



Banco de Crédito del Perú (BCP)

Sustainability Financing Framework

Enero 2022

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1. Introduction

1.1 Who we are

“BCP strives to be the leading bank in Peru across products and sectors, aiming at rewarding our shareholders’ trust and supporting the country’s sustainable development”

Banco de Crédito del Perú (“BCP, or the “Bank”) was established in 1889 in Lima, Peru under the name of Banco Italiano by a group of Italian immigrants. By 1920, BCP had become, as it is today, the largest commercial bank in Peru by total assets, loans, deposits, shareholders’ equity and branch network. The bank has always been involved in Peru’s development and continues to be part of its history.

BCP provides large corporates, SMEs, micro businesses and individuals with commercial and retail banking services, including loans, mortgage loans, revolving and non-revolving consumer loans, credit cards, savings accounts, deposit facilities and mutual funds. The bank also offers microfinance lending services in Perú through its subsidiary Mibanco.

BCP is majority owned by Credicorp, a financial conglomerate listed on the New York Stock Exchange (“NYSE”). Credicorp holds directly and through Grupo Credito S.A., a wholly-owned subsidiary domiciled in Peru, 97.7% of BCP’s capital stock.

Mission Statement:

- Our main purpose is helping our customers transform their plans into reality, while playing a key-role in Peru’s development, and deepening our connection to our communities to generate value for all stakeholders and ensure long term sustainability
- BCP welcomes ideas and innovation and strives to set the example in terms of ethics and benefiting society

BCP Aspirations:

- Be the company providing the best customer experience
- Be the preferred employer that brings out the best in our professionals
- Be a regional leader in the way we manage and lead transformation within the financial services industry

1.2 Our approach to sustainability

BCP, as the main subsidiary of the group Credicorp, formalized its sustainability journey in 2020 with the purpose of further strengthening the group’s long-term performance and competitiveness in the markets in which they operate. We have developed a program to integrate sustainability more deeply within the group’s business strategy and activities, through

which we developed the 2020-2025 Commitment to Sustainability Program (“the Sustainability Program”):

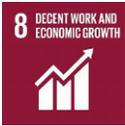
By executing on tangible and feasible business opportunities that aim to improve both business performance and positive ESG impact, BCP strives to:

1. **Create a more sustainable and inclusive economy:** Efforts to support the growth of SMEs and microfinance customers aim to generate highly positive results in the countries they operate and they are key for economic growth and societal progress. Mibanco, from its inception, has played a key role in advancing the microfinance segment in the country, providing financing to historically underserved populations and microbusinesses. BCP’s efforts aim to increase access to the financial services both for the SMEs and consumers through several initiatives and channels. More recently, with the Yape app, BCP has contributed to the financial inclusion of millions of users with no bank accounts. Via this digital platform, BCP aided the government in its efforts to distribute economic relief to the country’s vulnerable population.
2. **Improve the financial health of citizens:** Client experience and efficiency have always been at the core of BCP’s strategy. Innovation, digital transformation and improving the customer experience are key to BCP’s customer-centric approach. Financial education is particularly relevant in this regard, as it helps us foster healthier relationships between clients and the financial system. BCP and Mibanco actively participate in financial education through several initiatives, partnerships, formats, and platforms, including an extensive volunteer program. These initiatives aim at helping people improve their financial knowledge and skills to make better financial decisions.
3. **Empower people to thrive:** Human capital has been, and will continue to be, BCP’s priority. Championing a diverse and inclusive workforce should foster creativity and innovation; secure long-term prosperity; and bolster employees’ motivation. In this sense, BCP aims to provide its employees with tools that contribute to their professional and personal development, while providing a safe and inclusive workspace. Furthermore, BCP will continue to enhance and strengthen its governance structure to ensure that the Bank is aligned with best practices to make effective and ethical decisions.

