

# InRetail Perú

## Sustainability Report - 2020

The scope of this Sustainability Report includes 100% of InRetail Perú's operations and its performance between January 1 and December 31, 2020. Specifically, it includes our three business units (BUs) or segments: Food Retail (Supermercados Peruanos), Pharma (InRetail Pharma) and lastly, our Shopping Malls segment (Real Plaza).

(GRI 102-1, 102-3, 102-5, 102- 50)

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## Letter from our CEO

(GRI 102-14)

I would like to share with you InRetail Perú's 2020 Sustainability Report, in order to show you how we create value and contribute to the economic, social and environmental development of our country. This report will provide you with 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 our country, in a decentralised manner. During 2020, we continued with our compromise to develop modern retail; in the Food Retail segment, we inaugurated a Plaza Vea store, expanded our presence in cash and carry with the acquisition of 16 stores of Makro Perú and also opened 67 hard discount stores under our Mass brand. Likewise, in our Pharma segment, we increased our pharmacies by 66, closing the year with 2,165 stores, seeking to move closer than ever to more Peruvians. 2020 was an atypical year due to the health emergency caused by COVID-19, but thanks to the constant work of our more than 40,000 employees, and especially of the personnel working in our stores and logistics centres, we were able to continue without interruption, supplying basic necessities to thousands of Peruvians.

As a result of our efforts, InRetail Perú's total revenues reached S/14,409 million, representing an increase of 10.3% over 2019 and generating an adjusted EBITDA of S/1,823 million, 2.7% higher than recorded in 2019.

Furthermore, it is necessary to highlight our collaborators strong compromise with sustainability. Thanks to their work we were able to maintain and strengthen the national donation programme "Bueno por Dentro" in 100% of the stores of our Food Retail segment. This programme, in alliance with the Food Bank of Peru, has benefitted more than 45,000 people in all the provinces where we operate and has distributed more than 7.6 million food rations. Similarly, our Pharma sector established an alliance with Essalud, called "Farmacia Vecina" (Neighbouring Pharmacy), to enable more than 250,000 chronic patients in Lima and Callao to pick up their medications at the pharmacies or drugstores closest to their homes. Finally, our Shopping Malls launched "La Placita del Emprendimiento", a space in the malls for small entrepreneurs to sell their products to Real Plaza customers.

Finally, we reaffirmed our commitment to the environment by seeking maximum efficiency in our operations, as well as the proper management and disposal of our waste, managing to recycle 59% of the waste generated in our operations. In addition, during 2020, we relaunched our recycling programme for the public #ReciclaConsciente together with strategic allies, with the commitment of raising awareness and involving our customers from the moment of purchase with the importance of recycling and, offering them the largest network of recycling points in the country where they can dispose of this valuable waste.

Without further ado, I invite you to learn more about the progress of our sustainability management during 2020.

Juan Carlos Vallejo, CEO of InRetail Perú

## **InRetail: transforming the way we do business**

### **1. Our company**

#### **1.1. Who are we?**

(GRI 102-7)

We are InRetail, the leading retail group in Peru, which operates and maintains leadership in three business segments: Food Retail, Pharma and Shopping Malls. We are a subsidiary of Intercorp Perú, one of the main economic groups in Peru, with activities in the financial services, retail, real estate and education sectors.

We are present in all regions of Peru, having been the first chain to open stores and shopping malls outside of Lima. We also have a presence in Ecuador and Bolivia through our pharmaceutical business.

For more than 15 years, InRetail's strategy has been based on its corporate purpose: "We transform the places we reach, seeking to improve the quality of life for all". Our InRetail platform has managed to bring quality products and services, always seeking to offer the lowest prices and providing direct employment to more than 40,000 people in Peru.

Our integrated retail and shopping mall platform, with well-known brands and excellent locations, allows us to attract customer traffic from different socioeconomic levels in Peru.

We have an in-house real estate development team focused on the search for premises or land, which has allowed us to secure strategic locations in most Peruvian cities. We believe that this diversified and well-positioned real estate portfolio is difficult to replicate, and allows us to take advantage of the economic growth in the different regions of the country.

#### **1.1.1. Purpose, mission, vision and values**

(GRI 102-16)

**Purpose:** We transform the places we reach, seeking to improve the quality of life for all.

**Mission:** To operate modern and efficient retail formats, providing access to quality products and services at the best prices.

**Vision:** To be the best retail option for all Peruvians.

**Values:**

**Integrity:**

- I am consistent with my actions, I know and enforce the rules, policies and cultural pillars/values of the organisation.
- I assume my responsibility in the face of any circumstance.

### Results-oriented:

- I focus my efforts on achieving the results outlined by the organisation, making the best possible use of available resources.
- I anticipate business needs and seek efficient solutions.
- I seek excellence as a minimum standard.

### I work as a team player:

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

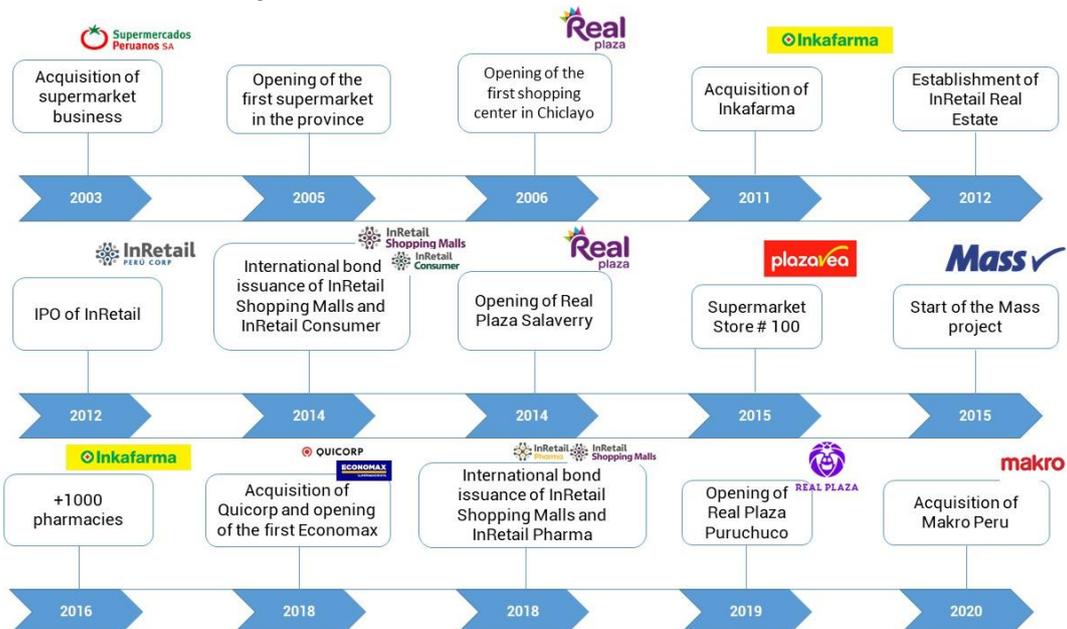
### Spirit of self-improvement:

- I seek to continuously improve my work in such a way that I contribute to the betterment of the organisation.
- I am aware of my growth as a professional and orient my efforts to continue developing myself.

### Passion for the customer:

- I focus my work on offering value to the customer, seeking to meet their expectations and build customer loyalty.
- I listen to my client and offer solutions according to their needs.

## 1.1.2. Our history: milestones



## **1.2. Business units**

(GRI 102-2)

InRetail Perú is controlled by Intercorp Perú, one of the largest economic groups in Peru, and is composed of three business units: Food Retail, Pharma and Shopping Malls. In 2020 we reached sales of S/14,409 million and an Adjusted EBITDA of S/1,823 million, with more than 40,000 employees.

### **Food Retail**

We own Supermercados Peruanos, the country's leading chain in terms of sales and number of stores, which includes the Plaza Veá, Vivanda, Mass, Economax and Makro brands, the latter acquired at the end of 2020.

We operate under the following brands: Plaza Veá, Vivanda, Mass, Economax and Makro. Makro Perú is the leading national wholesale chain and was acquired by the group in December 2020.

Our Food Retail 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 experiences, seeking to meet the needs of customers of different socioeconomic levels. All of this generates flexibility to open profitable stores in medium-sized cities and densely populated urban areas, whether or not they have a modern retail presence and where large areas of land are scarce.

An important contribution to growth comes from our entry and expansion in the regions and cities in the interior of the country, outside metropolitan Lima, having been the first supermarket chain to open stores in the provinces.

- 602 stores (including 16 Makro stores)
- 477 thousand m<sup>2</sup> of sales area
- S/6,917 million in sales in 2020
- 19,652 employees

### **Pharma**

We own Farmacias Peruanas and Química Suiza, which has the leading pharmacy chains, Inkafarma and Mifarma, and a distribution business, mainly of pharmaceutical products, being the country's leader in terms of sales. This unit is present in Ecuador and Bolivia.

We maintain a diversified network of pharmacies in Peru, with presence in the 25 regions of Peru, offering medicines and other personal care items, contributing to taking more health at low prices to the populations most in need in the country. Our network of pharmacies offers two differentiated value propositions according to each brand. Inkafarma maintains a continuous strategy of low prices. Mifarma offers discounts through its savings programme, "Monedero del Ahorro" loyalty card.

We also operate the largest distribution platform in Peru through our Distribution business unit, with presence in Ecuador and Bolivia.

- 2,165 stores
- S/7,191 million in sales in 2020
- 20,532 employees

### **Shopping Malls**

We operate the largest chain of shopping malls in Peru under the Real Plaza brand, which has 21 malls distributed in Lima and different cities in the country.

We were the first chain to build a shopping mall outside Lima. Our shopping centres serve as places for shopping, but also as entertainment places through an optimal commercial mix, according to the needs of each market. We are a family meeting point, promoting recreational activities in safe environments, thus attracting significant flows of customers to our facilities.

- 21 shopping centres
- 808 thousand m<sup>2</sup> (GLA) leasable area
- S/385 million in sales 2020
- 434 number of employees

### **1.3. Our operations**

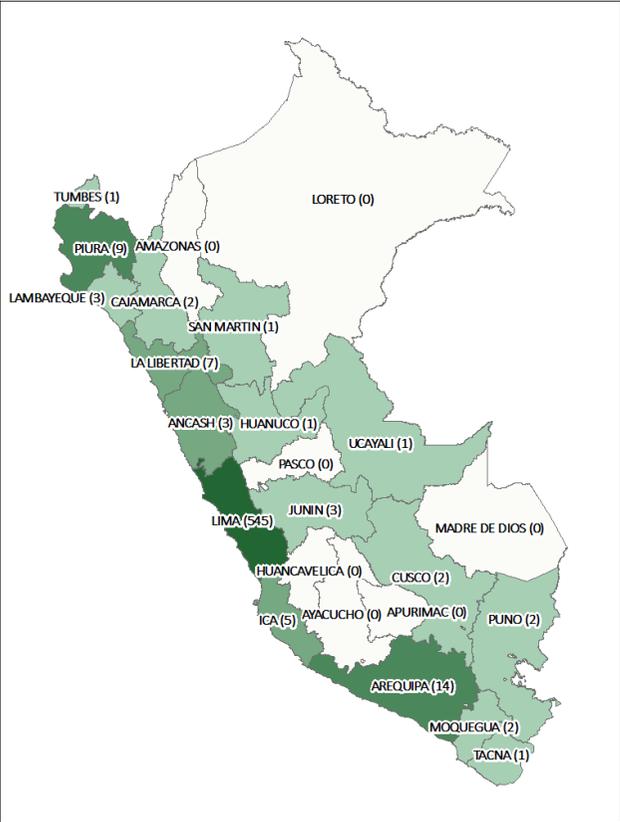
(GRI 102-4, 102-6)

Our strategy is built on our corporate philosophy of investing in the people, families and sectors in which we operate, with a vision of continuous growth and a commitment to develop a culture where innovation leads the creation of long-term sustainable value. Thus, in Peru, we operate in the 24 departments seeking to fulfil our corporate purpose of transforming the places we reach, seeking to improve the quality of life of all. Likewise, our mission is to operate modern and efficient retail formats, providing access to quality products and services at the best prices. For this reason, we are working to expand, in order to be present in a greater number of departments of our country.

**Stores by Department (region)**

Departments	Food Retail			Pharma		Shopping Malls	Total
	PVea and Vivanda	Mass	Econo. and Makro	Inkafarma	Mifarma	Real Plaza	
Amazonas				7	4		11
Ancash	3			41	24		68
Apurímac				6	5		11
Arequipa	2	10	2	63	63	1	141
Ayacucho				16	9		25
Cajamarca	2			36	29	1	68
Cusco	1		1	30	31	1	64
Huancavelica				5	1		6
Huánuco	1			19	15	1	36
Ica	3		2	50	38		93
Junín	2		1	46	32	1	82
La Libertad	5		2	76	57	1	141
Lambayeque	2		1	47	40	1	91
Lima	74	462	9	523	501	10	1,579
Loreto				38	21		59
Madre de Dios				5	3		8
Moquegua	2			9	6		17
Pasco				9	4		13
Piura	6		3	55	45	2	111
Puno	2			24	8	1	35
San Martin	1			26	19		46
Tacna	1			14	16		31
Tumbes	1			11	8		20
Ucayali	1			22	8	1	32
<b>Total</b>	<b>109</b>	<b>472</b>	<b>21</b>	<b>1,178</b>	<b>987</b>	<b>21</b>	<b>2,788</b>

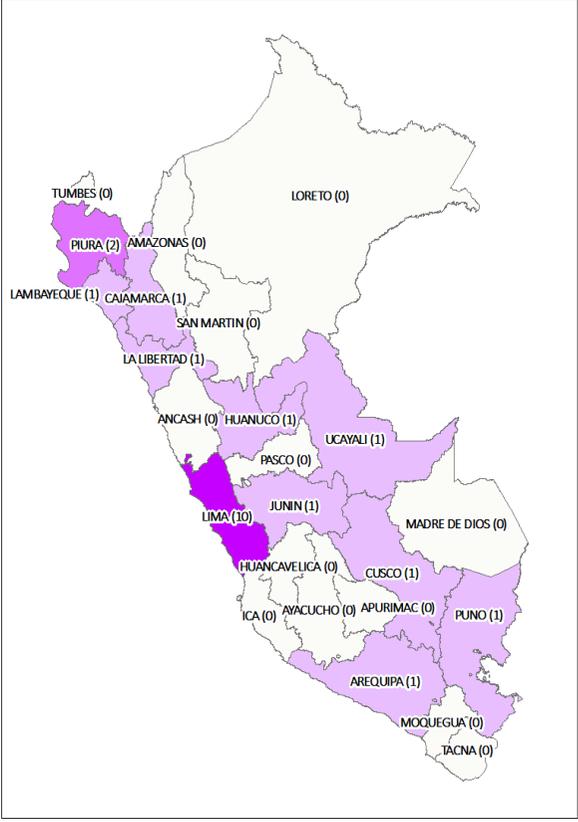
**Stores by Department and business unit**



**Food Retail**



**Pharma**



**Shopping Malls**

To support the complex logistics chain of our segments, we have developed a solid distribution network with very high standards of operation.

In Food Retail we have 5 large distribution centres 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 distribution centres to supply our smallest stores Mass on a continuous basis. Finally, we have a manufacturing centre for our bakery and prepared foods and a dark store in Lima for our e-commerce business.

In Pharma we have 5 distribution centres 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 centres throughout the country to supply our pharmacies throughout the country. Finally, we have 2 dark stores in Lima for our e-commerce business.

## **2. Our ethical and responsible behaviour**

### **2.1. Corporate governance**

(GRI 102-18)

The company is managed by the Board of Directors, which in fiscal year 2020 consisted of Carlos Rodríguez Pastor, Ramón Barúa (Alternate Director of Carlos Rodríguez Pastor), Fernando Zavala, Julio Luque, Pablo Turner, Mariela García, Hugo Santa María (Alternate Director of Mariela García) and Ignacio Benito.

With the exception of Mr. Carlos Rodríguez Pastor, who is related to the principal shareholders of InRetail, the other directors, management and principal officers are not related to each other or to the company's shareholders in any way. There is no relationship by affinity or consanguinity between the members of the Board of Directors, the management and the principal officers of the company.

In accordance with applicable NYSE regulations and considering the criteria used by the Corporate Sustainability Assessment (CSA), we have 5 out of 8 independent Directors, with Carlos Rodríguez Pastor, Ramón Barúa and Fernando Zavala being the only non-independent Directors.

In accordance with the "Guidelines for the Qualification of Independent Directors" approved by Resolution 016-2019-SMV/01 enacted by the Capital Markets Superintendency (*Superintendencia del Mercado de Valores - SMV for its acronym in Spanish*), we have 3 out of 8 independent Directors, Mariela García, Ignacio Benito and Hugo Santa María. The other Directors are not considered independent since they are part of the management team or participate in other Intercorp Group boards.

The following is a brief description of the different trajectories that each of the Directors accumulated throughout their careers, after which relevant information on the Board of Directors as a whole will be presented.

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

- **Ramón Barúa (13/07/1946):** Director of InRetail Perú since 2011. He is also Director of other companies of the Intercorp Group: Supermercados Peruanos, InRetail Pharma, Tiendas Peruanas, Homecenters Peruanos, Financiera Oh!, Interbank, Inteligo Group, Interseguro, Servicio Educativo Empresarial and Universidad Tecnológica del Perú. He was General Manager of Intercorp Peru for 21 years, until 2018. Prior to his career at Intercorp, Mr. Barúa worked 18 years in the construction sector at COSAPI and Equipo Uno, 5 years in the mining sector at Minero Perú and Perubar and, 5 years at AFP Horizonte. Mr. Barúa is a member of the Board of Trustees of the *Lugar de la Memoria* (Place of Memory) and was a member of the National Education Council and the National Reparations Council. During his more than 30 years in the financial sector, Mr. Barúa actively participated as a member of several Risk Committees. He holds a Bachelor's degree in Industrial Engineering from the Universidad Nacional de Ingeniería in Lima, and a Bachelor's degree in Economics from the Université Catholique de Louvain in Belgium.
- **Julio Luque (15/02/1960):** 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 en México 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 Directors of Hoteles Casa Andina, Chairman of Endeavour Peru 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 Peru, ROCSA, Promperu and Grupo LAR Peru. Mr. Luque has more than 35 years in the mass consumption industry, having worked at SC Johnson in the USA and at La Fabril (ex-Alicorp) and is a professor at the business school of the University of Piura, Peru. He holds a bachelor's degree in mechanical engineering from Universidad Simón Bolívar, Caracas, Venezuela, and a master's degree in economics and management from the IESE Business School of the University of 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 a Director of CMPC, Watts, Gastronomía y Negocios, Adretail, Moneda AGF and Corpora. Mr. Turner worked for over 20 years at Falabella Chile, where he was General Manager of Falabella Latin America for a period of 4 years. His professional experience also includes being General Manager of Almacenes Paris 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 and Board participation, including financial, credit, regulatory and cybersecurity risks, among others. He holds a B.A. in Management from the Catholic University of Chile and an MBA from the University of Chicago.
- **Fernando Zavala (16/02/1971):** Director of InRetail Perú since 2018 and has held the position of General Manager of Intercorp Perú since the same year. Mr. Zavala is also a Director of Intercorp Financial Services, Interbank, Colegios Peruanos and Supermercados Peruanos, among other Intercorp companies. Previously, Mr.

Zavala was General Manager of SABMiller in Peru and Panama, General Manager of Indecopi and was Director of Alicorp, Enersur, Enseña Perú, Comex, among other companies. In the public sector, Mr. Zavala also served as Prime Minister and Minister of Economy and Finance of Peru. His experience includes more than 15 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 BA in Economics from the Universidad del Pacífico, Lima and an MBA from the University of Birmingham, England.

- **Mariela García (20/05/1964):** Director of InRetail Perú since 2019. She currently serves as General Manager of Ferreycorp and is also Director of Ferreycorp's subsidiaries. During her 30-year career at Ferreycorp, she has gained experience in the machinery, construction and mining industries, among others and, has gained experience in risk management and cybersecurity having implemented and supervised risk and cybersecurity plans for the company, receiving training from Caterpillar on these topics. Mrs. Garcia is also a Director of the Foreign Trade Society of Peru (COMEX), Entrepreneurs for Integrity 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 National Society of Mining and Petroleum and the Promotion of the Stock Market. She holds a Bachelor's degree in Economics from the "Universidad del Pacífico" and an MBA INCAE from the Universidad Adolfo Ibañez.
- **Hugo Santa María (13/07/1963):** 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 the Business Advisory Service (SAE for its acronym in Spanish), a leading service of economic and business analysis of the Peruvian market. His 20-year career in support brings together experience in diverse industries including mass consumption, retail, agribusiness, mining and construction. Mr. Santa Maria has extensive experience in financial risk assessment and management having participated in financial risk consulting for Apoyo's clients and has also participated as a member of the Risk Committee of several companies including MiBanco, Compañía Minera Atacocha and Interbank. Mr. Santa María is also a 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 publications both in Peru and abroad. He holds a PhD in Economics from Washington University in Saint Louis and is an Economist from the Universidad del Pacífico.
- **Ignacio Benito (23/11/1968):** Director of InRetail Perú since 2019. He worked for 20 years at JP Morgan, where he led the Latin America Advisory team until the end of 2018, involved in various 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 BA in Business Administration and Accounting from the Catholic University of Argentina and an MBA from the University of Pennsylvania, Wharton School of Business.

The average tenure of our Directors is 5.5 years, considering their date of entry until December 31, 2020. We have one woman on our Board of Directors, Mrs. Garcia. This represents 13% of the total of 8 Directors. Finally, our Directors have participated in 100% of the 8 sessions during the year.

**Years of tenure and experience of the Board of Directors**

Director	Years in the InRetail Board 1/	Gender	Independence according to CSA criteria	Independence according to Peruvian regulation criteria	Attendance at 2020 Board Meetings	Participation in other public company Boards (#) 2/	Risk Experience	Experience in Cybersecurity	Industry experience (years)						
									Mass Consumption / FMCG	Retail	Health	Banking and Finance	Education	Mining	Construction and Materials
Carlos Rodríguez Pastor Persivale	10.0	M	No	No	8/8	-	X	-	15+	15+	10+	30+	10+		
Ramón Barúa Alzamora	10.0	M	No	No	8/8	-	X	-	15+	15+	10+	30+	10+	5	15+
Julio Luque Badenes	8.4	M	Yes	No	8/8	-	X	-	35+	10+	10+				
Pablo Turner Gonzalez	8.4	M	Yes	No	8/8	6	X	X	30+	30+		30+			
Fernando Zavala Lombardi	2.0	M	No	No	8/8	-	X	X	15+	2+	2+	15+	2+		
Mariela García Figari	1.9	F	Yes	Yes	8/8	-	X	X						30+	30+
Hugo Santa María Guzmán	1.9	M	Yes	Yes	8/8	2	X	-	20+	20+		20+		20+	20+
Ignacio Benito Marchese	1.9	M	Yes	Yes	8/8	-	X	-	20+	15+		25+			15+

1/ As of December 31, 2020.

2/ Only applies to independent Directors according to CSA criteria.

## **Role of the Chairman of the Board of Directors**

The role of the Chairman of the Board of Directors is established in Article 10 of the Board of Directors Regulations of InRetail Perú Corp. where his main functions are detailed, which include ensuring that the Board of Directors efficiently sets and implements the strategic direction of the Company, promoting governance actions, acting as a liaison between the shareholders and the Board of Directors, directing the functioning of the Board of Directors and being the institutional representation of the Company, among others. Articles 9 and 10 are presented below with the complete detail of the competencies of the Board of Directors and the Chairman:

### **Article 9. - Powers of the Board of Directors**

- 9.1) The Board of Directors has the powers of management and legal representation necessary for the administration of the Company within the scope of its purpose, with the exception of those matters that the applicable legislation or the Bylaws attribute to the General Shareholders' Meeting.
- 9.2) Without prejudice to the functions already assigned by the applicable Legislation and the Bylaws, the Board of Directors has the following strategic functions:
- a) Approve and direct the corporate strategy of the Company.
  - b) Establish objectives, goals and action plans, including annual budgets and business plans.
  - c) Control and supervise the management and be in charge of the governance and administration of the Company.
  - d) Supervise good corporate governance practices and establish the necessary policies and measures for their better application and disclosure.

