

# Environmental, Social and Governance (ESG) Policy



**Approved by the Management Team on March 2025**

## 1. INTRODUCTION

This Environmental, Social and Governance (ESG) Policy defines the key issues and fundamental principles of **Andes Capital Resources AG** ("**AndCap**") ESG strategy and its implementation. This ESG Policy is based on the Code of Business Conduct, which sets out the standards of responsible and ethical behaviour required of all company employees.

This policy was initially approved by **AndCap**'s Management Team in October 2025 and was amended in July 2024. Modifications were incorporated in March 2025 aligned with the ISO 9001 Standard. The next review is scheduled for July 2027.

## 2. ANDES CAPITAL RESOURCES AG

**AndCap** is an established commodity trading and investment company, operating in traditional and niche markets around the world. The company has a highly experienced management team and well-established relationships within the industry.

**AndCap** offers trading solutions to suppliers and customers and creates opportunities for small and medium-sized producers with special commercial and financial needs. The Group offers turnkey purchasing arrangements (from origin to destination) and solutions for customers seeking agency, representation or advisory services.

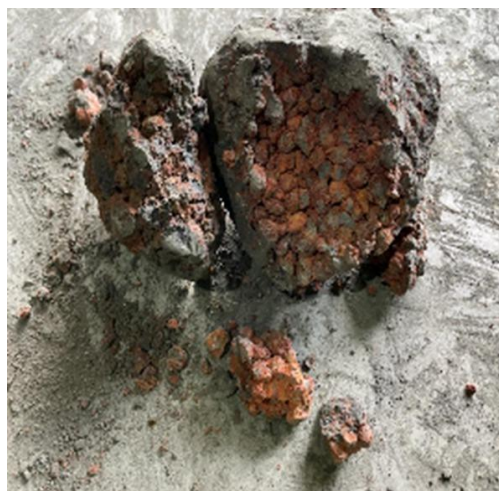
**AndCap** is guided by the principles of precaution, respect and conservation of the natural environment to minimise the impact of its operations and is committed to reducing and avoiding its greenhouse gas emissions, helping to mitigate the effects of climate change.

Through its commitment to copper materials, **AndCap** directly contributes to the global transition to sustainable energy systems, decarbonization and a sustainable economy.

## 3. SCOPE

This policy applies to **AndCap**, to the Group's subsidiaries where effective control is exercised, to its management teams and employees, and to third parties with whom there are legal relationships and who have adhered to it.

In addition, persons acting as representatives of the Group in companies and entities outside the Group must promote, as far as possible, the implementation of principles and commitments consistent with those set out in this Policy.



## 4. RESPONSIBILITIES

### Management Team

- Provide strategic leadership and oversight on sustainability issues.
- Set sustainability objectives and integrate them into the overall company strategy.
- Ensure implementation of this ESG Policy at all levels of the company.
- Allocate resources for the successful execution of sustainability initiatives.
- Monitor performance against sustainability objectives and adjust strategies as necessary.
- Have the necessary human resources and infrastructure in place to meet the requirements of the Integrated Management System activities and objectives and continuously improve their effectiveness.
- Continuously improve the effectiveness and control of processes through the Quality Management System.
- To update internal processes and codes of good practice, increasing the quality of activities and customer expectations.
- To comply with customer, legal and regulatory requirements and those established internally.
- Encourage the participation of employees and their personal and professional development.
- To carry out the company's activities with respect for the environment and the protection of biodiversity, through the sustainable use of resources to contribute to environmental protection, sustainable development and pollution prevention.
- To promote the corporate values of responsibility, excellence, innovation, commitment and teamwork.

### Sustainability (ESG) Committee

- Develop and update sustainability strategies, ensuring alignment with industry best practices.
- Periodically review sustainability performance and ensure continuous improvement.
- Oversee the integration of sustainability into all business processes, including sourcing, marketing and logistics.
- Engage with key stakeholders, including local communities, suppliers and employees, to drive positive impact.

## Employees

- Comply with the sustainability principles and practices set out in this policy.
- Identify and report opportunities to improve sustainability performance within their areas of responsibility.
- Engage and actively participate in the maintenance and continuous improvement of the Integrated Management System.

## Suppliers and Contractors

- Comply with AndCap's ESG Framework, Policies and requirements, ensuring ethical, environmentally friendly and socially responsible practices.
- Participate in regular audits and assessments to verify compliance with our sustainability criteria.



## 5. COMMITMENTS

Through this ESG Policy, AndCap is committed to formalising its allegiance to sustainability and strengthening management actions to integrate all business and organisational levels of the company, ensuring the availability of the necessary resources and considering the expectations of stakeholders on sustainability issues.