The three pillars described above are aligned with BCP’s core business strategy and operations and with the United Nations Sustainability Development Goals (SDGs), specifically (but not exclusively) with the following SDGs:



Gender Equality: Achieve gender equality and empower all women and girls



Decent Work and Economic Work: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Industrial Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Reduced Inequalities: Reduce inequality within and among countries



Climate Action: Take urgent action to combat climate change and its impacts



Peace, justice and strong institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



Partnerships for the Goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development

BCP initiatives have been grouped to form its **“Reconecta” Sustainability Program**. The Reconecta Program is aligned with Credicorp’s Sustainability Program, and seeks to boost financial inclusion, financial education and empowerment for SMEs through the expansion of Yape’s user base, by providing digital tools and training programs to retail customers and SMEs, and by making financial products simpler and more accessible. Furthermore, BCP will seek to accompany wholesale customers in their transition to become more environmentally sustainable businesses, by financing their energy transition, among others.

Mibanco will also contribute to the financial inclusion platform by offering inclusive financial products; efficiently scaling its physical and digital distribution models; striving to build or participate in ecosystems; and entering into public and private partnerships.

To help businesses grow, BCP will focus on empowering SME customers through its Reconecta Program, while Mibanco will focus on growing its microfinance portfolio by scaling and digitalizing its distribution model.

In 2020, the #YoMeSumo campaign contributed S/126 million (S/100 million from BCP, S/10 million from Mibanco and S/16 million from individuals and enterprises) to more than 160 thousand of vulnerable families.

BCP is reporting annually on its sustainability initiatives. The reports are made available on the BCP website (<https://www.viabcp.com/relaciones-con-inversionistas>).

2. BCP Sustainability Financing Framework

As part of BCP's sustainability strategy, a Sustainability Financing Framework (the "Framework") has been developed. The Framework is developed to be in line with the governance published by the International Capital Markets Association (ICMA) to promote transparency and disclosure, the Green Bond Principles, 2021 (GBP) and Social Bond Principles, 2021 (SBP), collectively known as "The Principles" and the ICMA Sustainability Bond Guidelines, 2021 (the "SBG"). In addition, this framework aligns with the Green Loan Principles (GLP), 2021, published by the Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association.

The GBP and SBP outline eligible project categories for green and social projects. The Principles are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green Bonds, Social Bonds or Sustainability Bonds and therefore consists of the four key pillars and recommended External Review component.

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

It is BCP's intention to follow the best practices as the market standards develop. Therefore, BCP's Sustainability Financing Framework may be amended and/or updated to reflect changes in market practice.

This Sustainability Financing Framework serves as the reference document for any Green, Social or Sustainability financing instruments (including, but not limited to, public bonds, private placements, loans, commercial papers, repurchase agreements, deposits, among others) of all BCP's entities, their subsidiaries and refinancing vehicles (together referred as "BCP"). Instruments issued in accordance with this Framework can be of any seniority or subordination. BCP will allocate the proceeds of its Green, Social or Sustainability instruments to Eligible Green and Social assets booked on its own balance-sheet or on the balance-sheet of any of BCP's entities, as the case may be.

2.1 Use of Proceeds

An amount equivalent to the net proceeds of any Green, Social or Sustainability Bond, Loan or other financial instrument will be used to finance or refinance, in whole or in part, new or existing Eligible Green and Social Projects. These projects (the "Eligible Projects") may include loans granted by BCP and/or investments and expenditures made by BCP to develop green products and social services that have been disbursed up to 36 months preceding the issue date of the Bonds.

BCP's **Eligible Green Projects Categories** will contribute to one or more of the following Green Objectives:

- Contributing to the reduction of GHG emissions through investments in renewable energy sources and low carbon transportation;
- Promoting a positive environmental impact on local communities through investments in new or refurbished green commercial or residential buildings and energy efficient systems;
- Reducing natural resource waste through water waste prevention and sustainable utilization;
- Promoting the maintenance and enhancement of natural resources and ecosystems through sustainable agriculture, forestry and aquaculture and fisheries.

