culture of well-being, which includes as a central axis the promotion and full recognition of human rights in our value chain. Each of the fronts and initiatives that we develop for the well-being and quality of life of our people will be presented below.

5.6.1. Well-being for our talent

InRetail has more than 40,000 employees in our three business units. Thanks to their efforts, our company is a leader in the retail sector in Peru. That is why we are committed to working for the integral development of human talent: personal, professional, and technical; as well as providing safe work environments, always maintaining a focus on diversity, inclusion, and gender equality. Our strategy is supported by the Human Management Committee and is based on the following pillars:

- Talent attraction and retention.
- Development and evaluation.
- Well-being and culture.
- Occupational health and safety.
- Diversity, equity, and inclusion.
- Human rights.

5.6.1.1. Meet our team

(GRI 102-8)

Our team is made up of people who work every day with conviction to deliver the best products and services to the Peruvian market. In each of our business units we have committed employees who carry the name of our group with pride and responsibility. In 2021, we were joined by a total of 44,298 employees.

Company	2021		Total 2021
	F	M	
Food Retail	10,358	11,379	21,737
Pharma	16,494	5,313	21,807
Shopping Malls	182	265	447
Digital	151	156	307
Grand Total	26,780	16,033	**44,298**
Participation %	62.55%	37.45%	**100%**

Of the total number of employees, we have full-time, part-time, and intern workers, resulting in 40,476 *full-time equivalent employees in* 2021.

	At the end of 2021
Total FTE Food Retail	17,957
Total FTE Pharma	21,805
Total FTE Shopping Malls	438
Total FTE Digital	281
Total FTE InRetail	**40,476**

Likewise, in our operations we have the support of contractors, from whom we obtained different services that allowed us to offer the quality and excellence known by the market. At the close of 2021, we had 4,352 people collaborating under this modality.

	At the end of 2021
Total Food Retail contractors	2,328
Total Pharma contractors	995
Total Shopping Malls contractors	1,029
Total InRetail contractors	**4,352**

5.6.1.2. We attract the best talent

The nature of our businesses is dynamic, which requires proactive strategies that allow us to attraction and retain the right talent. To this end, our attraction and selection policies for each UN seek to establish fair and bias-free processes through semi-blind selection processes that include practices such as: elimination of personal data in the long lists and CV of candidates, leaving only the data related to the knowledge and experience of the applicant. We also have the participation of men and women as evaluators in the selection process and the formation of mixed shortlists. In this way we promote, from our selection process, the formation of equitable teams.

In addition, we have different channels that seek to bring our job offers to the best talent. Since 2018, we have had an Employment Portal, where we manage the job opportunities available, at different levels (personal, professional, and technical), for each of our business units. We also believe in the potential of our employer brand, so we constantly interact with universities and institutes, providing lectures and programs aimed at training professionals who meet the competencies required to perform in our teams. Finally, we believe it is important to share and spread the organizational culture through inductions, so that new recruits are aligned with our values and competencies.

In the Food Retail segment, SPSA's attraction and selection strategy is defined by a proactive recruitment that allows us to cover the needs of the operations well ahead of time. Each leader, according to the store format and area in which he/she works, knows the dynamism of the operation, according to the business seasonality; hence, we capitalize such information to cover the positions according to the particular needs. We recruit administrative and operational talent. In the first case, we measure the effectiveness of the processes closed within the established deadline, exceeding our annual goal, and achieving 97% of processes on time; likewise, 98% of the selection processes have been semi-successful. Regarding our operating staff, being a highly dynamic industry, with high turnover and seasonality, we seek to have the smallest gap between required and hired staff. We hire young talent on a part-time basis, which allows them to be flexible with their schedule and to continue developing their academic and work life. In order to retain our teams, we work with our climate and culture areas, which, through various programs, ensure the satisfaction and commitment of our employees.

At Pharma, our challenge is to develop and train new pharmaceutical chemists and pharmacy technicians to ensure that we can expand our pharmacies in neglected areas, when in Peru the supply of these professionals is very scarce. Currently, we have 2,100 pharmacies, 13,000 pharmacy technicians, and 4,000 pharmaceutical chemists around the country, and we constantly work in alliances with universities and institutes to attract and retain the best talent. We have specific programs, such as the *Formación Dual* Program, which allow us to get involved in the professional training process of our future employees and increase the offer of the profiles we require.

***Formación Dual* Program**

This program is focused on closing the gap of professionals in the health sector, which impacts our business model due to the limited supply of pharmaceutical technicians specialized in customer service in pharmacies. In this sense, and aware that talent retention must be a transversal process that starts with attraction, we are committed to training our future employees, for which we established an alliance with Zegel Ipae, with whom we alternate theoretical and practical training for the student. We offer our establishments, where future pharmacy technicians receive practical advice from our professionals, while receiving a financial subsidy to finance their studies and to pay the student's salary. In this way, we contemplate a greater supply of professionals with the excellence and quality that we promise our customers. In 2021, we launched a pilot program and had 72 students who completed the academic cycle.

At Shopping Malls, we mainly recruit administrative talent through specialized processes by position. We measure and evaluate compliance with the deadlines established in each phase of the process; we also make sure to guarantee a pleasant experience for the candidates, whether or not they are selected.

At InRetail we provide jobs to thousands of Peruvians, as we are convinced that much of our growth is due to the value of our people. Our priority is to recruit internal talent for open positions.

	2018		2019		2020		2021	
	Incorporations		Incorporations		Incorporations		Incorporations	
	Men	Women	Men	Women	Men	Women	Men	Women
SPSA	4,431	2,476	3,467	2,341	3,975	2,099	6,517	5,004
IR Pharma	1,448	4,093	1,583	5,625	2,191	5,862	2,620	6,388
Real Plaza	37	33	71	46	26	25	57	47
Total InRetail	5,916	6,602	5,121	8,012	6,192	7,986	9,194	11,439
	12,518		13,133		14,178		20,633	

	2019	2020	2021
Incorporations with internal staff	13.38%	16.50%	5,46%

Average cost in soles of contracting per FTE	S/ 104	S/ 66	S/ 93
Scope	All InRetail	All InRetail	*Food Retail, Pharma y Shopping Malls excluding Digital

5.6.1.3. We build the best workplace

As a group we are committed to transforming the places where we exist, seeking to improve the quality of life for everyone. Therefore, we build work environments focused on providing high-impact experiences, through the cultural pillars and values that guide the performance of each of our BU.

Food Retail: Tomas@

The values and behaviors that guide the *Supermercados Peruanos* team are under the acronym of Tomas@, who is, along with Tomás, the company's character. Each letter means a cultural pillar and within each of them there are golden behaviors.

T

Transparent and honest

- I tell it like it is, conveying my ideas, intentions, and expectations clearly.
- I am consistent with my actions; I know and enforce the rules, policies, and cultural pillars of the company.
- I assume my responsibility in any circumstance

O

Oriented to people

- I value people, their efforts, and virtues.
- I genuinely care about people's development and well-being.
- I treat everyone equally, both clients and employees, with the respect and cordiality they deserve.

M

Most efficient and results oriented

- I focus my efforts on achieving the results outlined by the organization.
- I anticipate the needs of the business and seek solutions by making the best use of available resources.
- I seek excellence as a minimum standard.
- I am permanently concerned about maintaining order and cleanliness of my environment and my team.

A

Attitude for innovation

- I contribute ideas that generate improvements in our processes and tasks.
- I look for innovative solutions to everyday problems.

- I am attentive to the best market practices to contribute to the improvement of processes and results.

S **Spirit of the team**

- I think about what is best for the company before making any decision.
- I collaborate and help the team proactively.
- I value my team members and their contributions.

@We embrace diversity

@

- We are different and we achieve great things.
- I treat everyone equally and without labels.
- I create workspaces free of harassment and bullying.
- I encourage everyone to achieve their goals regardless of gender or sexual orientation

Our challenge for 2022 is to adapt the Food Retail pillars to our new companies, Makro and Oslo, according to their own identity, so that each employee can experience the culture in their day-to-day life.

Pharma - Farmacias Peruanas

In the case of *Farmacias Peruanas*, ELICE's culture is based on 5 values, each one with behaviors that our employees must always consider:

Values **Behaviors**

E Efficiency

- Showing genuine concern for results.
- Setting clear goals and measures.
- Achieving more with fewer resources.
- Identifying opportunities for synergy and looking for comprehensive solutions.

L Leadership

- Looking for innovative ways to create value for the company.
- Inspiring and motivating others.
- Devising competitive and innovative strategies and plans.
- Being able to transmit our purpose.

I Integrity

- Being consistent, practicing what we preach.
- Acknowledging our mistakes.
- Showing a transparent attitude.
- Acting according to our values.

C

Customer

- Striving to exceed expectations and meet the needs of our internal and external customers.
- Obtaining customer information and using it to improve products and services.
- Making decisions with customers in mind.
- Establishing long-term relationships of trust.

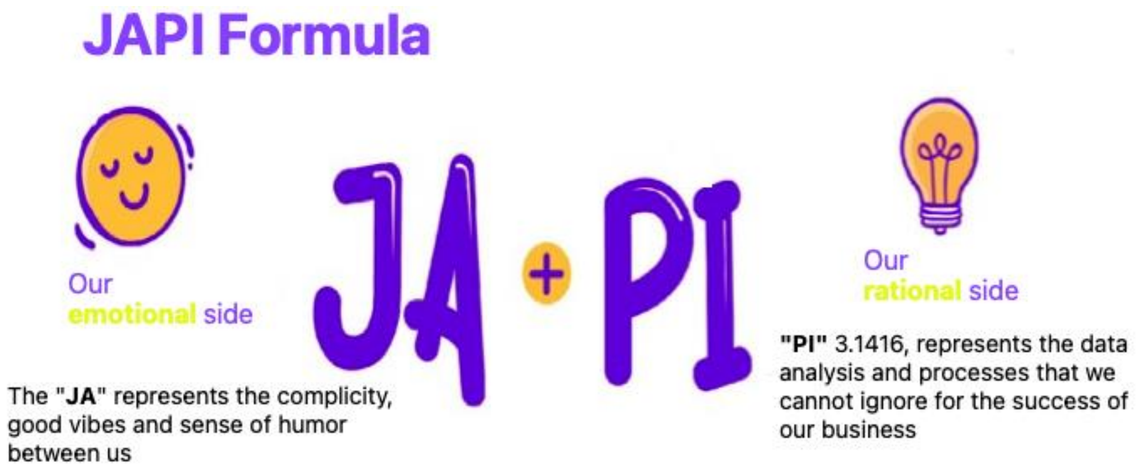
E

Team

- Showing a proactive attitude for the permanent development of all the brands, formats, and channels of the organization.
- Listening openly and actively.
- Respecting the ideas of others.
- Developing constructive and effective interpersonal relationships.
- Privileging the global vision over your own

Shopping Malls: The Japi culture

The JAPI culture of Real Plaza is based on the formula of adding the emotional and personal side of the team to its rational side to achieve success. This formula is summarized in 10 behaviors that are shared by everyone: the Japi Manifesto.



10 statements	1. We build relationships with transparency and good vibes.	2. We embrace diversity and differences.	3. We take care of ourselves and each other.	4. We value gratitude and humility.	5. We take time to live our passions.
	6. We test. We are wrong, we try again without fear.	7. We question in order to build.	8. We do the best we can with what we have.	9. We keep awake our curiosity about the world.	10. We are passionate about making our purpose a reality.

Every year, our Climate and Culture teams undertake high-impact initiatives with the aim of involving all our employees in activities that allow them to maintain a balance between their personal life and work. Below, we'll introduce some of the featured programs for each of our business units.

Food Retail

Pensar bien, estar bien

Committed to the mental health of our employees, in 2021 we launched "*Pensar bien, estar bien*" ("Think well, be well"). This program, which led to the creation of a podcast on Spotify, as carried out under the advice of a group of psychologists, with whom the content guides were developed. The topics that were addressed arose from the very needs of our employees, whom we consulted about their interests or shortcomings in relation to their mental well-being.

Thanks to this program, we managed to spread a culture of comprehensive care for the well-being of the employee, their family and environment, joining us as allies in the day-to-day life of our people.

Mes de Colaboración

Focused on developing the mindset of collaboration in our talent, between October and November we launched the *"Mes de Colaboración"* ("Month of Collaboration"). This initiative hosted a series of weekly activities that aimed to open spaces to share learning and change certain limiting thoughts for teamwork. To this end, we have the support of various speakers in talks and workshops, with the participation of La Victoria Lab being outstanding.

Pharma - Química Suiza

<u>Conectados</u>

In 2021, our Química Suiza team has deployed various programs to improve the level of internal communication, which seek to build horizontal and close relationships between leaders and employees throughout the organization. Based on the above, we found "*Conectados*" ("Connected"), a program that makes use of various channels to strengthen communication between teams, leaders, and the Human Resources Department. Among these channels is the "*Conectados*" application, which brings together all the functionalities necessary to guarantee unique and high-value user experiences. Also, as part of "*Conectados*", there is the "*Sin paltas con Kari*" space, where the Human Management leader talks directly with the operators of the distribution centers, in an open and transparent space, in order to carry out a diagnosis that allows us to make significant improvements in their experience with the organization.

Pharma - *Farmacias Peruanas*

Sintonizados

These are spaces for communication and active listening between employees from different areas and levels, which led to greater participation in cultural activities by the entire company. They were born in 2019 with the purpose of strengthening our culture of communication and active listening, as a result of our cultural integration process between the Inkafarma and Mifarma brands. As a result, we created spaces focused on 3 levels and suitable for all our audiences. Moreover, due to the current situation, we have adapted these spaces to the virtual world. Between the 3 levels, an average attendance rate of 89% was achieved.

Furthermore, as is customary, in July 2021 we held "*Inkaraymi*" and "*Integraciones*", events that seek to recognize the best pharmacies, store leaders and outstanding pharmaceutical chemists of our chains: Inkafarma and Mifarma.

Ruteando con el corazón **(Traveling with the heart)**

This program seeks to keep our management team and drugstore owners connected at a national level. It gathers, on a voluntary basis, the human resources team and the organizational leaders to undertake a national tour to visit the more than 2,000 drugstores of our group. The purpose of these visits is to obtain a diagnosis of the situation of our employees in order to implement measures focused on providing them with the best experience. At the same time, "*Ruteando con el Corazón*" is an opportunity to establish close and sustainable ties for the benefit of all those involved. We have visited more than 1,000 drugstores and listened to more than 10,000 employees in the Coast, Highlands, and Jungle.

Shopping Malls

The Japi experience

The culture of Real Plaza, from Shopping Malls, is represented by Layo the lion, who is known as the company's "Director of Culture and Happiness". The goal is for everyone to be happy and share their happiness with the mall's visitors. The Japi experience is the route that our new employees follow once they join the company and is accompanied by Layo, through the different communication channels that we have. First, at the time of their induction, employees receive a New Member's Handbook, as well as a Guide to Becoming a Real Friend or a Leader's Guide, if applicable. We perform continuous follow-up during the first month of work and communicate directly with employees to ask them about their experience working at Real Plaza. We use channels such as social networks, WhatsApp with Layo and a Jappi App to make available to employees all the information about corporate benefits and about their work. Likewise, we hold "*Japi Conectad@s*" events, where the CEO reports on the company's main advances on a quarterly basis.

Satisfaction of our employees

Ensuring that our employees exceed their expectations regarding the work environment in each of our business units is one of the most important objectives that we have as a group, as we are convinced that the best results are obtained in environments that allow us to be happy. To measure the satisfaction of our employees, year after year we conduct climate and culture surveys using our own methodologies. Our historical Climate survey results are:

Results by business unit

	2018	2019	2020	2021
Food Retail	85%	82%	84%	81%
Pharma		73%	75%	77%
Shopping Malls	91%	91%	91%	93%

InRetail average results and goal

	2018	2019	2020	2021
Climate survey result	88%	80%	81%	82%
Companies considered	Food Retail and Shopping Malls	Food Retail, Pharma and Shopping Malls	Food Retail, Pharma and Shopping Malls	Food Retail, Pharma and Shopping Malls

Goal 2021	83%

Turnover rates

Due to the nature of our business, we experience a high dynamism regarding the entry and exit of talent in our teams. This means that we face a risk of high turnover; nevertheless, from Human Resources Management we are committed to improving our ratios for the benefit of the stability of our people and the continuity of our operations. The average annual accumulated group turnover is shown in the following table:

InRetail	2018	% Total turnover	41.49%
		% Voluntary Turnover	29.53%
	2019	% Total turnover	41.98%
		% Voluntary Turnover	32.07%
	2020	% Total turnover	30.94%
		% Voluntary Turnover	22.14%
	2021	% Total Turnover	36.54%*
		% Voluntary Turnover	26.20%*

*In 2021, InDigital XP and Agora (Digital) were included

5.6.1.4. We grow as a team

A priority aspect in our human management strategy is the promotion of internal growth. The dynamics of our business units can be very challenging; For this reason, we work on development programs that allow us to retain the best talent and ensure their growth, not only within your company, but in the companies of the entire group.

From the moment they join the group, employees are supported with inductions, training and development plans. Their performance is evaluated annually, with objective processes and methodologies according to their position.

Training programs

We develop training programs that not only strengthen our employees, but that are aligned with the needs of the companies; in this way, they can apply what they have learned and generate internal changes in the company.

We have tools such as: inductions, internships, development methodology 70%, 20% and 10%, continuous learning (training programs) and identification of possible high potential and high performance (called Evaluation 9 box).

33.38 Average hours of training per FTE

110.41 Soles invested in training by FTE

Number of people trained

	Men	Women	Total 2021
Food Retail	9,741	8,373	18,114
Pharma	6,202	19,908	26,110
Shopping Malls	234	161	395
Total InRetail hours	16,177	28,442	44,619

Total hours of training

	Total 2021
Food Retail	660,357
Pharma	664,633
Shopping Malls	5,877
Total InRetail hours	1'330,867

Intercorp Retail Mentoring Program

We launched the corporate mentoring program, which seeks to enhance the skills of employees accompanied by leaders with experience in different areas. We work with 50 mentors and 50 mentees, from all the group's BUs. This program helps employees to define their main objectives, and to trace paths to achieve them. Our objective is to strengthen InRetail's culture, promote the integral learning of mentors and mentees, and enhance the professional and personal growth of our employees.

We promote your development 70:20:10

This methodology integrates experience, informal learning, and formal education into a whole, to achieve more effective and complete learning. Here 70 means developing competence through practice; 20, through the knowledge of others; and 10, through training, readings, and articles. The purpose of all this is to ensure that our employees are always aware of their development and self-manage their own growth.

To reinforce this, we developed the following activities that help our people to prioritize their careers and encourage them to continue seeking development opportunities in the company:

- Tutorials about the use of the tool on our WeConnect platform.
- Self-evaluation.
- Performance evaluation workshops.
- 360 Evaluation for all leaders in WeConnect.
- 361 Evaluation for Intercorp talents.
- Tutorial videos about the process.