### **Article 10.- Powers of the Chairman, Vice-Chairman and Secretary**

- 10.1) The Chairman of the Board of Directors shall have the following main functions:
- a) To ensure that the Board of Directors efficiently sets and implements the strategic direction of the Company, in line with the aforementioned, previous article.
  - b) To promote the governance of the Company, acting as a liaison between the shareholders and the Board of Directors.
  - c) To coordinate and plan the operation of the Board of Directors, which includes:
    - I. Calling meetings of the Board of Directors.
    - II. Preparing the agenda of the meetings (in coordination with the Chief Executive Officer, the Secretary of the Board of Directors and the other Directors).
    - III. Delivering in a timely and due manner the information on the items to be discussed to the directors.
    - IV. Presiding over the meetings and managing the debates.
    - V. Overseeing the execution of the resolutions of the Board of Directors and the follow-up of the Board's assignments, among other aspects.
  - d) To monitor the participation of the Directors.
  - e) To coordinate the annual evaluation of the Board of Directors.

- f) To be the institutional representation of the Company, in coordination with the Chief Executive Officer.

## **2.2. Compliance, ethics and transparency**

(GRI 102-17)

At InRetail, we have a Corporate Code of Ethics, where we recognise the fundamental role of stakeholders and have a high sense of social responsibility, which aims to positively impact the development of families in Latin America. This commitment is sustained and made possible by our human team, which is one of our main strengths. Thus, the thousands of collaborators that we are, make up a large family in which we have the firm commitment to act permanently in a manner consistent with the pillars/values and ethical principles of the organisation, supported by Senior Management.

Our [Code of Ethics](#) applies to all employees of the business units that make up InRetail: Food Retail, Pharma and Shopping Malls and their subsidiaries, in addition to the employees of the Corporate Unit and the members of the Board of Directors.

In addition, each business unit has its own policies, which are aligned with InRetail's Code of Ethics. Therefore, we also extend this document to our suppliers, consultants, contractors and all those business partners who work with us, act ethically and in a manner consistent with our Code of Ethics. If we engage a third party, we must take reasonable steps to ensure that they are aware of this Code of Ethics, have a reputation for integrity, and act in a responsible manner consistent with our organisation and principles.

In order to make the Code of Ethics part of our actions, we created the anonymous reporting programme and platform, ConÉtica, which seeks to motivate us to act ethically and reinforce our positive behaviours, aligned with our cultural pillars/values that make us the great InRetail team. On this platform, employees, former employees, suppliers or any person can confidentially report cases related to unethical behaviour, violations of laws, regulations or internal policies.



[www.conetica.pe](http://www.conetica.pe)

The channel receives, records and confidentially classifies the reports made and then forwards them to the responsible Committee for evaluation. It all starts with each one of us, we must all know and comply with our internal rules and laws, and we must always make the decision to do the right thing. It is also an important part of our

responsibility to be vigilant and to report anything that goes against this.

The Ethics Committee of each business unit and of InRetail will be responsible for receiving the reports received directly or through the company that manages the ConÉtica line, which must be resolved and reported to the CEO. All reports received will be reviewed and evaluated, as well as treated in a totally confidential manner.

Its members, who may be called upon directly if required, are:

- Director/Vice President of Finance
- Director/Vice President of Human Management
- Director/Vice President of Legal/Corporate Affairs
- Auditors or Ethics Officers of the different business units that comprise InRetail
- Compliance Officer

Should we have any concerns that we would like to report, related to conduct that may be illegal, unethical or in breach of our regulations; that is, inconsistent with InRetail's Code of Ethics, the first person we should talk to is our immediate superior. However, if we feel that this is not appropriate, ConÉtica makes the following channels of attention available to us:

- Web form: You can register or consult a report at the following address: [www.conetica.pe](http://www.conetica.pe)

- Mailbox.

You can send an email to the following address:

- InRetail Corporate Unit: [inretail@conetica.pe](mailto:inretail@conetica.pe)
- Supermercados Peruanos: [spsa@conetica.pe](mailto:spsa@conetica.pe)
- Farmacias Peruanas: [farmaciasperuanas@conetica.pe](mailto:farmaciasperuanas@conetica.pe)
- Inkafarma: [inkafarma@conetica.pe](mailto:inkafarma@conetica.pe)
- Mifarma: [mifarma@conetica.pe](mailto:mifarma@conetica.pe)
- Química Suiza: [quicorp@conetica.pe](mailto:quicorp@conetica.pe)
- Real Plaza: [realplaza@conetica.pe](mailto:realplaza@conetica.pe)

- Telephone Line

You can contact a professional directly at any time, from any landline or cell phone, by dialling:

- 0-800-7-8323 (toll free).

### **Statistics: Complaints received and dealt by ConÉtica**

<b>Misconduct reported by type</b>	
Labour relations	111
Conflict of interest, code of conduct violations, corruption or bribery	15
Others / Not classified	54
<b>Total reports</b>	<b>180</b>

<b>Status</b>	
Reports dealt with and processed	100%
Reports with completed investigation	99%
Reports under investigation	1%

At InRetail we do not use political and/or charitable contributions as a means of bribery and corruption. That is why we have our [Anti-Bribery and Anti-Corruption Policy](#), which aims to establish principles, rules and requirements to ensure compliance with applicable laws and regulations, as well as to avoid any risk of involvement in illegal activities. This policy covers all employees of our company, as well as third parties acting on its behalf or as an extension of it. The points that are regulated through this policy are:

- Giving and receiving gifts or hospitality
- Giving and receiving donations to public entities
- Relations with Public Officials
- Financing of political activities
- Selection and contracting of suppliers
- Conflict of interest
- Confidentiality and reservation of information
- Accounting books and records

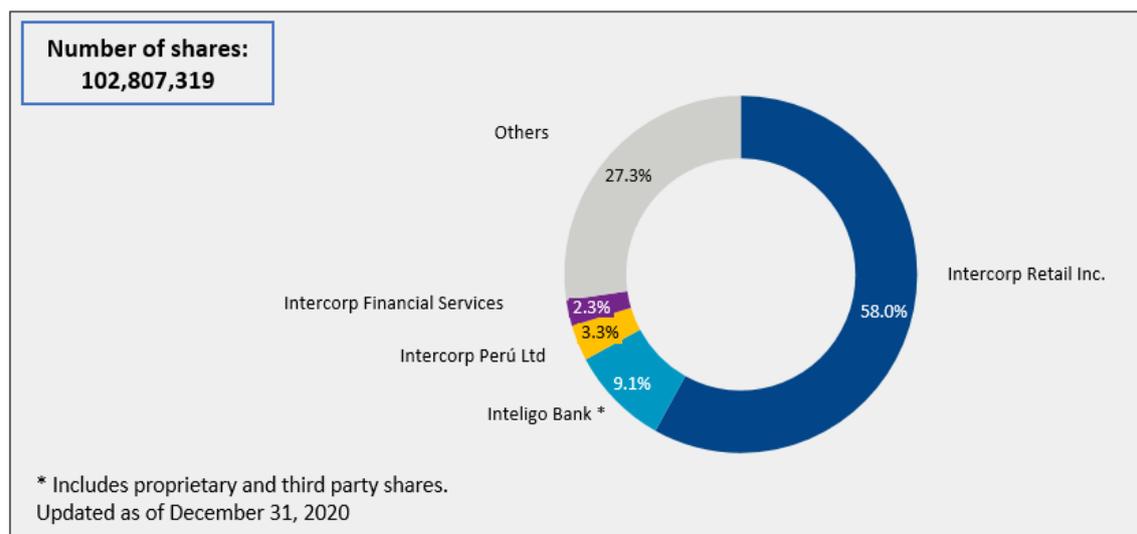
### **2.3. Our investors**

Below, we show the shareholder structure of InRetail as of December 31<sup>st</sup> 2020, including the classification of investors under the criteria of the Lima Stock Exchange (BVL). As can be seen in items 5 and 6 of this table, the Peruvian Government does not directly own any shares of InRetail.

Likewise, it is important to note that as of December 31<sup>st</sup> 2020, 72.69% of the shares issued by InRetail were owned by companies of the same economic group.

## Main Shareholders

Shareholder	Country	Percentage
Intercorp Retail Inc.	Panama	58.04%
Inteligo Bank Ltd.	Bahamas	9.06 %
Intercorp Perú Ltd.	Bahamas	3.26%
Intercorp Financial Services	Panama	2.33%
Others	N/A	27.31%
<b>Total</b>		<b>100.00%</b>



## Voting Shares

Ownership	Percentage of ownership	Number of shareholders
Less than 1%	10.30%	Indefinite N°
Between 1% - 5%	22.10%	9
Between 5% - 10%	9.56%	1
Greater than 10%	58.04%	1
<b>Total</b>	<b>100%</b>	<b>Indefinite N°</b>

## Shareholder structure by type of investor - Lima Stock Exchange (BVL) criteria

Shareholder structure by type of investor			
Holdings by type of shareholder of the share or equity security comprising the S&P Peru Select Index (at year-end).	Number of shares	Number of holders	% of participation <sup>3/</sup>
1. Members of the Board of Directors and senior management of the corporation, including relatives <sup>1/</sup>	25,099	5	0.02%
2. Employees of the company, not included in numeral <sup>1/</sup>	-	-	-
3. Natural people, not included in number 1 and 2.	267,063	263	0.26%
4. Pension funds managed by the Pension Fund Administrators under the supervision of the Superintendence of Banking, Insurance and Pension Fund Administrators.	19,602,145	12	19.07%

5. Pension fund administered by the Social Security Normalisation Office (ONP for its acronym in Spanish).	-	-	-
6. Peruvian State entities, with the exception of the case included in number 5.	-	-	-
7. Banks, finance companies, municipal savings banks, edpymes, (acronym for Small and Microenterprise Development Entities) rural savings banks and savings and credit cooperatives under the supervision of the Superintendence of Banking, Insurance and AFP.	-	-	-
8. Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFP, (Pension Fund Administrators)	40,756	1	0.04%
9. Brokerage agents under the supervision of the SMV.	3,683	2	0.00%
10. Investment funds, mutual funds and trust funds under the scope of the Securities Market Law and the Investment Funds Law and bank trusts under the scope of the General Law of the Financial System.	211,055	18	0.21%
11. Autonomous patrimonies and banking trusts abroad, to the extent that they can be identified.	1,373,280	47	1.34%
12. Foreign depositaries listed as holders of the share under ADR (American Depositary Receipt) or ADS (American Depositary Share) programmes.	-	-	-
13. Foreign depositaries and custodians appearing as holders of shares not included in number 12.	131,219	2	0.13%
14. Foreign custodians appearing as holders of shares.	6,533,503	4	6.36%
15. Entities not included in the preceding numerals <sup>2,4/</sup> .	74,619,516	11	72.58%
16. Shares belonging to the S&P/BVL Peru Select Index or a security representative of these shares, in the company's portfolio.	-	-	-
<b>Total<sup>5/</sup></b>	<b>102,807,319</b>	<b>365</b>	<b>100.00%</b>
<b>Ownership by holders of the shares or representative equity securities comprising the S&amp;P/BVL Perú Select Index, according to their residence (at year-end)</b>	<b>Number of shares</b>	<b>Number of holders</b>	<b>% of participation<sup>/3</sup></b>
Domiciled	20,150,133	301	19.60%
Non-domiciled	82,657,186	63	80.40%
<b>Total</b>	<b>102,807,319</b>	<b>364</b>	<b>100.00%</b>

(1) The term "Relatives" according to the regulations for indirect ownership, affiliation and economic groups.

(2) Term "Entities" according to the regulations for indirect ownership, affiliation and economic groups.

(3) Two decimal places.

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

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

## 2.4. Associations we belong to

(GRI 102-12, GRI 102- 13)

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

<b>Peru 2021 Board of Trustees</b>	Leading companies that carry out good social responsibility practices, with the objective of achieving the sustainable development of our country.
<b>Peruvian Association of Actors for Waste Management (Asociación Peruana de Actores para la Gestión de Residuos - ASPAGER)</b>	Promotes the recycling of waste of electrical and electronic equipment (WEEE).
<b>AEQUALES Community</b>	Seeks to eliminate the gender gaps in our country, moving us with a firm commitment on the road to equity, being agents of change from the generation and retention of our employees.
<b>Leaders +1</b>	Promotes the positive and competitive economic, environmental and social impacts in the most productive sectors of the country.
<b>Sustainable Peru (Perú Sostenible)</b>	Programme that seeks the contribution of the private sector to the sustainable development of the country in coordination with the public sector, academia and civil society, taking the Sustainable Development Goals (SDGs) as a framework for action.
<b>Kunan Challenge (Desafío Kunan)</b>	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.
<b>Pride Connection</b>	Network of companies that provide labour rights to people of the LGBTQ+ community and work to promote safe and inclusive work spaces for their teams.
<b>Peruvian Exterior Commerce Society (Sociedad Comercio Exterior Del Perú - COMEX)</b>	Business association that brings together leading exporters, importers and service providers from various economic sectors such as agro-export, mining, energy, manufacturing, retail, digital, logistics, tourism, infrastructure, health, among others; with the aim of influencing public policies in favour of employment generation, creation of opportunities and better quality of life for citizens.

<b>Chamber of Commerce</b>	Business association that promotes free markets, facilitates business opportunities, provides assistance and services, and promotes competitiveness in the private sector.
<b>OLI Foundation</b>	Solidarity platform dedicated to channel efforts, resources, and thus connects people and institutions for equal opportunities in the areas of: environment, health, culture, education and poverty reduction. We worked together the "Ayudando Abrigando" Programme with them for the activities of Clothing Donations to vulnerable communities in Cusco, Ayacucho and Comas in conjunction with the Ayudando Abrigando association. The warm clothes were made from plastic bottles recycled at our Ecoven and Ecosmart recycling stations.
<b>National Association of Pharmacy Chain Groups (Asociación Nacional de Cadenas de Boticas - ANACAB)</b>	Its purpose is to promote access to comprehensive health services for Peruvian families, so that they have access to safe and effective medicines.  Our network guarantees advice from a team of health professionals whose principal concern is the service and care of patients and consumers.
<b>Peruvian Institute of Economics (IPE)</b>	Private non-profit institution that seeks to promote balanced and sustained economic development, carrying out activities that seek to discuss economic policy measures.

### 3. Our risk management

(GRI 102-11, 102-15)

We have a Corporate Audit Management team, whose mission is to add value and improve the operations of InRetail and its subsidiary companies by providing risk-based assurance, advice and analysis to help achieve the organisation's objectives and improve its operations.

The Corporate Auditor reports administratively to the Vice President of Finance and functionally to the Audit Committee, to which it has direct access. We also have an Internal Auditor at the level of each of the subsidiaries, which must communicate, in a timely manner, to the Corporate Audit Management of any significant risk they have identified, working together to carry out the audit work.

Additionally, we have a Compliance Officer at InRetail and at the subsidiary companies, in charge of ensuring that the Model for the Prevention of Corruption, Money Laundering and Financing of Terrorism 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 Vice President of Finance and there are also Compliance Officers at the level of each of the subsidiaries.

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 consider to be long-term risks that could have a significant impact on the organisation.

### Emerging risks

Emerging Risk	Description	Impact on the Business	Mitigation Actions
<b>Environmental: Climate Change and Natural Disasters</b>	<ul style="list-style-type: none"> <li>Natural disasters as a result of climate change are increasingly frequent and these trigger floods and landslides that affect the well-being of the most vulnerable communities and force the closure of important roads in the country.</li> <li>Climate change will also challenge the country's natural resources in the future. For example, it is estimated that in 2050 Peru will have 40% less water than in 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Increase of time and/or interruption of routes to transport and supply inventory to stores throughout the country.</li> <li>Increase in the value of products and raw materials due to shortage of supply and increased transportation costs.</li> <li>Need to implement new industrial processes and trainings to employees.</li> <li>Possible shortage of water and energy.</li> <li>Impact on middle class consumers, impacted by lack of basic needs.</li> </ul>	<ul style="list-style-type: none"> <li>Implement and update prevention plans for natural disasters.</li> <li>Implement a mitigation plan for climate change through the reduction of greenhouse gases of our operation.</li> </ul>
<b>Environmental: Regulatory changes</b>	<ul style="list-style-type: none"> <li>Given the environmental situation, laws are being created that promote environmental care. These are linked to the creation of taxes, imposition of penalties and elimination of products that we commercialize.</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs and expenses in adapting to new regulations</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with the working groups of national and local governments to be able to work together alternatives that benefit the environment and at the same time are progressive for implementation in the business.</li> </ul>
<b>Technological: Increased risk of cyber-crimes</b>	<ul style="list-style-type: none"> <li>The COVID-19 context implied an abrupt migration to home office, putting pressure on internal procedures and controls to prevent cyber-crimes.</li> <li>Our operations increasingly depend on software, cloud storage, and other systems, which are subject to cyber-crimes.</li> <li>The business is increasingly migrating towards online sales, creating more space for cyber-crimes that could impact sales and or/the misuse of customer information.</li> </ul>	<ul style="list-style-type: none"> <li>Legal contingencies and economic losses due to loss or use of information.</li> <li>Inability to operate our physical business due failure or interruption of software and systems.</li> <li>Inability to operate our online business due failure/interruption of software and systems.</li> <li>Loss of corporate reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of a plan to strengthen protocols, access, controls, communication and trainings as well as continue to implement ethical hacking.</li> </ul>

<b>Political: Risks related to public policies</b>	<ul style="list-style-type: none"> <li>• The lack of solid political parties in Peru leads to high political uncertainty every time we enter a new electoral process. Likewise, the risk of political movements against the free market and in favor of statist policies in Latin America has been increasing.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in consumption, difficulty in imports, higher credit costs, fluctuations in the exchange rate that increase rental and financial expenses, interruption in the supply chain due to social mobilizations, among others.</li> </ul>	<ul style="list-style-type: none"> <li>• Dynamic review of investment projects, implementation of exchange rate hedges for debt in USD favoring debt in local currency, renegotiation of rentals in local currency, reinforcement of security protocols in stores and distribution centers.</li> </ul>
<b>Political: Regulatory changes</b>	<ul style="list-style-type: none"> <li>• Promulgation of legal norms that unfavorably change the legal framework, tax framework, lease conditions and labor costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase of operating costs</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of participation with unions and transparent and legal relationship with regulatory entities in search of respect for legality and constitutional rights.</li> </ul>

## 4. Our economic performance

### 4.1. Financial results

(GRI 102-45)

InRetail Perú recorded revenues of S/14,409 million and adjusted EBITDA of S/1,823 million in 2020, registering growth of 10.3% and 2.7% over 2019, respectively, showing solid growth and the high resilience of our businesses. The year 2020 was a very challenging year for the world in the context of the global pandemic due to COVID-19. In Peru, a strict State of Emergency was declared from March 16 until June 22, 2020, during which period only essential stores and services such as supermarkets, pharmacies and banks were allowed to operate. As of June 22, non-essential stores and services were gradually reopened in phases and by risk level by region.

As InRetail operated in the segment of Food Retail and Pharma, its stores were able to continue in operation during the whole state of emergency period. However, we had to react quickly by implementing security and safety measures in our stores to protect our employees, customers and suppliers, in addition to taking various measures to ensure supply in order to achieve our goal of continuing to supply our customers with quality products. Likewise, we had to adjust our opening hours and capacity in line with the measures established by the government. On the other hand, our Shopping Malls were only able to operate essential stores during the State of Emergency, and we subsequently opened stores as restrictions were lifted. The gross leasable area (GLA) of our Shopping Malls during 2020 stood at 20% at the beginning of the State of Emergency in March and gradually improved to 80% levels by the end of 2020.

On December 23, 2020, we acquired the Makro Perú operation which included 16 stores in Lima and Provinces. As of December 31, 2020, Makro is not considered in InRetail Peru's Income Statement but is considered in the Statement of Financial Position and the bridge loan used to finance its acquisition is also considered.

Below, we will briefly explain the results by segment. The numbers presented include the IFRS 16 accounting policy and is comparable to 2019.

InRetail Perú Corp Consolidated Statement of Financial Position	Twelve months ended by December 31,		
	2020	2019	Var %
<b>In Millions (S/.)</b>			
Food Retail	6,917	5,762	20.0%
Pharma	7,191	6,852	5.0%
Pharmacies	5,333	5,034	5.9%
MDM	2,525	2,465	2.4%
Shopping Malls	385	543	-29.1%
<b>Total Income</b>	<b>14,409</b>	<b>13,070</b>	<b>10.3%</b>

Food Retail	-5,119	-4,247	20.5%
Pharma	-4,992	-4,723	5.7%
Pharmacies	-3,444	-3,235	6.5%
MDM	-2,210	-2,122	4.2%
Shopping Malls	-152	-176	-13.9%
<b>Total Cost of Sales:</b>	<b>-10,241</b>	<b>-9,122</b>	<b>12.3%</b>
Food Retail	1,798	1,516	18.6%
Pharma	2,199	2,129	3.3%
Pharmacies	1,889	1,799	5.0%
MDM	315	343	-8.1%
Shopping Malls	234	367	-36.4%
<b>Total Gross Profit</b>	<b>4,169</b>	<b>3,948</b>	<b>5.6%</b>
Sales and administrative expenses	-2,952	-2,790	5.8%
Other operating income (expense), net	-88	187	-
<b>Operating Income</b>	<b>1,129</b>	<b>1,345</b>	<b>-16.1%</b>
Financial income (expense), net	-578	-427	35.6%
Income taxes	-211	-321	-34.4%
<b>Net Income</b>	<b>339</b>	<b>597</b>	<b>-43.1%</b>

### **Food Retail**

During 2020, our Food Retail segment recorded a net growth of +17 thousand m<sup>2</sup> (+4.5%) of sales area, which includes the opening of 1 Plaza Vea store and 67 net Mass stores. In 2020 we opened the first Mass store outside of Lima, in Arequipa, closing the year with 9 Mass stores in this city. Additionally, on December 23, 2020, we acquired Makro Perú adding 16 new cash and carry stores (+65k m<sup>2</sup>) to our store network, with the objective of strengthening our value proposition for the professional customer. Considering Makro Perú's square metres, we closed the year with a total of 477 thousand m<sup>2</sup> of sales area among all formats, an increase of 20.7% over the previous year. We closed the year with 602 stores: 101 Plaza Vea stores, 8 Vivanda stores, 21 cash and carry stores (5 Economax and 16 Makro) and 472 Mass stores.

As a result of the increase in sales area and strong growth in existing store sales (SSS) of 17.7%, total segment revenues reached S/6,917 million, 20.0% above 2019 revenues. Both our food and non-food categories performed well and our online sales grew by more than 4 times, strengthening our leadership position.

The adjusted EBITDA for the segment was S/676 million, 28.9% above that recorded in 2019, with an adjusted EBITDA margin of 9.8%, higher than the 9.1% recorded in 2019 thanks to the dilution of fixed expenses, more than offsetting the additional expenses generated by the COVID-19 context.

### **Pharma**

Pharma segment revenues reached S/7,191 million in 2020, 5.0% above that recorded in 2019, with growth of 5.9% in the Pharma unit and 2.4% in the MDM unit. During the total immobilisation implemented to curb COVID-19, our pharmacies were impacted by reduced foot traffic, however, they showed a strong recovery during the second half of the year thanks to the reactivation of categories focused on wellness and health. Likewise, our Distribution unit was impacted by the closure of several sales channels that were not allowed to operate, but managed to recover during the second half of the year. During 2020 we recorded same-store sales of 4.5% and more than doubled online sales generated by both the mobile app and the web.

The adjusted EBITDA for the segment reached S/1,003 million, 3.9% above 2019, with an adjusted EBITDA margin of 13.9% compared to 14.1% in 2019.

The pharmacy chain ended 2020 with a total of 2,165 pharmacies nationwide between both brands (1,178 Inkafarma and 987 Mifarma).

### **Shopping Malls**

The Shopping Malls segment achieved revenues of S/385 million, a decrease of 29.1% compared to 2019. 2020 was a challenging year for our Shopping Malls business as the gross leasable area (GLA) allowed to operate was between 20% and 80%, subject to the measures dictated by the government to control the COVID-19 virus. During the period that tenants were not allowed to operate, no monthly rent was charged.

The adjusted EBITDA was S/196 million, 41.8% lower versus 2019, with an adjusted EBITDA margin (calculated as EBITDA divided by rental income, net) of 71.3%. In 2019, the adjusted EBITDA margin was 81.4%.

The Shopping Malls segment ended with 808 thousand m<sup>2</sup> of gross leasable area. In 2020, 900 thousand square metres of leasable area was added, after conditioning an unused space in the basement of the Salaverry Shopping Mall. This represented an increase of 0.1% with respect to the end of 2019 (807 thousand m<sup>2</sup> of total gross leasable area).