Financing related to companies will be eligible only if at least 90% of such company's income is related to activities contemplated in one or more of the eligible categories displayed below:

Eligible Green Categories

Eligible Green Category	Eligibility Criteria	SDG Alignment
Renewable Energy	Loans related to the financing or refinancing of the construction, development, operation, acquisition, maintenance, connection, transmission and distribution of the following renewable energy generation sources: <ul style="list-style-type: none"> • Offshore and Onshore Wind • Solar Energy • Run of river and small scale hydroelectricity <25 MW • Biomass with feedstock from waste product meeting the criteria as established by the Climate Bond Initiative¹ 	 
Clean Transportation	Loans related to the financing or refinancing of the construction, development, operation, acquisition and maintenance of low carbon transportation, including: <ul style="list-style-type: none"> • Electric vehicles and supporting charging infrastructure • Hydrogen or zero-emission public transportation (rolling stock and supporting infrastructure) • Public transportation (incl. buses, trains, trams) which is (partially) fueled by fossil fuels as long as 	 

¹ <https://www.climatebonds.net/standard/bioenergy>

	the GHG emissions per passenger are < 50 gCO ₂ on a per passenger-km ²	
Green Buildings	Loans to commercial or residential buildings with LEED certification Gold / Platinum	 
Energy Efficiency	<p>Loans related to activities that contribute to the reduction of energy consumption and help manage and store energy such as:</p> <ul style="list-style-type: none"> • Energy efficient investments in new or refurbished buildings which result in energy savings higher than 30%; including but not limited to retrofit, thermal insulation and/or upgrade of air conditioning system • Energy Storage Systems • Energy Efficient Lighting (LED lighting) • Smart grid investments for more efficient transmission and distribution of energy 	  
Sustainable water ³ and wastewater management	<p>Loans related to the financing or refinancing of the construction, development, operation, acquisition and maintenance of infrastructure that prevents water waste and/or reduces its utilization, including:</p> <ul style="list-style-type: none"> • Sustainable water infrastructure for clean and/or drinking water; • Water treatment infrastructure, including wastewater treatment systems (excluding any water treatment facilities related to fossil fuel activity) • Water distribution systems with improved efficiency of at least 15% • Water capture and storage infrastructure, including storm water management systems, water distribution systems, aquifer storage, and sewer system 	

² <https://www.climatebonds.net/standard/transport>

³ <https://www.climatebonds.net/standard/water>

	<ul style="list-style-type: none"> • Water desalination plants powered by renewable energy (excluding desalination plants used for power generation facilities) 	
<p>Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use</p>	<p>Loans for acquisition, development and/or operation of sustainably managed resources certified by credible third-party certification systems, including:</p> <p>Sustainable agriculture:</p> <ul style="list-style-type: none"> • Products/operations certified by Rainforest Alliance, USDA Organic, Global Good Agricultural Practices, Better Cotton Initiatives, Sustainably Grown by SCS Global Services <p>Sustainable forestry:</p> <ul style="list-style-type: none"> • Sustainably managed forest holdings, such as the Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI). <p>Sustainable aquaculture and fisheries:</p> <ul style="list-style-type: none"> • Products/operations certified by the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) or Stewardship Council (ASC) – Best Aquaculture Practices (BAP). <p>Proceeds may also be allocated to conservation of biodiversity and terrestrial and aquatic ecosystems in natural and urban habitats through preservation, restoration and sustainable management activities as applied by public sector and not-for-profit environmental Organizations or equivalent private initiatives.</p>	 

BCP Eligible Social Projects Categories will contribute to one or more of the following Social Objectives:

- Providing access to essential financial services for low-income⁴ (“Low Income Households”) and underserved populations.

⁴ Poverty is a condition in which an individual or a community have a level of well-being below the socially accepted minimum. In a first approach, poverty is associated with the inability of people to satisfy their basic food needs. In a broader concept, access

- Providing access to essential financial services to micro, small and medium sized enterprises⁵ (“MSMEs”), especially since the large majority of established companies are micro enterprises⁶ in Peru;
- Providing and increasing access to essential financial services to unbanked and underbanked populations⁷ (“Unbanked and Underbanked Population”);
- Promoting creation and preservation of viable jobs, socio-economic advancement and empowerment through microfinance and support to women businesses;
- Contributing to the growth of local economies in rural or remote areas, as concluded by the latest census in 2017 approximately 20% of the total population in Peru resides in rural areas⁸;
- Contributing to reducing social inequalities.