#DescubreYAprende - Food Retail

Our annual learning plan since 2021 has been called "*DescubreYAprende*", a safety net that allows us to show all the learning initiatives we will have during the year. It is a program with clear guidelines to promote self-management of learning in our employees.

The fronts of #DescubreYAprende are:

1. Regulatory Knowledge: audited courses that apply to the vast majority of Food Retail employees, such as IRIS (*Intercorp Retail Siempre Íntegros*), Zero Harassment, etcetera.
2. Transversal Knowledge: courses aimed at the entire organization without distinction, such as ergonomics, unconscious bias, *ConÉtica*, etc.
3. Specific Knowledge: skills directed by area or management according to the diagnosis made.

Grow 3D - Pharma: *Química Suiza*

This program, aimed at our supply public, seeks to promote the comprehensive development of employees: professional, personal, and family. It is structured on 3 axes:

- *Casi Casi (Almost)*: 100% scholarship program for employees, time to study and mentoring. Mainly focused on helping our employees to complete their truncated studies. Every semester we deliver 12 scholarships.
- *Escuela de Montacarguista* (School of Forklift Drivers): program that finances 100% of training to become a qualified forklift assistant and soft skills workshops. It is aimed at women and seeks to provide tools and skills to our employees in order to train a responsible committed woman. It has 3 levels, from basic to advanced, and uses theoretical-practical methodology.
- *Familias Guerreras* (Warrior Families): employability program for families and employees that teaches entrepreneurship and business management. There are 4 modules: development of creative thinking; creating my brand; management of digital platforms to sell your product or service, and finances for entrepreneurship.

The School of Success - Pharma: *Farmacias Peruanas*

Because of the pandemic, problems of the Peruvian Pharmacy population were identified, and we decided to solve them through the School of Success. The uncertainty and fears of our population of pharmacies in the relationship with customers were addressed. The first pillar is the emotional world, which was aimed at emotional development for our team to assume a leading role in their jobs, and we worked within the Corporate University between 10 and 12 capsules, depending on the profile of each employee. The second pillar is the experience with customers: we thought about customer service and their new fears and needs. We conducted recreational training, challenges and incognito customer programs, and reinforced sales through customer counseling. The third pillar is product reinforcement, where we provided product knowledge, sales dynamics, and training by type of product so that our pharmacy staff has greater expertise.

<u>Performance evaluations</u>

As part of the employee's journey, we conduct annual performance evaluations to identify learning opportunities for each employee, as well as potential talents in our team. The evaluation has different identities per BU, but works under a single type of methodology, aimed at 100% of InRetail employees, with the following phases: 1. Self-evaluation, 2. 90° or 180° evaluation 3. Feedback with the team.

The process ends with feedback from the team, and also on the evaluation process, where the employee, based on the results, must establish an improvement plan and goals for the following year. The improvement plan is based on the 70%, 20%, 10% methodology already mentioned; furthermore, the employee must define, together with his/her manager, annual objectives related to work achievements. The results of the performance evaluation will define a development path for the employee and possible growth opportunities.

Number of employees evaluated as of 2021:

	Food Retail		Pharma		Shopping Malls		Total InRetail		% respecto al total de colaboradores de InRetail
	M	W	M	W	M	W	M	W	
Number of employees evaluated by objectives (performance evaluation)	7,307	6,415	1,013	2,263	277	192	8,597	8,870	40.80%
Number of employees evaluated by performance with a multidimensional approach	358	314	151	119	234	161	743	594	3.12%
Number of employees evaluated by competencies (9box)	869	727	212	232	208	129	1,289	1,088	5.55%
Total	8,534	7,456	1,376	2,614	719	482	10,629	10,552	

5.6.1.5. We take care of our team

Our Wellness Departments seek to ensure the best experience and care for our team, providing health benefits for our employees and their families, and promoting a balance between personal life and work.

Work flexibility and home office

We have a summer schedule for the first months of the year, which consists of working on Fridays until noon; in addition, our employees can choose between two work shifts, according to their convenience. In the specific case of Food Retail, we have a 30-hour leave book so that our administrative staff can use it freely during the year, without having to justify or explain the reason for its use; and for the operative staff, we have a leave book for personal activities, which may be related to promotions, personal celebrations, and family matters, among others.

In 2021, we began to plan the return to on-site operations, which would be executed in a hybrid manner in 2022. This is how IR Return was born, a program that sought to establish the procedures for a safe return to the offices. We made workspaces available to our employees on a voluntary basis; to this end, we developed an application that allows us to reserve rooms, a desk and lockers in advance. In addition, through our App Salud, we carried out preventive triage for people who would access our offices.

We provide facilities for employees who have family members with a terminal or serious illness in their care. Regarding an employee with a relative who has suffered an accident, 07 calendar days are granted according to Law. Likewise, when employees have a family member with Alzheimer's, they have the right to request and receive- in agreement with the employer- extraordinary work facilities that allow them to attend to situations related to the evaluation and urgent care of the family member.

Benefits for parents

We have corporate staggered return policies for our moms and dads returning from maternity and paternity leave. They can then take the option of working part-time for one or two months after their leave days. We have also extended paternity leave days in each business unit: 7 additional days in Food Retail, 5 in Shopping Malls and 6 in Pharma. Following Peruvian regulations, we grant a monthly family allowance in soles to all employees that are fathers and mothers. Furthermore, in both Food Retail and Shopping Malls we have adoption policies that extend to the LGTBIQ+ community and recognize additional days to those granted by law.

At Food Retail we have the "Maternidad de a 2" (Maternity of 2) program, which encourages co-responsibility in the functions of the home and raising children; we offer talks in agreements with maternity clinics and companies and provide interviews with maternity specialists virtually. We also organized the "Children's Club", aimed at the sons and daughters of our team. This is a platform where they can find videos and a booklet of activities by age for all those enrolled.

Health benefits

Every year we carry out activities and programs for the health and well-being of our employees and their families. We have occupational physicians, psychologists and a wellness area that is always available to our team. We focus mainly on health and nutrition, medical care, mental health, and COVID-19 prevention; to this end, we apply corporate initiatives such as our alliance with Kunan salud, an immediate telemedicine service available to all our employees. Through this platform, we have nutritionists, psychologists, and doctors, as well as trackers of good habits such as exercise, water consumption, diet and breathing, among others. We also have the mobile app *ConsultApp*, for monitoring COVID-19 symptoms, in order to detect possible cases of contagion and take preventive measures; we have also performed rapid and molecular tests to rule out cases of contagion.

Also, each business unit develops its own health initiatives; for example, Food Retail annually carries out the Caravana de la Salud (Health Caravan) campaign, through which it offers ophthalmologic and dental campaigns, diabetes and overweight detection, as well as nutritional campaigns with care every 15 days.

Pharma launched the internal communication program Aliados de la Salud (Health Allies) to strengthen the culture of self-care and prevention of COVID-19; tips, short videos, webinars, and testimonial videos that are easily accessible to our team were shared. Also, as part of the campaign, different pharmaceutical chemists from the team participated to share preventive measures in order to avoid contagion.

In the same way, Química Suiza, from Pharma, launched the campaign "Guerreros con Química: la batalla continúa" (Warriors with Chemistry: the battle continues). The objective was to promote a culture of hygiene, health, and safety, encouraging our "warriors" not to lower their guard, because our invisible enemy (COVID-19) is still out there. Our internal protocols and health and safety measures continue to be reinforced for both our warriors and their families. This campaign comprises six "shields" or initiatives:

1. Leading Warriors Battalion: which consisted of the formation of a Covid-19 Committee, where the general management participated; also, the opening of a continuous live communication channel and recognition of leaders who took leading roles in preventive actions was carried out.
2. Armor to protect ourselves: tools for care, where we reinforced safety and health protocols, for example, the delivery of protection packs, oxygen balloons for those who need them, and home delivery buses.
3. Technology to win: we developed a new digital transformation strategy, in order to use technology for prevention, control and monitoring of COVID-19, resulting in a quality service and greater reach to our audiences, according to each need.

4. Warriors always connected: we established new communication channels and strengthened other existing ones. For example: *app conectados*, *WhatsApp conectados*, mailing, face-to-face and virtual events.
5. School of warriors: we provide coaching and training for leaders, supervisors, and bus leaders. We also offer virtual communication training for the medical team, protocol and communication training for suppliers and security staff at the gate.
6. We relaunched our "*Contigo*" (With You) benefits program, adapting the benefits to the new needs presented by the COVID-19 situation in order to better accompany our warriors and their families.

5.6.1.6. We ensure occupational health and safety

(GRI 403-1; 403-9)

Our Corporate Occupational Health and Safety Commitment describes our strategy focused mainly on the employee and the promotion of self-care. Each BU has tools, policies, and procedures, as well as teams responsible for safety and security, in charge of preventing and attending to any type of incident involving our own staff and third parties at our facilities.

Food Retail		Pharma		Shopping Malls
- Strategy focused on three fronts: self-care, good practices, and mutual care. - Outsourced staff management was implemented, focusing on framework suppliers (cleaning and security) and maintenance suppliers. **Main tools:** - Bradley Curve: with the help of employees, we identified risks at each site and identified where we are in risk management. - OSH Committee: made up of employees on the ground to investigate and propose opportunities for improvement to the company.		- We have an annual OSH program aimed at compliance with the legal framework. This plan is reviewed and approved annually by the OSH Committee, and comprises 4 objectives: - Improve and reinforce safety actions related to OSH legal requirements applicable to the company. - Develop elements of the OSH Management System. - Reduce the rate of occupational accidents and incidents. - Enhance competencies, capabilities, and culture in OSH. **Main tools:** - Internal compliance checklist - OSH Committee: made up of ordinary		- We have an OSH plan and management system oriented towards compliance with ISO 45001 and Peruvian legal regulations. - We have an OSH assistant manager and a physical safety manager, who work hand in hand with occupational physicians. **Main tools:** - Training platform with training lines by audience: employees, third party companies and tenants. - OSH Committee: made up of ordinary employees to investigate and propose opportunities to

- Critical Equipment Program (CEP): color-coded flags and protocols are used to mark the main risks at the facilities. The system is audited by a third party. - Safety leaders: we have more than 100 OSH leaders, who are responsible for generating a preventive culture in each store. - Internal audit and external audit by the MTPE. - IPER C Matrix: to identify possible risks and action measures. - - Procedures for attention and investigation of accidents and fatalities.		employees to investigate and propose improvement opportunities to the company. - Internal audit under the Peruvian legal framework standard and external audit by the MTPE. - Matrix of documentary requirements for third party companies. - Approval for carriers and contractors. - Management system based on ISO 45001. - IPER C Matrix: for identification of possible risks and action measures. - Procedures for attention and investigation of accidents and fatalities.		improve the company. - IPER C Matrix to identify possible risks and action measures. - OSH Committee. - Preventive simulations. - CAT Code, which establishes the protocol in case of medical attention or injuries and illnesses within the facilities. - Internal audit and external audit by the MTPE. - GHOST System: platform of activities ranging from training to internal audits. - Procedures for attention and investigation of accidents and fatalities.

Occupational Health and Safety is an issue that has been gaining relevance in our businesses over the years. Nowadays, compliance with occupational health and safety plans are part of the strategic plan of each BU and their progress is evaluated by the Board of Directors periodically, at least every 3 months.

Creating a zero-accident culture

In both Pharma and Food Retail we conducted campaigns to raise awareness among our employees. In Farmacias Peruanas we carried out activations in pharmacies and logistics centers to celebrate World Day for Safety and Health at Work in April, while in Food Retail we carried out a comprehensive "0 accidents" campaign, where during several days we shared digital and physical information on accident prevention. The campaign sought to reach our entire team using simple language, for example, through the use of rap videos. We also carried out activities in stores, handing out signage, merchandising, posters, and badges for safety leaders in each store. In addition, the stores were encouraged to create a rap and compete for the best version to raise awareness of prevention. The campaign focused on three fronts: frequent accidents, good practices, and mutual care.

Thanks to our management and the efforts we are making on this front, we have managed to reduce accidents and fatalities in all our operations.

Lost Time Injury Frequency Rate (LTIFR) – Employees

Lost-Time Injury Frequency Rate (LTIFR) - Employees	2018	2019	2020	2021
Food Retail	7.78	3.56	5.46	3.54
Pharma - Química Suiza	10.79	5.66	4.33	2.13
Pharma - Farmacias Peruanas	-	-	0.63	8.55
Shopping Malls	-	-	1.68	0
Average InRetail	9.29	4.61	3.025*	3.55
Coverage based on Income	98%	98%	100%	100%

*The reported data differs from the 2020 Sustainability Report, because last year the data of Pharma was consolidated; while this year we are reporting the details of the results of *Farmacias Peruanas* and *Química Suiza* separately and calculations were made by a different methodology.

Lost Time Injury Frequency Rate (LTIFR) - Contractors

Lost-Time Injury Frequency Rate (LTIFR) – Contractors	2021
Food Retail	20.57
Pharma - *Química Suiza*	0
Pharma - *Farmacias Peruanas*	0
Shopping Malls	2.28
Average InRetail	5.71

Employee Fatalities

	2018	2019	2020	2021
Food Retail	0	0	1	0
Pharma	0	0	0	0
Shopping Malls	0	0	0	0
Total InRetail	0	0	1	0

Contractor Fatalities

	2018	2019	2020	2021
Food Retail	1	0	2	0
Pharma	0	0	1	0
Shopping Malls	0	0	0	0
Total InRetail	1	0	3	0

5.6.1.7. We *irradiate* diversity, equity, and inclusion

We are an economic group with more than 40 thousand workers present in all regions of Peru and in three countries. We include in our workforce a diverse group of human capital, with different cultures, origins, ages, and beliefs. Thus, part of our business strategy is to create inclusive workspaces, so that everyone can express themselves freely and safely. We work with conviction towards creating policies that include a gender and inclusion approach in all our processes, and we ensure that each member of our team lives and shares a culture of respect for others.

We have a Corporate Diversity and Inclusion Policy, that provides a framework for our business units and aims to establish commitments in Diversity, Equity, and Inclusion (DEI), as well as our position of zero tolerance to discrimination and any manifestation of violence. Similarly, we seek the development of our employees without distinction of sex, age, social status, religion, sexual orientation, gender expression, gender identity, race, color, marital status, political opinion, disability, nationality, ethnic group, or any other condition. The main points addressed in the policy are:

- Development and line of career.
- Flexibility and respect for work-life balance.
- Prevention of discrimination, violence, and sexual harassment.
- Culture, internal and external communication.

Team composition

Annually, each BU identifies the different minority groups to work on action plans that favor them and recognize their participation in our company. In this sense, we have LGTBIQ+ population, employees with disabilities and by age group differences, among others, which we identify through annual censuses and perception surveys, as well as through our payroll. As of 2021, our team is composed of 86 people with some type of disability, representing 0.20% of our payroll, and 1,038 people from the LGTBIQ+ community, equivalent to 2.42% of our team.

Employees with disabilities

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees with disabilities	59	27	58	25	1	2	0	0

Employees of the LGBTIQ+ community

	Total InRetail	Food Retail	Pharma	Shopping Malls
Number of employees from the LGBTIQ + community	1,038	1,007	11	20

In 2021, we added an optional question in our recruitment platform for our employees to state whether they identify with any minority group, so that we can improve our diversity and inclusion programs. Answering this question is completely voluntary and does not influence the selection process in any way, since this information is directed to the area in charge of diversity and inclusion. The staff hired in 2021 who identified with any minority group were as follows:

Minority group	Gender	Total InRetail
Afro-descendants	Women	246
	Men	258
Asians	Women	46
	Men	54
Indigenous people of the Amazon	Women	120
	Men	125
Quechuas, Aymaras, or other native Andean people	Women	1064
	Men	683

Employees according to nationality

We are located in all regions of Peru, and we include in our team local staff from the regions where we operate, but also foreign staff. The composition of our team by nationality and hierarchy can be found in Annex 1, Table 4.

	Total	%
Peruvian	44,181	99.74%
Argentine	15	0.03%
Chilean	11	0.02%
Colombian	7	0.02%
Uruguayan	0	0.00%
Venezuelan	61	0.14%
Brazilian	3	0.00%
Ecuadorian	1	0.00%
Spanish	1	0.00%
French	1	0.00%
Bolivian	2	0.00%
Ukrainian	1	0.00%
Other Nationalities	14	0.03%

Employees by region

Although our stores are mainly in Lima, the capital, we operate in all regions of Peru through our stores and logistics centers, mainly our drugstores.

	Total InRetail		Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees in Lima	12393	16140	8461	7913	3.609	7.931	167	145	156	151
Number of employees in provinces	4720	11045	2918	2445	1.704	8.563	98	37	0	0

Employees according to age groups

Our population is mostly millennials, and mainly includes employees under 30 years of age, who are doing a professional line with us, while some take advantage of flexible and part-time modalities to carry out parallel activities, such as completing their studies.

	Total InRetail
	%
Number of employees < 30 years	53.34%
Number of employees between 30 and 50	42.99%
Number of employees > 50	3.67%

	Total InRetail		Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees < 30 years	7980	6709	7866	6570	0	0	57	66	57	73
Number of employees between 30 and 50	3535	3725	3249	3535	0	0	188	112	98	78
Number of employees > 50	285	257	264	253	0	0	20	4	1	0

Gender equity

We promote female leadership participation and equal development opportunities for all. For this reason, 63% of our team is made up of women and 42% of junior, middle, and senior leadership positions are also occupied by women. Another important challenge is to include women in areas that were traditionally associated with men, in that sense we have a goal to increase the number of women in STEM areas to 50% by 2025, i.e., areas such as Information Technology, Systems, Innovation, Digital Transformation, Digital Marketing, E-commerce, and so on. By 2021, we achieve that 30% of these areas are made up of women.

Finally, to ensure salary equality by gender, we work under the HayGroup methodology of job evaluation, which results allow us to establish salary bands by position; also, according to law, we have tables of categories and functions, and a salary policy that establishes the necessary procedures for growth or salary increases, ensuring that all salary allocations are based on the experience and merit of the male or female employee. Our salary ratio (women/men) at the management level, considering base salaries, is 0.93, meaning that our managers receive equitable salaries without gaps, regardless of their gender.

Leadership positions

	Consolidated InRetail	
	Men	Women
Total employees	38.63%	62.55%
All management positions (junior, middle and top)	54.83%	45.17%
Junior management positions	47.44%	52.56%
Middle management positions	61.96%	38.04%
Senior Management Positions	58.41%	41.59%
Management positions in income-generating areas	63.58%	36.42%
Management positions in STEM areas	57.58%	42.42%
Total positions in STEM areas	68.16%	31.84%

InWomen 2021:

We want to promote female leadership, so we select women with talent and growth potential in our company who will participate in Inwomen. Under this program, our female employees receive internal and external training on topics related to leadership and agile methodologies with a gender focus. Also, each participant is challenged to design a project that can be implemented in her company and is related to the area in which she works. In 2021, one of our Pharma candidates developed a project on work-life balance that won the Intercorp Retail contest, Palmas, and the Business Creativity Award of the Universidad UPC.