## 4.2. Value generated and distributed

The following is the Economic Value Generated and Distributed, showing how InRetail creates wealth for its main stakeholders, as well as an indicator of its good performance:

<b>Direct economic value created (EVC) – Million of Soles</b>		<b>14,409</b>
a) Income	Operating income, other non-operating income, financial income	14,409
<b>Economic value distributed (EVD) – Million of Soles</b>		<b>-14,306</b>
b) Operating expenses	Cost of sales, selling expenses, administrative expenses, other non-operating expenses	-11,302
c) Salaries and social benefits for employees	Personnel expenses	-1,280
d) Payments to providers of capital	Financial expenses, dividend payments	-686
e) Payments to governments	Taxes, current income tax, tax related to special purpose entities	-362
f) Community investments	Cash contributions, employees' volunteer time, donations in kind, others	-30
g) Amortisation, depreciation, provisions and others	Depreciation and amortisation including right-of-use assets, devaluation of stocks, provisions of accounts receivable, others	-646
<b>Retained economic value (REV) – Million of Soles</b>		<b>103</b>

## 5. Our supply chain

(GRI 103-1, 103- 2, 103-3)

Suppliers are one of InRetail's main stakeholders, our strategic allies for the commercialisation of our products. Their development and standardisation of practices generate a positive impact both for their growth and for our company.

As part of our supply chain strategy, we have corporate tools for the management and evaluation of our suppliers that allow us to have guidelines for their performance in economic, quality and also sustainability issues, and to take measures to develop plans for their continuous improvement.

(GRI 102-9, GRI 102- 10)

Commercial supplier management:
<ul style="list-style-type: none"> <li>Food Retail: quality assessment, sanitary registrations, microbiological specifications, labelling, sanitary aspects.</li> <li>Pharma: we work with laboratories accredited by the Ministry of Health. All medicinal products sold in pharmacies must be registered with DIGEMID.</li> </ul>

Tools for supplier management:
<ul style="list-style-type: none"> <li>Sustainability guidelines for suppliers.</li> <li>Supplier criticality analysis.</li> <li>Supplier sustainability risk assessment.</li> <li>School of Services: training programme for third party companies.</li> </ul>

At InRetail, we have two main types of suppliers: commercial suppliers, who provide the products we sell through our brands, and non-commercial suppliers, who provide supplies, services and assets.

	Food Retail	Pharma	Shopping Malls	Total InRetail
National suppliers	2,320	2,419	396	5,135
International suppliers	356	61	14	431

***National and international suppliers***



***Purchases made from national and international suppliers***



## **Supply chain risks**

In order to analyse risks in supply chain management and take preventive and mitigating measures, we have a Corporate Policy that is deployed to each business unit and where two types of analysis are carried out: the identification of critical suppliers for the business and the evaluation of sustainability risks.

Commercially critical suppliers are those that represent the largest sales volumes and have few substitutes; while non-commercial suppliers are those whose lack could have a significant impact on the business and, in turn, have few substitutes. Our business units' own brands are also considered critical suppliers. In total, we have 731 critical suppliers for Food Retail (Supermercados Peruanos) and Pharma (Química Suiza and Farmacias Peruanas).

### ***Critical suppliers***

	<b>Food Retail</b>	<b>Pharma</b>
<b>Critical commercial suppliers</b>	404	86
<b>Critical non-commercial suppliers</b>	72	169

## **Sustainability management in the supply chain**

At InRetail we have integrated sustainability into our business strategy and as such we must extend it to our value chain. Therefore, a front line of work is to make sure that our suppliers ensure quality, efficient products and services; and at the same time, maintain an ethical and sustainable commitment in their operations.

By extending our sustainability strategy to our suppliers, we ensure that we reduce our exposure to risk and improve our social and environmental footprint. By 2022, all new suppliers will be required to undergo an ESG assessment. Then, depending on their category and risk mitigation efforts, each supplier will be given a compliance score. This new assessment system will provide us with feedback on how our suppliers are performing and push them to improve their ESG practices. Under this assessment, we have trained some high-risk suppliers on quality control, human rights/gender violence, waste practices and recycling, among others. Although not extensive enough, our goal is to increase the amount of ESG training over the years.

Our new system analyses the different categories of commercial and non-commercial suppliers in each business unit, then through an assessment matrix with environmental, social and governance risks, we identify the categories that present a medium to high sustainability risk. Our critical suppliers in the risk categories are evaluated to see if they are currently managing different aspects of sustainability; from this evaluation we identify suppliers that are currently exposed or expose the company to sustainability risks in order to work with them on improvement plans and audits to ensure compliance. Of the 174 business categories, we have identified 6 categories with high sustainability risks and 102 with medium risk for Food Retail.

Likewise, in order to manage the sustainability strategy in our value chain, we have identified indicators that allow us to carry out an integral and collaborative vision

among the different business units and their areas. In this sense, through our programmes, the KPIs managed are:

KPI	Target	Target year	Progress to date
# of small and medium-sized enterprises with socio-environmental purpose selling their products on our commercial platforms	400	2025	281
# of suppliers that have been trained in commercial, logistical and financial skills	500	2025	104
% of critical and risky suppliers in ESG aspects trained to improve their sustainability practices	50%	2025	Identification evaluation in process

### **Supply chain compliance**

We have [Sustainability Guidelines for all our suppliers](#), which mention the social, environmental, ethical and compliance conditions which our suppliers commit to. Likewise, within our purchase orders and contracts we explicitly include the commercial and non-commercial conditions required at the time of initiating commercial relations. Similarly, our suppliers go through a registration process where they sign an anti-corruption clause and receive our Code of Ethics.

Aspects included in our supplier guidelines:

- Regulatory compliance
- Free competition, anti-bribery, anti-corruption and prevention of money laundering
- Confidentiality
- Safety and quality of products and services
- Prevention of environmental impact
- Eco-efficiency in the use of materials
- Optimisation of the use of material resources
- Prohibition of child labour and labour exploitation
- Work day, wages and benefits
- Discrimination, bullying and sexual harassment
- Occupational health and safety

## **6. Awards and recognitions**

**Food Retail:**

- **Ranking Merco Talent 2020:** we obtained the 3<sup>rd</sup> position in the self-service sector and thus belong to the top 100 most attractive companies to work for in Peru.
- **Ranking of Donor Companies 2020:** we ranked #1 of the companies that donate the most to the Peruvian Food Bank, an allied organisation that seeks to reduce food

waste and rescues it to be delivered to vulnerable people who do not have access to food.

- **Ranking Great Place to Work 2020:** we obtained the 5<sup>th</sup> position of the best companies in Peru to work for that implement and develop good working practices.
- **Ranking Great Place to Work 2020 - Millennials:** we obtained the 13<sup>th</sup> position of the best companies in Peru to work for millennials.
- **Ranking Great Place to Work 2020 - Diversity and Inclusion:** we were ranked #14 of the best companies in Peru to work for that implement and develop good diversity and inclusion practices.
- **Great Place to Work Certification:** we obtained the GPTW certification, qualifying us as one of the best companies to work for by complying with all the standards required worldwide.
- **ABE 2020 Leaders of Change:** given the situation we have had to face this year, our employees and their health have not ceased to be a priority. For this reason, we carried out different initiatives placing the wellbeing of them and their families at the core of our activities. These initiatives were recognised by the Good Employers Association (*Asociación de Buenos Empleadores – ABE for its acronym in Spanish*):
  - Outstanding practices in employee health and safety.
  - Employee experience.
- **National Environmental Award 2020 - Antonio Brack Egg:** we were recognised with this award by the Ministry of the Environment - MINAM in the "Peru Limpio" category for our comprehensive waste management programme.
- **Carbon Footprint 2020 - MINAM:** in 2020, we obtained the diploma and seal at the first level of recognition of the Peru Carbon Footprint granted by the Ministry of the Environment, thanks to our Greenhouse Gas emissions report corresponding to 2019.
- **Ranking Merco Social Responsibility and Good Corporate Governance 2020:** in this edition, we obtained position #31 of the 100 most socially responsible companies in Peru. Likewise, we were ranked #1 in the Self-Service Sector.
- **Ranking PAR 2020 - Aequales:** this is a recognition of organisations that promote and defend gender equity, diversity and inclusion, delivered by Aequales, where we ranked #9 out of 379 nationwide.

#### Pharma:

- **Ranking Merco Talent 2020:** in 2020, for the first time we were part of this ranking of the 100 best companies to attract and retain talent in Peru, ranking #59. In addition, we ranked #4 in the Specialised Retail Ranking.
- **Ranking Merco Companies 2020:** we ranked #76 of the 100 companies with the best reputation in Peru, moving up 24 positions compared to 2019.

- **Ranking PAR 2020 - Aequales:** this is a recognition of organisations that promote and defend gender equity, diversity and inclusion, delivered by Aequales. We ranked #11 in the health sector; #29 out of 379 organisations nationwide, and #137 out of 779 companies in Latin America.
- **ABE 2020 Certification:** we achieved the ABE certification by the Good Employers Association, which recognises companies that promote and encourage good labour practices, respect among their people and the positive impact they generate both in the company and in society.
- **Great Place to Work Certification 2020:** we achieved the GPTW certification as a great company to work for, offering a world-class experience to its employees.
- **Ranking Great Place to Work 2020:** we obtained the #18 position of the best companies in Peru to work for that implement and develop good practices to work with.
- **Ranking Merco Social Responsibility and Good Corporate Governance 2020:** we managed to climb 7 positions with respect to 2019, thus obtaining the 87<sup>th</sup> position in this category. Likewise, we managed to occupy position 4 in the Sector Ranking-Specialised Retail.

#### Shopping Malls:

- **AENOR Certification in Protocols with regard to Covid-19:** Real Plaza Salaverry was the first shopping mall in Latin America to receive certification of all its containment protocols with regard to COVID-19, granted by the Spanish Association for Standardization - AENOR, one of the most important certifiers in the world and with presence in more than 90 countries. Likewise, Real Plaza managed to certify all its shopping centres ensuring compliance with the implementation and effectiveness of the application of the Protocol for the Control of Capacity and Closing of the Shopping Centre, and compliance with DS 002 - 2021 - PCM.
- **Ranking Great Place to Work 2020 - Millennials:** we obtained the 3<sup>rd</sup> position of the best companies in Peru to work for millennials. Note that we have been in this ranking for four consecutive years.
- **Ranking Great Place to Work 2020 - Diversity and Inclusion:** we were ranked 8<sup>th</sup> of the best companies in Peru to work for that implement and develop good diversity and inclusion practices.
- **Ranking Merco Talent 2020:** in 2020, for the first time we were part of this ranking of the 100 best companies to attract and retain talent in Peru, ranking #61 being the only company in the sector.
- **Ranking Merco Companies 2020:** we ranked #16 of the 100 companies with the best reputation in Peru, rising 18 positions with respect to 2019. In addition, we ranked #1 in the shopping mall sector.

- **We are Pride Connection Peru:** in 2020 Real Plaza is part of the Pride Connection Peru network, a network of organisations that seeks to raise awareness, sensitise and disseminate the importance of generating inclusive and safe work environments for the LGBTIQ+ community.

## Generating shared value: triple-impact management

### 7. Sustainability, a way of doing business

#### 7.1. Sustainability strategy

At InRetail, our strategy is aligned with doing business under a sustainable development perspective. Our purpose is to transform the places we reach by improving the quality of life of Peruvians. With this, we satisfy the current needs of the population with products and services without compromising the needs of future generations and guaranteeing a balance between economic growth, responsibility with the environment and promoting social wellbeing.

Our three pillars are Prosperity, Planet and People, and carry different initiatives that help us achieve our purpose. We use a theory of "shared value creation" when creating programmes; under that vision, we will be sustainable over time. In addition, we have a [Corporate Sustainability Policy](#) that focuses on the commitment we have with our different stakeholders: suppliers, collaborators, environment and community. Based on our materiality analysis and evaluation of impacts and risks of our business units, we have built a policy that seeks to encourage our operations, as well as those of our suppliers.

Axis	Action fronts	2020 - 2021 Plan	2025 Target
Prosperity	Ethics and transparency		
	Value chain management	<ul style="list-style-type: none"> <li>• Supplier development.</li> <li>• ESG evaluation of suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of suppliers with ESG assessment or certifications.</li> <li>• Eco-friendly product lines.</li> <li>• Include 400 MSEs with socio-environmental impact in the Peru Passion programme.</li> </ul>
	Shared value programmes	<ul style="list-style-type: none"> <li>• Social impact laboratory.</li> <li>• Corporate volunteering.</li> <li>• Donation management</li> </ul>	
People	Culture of sustainability	<ul style="list-style-type: none"> <li>• Sustainability training.</li> <li>• Internal communication.</li> <li>• UN Sustainability Leaders Programme.</li> <li>• Sustainability innovation challenge: Green Scrum.</li> </ul>	

	Diversity and inclusion	<ul style="list-style-type: none"> <li>• Internal and external communication.</li> <li>• External front.</li> <li>• Inclusive selection.</li> <li>• Prevention of gender-based violence.</li> <li>• Data generation and analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain 50% women in STEM positions.</li> </ul>
Planet	Waste management	<ul style="list-style-type: none"> <li>• Life cycle analysis and waste generation.</li> <li>• Recycling targets.</li> <li>• Audits.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce and recycle 60% of our waste by 2023.</li> </ul>
	Eco efficiency	<ul style="list-style-type: none"> <li>• M&amp;E Energy and water consumption.</li> <li>• Carbon footprint analysis.</li> <li>• Sustainable buildings.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce our carbon footprint by 15 % with respect to 2020.</li> </ul>

## 7.2. Stakeholders

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

Stakeholders	Specific stakeholder group	Our commitments	Our communication channels
Clients	Retail and wholesale customers	<ul style="list-style-type: none"> <li>• Provide quality products at low prices.</li> <li>• Provide safe and accessible facilities.</li> <li>• Offer products with added social and environmental value.</li> </ul>	<ul style="list-style-type: none"> <li>• Social media</li> <li>• e-commerce</li> <li>• Customer service centre</li> </ul>
	Tenants	<ul style="list-style-type: none"> <li>• Provide clear and transparent information on the composition and traceability of our products.</li> </ul>	
Suppliers	Commercial suppliers	<ul style="list-style-type: none"> <li>• Align our suppliers to UN sustainability and quality standards and criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• B2B Portal</li> <li>• Camunda</li> <li>• <a href="#">Impulsa Perú Pasión Website</a></li> </ul>
	Suppliers of services, assets and supplies	<ul style="list-style-type: none"> <li>• Evaluate the performance of our suppliers to ensure that they fully comply with labour regulations and practices.</li> <li>• Provide facilities and technical advice to promote the development of SMEs and include them in our commercial channels.</li> </ul>	
Employees	Direct employees	<ul style="list-style-type: none"> <li>• Promote their development in an equitable manner, avoiding any type of discrimination or unjustified differentiation.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Mailing</li> <li>• Corporate Events</li> <li>• In-store briefings</li> <li>• Complaint channels: <a href="#">ConÉtica</a></li> <li>• Internal social media groups</li> <li>• Websites</li> </ul>
	Outsourced employees	<ul style="list-style-type: none"> <li>• Promote high standards of Safety, Occupational Health and Environment.</li> <li>• Promote a diverse, inclusive and meritocratic climate and culture.</li> <li>• Encourage personal and work balance.</li> <li>• Inform employees about the company's sustainability policies and</li> </ul>	

		practices, encouraging their knowledge and participation in activities.	<ul style="list-style-type: none"> <li>• Sustainability Leaders</li> <li>• Reporters</li> <li>• Climate and culture ambassadors</li> <li>• Sustainability newsletters</li> <li>• Sustainability reports</li> </ul>
Community	Zone of influence of the malls	<ul style="list-style-type: none"> <li>• Create social value through employment generation, environmental awareness and education, and volunteering.</li> <li>• Provide support to vulnerable populations according to their needs and the company's capabilities.</li> <li>• Alleviate hunger and health problems of different vulnerable populations.</li> <li>• Inform the community about the positive and negative externalities generated by the company.</li> <li>• Consider social impact variables in decision-making, such as the inclusion of minorities, gender equality and vulnerable populations.</li> <li>• Encourage the creation of alliances with the third sector in order to contribute to sustainable development.</li> </ul>	<ul style="list-style-type: none"> <li>• Digital advertising</li> <li>• Digital and physical in-store material</li> <li>• In-store cashiers</li> <li>• Websites</li> <li>• Company social media</li> <li>• Press</li> </ul>
	Households, Soup kitchens NGOs		
	Waste operators		
Investors		<ul style="list-style-type: none"> <li>• Provide clear information on the company's environmental, social and economic performance.</li> <li>• Maintain transparent, ethical and secure commercial and non-commercial relationships with our stakeholders.</li> <li>• Ensure positive and growing economic performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Websites</li> <li>• Investor relations area</li> <li>• Financial Statements</li> <li>• Conference calls</li> </ul>

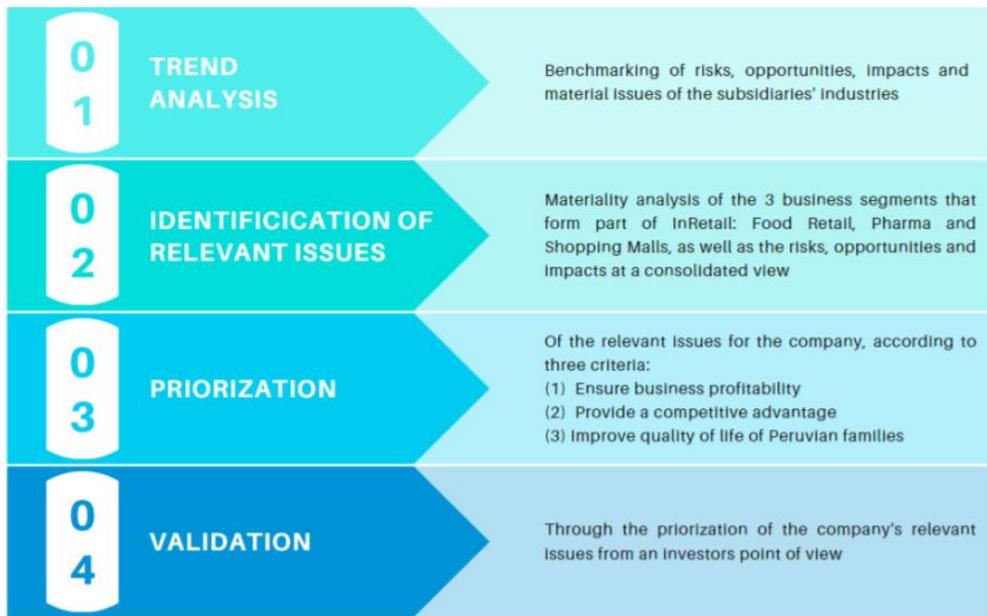
### 7.3. Materiality analysis

(GRI 102-4, 102-47)

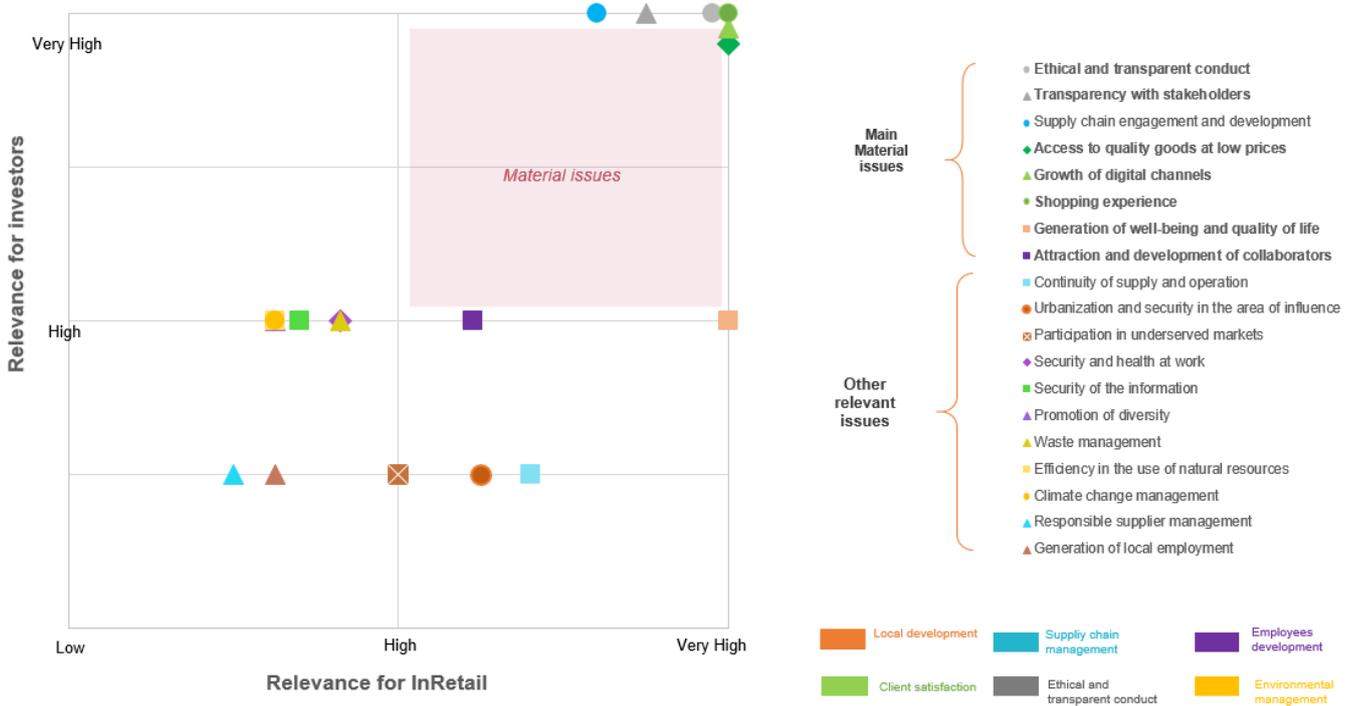
The materiality process analyses the risks, opportunities and impacts of the three business units in which InRetail Perú operates: Food Retail, Pharma and Shopping Malls, determining the main management and reporting issues to ensure the company's long-term sustainability, considering the priorities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

The process was carried out under the Global Reporting Initiative (GRI) methodology, which reflects the trends in the retail sector, as well as taking into consideration the views of our investors. As a result, 19 topics relevant to InRetail's sustainability were obtained, of which 7 turned out to be priority material topics.

## Materiality process



## Results



Priority material issue	Definition	Business Impact
Ethical and transparent conduct	For a company, ethics is of vital importance to define the concepts, values and beliefs with which the organisation, and therefore the employees, identify themselves. It allows building and maintaining a good reputation and positive image, both inside and outside the company.	<ul style="list-style-type: none"> <li>• Ethics makes good business sense because our companies benefit from a reputation for acting with honesty and integrity.</li> <li>• 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, increased motivation, productivity and employee commitment to grow with us.</li> <li>• Honesty in all business dealings with suppliers and being fair and honest with customers produced an excellent reputation that helped us to sustain ourselves even in difficult times.</li> <li>• 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.</li> <li>• 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 the community.</li> </ul>
Transparency with stakeholders	Transparency with investors, consumers and society as a whole, who increasingly demand transparent, comparable and accurate information on qualitative (company structure, strategy and activities, among others) and quantitative (financial results) aspects.	<ul style="list-style-type: none"> <li>• Having access to more information allows our stakeholders to better understand the real risks and sustainability of the business, as well as to measure and compare the impact of business activities on society and the environment.</li> </ul>

<p>Supply chain commitment and development</p>	<p>Companies are becoming increasingly aware of this, which is why responsible supply chain management is becoming a more and more important trend in the field of corporate sustainability. Supply chain management is an opportunity to improve business relationships, to achieve greater process efficiency and to cope with current and future crises.</p>	<ul style="list-style-type: none"> <li>• Our value chain is a fundamental aspect of our retail business. For that reason, our supplier relationships directly affect the variety, quality, and cost of our goods and services.</li> <li>• We need to build a solid connection to ensure trust and negotiate better prices and transparency in their processes. Having an open and continuous dialogue with our suppliers allows us to manage risk and build better processes and products, from sourcing raw materials to implementing gender equality efforts.</li> <li>• In addition, supporting local suppliers in their growth brings tangible benefits, including improved brand reputation, exclusivity and employee engagement.</li> <li>• The key advantage of strong and healthy supplier relationships is that you can obtain better value for your business by selling more, reducing risks, increasing assortment, improving quality and processes.</li> </ul>
<p>Access to quality goods at low prices</p>	<p>The market today is demanding a change in the traditional relationship between companies and consumers, and demands that these adapt their capabilities and that they be provided with a quality value proposition. In addition, people's incomes have decreased and they are demanding that the main products and services required for a normal and even dignified life be within their reach.</p>	<ul style="list-style-type: none"> <li>• As the leading retail company in Peru, we are committed to the development and growth of Peru by providing quality products at low prices.</li> <li>• 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 "everyday low prices". Customers buy through traditional grocery stores where product quality and availability are not guaranteed.</li> <li>• Our companies offer high quality products at affordable prices where we operate, recognising our presence as the first significant private investment in many provinces, generating customer recognition and loyalty.</li> <li>• Reaching new markets allows us to innovate; thus, 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.</li> </ul>

Shopping experience	To guarantee customer satisfaction through our sales channels.	<ul style="list-style-type: none"> <li>• 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 to provide customers with an extraordinary shopping experience.</li> <li>• A good customer experience is to make the customer feel special and unique, while being able to shop with ease. This generates confidence in your product or service, security, satisfaction and that in the end they will want to return to your business to repeat that experience.</li> <li>• To achieve a satisfactory experience, all the companies are aligned with this objective, making it part of their culture so that this strategy becomes a constant, since the human capital of your company is the direct contact with the consumer and is an essential part of the buying process.</li> </ul>
Generation of well-being and quality of life	Sale of products to generate physical and, mental health, nutrition, talk about health and nutrition.	<ul style="list-style-type: none"> <li>• Promote well-being among consumers through best practices, better communication systems and helping them to generate a better level of well-being. In addition, retailers have positioned themselves as one of the most important economic sectors in Latin America, generating employment, contributing to GDP, technological innovation and using organisational flexibility strategies. Moreover, they are positioned as the only private investment in many regions and provinces of the country, providing quality products at low prices.</li> </ul>
Employee attraction and development	Retain and develop technical talent, working environment and operations	<ul style="list-style-type: none"> <li>• Our businesses are very dynamic. They require strategies to attract and retain suitable talent for them. For example, in the case of Pharma, our challenge is to develop and train new pharmaceutical chemists to ensure being able to expand our pharmacies in underserved areas, when in Peru the supply of these professionals is very scarce. In the case of supermarkets, we retain young talent through part-time arrangements that allow them to continue developing their academic and working lives.</li> <li>• In order to retain our teams, we work with our climate and culture areas, which, through various programmes, ensure the satisfaction and engagement of our employees.</li> </ul>

## 7.4. Contribution to the SDGs

We align and measure the contribution of our sustainability strategy to the Sustainable Development Goals (SDGs). In this regard, we have identified six SDGs to which we contribute directly and three that we prioritise: SDG 3-Health and Wellbeing, SDG 2-Zero Hunger, SDG 5 -Gender Equality, SDG 8-Decent Work and Economic Growth, SDG 10-Reducing Inequalities, SDG 12-Responsible Production and Consumption.



