

Human Rights Due Diligence in IFS

A. Introduction and purpose

At IFS and its subsidiaries (hereafter IFS Group) we seek to build a culture based on respect for human rights. Advocating these rights not only improves the quality of life of our stakeholders, but also safeguards the integrity of individuals and fosters long-term sustainable business.

One of the tools to build this culture is the Due Diligence process of our daily operations, focused on respect for Human Rights. This process aims to strengthen the control mechanisms that mitigate the risks identified through the review of cross-cutting activities in each subsidiary of the IFS Group. In addition, performing Due Diligence allows us to identify control gaps and establish action plans to remedy them in a timely manner.

Together, these actions are part of our commitment to the protection and respect of human rights in all our operations and business relationships, and the remediation related to those gaps.

B. Scope and periodicity

We apply Due Diligence on a biennial basis in all subsidiaries of the IFS Group. To do this, it is necessary to assess the cross-cutting activities of our operations, which we manage through our Compliance Officers.

The objective is to conduct a comprehensive analysis of the interaction with our employees, customers, suppliers and the community in general in order to assess potential impacts and promote the creation of a sustainable environment.

C. Due Diligence process focused on Human Rights

Through due diligence, we analyze the context of our operations, identify and prioritize risks of human rights violations and develop plans focused on preventing and mitigating such risks.

This process includes the review of:

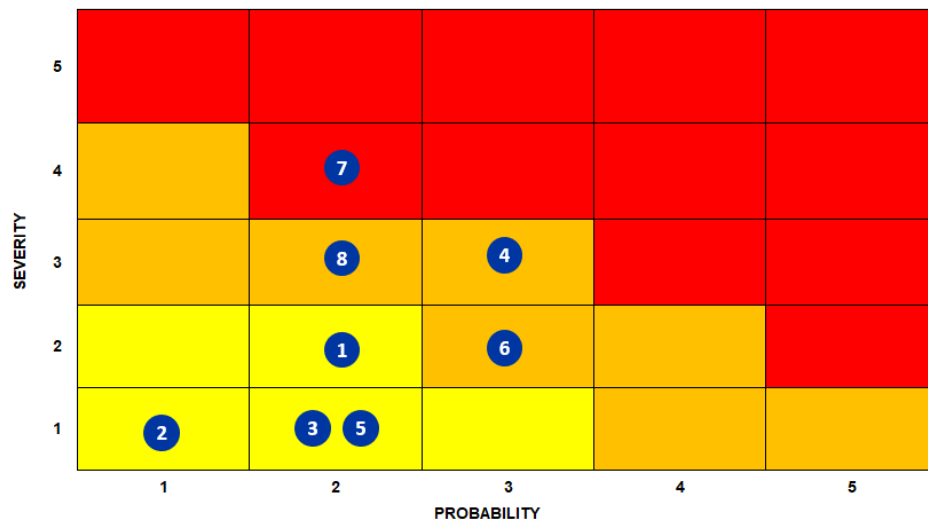
- Interactions involving collaborators, suppliers, customers and potential collaborators, suppliers and customers.
- Vulnerable groups that could be impacted: people with disabilities, ethnic groups, women, children, migrants, local communities, senior citizens, racial or religious minorities, among others.

In the same review process, we identify existing controls and possible gaps to improve such controls or implement new ones.

D. Risk and control matrix

As a result of this assessment, we have developed a matrix of risks and mitigating controls. In it, we associate the risks identified with the Human Rights to which we are most exposed. To complete the process, we also associated the controls we have as a group to mitigate the identified risks, and finally we indicated which vulnerable groups would be the most affected in the event that any of these risks materialize.

Finally, a heat map has been developed using the variables probability of occurrence and severity as evaluation criteria.



Prioritized risks:

- 7. Loss or compromise of personal and confidential data due to a breach of computer security or improper use of access to information.
- 8. Participation in acts of corruption or bribery.
- 4. Possible misinformation or unclear, incomplete and insufficient information that may lead customers to purchase products or services not aligned with their intention or need.