Diversity, equity, and inclusion programs

Based on corporate guidelines, each business unit formulates its own DEI strategy and defines an identity in accordance with the culture of each company. In this way, each company has an annual plan and objectives. We have been acknowledged in different indexes for the results of our management, such as, for example, the Ranking Par, on gender equity; the certification of the Presente seal, which recognizes the best places to work for LGTBIQ+ talent; and the Bloomberg Gender Equality Index. In addition, according to the results of the evaluation conducted by GPTW, we know that more than 90% of our employees believe that they are treated fairly regardless of their sexual orientation or gender.

Par
RANKING DE EQUIDAD DE GÉNERO EN LAS ORGANIZACIONES

- Food Retail: *Supermercados Peruanos* (Place 6)*
- Pharma: *Química Suiza* (Place 7)**

*Category: +5,000 employees

**Category: between 1,000 and 5,000 employees

CERTIFICACIÓN PRESENTE 2021
MEJORES LUGARES PARA EL TALENTO LGBTIQ+

- Food Retail: *Supermercados Peruanos*
- Pharma: *Farmacias Peruanas y Química Suiza* (Place 9)
- Shopping Malls: *Real Plaza*

Bloomberg Gender-Equality Index 2022

- InRetail

Food Retail: "Raymi" Program

From left to right: Work-life balance, Labor and sexual harassment, inclusive recruitment, equal pay, training and development, external impact, internal and external communications

***Pharma - Química Suiza: La Franja de la Igualdad* (The Equality Strip)**

Top row, from left to right: Recruiting, LGBTIQ+ community, training and development, prevention and punishment of sexual harassment and gender-based violence.

Second row, from left to right: Work life balance, internal and external communication, external impact.

Pharma - Farmacias Peruanas: Tantay

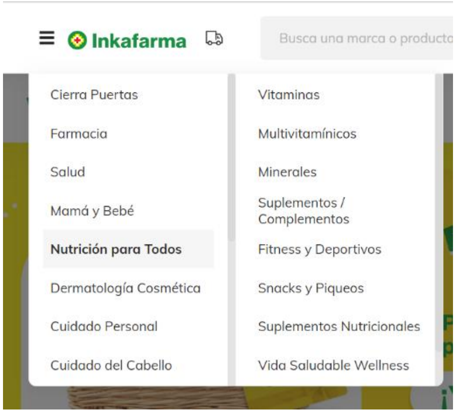
Shopping Malls

5.6.2. Well-being and quality of life for our customers

5.6.2.1. We promote the health and nutrition of our customers

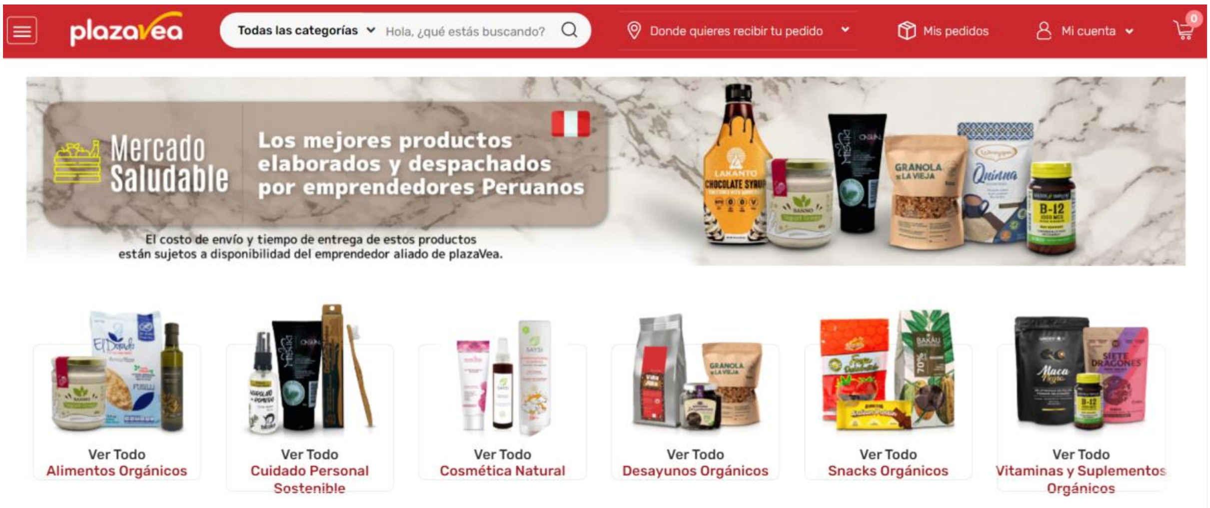
We are committed to the well-being of our customers by promoting good health and nutritional habits and providing products with the highest quality standards. Therefore, when a supplier enters our commercial channels, it is assessed by the Commercial Area, which verifies that these products are attractive to the market and meet quality and packaging standards. Likewise, the Quality Area makes sure that suppliers meet the necessary standards, as well as HACCP certifications, and requires suppliers to undergo quality audits at their own facilities

We have a [Corporate Health and Nutrition Policy] that applies mostly to our food and pharma segment. Below we share some of the main points of our policy.



Assortment of our products. We are committed to offering products that are gluten-free, lactose-free, with no added sugars and free of common allergens, as well as including in our product assortment options that do not contain nutritional warning labels. We also sell nutritional supplements or products that promote a healthy lifestyle in our pharmacies' assortment. These products are identified and differentiated in our *PlazaVea, Inkafarma* and *Mifarma E-commerce,* and in *Vivanda* there is a physical section dedicated to products for a healthy lifestyle. Learn more about our sections here:

- plazaVea: healthy market
- Inkafarma: nutrition for all
- Mifarma: wellness world



Working with suppliers and researching. In our supplier selection process, we consider criteria on the composition of the products and the inputs used in their manufacture. For Pharma, a team of specialists focuses on developing a nutrition portfolio. One of the team's main responsibilities is identifying new needs and trends with the commercial and private labels to offer richer nutrient-rich products. To ensure this, the team is sourcing with international and local suppliers to achieve the best value for money. The team's objectives are to achieve greater participation and growth in each category and to provide the consumer with access to products with the latest trends, the best quality, and affordable prices.

Transparency for our customers. We are committed to providing opportune and transparent information on the composition of our products. For example, we always include in the nutritional table the product's origin, legal data of the supplier that manufactures it, total ingredients, consumption methods, health records, lot number and expiration date. In the same way, our commitment includes implementing mechanisms to highlight products that are beneficial to health, as we have been doing in our E-commerce and also in our physical stores. We work under the Law of Octagons and the Technical Labeling Standard, and we only have suppliers aligned with these regulations.

Promotion of healthy living. In addition to having physical catalogs and digital sections in our E-commerce for the promotion of healthy living, we have a strong commitment to develop commercial campaigns that promote the sale of healthy foods at low prices based on an approach of accessibility. Through advertising campaigns, we promote and raise public awareness about health and nutrition. Finally, we allocate physical spaces for the sale of healthy products; therefore, we have two success stories, both in Food Retail and in Pharma. In the first case, in our *Vivanda* stores we launched the Healthy World in physical stores, which sold more than 200 skus in 26 categories with the following characteristics: organic products, sugar-free products, gluten-free products, vegetarian products and vegan products. In 2021, more than 446K soles of sales were generated.

On the other hand, in the case of Pharma, through our Inkafarma brand, we have the Health Festival, which is a digital space aimed at customers, where learning related to health and wellness is shared free of charge in simple language. Health professionals participate in the program, addressing topics such as: maternity, diabetes, nutrition, mental health, hypothyroidism, and sexual life, among other topics. This information is broadcasted through the Facebook live channel and allows our customers and their families to make live consultations, and also participate in contests.

5.6.2.2. Monitoring and evaluation of our assortment

We measure the assortment of our portfolio and that of our own brands to identify sales and skus with healthy products; for example, those that are gluten-free, free of common allergens or those with nutritional value. Similarly, we are committed to identifying the sale of organic private label products and those with more than 0.9% GMOs in their composition. We make this information available to our stakeholders through this document, but also through the labeling of our products.

Therefore, in the case of Food Retail, we have two types of products in our own brands that contain transgenics: Bells vegetable oil and soybean oil, both of which represent 0.86% of Food Retail's revenues. Furthermore, the sale of organic products is equivalent to 79 skus.

Agricultural Product Categories	Certifications or accreditations	% of certified products	Volume of the category with respect to the total purchase (%)
Soy	HACCP, RTRS	98.34%	1.15%
Sugar	HACCP, USDA, BRC, FSSC 22000	79.05%	1.35%
Cocoa	HACCP, USDA, EU organic, Fairtrade, BRC, RSPO, Certificado Azul	60.15%	0.98%
Coffee	BRC, Fairtrade, USDA, Certificado Azul, UTZ	88.99%	0.81%
Cereals	HACCP, USDA, Certificado Azul, BRC, ECOCERT, Empresa B	32.38%	0.98%

5.6.3. Welfare for the community

Rather than philanthropy, we firmly believe in generating shared value with our stakeholders through the implementation of strategic programs that have a positive impact on society and generate efficiency and engagement for our business. A shared value program is more sustainable over time and has stakeholders who will always bet on its continuity. In that sense, we have designed programs so that each BU is aligned to the core of each company with excellent results.

5.6.3.1. Generating shared value with society

***Bueno por Dentro* (Good on the Inside)**

In 2015, we were the first supermarket in the country to rescue and donate food in partnership with the *Banco de Alimentos de Perú* (Food Bank of Peru). Together, we co-designed and executed "*Bueno por Dentro*", a program inspired by the cross-docking logistics system. This was a perfectly fitted solution for our operation and was innovative for food rescue in the world. In this way, social organizations that are close to the stores can come daily to pick up food and staple products that are in perfect condition, but which for commercial reasons can no longer be sold. Nowadays, the program operates in more than 160 stores nationwide: all PlazaVea, Vivanda and Makro stores, as well as 28 Mass stores and our Logistics Centers of Punta Negra, Collection and Manufacturing Center. We are also the main food donor to the Food Bank throughout Peru. We are proud to continue generating welfare and quality, providing an average of 33,000 food rations daily to more than 61,700 vulnerable people every week.

Donated value of **51.9 million** soles	**155** social organizations benefited	**+61k** beneficiaries nationwide.
+13 million food rations donated	**54%** of **female** beneficiaries	**6%** of beneficiaries with **some disability**

Pharma: Donation of products in good condition for the Bienaventuranzas organization

We rescued medicines and personal care products that have lost their commercial value, but are still fit for use, to donate them to NGO Asociación de las Bienaventuranzas, an organization that benefits hundreds of people in a state of vulnerability. In total, +80K packs of medicines were donated during the year, equivalent to +162k soles. This aid relieves families of expenses and provides quality products to thousands of Peruvians.

***Farmacia Vecina* (Neighborhood Pharmacy)**

Committed to the goal of bringing health to every corner of Peru, *Inkafarma* made available more than 150 stores to function as safe points of dispensing medicines. This is part of the program implemented by EsSalud and the company Salog, which seeks to enable chronic patients in Lima and Callao to pick up their medicines at the pharmacies or drugstores closest to their homes. In addition to the aforementioned benefit, patients, by not having to go to EsSalud hospitals, avoid exposure to COVID-19.

All proceeds (100%) from the *Farmacia Vecina* program go to Perú Champs, an organization that identifies low-income schoolchildren with academic, artistic, or sports talent, and grants them scholarships so that they can receive a quality education.

5.6.3.2. We *irradiate* volunteering opportunities

We launched our *Irradia* volunteering platform in alliance with the NGO Proa. The platform works as a marketplace to match volunteers with social organizations needing help. We identify alliances with social organizations that are looking for volunteers and contact them with our employees, who donate their talent and time to help in different initiatives related to health, education, and entrepreneurship, among others. In 2021, we partnered with 8 NGOs, and had 67 volunteers from our BU who donated 973 hours.

BU	# Voluntaries	# Volunteer hours
Food Retail	42	502
Pharma	21	417
Shopping Malls	4	54
Total InRetail	**67**	**973**

5.6.3.3. We share well-being

In addition to our sustainability strategy and programs, we make philanthropic donations in response to the different contingencies that arise in our country. These are specific or extraordinary donations that we make for the benefit of organizations that share a social purpose. Among other actions, donations were maintained to the *La Liga contra el Cáncer Teletón, Perú* Champs, donation of blankets and clothing through recyclable material collected in our Real Plaza malls, emergency care such as the earthquake in the city of Amazonas and help with preventive health kits for COVID-19.

Total amount in soles of monetary transfer for philanthropic contributions	1'654,373.63
Total amount in soles invested in volunteer programs	109,620.00
Total amount in soles of donations in kind or services	52'740,761.03
Total amount in soles of administrative expenses related to philanthropic projects	35,684.16

Charitable donations	0.40%
Community investment	98.57%
Commercial initiatives	1.02%

5.7.4. Human rights compliance

We maintain a firm commitment to work for the fulfillment of human rights in our operations and throughout our value chain, that is, suppliers, customers, partners, and third-party staff. Under the guidelines of the United Nations Global Compact, we established a Corporate Human Rights Commitment that is disseminated and executed in each of our BU. To this end, the Human Management areas, together with the audit areas of our companies, ensure fair workspaces, also in line with current legal regulations. Our main human rights commitments are for our operations and those of our partners and suppliers.

InRetail Commitment	Alignment to the Global Compact Principles
We protect the labor rights of our team. We prohibit any form of forced labor and human trafficking.	Principle 1 Principle 4
We pay fair remuneration to our employees with all the benefits required by law. Likewise, we work to ensure equal pay for people with the same experience in the same position, regardless of their gender, sexual orientation, socioeconomic status, or other aspect that may generate remuneration discrimination.	Principle 1
We seek to eliminate any form of forced or child labor, both in our operations and those of third parties and suppliers.	Principle 5
We promote equity and inclusion, and do not tolerate any manifestation of discrimination and other types of violence.	Principle 6
We have safe and healthy spaces for our employees, customers, and third-party staff. Likewise, we audit our suppliers so that they comply with the regulations associated with safety and health at work.	Principle 1

We evaluate compliance with the Human Rights Commitment. For this we have due diligence processes and the participation of the Ethics Committee.	Principle 2

Due diligence processes

We have tools to ensure due diligence in Human Rights of our operations, dealing with the client and the operations of our suppliers. These are analyzed annually through compliance matrices; On the other hand, before the acquisition of a new business, a similar process is carried out to assess whether the company has Human Rights policies or, in any case, replicate ours.

(GRI 102-41)

Within our operations

Our commitment to human rights is annually supervised by the Intercorp Retail Ethics Committee and is implemented through all our companies and their areas involved, such as Human Resources, Operations and Labor Relations. We perform an internal qualitative analysis to identify gaps and establish actions for continuous improvement. The assessment has the following scope.

Scope	Topics	*Stakeholders* involved
Risks in own operations	1. Safety and health. • Management system. • Training. • Involvement with the employee. 2. Labor practices. • Licenses and vacations. • Fair and equitable salary. • Contracts. 3. Diversity and inclusion. • Prevention and care of cases of discrimination. • Prevention and attention to cases of harassment. 4. Forced and child labor. 5. Freedom of association.	• Employees • Women • Children • Outsourced staff

As a result of this internal evaluation, we obtained a level of compliance in InRetail of 98%.

	Total InRetail	Food Retail	Pharma QS	Pharma FAPE	Shopping Malls
Level of compliance	98%	93%	98%	100%	100%

We obtained partial observations and identified opportunities for improvement regarding facility ventilation in our Mass format stores in the Food Retail segment. The internal action to be taken will be to evaluate whether the natural ventilation systems in our more than 400 Mass stores, which represent about 5% of InRetail's revenues, are adequate for the size of the stores or whether additional air conditioning is required in some of them. An additional opportunity for improvement identified at Química Suiza in Pharma is the implementation of preventive occupational health and safety mechanisms for people with disabilities and pregnant women.

Regarding labor union membership, at InRetail, 0.75% of our employees are members of a labor union, specifically in one of the subsidiaries of our Pharma segment. In the case of Food Retail and Shopping Malls, we do not have unions.

Relationship with our customers

In the same way, the Audit, Quality and Operations areas guarantee the proper treatment of our customers. The due diligence process is responsible for ensuring that there are no non-compliances with respect to the following issues.

Scope	Topics	*Stakeholders* involved
Risk in the value chain	1. Product safety and quality. 2. Safety and health. 3. Prevention and treatment of discrimination. 4. Accessibility and security of purchases for people with disabilities.	• Customers. • Women. • Children.

As a result of this evaluation, we had a compliance of 87%, identifying the following opportunities for improvement: in Pharma, Farmacias Peruanas, inspect and implement reasonable accommodations for our drugstores, and ensure that they are accessible for people with disabilities; in Shopping Malls, establish protocols to address cases of discrimination with customers and mall visitors as well as share them with our third-party security staff.

Every year, or at the time of registration, our suppliers are evaluated on sustainability through an online platform, which includes aspects related to human rights, such as non-discrimination, prevention of sexual harassment, safe working conditions and avoidance of forced labor. Based on their results, we propose an improvement plan to be implemented over an annual period. We also use this data to prepare internal development plans for our suppliers.

In addition, when contracting a service supplier, especially in the case of third-party staff or transportation, documentary evidence is required from the supplier to ensure that it complies with current labor and occupational health and safety regulations, and, if the OHS area deems it appropriate, the suppliers are approved.

Scope	Topics	*Stakeholders* involved
Risk in the value chain.	1. Safety and health. 2. Prevention of COVID-19. 3. Labor rights. 5. Sexual and workplace harassment. 6. Discrimination. 7. Sensitization. 8. Complaint channel.	• Suppliers. • Women. • Children.