### *SDGs prioritised according to our sustainability strategy*

	How do we impact this SDG?	How do we measure socio-environmental impact?
 <p><b>SDG 8</b></p>	<p>We have programmes such as:</p> <ul style="list-style-type: none"> <li>- Peru Passion: small farmers and food manufacturers can sell their products in our supermarkets. This develops loyalty with local communities and governments by improving our reputation and stakeholder engagement and increases our ranking to meet local demand.</li> <li>- Entrepreneur Marketplace: provides commercial spaces to SMEs in shopping malls and increases the number of visitors per day to the mall</li> <li>- Coco Coworking: this food-focused coworking found in our Real Plaza Salavery mall functions as an incubator, test kitchen and agent for emerging food and beverage brands. Drives technical, commercial and digital training to improve performance.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of registered sellers.</li> <li>- Number of active sellers (selling their products).</li> <li>- Sales (in USD).</li> <li>-Direct impact (employees).</li> <li>-Indirect impact (Tier 2 suppliers).</li> <li>-Training hours.</li> <li>-Volunteer hours.</li> <li>-Number of suppliers per region.</li> <li>-Suppliers with environmental Impact.</li> <li>- Suppliers with social impact.</li> </ul>

 <p><b>SDG 12</b></p>	<p>Our first objective is to reduce waste. 1. In the Pharma segment, we donate medicines (that can no longer be sold due to their expiration date) to health organisations that give them free of charge to poor patients. 2. In Food Retail, we donate food to NGOs and transform fruits and vegetables into new products. In Shopping Malls, we train and support commercial lenders to improve their practices. All companies recycle and market their waste, earning an extra income of more than one million soles annually. In 2020 we worked with the ILO (UN) and our waste management suppliers to improve their working system. Recycling makes good business because we reduce what we send to landfill, save space and improve the company's environmental credentials. Our commitment to food donations has earned us recognition as the largest donor to Peru's food bank, which feeds more than 45,000 people a week. Since our programme began, our waste has halved and we have seen savings of S/25 million.</p>	<ul style="list-style-type: none"> <li>-Donated food rations.</li> <li>-Medicine donated.</li> <li>-People affected (medicine and food donation) per year.</li> <li>-Waste management suppliers trained.</li> <li>-Partner NGOs.</li> <li>-Partner governments.</li> </ul>
 <p><b>SDG 3</b></p>	<p>Our pharmacies have solidified their roles within the healthcare team by being one of the most accessible healthcare providers in the community and helping their patients maintain continuity of care by educating patients about disease management. We have prioritized:</p> <ol style="list-style-type: none"> <li>1) Product availability and quality; being the only pharmacy chain in some rural areas to offer products at low prices.</li> <li>2) We partner with the Department of Health to use our pharmacy chain to deliver medications to chronic patients (they then become new customers).</li> <li>3) Promote healthy options in our assortment.</li> <li>4) Pharmacists raise awareness of preventive and curative treatments for infectious and non-infectious diseases</li> <li>5) Pharmacists training programme, where we pay half of their tuition while they work with us to increase the number of pharmacists in Peru</li> <li>6) Pharmacy staff trained as mental health champions can also make a positive contribution in creating mentally healthy communities.</li> <li>7) We have 78 medical centres and a polyclinic, where we serve our clients at affordable prices. Nurses, doctors, nutritionists and laboratory personnel work there. We also provide medical advice through telemedicine.</li> </ol>	<ul style="list-style-type: none"> <li>-Pharmacists trained.</li> <li>-Patients served by the National Health and Private Pharmacies programmes.</li> <li>-Number of pharmacies in rural areas.</li> </ul>

## 8. We generate prosperity

### 8.1. Accessibility to our products: quality and low prices

Our business model brings basic necessities, food and health products at prices accessible to all our customers, reaching different clusters, always maintaining quality in the assortment of our points of sale. In this sense, each of our companies has developed strategies, such as sales formats and promotions to approach customers in different segments. In the case of Food Retail, our company Supermercados Peruanos has five flagship brands: Vivanda supermarket has a higher price level assortment, Plaza Vea supermarket has a wide price range, Mass brand is our hard discount and

has an important offer of own brands at low prices, as well as bulk products and finally, in the cash and carry format we perform under the Makro and Economax brands, which are super wholesale stores inspired by professional customers or HoReCas, a customer segment composed mainly of hotels, restaurants and caterings. On the other hand, in Pharma we have the market-leading brands Inkafarma and Mifarma, the former being a brand focused on having everyday low prices, while the latter has a loyalty saving's programme focused on special discounts and redeemable points through a loyalty savings programme. Similarly, both the Food Retail and Pharma sectors have their own brands in different categories such as consumer, health, nutrition, food, cleaning, beverages, among others.

### **Food Retail: Mass Format**

This format is characterised as a hard discount store, due to its proximity and immediacy, targeting the end consumer with low prices. The strategy of this format is focused on offering a reduced assortment of products but which satisfies the needs of the daily basket and with a higher participation of our own brands with low prices. We want to position ourselves, even before grocery stores and traditional markets, and be the preference of customers for being an alternative of products at a lower price and quality and immediacy for their satisfaction.

By the end of 2020, our Mass format has more than 400 stores mainly located in Lima and opened its first stores in Arequipa. We maintain firm expansion plans to reach more places and provide quality products to more Peruvian families at low prices.

### **Pharma: The *Monedero del Ahorro* (Saving's Purse)**

The Monedero del Ahorro (Saving's Purse) is Mifarma's loyalty programme, which seeks to reward customer preference. In order to enjoy the benefits, the customer must affiliate physically or digitally and will enjoy discounted purchases, accumulation of money points, personalised discount coupons, exclusive events, among others.

Money points: for every 1 sol of consumption, the customer accumulates 1 Money Point and for every 100 Money Points, the customer receives 1 Sol (PEN) discount. For now, this benefit is exclusive to the physical channel, but its omnichannel implementation is being analysed.

In 2020, the programme registered more than 800 thousand new affiliates, totalling almost 8 million active customers with an average ticket of S/33.

### **Own brands**

In both segments, Food Retail and Pharma, we have our own brand lines whose strategy is to offer a wide range of quality products at accessible and competitive prices. In the case of the Food Retail sector, Supermercados Peruanos has traditional own brands, with a pricing strategy to serve all segments of our population. We also have value-added products that are differentiated by their quality and premium products that are exclusive high-end brand products; all these products are offered exclusively in our different formats. In the case of Pharma, we have our own and generic brands that we distribute in our pharmacies such as Inkafarma and Mifarma, but which are also offered

to other customers such as pharmacy chains, independent pharmacies and other entities related to the health field.

## 8.2. Customer satisfaction

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

The NPS index can be as low as -100 (everyone is a detractor) or as high as 100 (everyone is a promoter). An NPS above 0 is perceived as good and an NPS of 50 is excellent.

### *Customer satisfaction scores (NPS)*

	2019	2020
Food Retail - Vivanda	54%	79%
Food Retail – Plaza Vea	39%	46%
Pharma: Farmacias Peruanas	41%	48%
Shopping Malls: Real Plaza	45%	5.7%

## 8.3. Unattended markets

In Peru we have a unique geography, which also represents challenges and opportunities in terms of access to general services, both for retail, such as our supermarkets and pharmacies, as well as for shopping centres.

In the case of Food Retail, in 2020 we achieved the opening of 67 new Mass format stores, and 10 of them operate for the first time outside Lima, in the province of Arequipa. These stores of approximately 100 to 200 square metres, are characterised by offering a discount offer, with accessible products and close to our consumers; as well as selling mainly own-brand products such as Bells and Mass products.



In the case of Pharma, thanks to our Inkafarma brand, we have strengthened our presence in remote and hard-to-reach areas to bring medicines and personal care products at affordable prices.

In this context, this initiative responds to the concern that in our country there are places where there is limited access to health services, such as a medical centre or a hospital, and where, in addition, people must travel long distances to find a pharmacy and purchase medicines, as for example in Paucará (Huancavelica) where it is necessary to travel 26 kilometres, or as in Caballococha (Loreto) where it is necessary to travel more than 12 hours by boat to buy medicines.

To contribute to closing the aforementioned gap, Inkafarma has implemented 27 pharmacies in remote locations in Loreto, Ucayali, Cusco, Amazonas, Piura, Ancash, Arequipa, Cajamarca, Huancavelica, Pasco, Puno, Ayacucho, Junín, Santa María and Huánuco. This has allowed more than 600,000 Peruvians to now have a safe and nearby pharmacy.

In addition, this implementation has generated 128 direct jobs and more than 800 indirect jobs.

## **8.4. Digital transformation**

The growth of interconnectivity was driven by the "new normal" in the wake of the pandemic, as it brought with it changes and new consumer habits, which meant an opportunity to adapt and move closer to our customers, providing a more personalised, omnichannel experience. In this way, we focused on digitising the shopping experience and supporting our e-commerce services, which were in growing demand.

### **8.4.1. e-commerce:**

#### **Food Retail: e-commerce and self-service checkouts.**



Since 2016 we have had e-commerce platforms for our Plaza Veá and Vivanda brands, which we have continuously improved, seeking to cover a greater number of products and facilitating and improving the customer experience. In the context of COVID-19, e-commerce sales grew significantly, increasing more than 4 times. In order to meet this high demand, in 2020 we implemented a

dark store warehouse in Lima and strengthened our equipment and logistics systems.

Likewise, before the pandemic context, we had already implemented self-service checkouts in our Plaza Veá stores so that our customers could pay for their products on their own without contact and totally digital. This initiative was done with the purpose of reducing waiting lines in supermarkets, but it turned out to be a practical solution to avoid people-to-people contact in the context of the pandemic. For this reason, during 2020, we continued with the expansion of self-service stores in our Plaza Veá stores.

#### **Pharma: e-commerce, app and *Mi Química***

Our Inkafarma and Mifarma pharmacies offer delivery service through different channels: web, app and call centre. In this way, customers can place their orders through the channel that best suits them and very easily. In the context of the pandemic, the delivery service grew significantly, increasing more than 2 times compared to the previous year. To meet the growing demand, we increased the capacity of our

distribution centre dedicated to delivery and implemented more than 1,000 pharmacies for click and collect service.

Likewise, in the Distribution business, we have a digital platform called "[Mi Química](#)" that aims to serve the supply of independent pharmacies, where pharmacists can view and request the purchase of more than 6,000 products. Before we developed this platform, pharmacies had to wait for an in-person visit from our salespeople in order to place their orders. The platform allows orders to be placed 24 hours a day with a maximum delivery of 48 hours, significantly improving stock and order tracking. This opens up a new portfolio of growth opportunities for independent pharmacies, as they can now check in real time how their credit line and accounts are doing, contributing directly to the order of their payments and accounts.

Likewise, with day-to-day operations, it is increasingly difficult for pharmacists to find spaces for in-person salespeople; the platform streamlines and provides the necessary flexibility so that their flow of attention is not affected. On the other hand, Mi Química is a space that allows for consultations, product recommendations based on purchasing behaviour and constant support in the use of the platform.

#### **Shopping Malls: Real Plaza Go**

In the last quarter of 2020, Shopping Malls launched [Real Plaza Go](#), the first e-commerce shopping mall in Peru. This is an online proposal, which joins the 21 shopping malls of the chain and will allow companies to reach millions of people 24 hours a day, 365 days a year. The website functions as a market place where products from different categories such as footwear, fashion, decoration, supermarket, home, pets, among others, can be found. In addition, Real Plaza implemented the [Shopper](#) service, which allows shopping through the whatsapp channel, an assistance service that helps our customers make the purchases they need and take them to the place they want.

#### **8.4.2. Information security**

InRetail has a Corporate Information Security Policy, which aims to establish guidelines to maintain the confidentiality, integrity and availability of the information and resources of the business units and the Corporate Unit that are part of InRetail.

Therefore, we establish guidelines related to the confidentiality of information, where employees are obliged to keep in reserve any document, information or material that is considered confidential information of the Corporate Unit or business unit. In this sense, they may not publish, use, dispose for themselves or for third parties, market, assign, sell, share, donate or make any other form of transfer to third parties, any document, information, instrument, contributions, acquisitions or knowledge that are indicated below: database in general, personal data, software development, projects, strategies, management indicators, information related to sales, purchases, costs, negotiations, strategic partners, suppliers, collaborators, customers, and other information of a similar nature.

Only those collaborators who are indispensable for the fulfilment of the purposes in question in each case may have access to the information referred to in the preceding

paragraph. Such collaborators must use the information solely and exclusively for such purposes.

In 2020 we did not have any case of complaints about cybersecurity or information security of our clients and/or personnel.

### **8.4.3. Generating well-being and quality of life**

We ensure that our products have the highest quality standards, for this, when a commercial supplier enters our commercial channels they are evaluated by the commercial area, who verifies that these products are attractive to the market and meet the standards of quality and packaging. Likewise, the quality area evaluates that suppliers meet the necessary standards, as well as HACCP certifications and requires suppliers to undergo quality audits at their own facilities.

We have approved health and nutrition policies, as well as animal care policies with a view to fulfilling all of our commitments by 2025, to ensure that our products not only meet high standards, but also that we respond to the growing demand for products in our portfolio that promote the well-being of our customers.

#### **Health and Nutrition**

As a company, we are aware of the enormous challenges the world faces given the increase in physical and emotional illnesses, especially those related to food issues such as obesity, whose growth rate has reached worrying levels in industrialised countries.

InRetail and its business units are committed to developing and offering products, solutions and initiatives that promote healthier lifestyles for the groups we directly impact through our operations, such as our customers, employees, suppliers and other communities of interest.

We have a [Health and Nutrition Policy](#) that aims to create a working framework for the business units that market food products, supplements and pharmaceuticals, as well as with their respective suppliers. This policy covers guidelines related to the composition and quality of our products and inputs, responsible marketing actions and promotion of healthy living, transparency in product labelling and regulatory aspects, monitoring, evaluation and reporting actions.

- **We offer healthy products**

We offer products that are gluten-free, lactose-free, free of added sugars and free of common allergens, in addition to including in the product assortment options that do not contain nutritional warning seals, with which we have managed to benefit people who maintain a restrictive diet. In our Plaza Vea e-commerce, we have a section of [healthy products](#), in cosmetics, groceries and organic supplements. Many of these products are from our local entrepreneur development programme called *Perú Pasión* (Passion Peru).



- **We educate our customers**

We provide advice to our pharmacy and supermarket customers on healthy living, through our sales catalogues, as well as the call centre of our pharmacies, where not only can purchases be made through phone calls; but also that calls are answered by pharmaceutical technicians who advise our customers to make the right decisions for their health.

- **Transparent information**

We follow the product labelling guidelines according to the Peruvian regulation "Octagon Law" and we also declare the nutritional properties of the food with the objective of informing customers about the composition of the products and therefore be aware of their habits and make better purchasing decisions.

- **We educate our suppliers.**

We consider the composition of products and inputs within the evaluation process of own-brand suppliers, in addition to requesting annual audits, conducted by third parties, to ensure quality and compliance with production and product safety standards.

### **Animal Welfare**

We recognise the challenges involved in working with a supply chain that mostly uses animal resources, beings that must be protected during their breeding processes, ensuring their physical and emotional well-being, aspects that are often neglected and can affect not only the quality of life of the animals, but also 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 to 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 behaviour. The actions developed also involve our suppliers and customers.

We have an Animal Welfare Policy that aims to create a framework for the business units in charge of commercial relations with animal protein suppliers to establish guidelines oriented to the welfare of these at different points of the supply chain and in turn ensure high standards of food safety for consumers. For more details, please review our [policy](#).

- **Sustainable fishing**

We are committed to promoting responsible sourcing, so we do not trade endangered species or engage in commercial activities that affect the development of the marine ecosystem. We also ensure that our suppliers respect marine closed seasons.

- **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 cage-free environment and offer their products in our Vivanda and Plaza Vea format of Supermercados Peruanos.

- **Breeding and dignified slaughter of pigs and cattle**

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

- **We monitor our suppliers**

We map and request animal welfare certifications from suppliers that they can count on at the time of contracting, we perform external audits to ensure that they are respecting the guidelines of the referred policy and we maintain constant communication to constantly disseminate criteria, guidelines and recommendations referred to animal treatment.

- **Product innovation**

We identify our products that use transgenics in their composition (more than 0.9%). Similarly, we seek to include in the product assortment, options that do not contain nutritional warning labels (octagons), in order to increase the assortment of healthy and nutritious products for consumers.

In the case of Food Retail, we have two types of products in our own brands that contain GMOs: vegetable oil and Bells soybean oil, both of which represent 0.67% of Food Retail revenues.

## **9. We are responsible with the environment**

Our corporate sustainability plan sets out 3 action fronts with respect to environmental care, each with specific goals and objectives: proper management and use of waste, where we seek to reduce 60% of waste by 2025 throughout InRetail, eco-efficiency management, focused mainly on reducing energy and water consumption in our operations and finally, climate change management, where we seek to take mitigation and adaptation actions, as well as reduce our carbon footprint by 15% by 2025.

## 9.1. Waste management

(GRI 306-1)

We are aware that, in the world, a great deal of money and effort is invested in extracting materials from nature and then transforming them into products that are usually discarded immediately; that is why we work continuously to prevent, minimise and valorise the waste generated in all phases of our value chain: from transportation and distribution, local operations, to disposal at the end of the product's useful life.

Our integrated waste management programme is continuously fed back and improved through the following tools:

Solid waste management	End	Instruments
Procedures	Published on the company's website, which communicates the policy, objectives, responsibilities and step-by-step of waste management.	<ul style="list-style-type: none"> <li>Waste Management Plan.</li> <li>On-site waste management manual.</li> </ul>
Training	A space for dialogue between the sustainability area and employees, where doubts are clarified, opportunities for improvement and key procedures for achieving recycling goals are communicated.	<ul style="list-style-type: none"> <li><i>Webinars.</i></li> <li>Posters summarising the procedures located in strategic areas.</li> <li><i>Mailings.</i></li> </ul>
Internal communication and recognition	Seeks to recognise stores that have met recycling goals, generating motivation and commitment.	<ul style="list-style-type: none"> <li>Recycling goals based on historical data.</li> <li>Poster showing the facility's recycling performance.</li> <li>Public recognition mailing.</li> </ul>
Traceability	Control of the amount of waste generated at each location by type, in addition to ensuring its correct final disposal.	<ul style="list-style-type: none"> <li>Referral guides at each pickup.</li> <li>Monthly certificates.</li> <li>Monthly Excel reports.</li> </ul>

Considering the overall waste in our value chain, we take action at all stages of the value chain.

**TRANSPORT AND DISTRIBUTION**



**OPERATION IN THE PREMISES**



**END-OF-LIFE PHASE**



<p>The warehouses are the centre of action for the transportation and distribution of products to the stores. Waste is generated from the crates and pallets used to transport merchandise, in addition to the cardboard boxes and plastic packaging in which the products arrive at the warehouse.</p> <p>Waste generated: Recyclables packaging plastics, cardboard boxes, crates, wooden pallets Products that have lost their commercial value. Organic waste.</p>	<p>Waste is mainly generated at the sales premises from the reception of merchandise (which usually arrives in boxes or packed in plastic) and other operations at the premises.</p> <p>Waste generated: Recyclables: packaging plastics, cardboard boxes. Products that have lost their commercial value. Organic waste.</p>	<p>We take action on end-of-life products from our customers' perspective. We seek to boost their valuation before disposal.</p> <p>We focus on the valuation of: Plastic packaging, glass, metal, cardboard, paper, and damaged electrical and electronic equipment.</p>
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**Waste Management Strategies**  
(GRI 306-2)



**In the transport and distribution phase**

Reverse logistics

With efficient logistics, we collect recyclable material and products that require it, taking advantage of the return route of the transporters. This collection system has allowed us to recover and collect cardboard and plastic boxes from stores whose waste generation is so low that it was not profitable to collect them with waste operators and the recyclable material was not recovered.



**134,322** kilograms of cardboard recovered  
**6,760** kilograms of plastic recovered



- Pick up of products that have a return agreement with the supplier.
- Collection of products destined for destruction.
- Collection of products in perfect condition, withdrawn from the sales room for quality assurance.



**In the transport and distribution phases and in the operation of premises.**

*Integrated waste management (waste minimisation and valorisation)*

What is waste for some is raw material for others. Recyclable waste (cardboard, plastic, wood, paper, etc.) is reintroduced into the production process through its sale to waste operating companies (EO-RS for its acronym in Spanish). The used oil generated in the prepared foods section and the staff cafeteria is marketed for subsequent transformation into biodiesel. To this end, we segregate waste at source and reinforce good recycling practices to reduce the amount of waste sent to landfills.

General waste, consisting of organic waste and products that cannot be donated, is delivered to the EO-RS for proper disposal. Every month they send us certificates that assure us that they were disposed of in an authorised landfill.

We verify that the EO-RS we work with comply with all the requirements of current regulations and request that they provide us with monthly reports on the amount of waste collected by type and location, in addition to the operator reports they submit to the Ministry of the Environment.

*Hazardous waste and electrical and electronic equipment management*

According to the company's core business, most of the waste generated is electrical and electronic equipment waste (WEEE), which includes lighting fixtures, ballasts, and electrical and electronic equipment that has failed (both commercial products and equipment used in the operation).

The WEEE we generate is delivered to an EO-RS specialised in the recovery of valuable materials within them and in the final disposal in a safety landfill of those parts that contain hazardous compounds and cannot be recovered.

At each collection we receive certificates with the quantities of WEEE recycled and those taken to final disposal.

Waste disposal	Unit	2020	2019
<b>Total waste generated</b>	<b>Tonnes</b>	<b>12,354.7</b>	<b>16,742.4</b>
Food Retail	Tonnes	9,045.0	11,502.6
Pharma	Tonnes	585.2	320.7
Shopping Malls	Tonnes	2,724.5	4,919.0
<b>Total waste recycled</b>	<b>Tons</b>	<b>7,340.3</b>	<b>6,827.4</b>
Food Retail	Tons	6,190.6	5,791.6
Pharma	Tons	585.2	320.7
Shopping Malls	Tons	564.6	715.1
<b>Total waste disposed of in landfills</b>	<b>Tons</b>	<b>5,014.4</b>	<b>9,915.0</b>
Food Retail	Tons	2,854.4	5,711.0
Pharma	Tons	0.0	0.0
Shopping Malls	Tons	2,160.0	4,203.9



## **In the end-of-life phase**

### **Recycling stations**

Aligned to the Extended Product Responsibility InRetail has the largest network of recycling stations (EERR for its acronym in Spanish) in Peru, which are located in the stores of Plaza Vea, Vivanda and Real Plaza. Thus, providing a benefit for the community by being safe collection points for the domestic recyclable material produced by Peruvians on a daily basis.