Non prioritized risks:

- 6. Contracting clients or suppliers that do not comply with legal standards on social, environmental or human rights issues.
- 1. Exposure to forced labor, including long working hours, precarious and unhealthy conditions, wages below the legal minimum wage, and a hostile work environment that generates psychological effects.
- 5. Exposure to accidents, occupational illness and injury due to poor management of occupational health and safety.
- 3. Discrimination, directly or indirectly, on various grounds, including race, ethnic origin, gender, socioeconomic background, language, religion, political or other opinion, national or social origin, property and birth or any other status.
- 2. Restrictions on the right to freedom of association, the right to organize, the right to strike and the right to collective bargaining.

Human Rights risks	Possible impacts	Stakeholder	Controls	Vulnerable groups
Exposure to forced labor, including long working hours, precarious and unhealthy conditions, wages below the legal minimum wage, and a hostile work environment that generates psychological effects.	Own operations / Value chain	Own employees / Suppliers	We comply with national regulations that prohibit forced labor, so we do not promote nor support this type of practice. In this regard, all employees and suppliers must adhere to our Code of Ethics, Internal Work Regulations, and Human Rights Policy, which detail the expected behavior in labor matters.	Migrant Workers, Own employees, Persons with disabilities, Third-party employees.
Restrictions on the right to freedom of association, the right to organize, the right to strike and the right to collective bargaining.	Own operations	Own employees	We respect the right of freedom of association among employees, fostering a culture free of any type of intimidation through adherence to our Code of Ethics.	Migrant Workers, Own employees.
Discrimination, directly or indirectly, on various grounds, including race, ethnic origin, gender, socioeconomic background, language, religion, political or other opinion, national or social origin, property and birth or any other status.	Own operations / Value chain / Other activities	Own employees / Suppliers / Clients	<p>Our internal policies reject discrimination and promote an inclusive culture. We conduct regular trainings where we promote compliance with the Code of Ethics and the Internal Work Regulations in order to conduct ourselves in accordance with their guidelines inside and outside the organization.</p> <p>In addition, we have an Ethics Committee and a Sexual Harassment Prevention Committee, in each subsidiary and in compliance with the regulation, in order to ensure the proper treatment of complaints received by the different stakeholders.</p> <p>We aim to build an inclusive culture, promoting non-discrimination in hiring processes and job opportunities. This is reflected on two fronts:</p> <ul style="list-style-type: none"> i) our recruitment processes for new employees and suppliers include objective criteria established transversally, and standards for every case; and ii) the salary policy of our companies is based on the skills required for each job, without distinction of gender, age, minority group, or others. <p>Additionally, we reinforced our inclusive culture by launching trainings and programs throughout the organization that promote equal conditions in job opportunities that may arise. Some examples of these programs are the following:</p> <ul style="list-style-type: none"> - Go Women: Promotes the empowerment of women. - Interlink: Spaces for active listening of concerns and needs. - Working Mom and Future Dad and Mom IBK: Training and coaching for fathers and mothers, as well as benefits for them. 	Indigenous people, Local communities, Migrant, Older persons, children, LGBTQ+, Women.