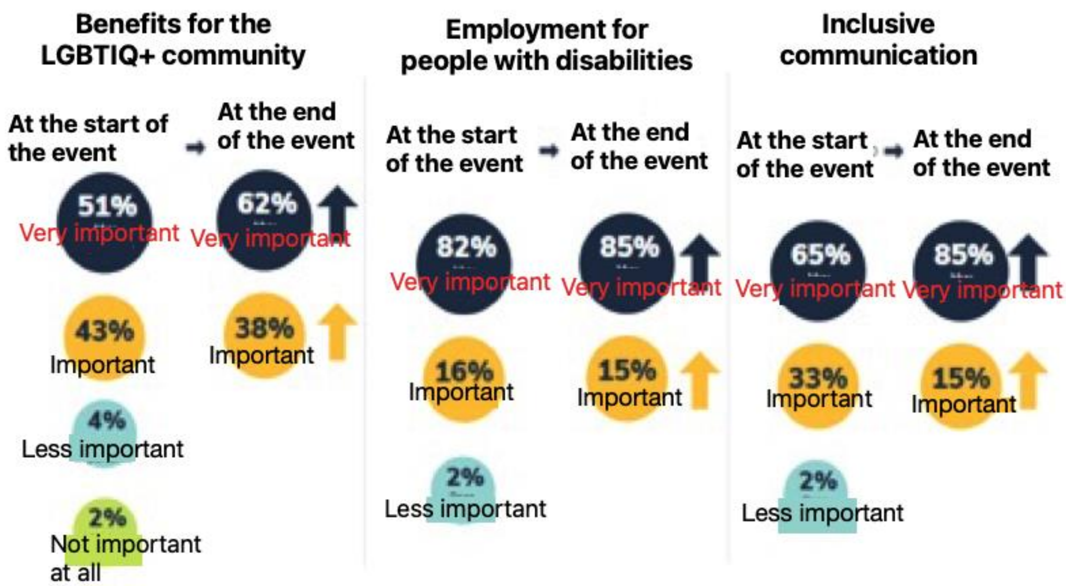
Out of 352 suppliers evaluated, on average our suppliers have more than 90% compliance with the aspects evaluated in Human Rights. We specifically identified the following results:

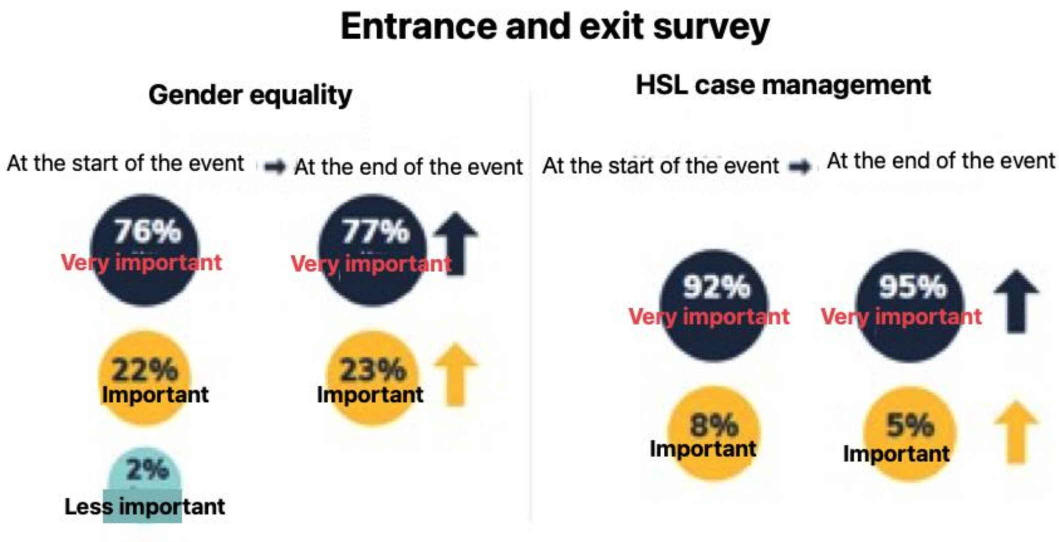
- + 94% of suppliers have occupational health and safety procedures that comply with current regulations and provide accident insurance to their employees who visit our facilities.
- +97% of suppliers have implemented health and safety protocols in the event of COVID-19 infection, such as isolation and testing in the event of a suspected infection.
- +96% have labor regulations or policies that recognize labor rights, benefits, and responsibilities, and respect the maximum working hours established by law, and do not illegally hire minors.
- +93% has a policy or procedure for its employees and contractors to prevent, deal with, and sanction cases of sexual harassment at work and discrimination against other employees, clients, non-clients and third parties, both inside and outside its own facilities.
- 92% train their employees, at the beginning of the labor relationship or at the change of position, on the prevention of sexual harassment at work or harassment and discrimination, so that they refrain from engaging in and report violent, sexually harassing, discriminatory, threatening, or abusive conduct.
- +89% have a channel accessible and known by their employees, in which they can report, without fear of retaliation, incidents of discrimination, harassment, sexual harassment or other types of violent conduct.

As mitigation actions, all companies actively share the sustainability guidelines for suppliers and ensure that they are aware of them.

We also organized the **1st Symposium for suppliers of the Intercorp Retail group** in 2021, where all the BU joined efforts to train their suppliers on issues related to gender equity, prevention and attention to sexual harassment and discrimination. During the event, which lasted two days, we held discussions, dynamics, training and presentations by entities, consultants and companies that are referents in these issues; for example, we had the participation of UNDP, ILO, GenderLab, GPTW and Aequales. A total of 118 people from 55 companies participated in this symposium, mainly company leaders and human resources managers. At the end of the meeting, we shared a Diversity Management Kit with our suppliers with our suppliers.

Additionally, we carried out entry and exit surveys to find out the importance of suppliers working on inclusion, diversity, HSL prevention and discrimination issues. Some of the results:





Sexual harassment prevention

Our commitment is to maintain a position of tolerance 0 to any manifestation of violence, harassment, or discrimination. We have a Policy for the prevention of cases of sexual harassment and violence in accordance with current Peruvian legislation; This policy establishes the mechanisms to take preventive actions, as well as to attend, investigate and sanction these cases correctly. In this sense, each of our companies has its own Committee for Intervention and Investigation of cases of Occupational Sexual Harassment (HSL), made up of company employees, who are trained annually and work hand in hand with the relationship areas labor.

We are aware that there is a lot of insecurity when deciding to report a case of sexual harassment, which is why we work on three aspects that encourage people to report and alert any suspicion of related cases.

- Train and raise awareness to prevent.
- Provide protection to the victim or complainant.
- Strengthen trust in our reporting channels.

As of 2021, we have received a total of 64 complaints, of which 100% have been addressed.

5.7. We manage our environmental impact

Our sustainability strategy, under the Planet pillar, focuses on providing solutions for waste minimization and ecoefficiency generation, as well as mitigating the effects of climate change. Consequently, we have established commitments in our corporate policies to help us generate the least possible environmental impact, reducing the waste we generate and reaching recycling rates of 60% by 2025, and reducing our carbon footprint by 15% by 2025, compared to 2021. The people responsible for the corporate sustainability areas and each BU work in coordination with maintenance and operations management departments to achieve these goals.

As part of our comprehensive effort to properly manage our environmental impact, we have initiated the development of internal audits that help us monitor compliance with the plans and legal obligations we have within our operations. In order to review legal compliance, all of them must complete an annual environmental legal matrix to ensure compliance with all regulations that apply to their operations.

For Shopping Malls, we are developing a management system aligned with ISO 14001. Similarly, Food Retail conducts semiannual internal sustainability audits of all its operations; the average obtained in these audits in 2021 was 83.5%.

In 2021 we began implementing our new Planet pillar policies in the Business Units.

Our environmental policies and commitments
• Corporate Climate Change Policy. • Corporate Packaging Policy. • Corporate Sustainable Agriculture Policy. • Corporate Animal Welfare Policy.

5.7.1. Animal welfare

We recognize the challenges involved in working with a supply chain that involves mostly animal sources. We must ensure that the products we sell are made with procedures that guarantee the physical and emotional well-being of the animals, in order to ensure their welfare, as well as the quality of the products and, therefore, the health of our consumers.

At InRetail and the Business Units that sell animal products, we are committed towards developing and promoting good practices that respect the five freedoms of animal welfare: freedom from hunger, thirst, and malnutrition; freedom from fear and distress; freedom from physical and thermal discomfort; freedom from pain, injury and disease; and freedom to exhibit natural behavior. These practices involve not only our suppliers but our customers also.

We have an Animal Welfare Policy that aims to create a framework for the Business Units. In commercial relations with animal protein suppliers, these units establish guidelines aimed at animal welfare at the different points of the supply chain and, at the same time, ensure high food safety standards for consumers.

- **Sustainable fishing**

We are committed to promoting responsible sourcing; for this reason, we do not trade endangered species, nor do we engage in commercial activities that affect the development of the marine ecosystem. We collaborate with the Government to communicate externally the species that are in seasonal ban, and we seek that our suppliers also respect these periods. For the past two years we have also been working with artisanal fisheries located in the northern and central coastline of Peru, who work with local communities and carry out regenerative practices, such as the harvesting of fan shells.

- **Free-range eggs**

In order to increase the assortment of products that ensure animal welfare, we decided to promote the sale of free-range eggs, working with suppliers that raise hens in a free-range environment and offer their products in Food Retail.

- **Dignified slaughter and breeding and of pigs and cattle**

We work with suppliers that do not use management crates for raising pigs, that ensure access to water and feed at all times, and that carry out preventive actions to closely monitor the health of the animals by qualified veterinarians. In addition, we ensure that suppliers carry out slaughter processes that are dignified for the animals, establishing guidelines to perform slaughter in a minimally invasive manner, without much noise and in short periods of time, to avoid animal suffering.

- **We monitor our suppliers**

At the time of contracting, we map and request animal welfare certifications from suppliers, we also conduct external audits to ensure that they are respecting the guidelines of the referred policy and maintain constant communication to communicate criteria, guidelines, and recommendations regarding the treatment of animals.
We work with suppliers that have animal-derived products with the following certifications:

Animal derived categories	Certifications or accreditations	% of certified products	Volume of the category with respect to the total purchase (%)
Aquatic products	HACCP, ASC, BASC, MSC, BRC	23.89%	0.20%
Cattle products	HACCP, ISPO, ISCC, BASC, FSSC 22000	33.73%	1.31%
Dairy products	HACCP, FSSC 22000, IFS, BRC	87.03%	10.41%
Pig products	HACCP, FSSC 22000, IFS, BRC	28.18%	2.73%
Poultry products	HACCP, FSSC 22000, IFS, BRC, USDA, Certified Humane	38.00%	4.64%
Marine products	HACCP, MSC, ASC, BASC, BAP, USDA	49.52%	0.88%

5.7.2. Circular economy

Due to the nature of our business, one of the material impacts is the generation of waste. For this reason, we promote the circular economy throughout our value chain. First and foremost, we ensure that we minimize waste generation. As waster generation is also a synonym of inefficiency, so we have processes that allows us to identify opportunities for improvement to eliminate or minimize waste. Secondly, we encourage reuse, from cardboard boxes to furniture. The idea is that we can extend the useful life of the products we use. Third, we recycle and use recycled materials. We have been recycling in our operations for 10 years and we ensure that all waste is reinserted into production chains. Furthermore, since 2019 our plastic packaging suppliers have been using PET (recycled PET). Although the recycled material industry in Peru is not yet significant, we encourage the search for supplies that have a lower impact on the environment. Likewise, we are aware of extended product responsibility and therefore we encourage recycling among our customers and generate alliances with local governments to promote best practices. Finally, we are analyzing the life cycles of the packaging of our own-brand products to reduce the footprint they generate. Our goal for 2025 is to recycle 60% of all the waste we generate, as well as to fully comply with the commitments proposed in our packaging policy.

The second version of the Green Scrum Challenge, a program that promotes sustainable intra-entrepreneurship among our employees, was held in 2021. In this edition, more than twenty employees from all the companies participated and were challenged to design high-impact projects that solve socio-environmental problems of the companies. The methodology used to propose the solution was Creative Problem Solving. The challenge was to demonstrate that the proposed solutions added value and were economically feasible. All of them were presented to the companies' general managers and those which made the most sense was then implemented. One of the advantages of this program is that it invited employees from any area of the business on a voluntary basis, and involved them in the challenge of their choice, even if they did not work in that specific company. In this way, we took advantage of the talent, knowledge, and motivation of our employees. In this edition of the program, 28 people participated during the ideation process and two initiatives were chosen to be executed: one in Pharma, specifically for *Química Suiza*, and the other in Shopping Malls, both related to waste management. During the execution, 9 employees participated as volunteers, together with members of the areas that owned the projects.

5.7.2.1. Waste generated

(GRI 306-1, 306-3, 306-4 y 306-5)

We are aware of the importance of managing the waste we generate; for this reason, we continuously work to prevent, minimize, and valorize the waste generated in all phases of our value chain: from transport and distribution, operations in premises, to disposal at the end of the product's useful life.

Our comprehensive waste management program receives feedback and is continuously improved through the following tools:

Solid waste management	Purpose	Tools
Procedures	We communicate and deploy our procedures for the proper waste management, establishing responsible parties at our headquarters and ensuring its maximum reuse.	• Waste management plan. • Handbook on waste management in premises.
Trainings	We sensitize our operating personnel in good practices, procedures and, above all, in generating a culture that understands the importance of minimizing our environmental impact. Both in Food Retail and Shopping Malls we have sustainability ambassadors who help us with awareness and compliance.	• Ambassador training • E-learning • Webinars • Posters that summarize the procedures located in strategic areas • Mailing
Internal communication and acknowledgments	In the case of Food Retail, the aim is to recognize the stores that met their recycling goals, generating motivation and commitment. In the case of Pharma, we have a team dedicated exclusively to rescuing boxes in the logistics process for reuse.	• Recycling goals based on historical data • Poster showing the local's performance in recycling • Public recognition mailing
Traceability	Control of the amount of waste generated in each location by type, in addition to ensuring its correct final disposal.	• Referral guides at each pick up • Monthly certificates. • Monthly Excel reports

We launch and reinforce initiatives that intervene at different stages of our operations, throughout the value chain:

In the transport and distribution of products

Reverse logistics

With efficient logistics, we collect recyclable material and products that require it, taking advantage of the return route of the carriers. This collection system has allowed us to recover and collect cardboard and plastic boxes from food retail stores, whose waste generation is so low that it was not profitable to collect them with waste operators and the recyclable material was not valued. In 2022 our challenge is to implement a recycling system in our drugstores, mainly those located in more remote cities where there are no formal waste operators.

In operations

Japi Recycles

Many cities in Peru do not have formal waste operators that provide disposal and recycling services. In fact, many municipalities do not have an adequate waste management system, so we have to transfer our general waste to other cities that have an authorized collection center. That is why one of the Green Scrum projects chosen for this year was Japi Recycles, which consisted of launching a pilot incentive program for tenants at the Real Plaza in Juliaca, with the aim of reducing the amount of general waste and increasing the amount of paper, cardboard, plastic and organic generated in the mall for recycling. The objective of the program was to implement waste segregation at the source, that is, at the premises of our tenants, and to provide incentives and promote competition between premises so that they identify the benefits of segregation and recycling. We trained our tenants, developed a procedure and gave the program an identity in keeping with Real Plaza's Japi Culture, so that our customers, tenants and cleaning staff would identify this initiative with pride and enthusiasm. The pilot involved two categories: one for recyclables and the other for organics. Eight fashion and six footwear vendors participated, while eight fast food vendors participated in the organic category. Prizes were awarded to the 3 best vendors in each category and prizes such as lunches, advertising, gift cards, discounts, and badges for the stores.

Cleaning staff uniform

Garbage container

Eye catching distinctive for tenants

Pins for collaborators

The different initiatives, as well as our waste management procedures, bring us closer and closer to our recycling goal. By 2021, we have recycled +61% of our waste in Lima, here are the results of our waste management:

Recycled and generated waste

Waste disposal	Units	2019	2020	2021
Total waste generated InRetail	**Tons**	**12,801.34**	**10,703.48**	**11,927.10**
Food Retail	Tons	7,561.6*	7,393.7*	8,660.4**
Pharma***	Tons	320.7	585.2	1,003.2
Shopping Malls	Tons	4,919.0	2,724.5	2,263.6
Total recycled waste InRetail	**Tons**	**5,148.76**	**6,432.30**	**7,377.58**
Food Retail	Tons	4,112.9*	5,282.5*	6,100.4**
Pharma	Tons	320.7	585.2	894.5
Shopping Malls	Tons	715.1	564.6	382.7
Total waste disposed of in InRetail landfills	**Tons**	**7,652.58**	**4,271.18**	**4,594.52**
Food Retail	Tons	3,448.6*	2,111.2*	2,560.0**
Pharma	Tons	0.0	0.0	108.7
Shopping Malls	Tons	4,203.9	2,160.0	1,880.9

*Food Retail recycled waste calculations in 2019 and 2020 have been updated due to a change in the calculation methodology.
**For the calculation of the year 2021, the generation of waste from Makro stores was included in Food Retail.
***The scope of the calculation is from logistics centers.

5.7.2.2. Packaging

The importance of preventing and reducing the negative environmental impacts caused by the excessive use of plastic is clear to us, as well as the great opportunity we have in our operations and supply chain to ensure the reduction of unnecessary packaging or improve designs so that they generate less waste and, therefore, produce the least possible impact.

Through our Packaging Policy, aligned with the global commitment of the Ellen Macarthur Foundation, we set ourselves the goal of promoting the use of recycled raw materials and recyclable packaging in our own-brand products and encouraging responsible consumption among our customers. For this purpose, we recognize those brands whose products have recyclable packaging, offer reusable bags, and carry out campaigns in key stores. Some of our policy commitments are:

- Reduction of unnecessary packaging

  We are committed to gradually reduce single-use plastics in our packaging, mainly in our own-brand products and operating supplies, in addition to developing redesign actions.

- Packaging reuse, recycling, and composting

  We are continuously developing actions to make our own-brand plastic packaging reusable, recyclable or compostable.

- Use of environmentally friendly materials

  We promote the increase of recycled materials in the composition of packaging for our own-brand products, as well as the use of ecological materials in packaging used in operational and commercial management.

- Promotion and awareness of the packaging life cycle

  We raise our customers' awareness of the impact of packaging on the ecosystem and promote recycling systems, transparency of information through labeling, and the delivery of a series of benefits to encourage eco-friendly actions.

- Research and development

  We allocate R&D resources to the design of sustainable packaging and alternative solutions; we also measure the carbon footprint of our packaging and conduct life-cycle analyses of our products.

Use of plastic in packaging

Food Retail

	Unit	2020	2021
Total weight of plastic packaging	Metric tons	645,354.55	621,778.81
Percentage of plastic packaging that is recyclable	%	100	100
Percentage of plastic packaging that is made from compostable plastic	%	0	0
Percentage of plastic packaging that is made from recycled material	%	40	27

Box reuse project at Pharma - *Química Suiza*

Through the Green Scrum program, we identified an opportunity to reuse resources for our Pharma Logistics Center in Santa Anita, where +6k new boxes were purchased and shipped monthly to our customers, such as drugstores and clinics; however, our logistics center received boxes in good condition from our suppliers, which could be reused. This is how the Sustainable Allies initiative was born, which seeks to work with 6,500 customers (drugstores) in the process of receiving their products in reused boxes. For this purpose, a pilot program is being started with more than 1,800 drugstores, which will be sensitized and identified as allies of this project; also, a type of boxes that can be reused has been determined, in order to ensure the quality of the products transported.