Eligible Social Categories

Eligible Category	Eligibility Criteria and Target Populations	Example Expenditures	SDG Alignment
Socioeconomic advancement and empowerment – Women empowerment	Activities and financings supporting women-owned enterprises ⁹ .	<ul style="list-style-type: none"> • Mibanco/Crédito Mujer loans to women-owned enterprises • Programs focused on empowering female business owners, e.g. networking, trainings 	
Socioeconomic advancement and empowerment – Financial literacy	Financial training and education for the Unbanked and Underbanked Population to help people improve their	<ul style="list-style-type: none"> • Expenditures and investments in financial training programs ran by BCP and Mibanco 	

to health, housing conditions, education, employment, income, expenses, and broader aspects such as identity, human rights, popular participation, among others, are also considered. (https://www.mef.gob.pe/es/?option=com_content&language=es-ES&Itemid=100694&view=article&catid=750&id=4855&lang=es-ES)

⁵ The evaluation and selection of the MSME loans originated will be performed by BCP. Loans will meet the Eligibility Criteria for MSMEs, as per the IFC definition

(https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors).

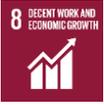
⁶ In Peru, as per 2020, 95.2% of enterprises are micro enterprises [Anuario Estadístico Industrial, MIPYME y Comercio Interno 2020](https://www.produce.gob.pe) ([produce.gob.pe](https://www.produce.gob.pe))

⁷ Unbanked: no one in the household has a checking or savings account. Underbanked: one or multiple people in the household has an account at an insured institution or has obtained financial products or services outside of the banking system. (<https://www.federalreserve.gov/publications/2020-economic-well-being-of-us-households-in-2019-banking-and-credit.htm>)

⁸ Latest population census reports breakdown of rural and urban population by 2017 <https://www.inei.gob.pe/estadisticas/indice-tematico/poblacion-y-vivienda/>

⁹Loans will meet the Eligibility Criteria for women-owned enterprises, as per the IFC definition

(https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors).

	financial knowledge and skills to make better financial decisions	<ul style="list-style-type: none"> Expenditures related to the Reconecta Sustainability Program 	
SME financing and microfinance	Activities and financings supporting MSMEs	<ul style="list-style-type: none"> Mibanco and BCP loans to MSMEs Financial education services for MSMEs to help their businesses grow 	
Access to essential services – Financial inclusion	The development and distribution of financial services with the aim of providing access to the Unbanked or Underbanked Population	<ul style="list-style-type: none"> Expenditures related to the expansion and development of the Yape mobile application which permits unbanked individuals to make electronic payments Expenditures related to the provision of banking services to rural populations Expenditures related to the Reconecta Sustainability Program 	
Access to basic infrastructure and Affordable Housing ¹⁰	<p>Construction and maintenance of sewerage system and water treatment plants to improve the living and sanitary conditions</p> <p>Refortifying, expanding and</p>	<ul style="list-style-type: none"> Crediagua program loans to help clients make sanitary improvements in their homes by financing installations such as bathrooms, tanks, cisterns and sinks Expenditures related to home-improvement in 	 

¹⁰ In regards to “Access to basic infrastructure” and “Affordable Housing” the “target population” addresses one or more of the populations referenced in BCP’s Social Objectives, including: Low Income Households; micro, small and medium sized enterprises (MSMEs); Unbanked and Underbanked Populations; and local economies in rural or remote areas.

	<p>improving homes to ensure that houses are less vulnerable to climate-related hazards</p> <p>Providing mortgages</p>	<p>peripheral / rural populations</p> <ul style="list-style-type: none"> • BCP retail mortgage loans to the target population 	
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Exclusionary Criteria

BCP has developed a list of Exclusionary Criteria for the proceeds of its Sustainable Financings issued. BCP commits itself to not knowingly be involved in financing any of the following projects or activities through the proceeds of its Sustainability, Green or Social issuance:

- Weapons and small arms
- Tobacco
- Fossil fuels
- Alcohol
- Gambling
- Adult entertainment
- Others described in BCPs internal credit policies

[2.2 Process for Project Evaluation and Selection](#)

Project evaluation and selection is a key process in ensuring that the projects financed by a Sustainability, Green or Social Bond or Loan or other dedicated financing meet the criteria in BCP’s Framework.