AndCap supports the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), as well as the Global Compact principles on human rights, labour standards, environment and anti-corruption.

We specifically commit to:

- Ensure **compliance with applicable legal requirements**, internal regulations, international standards and other voluntary commitments that the organisation subscribes to with its stakeholders, in all geographies where we operate.
- Integrate **environmental protection** and **pollution prevention** into business management systems.
- Provide a **healthy and safe working environment**, in which everyone collaborates in a process of continuous improvement to promote and protect the health and well-being of workers.
- Establish **continuous improvement mechanisms**, defining objectives, targets and verification, control and audit mechanisms to guarantee them.
- Combat **climate change** by minimising greenhouse gas emissions from our operations, products and services.

- Assess the **risks associated with climate change** and implement mitigation and adaptation measures in our operations.
- Promote the application of **circular economy principles**, optimising the use of natural resources and raw materials, including energy and water, minimising waste generation and managing waste in a way that prioritises reuse and recycling over landfill.
- Lead the **health and safety** programmes from the management team, being the management line responsible for applying them in its area of action.
- Focus **risk management** on avoiding harm to people and the environment throughout the life cycle of our operations, to prevent any impact on natural capital and potential related incidents.
- Understand, analyse, manage and **respond to the expectations of the company's various stakeholders**, such as shareholders, the financial community, employees, customers, partners, banks, etc., and society at large.
- Create an **environment of trust** necessary for information to flow transparently throughout the organisation, enabling potential risks to be detected and corrected.
- Involve employees, contractors and other stakeholders in **continuous improvement** and in defining health and safety programmes and management systems.
- Systematically **evaluate** our **performance**, setting targets, analysing progress and implementing appropriate corrective actions.
- **Train and sensitise** our **employees** to promote awareness of environmental protection, health and safety, and provide the necessary technical and human resources.
- Continuously improve the effectiveness and control of processes through our **Quality Management System**.
- Conduct our business activities with **respect for human and labour rights** and comply with relevant international laws and regulations.
- **Promote diversity, inclusion and equality** among our professionals, as well as the attraction and development of talent, ensuring their satisfaction, well-being and health.
- Continuously assess, monitor and **manage** the **human rights** impact of corporate activities and the supply chain, ensuring that we do not consciously or unconsciously contribute to any negative impact.
- **Zero tolerance** for **child labour, forced labour** or **modern slavery** in our operations and supply chain.
- **Prevent, detect and report fraud**, cooperating with all stakeholders to reduce the opportunities for fraud to occur.
- Foster a **leadership style** and organisational culture that enables all of the above commitments to be achieved.

In the event of a conflict between the above commitments and financial performance, all employees are responsible for adhering to the principles and commitments contained in this policy, and the Management Team will always support this choice.



## 6. PRIORITY LINES OF ACTION AND OBJECTIVES

In order to achieve the above commitments and to promote environmental sustainability and respect for nature, AndCap is working on two priority lines of action and objectives:

- **Climate change:** All AndCap offices will have 100% electricity supply from renewable sources by the end of 2025.
- **Circular economy:** All AndCap offices will implement a waste separation system by the end of 2025.

## 7. MECANISMO DE REVISIÓN

AndCap will **implement a comprehensive ESG Management Framework**, which clearly defines the commitment to ESG principles and provides explicit guidelines for our employees and stakeholders, as well as assurance programmes to ensure compliance with legal requirements, internal regulations and other commitments the organisation has made in its activities and facilities, including the supply chain.

Furthermore, AndCap will **systematically evaluate and review this ESG Framework** for risk management and control, establishing mechanisms for continuous improvement, assessing performance and implementing the necessary actions to achieve the proposed objectives and prevent harm to people, society and the environment.

To this end, AndCap has created a Sustainability Committee which will be responsible for ensuring that ESG criteria are integrated into the business strategy, promoting the implementation and execution of initiatives necessary to meet the commitments and objectives established in this Policy.



## 8. COMUNICACIÓN E INFORMES

**AndCap** will communicate and ensure the visibility, through the appropriate media and channels, of the progress made in terms of sustainability, the commitments acquired and the objectives established, observing the criteria and requirements of international reference standards in this field, meeting the expectations of its stakeholders in relation to the material issues identified and guaranteeing the transparency and truthfulness of the information disclosed.

## 9. CONTROL DE REVISIONES

Review	Date	Description of the modifications
00	October 2023	ESG Policy Development
01	July 2024	Incorporation of ISO 14001 and ISO 45001 requirements
02	March 2025	Incorporation of modifications, integrating quality criteria, in line with the ISO 9001 Standard



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