5.7.2.3. Food Waste

Our Food Retail segment and its brands are the main food retail companies in the country at the retail level; for this reason, we maintain a firm commitment to properly manage our operating processes, ensuring the quality of the products marketed, but at the same time producing the least amount of food waste possible. We have two fronts of action: on one hand, we implement technology and improve our processes to minimize waste; on the other hand, we rescue food in good condition to give it an alternative use and avoid waste. At InRetail, food is not thrown away; in fact, our Food Loss and Waste Commitment is to measure and reduce the amount of food that can be lost or wasted and reuse it, always prioritizing its donation.

Regarding the use of technologies, we have the ASR (Advanced Store Replenishment) system, which performs store re-stocking and analyzes inventory data, and SKUs by store, sale and stock for an adequate supply of stores. Moreover, we work with the AWR (Advanced Warehouse Replenishment) system, which performs replenishment for Distribution Centers, analyzing each SKU combination by logistics center, as well as the transfers from DC to stores and the stock stored in each DC. Both systems allow us to have a more accurate prediction of the level of supply we need in our stores and logistics centers, thus generating the least amount of waste possible.

Waste comprises all those "losses" that occur throughout the distribution and sales chain in the retail market and that occur for different reasons, for example, due to breakage, partial loss of product, aesthetics, and expired offers, among others. However, these products are in very good condition for consumption. We prioritize their reuse and donation to social organizations that provide continuous food service to children, the elderly, and women victims of violence, among others. These activities of reusing products in good condition are included under our program called *Bueno por Dentro* (BxD), where we also train our store and logistics center employees in procedures and awareness to take advantage of the waste, serve social organizations and understand the importance of this project. BxD not only provides food for more than 60K people, but also prevents the creation of waste and residues, and provides a tax return to the company.

Waste and food donation

	Unit	2018	2019	2020	2021*
Calculation of known food waste in TN	TN	10,113.77	12,277.22	12,332.96	15,535.76
Calculation of total donated in TN (food)	TN	2,105.56	3,817.36	4,977.42	8,811.31
Total amount donated (food)	S/	S/ 11'306,868.00	S/ 20'499,248.00	S/ 26'728,767.87	S/ 47'316,734.43
Intensity (food waste / food sale)	#		0.017**	0.014**	0.017

*For the calculation of the year 2021, Makro information was included in the calculations of generation of waste and donation of food.
**The intensity data for 2019 and 2020 has been corrected and updated with respect to the Sustainability Report of the previous year.

We measure waste generated on an ongoing basis and differentiate it by type of product category, reason for waste and locations where waste occurs. We establish annual waste generation goals, as well as donation goals. Our goal for 2021 was to generate a maximum of 122,846 tons of food waste and to donate at least 45% of the known food waste, i.e., 55,280 tons of food. This year, the volume of our operations and waste increased due to the incorporation of the Makro company; nevertheless, we were able to successfully meet the goal.

5.7.2.4. Impact with customers and the community: campaigns

#Reciclaconsciente

We are leading this national movement in favor of recycling that unites the private sector, public sector, civil society, and academia. The objective of this initiative is to increase the country's recycling rate by strengthening the recycling culture and chain, working together with all the parties involved: companies, municipalities, base recyclers, NGO's and citizens.

In 2021, the third year in which we are leading this initiative, we worked with 14 private sector partners, including 7 of our suppliers, and 10 municipalities, with whom we implemented activities to raise awareness, inform and mobilize our millions of customers and the community in general.

Recicla Consciente has 4 fronts of action:

1. Environmental citizenship

We educate and raise awareness among customers and the community through the following actions:

- Communication campaign in plazaVea's social networks that addresses the importance of recycling, linked to social and environmental impacts, the recyclability of various materials and the local value chain of waste and its participants. We included actions with influencers and advertising.
- Deployment of communication material at points of sale, signaling products with recyclable packaging in our physical stores and e-commerce to motivate responsible purchasing.
- Digital volunteering: +1,100 volunteers trained in waste management and recycling, prepared to organically disseminate the movement on social networks.

2. Recycling stations

We have the largest private network of recycling points in Peru, with 52 permanently active recycling stations (48 in Lima and 4 in the provinces), which are available to the community. The accumulated recyclables are collected by formal recyclers who work with allied municipalities and by waste operating companies.

3. Professionalization of recyclers

We trained +200 formal recyclers who work with municipalities and are part of the *Recicla Consciente* chain, and invited recyclers who have the potential to join, but are still in the process of formalization.

The Professionalization Course for Recyclers was designed in line with Law N° 29419, Law that regulates the activity of recyclers, and was validated with the Peruvian Ministry of the Environment so that its certification is valid for the formalization processes of recyclers.

Success story: Planet Friends formalization

One of the objectives of the Professionalization Course was to contribute to the formalization of associations that still had the training requirement pending. Two of the participating associations were able to receive training and complete their formalization process as a result of their participation. Nowadays, one of them, Planet Friends Recyclers Association, collects recyclables from 7 of our recycling stations in Lima and, in addition, we coordinated with the Municipality of San Isidro, an ally of the campaign, so that it can also work with them.

The 10 workers that make up the Planet Friends Association have permanent collection points, which allows them to have better working conditions.

4. Research on recycling habits

In order to identify findings to develop appropriate and relevant environmental communication messages for our external campaigns as well as to know more about our clients' environmental behaviors, information is collected annually through surveys and academic research is carried out. In 2021, an investigation of Recycling Habits in Urban Peru was developed with a representative sample of 5 thousand people nationwide.

Based on this, a paper called "Recycling in Urban Peru: Access, Habits and Perceptions" was produced and published in the SSRN repository.

2021 Results:

We recycled +90K kg of waste

Which is equivalent to reducing the following natural resources:

420 trees	15 M of m^3 of water saved	932 M of CO2 not emitted

We reached +7 million people with the digital content of our communication campaign.

Meet our partners and where our recycling stations are located at https://www.reciclaconsciente.pe/

5.7.3. Climate change

At InRetail we have a firm commitment to mitigate and adapt to the risks of climate change, but mainly to undertake proactive initiatives to reduce our greenhouse gas emissions and, in this way, join different actions to limit the increase in global average temperature by 2°C, according to the framework of the Paris Agreement. Our commitment is supported by our Corporate Policy on Climate Change, which addresses various actions to combat climate change and which are the responsibility of both the Corporate Sustainability Management, as well as those responsible for sustainability of each BU and their Operations and Maintenance management.

Our Climate Change goals by 2025:

- Reduce our carbon footprint emissions by 15% compared to 2020.
- Reduce our energy consumption by 15%.
- Recycle 60% of the waste generated in operations.

Our specific commitments:

- Energy efficiency

  We are committed to reducing the energy consumption of our operations through the use of technology and the promotion of good practices; likewise, we opt for the use of clean energy and continuously monitor of our consumption and practices to act preventively rather than reactively. These actions have been carried out through the use of an intelligent refrigeration system, LED lighting, solar panels, intelligent lighting and BMS systems to measure electricity consumption in real time, among others.

- Water efficiency

  We are committed to continuously monitoring the use of water in operations and sales rooms. We train our employees not only in aspects of water efficiency, but also in maintaining the quality of the wastewater from our operations. To this end, we have implemented dry cleaning systems, ongoing training for our suppliers and employees in the fruit and vegetable sections, the use of water-saving valves in stores and water-saving faucets, and good cleaning practices.

- Care of biodiversity (flora and fauna)

  We do not develop activities or operations in areas considered cultural heritage of the Nation or protected natural reserves. In addition, we promote responsible sourcing and prohibit the commercialization of endangered species or the development of activities that affect the marine ecosystem. In order to extend our responsibility and commitment to the supply chain of our BU, we have made alliances with institutions to train our suppliers in these practices.

- Waste reduction

  We reduce our own brand packaging and intend to migrate, as far as possible, to reusable, recyclable, or compostable packaging. On the other hand, we develop programs to reduce the waste of food and non-food products, recycle waste from our operation hand in hand with work with EORS [1]and municipalities, and ensure that general waste reaches a sanitary landfill.

- Carbon footprint and environmental culture

  We are committed to measuring and reducing greenhouse gas emissions in our operations and supply chains. Therefore, we promote actions aimed at making suppliers, employees, and customers aware of the impact of operational, commercial and consumer practices. We measure and verify our carbon footprint annually, and we have the Centauro Project, which works with the energy specialists of each BU to establish energy efficiency plans.

- Risk management

  We proactively seek to assess the risks related to climate change, analyzing possible scenarios and their future implications to take preventive actions. We include our supply chain in this analysis, identifying the most risky suppliers. In accordance with the aforementioned, we have carried out an analysis of risks and scenarios following the recommendations of the *Task force on Climate-related Financial Disclosures* (TCFD).

[1] EORS: Acronym for Empresa Operadora de Residuos Sólidos. Translation: Solid waste operating company.

5.7.3.1. Our climate change strategy and risk management

In accordance with our climate change policy commitments, a climate change risk analysis has been performed on possible scenarios, following the recommendations of the Task force on Climate-related Financial Disclosures (TCFD). The analysis considers three scenarios (RCPs 2.6, 4.5 and 8.5), each of which corresponds to a carbon footprint emission situation where many or few mitigation actions have been taken, respectively. The qualitative analysis indicates which are the main risks and opportunities, according to their impact and probability, that correspond to our company in each scenario, and identifies mitigation and adaptation actions that we must apply at InRetail and that are consistent with our Climate Change and Sustainable Agriculture Policy.

Mitigation	Adaptation
Avoid and reduce greenhouse gas emissions	Adapt our operations, processes, logistics to climate change
Measure and make efforts to reduce greenhouse gas emissions in our operations and supply chains	Promotion of technologies for adaptation to climate change in agriculture
Increase energy and water efficiency	Promote participation in investment projects
Opting for low-emission supplies (refrigerants, fire extinguishers, etc.).	Adopting preventive and reactive measures in the event of emergencies and natural disasters.
Adopt low-carbon technologies and transportation in product distribution and operations.	Promoting measures for the protection of biodiversity and natural resources.
Take actions based on the life-cycle-analysis.	Evaluating suppliers on risks and opportunities related to climate change.
Reduce waste generation, increased recycling rates and divert food from landfill by donation	Implement energy and water efficiency criteria in the design and construction stage of premises.
Work hand in hand with agricultural suppliers to discourage land-use change and responsible fertilizer use	Implement a contingency plan for the distribution of products in the event of an emergency.
Increase energy and water efficiency	Implement circular economy programs.

The complete analysis can be found in Annex 1 of this sustainability report. Additionally, in the following chapters of this report we will share the different actions we have carried out in order to reduce our GHG emissions and generate eco-efficiency.

Mitigation and adaptation measures in the infrastructure of our facilities

When starting a new project, be it stores or malls, we verify that the chosen area does not coincide with the areas exposed to a high risk of natural disasters, identified by the National Institute of Civil Defense (INDECI). In case the risk cannot be avoided, we adapt the design of the infrastructure so that it can safely resist any eventuality.

In short, we have formed a Sustainable Infrastructure Committee called Cibeles, where we provide information on eco-friendly construction characteristics, and as a result of the work sessions we have drawn up a checklist with standards that our facilities must consider prior to design, during design and in the construction stage.

5.7.3.2. Carbon footprint

We measure and verify our inventory of greenhouse gas emissions for scope 1, 2 and 3, when applicable, for each business unit. We use the Peru Carbon Footprint tool, from the Ministry of the Environment, which has been verified with ISO 14064-1. In addition, this year we measured and verified for the first-time scope 3 of our operations, using the same methodology.

We generated 60,522 tons of C02 considering our scope 1 and 2. It is important to note that the 2021 scope includes the acquisition of the company Makro, in Food Retail, which corresponds to 16 wholesale points of sale.

Our goal for 2025 is to reduce our carbon footprint by 15% with respect to sales.

Carbon footprint by business unit

		2018	2019	2020	2021
		tco2e	tco2e	tco2e	tco2e
Scope 1	Food Retail	7,756.02	6,078.27	5,236.09	6,233.8
	Pharma QS	-	-	10.18	12.43
	Pharma Farmacias Peruanas			7.77	10.87
	Shopping Malls	66.41	78.50	80.01	85.23
	Total InRetail	7,822.43	6,156.77	5,334.05	63,42.33
Scope 2	Food Retail	25,497.82	36,250.99	25,321.79	38,499.9
	Pharma QS	-	-	687.41	724.88
	Pharma Farmacias Peruanas	-	-	6,861.72	8,577.06
	Shopping Malls	5,198.17	6,240.59	4,537.80	6,377.77
	Total InRetail	30,695.99	42,491.58	37,408.72	54,179.61
Scope 3	Food Retail				3,587,600.78
	Pharma QS				76,124
	Pharma Farmacias Peruanas				237,232.62
	Shopping Malls				17,375.66
	Total InRetail				3,918,333.31

5.7.3.3. Eco-efficiency: energy consumption

(GRI 302-1, 302-2)

Another major impact of our management is associated with energy consumption, which is vital for all our operations in the sales room, logistics centers and merchandise transportation, and represents 7% of operating expenses, mainly due to the increase in electricity rates. Therefore, one of our main lines of action is focused on taking measures to reduce electricity consumption, generating less environmental impact and savings for the company. We have an Energy Efficiency Policy in Food Retail, which aims to identify and promote best practices in the use of energy, as well as to encourage them among our employees, thereby not only reducing the use of resources, but also reducing store expenses and increasing productivity and profits. Furthermore, in line with our climate change policy, the first step we have taken to improve our energy consumption is to gather real data and diagnostics for each of our sites.

In 2021, we started with the Centauro program, led by the Real Estate Development Management along with energy managers and heads of maintenance and administration of each BU. The objective of this program is for InRetail to become the most efficient retail platform in Peru, for this purpose it began to prepare diagnoses at the level of each BU that allow identifying opportunities for improvement. The main findings were:

To generate energy efficiency:

- Implement centralized control platforms (BMS, automation and control of lighting and air conditioning systems).
- *Toolkit* of good practices: *e-learnings,* control parameters for switching on and off schedules.
- Migration to LED lighting.

With this diagnosis and findings, action plans have been drawn up for 2022 for each BU:

BU	Objective Centauro 2022
Food Retail	Comprehensive BMS management with software in 10 of the company's properties. Installation of motion sensors and switches in main stores. Energy efficiency audits. Energy efficiency audit and training plan.
Shopping Malls	Reduction of energy use in common areas with BMS system. Energy quality studies. Automation of billing processes. Energy efficiency audit and training plan.
Pharma	Energy efficiency audit and training plan.

At the same time, initiatives were developed such as the Implementation of LED Technology, which allows savings of up to 35% in the lighting circuit in our pharmacies, and incentives were also given, as well as training and awareness programs in Food Retail stores. In addition, thanks to the cogeneration plant in the Puruchuco shopping mall, it was possible to significantly reduce the consumption of electrical energy, up to 60%. Thus, the energy consumption results are:

Energy consumption

Total energy consumed	Units	2020	2021
Non-renewable fuels purchased and consumed	MWh	**22,958**	**22,779**
Food Retail	MWh	22,297*	22,357**
Pharma	MWh	272	95
Shopping Malls	MWh	388*	327
Non-renewable electrical energy purchased	MWh	**89,021**	**130,175**
Food Retail	MWh	57,113*	92,669**
Pharma	MWh	21,674	22,085
Shopping Malls	MWh	10,235*	15,421
Total renewable energy generated or purchased	**MWh**	**164,600**	**180,877**
Food Retail	MWh	105,601*	128,763**
Pharma	MWh	40,075	30,687
Shopping Malls	MWh	18,924*	21,427
Total non-renewable energy sold	**MWh**	**0**	**0**
Total non-renewable energy consumed	**MWh**	**111,979**	**152,955**
Total energy consumed InRetail	**MWh**	**276,579**	**333,831**

*The data for Shopping Malls and Food Retail for 2020 has been corrected and updated compared to the Sustainability Report of the previous year.

** Unlike previous years, for the calculation of the year 2021, the consumption of Makro stores, 3 Logistics Centers and Mass stores was included in Food Retail.

Our consumption reduction goals are aligned to the MWh/sale indicator in millions of soles. By 2025 we hope to reduce this indicator by 15%, while by 2022, by 5%.

5.7.3.4. Eco-efficiency: water consumption

(GRI 303-3)

We use municipal water for the operations of our stores, pharmacies, malls and logistics centers. For this reason, our management focuses on two aspects: reducing water consumption as much as possible and ensuring that the wastewater that goes through our sewage system complies with the maximum allowable values (MAV) indicated in current regulations.

This point is of utmost importance, especially in Food Retail, due to our type of operations, the sale of food products and prepared food. We train our store sustainability ambassadors and section managers monthly, and we use grease traps that retain solids and grease to protect the quality of the water that travels through the sewage system. These grease traps receive frequent maintenance.

Water consumption

Total municipal water consumption	Unit	2020	2021
InRetail Total Municipal Water Supply	m^3	1’767,004	1’499,901
Food Retail	m^3	781,232	715,017
Pharma	m^3	360,869	431,443
Shopping Malls	m^3	624,903	353,440

5.7.3.5. Sustainable agriculture, biodiversity, and no deforestation

We recognize the challenges involved in marketing soft products (agricultural or animal products that have been caught or raised) that have an impact on the ecosystem, which is why we have established a framework for our suppliers to develop sustainable agricultural practices by 2025, which is set out in our Sustainable Agriculture Policy.

- Water care

  We encourage our suppliers to implement new technologies and practices aimed at efficient water use through technical training on irrigation, agroforestry, tillage techniques and risk management.

- Reducing environmental pollution and soil care

  We train our suppliers in the implementation of ecological methods for pest control, as well as in the adoption of practices that do not affect soil composition.

- Care for biodiversity and greenhouse gas (GHG) emissions

  We provide guidelines to our suppliers so that they do not use products derived from unsustainable fishing and we accompany them, through technical advice, to become certified in sustainable production. We also train our suppliers in food, nutrition, health, and livestock breeding in order to reduce GHG emissions.

- Supply of sustainable products

  We are committed to increasing the supply of white products that generate less environmental impact, as well as the supply of pesticide-free organic products.

In short, our Corporate Climate Change Policy states our commitment not to affect critical biodiversity through any of our operations, including those in our value chain. Therefore, we ensure that our operational activities and those of our suppliers do not take place in areas considered national cultural heritage and protected natural reserves; we actively promote responsible sourcing, and we prohibit the commercialization of endangered species and the development of commercial activities that affect the development of the marine ecosystem.