Internal Governance

BCP has established a Sustainability Financing Working Group (the “Working Group”), to evaluate and select Eligible Assets and to allocate Green and Social Financing to such assets. The Working Group will meet when required and as a minimum on a semi-annual basis when the Green and Social Asset Portfolio will be reviewed and updated.

This Working Group consists of senior representatives from:

- Treasury Division
- Corporate Sustainability Office
- Representative of Mibanco
- Representative of Reconecta
- Wholesale Banking
- Risk Management
- Investor Relations

- Other relevant Business Units

The Working Group's composition may evolve to include other entities from BCP's Group contributing to Eligible Green and Social Assets in accordance with this Framework. The Working Group will report to, and be overseen by, the Treasurer.

The Working Group is responsible for the following:

- Review of the loan book and relevant assets to determine if an asset can be added to the Green and Social Asset Portfolio (as per the "Selection Process" described below);
- Monitoring the Green and Social Asset Portfolio to ensure continued alignment with the Eligibility Criteria set out in this Framework;
- Identify, assess, monitor and communicate on any potential Environmental & Social ("E&S") risks associated with loans or assets in the Green and Social Asset Portfolio;
- Replacing investments and assets that no longer meet the Eligibility Criteria;
- Reporting on the impact of the green or social assets;
- Monitor developments in taxonomies and best market practices to ensure the Framework continues to meet BCP's Green or Social Objectives;
- If needed, the Working Group will supervise revisions or updates to the Sustainability Financing Framework as per Section 4 below.

Selection Process

The Working Group will review the loan portfolio and any potential eligible investment or expenditures in a three-step process, as described below. Assets that will meet the criteria in all three steps of the selection process will be added to the Green and Social Asset Portfolio.

3 Step selection process

- (i) Review any potential asset against the list of Exclusionary Criteria and exclude any loans or expenditures from the Eligible Asset Portfolio that were used to finance those activities.
- (ii) A review of each loan, investment or expenditure to assess alignment to the Eligibility Criteria as described in the 'Use of Proceeds' in Section 2.1 that are based on criteria in existing taxonomies like the Climate Bond Initiative or best practices.
- (iii) Review potential Eligible Assets to manage perceived E&S risks potentially associated with projects selected, and to ensure that no loan, investments or expenditures is associated with material E&S risks. E&S risks are assessed within the BCP governance for E&S risk mitigation as described below.

BCP follows a processes that is tailored to the specific counterparty to ensure appropriate mitigation of E&S risks. This E&S risk process is governed by the Credit Risk Team.

For corporate clients:

- A questionnaire will be sent annually with relevant topics for the respective industry (for sectors like energy, fishing, hydrocarbons and mining) for credits above US\$ 10 million;
- The answers will be analyzed by the Credit Risk Team and the client will be classified as Low Risk, Medium Risk or High Risk based on material risk assessment per sector;
- For clients in High Risk sectors (red flag), there could be an assessment of management capabilities to manage those risks by specialist hired for this purpose;

For projects:

- The project¹¹ will be analyzed based on geography, complexity and the scale and specific E&S issues will be identified
- BCP will follow Equator Principles and IFC Performance Standards for all projects

For MSME lending:

- An assessment of capacity to pay will be done based on estimated cash flow and pro-forma balance sheet
- Meeting legal requirements as set forth by the banking regulations and internal policies, including regulations that; (i) impose limits on interest rates and commissions applicable to consumer banking clients (including micro enterprises) and; (ii) prevent banking institution from including abusive provisions in their agreements with consumer banking clients.¹²

2.3 Management of Proceeds

The net proceeds from BCP's Green Bonds/Loans, Social Bonds, Sustainability Bonds or other Sustainable financing issued under this framework will be deposited in the general account and an amount at least equivalent to the net proceeds will be earmarked for allocation to the Eligible Green and Social Projects, in accordance with BCP's Sustainability Financing Framework.

BCP will take specific measures as part of the annual financial audit process to track the invested amounts used and the loans granted in order to finance the selected Green and Eligible Social Projects. The balance of the tracked proceeds should be periodically adjusted on a quarterly basis, in order to match allocations to Eligible Green and Social Projects (re)financed during this period.