Human Rights risks	Possible impacts	Stakeholder	Controls	Vulnerable groups
Possible misinformation or unclear, incomplete and insufficient information that may lead customers to purchase products or services not aligned with their intention or need.	Value chain	Clients	Information on our financial products and services is publicly available on our subsidiaries' digital channels, from where some of them can be purchased directly. In addition, information on products and services can be requested by telephone and in person. In addition, our employees, including sales executives and commercial advisors, receive training that highlights the inclusive culture of any person regardless of gender, age, physical condition, ethnic group or whether they are part of a minority group.	Older persons, Local communities, Indigenous groups, Migrants.
Exposure to accidents, occupational illness and injury due to poor management of occupational health and safety.	Own operations / Value chain / Other activities	Own employees / Suppliers / Clients	In compliance with local regulations, we have a Workplace Health and Safety Committee, through which training and awareness programs for all employees are developed. We also comply with physical requirements demanded by law for people with disabilities or limitations that guarantee accessibility for those employees and external people who require it. Moreover, we've implemented a preferential attention system at our customer service locations that prioritizes attention to pregnant women, people with disabilities, people with children, and the elderly.	Older persons, Persons with disabilities, and Women.
Contracting clients or suppliers that do not comply with legal standards on social, environmental or human rights issues.	Value Chain / New business relations	Suppliers / Clients	In our relationships with customers, suppliers, and mergers and acquisitions processes, we have due diligence processes that involve learning about several business areas of the counterparties. In this sense, before establishing commercial relationships, a search in public sources and restrictive lists is performed to ensure that our suppliers and customers have the appropriate profile according to our commitments as a group. For example, we conduct OFAC sanctions searches to verify that the counterparty is not related to terrorism, which allows us to identify whether the counterparty presents a potential risk of human rights violations. In addition, we encourage all companies of the IFS group that every merger, acquisition, customer, and supplier adhere to our Code of Ethics and Human Rights policy through contractual clauses, promoting conduct aligned with respect for Human Rights.	Every group

Human Rights risks	Possible impacts	Stakeholder	Controls	Vulnerable groups
<p>Loss or compromise of personal and confidential data due to a breach of computer security or improper use of access to information.</p>	<p>Own operations / Value chain</p>	<p>Own employees / Suppliers / Clients</p>	<p>We have a structure of policies, specific manuals and controls on personal data protection. This structure allows us to effectively identify and mitigate the risks associated with the use of personal and confidential information, ensuring the confidentiality, integrity and availability of the data of our employees, customers and suppliers. Through these mechanisms, we ensure compliance with current regulations for the protection of the rights of all our stakeholders.</p>	<p>Every group</p>
<p>Participation in acts of corruption or bribery.</p>	<p>Own operations / Value chain</p>	<p>Own employees / Suppliers / Clients</p>	<p>We have an Anti-Corruption Program, which includes an Anti-Corruption Policy, guidelines and controls that mitigate corruption or reputational risks to which the organization is exposed. IFS and its subsidiaries have a zero tolerance policy against any act of corruption and, as part of the program, do not make contributions to political parties.</p>	<p>Every group</p>

E. Human Rights Remediation Protocol

The purpose of this protocol is to establish a framework for addressing and remediating human rights violations that may arise in our activities. This protocol complements our due diligence process and is an integral part of our commitment to human rights.

Objective and scope

This protocol applies to the IFS Group's subsidiaries, covers the interactions mentioned at the beginning of this document and aims to ensure that any human rights violations are dealt with in a fair and effective manner, providing adequate reparations to victims and preventing future violations.

Remediation protocol

1. Receipt of complaints: all the subsidiaries of the IFS Group have an “Whistleblower Channel”, an anonymous and confidential channel managed by a third party available for our stakeholders to report any non-compliance with our Human Rights Policy.
2. Investigation: all complaints are investigated by the Ethics and Compliance division of each subsidiary, and if necessary, the escalation protocol may be activated in order to ensure transparency in the investigation process. The results of the investigations are reported to the Steering Committees of each subsidiary and the IFS Audit Committee.
3. Corrective action and remediation: If a finding of misconduct or non-compliance is made, appropriate corrective actions will be determined. These may include disciplinary action against those responsible for violations, process improvements and/or appropriate remedies to ensure that victims are treated with respect and dignity.
4. Monitoring and follow-up: an action plan previously approved by the Compliance Officer and the Management and Human Development leader will be established and to ensure the implementation of the defined corrective measures and reparations, the results of the progress will be presented to the respective subsidiary Steering Committees.