In the same way, consistent with our commitment to avoid deforestation, we seek to promote the purchase of commodities and inputs with environmental certifications that guarantee socially and environmentally responsible processes. To this end, we must accompany our agricultural and livestock suppliers in reforestation practices and technical advice for certification. Therefore, through the process of identifying risks in our suppliers, we have developed a training plan to provide them with expert advice on these issues. The training will take place during 2022, as shown below:

Topics	Critical supplier participants	Exhibitors
Practices related to the correct consumption of water	247 critical suppliers identified (ESG + share of sales)	ANA Guest supplier: Nestlé
Reforestation practices and how to get certified	77 critical suppliers Fruits and vegetables	FSC
Responsible production in marine ecosystems	10 critical suppliers identified (ESG + share of sales)	CEDEPESCA
Ecological methods in pest control	77 critical suppliers Fruits and vegetables	SENASA
Technology and sustainable methods of irrigation, and risks associated with water	77 critical suppliers Fruits and vegetables	INIA
Cattle raising: food and health	23 critical suppliers (beef, dairy, cheese)	SENASA
Regenerative agriculture techniques	100 critical suppliers (beef, dairy, cheese, fruit, and vegetables)	RAAA

6. Awards and recognition

Food Retail

- Merco Talent Ranking 2021: Supermercados Peruanos S. A. (SPSA) and Makro Supermayorista S. A. (Makro) were ranked #1 and #3 in the self-service sector and ranked #22 and #45, respectively, in the Top 100 most attractive companies to work for in Peru.
- Merco Business Ranking 2021: SPSA is ranked #1 and Makro #4 with the best corporate reputation in Peru in the self-service sector. They also achieved positions #27 and #78, respectively, in the Top 100 of the overall ranking.
- Merco ESG Responsibility Ranking 202: in the self-service sector, SPSA leads the ranking and Makro is ranked #4 in social, environmental and governance matters. In addition, SPSA and Makro are part of the Top 100 most responsible companies in Peru, ranking #25 and #83, respectively.

- Merco Leaders Ranking 202: our CEO Juan Carlos Vallejos is ranked #38 in the Top 100 most valued business leaders in Peru.
- ANDA Award 2021: SPSA, in the Best World - Environmental category, won the ANDA award for the Recicla Consciente campaign: a national movement in favor of recycling that unites companies, municipalities, recyclers and citizens.
- Certification Great Place To Work: we achieved the GPTW certification, which rates us as one of the best companies to work for as we comply with all the standards required worldwide.
- Ranking Great Place To Work 2021 - Millennials: SPSA was ranked #4 of the best companies in Peru to work for millennials, up nine positions from the previous year.
- Ranking Great Place To Work 2021 - Diversity and Inclusion: SPSA ranked #4 of the best companies in Peru to work with development and implementation of good diversity and inclusion practices, climbing ten positions over the previous year.
- PAR Ranking 2021 - Aequales: equales: this is a recognition of organizations that promote and defend gender equity, diversity, and inclusion, delivered by Aequales, where we ranked #4 in the ranking of companies with +5,000 workers.
- We are Pride Connection Perú: we are part of the Pride Connection Perú network, a network of organizations that seeks to raise awareness, sensitize, and spread the importance of generating inclusive and safe work environments for the LGBTIQ+ community

Pharma

- Merco Talent Ranking 2021: Química Suiza (QS) obtained the #1 position in the pharmaceutical sector and Farmacias Peruanas reached the #3 position in the specialized retail sector of the most attractive companies to work for in Peru.
- Merco Business Ranking 2021: QS is the #2 company and Farmacias Peruanas is #8 with the best corporate reputation in Peru in the pharmaceutical and retail sector.
- Merco ESG Responsibility Ranking 2021: QS, in the pharmaceutical sector, achieves the #2 position and Farmacias Peruana, in specialized retail, ranks #6 in social, environmental and governance matters among the most responsible companies in Peru.
- Merco Leaders Ranking 2021: Rafael Dasso, CEO of InRetail Pharma, is ranked #79 of the Top 100 of the best valued business leaders in Peru.
- Certification Great Place To Work 2021: We achieved the GTPW certification as a great company to work for, offering a world-class experience to its employees.
- Ranking Great Place To Work 2021 - Millennials: Farmacias Peruanas was ranked #18 of the best companies in Peru to work for millennials.
- Ranking Great Place To Work 2021 - Diversity and Inclusion: Farmacias Peruanas obtained the #13 position of the best companies in Peru to work with the development and implementation of good practices of diversity and inclusion.
- We are Pride Connection Peru: we are part of the Pride Connection Peru network, a network of organizations that seeks to raise awareness, sensitize and spread the importance of generating inclusive and safe work environments for the LGBTIQ+ community.

Shopping Malls

- Merco Talent Ranking 2021: Real Plaza is the #1 company in the shopping mall sector and is ranked #34 in the Top 100 most attractive companies to work for in Peru.
- Merco Companies Ranking 2021: Real Plaza is recognized as the best shopping mall and achieves position #29 within the Top 100 companies with the best corporate reputation in Peru.
- Merco ESG Responsibility Ranking 2021: Real Plaza leads the ranking of the most sustainable shopping malls in social, environmental and governance matters, and reaches position #26 among the most responsible companies in Peru.
- Certification Great Place To Work 2021: We achieved the GTPW certification as a great company to work for, offering a world-class experience to its employees.
- Ranking PAR 2021 - Aequales: this is a recognition of organizations that promote and defend gender equity, diversity, and inclusion, delivered by Aequales, where we are ranked #6 in the ranking of companies with 200 to 1000 employees.

7. GRI table of contents

GRI STANDARD	Thematic content	Page/ Detail	Omissions or observations
Foundations			
GRI 101: Foundations 2016			Prepared in compliance with the GRI Standards, Essential option
General contents			
	Organization Profile		
GRI 102: General Aspects 2016	102-1 Name of the organization	InRetail Perú Corp	NA
	102-2 Activities, brands, products and services	Page 6	NA
	102-3 Location of headquarters		NA
	102-4 Location of operations	Pages 7-10	NA
	102-5 Ownership and legal form		NA
	102-6 Served markets	Pages 7-10	NA
	102-7 Size of the organization	Pages 7-10	NA
	102-8 Information regarding employees and other workers	Pages 59-60	NA
	102-9 Supply chain	Pages 52-59	NA
	102-10 Significant changes in the organization and its supply chain	Pages 52-59	NA
	102-11 Precautionary principle or approach	Pages 24-26	NA
	102-12 External initiatives	Pages 26-27, 130-143	We prepared a climate change risk analysis in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD); We also take into consideration the principles of the United Nations Global Compact for our Human Rights commitments.
	102-13 Affiliation to associations	Pages 26-27	NA
	Strategy		
	102-14 Statement from senior executives responsible for decision making	Page 4	NA
	102-15 Main impacts, risks and opportunities	Pages 24-26	NA
	Ethics and integrity		
	102-16 Values, principles, standards and norms of conduct	Pages 22-23	NA
	102-17 Mechanisms for advice and ethical concerns	Pages 22-23	NA
	Governance		
	102-18 Governance structure	Pages 18-21	NA
	Participation of stakeholders		
	102-40 List of stakeholders	Pages 35-36	NA
	102-41 Collective negotiation agreements	Page 91	NA

	102-42 Identification and selection of stakeholders	Pages 35-36	NA
	102-43 Approach to stakeholder engagement	Pages 35-36	NA
	102-44 Key issues and concerns raised	Pages 36-41	NA
	Practices for the preparation of reports		
	102-45 Entities included in the consolidated financial statements	Pages 10-13	NA
	102-46 Definition of the contents of the reports and the Coverage of the subject	Page 3	NA
	102-47 List of material topics	Pages 36-41	NA
	102-48 Restatement of information	This year for the chapters on human resources, information from agora and in digital xp has been included.	NA
	102-49 Changes in reports preparation	there have been no significant changes in the preparation of the report	NA
	102-50 Period covered by the report	2021. Page 3	NA
	102-51 Date of the last report	2020	The GRI methodology was not used in the 2019 report.
	102-52 Cycle of reports preparation	Annual	NA
	102-53 Point of contact for questions about the report	ir@inretail.pe	NA
	102-54 Statement of report preparation in accordance with the GRI Standards	Page 3	NA
	102-55 GRI content index	Pages 117-121	NA
	102-56 External verification	Annex 3. External Verification. Pages 145-145	NA

GRI standard	Contents	Detail
Material issues		
Ethical and transparent behavior		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
GRI 2015: Anti-corruption	205- 2 Communication and training regarding anti-corruption policies and procedures	Pages 22-24, 58
	Own indicator - Number of violations of the code of conduct received and addressed	Page 23
Supply Chain Engagement and Development		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
GRI 204: Procurement Practices	204-1 Proportion of expenses in local suppliers	Pages 53-54
GRI 308: Environmental assessment of suppliers	308-1 New suppliers that have passed the evaluation and selection filters in accordance with environmental criteria	Pages 54-56
	308-2 Negative environmental impacts in the supply chain and measures taken	Pages 56-58
GRI 414: Supplier Social Assessment	414-1 New suppliers that have passed the selection filters according to social criteria	Pages 54-56
	Own indicator - Number of local suppliers (Peruvian)	Page 53
	Own indicator - Number of suppliers with socio-environmental impact included in the value chain	Page 55
	Own indicator - Number of suppliers trained in sustainability	Page 57
Digital Transformation		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
GRI 418: Customer privacy	GRI 418- Substantiated claims regarding violations of customer privacy and loss of customer data	Pages 50-51
Access to quality goods at low prices		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52

GRI 203: Indirect economic impacts	203-2 Significant indirect economic impacts	Pages 24-26
Generation of well-being and quality of life		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
GRI 416: Customer health and safety	416-1 Evaluation of the impacts on health and safety of the categories of products or services	Pages 85-87
Shopping experience		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
	Own indicator: NPS by format	Page 46
Attraction and development of employees		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages 51-52
	103-2 The management approach and its components	Pages 51-52
	103-3 Evaluation of the management approach	Pages 51-52
GRI 401: Employment	401-1 New hires of employees and staff turnover	Pages 62, 69
GRI 404: Training and teaching	404-1 Average hours of training per year per employee	Page 70
	404-2 Programs to improve employee skills and transition assistance programs	Pages 70 - 72
	404-3 Percentage of employees receiving regular performance and professional development evaluations.	Page 72
Other relevant topics		
Economic performance		
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Page 14
Eco-efficiency		
GRI 302: Energy	302-1 Energy consumption within the organization	Pages 112 - 113
GRI 303: Water and effluents	303-5 Water consumption	Page 113
Climate change		
GRI 305: Emissions	305-1 Direct GHG emissions (scope 1)	Page 111
	305-2 Indirect GHG emissions when generating energy (scope 2)	Page 111
Waste		
GRI 306: Waste	306-3 Waste generated	Pages 98-101
	306-4 Waste not destined for disposal	Pages 98-101
	306-5 Waste destined for disposal	Pages 98-101
	Own indicator: Food donation	Page 103
Security and health		

GRI 403: Occupational health and safety	Contents 403-4 Employees' participation, consultation and communication on health and safety at work	Pages 75-76
	Contents 403-9 Work-related injuries	Pages 75-78
	Own indicator: Lost Time Injury Frequency Rate (LTIFR)	Page 77
	Own indicator: Contractor Fatalities	Pages 77-78
	Own indicator: Employee Fatalities	Page 77
Diversity and inclusion		
GRI 405: Diversity and equal opportunity	405-1 Diversity in governance bodies and employees	Page 81
	405-2 Ratio of basic salary and remuneration of women compared to men	Page 81
	Own indicator: Number of hired employees who identify with a minority group	Page 79
	Own indicator: Number of employees from the LGBTIQ+ community	Pages 78-79
	Own indicator: Number of employees with disabilities	Page 78
	Own indicator: Employees by gender	Page 81
	Own indicator: Employees by gender and leadership level	Pages 81-82
	Own indicator: Employees by age	Page 81
	Own indicator: Employees per region	Page 80
	Own indicator: Employees by country and leadership level	Pages 79-82
	Own indicator: Employees by country	Pages 79-80
	Own indicator: Number of trainings in Diversity and inclusion	Pages 30, 82-85
	Own indicator: Number of campaigns in Diversity and inclusion	Pages 82-85
Human rights		
GRI 412: Human Rights evaluation	412-3 Operations subject to human rights reviews or impact evaluations	Pages 90-95

8. Annexes

8.1. Annex 1: Supplementary Results

Table 1. Chapter 6.6.1.2. Own, exclusive, and controlled brands

List of exclusive and own brands

Food Retail	Pharma
Aro	NINET
BALANZE	SECOS
BALDARACCI	TOTAL DENT
BELL'S	CELL SKIN
BLACKLINE	LADYFREE
BOREAL	NON SUN
DECO HOME	MEDCELL
EL BUEN CORTE	BIU COLLAFLEX
HOME CHEF	BIOCORD BABYMA
LA FLORENCIA	CAPILATIS
M&K	AVENE
MASS	AGRADO
PLAZAVEA	CREIGHTONS
SCALA	MONDSUB
TERNEZ	NBC
VIVAHOME	GNC
	GOLD BLADE
	CLUNY
	DERMEX
	VIVAPIL
	MOASS / PUZO
	DR. FOOT
	FRANGANTTI
	CLINASEP
	ANGELITO
	QUELOCURE

Table 2. Chapter 5.7.1.4. We grow as a team

Trained people according to age

	Under 30 years	Between 30 and 50	From 51 years and over
Food Retail	10,736	6,916	461
Pharma	11,187	13,878	1,045
Shopping Malls	61	162	16
Totaln Inretail	21,984	20,956	1,522

Tables 3, 4, 5, 6, 7 and 8. Chapter 5.7.1.7. We radiate diversity, equity, and inclusion

Employees by nationality and gender

	Total InRetail		Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
PERUVIAN	17,041	27,140	11,333	10,335	5,299	16,484	261	177	148	144
ARGENTINE	11	4	8	0	1	1		2	2	1
CHILEAN	9	2	2	1	3	1	2		2	0
COLOMBIAN	2	5	2	2				3	0	0
URUGUAYAN	0	0	0	0					0	0
VENEZUELAN	32	29	21	16	8	6	1	1	2	6
BRAZILIAN	1	2	1	1					1	0
ECUADORIAN	0	1	0	1					0	0
SPANISH	1	0	1	0					0	0
FRENCH	1	0	1	0					0	0
BOLIVIAN	0	2	0	0	0	1			1	0
UKRANIAN	0	1	0	0		1			0	0
OTHER NATIONALITIES	12	2	10	2	2				0	0

Employees by nationality and hierarchy

	Top management		Middle management		Junior management	
	Men	Women	Men	Women	Men	Women
Peruvian	68%	32%	61%	39%	49%	51%
Argentine	100%	0%	100%	0%	0%	0%
Chilean	100%	0%	100%	0%	75%	25%
Venezuelan	0%	0%	67%	33%	100%	0%
Colombian	0%	100%	50%	50%	50%	50%
French	0%	0%	100%	0%	0%	0%
Ecuadorian	100%	0%	0%	0%	0%	0%
Brazilian	100%	0%	50%	50%	0%	0%

Employees according to region and gender

	Total InRetail		Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Metropolitan Lima	12,354	16,182	8,349	7,771	3,681	8,113	168	147	156	151
Lima provinces	0	0	0	0	0	0	0	0	0	0
Amazonas	8	33	0	0	8	33	0	0	0	0
Áncash	240	498	155	100	81	397	4	1	0	0
Apurímac	15	74	0	0	15	74	0	0	0	0
Cajamarca	203	633	116	111	78	519	9	3	0	0
Callao	128	245	112	142	16	103	0	0	0	0
Cusco	217	508	149	172	60	332	8	4	0	0
Huancavelica	2	32	0	0	2	32	0	0	0	0
Huánuco	105	283	67	53	27	229	11	1	0	0
Ica	318	688	231	190	87	498	0	0	0	0
Junín	266	604	184	159	75	438	7	7	0	0
La Libertad	514	1,133	307	240	198	886	9	7	0	0
Lambayeque	359	692	176	118	174	570	9	4	0	0
Loreto	88	315	0	0	88	315	0	0	0	0
Madre de Dios	0	15	0	0	0	15	0	0	0	0
Moquegua	123	200	118	128	5	72	0	0	0	0
Pasco	8	25	0	0	8	25	0	0	0	0
Piura	803	1,110	625	452	164	656	14	2	0	0
Puno	162	298	145	168	7	128	10	2	0	0

San Martín	148	277	100	88	48	189	0	0	0	0
Tacna	145	333	107	86	38	247	0	0	0	0
Tumbes	112	188	89	60	23	128	0	0	0	0
Ucayali	132	225	91	69	32	154	9	2	0	0
Arequipa	391	1,254	219	205	164	1,045	8	4	0	0
Ayacucho	69	187	39	46	30	141	0	0	0	0
Otras provincias	207	1,146	0	0	207	1,146	0	0	0	0

Employees according to age groups

	Total InRetail		Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees < 30 years	7980	6709	7866	6570	0	0	57	66	57	73
Number of employees between 30 and 50	3535	3725	3249	3535	0	0	188	112	98	78
Number of employees > 50	285	257	264	253	0	0	20	4	1	0

Leadership positions and gender

	Food Retail		Pharma		Shopping Malls		Digital	
	Men	Women	Men	Women	Men	Women	Men	Women
Total employees	52.35%	47.65%	24.36%	75.64%	59.28%	40.72%	50.81%	49.19%
Management positions	43.56%	56.44%	55.24%	44.76%	23.08%	76.92%	63.16%	36.84%
Middle management positions	65.53%	34.47%	55.79%	44.21%	47.22%	52.78%	66.67%	33.33%
Senior Management Positions	61.25%	38.75%	56.73%	43.27%	41.18%	58.82%	76.92%	23.08%
Management positions in income-generating areas	68.75%	31.25%	58.33%	41.67%	58.62%	41.38%	70.00%	30.00%
Management positions in STEM areas	50.00%	50.00%	71.43%	28.57%	0.00%	100.00%	58.33%	41.67%
Total positions in STEM areas	66.15%	33.85%	72.79%	27.21%	53.66%	46.34%	64.74%	35.26%

Table 9. Chapter 5.7.4. Commitment to human rights

Number of workplace sexual harassment (HSL) complaints by gender

	Total InRetail	Food Retail	Pharma	Shopping Malls
Number of HSL complaints from women	58	44	9	5
Number of HSL complaints from men	2	2	0	0
Number of anonymous complaints 2021	4	4	0	0

Table 10. Chapter 5.8.2.3. Food Waste

Detail of food donated by format and type of category (TN)

CATEGORY	WHOLESALE FORMAT	MASS	OSLO	PLAZA VEA	VIVANDA	TOTAL (TN)
BAZAR	5.81	0.01	0.05	47.47	0.18	53.51
BEVERAGES	59.52	1.24	0.97	163.13	4.43	229.28
MEATS	31.45	0.10	2.97	263.03	11.10	308.66
GROCERIES	509.93	13.24	38.07	2,248.85	87.69	2,897.78
PREPARED MEALS	12.99	0.61	0.26	353.69	37.07	404.61
PERSONAL CARE AND CLEANING	78.87	1.32	8.93	172.80	1.48	263.41
COLD CUTS AND CHEESES	54.33	2.26	1.54	186.56	7.16	251.83
FRUITS AND VEGETABLES	229.73	3.23	0.81	4,953.37	450.29	5,637.43
HOME	2.78	0.01	0.06	39.64	0.33	42.82
DAIRY AND FROZEN	239.43	5.22	10.96	659.99	29.96	945.56
BAKERY AND PASTRY	39.44	1.41	17.00	1,590.52	129.85	1,778.22
FISH AND SEAFOOD	6.30	0.01	-	35.67	3.21	45.19
TEXTILE	0.00	-	-	14.82	0.00	14.82
Grand Total	**1,270.57**	**28.66**	**81.61**	**10,729.54**	**762.76**	**12,873.14**

8.2. Annex 2: TCFD

Risk and opportunity scenario analysis regarding Climate Change

InRetail

1. Introduction

The Inretail group, as well as the companies that comprise it, are committed to the purpose of transforming the places where we exist, seeking to improve everyone's quality of life: meeting the needs of the population with their products and services, always acting in an ethical, transparent, and professional manner.