### ***#Reciclaconsciente:***

Since 2011, our Food Retail sector through the company Supermercados Peruanos and its stores, has been leading #ReciclaConsciente, a national movement in favour of recycling that seeks to promote responsible consumption among our customers, providing visibility to those brands whose products come in recyclable packaging; and promoting an active environmental citizenship of our community through an online and offline environmental education strategy. #RecycleConscious unites commercial partners, local governments, the Central Government through the Ministry of Environment and civil society to strengthen a culture of recycling in the country.

Due to COVID-19 and the declaration of mandatory quarantine for the entire country until June 2020, source segregation programmes and the work of thousands of recyclers associations that live from the management and sale of recyclable material were paralysed.

That is why our Food Retail sector, together with the NGO Recicla.pe, supported the reactivation of recyclers' associations and source segregation programmes through #ReciclaConsciente.

80 PPE kits were donated to the #YOTECUIDO 1.0 (I look after you) campaign led by the NGO Recicla.pe, so that the recyclers' associations have the materials and tools to ensure their safety and health in the reactivation of their work. The purchase of the kits amounted to 10,000 soles.

In addition, 200 food vouchers were donated to recyclers who were unable to continue working during the mandatory quarantine period.

According to the cost of each recyclable material per kilogram provided by Recicla.pe, during the 6 months of the #ReciclaConsciente campaign, the recyclers' associations received an approximate income of S/17,000 thanks to the commercialisation of recyclable materials collected by the company's Recycling Stations.



It is worth mentioning that in 2020 there were three executing partners: B-Green, L.O.O.P. and Recicla,pe; as well as eight sponsors: San Miguel Industrias, Hewlett Packard (HP), Tetra Pak, Procter & Gamble (P&G), PepsiCo, Nestlé, Gloria and Pernod Ricard.

Currently, materials such as glass, PET plastic, hard plastic, paper and cardboard, and WEEE continue to be recovered and collected at more than 50 recycling stations located in Plaza Vea and Vivanda stores. The results of the campaign as well as the location of the stations can be seen on the web: <https://www.reciclaconsciente.pe/>

***Ecovens and Ecosmarts:***



In the case of our Shopping Malls, we have made available to our customers, six recycling stations in Lima and one in the province, called Ecoven and Ecosmart. At the beginning, Ecoven stations were installed to recycle plastic bottles and then turn them into coats that would be donated to the *Ayudando Abrigando* programme (Helping, sheltering, recycling). This programme makes covers, blankets and ponchos for children living in the coldest areas of Peru. Since it was well received by shopping centre customers, it was decided to implement the Ecosmart stations, which can recycle up to nine types of waste: PET plastic bottles, aluminium cans, glass bottles, plastic containers, white paper (printed matter without colour, notebook pages, etc.), other types of paper (newspapers, magazines, coloured paper, etc.), cardboard, electronic waste and even complete books. All these materials that are recycled are then donated to non-profit social organisations.

Finally, both the Ecosmart and Ecoven stations provide benefits to people who recycle through a system of points that can then be redeemed for parking, car washes, children's entertainment, among many other discounts, through a mobile application.

### 9.1.1. Food waste

In the case of our Food Retail segment, we seek to implement technologies that allow us to accurately plan our supply and generate the least amount of waste possible. We therefore work with the ASR (Advanced Store Replenishment) system, which performs store replenishment. The system requires high quality and accurate inventory data, analyses each SKU/store combination, and its basic inputs are store sales and stock data. Additionally, we work with the AWR (Advanced Warehouse Replenishment) system, which performs replenishment for Distribution Centres (DC), analysing each SKU/DC combination and its basic inputs are the transfers from DC to stores and the stock stored in each DC. Both are world-class technologies that allow us to have benefits in the short to medium term for the supply of our operations and the least possible generation of waste.

In addition, as for products that have lost their commercial value but retain their quality and wholesomeness, before being discarded, all stores and warehouses evaluate whether they can be donated to social organisations. To this end, we have the *Bueno por Dentro* programme (Good inside programme), which operates in Supermercados Peruanos and takes advantage of the food and other products such as clothing, cleaning and other basic necessities, to donate them to social organisations that provide shelter, care and asylum to people in vulnerable situations. This programme makes daily donations to more than 139 organisations, with 45,000 people benefitted, delivering more than 7.6 million food rations nationwide. Learn more about this project in the following [link](#).

Our commitment is to reduce the amount of waste possible and reuse all that is generated, prioritising donation. Therefore, our goal for 2020 was to generate a maximum of 20,789 TN of wastage and to donate at least 40% of the known wastage, i.e. 4,751.58 TN in food.

#### ***Waste and food donation***

	Unit	2018	2019	2020
<i>Calculation of known food waste in TN</i>	TN	10,113.77	12,277.22	12,332.96
<i>Calculation of total donated in TN (food)</i>	TN	2,105.56	3,817.36	4,977.42
<i>Total amount donated (food)</i>	S/.	S/ 11,306,868	S/20,499,248	S/26,728,767
<i>Intensity (food waste/food sales)</i>	#		0.01	0.01

### ***Breakdown of donated food by format and type of category***

	<b>Unit</b>	<b>Plaza Vea</b>	<b>Vivanda</b>	<b>DC</b>
Beverages	TN	92.04	2.31	2.51
Meats	TN	277.77	13.40	0.00
Groceries	TN	1,213.72	46.01	32.22
Prepared foods	TN	120.21	25.45	0.06
Cold cuts and cheeses	TN	164.07	5.53	0.00
Fruits and vegetables	TN	1,505.87	227.64	0.00
Dairy and frozen foods	TN	411.76	17.80	5.48
Bakery and pastry	TN	684.25	78.48	0.74
Fish and seafood	TN	47.62	2.48	0.00
General total	TN	4,517.31	419.10	41.01

## **9.2. Eco-efficiency**

As part of the company's continuous improvement, we are always seeking efficiency by reducing the consumption of the basic resources of our operation - water and energy.

### ***We are efficient from the design***

An example of this is the construction of a shopping centre with high eco-efficiency standards: Real Plaza Puruchuco. From its design it was conceived as a sustainable shopping centre and in its construction stage it achieved 71% energy savings by making the inputs used require the minimum amount of energy for their manufacture.

Having operated for one year, compared to other shopping centres, Real Plaza Puruchuco consumes 20% less energy and 47% less water.

### ***Monitoring and continuous improvement***

We evaluate and reinforce the effectiveness of good eco-efficiency practices in all our stores based on the sustainability management promoted by the corporate management.

Sustainability audits are conducted twice a year to evaluate compliance with guidelines for reducing water and energy consumption and waste generation, as well as compliance with applicable environmental regulations for the operation.

The annual average of both audits aims to be greater than 85% compliance. In 2020, 86.5% was achieved.

### ***Culture***

The information from the sustainability audit allows us to identify opportunities for improvement and enhance the strengths found; and based on this, we focus on reinforcing the culture of sustainability. This is done through training, workshops and recognition of good practices.

### 9.2.1. Energy efficiency management

A large part of our operations require energy: from the transfer of merchandise and maintenance of the food cold chain, to the lighting of the sales premises and the air conditioning of the environment.

In 2019 we conducted a comprehensive assessment of electricity consumption, considering the suppliers of this service, the seasonality of consumption, the purpose given to energy, technologies and good practices to reduce consumption applied for each of the companies. This was done to establish findings about our consumption and propose initiatives to make it more efficient.

With these findings we have been able to perform an analysis of the energy consumption of each of the business units, and thus generate specific initiatives for each need. We know that this will help us to make our operations more efficient in the future.

#### *Energy consumption*

Total energy consumed	Units	2020
Non-renewable fuels purchased and consumed	MWh	25,899
Food Retail	MWh	22,624
Pharma	MWh	272
Shopping Malls	MWh	3,003
Purchased non-renewable electricity	MWh	85,082
Food Retail	MWh	53,528
Pharma	MWh	21,674
Shopping Malls	MWh	9,880
Total renewable energy generated or purchased	MWh	157,317
Food Retail	MWh	98,974
Pharma	MWh	40,075
Shopping Malls	MWh	18,268
Total non-renewable energy sold	MWh	0
Total non-renewable energy consumed	MWh	110,982
Total energy consumed InRetail	MWh	268,299

Continuing with our efforts to be more efficient with the use of energy, in 2020, we published an Energy Efficiency Policy, which aims to identify and promote measures of good practices in energy use; as well as to promote among all employees the awareness that energy efficiency is a competitive advantage that will reduce store expenses, increase productivity and profits, but above all, care for the environment and improve our impact on stakeholders.

In that sense, we continually conduct energy efficiency audits in all our stores, and we have implemented new technologies that allow us to achieve better management and control of the electrical consumption of the equipment in our stores.

Achievements:

- We implemented LED technology, which allows us to save up to 35% in the lighting circuit of our stores.
- Food Retail implemented an intelligent lighting control system IoT Digital Lumens in its Distribution Centre, achieving energy savings in lighting of 70%.

Our consumption reduction targets are measured by the MWh / Sales in millions of Soles indicator.

MWh/sales in Million of S/. (PEN)					Projection 2023
UN	2017	2018	2019	2020	↓ 10% (*)
Food Retail	19.08	17.61	15.16	11.01	9.91
Pharma Retail				3.05	2.75
Shopping Malls				33.46	30.11
<b>Total</b>				<b>7.66</b>	<b>6.89</b>

### 9.2.2. Water resources

Our water management begins with the supply of municipal water to our stores. We use grease traps that retain solids and fats from food conditioning to ensure that all our effluents comply with the Maximum Allowable Values (MAV) in accordance with current regulations.

We keep a control of the cleaning and maintenance of these grease traps and have a properly identified sampling point that allows us to monitor and control the quality of the effluent that is finally discharged into the city's sewage system, in compliance with national standards.

Our production centre, where breads, cakes, and prepared foods are produced, has a wastewater treatment plant (WWTP) to treat effluents from production processes to reduce their organic load and other pollutants and comply with maximum admissible values.

In addition, as part of our environmental commitments, we have OMNI valves installed in our stores.

#### ***Water consumption***

Total municipal water consumption	Unit	2020
Total municipal water supply InRetail	m <sup>3</sup>	1,767,004
Food Retail	m <sup>3</sup>	781,232
Pharma	m <sup>3</sup>	360,869
Shopping Malls	m <sup>3</sup>	624,903

### 9.3. Climate change management

At InRetail we recognise the impact that our operations have on the environment, so we have developed guidelines and strategies to identify, evaluate and manage problems and opportunities related to climate change. Within this framework, we have a [Climate Change Corporate Policy](#) that addresses various actions to combat climate change. Based on this policy, we have established commitments to be fulfilled by 2025, some of which are as follows:

- Energy efficiency

We are committed to reducing the energy consumption of our operations by promoting energy efficiency, which has been achieved through the use of intelligent refrigeration systems, LED lighting, solar panels in logistics centres, intelligent lighting, among others.

- Water efficiency

We make efforts to reduce water consumption in our operations through the implementation of dry cleaning systems, continuous training for our fruit and vegetable suppliers, implementation of water-saving valves in stores, water-saving faucets, and good cleaning practices.

- Biodiversity care (flora and fauna)

We do not develop activities or operations in areas considered national cultural heritage or protected natural reserves. We also promote responsible sourcing, prohibiting the commercialisation of endangered species or the development of activities that affect the marine ecosystem.

- Waste reduction

We develop actions to reduce our own-brand packaging and, as far as possible, migrate to reusable, recyclable or compostable packaging. In addition, we have developed programmes to reduce food and non-food product waste and ensure that general waste is landfilled.

- Carbon footprint and environmental culture

We measure and make efforts to reduce greenhouse gas emissions in our operations and supply chains, as well as promoting actions aimed at raising awareness among suppliers, employees and customers regarding the impact of operational, commercial and consumption practices.

### 9.3.1. Carbon footprint measurement

We are concerned that our business units operate in an efficient and sustainable manner. For this reason, we measure the inventory of greenhouse gas emissions for Scope 1 and 2. We use the Carbon Footprint Peru tool, from the Ministry of Environment, which has been verified with ISO 14084-1.

#### *Carbon footprint by business unit*

		2017	2018	2019	2020
		tco2e	tco2e	tco2e	tco2e
Scope 1	Food Retail	6,715	7,756	6,078	5,332
	Pharma	-	-	-	89
	Shopping Malls	-	66	79	80
	<b>Total InRetail</b>	<b>6,715</b>	<b>7,822</b>	<b>6,157</b>	<b>5,501</b>
Scope 2	Food Retail	3,0428	25,498	33,444	23,733
	Pharma	-	-	-	9,609
	Shopping Malls	-	5,198	6,241	4,538
	<b>Total InRetail</b>	<b>30,428</b>	<b>30,696</b>	<b>39,685</b>	<b>37,880</b>

#### *Shopping Malls electric chargers*

We have initiatives to include our customers in the responsibility of reducing our carbon footprint. Transportation accounts for 20% of global CO<sub>2</sub> emissions, which is why Shopping Malls, in its Real Plaza shopping centres implemented two charging stations for electric vehicles in its Real Plaza Salaverry and Real Plaza Puruchuco shopping centres which will be available to all its visitors at no cost. The purpose of this is to take a further step towards its commitment to care for the environment by promoting sustainable forms of transportation such as electric bicycles and electric vehicles. Double chargers of 7.4 kW per outlet were enabled, and electric cars that use these stations to recharge their batteries will have free parking throughout the year 2021.

### 9.3.2. Climate change risk analysis and TCFD report

In line with our climate change policy commitments, we have implemented the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) in order to analyse scenarios to assess the commercial, strategic and financial implications of the business in the face of risks and opportunities associated with climate change. This was a qualitative analysis of three risk and opportunity scenarios corresponding to the RCPs (2.6, 4.5 and 8.5), also known as emission scenarios and established by the Intergovernmental Panel on Climate Change (IPCC). From this, we have been able to identify mitigation and adaptation actions that we must implement at InRetail and that are aligned with our Climate Change and Sustainable Agriculture Policy:

Mitigation	Adaptation
Avoidance and reduction of greenhouse gas emissions	Adapting our operations, processes and logistics to climate change
Measure and make efforts to reduce greenhouse gas emissions in our operations and supply chains.	Promotion of climate change adaptation technologies in agriculture.
Implement and promote the adoption of renewable energies	Promote participation in sustainable bond and carbon bond investment projects.
Increase energy and water efficiency	Adopt measures to deal with emergencies and natural disasters.
Opt for low-emission supplies (refrigerants, fire extinguishers, etc.)	Measures for the protection of biodiversity and natural resources.
Adopt low-carbon technologies and transportation in product distribution and operations	Assess suppliers for risks and opportunities related to climate change.
Take actions based on life cycle analysis of products.	Implement energy and water efficiency criteria in the design and construction stage of the premises.
Reduce waste generation, increase recycling and food donations	Contingency plan for product distribution in the event of an emergency.
Work hand in hand with agricultural suppliers to discourage land-use change and responsible use of fertilizers	Circular economy programmes for the generation of biofuels.

To review the complete analysis, see [Annex 1](#) of this sustainability report.

### 9.3.3. Sustainable agriculture

We recognise the challenges involved in marketing soft products (agricultural or animal products that have been captured 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 reflected 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 the adoption of practices that do not affect soil composition.

- Biodiversity care and Greenhouse Gas Emissions (GHG)

We provide guidelines to our suppliers so that they do not use products derived from unsustainable fishing and we support them with technical advice to become certified in sustainable production. In addition, we train our suppliers on food, nutrition, health and livestock raising 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.

#### 9.4. Packaging

As one of the largest companies in the retail sector in Peru, we are clear about the importance of preventing and reducing the negative environmental impacts on the country's ecosystem caused by the excessive use of plastic; our vision is that our operations, supply chain and associated packaging should generate the least possible impact.

In the Sustainable Operations Framework Policy, we set ourselves the goal of promoting the use of recyclable packaging in our own-brand products and encouraging responsible consumption in our customers, giving recognition to those brands whose products have recyclable packaging; offering reusable bags before handing out single-use plastic bags and carrying out campaigns in key stores, commemorating the International Plastic Bag Free Day.

On the other hand, we have a policy that aims to create a framework and commitment to design, develop and manage sustainable packaging, establishing criteria and guidelines for our suppliers, our teams and raising awareness among our customers. Our corporate objectives for 2025 indicate that each of our business units should have an eco-friendly product line, as well as recycling 60% of our overall waste, and packaging management is key to achieving these objectives. For more details, see our [Packaging Policy](#).

- Reducing unnecessary packaging  
We are committed to gradually reducing single-use plastics in our packaging, mainly in our own-brand products and operating supplies, in addition to developing redesign actions.
- Reuse, recycling and composting of packaging  
We are continually developing actions to ensure that our own-brand plastic packaging is 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 awareness among our customers about the impact of packaging on the ecosystem and promote recycling systems, transparency of information through labelling, as well as the delivery of a series of benefits to promote eco-friendly actions.

- Research and Development

We allocate R&D resources to the design of sustainable packaging and alternative solutions, and we also promote the measurement of the carbon footprint of our packaging and product life-cycle analyses.

#### Reduction of plastic in our stores

With the support of the Single-Use Plastic Law approved by the Ministry of the Environment, which encourages manufacturers, distributors and importers of plastic goods to offer packaging and bags made of recyclable and/or biodegradable material, we were able to make rapid changes in our operations, requiring our suppliers to comply with plastic use standards.

Achievements:

- Increase in the number of vacuum-packed cheese and meat products decreasing the use of plastic trays.
- Removal of plastic straws and plastic lids of polypaper cups from the food court.
- Removal of expanded polystyrene food trays in the sales room and food court.
- Use of PET trays made of 70% recycled plastic in our own brands.
- Sale of biodegradable plates, cups and other biodegradable tableware. A total of 34,598 biodegradable plastic products were sold in 2020.

#### Use of plastic in packaging

Total weight of plastic packaging	<b>Metric tons</b>	<b>252.849</b>
Percentage of plastic packaging that is recyclable	%	100
Percentage of plastic packaging that is made from compostable plastics	%	0
Percentage of plastic packaging made from recycled material	%	40

#### Consumption of plastic bags for loading products for customers.

In 2020, biodegradable bags were only given to customers upon request and payment. In addition, customers were encouraged to enter the store carrying their shopping carts from home or other means to take the products purchased without the need for a bag. Reusable bags were also offered, selling a total of more than 5 million reusable bags that year.

It is worth mentioning that in the context of the pandemic, the increase in delivery sales and consumers' perception of food safety thanks to plastic bags, caused an increase in the purchase of bags as a supply for the store's operation.

#### **Packaging of our own brands**

Aiming to promote the use of recyclable packaging in the most representative and best-selling products of our own brands, we are currently working on a life cycle analysis of such packaging. Knowing the raw materials used to manufacture the packaging, their place of origin and where the packaging ends up at the end of its useful life will allow

us to identify opportunities for external improvements and to set clear and specific goals. As part of the evaluation of the quality of the products ready to enter the stores, information is requested on the type (bag, bottle, can, jar, etc.), material (cardboard, polypropylene, metal, etc.) and weight of the primary packaging - that which has direct contact with the food - and the secondary packaging - that which contains the primary packaging; through a technical data sheet format of own brands.

## 10. We generate social impact

### 10.1. Human talent

(GRI 102- 8)

In InRetail we have more than 40,000 employees in our three business units. Thanks to their efforts, our company is the leader in the retail sector in Peru. That is why we are committed to working for the integral development of our human, personal, professional and technical capital, as well as providing safe work environments, always maintaining a focus on diversity, inclusion and gender equality.

Company	2020		Total 2020
	F	M	
Food Retail	8,808	10,003	18,811
Pharma	16,331	5,343	21,674
Shopping Malls	183	255	438
<b>Grand total</b>	<b>25,322</b>	<b>15,601</b>	<b>40,923</b>
<b>Share % of total</b>	<b>61.88%</b>	<b>38.12%</b>	<b>100%</b>

Of the total number of employees, we have full-time, part-time and interns, resulting in 35,746 full-time equivalent employees in 2020.

	By the end of 2020
Total FTE Food Retail	15,567
Total FTE Pharma	19,753
Total FTE Shopping Malls	427
<b>Total FTE InRetail</b>	<b>35,746</b>

### **About our management strategy**

We have a Human Management Committee, through which the Corporate strategy is defined based on the following pillars, according to our strategic plan:

- Attraction and retention of talent
- Diversity and inclusion
- Climate and culture
- Well-being
- Occupational Health and Safety

### **10.1.1. Attracting, retaining and developing talent**

The dynamics of our business units can be very challenging and exposed to constant turnover of our employees; therefore, we work on employee development programmes that allow us to retain the best talent and ensure their growth not only within their company, but in the companies of the entire group.

#### **Training Programmes**

##### ***Food Retail: Capamanía***

The "Capamania" programme seeks to establish a curriculum for all employees of the Plaza Vea and Vivanda stores of Supermercados Peruanos. This curricular structure describes which courses each employee must take in order to be included in the promotion process. The curriculum includes 3 types of school:

1. Technical School: Trains personnel in technical concepts in specific areas, due to the role they are performing.
2. Mandela School: Focuses on courses to improve soft skills, such as effective communication, interpersonal relations and teamwork.
3. Knowledge School: These courses are mandatory for all employees in terms of their different specialisations. It focuses on cross-cutting courses that seek to reinforce cultural pillars, ethics, safety and health at work.

The deployment of all training is done through a virtual learning platform and through face-to-face training (with internal and external subject specialists). Employees are encouraged to participate through awards (leader, silver star, best of the month, etc.). In 2020, 107 courses were delivered in 354,400 training hours. In addition, 17,242 employees were trained and the average score obtained was 15.86 out of 20.

##### ***Pharma: School of Success***

The School of Success seeks to train pharmaceutical chemists from our Inkafarma and Mifarma pharmacies to respond to the agility required by the business, especially due to the high demand caused by the COVID-19 pandemic. The programme focuses on providing knowledge in three aspects:

1. Personal development: focused on the emotional aspect of employees and recognition. As part of this module, we worked on the campaign "Este aplauso es para ti" ("This applause is for you") where we sought to recognise the employees who serve in our pharmacies for the great effort they made every day with customers during the pandemic period.

2. Sales model: Focused on customer satisfaction and sales tools. In this programme, in addition to providing training

on the aforementioned topics, we developed short videos called "La Boti" where, with the help of actors and actresses, daily situations in a pharmacy were staged so that pharmaceutical chemists would know how to act in these situations.

3. Products: Focused on providing information through virtual training and virtual fairs on the products sold in our pharmacies, mainly those of our own brands. The training was also given by our own suppliers.



The training had formal and informal content, as well as micro and learning and challenges that employees had to solve during the year. 82% of our pharmaceutical chemists participated in the course.

### ***Shopping Malls: Learning Route***

In partnership with the company Crehana, Real Plaza employees were given access to a range of virtual courses on an online and asynchronous knowledge platform. The courses of the learning path were designated according to the position and the needs that were raised with the areas; once the employees take the assigned courses, they are free to make use of all the courses in the Crehana catalogue.

The assigned courses were mainly aimed at developing good habits of emotional intelligence, health and well-being, as well as leadership and organisational culture.

### **Performance evaluations**

We identify training needs after the performance evaluation, which is carried out annually during the first months of the year under the name of CRESER. This evaluation is aimed at 100% of employees and consists of three main steps: 1. Self-evaluation 2. Evaluation 90° or 180° 3. Feedback with the team.

The deployment of CRESER is done through each business unit, and advice is provided to ensure that all employees provide their evaluation without any inconvenience:



**Number of employees evaluated as of 2020**

	Food Retail	Pharma	Shopping Malls	Total InRetail	% of InRetail's total number of employees
# of employees evaluated by CRESER with a multidimensional approach (180° or 360°)	202	317	376	895	2.19%
# of employees evaluated by competencies	1,752	320	340	2,412	5.89%

**19.98** Average hours of training per FTE

**128** Soles invested in training by FTE

Total hours of training	Men	Women	Total 2020
Food Retail	171,761	158,482	337,345
Pharma	87,072	285,144	372,216
Shopping Malls	3,009	1,736	4,745
Total hours InRetail	261,842	445,362	714,306

Total hours of training	Junior management positions	Middle management positions	Senior management positions
Food Retail	1,168	2,886	1,168
Pharma	1,046		113
Shopping Malls	295	518	66
Total hours InRetail	2,508	3,404	1,346

Total hours of training	Employees under 30 years of age	Employees between 30 and 50	Employees over 50 years of age
Food Retail	209,457	112,268	6,902
Pharma	147,791	196,314	18,111
Shopping Malls	1,038	3,436	271
Total hours InRetail	358,286	312,018	25,284

In this sense, we have maintained an average voluntary turnover rate of 22% for 2020, and in the case of new hires, 17% have been internal hires, either through promotions or rotation between companies to similar positions.