¹¹ New projects with total investment above \$10 million or extension/improvement of an existing project with total investment above \$50 million and loans from BCP above \$25 million.

¹² Among such regulations, we can mention the following: (i) General Banking Law N° 26702; (ii) Law to Prevent Usury on Consumer Banking Services N° 31143; (iii) Financial Services Consumer Protection Law N° 28587; (iv) Central Bank Circular N° 0008-2021-BCRP and; (v) Reglamento de Gestión de Conducta de Mercado del Sistema Financiero (SBS Resolution N° 3274-2017).

BCP will use its best efforts to substitute any projects that are no longer eligible, as soon as practical once an appropriate substitution option has been identified.

BCP aims to have fully allocated an amount equal to the net proceeds of each Sustainable financing issued under this framework within 24 months of issuance.

Pending the allocation or reallocation, as the case may be, of the net proceeds, BCP will invest the balance of the net proceeds, at its own discretion, in cash or cash equivalent, or in other liquid marketable instruments, as per the company’s liquidity management policy.

2.4 Reporting

BCP will publish an annual report on the allocation and impact of its Green, Social or Sustainability Bonds’ net proceeds every year until those proceeds are fully allocated.

Moreover, BCP shall communicate any material changes in the Green and Social Asset Portfolio composition on ad-hoc basis.

In the future, BCP will strive to, where feasible and relevant, provide projected metrics to illustrate the expected benefit of the eligible projects financed (for example, expected financially included citizens, expected additional women-owned businesses, expected MSMEs supported to grow, etc.)

Allocation Reporting

BCP will provide the following information with respect to allocations:

- Net proceeds raised from each BCP Green, Social or Sustainability Bond;
- Aggregate amount of funds allocated to each of the Eligible Categories;
- The balance of unallocated proceeds at the reporting period end;
- The portion of net proceeds used for financing vs. refinancing;

Impact Reporting

BCP will report on relevant green and/ or social outcomes and impact metrics where feasible and will disclose measurement methodology for quantitative indicators. Below are examples of impact indicators that may be reported:

Eligible Green Category	Example Impact Metrics
Renewable Energy	<ul style="list-style-type: none">- Annual GHG emissions reduced/avoided (tCO₂e)- Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)- Annual absolute emissions from the project (tCO₂e)- MW Renewable Projects Financed

	<ul style="list-style-type: none"> - # of loans to renewable energy projects - Total installed capacity (MW)
Clean Transportation	<ul style="list-style-type: none"> - Annual GHG emissions avoided or reduced (tCO₂e) - Estimated reduction in fuel consumption - Number of projects financed - Qualitative description of Projects - Number of EV vehicles financed - Number of hydrogen zero-emission vehicles/methods of transport financed
Green Buildings	<ul style="list-style-type: none"> - Annual GHG emissions reduced/avoided per year (tCO₂e) - kWh/m² of GBA p.a.; and % of energy use reduced/avoided vs local baseline/building code - % of water reduced/avoided vs local baseline/baseline certification level - Floor space of green real estate (m²) - Number of LEED (Gold or higher) or BREEAM (Excellent or higher) buildings financed
Energy Efficiency	<ul style="list-style-type: none"> - Annual energy savings in MWh / GWh (electricity) and GJ / TJ (other energy savings) - Annual GHG emissions reduced / avoided in tons of CO₂ equivalent - Annual (gross) annual GHG emissions of the project in tons of CO₂ equivalent
Sustainable water and wastewater management	<ul style="list-style-type: none"> - Cubic meters of water saved/reduced annually - Cubic meters of recycled water usage annually - Cubic meters of wastewater treated - Cubic meters of water desalinated - Number of loans to directed to water management infrastructure
Environmentally Sustainable Management of Living Natural Resources and Sustainable Land Use	<ul style="list-style-type: none"> - Carbon sequestration in tonnes of CO₂ equivalent - Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent - Increased GHG emission efficiency (fewer GHGs emitted per unit of production) - Acres of land afforested/revegetated - Reduced Emissions from Deforestation and Degradation (REDD)