Within the framework of the Paris Agreement, 175 countries, including Peru, made a commitment to reduce their emissions and limit the increase in global average temperature by 2°C by the year 2100. In this context, Peru increased its commitment to reduce its greenhouse gas (GHG) emissions from 30% to 40% by 2030, of which 30% will be achieved through investments and expenses with internal and external resources (public and private).

Furthermore, in terms of climate change adaptation, Peru has a *National Climate Change Adaptation Plan*[2], which establishes a clear route for reducing the risks associated with the dangers of climate change and scientific information for decision making from the territory, taking into special consideration the ancestral knowledge of the indigenous or native communities of our country. This plan developed the analysis of current and future risk regarding the effects of climate change, which helped to develop solutions to reduce risks and increase the capacity to adapt to any problem.

Indeed, according to studies, climate change brings with it a series of consequences that are classified as follows:

Direct: Heat waves, damage to health due to extreme weather events such as floods, landslides, and droughts.

Indirect: Ecological systems (agricultural losses, the spread of disease vectors and environmental conditions for their transmission), social systems (population displacement and related conflicts) and economic systems.

This report describes how different climate change scenarios could impact our business operations and the strategies we are considering for mitigating our emissions and adapting to potential new challenges. The report is continually updated as our understanding of climate change challenges evolves.

At Intercorp Retail and InRetail, we seek to manage our impact on climate change in order to ensure the sustainable development of Peru and, therefore, of our operations. We therefore continue to assess our climate impact, risks, and opportunities, and integrate our sustainability and social impact strategy throughout our organization. Moreover, as part of our climate action and sustainability efforts, we are committed to

[2] Plan Nacional de Adaptación

continuously improve our alignment with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD)[3] .

2. Objective

Implement the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) in order to analyze scenarios to assess the commercial, strategic, and financial implications of the business when faced with risks and opportunities associated with climate change.

3. Governance

Corporate Sustainability Management and Corporate Audit Management, who report to the management committee, have identified and reported on the risks and opportunities that climate change and the transition to a low-carbon economy represent. Additionally, the Corporate Sustainability Committee was implemented, which is made up of leaders from all companies who, in addition to their day-to-day role, are sustainability ambassadors within their organizations.

InRetail also has a "Sustainability Policy" that aims to establish guidelines for the sustainable management of business operations, including its supply chains, strengthening the corporate culture and the fulfillment of its purpose. In the same way, we have established those responsible for the fulfillment of the guidelines and the integral management of sustainability in InRetail, which are as follows:

- **Sustainability and Human Resources Vice-Presidency:** Responsible for the review, approval, and supervision of the policies related to our climate plan, as well as the sustainability plan of InRetail and its companies.
- **Corporate Sustainability Management:** Responsible for the design and management of the sustainability plan and policies in InRetail and its companies, as well as the implementation, compliance, and updating together with the sustainability managers of each company.
- **Sustainability Responsible or Leaders by Business Unit:** Representatives of InRetail companies responsible for implementing the sustainability plans in their companies, ensuring compliance with policies, and keeping informed about public and/or private regulations that could affect them.
- **Sustainability Ambassadors:** Group of collaborators from each of the InRetail companies who assist the sustainability officers in the implementation of policies and plans as well as actively encourage the participation of other collaborators through training and communication activities.
- **InRetail Corporate Sustainability Committee:** Made up of the sustainability leaders of the InRetail companies, where they share tools and guidelines on sustainability management and propose improvements in plans, policies, and their implementation.
- **Management in charge of monitoring compliance with the Strategic Plan:** Made up of the corporate process transformation management or their counterparts in

[3] https://www.fsb-tcfd.org/

the business units, who are periodically responsible for monitoring compliance with the goals and objectives of the corporate sustainability plans.

Likewise, we have the "Climate Change Policy", which aims to create a framework and commitment to develop strategies to identify, evaluate, and manage problems and opportunities related to climate change; and the "Sustainable Agriculture Policy", to create a framework with suppliers of soft commodities to develop sustainable agricultural practices. These policies are aimed at all business units and are the responsibility of the Sustainability Manager and all collaborators in the commercial, operations, logistics, and marketing areas of the business units. Both have been reviewed and communicated in order to identify, assess, and manage risks and opportunities related to climate change and responsible procurement of soft commodities[4].

4. Strategy and Risk Management

We recognize that the consequences of climate change are already becoming evident and that, over time, they will increasingly influence our operations. Therefore, the risks and opportunities related to the transition to a low-carbon economy and the impacts related to climate change are incorporated into InRetail's strategy in the short, medium and long term.

This year, we have advanced our approach to assessing climate risks and opportunities by conducting climate scenario analyses to better understand the likelihood and magnitude of potential impacts.

At InRetail, sustainability means generating sustainable economic, environmental, and social added value for our stakeholders, namely our customers, employees, investors, business partners, and society as a whole. Sustainable development is therefore a way of doing business and a guiding principle for our actions and all interactions with our customers. This holistic strategic approach applies not only to our own company, but also to our entire upstream and downstream value chain.

This will be used as an action plan for climate change mitigation and adaptation, with the purpose of determining the impact and probability of risks and opportunities.

4.1. Methodology

This document was prepared using the TCFD recommendations, through a qualitative analysis of three climate change scenarios established by the *Intergovernmental Panel on Climate Change*[5] (IPCC). The scope for the analysis was established, then the risks and opportunities that the impacts of climate change represent on operations were identified.

Likewise, an impact-probability assessment of risks and opportunities was carried out, from which climate change mitigation and adaptation measures were established. Three

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[4] For more information on the above-mentioned policies, please visit the following link: https://www.inretail.pe/Documentos%20Corporativos/1119/

[5] https://www.ipcc.ch/

different scenarios of *Representative Concentration Pathway* (RCP[6]) 2.6, 4.5 and 8.5 were evaluated under the assumptions of changes in Peruvian policy and legislation, vulnerability, and exposure to climate change of water availability and productive systems, and greater intensity and frequency of natural disasters.

This analysis of climate change risk scenarios and opportunities for InRetail's operations has been carried out (See Annexes 1 and 2) taking into consideration what is established in the *National Plan for Adaptation to Climate Change of Peru*[7] and the *2021 - 2030 Update Report on Peru's Nationally Determined Contributions*[8], both prepared by the Ministry of the Environment (MINAM).

4.2. Scope of the Analysis

The scope of this analysis was conducted in all the regions of Peru where InRetail stores are located (see Annexes 3 and 4), also considering the upstream and downstream processes of the operations. We take medium-term time horizon of 2050.

In addition, it incorporates a qualitative analysis of the risk and opportunity scenarios, corresponding to the RCPs, also known as emission scenarios.

RCP	Description	Temperature increase range to 2100
RCP 2.6	Aggressive mitigation: emissions to be reduced to half of current levels by 2050	0.3 – 1.7 °C
RCP 4.5	Strong mitigation: emissions stabilize at half current levels by 2080	1.1 – 2.6 °C
RCP 8.5	*Business-as-usual: emissions continue to increase at current rates*	2.6 – 4.8 °C

IPCC, 2014.

4.3. Scenario analysis

- Scenario 1: RCP 2.6

The present scenario is described as an aggressive mitigation of greenhouse gas emissions. Working under the assumption that the State implements a series of restrictions and legislation regarding industry emissions. Establishing emission limits and incentives for carbon footprint neutralization. To date, MINAM has made great progress in climate change mitigation and adaptation issues, such as data collection, scenario analysis, recommendations, alliances, among many others. They also have recognition incentives through the Carbon Footprint Peru portal and tool[9], which provides awards to companies that measure, verify, reduce, and/or neutralize their footprint.

[6] The different RCPs describe several climate futures, all of which are considered possible depending on the volume of greenhouse gases in the atmosphere. This is done through climate modeling resulting from assumptions about future anthropogenic emissions.

[7] R.M. 096-2021-MINAM

[8] Contribuciones Determinadas a Nivel Nacional del Perú

[9] https://huellacarbonoperu.minam.gob.pe/huellaperu/

For this scenario, we understand that the risks and opportunities are characterized by the transition to a low-carbon economy. Currently, the energy systems of some business units are changing from natural gas to electric, with the confidence that Peru's energy matrix will evolve to one with a greater participation of renewable energy sources, such as hydroelectric, solar, wind, and geothermal. Peru has vast sources of low-carbon energy, which must be exploited.

In addition, in order to encourage the use of electric transportation by our customers, electric car chargers are being implemented in our shopping malls. This is a crucial step in working together towards a low-carbon future.

There is also the possibility of carrying out “Works by Tax”, a mechanism where private companies advance the payment of their income tax to finance and execute directly public investment projects directly, quickly, and efficiently. Within this mechanism there is the "Green Infrastructure", which is defined as a network of natural spaces that preserve the values and functions of ecosystems, providing ecosystem services. By implementing such infrastructure, it is possible to prevent land use change, deforestation and create carbon sinks.

- Scenario 2: RCP 4.5

The RCP 4.5 scenario represents a strong mitigation of carbon emissions, where by 2100, global average temperatures increase by 1.1 and 2.6° C compared to pre-industrial levels. Under this assumption, the impacts of climate change will be mitigated, but at the same time the effects will be perceived. Comparing annexes 1, 2 and 3; it can be seen that Peru has a great exposure and vulnerability to the dangers of water availability and agricultural production systems. To mitigate and adapt to these challenges, we must work with alliances and innovation.

At Intercorp Retail and InRetail we have the *Peru Pasión* program, where we work hand in hand with our suppliers for their development and inclusion in the commercial channels. As part of this program, we will begin to work hand in hand with agricultural suppliers to face the challenges posed by climate change. We will seek alliances with the public and private sectors for the development and implementation of technologies for agricultural practices, such as irrigation systems, seeds that are resilient to climate change, new agricultural practices, among others.

Working hand in hand with the public sector will be essential to create programs for access to and availability of drinking water for the population in situations of vulnerability to climate change. Likewise, we will work on the efficiency of our operations' production processes to reduce water consumption, implement water harvesting systems, and promote water recirculation, among others.

- Scenario 3: RCP.8.5

This scenario is known as business-as-usual and is based on the assumption that emissions continue to increase at the current rate. Under this assumption, natural disasters will not only increase in intensity, but it is also estimated that by 2100 the El Niño phenomenon will double in frequency. Given the geography and hydrography of Peru, the Geological, Mining and Metallurgical Institute (INGEMMET) has identified 114 areas at risk of flooding and landslides due to rain.

In view of these dangers, we believe that it is of utmost importance to take emergency preparedness measures. Emergency and natural disaster measures must be adopted in order to mitigate their effects and respond effectively to their consequences. We currently have a product distribution plan for these scenarios and reserves for basic needs. In addition, imports should be considered as a response to the interruption of supply chains.

It is also necessary to work hand in hand with the Ministry of Health (MINSA) for a rapid response to emergencies, providing supplies and products and safe areas for emergency care.

4.4. Identification of risks and opportunities

The following section lists the risks and opportunities, and their respective descriptions, which are presented in a 2030 time horizon regarding climate change for InRetail's operations.

Physical risks are those related to the disruption of business activities as a result of climate change, which may be acute, i.e., arising from extreme weather events, or chronic, which are gradual changes with a more lasting impact. There are also transition risks, which arise from the transition to a low-carbon economy.

Types of Risks	Potential Impacts
Physical	
Acute • Increased frequency and severity of landslides. • Greater frequency and severity of floods. • Increased frequency of forest fires.	• Impact on roads and communication infrastructure. • Disruption of operations. • Damage to assets. • Reduction in product availability and disruptions in the supply chain. • Delay in operations.
Chronic • Decrease in water availability. • Variation in precipitation. • Increase in soil aridity. • Changes in sea temperature and availability of hydrobiological resources. • Increase in sea level.	• Increase in water costs. • Volatility of production capacity. • Reduction in product availability and frequent outages in the supply chain. • Variation in insurance costs.
Transitional	
Political and legal • Restriction or prohibition of the use of refrigerants.	

● Change in construction standards associated with energy and water efficiency of commercial premises. ● Implementation of carbon pricing. ● Stricter regulation of operations. ● Changes in labeling and design regulations for products with high carbon and/or water footprints.	● Expenses associated with adapting to new regulations and construction standards. ● Possibility of incurring fines for non-compliance with regulations.
Technological ● Advances in low-emission technologies leading to obsolescence of current technology. ● Increase in costs for the transition to low-emission technologies due to patents.	● Increase in operating expenses due to the adaptation to new technologies.
Market: ● Increase in the cost of virgin raw materials. ● Instability in natural resource prices. ● Change in consumer preferences for low-emission products and services. ● Increase in investor demands for standards and risks associated with climate change.	● Low availability of raw materials and products. ● Loss of access to investment in carbon-intensive businesses.
Reputation: ● Change in customer perception due to late or lack of action on the transition to a low GHG emissions model. ● Change in collaborators' perception of late or lack of action on climate issues.	● Volatility in revenues due to changes in consumer preferences. ● Impact on the attraction and retainment of talent.

On the other hand, mitigation and adaptation efforts generate a series of opportunities for the business, which are identified as follows:

Opportunities	Potential Impacts
Resource efficiency: ● Optimize dispatch routes. ● Optimize the production of your own brand. ● Increasing quantities of recycled waste and recycled raw materials. ● Change to low energy and water consumption infrastructure.	● Generation of efficiencies and reduction of operating expenses. ● Increase in production capacity. ● Economic savings associated with energy and water consumption. ● Reduction of uncertainty due to volatility in the price of virgin raw materials.
Energy source: ● Change to renewable energy matrices ● Use of new technologies ● Participation in new carbon markets ● Use of renewable off-grid energy.	● Reduction of operating costs associated with the change in the energy matrix. ● Reduction of dependence on fossil fuels and exposure to price variations. ● Improvement in the return on investment of new technologies.
Products and services: ● Diversify the products offered towards low emissions ● Change in consumer preferences.	● Competitive advantage for being an early adapter versus other competitors. ● Higher sales of low-emission products and improved product assortment. ● Improvement in consumer perception.
Markets: ● Access to new markets ● Public sector incentives. ● Energy independence	● Attracting new customers. ● Access to tax benefits for adapting low-emission practices. ● Reduced dependence on energy prices.
Resilience: ● Public-private partnerships for the promotion of clean and / or renewable energies ● Anti-seismic infrastructure and prepared for natural disasters ● Adoption of resource efficiency measures	● Increased confidence in the supply chain. ● Reduced operating costs by implementing eco-efficiency measures.

Time horizons for identified risks and opportunities

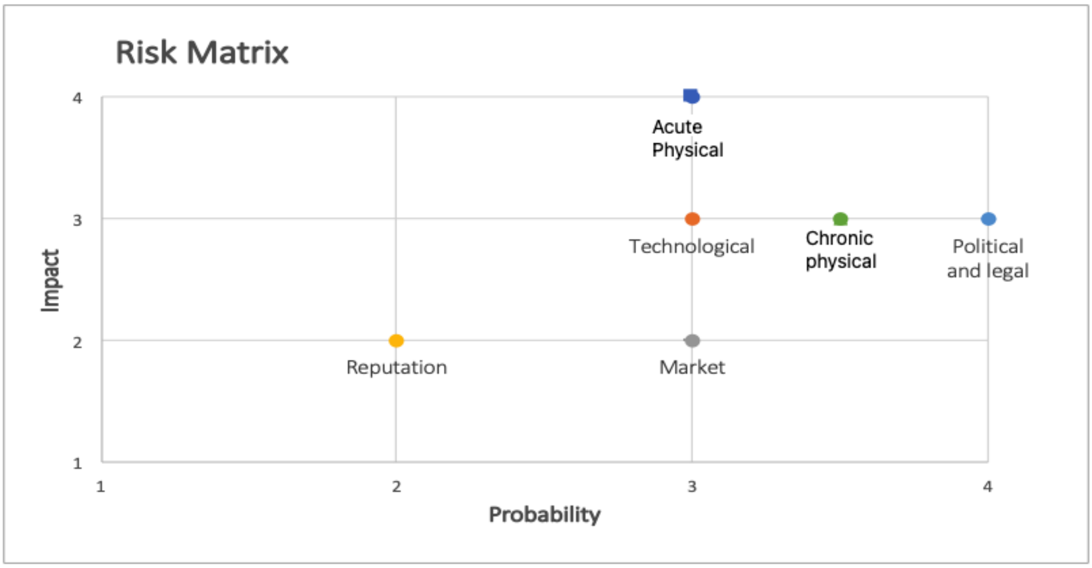
The identified physical and transition risks may have impacts in the short, medium, and long term, The time horizons are defined below.