***Average annual cumulative group-level turnover***

InRetail	2017	% Total Turnover	44%
		Voluntary Turnover	33%
	2018	Total Turnover	41%
		Voluntary Turnover	30%
	2019	% Total Turnover	42%
		% Voluntary Turnover	32%
	2020	% Total Turnover	31%
		% Voluntary Turnover	22%

***Average incorporations at group level***

	2018		2019		2020	
	Incorporations		Incorporations		Incorporations	
	Men	Women	Men	Women	Men	Women
Food Retail	4,431	2,476	3,467	2,341	3,975	2,099
Pharma	1,448	4,093	1,583	5,625	2,191	5,862
Shopping Malls	37	33	71	46	26	25
Total InRetail by gender	5,916	6,602	5,121	8,012	6,192	7,986
Total InRetail	12,518		13,133		14,178	

	2017	2018	2019	2020
Total number of incorporations	12,659	18,977	17,718	18,667
Internal staff incorporations			13.38%	16.50%
Average cost in soles of incorporation per FTE	S/109	S/67	S/104	S/66
Scope	Food Retail and Shopping Malls	All/InRetail	All/InRetail	All/InRetail

### 10.1.2. Diversity and inclusion

We are located in all regions of Peru and work with more than 40 thousand employees of all ages, regions and customs; we are diverse and therefore we always seek to be inclusive and generate work spaces that respect, value and make the most of our differences.

We have a [Corporate Diversity and Inclusion Policy](#) that is a framework for our business units. This policy focuses on an excellent work environment of mutual respect, with no tolerance for discrimination, safe for all employees and in accordance with the law, without distinction of sex, age, social status, religion, sexual orientation, gender expression, gender identity, race, colour, marital status, political opinion, disability, nationality, ethnic group or any other condition:

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

#### **Our team:**

Each of our business units has a Diversity and Inclusion and gender equity programme with its own identity. Through them, we encourage the participation and inclusion of people of all ages, generation of local employment and inclusion of people with disabilities and we create work spaces that guarantee the rights of people from the LGTBIQ community. We conduct annual censuses and perception surveys to identify our employees and build with them increasingly inclusive and safe work spaces. As of 2020, our team is composed of 83 people with some type of disability, representing 0.2% of our team, and 371 people from the LGTBIQ+ community, equivalent to 0.88%.

#### ***Employees with disabilities***

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees with disabilities	55	28	51	23	4	5	0	0

### ***Employees of the LGBTIQ+ community***

	Total InRetail	Food Retail	Pharma	Shopping Malls
Number of employees from the LGBTIQ+ community	371	325	27	19

### ***Minority groups***

In 2020, in our recruitment platform we added an optional question for our employees to mention if they identify with any minority group, and thus be able to incorporate into our diversity and inclusion plans, different initiatives that we have not mapped before. Answering this question is completely voluntary and does not influence the selection process in any way, since this information only goes to the area in charge of diversity and inclusion. Staff hired in 2020 who identified with a minority group were as follows:

Minority group	Gender	Food Retail	Pharma	Malls
Afro-descendants	Women	144	17	
	Men		4	
Asians	Women	72	9	
	Men	2	1	
LGBTIQ+ Community	Women	190	13	1
	Men		2	
Indigenous of the Amazon	Women	97	15	
	Men		2	
People with disabilities	Women	110	14	
	Men		1	
Quechua/Aymaras or other indigenous Andean people	Women	270	48	
	Men		5	

### ***Employees by country***

We are located in all regions of Peru; and we include in our team local personnel from the regions where we operate, but also foreign personnel.

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	Men	Women	Men	Women	Men	Women	Men	Women
Peru	15,539	25,281	9,954	8,778	5,334	16,325	251	178
Argentina	8	3	7		1	2		1
Chile	8	1	2	1	4		2	

Colombia		4		2				2
Uruguay		1						1
Venezuela	43	30	37	25	4	4	2	1
Brazil		1		1				
Ecuador		1		1				
Spain	2		2					
France	1		1					
Bolivia		1				1		
Ukraine		1				1		

	Total InRetail						Total
	Top management		Middle management		Junior management		
	Men	Women	Men	Women	Men	Women	
Peru	24	14	222	144	814	617	98.39%
Argentina	3	0	5	0	0	1	0.48%
Chile	4	0	3	1	1	0	0.48%
Colombia	0	0	0	1	0	1	0.11%
Venezuela	0	0	2	0	1	2	0.27%
Brazil	0	0	0	1	0	0	0.05%
Ecuador	0	1	0	0	0	0	0.05%
Spain	1	0	1	0	0	0	0.11%
France	0	0	1	0	0	0	0.05%

### ***Employees by region***

Although our stores are mainly located in the capital city, we operate in all regions of Peru through our stores and logistics centres, mainly our pharmacies.

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees in Lima	11,565	14,992	7,779	6,873	3,627	7,972	159	147
Number of employees in provinces	4,036	10,330	2,224	1,935	1,716	8,359	96	36

	Total InRetail	Total InRetail		Food Retail		Pharma		Shopping Malls	
		Men	Women	Men	Women	Men	Women	Men	Women
Metropolitan Lima	26,630	11,627	15,003	7,859	6,949	3,609	7,907	159	147
Lima provinces	0	0	0	0	0			0	0
Amazonas	34	3	31	0	0	3	31	0	0
Ancash	508	149	359	83	52	66	307	0	0
Apurímac	34	6	28	0	0	6	28	0	0
Cajamarca	455	97	358	55	41	34	314	8	3
Callao	91	19	72	0	0	19	72	0	0
Cusco	734	212	522	144	179	60	339	8	4
Huancavelica	51	9	42	0	0	9	42	0	0
Huánuco	317	88	229	55	46	22	182	11	1
Ica	574	129	445	67	56	62	389	0	0
Junín	480	74	406	0	0	74	406	0	0
La Libertad	1,110	214	896	0	0	214	896	0	0
Lambayeque	806	192	614	0	0	192	614	0	0
Loreto	399	92	307	0	0	92	307	0	0
Madre de Dios	0	0	0	0	0	0	0	0	0
Moquegua	186	61	125	55	61	6	64	0	0
Pasco	35	9	26	0	0	9	26	0	0
Piura	1,620	624	996	457	383	154	610	13	3
Puno	238	80	158	75	93	5	65	0	0
San Martin	193	33	160	0	0	33	160	0	0
Tacna	416	134	282	102	83	32	199	0	0
Tumbes	282	106	176	80	62	26	114	0	0
Ucayali	221	43	178	0	0	43	178	0	0
Others	5,511	1,580	3,931	951	823	573	3,083	56	25

## Employees by age group

Our population is mostly millennial, having mainly employees under 30 years of age who are pursuing a professional career with us, while some take advantage of the flexible and part-time modalities to perform parallel activities such as completing their studies.

	Total InRetail
	%
Number of employees < 30 years old	53%
Number of employees between 30 and 50	43%
Number of employees >50	4%

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	Men	Women	Men	Women	Men	Women	Men	Women
Number of employees < 30 years old	9,084	12,764	7,036	5,536	1,984	7,150	64	78
Number of employees between 30 and 50	5,918	11,654	2,729	3,068	3,016	8,484	173	102
Number of employees >50	599	904	238	204	343	697	18	3

We are also committed to promoting gender equity, encouraging female leadership and equal development opportunities for all. Therefore, 62% of our team is made up of women. We are concerned about including women in areas that were traditionally associated with men, in that sense we have a goal to maintain at least every year, 50% of women in STEM areas, i.e. areas such as Information Technology, Systems, Innovation, Digital Transformation, Digital Marketing, e-commerce, others. In 2020, we achieved 59% of these areas made up of women. Finally, our salary ratio (women/men) at management level, considering base salaries, is 1.00; that is, our managers receive equitable salaries without gaps, regardless of their gender.

## Leadership positions

	Total InRetail		Food Retail		Pharma		Shopping Malls	
	# of men	# of women	# of men	# of women	# of men	# of women	# of men	# of women
Total number of employees	15,601	25,324	10,003	8,808	5,343	16,333	255	183
Junior management positions	1,362	1,160	970	912	282	201	110	47
Middle management positions	222	150	154	85	53	48	15	17
Senior management positions	128	96	57	32	60	53	11	11

Management positions in revenue-generating areas	61	60	31	24	18	26	12	10
Management positions in STEM areas	13	8	3	1	9	5	1	2
Employees in STEM areas	135	195	61	30	52	156	22	9

	Total InRetail	
	Men	Women
Total number of employees	38%	62%
Junior management positions, i.e. first management level	54%	46%
Middle management positions	60%	40%
Senior management positions.	57%	43%
Managerial positions in revenue-generating areas	50%	50%
Management positions in STEM areas	62%	38%
Total positions in STEM areas	41%	59%

## The diversity programmes of our business units

### *Food Retail: "Raymi" Programme*



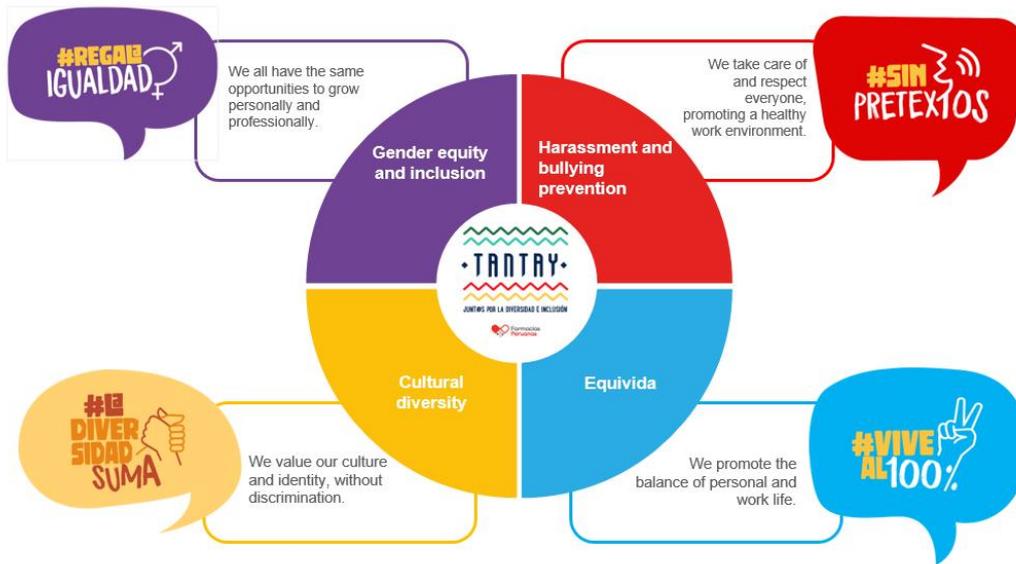
<b>"Raymi" Diversity program</b>	Balance between personal life and work
	Prevention of Sexual Harassment and Discrimination
	Inclusive selection
	Equal pay
	Training and personal development
	Work with clients and suppliers
	Internal and external communication

### *Pharma- Química Suiza: The Strip of Equality (La Franja de la igualdad)*



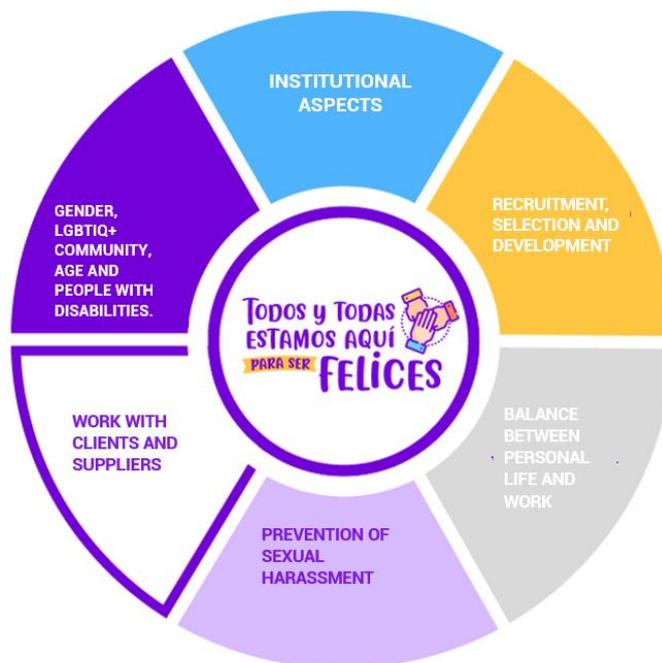
<b>"The Equality Strip" Diversity program</b>	Balance between personal life and work
	Prevention of Sexual Harassment and Discrimination
	Inclusive selection of employees
	LGBTIQ+ Community
	Training and personal development
	Work with clients and suppliers
	Internal and external communication

**Pharma- Farmacias Peruanas: "Tantay"**



<b>"Tantay" Diversity program</b>	Gender equity and inclusion	We all have the same opportunities to grow professionally and personally.
	Prevention of Sexual Harassment	We take care of and respect everyone, promoting a healthy workspace.
	"Equilife"	We promote the balance between personal life and work
	Cultural Diversity	We value our culture and identity without discrimination

**Shopping Malls**



<b>Shopping Malls Diversity program</b>	Institutional aspects
	Recruitment, selection and development
	Balance between personal life and work
	Prevention of Sexual Harassment
	Work with clients and suppliers
	Gender, LGBTIQ+ community, age and people with disabilities.

The main actions of 2020 are:

- Semi-blind selection processes, free of bias.
- Sexual harassment prevention campaign for 100% of employees.
- Extended paternity leave
- Staggered return to work for new mums and dads
- Social name, adoption and marriage leave and extended health insurance for people from the LGTBIQ+ community
- 21 diversity trainings
- Gender violence prevention campaign with the Ministry of Women "You are not alone" aimed at Plaza Vea and Inkafarma customers.
- Care and therapy channels
- School for forklift drivers
- Technical skills development programme: "Damos y damas".

	Food Retail	Pharma	Shopping Malls	Total InRetail
D&I communication campaigns	4	16	4	24
D&I trainings	4	16	1	21

Our presence in Rankings:

***PAR Ranking***

- Food Retail - ranked #9
- Pharma-Chemistry Switzerland - rank #4

***Recognitions from the Ministry of Women's Affairs***

- Pharma- Química Suiza won the Safe Company Award - gold category.

***Recognitions from the Ministry of Labour***

- Pharma-Química Suiza won first place in the Good Labour Practices recognition for its Diversity programme "The Equality Strip".

**Great Place to Work Diversity**

- Food Retail - ranked #14
- Shopping Malls - ranked #8

## Prevention of Sexual Harassment and Discrimination

Our commitment is to maintain a position of zero tolerance to any manifestation of violence, harassment or discrimination. We have a [Sexual Harassment and Violence Prevention Policy](#) that is aligned with current Peruvian legislation; this policy establishes the mechanisms to take preventive actions, as well as to properly address, investigate and sanction such cases. In this regard, each of our companies has its own Sexual Harassment at Work (SHW) Intervention and Investigation Committee, made up of company employees, who are trained annually. The committee works hand in hand with the labour relations areas.

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

- Training and awareness in prevention
- Provide protection to the victim or claimant
- Strengthening confidence in our reporting channels.

As of 2020, we have received a total of 48 complaints, 100% of which have been dealt with.

	Total InRetail	Food Retail	Pharma	Shopping Malls
Number of SHW complaints 2020 women	41	37	1	3
Number of SHW complaints 2020 men	7	7	0	0

### ***Awareness, prevention and trust***

In addition to continuous communications, all employees take an e-learning course on prevention of sexual harassment at work at the time of joining the company, induction, or during the course of the current year. We know that many cases of harassment may occur and not be reported due to lack of trust, ignorance or fear of retaliation; therefore, the companies of InRetail, Supermercados Peruanos and Química Suiza, conduct comprehensive communication campaigns during one month of the year to address this issue, reinforcing the reporting channels, victim protection, inviting employees to be allies and report any manifestation of violence; but especially, teaching to recognise these manifestations with simple examples.

**Food Retail: "We all make up the line".**



It is a physical and virtual campaign of Supermercados Peruanos aimed at 100% of employees, which seeks to exemplify in a simple way what attitudes involve some kind of bullying and sexual harassment, and encourage employees to report these cases. The campaign took place daily throughout the month of October, through channels such as social networks, WhatsApp, text messages, mailing, videos, installation of vinyls in 100% of stores and logistics centres and training.

**Química Suiza: "Ponte la camiseta contra el hostigamiento"**



This campaign was conducted during February, mainly focused on how to recognise sexual harassment in remote work, and the different virtual manifestations that may occur. Communications, an awareness-raising video and a virtual chat were produced for all employees.

### 10.1.3. Well-being, climate and culture

Each of our companies has cultural pillars and values that guide the performance of our team.



#### ***Food Retail: Tomas@***

The values and behaviours that guide the Supermercados Peruanos team are under the acronym Tomas@, who is, together with Tomas, the company's characters.

Each letter stands for a cultural pillar and within each of them there are golden behaviours.

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 take responsibility in all circumstances.

O

#### **People-oriented**

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

M

#### **Highly efficient and results-oriented**

- I focus my efforts on achieving the results outlined by the organisation.
- 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 in my environment and my team.

A

#### **Innovative attitude**

- 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

#### **Team spirit**

- I think about what is best for the company before taking 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 labelling.
- I create work spaces free from bullying and harassment.
- I encourage everyone to achieve their goals regardless of gender or sexual orientation.

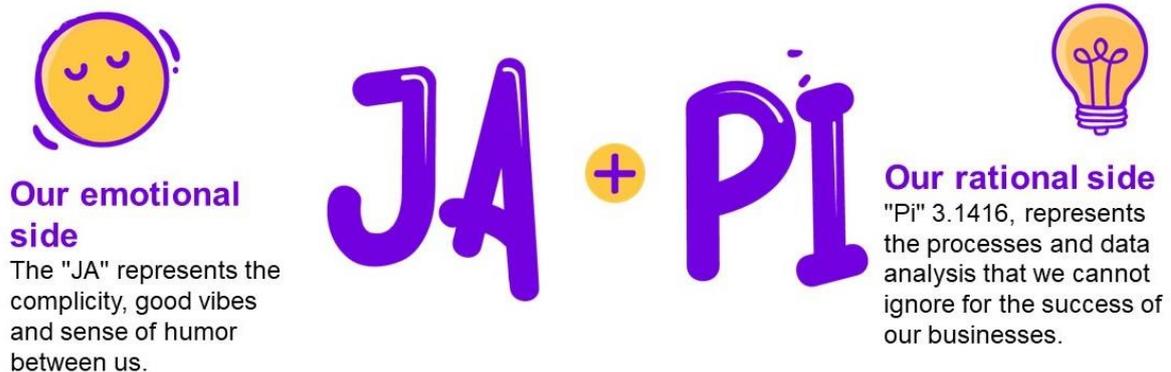
## Pharma- Farmacias Peruanas

In the case of Farmacias Peruanas, they also have 5 values, each one having behaviours.

	Behaviors
<b>E</b> Efficiency	Showing genuine concern for results. Establish goals and clear measures. Been Achieved more with less resources. Identify opportunities for synergy. Looking for comprehensive solutions.
<b>L</b> Leadership	Looking for innovations to generate value to bussines. Inspiring and motivating my coworker. Devising competitive and innovative strategies and plans. Being able to convey our purpose.
<b>I</b> Integrity	Be consistent, practicing what we preach. Acknowledging our mistakes. Showing a transparent attitude. Acting with our values.
<b>C</b> Customer	Striving to exceed expectations and meet the needs of our internal and external customers. Obtain customer information and use it to improve products and services. Making decisions with the customer in mind. Establishing long-term relationships of trust.
<b>T</b> Team	Showing a proactive attitude for the constant development of all the brands, formats and channels of the organization. Active listening and respecting the ideas of others. Developing constructive and effective interpersonal relationships. Prioritize the global vision.

## Shopping Malls: Japi culture (Happy culture)

Real Plaza's JAPI culture is based on the formula of combining the emotional, personal side of the team with its rational side to achieve success. This formula is summarised in 10 behaviours that are shared by everyone: the Japi Manifesto.





#### 10.1.4. Satisfaction of our employees

We conduct climate and culture surveys using our own methodologies or Great Place to Work. Our results for 2020 are:

##### **Food Retail**

In the case of Food Retail, Supermercados Peruanos participates in GPTW. The goal for 2020 was 85% satisfaction; and the result achieved was 87%.

	2017	2018	2019	2020
Result of climate survey or GPTW	87	85	85	87

The results by gender are: 89% satisfaction for women and 87% for men.

##### **Pharma**

In the case of Pharma, one of its companies, Química Suiza, conducted its own climate survey. Its goal was 76% and the score achieved was 70%; while in the case of Farmacias Peruanas, the goal was 85% and the score achieved was 76%.

	2017	2018	2019	2020
Climate survey results Chemicals Switzerland	Not performed	Not performed	Not performed	70
GPTW survey results Pharmacies	Not performed	Not performed	77	76

In the case of Pharmacies, the results by gender are: 78% satisfaction for women and 76% for men.

### ***Shopping Malls***

In the case of Real Plaza, an internal climate survey is conducted; the goal for the year 2020 was 90% satisfaction; and the result achieved was 93%.

	2017	2018	2019	2020
Climate survey results	93%	94%	92%	93%

### ***InRetail average results***

	2017	2018	2019	2020
Climate survey results	93%	94%	92%	93%
Companies considered	Food Retail and Shopping Malls	Food Retail and Shopping Malls	Food Retail, Pharma and Shopping Malls	Food Retail, Pharma and Shopping Malls

2020 average target	84%
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## **10.1.5. Health and safety at work**

### **Well-being: work-life balance benefits**

One of the pillars of the diversity and inclusion programmes of all InRetail companies is to achieve work-life balance for our team. For this reason, we design programmes, initiatives and policies that make work more flexible, target-oriented and especially provide benefits so that our employees have social security. Some of these benefits are

#### **Work flexibility**

- Summer Fridays: Fridays from January to April we only work until 1pm.
- Free hours booklet or vouchers: These are hours available for employees to use freely without having to justify what they are using them for. There are also coupons to work half days on Fridays or to take time off during the week.
- Time off for special events such as school events, graduations, days off for birthdays, birthdays, among others.
- Home office and flex time: Although some of our teams in previous years piloted the home office modality, as of 2020 due to the pandemic, it became a reality for everyone. We installed VPN and Microsoft Office systems to be able to work online, we provided facilities for our employees to acquire ergonomic chairs for their homes, as well as bicycles for their commutes.

#### **Maternity and paternity facilities**

- Staggered return for mothers and fathers: New mums and dads can work part-time for 1 or 2 months after their maternity and paternity leave, so that they can spend more time with their families.
- No night rotation for nursing mothers: All mothers who are breastfeeding will not suffer any change of schedule or work location.
- One day off for marriage.

- Breastfeeding rooms in all our facilities.
- Gifts for the birth of a newborn baby.
- Schools for new mums and dads: Training for new mothers and fathers to learn how to care for their children and have a work-life balance.

### Extended leaves of absence

- Our companies grant additional days to those required by law for paternity leave, in order to encourage co-responsibility in the home. Food Retail grants 7 additional days of paternity leave, Shopping Malls 5 additional days and Pharma grants 6 additional days. Additionally, Shopping Malls grants 5 additional days for adoption leave and this benefit is extended to LGBTIQ+ couples.

### Accidents and fatalities

We have inductions where Occupational Safety and Health (OSH) topics are discussed. This operational induction includes everything related to hazards and risks within their workplace. We also provide them with PPE according to the functions they are going to perform and their direct manager is in charge of guiding them through the learning process. Each company has an occupational health and safety committee that investigates reports of conditions or incidents that may occur.

Thanks to all this work, in the last four years we have had no fatalities or occupational illnesses in 100% of our employees and operations, and we have achieved the following results in our accident frequency rate.