Eligible Social Category	Example Impact Metrics
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Socioeconomic advancement and empowerment – Women empowerment	<ul style="list-style-type: none"> - Number of women-owned enterprises supported - Number of loans granted - Average size of loan - Number and type of women empowerment programs ran
Socioeconomic advancement and empowerment – Financial literacy	<ul style="list-style-type: none"> - Number and type of training programs ran - Number of individuals provided with financial education
SME financing and microfinance	<ul style="list-style-type: none"> - Number of MSME's and SMEs supported - Number of microfinance loans granted - Average size of loans - Number of jobs created - Number of new businesses created - Demographic indicators as relevant (e.g. women-owned)
Access to essential services – Financial inclusion	<ul style="list-style-type: none"> - Number of beneficiaries within target population - Number of service points implemented - Number of people living in rural and remote areas provided with access to financial services
Access to basic infrastructure and Affordable Housing	<ul style="list-style-type: none"> - Number of people benefiting from water management infrastructure - Annual volume (or population equivalence) of sewage / wastewater treated, reused and avoided) - Number of beneficiaries

2.5 External Verification

Second-Party Opinion

BCP has obtained a Second-Party Opinion from S&P on this Sustainability Financing Framework.

The Second Party Opinion and the Sustainability Financing Framework will be made available on BCP website: <https://www.viabcp.com/relaciones-con-inversionistas>

Post-issuance External Verification

On an annual basis, an external auditor will verify the allocation of the bond proceeds and the conformance with the Framework of the selected Eligible Green and Social Categories and provide a third party assurance.

The auditors' report will be made available on BCP website: <https://www.viabcp.com/relaciones-con-inversionistas>

3. Definitions

- **Carbon dioxide (“CO₂”)** means the total carbon emissions of an enterprise’s operating subsidiaries measured in metric tons of CO₂ (MTCO₂).
- **Carbon dioxide equivalent (“CO₂e”)** is a way of expressing different greenhouse gases (such as CO₂, NO_x, CH₄) as a common unit according to their global warming potential.
- **Micro, Small, Medium Enterprises (“MSME”)** means enterprises that meet two out of three criteria of the IFC MSME Definition (employees, assets and sales), or if the loan to it falls within the relevant MSME loan size proxy, as defined by the IFC:

IFC MSME Definition				MSME Loan Size Proxy
INDICATOR	EMPLOYEES	TOTAL ASSETS US\$	ANNUAL SALES US\$	LOAN SIZE AT ORIGINATION
Micro enterprise	< 10	<\$100,000	<\$100,000	<\$10,000
Small enterprise	10-49	\$100,000 - < \$3 million	\$100,000 - < \$3 million	<\$100,000
Medium enterprise	50-300	\$3 million - \$15 million	\$3 million - \$15 million	<\$1 or \$2 million[1]

Source:

https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors

- **Small, Medium Enterprises (“SME”)** means enterprises that meet the criteria for small and medium enterprises as defined by the IFC above
- **Second Party Opinion (“SPO”)** means a qualified provider of third-party opinion appointed by the Issuer to review the Issuer’s Framework and alignment to ICMA’s Sustainability Bond Principles.
- **Woman-owned enterprise** is defined as an enterprise that meets the following criteria, as defined by the IFC:
 (A) ≥ 51% owned by woman/women; OR
 (B) ≥ 20% owned by woman/women; AND (i) has ≥ 1 woman as CEO/COO/President/Vice President; AND (ii) has ≥ 30% of the board of directors composed of women, where a board exists.

Source:

https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors

4. Amendments to this Framework

BCP will review this Framework on a regular basis, including its alignment to updated versions of the GBP, SBP as well as SBG, with the aim of adhering to best practices in the market. In the

event of an update, any future projects that are not currently mentioned in the document will be in alignment with the high level eligible project categories recognized by the GBP and SBP. The updates, if not minor in nature, will be subject to the prior approval of BCP and SPO. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Reviewer. The updated Framework, if any, will be published on BCP website: <https://www.viabcp.com/relaciones-con-inversionistas> and will replace this Framework.

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