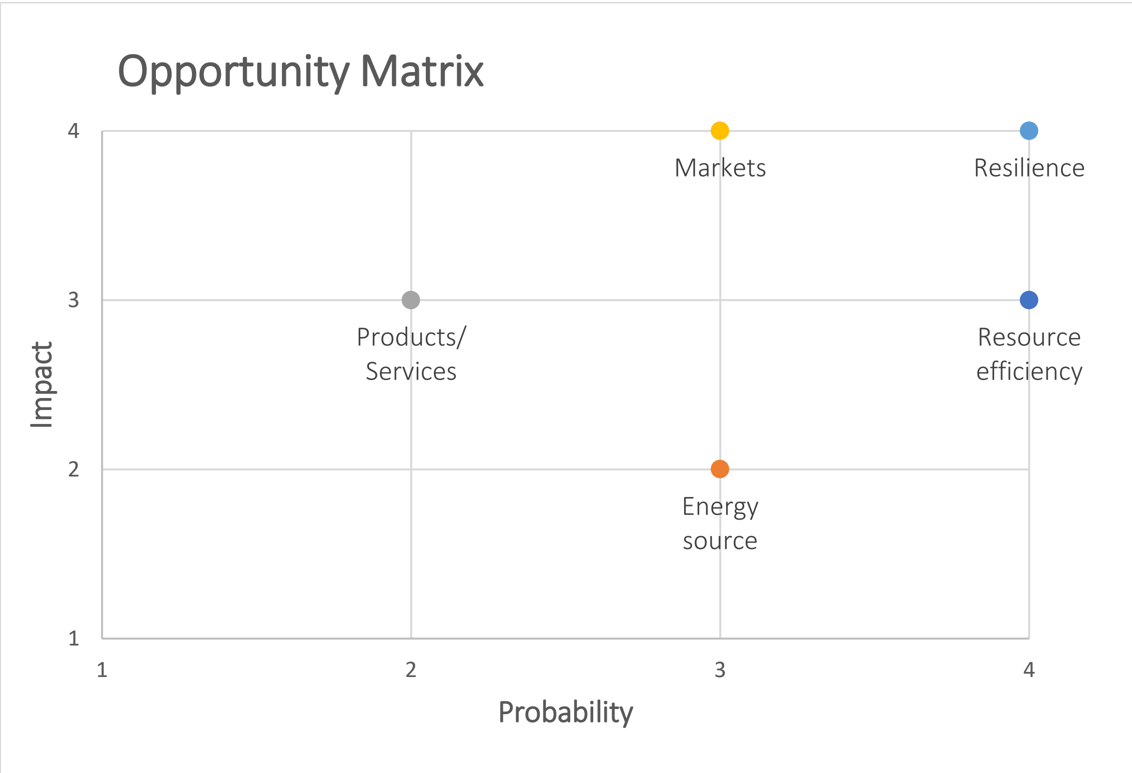
- Short term: 2025
- Medium term: 2025-2030
- Long term: 2050

Types of risks		Short term	Medium term	Long term
Physical	Acute	X	X	X
	Chronic		X	X
Transitional	Political and legal		X	X
	Technological	X	X	X
	Market	X	X	X
	Reputational		X	X

4.5. Probability and Impact Analysis

Based on the identification of risks and opportunities, a probability and impact analysis was performed.





4.6. Climate Change Risk Management

The following section refers to climate change mitigation and adaptation actions resulting from the impact-probability analysis of risks and opportunities.

Mitigation	Adaptation
Avoid and reduce greenhouse gas emissions	Adapt our operations, processes, logistics to climate change
Measure and make efforts to reduce greenhouse gas emissions in our operations and supply chains	Promotion of technologies for adaptation to climate change in agriculture
Increase energy and water efficiency	Promote participation in investment projects
Opting for low-emission supplies (refrigerants, fire extinguishers, etc.).	Adopting preventive and reactive measures in the event of emergencies and natural disasters.
Adopt low-carbon technologies and transportation in product distribution and operations.	Promoting measures for the protection of biodiversity and natural resources.
Take actions based on the life-cycle-analysis.	Evaluating suppliers on risks and opportunities related to climate change.
Reduce waste generation, increased recycling rates and divert food from landfill by donation	Implement energy and water efficiency criteria in the design and construction stage of premises.
Work hand in hand with agricultural suppliers to discourage land-use change and responsible fertilizer use	Implement a contingency plan for the distribution of products in the event of an emergency.
Increase energy and water efficiency	Implement circular economy programs.

5. Metrics and objectives

Since 2021, we have established ESG targets for our company. Our current metrics and objectives are key to measuring and managing risks and opportunities related to climate change.

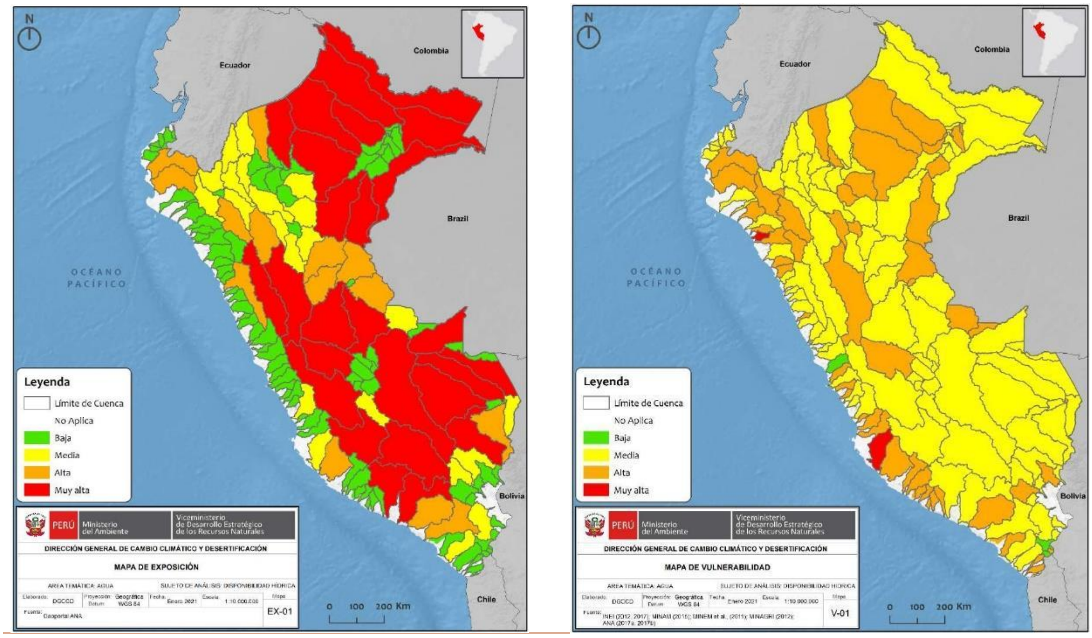
According to the TCFD Guidance on Metrics, Targets and Transition Plans[10], we have the following metrics related to climate change and our performance in 2021 regarding these metrics[11]:

Metric	Unit	Base Year 2021	Target 2025
Carbon Footprint Scope 1 Scope 2 Scope 3	tCO2eq	6,342.33 54,179.61	15% reduction in relative carbon footprint
Electricity consumption	MWh	311,052	15% reduction in relative energy consumption.
Waste recycling	%	47.6	Recycling of 59.8% of waste generate.

[10] https://www.fsb-tcfd.org/
[11] For more information, see our Sustainability Report 2021.

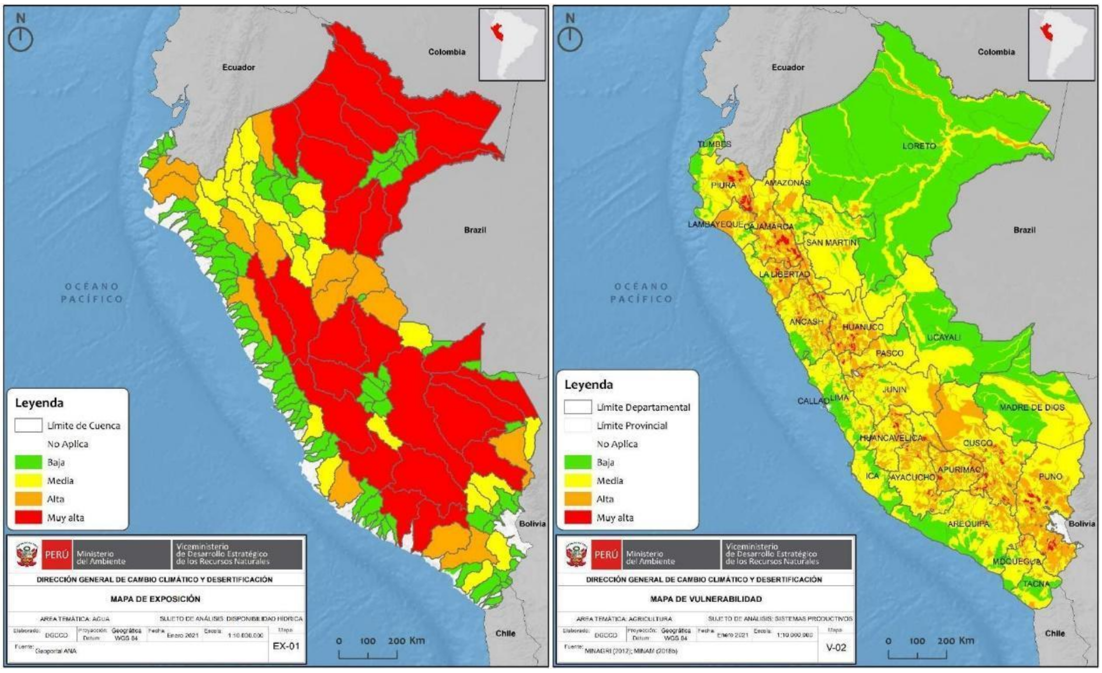
6. Annexes

Annex 1. Thematic vulnerability and exposure maps on water availability



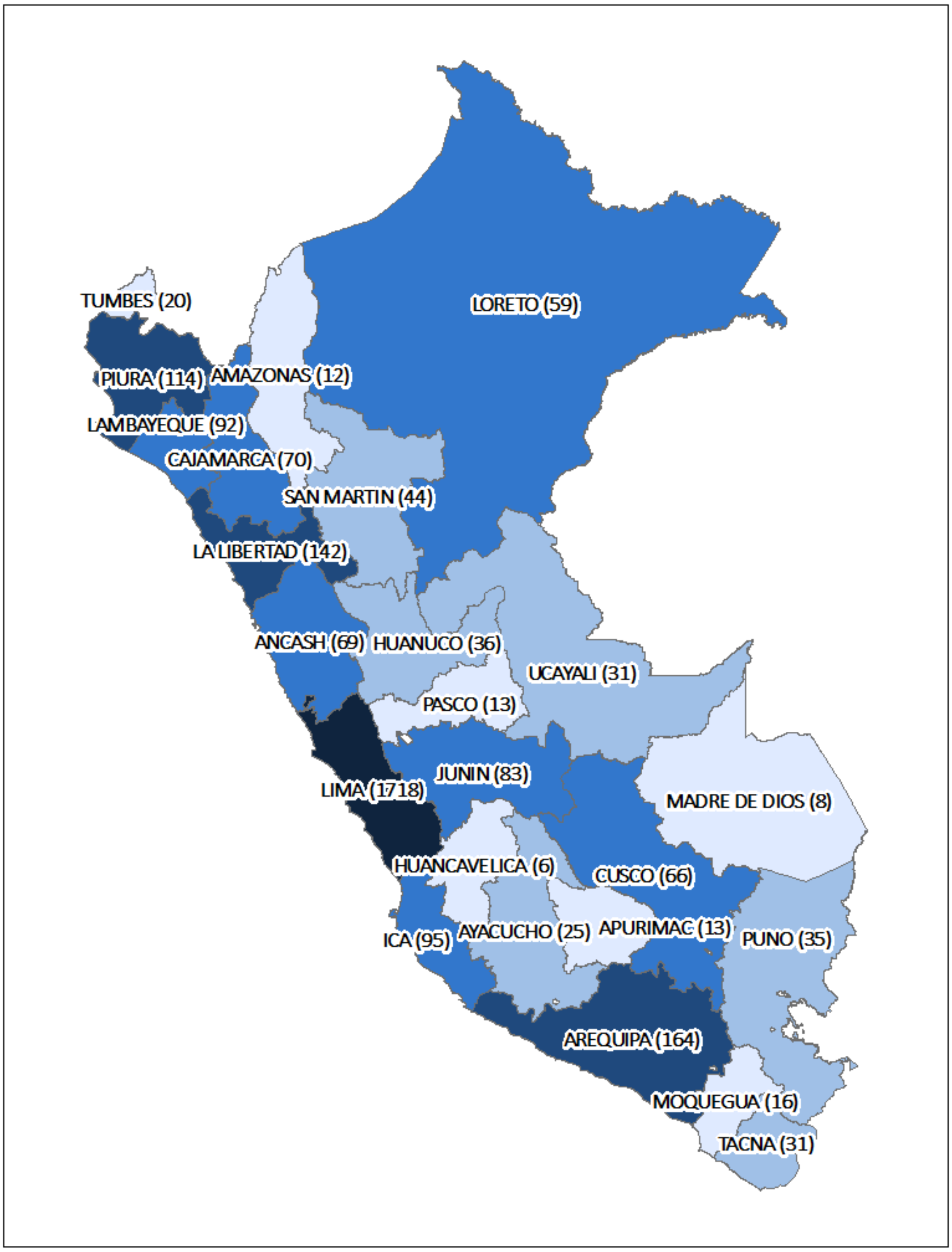
MINAM (2021)

Annex 2. Thematic vulnerability and exposure maps on agricultural production systems



MINAM (2021)

Annex 3. InRetail stortes



Prepared by the company. 2022

Annex 4. Detail of InRetail stores

Departments	Food Retail			Pharma		Shopping Malls	Total
	Vivanda and Plaza Vea	Mass	Makro	Inkafarma	Mifarma	Real Plaza	
Amazonas				8	4		12
Áncash	3			42	24	1	69
Apurímac				7	6		13
Arequipa	2	26	2	68	65	1	164
Ayacucho				16	9		25
Cajamarca	2			36	31	1	70
Cusco	1		1	32	31	1	66
Huancavelica				5	1		6
Huánuco	1			19	15	1	36
Ica	3	1	2	50	39		95
Junín	2		1	46	33	1	83
La Libertad	5		2	77	57	1	142
Lambayeque	2		1	48	40	1	92
Lima	74	530	11	572	521	9	1718
Loreto				38	21		59
Madre de Dios				5	3		8
Moquegua	2			9	5		16
Pasco				9	4		13
Piura	6		3	55	48	2	114
Puno	2			24	8	1	35
San Martín	1			25	18		44
Tacna	1			15	15		31
Tumbes	1			11	8		20
Ucayali	1			21	8	1	31
Total	**109**	**557**	**23**	**1238**	**1014**	**21**	**2962**

Prepared by the company. 2022

8.3. Annex 3: External verification

MADRID - A CORUÑA
AMSTERDAM – LONDON – PARIS - ISTANBUL
MEXICO CITY – PANAMA CITY – GUATEMALA CITY – QUITO

Independent Review Report to the Management of "InRetail Perú Corp".

(Translation from Spanish Language Original). This letter has been translated from the Spanish language original and for the convenience of foreign/English-speaking readers – in case of discrepancy, Spanish prevails.

To the Management of "InRetail Perú Corp" (hereinafter "InRetail")

As per your request, we were required to provide a limited level of assurance about the information content on the 2021 Sustainability Report (hereinafter "Sustainability Report") of InRetail, for the period January 1 to December 31, 2021.

InRetail responsibilities

The Management of InRetail was responsible for the preparation, content and presentation of the "Sustainability Report. This responsibility includes designing, implementing and maintaining such internal control that is considered necessary to enable the information contained in the "Sustainability Report" is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility was to carry out an Independent Limited Review on the content of the "Sustainability Report" regarding the revised contents enlisted in the Annex 1.

To ensure that the assurance process accomplishes with the ethical requirements necessary to ensure the independence of our work as auditors of non-financial information, our work was carried out in accordance with the Standard ISAE 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the *International Auditing and Assurance Standard Board (IAASB)* of the *International Federation of Accountants (IFAC)*.

Scope

The scope of our Independent Review, as well as the evidence gathering procedures performed was of limited assurance level, which is less than the one performed in an engagement with a reasonable assurance level and therefore also the security level provided. This report must not be understood as an audit report.

The procedures that were carried out, in general, are described below:

- Selection of information to review based on the materiality and prior knowledge of the company.
- Interviews with employees responsible for providing the information contained in the Report to learn the principles, systems and applied management approaches.
- Review of data collection, internal control and consolidation processes.
- Review of the scope, relevance and integrity of the information included in the Report based on the operations and the material aspects identified.
- Review of evidence based on a sampling of information according to a risk analysis.

Conclusion

Based on our review and the evidence obtained by InRetail nothing caught our attention that causes us to believe that the information contained in the 2021 Sustainability Report of InRetail has not been obtained with reliability, was not presented properly, or that there were significant discrepancies or omissions.

Luis Miguel Vilatela Riba
Director. Valora Sostenibilidad e Innovación S.A. de C.V.
México City, 11th July 2022

Annex 1.

Detail of environmental and social reviewed indicators:

Indicator	Scope	Indicator's composition
Energy consumption		
Non-renewable fuels purchased and consumed	Food Retail Pharma Shopping Malls	Sum of the following fuels: natural gas and diesel in stationary equipment.
Non-renewable electricity purchased and consumed	Food Retail Pharma Shopping Malls	Sum of the electricity consumed in the different work centers.
Total renewable energy generated or purchased	Food Retail Pharma Shopping Malls	Sum of the renewable energy consumed in the different work centers, whether generated by the company or acquired from third parties.
Total energy consumed	Food Retail Pharma Shopping Malls	Sum of non-renewable energy purchased and renewable energy generated or purchased
Water withdrawal		
Total municipal water withdrawal	Food Retail Pharma Shopping Malls	Sum of the water collected for the company's operations, coming from the public supply network (It is considered that the terminology consumption corresponds to the difference between the collection and the discharge).
Waste management		
Total waste recycled	Food Retail Pharma Shopping Malls	Sum of the waste generated if it is non-hazardous and is recycled.
Total waste disposed of in landfills	Food Retail Pharma Shopping Malls	Sum of the waste generated if it is non-hazardous and goes to a landfill.
Total waste generated	Food Retail Pharma Shopping Malls	Sum of non-hazardous waste generated plus total waste disposed of in landfills.
Food waste and food donation		
Calculation of known food waste	Food Retail	Total weight of all losses (theft, breakage) and food waste.
Calculation of total donated	Food Retail	Total food waste donated
Total amount donated	Food Retail	Amount in soles that represents the total food waste donated
Intensity	Food Retail	Relationship between food waste and sales.
Occupational Health and Safety		
Lost-Time Injury Frequency Rate, LTIFR – employees	Food Retail Pharma Shopping Malls	Total number of disabling work accidents multiplied by the division of total man-hours worked by 1,000,000.
Lost-Time Injury Frequency Rate, LTIFR – contractors	Food Retail Pharma Shopping Malls	Total number of disabling work accidents multiplied by the division of total man-hours worked by 1,000,000.
Employee fatalities	Food Retail Pharma Shopping Malls	Sum of employee fatalities.
Contractor fatalities	Food Retail Pharma Shopping Malls	Sum of contractor fatalities.
Gender pay ratio		
Salary ratio at managerial level	Food Retail Pharma Shopping Malls Unidad digital (Agora, Indigital)	Calculated for the managerial level and fixed salary, considering the average salary of female and male employees.

End of document.