### *Lost Time Injury Frequency Rate (LTIFR)*

Lost-Time Injury Frequency Rate (LTIFR) - Employees	2017	2018	2019	2020
Food Retail	6.55	7.78	3.56	5.46
Pharma	-	10.79	5.66	4.69
Shopping Malls	-	-	-	1.68
InRetail Average	6.55	9.29	4.61	3.94

### *Employee fatalities*

	2017	2018	2019	2020
Food Retail	0	0	0	1
Pharma	0	0	0	0
Shopping Malls	0	0	0	0
Total InRetail	0	0	0	1

### ***Contractor fatalities***

	2017	2018	2019	2020
Food Retail	0	1	0	2
Pharma	0	0	0	1
Shopping Malls	0	0	0	0
Total InRetail	0	1	0	3

#### **10.1.6. Our actions in the face of COVID-19**

2020 was an unexpected year for all. The health crisis caused by the pandemic halted the development and growth of many activities in the country and the world, and exposed the health of millions of people. In this sense, as part of the retail sector, we played a fundamental role in ensuring the well-being of thousands of Peruvian men and women, providing our customers with basic necessities such as food, beverages, food products and pharmaceuticals. Our main challenge was to ensure the continuity of our operations, safeguarding with greater intensity the health of our employees, who day by day allowed us to open the doors for our customers. Therefore, with the commitment to protect our team and provide them with all the facilities they need, we carried out different actions, such as establishing protocols for cleaning, customer service, e-commerce, store entrance, returning home, adapting our facilities to make them safer for customers and employees, providing transportation facilities through the use of buses, bicycles, among others such as:

#### **Food Retail**

- Establishment of cleaning and disinfection protocols for Central Administration, Stores and Logistics Centres: We redoubled the cleaning of the HHSS of customers and employees, as well as of objects touched by customers. If any positive case is detected, the store remains closed for the whole day and is disinfected for 4 hours in coordination with the fumigation supplier and the head of the Quality area. We also encourage our employees to greet each other "*Con el Tomate en el corazón*" ("With Tomato in our heart"), which is a way for our employees to greet each other while maintaining the appropriate distance to prevent contagion.
- Traceability Protocol for confirmed or possible cases of Covid-19 infection: Employees who have had contact with an infected person were traced and requested to carry out the mandatory quarantine. They are compensated according to the law.
- Dispatch and Delivery Protocol for e-commerce orders: 2020 was a challenging year, our e-commerce became the # 1 store in sales nationwide and therefore rules were created to minimise contagion between employees and customers, avoiding as much contact as possible.

- Direct Support Loans in the Covid-19 context: Priority loans were given to all employees and their families with confirmed COVID-19 status, so they could access this benefit from the first moment they are part of the team.
- COVID-19 Bereavement Benefit Policy: In the event that a store or logistics centre employee dies due to COVID-19 infection, the family will receive S/3,500 in cash and a cash card with a value of S/3,000 for the purchase of food.
- Comprehensive Wellness Campaign #SPSATECUIDA: Since February we started a health campaign aimed at our culture of prevention and at reinforcing self-care behaviours in the face of COVID-19 which was called "SPSA Te Cuida" (SPSA Takes Care of You). It consisted of three stages: Stage 1: dissemination of more than 40 company-wide cleaning and disinfection protocols among some of them. Stage 2: identification of vulnerable stores and logistics centres to whom we sent preventive quarantine and the entire central administration population changed their work modality to "teleworking". Acquisition of more than 7.5 million masks, more than 4.5 million pairs of gloves, more than 40,000 face shields, more than 15,000 litres of alcohol gel for the protection of all our employees in stores. Flexglass was placed as a preventive measure in more than 200,000 cases, covering 100% of our stores. We created the activation of "Clave 20", our cleaning and disinfection protocol, and we also segmented work teams, assigning them colours to better detect possible cases and thus minimise the risk of contagion. Acquisition of more than 31,000 rapid tests and more than 700 molecular tests. Finally, Stage 3: All of the above was accompanied by a powerful communication campaign, in which we activated our more than 18 internal communication channels and deployed more than 50 communiqués related to the COVID-19 front.

## Pharma

- Business Continuity Committee: Its purpose was to bring together leaders to identify and develop actions to ensure the safety of all and, at the same time, the continuity of the business. This Committee is composed of all the Pharmacy Managers, each with a different role:
  - Communication: in charge of creating education campaigns to prevent and safeguard the health of our collaborators and customers.
  - Sales channels: to maintain permanent communication with the first line of business: the employees in our more than 2,000 pharmacies throughout Peru.
  - Protocols: in charge of establishing, in record time, the procedures that would aim at the prevention and safety of all our audiences in all our spaces and also design the remote work strategy.
  - Commercial & Supply Chain: 100% focus on ensuring that all locations nationwide had the necessary supply of medicines to be able to face this pandemic.
  - Prevention: to adapt all the legal requirements determined by the State.
- Communication and change management campaign COVID-19: We provided useful and relevant information with an emotional tone, through 4 themes:

*#YoMeQuedoEnCasa*, (I stay at home) *#MásProtegidos*, (More protected) *#GraciasPorPonerElHombro* (Thank you for putting your shoulder). The results were that 88% of our leaders have put into practice what they learned with their teams; 100% of the leaders consider the tips received useful; 96% of the total number of employees feel that the company cares about them and about maintaining constant communication; finally, 98% of our employees followed the advice they received.

- **Squads:** They were an immediate response that we implemented to minimise COVID-19 infections in our company. They are made up of multi-task teams whose objective is to monitor the health of our more than 19 thousand employees nationwide. A Squad is made up of 30 employees, including the entire Social Welfare area and some members of Human Resources. Each Squad has a leader who is responsible for the team to the company's leaders. In many cases, our employees have to invest 100% of their time, in other cases 50%, to follow up on the cases.
- **ConsultApp:** Digital triage app to monitor the daily health of our teams. Each employee answers the test according to the symptoms he/she presents during the day, and the temperature measurement is provided by the security personnel before entering the workplace. In the case of the employee who works from home, he/she must take their temperature at home. Finally, the application will define 3 states identified by colours: Green / Yellow / Red which indicate the following:
  - Green: Indicates that the employee does not present warning symptoms.
  - Yellow: Indicates that the employee must maintain social distancing and carry out mandatory quarantine.
  - Red: Indicates that the employee has warning symptoms, which should be reported to his/her direct supervisor to take action on safety measures and mandatory quarantine.

This app was used in both Food Retail and Pharma.

### **Shopping Malls**

- **Rapid COVID-19 tests:** Qualitative and quantitative serological tests were carried out for all the members of our teams in Lima and the Province, who work on-site. We started by applying them on a biweekly basis, and currently we perform them on a monthly basis.
- **Healthy Mind:** A mental health programme was launched in order to care for the psychological and social effects of our employees in the face of the pandemic. The programme included the following initiatives:
  - Individual psychological diagnostic survey
  - Permanent psychological support channel
  - Motivational pills and tips for taking care of our mental health.
  - Webinars on stress, anxiety, and emotional exhaustion.
  - Psychosocial risk study.

- Creation of a psychological health and psychosocial risk protocol.
- Inspections and recognitions: In conjunction with the OSH area, we implemented the GOSST platform, an online occupational health and safety system, which allows us to manage information and legal records in a faster and more effective way, and customised to our needs, in order to continue building and strengthening our safety culture at Real Plaza. This platform allows us to record inspections, conduct training, generate reports and statistics automatically, obtaining immediate indicators that allow us to make decisions to continue improving. In addition, to keep our employees motivated, we created a recognition programme with two categories: "Act safe and live Happy" and "COVID-19 Prevention".

### 10.1.7. Human rights

We ensure the protection of the human rights of our stakeholders in our value chain, in line with what is proposed by the United Nations Global Compact; mainly principles 1 to 6. Likewise, we have a [Corporate Commitment to Human Rights](#) that reaches InRetail's employees, as well as its customers, suppliers and partners. This commitment establishes the agreements and due diligence that are taken into consideration during our own operations, acquisitions, work with partners and commercial agreements, in the following matters:

- Elimination of any form of forced or child labour.
- Protection of labour rights.
- Promotion of equity, inclusion and non-discrimination and any manifestation of violence.
- Safe and healthy workplaces.

#### **Due diligence process**

Our commitment to human rights is supervised by Intercorp Retail's Ethics Committee and is implemented throughout all our companies and the areas involved, such as Human Management, Operations, Labour Relations, Quality, Customer Service, among others. We conducted an internal qualitative analysis to identify gaps and establish actions for continuous improvement, the evaluation has the following scope:

	Issues	Stakeholders involved
Risks in own operations	1. Health and Safety <ul style="list-style-type: none"> <li>● Management system</li> <li>● Training</li> <li>● Employee involvement</li> </ul> 2. Labour practices <ul style="list-style-type: none"> <li>● Leave and vacations</li> <li>● Fair and equitable pay</li> <li>● Hiring</li> </ul> 3. Diversity and inclusion <ul style="list-style-type: none"> <li>● Discrimination prevention and attention</li> <li>● Harassment prevention and response</li> </ul> 4. Forced and child labour 5. Freedom of association	<ul style="list-style-type: none"> <li>● Employees</li> <li>● Suppliers</li> <li>● Women</li> <li>● Children</li> <li>● Outsourced staff</li> </ul>

Value chain risk	<ol style="list-style-type: none"> <li>1. Product safety and quality</li> <li>2. Safety and health</li> <li>3. Prevention of and attention to discrimination</li> <li>4. Accessibility and security of purchases for people with disabilities</li> </ol>	<ul style="list-style-type: none"> <li>• Clients</li> </ul>
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As a result of this internal assessment, we obtained full compliance in all aspects mentioned and a partial observation related to the ventilation of the facilities of our Mass format stores in the Food Retail segment. The internal action to be taken will be to evaluate whether the natural ventilation systems of our more than 400 Mass stores, which represent about 5% of InRetail's revenues, are adequate for the store size or whether additional air conditioning is required in some of our stores.

On the other hand, as mentioned in the supply chain chapter, our suppliers go through a sustainability assessment where human rights aspects such as non-discrimination, prevention of sexual harassment, safe working conditions and avoidance of forced labour are included.

(GRI 102-41)

Finally, with regard to union membership, at InRetail, 0.3% of our employees are members of a 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.

## 10.2. Suppliers

Our sustainability strategy with suppliers focuses on developing small and micro entrepreneurs and incorporating them into our value chain so that they can offer their products through our retailers and thus enter the modern channel, developing techniques, skills and knowledge that make their processes more efficient and eco-friendly, while ensuring the organic growth of their businesses. In this sense, we have programmes that help us to strengthen the capabilities of our suppliers, while providing a commercial lever. The programmes we develop are:

- **Impulsa Perú Pasión (Boost Peru Passion)**: in InRetail we know that entrepreneurs are a fundamental part in moving and reactivating the country's economy and generating benefits to millions of Peruvians. Many of them are part of our value chain and have the challenge of improving their commercial, digital and financial capabilities and acquiring tools that allow them to enhance their businesses, therefore, we decided to accompany them in their commercial and professional development.

Impulsa Perú Pasión is the Intercorp Retail Group's entrepreneur development programme and it aims to create a community of opportunities for ventures with a socio-environmental impact that are looking to grow. In 2020 the programme was adapted to the new normal and we took advantage of technology to reach more than 100 entrepreneurs who were selected and participated in the various

modules and benefits of the programme. Know the stories of the ventures on the web: <https://impulsaperupasion.pe/>

- Academic training: together with Colectivo 23, Zegel Ipaee, Zegel Virtual and Interbank, we developed webinars and workshops focused on developing the skills of entrepreneurs in digital mindset and innovation, business strategy, digital marketing and finance for their businesses. We developed training sessions with experts, where entrepreneurs were able to learn at a theoretical and practical level how to better manage their businesses and take advantage of the digital tools that have been extended in the last year.
- Entry into the value chain and commercial dissemination: we were able to integrate 84 entrepreneurs into our value chain as suppliers of the marketplace, positioning their brands and products in InRetail's main e-commerce sites and allowing them to reach more people. We integrated 5500 SKU's and generated sales of up to S/50,892. We have carried out several campaigns in social networks and on the companies' websites to publicise the ventures and raise awareness among the population about the importance of starting to buy from local entrepreneurs that have a socio-environmental impact.

<b>84</b>	Suppliers entered the MP	<b>S/68,480</b>	Total sales in sales
<b>5,500</b>	SKU's incorporated into the sales channel	<b>0.6%</b>	Of total e-commerce sales.
<b>59%</b>	Female participants	<b>26%</b>	Of enterprises located in provinces.

- *Networking*
- Networking and access to opportunities: Impulsa Perú Pasión is a community that aims to bring multiple opportunities to entrepreneurs in the country. One of the activities that we developed during 2020 was the presentation of the projects before executives of the InRetail group where entrepreneurs could relate their business models, the impact they generate, spread their brands to potential allies and receive specialised feedback. We have a Facebook community that allows us to continue disseminating opportunities that can add to the development of entrepreneurs and their ventures.
- **Placita del Emprendimiento (The Entrepreneurship Square)**: this project is a Shopping Malls project, it consists of physical fairs called La Placita del Emprendimiento, which aim to support local entrepreneurship on a continuous basis and with various themes during the business year. We seek to generate a

physical showcase for original initiatives of commercial, cultural, sustainability, community, own design and various artistic initiatives. We focus on providing alternative and fresh proposals that complement the consumer experience in shopping malls.

During 2020, we have managed to develop 3 fairs in the shopping centres of Metropolitan Lima and Cuzco, which have managed to involve more than 100 ventures that have boosted their sales.

- **Coco Coworking**: this project of our Shopping malls, is the first gastronomic coworking in Peru, which seeks to provide greater accessibility to culinary entrepreneurs through shared economies, by means of flexibility in production, exhibition and management of their businesses. Coco is designed so that entrepreneurs can find all the necessary resources to start up their business, investing only what is necessary in a membership to reserve a professional kitchen at the times that best suit the entrepreneur's production process during the week. The entrepreneur only has to bring their supplies, prepare their products and then activate their delivery and arrange the pickup from Coco's facilities. We have 133 entrepreneurs, more than 50% have renewed their memberships, and we have achieved 63% occupancy in our places.
- **Perú Pasi3n**: Since 2011, Food Retail has had a supplier inclusion and development programme called Perú Pasi3n. Over the years this programme has been reinvented, but it has always had the purpose of generating an inclusive value chain that includes local suppliers in its physical stores, providing them with tools to develop their competitiveness and efficiency. We have worked with partners such as USAID, CAF and Kunan with the following results: 45 MSEs have been included as suppliers, with more than 100 products. Of these, 70% of the enterprises work with women from vulnerable communities and 19 towns have been impacted by Peru Passion nationwide.

We had the opportunity to be part of the Peru Passion programme, this allowed us to make our products known through Plaza Vea's e-commerce platform and reach many more Peruvian chocolatiers."

Francesca Valdivia- Qumma

Perú Pasi3n suppliers sell their products in cluster A stores, such as Plaza Vea and Vivanda. In addition, they enjoy benefits to support their performance such as better payment times, rebates at preferential rates and support from the sustainability team for inclusion and exposure. In order to become a Perú Pasi3n supplier, first the sustainability area evaluates whether the supplier generates any socio-environmental impact as a filter, then they go through a registration application that is evaluated by the commercial area, who in turn meets with the suppliers to evaluate the products and see if they are attractive to the market, if they have the capacity to supply the stores, as well as the price negotiation. Finally, the quality area evaluates whether the suppliers meet the necessary standards. If they need HACCP certification and the suppliers do not have it, they undergo an external audit by an auditor recommended by the quality area. Once the audit is approved, the commercial area registers the supplier in the supplier portal and, in case the sale is by web, the products are entered to e-commerce.

Our commercial suppliers of Perú Pasión as well as producers or associations receive more flexible commercial conditions in terms of payment periods and commercial rates.

- **SCORE Programme of the ILO:** In the context of the country, waste management requires hard work to ensure environmental quality and community health. That is why, in 2020, we invested in strengthening the capacities of all our Food Retail waste operators, with the support of the International Labour Organisation (ILO), through its SCORE training programme. The participation of our waste operators resulted in the improvement of the waste collection service in each of our stores and enriched the relationship between them and the company. 100% of the waste operators are willing to participate in the second module of the SCORE programme, assuming 50% of the cost.

### 10.3. Community

At InRetail, we seek the well-being of the members of our community with a vision of sustainable development, promoting practices that generate environmental and social awareness in order to operate in a responsible manner, as well as to mitigate the negative impacts on our environment. Therefore, we are committed to ensuring that our actions contribute positively to the quality of life of all Peruvian families and that, as a result, they consider InRetail's operations, as well as our customers, as their best ally.

#### Food Retail



- "Bueno por Dentro" Programme: This is the donation programme of food products and basic necessities of Supermercados Peruanos. This programme takes advantage of products that are in good condition, but due to some kind of aesthetic flaw, handling, blows, scratches, among other aspects that, although they do not affect the quality of the product, cannot be displayed on our shelves. In this sense, this programme avoids generating waste and organic waste, allocating the products to

people in vulnerable situations in homes, shelters, canteens, soup kitchens, schools, among others. Supermercados Peruanos was the first company to partner with Banco de Alimentos (Food Bank) to promote the donation of food to different institutions; however, it is currently working in addition with Inspira Perú, the NGO of Intercorp Retail, to reach more beneficiaries who usually have difficulties to become beneficiaries of this type of programme because they are in the process of formalisation. In 2020, more than 7.6 million food rations were donated from 100% of supermarkets nationwide, benefiting more than 45 thousand people.

Donated value of  
**+S/29 million**

**139** benefitted social  
organisations

**+45,000** beneficiaries  
at the national level.

**46%** of male  
beneficiaries

**54%** of female  
beneficiaries

**6%** of beneficiaries have  
a disability

- **"Inspira a un Champs" Inspire a champ programme:** Together with the NGO PeruChamps, this programme was launched to strengthen the soft skills of the Champs (children with low economic resources but with high academic, sporting and artistic potential) and of the employees. Different teams were formed, led by employees, to promote sustainable projects through five mentoring sessions: personal and shared life, creativity, emotional intelligence and social commitment.



- **Donation campaign to the "Walkers" around the country:** Together with Caritas Peru and Coprodeli, a donation was made to the walkers, who were people from different regions of the country seeking to walk home from Lima because they had lost their jobs due to the quarantine decreed because of the coronavirus pandemic (COVID-19).

After two months of economic paralysis to combat the virus, they were left jobless and evicted from the rooms where they lived with their families. They were thus forced to walk from Lima to their provinces carrying with them blankets, some utensils and little clothing.

Supermercados Peruanos took the initiative of social aid with the help of its collaborators. This campaign consisted of doubling the amount donated by its collaborators, in order to help all these walkers to reach their homes. In the end, this great campaign collected the sum of 18,650 soles.

- **You are not alone:** The "You are not alone" campaign was carried out together with the Peruvian Ministry of Women and Vulnerable Populations and the United Nations Development Programme. It consisted of an awareness-raising campaign to prevent gender-based violence and to promote positive and allied masculinities. The campaign consisted of installing visual elements in our supermarkets and pharmacies to communicate the channels available to the state to report any act of violence. In this sense, in more than 18 Plaza Vea shops, as well as in 757 Inkafarma and 1086 Mifarma pharmacies, physical pieces were installed on the product shelves and digital ones at the checkout counters; likewise, two messages of this campaign were broadcast in our establishments, seeking to raise awareness among our customers of the importance of not justifying any act of violence.



## Pharma

- **Neighbourhood Pharmacy:** is a programme implemented by Essalud and the company Salog that aims to enable more than 250,000 chronic patients in Lima and Callao to pick up their medicines at the pharmacies or chemists closest to their homes. Committed to this objective, Inkafarma has made available more than 100 premises to function as safe dispensing points for medicines. In addition to the aforementioned benefit, patients avoid exposure to COVID-19 by not having to travel to EsSalud hospitals.

Benefit with impact - Peru Champs: 100% of the proceeds from the Neighbourhood Pharmacy programme go to Peru Champs, an organisation that identifies low-income schoolchildren with academic, artistic or sporting talent and provides them with scholarships to receive a quality education. For more information go to <https://www.peruchamps.org/>.

- **Solidarity Prices:** Since the beginning of the quarantine, the company has been committed to maintaining prices and offering a wide variety of medicines so that the user can make an informed decision. This initiative was implemented at the national level, because, at the national level, COVID-19 medicines in pharmacies increased in price by up to twelve times.
- **Donations to Bienaventuranzas:** in 2020 Inkafarma donated S/35,000 to Father Omar's social entrepreneurship project, which consisted of implementing a bakery and pastry school and plant. The aim of this project is to enable low-income and vulnerable young people to learn a trade, generate their own income and become independent.

## Shopping Malls

- **Provision of spaces for vaccination against respiratory diseases:** during the State of Emergency, between April and August 2020, Real Plaza generated an alliance with the Ministry of Health (MINSA) in order to provide safe spaces for vaccination and blood donation in shopping centres. The campaign was carried out in 16 of its shopping centres, including Salaverry, Puruchuco, Santa Clara, Guardia Civil, Pro and Centro Cívico in Lima and those located in Piura Sullana, Chiclayo, Trujillo, Chimbote, Cajamarca, Cusco, Juliaca, Huancayo and Pucallpa. In total, 116,458 influenza and 35,747 pneumococcal vaccines were administered and 2,278 units of blood were collected for the benefit of 6,834 people.
- **Ayudando Abridando Campaign:** Helping Sheltering Recycling Campaign Together with the Oli Foundation and the Ayudando Abridando association, we provided vulnerable populations living in extremely cold conditions in Peru with warm blankets, ponchos and blankets made from recycled material, mainly bottles collected at the recycling stations of the Real Plaza shopping centres. In addition, S/114,000 was donated for the logistical activities of this initiative.



## 10.4. Donations and philanthropy

In addition to our sustainability strategy and programmes, we made philanthropic donations especially in response to the various contingencies that arose in our country following the pandemic caused by COVID-19, for example, donations to the formal recyclers we work with; purchases of PPE for the recyclers themselves; donations to citizens who were forced to return to their provinces on foot, through Coprodeli and Caritas, and donations to the Venezuelan community. During the pandemic period, it was decided to strengthen the continuity of the Bueno por Dentro programme, to provide food rations and basic necessities to children, adults and elderly people in need, and more than 29 million soles were donated during the year. Among other actions, donations to *La Liga contra el Cáncer Teletón* (League against Cancer), Perú Champs, the donation of blankets and clothes through the recyclable material collected in our Real Plaza malls were maintained.

***Results of 2020 contributions***

Cash contributions	S/1,387,795
Time: employee volunteering during paid working hours	S/32,200
In-kind giving: product or services donations, projects/partnerships or similar	S/29,578,564
Management overheads	S/265,561

Charitable Donations	1.57%
Community Investments	95.89%
Commercial Initiatives	2.54%

## 11. Annex

### 11.1. Annex 1

## Analysis of risk and opportunity scenarios in the face of Climate Change

### Intercorp Retail and InRetail

#### Introduction

The Intercorp Retail and 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 the quality of life of everyone: serving the needs of the population with their products and services, always acting in an ethical, transparent and professional manner.

In the framework of the Paris Agreement; 175 countries, including Peru, pledged to reduce their emissions and limit the increase in global average temperature by 2° C by the year 2100. 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. In addition, in order to mitigate our emissions and adapt to possible new challenges, we have carried out this analysis of risk and opportunity scenarios in the face of climate change.

#### Objective

The recommendations of the *Task force on Climate-related Financial Disclosures*<sup>1</sup> (TCFD) have been implemented in order to analyze the scenarios to evaluate the commercial, strategic and financial implications of the business in the face of risks and opportunities associated with climate change.

#### Governance

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

Likewise, at Intercorp Retail and InRetail we have the "Climate Change Policy" and the "Sustainable Agriculture Policy", which are aimed at all business units and are responsible for the Sustainability Manager and all the collaborators of the commercial areas, operations, logistics and marketing of the business units. Both have been reviewed and communicated in order to identify, assess and manage risks and

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<sup>1</sup> <https://www.fsb-tcf.org/>

opportunities related to climate change and responsible procurement of soft commodities.

### Strategy

Climate change is one of the greatest challenges of our time. That is why the risks and opportunities related to the transition to a low-carbon economy and the impacts related to climate change are incorporated into the long-term strategy of Intercorp Retail and InRetail.

This will be used as a strategic plan for mitigation and adaptation to climate change, in order to determine the impact and probability of risks and opportunities.

### 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*<sup>2</sup> (IPCC). The scope for the analysis was established, then the risks and opportunities that the impacts of climate change represent on operations were identified.

An impact-probability assessment of the risks and opportunities was carried out, from which the mitigation and adaptation measures to climate change were established. For this, three different *Representative Concentration Pathway* (RCP<sup>3</sup>) were evaluated (2.6, 4.5 and 8.5), under the assumptions of changes in the policy and legislation of Peru, vulnerability and exposure to climate change of water availability and production systems and; greater intensity and frequency of natural disasters.

Taking into consideration what is established in the *National Plan for Adaptation to Climate Change of Peru*<sup>4</sup> and the *Update Report Period 2021 – 2030 of Nationally Determined Contributions of Peru*<sup>5</sup>, both prepared by the Ministry of the Environment (MINAM), the present analysis of risk scenarios and opportunities in the face of climate change has been carried out for the operations of Intercorp Retail and InRetail (See annexes 1 y 2)

### Scope of the analysis:

The scope of this analysis was carried out in all the regions of Peru where Intercorp Retail's premises are located (see Annexes 3 and 4), also considering the upstream and downstream processes of the operations. We take a long-term time horizon to 2050.

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<sup>2</sup> <https://www.ipcc.ch/>

<sup>3</sup> The different RCPs describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases found in the atmosphere. This is done through climate modeling resulting from assumptions regarding future anthropogenic emissions.

<sup>4</sup> [R.M. 096-2021-MINAM](#)

<sup>5</sup> [Contribuciones Determinadas a Nivel Nacional del Perú](#)

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 halved from 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	<i>Business-as-usual: emissions continue to increase at current rates</i>	2.6 – 4.8 °C

IPCC, 2014.

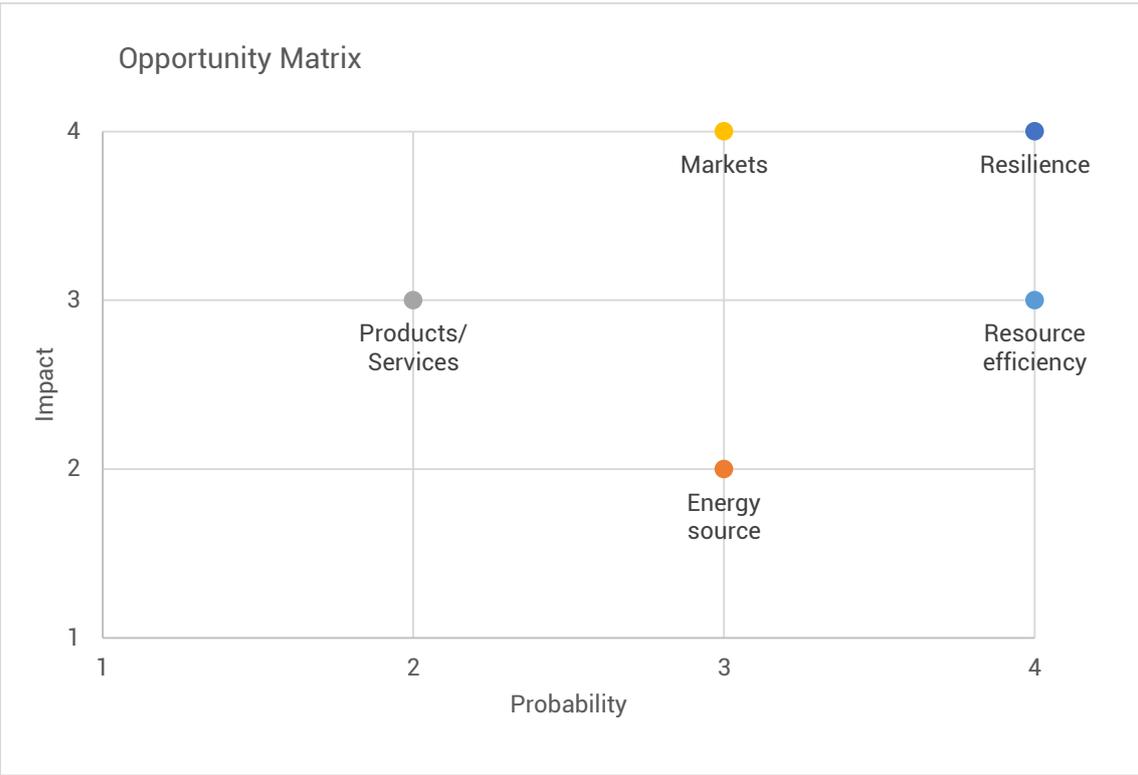
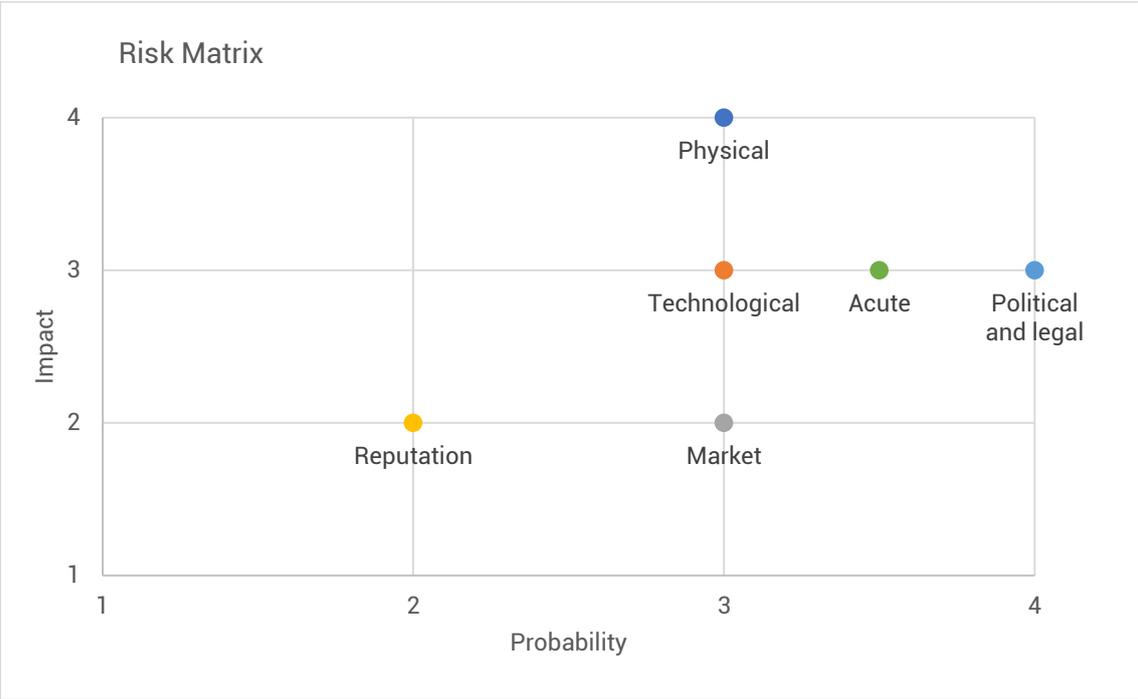
### Risks and opportunities

In the following section we will list the risks and opportunities, and their respective descriptions, that are presented in a time horizon to 2050 with respect to climate change for the operations of Intercorp Retail and InRetail.

Risks	
Transition	<b>Political and legal:</b> <ul style="list-style-type: none"> <li>- Restriction or prohibition of the use of fuels, refrigerants, etc.</li> <li>- Implementation of carbon pricing</li> <li>- Stricter regulation of operations</li> </ul>
	<b>Technological</b> <ul style="list-style-type: none"> <li>- Technology obsolescence</li> <li>- Transition costs to low-emission technologies</li> </ul>
	<b>Market:</b> <ul style="list-style-type: none"> <li>- Increase in the cost of commodities</li> <li>- Instability in the prices of natural resources</li> </ul>
	<b>Reputation:</b> <ul style="list-style-type: none"> <li>- Change in consumer preferences</li> </ul>
Physical	<b>Acute:</b> <ul style="list-style-type: none"> <li>- Increased frequency and severity of landslides</li> <li>- Greater frequency and severity of floods</li> <li>- Increased frequency of forest fires</li> </ul>
	<b>Chronic:</b> <ul style="list-style-type: none"> <li>- Decrease in water availability</li> <li>- Variation in precipitation</li> <li>- Increased aridity of the soil</li> <li>- Changes in sea temperature and availability of hydrobiological resources</li> <li>- Sea level rise</li> </ul>

Opportunities
<p>Resource efficiency:</p> <ul style="list-style-type: none"> <li>- Optimize dispatch routes</li> <li>- Optimize the production of your own brand product</li> <li>- Increase recycled quantities</li> <li>- Low energy and water consumption infrastructure</li> </ul>
<p>Energy source:</p> <ul style="list-style-type: none"> <li>- Change to renewable energy matrices</li> <li>- Use of new technologies</li> <li>- Participation in new carbon markets</li> <li>- Use of renewable off-grid energy</li> </ul>
<p>Products/Services:</p> <ul style="list-style-type: none"> <li>- Diversify the products offered towards low emissions</li> <li>- Change in consumer preferences</li> </ul>
<p>Markets:</p> <ul style="list-style-type: none"> <li>- Access to new markets</li> <li>- Use of public sector incentives</li> <li>- Reduction in installation costs of renewable energy infrastructure</li> </ul>
<p>Resilience:</p> <ul style="list-style-type: none"> <li>- Public-private partnerships for the promotion of clean and / or renewable energies</li> <li>- Anti-seismic infrastructure and prepared for natural disasters</li> </ul>

Based on the identification of risks and opportunities, a probability-impact analysis was carried out.



### Climate change risk management:

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

<b>Mitigation</b>	<b>Adaptation</b>
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
Implement and promote the adoption of renewable energies	Promote participation in investment projects of sustainable bonds and carbon credits
Increase energy and water consumption efficiency	Adopt measures in the face of emergencies and natural disasters
Opt for low-emission supplies (refrigerants, fire extinguishers, etc.)	Measures for the protection of biodiversity and natural resources
Adopt low-carbon technologies and transportation in product distribution and operations	Assess suppliers on risks and opportunities linked to climate change
Take actions based on the life cycle analysis of the products	Implement energy and water efficiency criteria in the design and construction stage of the premises
Reduction in waste generation, increased recycling and food donation	Contingency plan for the distribution of products in an emergency
Work hand in hand with agricultural suppliers to discourage the change of land use and responsible use of fertilizers	Circular economy programs for the generation of biofuels

### Application examples of the scenarios:

- 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 emissions from industries. Establishing emission limits and incentives for the neutralization of the carbon footprint. To date, MINAM has made great progress on issues of mitigation and adaptation to climate change, such as data collection, scenario analysis, recommendations, alliances, among many others. They also have recognition incentives through the Carbon Footprint portal and tool<sup>6</sup>, which provides badges to companies that measure, verify, reduce and / or neutralize their footprint.

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 electricity, 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 harnessed.

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<sup>6</sup> <https://huellacarbonoperu.minam.gob.pe/huellaperu/>

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

There is also the possibility of carrying out "Tax Works", a mechanism where private companies advance the payment of their income tax to finance and execute directly, quickly and efficiently, public investment projects. 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, land use change, deforestation, and carbon sinks can be prevented.

- Scenario 2: RCP 4.5

The RCP 4.5 scenario represents a strong mitigation of carbon emissions, where by 2100, global average temperatures increase between 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 commercial channels. Within this program, work will begin hand in hand with agricultural suppliers to face the challenges posed by climate change. Alliances will be sought with the public and private sectors for the development and implementation of agricultural practices technologies, 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 a situation of vulnerability to climate change. Likewise, we will work on the efficiency of the production processes of our operations to reduce water consumption, implement water harvesting systems, promote water recirculation, among others.

- Scenario 3: RCP.8.5

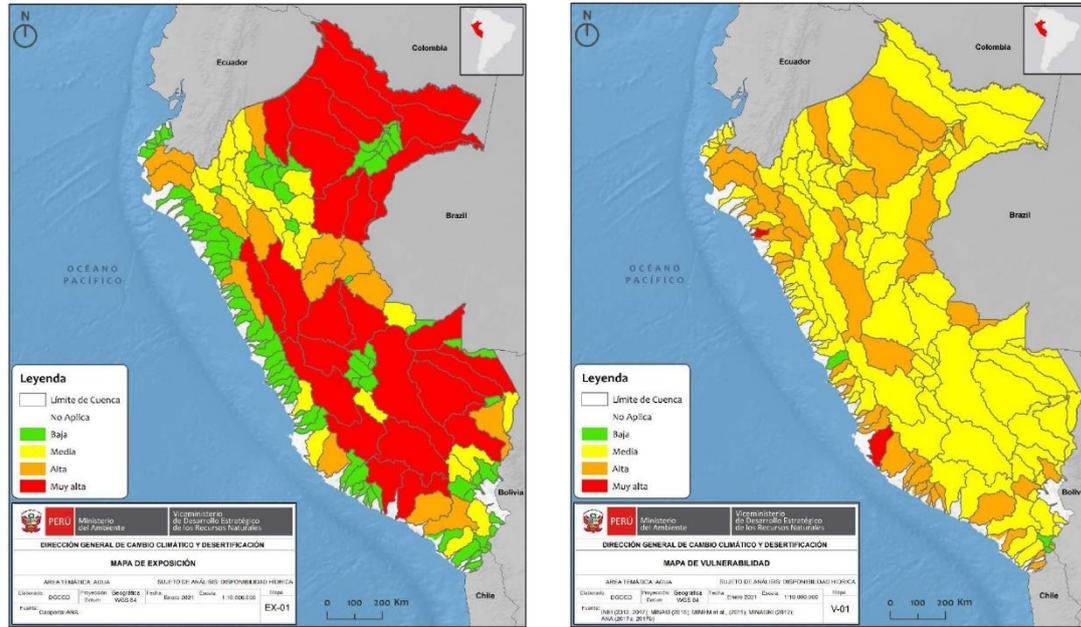
This scenario is known as business-as-usual and is determined with the assumption that emissions continue to increase at the current rate. Under this assumption, natural disasters will not only increase in intensity, but it is also estimated that by 2100 the El Niño phenomenon will double in frequency. 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.

Faced with these dangers, we consider it extremely important to take on emergency preparedness measures. This must be taken in the face of emergencies and natural disasters, in order to mitigate their effects and respond to the consequences effectively. There is currently a distribution plan for these scenarios and reserves of basic needs products. Furthermore, imports should be seen as a response to the disruption of supply chains.

We should also consider working hand in hand with the Ministry of Health (MINSA), for rapid response to emergencies, providing supplies and products and safe areas for care.

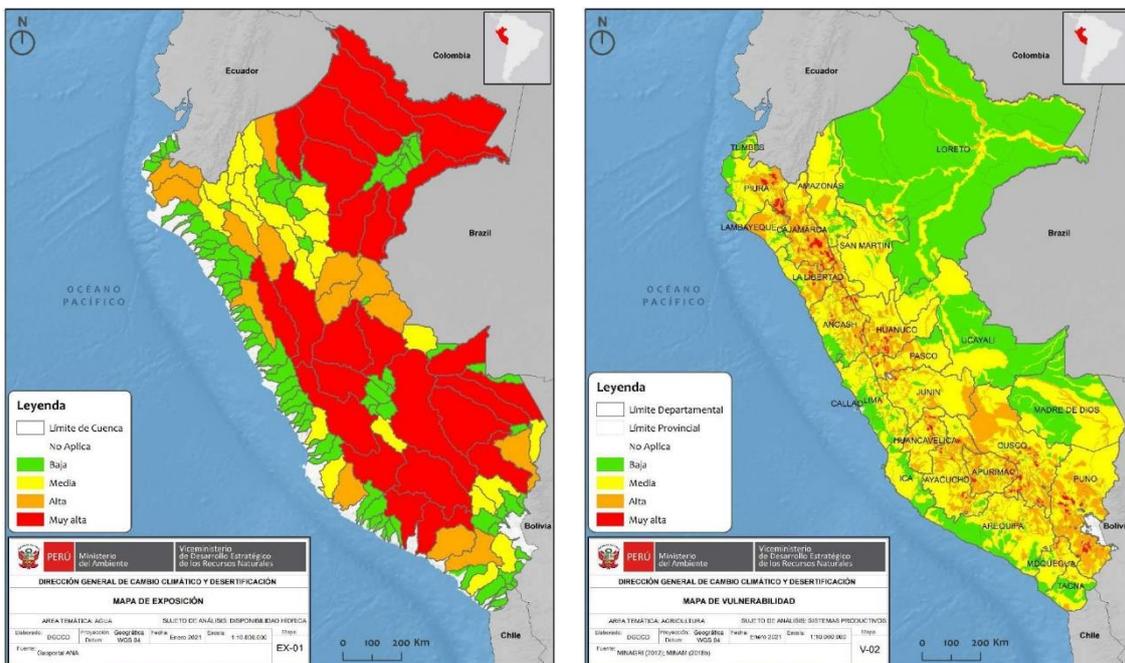
**Maps**

Thematic maps of vulnerability and exposure on water availability



MINAM (2021)

Thematic maps of vulnerability and exposure on agricultural production systems



MINAM (2021)

## 12. About sustainability reporting

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

This sustainability report is produced annually, this being the first edition prepared in accordance with the GRI STANDARD Essential option.

The scope of this report is the activities carried out during the year 2020 by the companies that make up InRetail Peru Corp:

Segment	Companies	Brands
Food Retail	Supermercados Peruanos	Plaza Vea, Vivanda, Mass, Makro and Economax
Shopping Malls	Shopping Malls	Real Plaza
Pharma	Farmacias Peruanas Química Suiza	Inkafarma and Mifarma

## 13. Table of contents GRI

(GRI 102- 55)

GRI STANDARD	Thematic content	Page/ Detail	Omissions or observations	
<b>Foundation</b>				
GRI 101: Foundation 2016			Prepared in accordance with the GRI Standards, Essential option.	
<b>General Disclosures</b>				
GRI 102: General Disclosures 2016	Organisational profile			
	102-1 Name of the organisation	InRetail Perú Corp	NA	
	102-2 Activities, brands, products, and services	Pages: 7-11	NA	
	102-3 Location of headquarters	Page: 1	NA	
	102-4 Location of operations	Pages: 9-11	NA	
	102-5 Ownership and legal form	Page: 1	NA	
	102-6 Markets served	Pages: 9-10	NA	
	102-7 Scale of the organisation	Pages: 7- 8, 26- 27, 65	NA	
	102-8 Information on employees and other workers	Page: 65	NA	
	102-9 Supply chain	Pages: 29- 32	NA	
	102-10 Significant changes to the organisation and its supply chain	At the end of 2020, the Makro company was acquired. Although this purchase was acquired during the fiscal year, its performance will be reported in the 2021 Sustainability Report.	NA	
	102-11 Precautionary Principle or approach	Pages: 86- 89	We prepare a climate change risk analysis according to 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.	
102-12 External initiatives	Pages: 89, 98- 105	NA		

<b>102-13 Membership of associations</b>	Pages: 22-23	NA
<b>Strategy</b>		
<b>102-14 Statement from senior decision-makers</b>	Page: 4	NA
<b>102-15 Main impacts, risks and opportunities</b>	Pages: 24- 25	NA
<b>Ethics and integrity</b>		
<b>102-16 Values, principles, standards, and norms of behaviour</b>	Pages: 5- 6, 81- 83	NA
<b>102-17 Mechanisms for advice and concerns about ethics</b>	Pages: 17- 18	NA
<b>Governance</b>		
<b>102-18 Governance structure</b>	Pages: 11- 15	NA
<b>Stakeholder engagement</b>		
<b>102-40 List of stakeholder groups</b>	Pages: 36- 37	NA
<b>102-41 Collective bargaining agreements</b>	Page: 90	NA
<b>102-42 Identifying and selecting stakeholders</b>	Pages: 36- 41	NA
<b>102-43 Approach to stakeholder engagement</b>	Pages: 36- 41	NA
<b>102-44 Key topics and concerns raised</b>	Pages: 36- 41	NA
<b>Reporting practices</b>		
<b>102-45 Entities included in the consolidated financial statements</b>	Pages: 26- 28	NA
<b>102-46 Defining report content and topic Coverage</b>	Pages: 1, 38, 106	NA
<b>102-47 List of material topics</b>	Pages: 38- 41	NA
<b>102-48 Restatements of information</b>	First time a report is presented with the GRI methodology	NA
<b>102-49 Changes in reporting</b>	First time a report is presented with the GRI methodology	NA
<b>102-50 Reporting period</b>	2020	NA
<b>102-51 Date of last report</b>	2019	The 2019 sustainability report did not use the GRI methodology
<b>102-52 Reporting cycle</b>	Annual	NA
<b>102-53 Contact point for questions regarding the report</b>	<a href="mailto:ir@inretail.pe">ir@inretail.pe</a>	NA
<b>102-54 Claims of reporting in accordance with the GRI Standards</b>	Page: 106	NA
<b>102-55 GRI content index</b>	Pages 104- 108	NA
<b>102-56 External verification</b>	There is currently no external verification of this report.	NA

GRI Standard	Content	Detail
Material topics		
Ethical and transparent conduct		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Page: 17
	103-2 The management approach and its components	Page: 17
	103-3 Evaluation of the management approach	Page: 17- 19

GRI 2015: Anticorruption	205- 2 Communication and training on anti-corruption policies and procedures	Page: 17
	Own indicator - Number of breaches of the code of conduct received and dealt with	Page: 19
Supply chain engagement and development		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages: 29- 30
	103-2 The management approach and its components	Pages: 29- 30
	103-3 Evaluation of the management approach	Pages: 29- 30
GRI 204: Procurement practices	204-1 Proportion of expenditure on local suppliers	Page: 30
GRI 308: Environmental assessment of suppliers	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria.	Page: 31
	308-2 Negative environmental impacts in the supply chain and measures taken	Page: 31
GRI 414: Social assessment of suppliers	414-1 New suppliers that have passed selection filters according to the social criteria	Page: 31
	Own indicator -Number of local suppliers (Peruvian)	Page: 30
	Own indicator -Number of suppliers with socio-environmental impact included in value chain	Page: 32
	Own indicator -Number of suppliers trained in sustainability	Page: 32
Digital Transformation		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Page: 46
	103-2 The management approach and its components	Page: 46
	103-3 Evaluation of the management approach	Page: 46
GRI 418: Customer privacy	418- 1 Substantiated complaints regarding breaches of customer privacy and loss of customer data and loss of customer data	Page: 48
Access to quality goods at low prices		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages: 43- 44
	103-2 The management approach and its components	Pages: 43- 44
	103-3 Evaluation of the management approach	Pages: 43- 44
GRI 203: Indirect economic impacts	203-2 Significant indirect economic impacts	Page: 45
Generating well-being and quality of life		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages: 48- 50
	103-2 The Management Approach and its Components	Pages: 48- 50
	103-3 Evaluation of the management approach	Pages: 48- 50
GRI 416: Client health and safety	416-1 Assessment of the health and safety impacts of product or service categories	Pages: 48- 50
Shopping experience		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages: 43- 45
	103-2 The Management Approach and its Components	Pages: 43- 45

	103-3 Evaluation of the Management Approach	Pages: 43- 45
	Own indicator: NPS by format	Page: 45
Attracting and developing employees		
GRI 103: Management approach	103-1 Explanation of the material topic and its Coverage	Pages: 66- 70
	103-2 The Management Approach and its Components	Pages: 66- 70
	103-3 Evaluation of the management approach	Pages: 66- 70
GRI 401: Employment	401-1 New employee hires and staff turnover	Page: 69
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Page: 68
	404-2 Programmes to improve employee skills and transition assistance programmes	Pages: 66 -67
	404-3 Percentage of employees receiving regular performance appraisals and career development	Page: 68
Other relevant topics		
Economic performance		
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Page: 29
Ecoefficiency		
GRI 302: Energy	302-1 Energy consumption within the organisation	Page: 58
GRI 303: Water and effluents	303-5 Water consumption	Page: 59
Climate change		
GRI 305: Emissions	305-1 Direct GHG emissions (Scope 1)	Page: 60
	305-2 Indirect GHG emissions from energy generation (Scope 2)	Page: 60
Waste		
GRI 306: Waste	306-3 Generated wastes	Page: 53
	306-4 Waste not destined for disposal	Page: 53
	306-5 Waste destined for disposal	Page: 53
	Own indicator: food donation	Page: 56
Health and safety		
GRI 403: Occupational health and safety	Contents 403-4 Workers' participation, consultation and communication on health and safety at work	Pages: 84- 89
	Content 403-9 Occupational injuries	Pages: 85- 86
	Proprietary Indicator: Lost Time Injury Frequency Rate (LTIFR)	Page: 85
	Own indicator: Contractor fatalities	Pages: 85- 86
	Own indicator: Employee fatalities	Pages: 85- 86
Diversity and inclusion		
GRI 405: Diversity and equal opportunities	405-1 Diversity in governing bodies and employees	Pages: 15, 64, 74- 75
	405-2 Ratio of basic salary and remuneration of women to men	Page: 74
	Own indicator: Number of contracted collaborators who identify with a minority group	Page: 71
	Own indicator: Number of collaborators of the LGBTIQ + Community	Page: 71

	Own indicator: Number of employees with disabilities	Page: 70
	Own indicator: Employees by gender	Page: 65
	Own indicator: Employees by gender and level of leadership	Pages: 74- 75
	Own indicator: Employees by age	Page: 74
	Own indicator: Collaborators by region	Pages: 72- 73
	Own indicator: Employees by country and level of leadership	Page: 71-72
	Own indicator: Collaborators by country	Page: 71
	Own indicator: Number of training in Diversity and inclusion	Page: 78
	Own indicator: Number of campaigns on Diversity and inclusion	Page: 78
Human Rights		
GRI 412: Human rights assessment	412-3 Operations subject to reviews or human rights impact assessments	Page: 90