

ENVIRONMENTAL AND CLIMATE CHANGE POLICY



BancoEstado
desde 1855





OVERVIEW

Global warming and climate change are among the major threats to the future stability of global economic, social and geopolitical systems. At the same time, they pose new and significant challenges for public and private organizations and institutions, which are called upon to include in their spheres of action and business the necessary measures to curb, reduce or mitigate the impacts that climate change will have on the different stakeholders in which they operate.

This policy seeks to reflect the commitment of BancoEstado and its subsidiaries through the implementation of concrete actions to reduce and mitigate the environmental impact and climate change, as well as to monitor the progress and impacts, to the extent estimable, that these actions generate.



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GUIDELINES AND OBJECTIVES

In order to align actions and activities in the transition to a carbon neutral and climate change resilient economy, the following guidelines will be followed:

Focus our efforts where they will have the greatest impact, requiring accurate measurement and monitoring. This will initially involve focusing on the sectors of the economy that are most carbon-intensive and/or those that are most vulnerable to climate change.

Support, share experiences and best practices, as well as articulate actions with the rest of the participants in the banking and financial industry, to achieve national and/or regional and/or global coordination in both impact measurement and service offerings.

BancoEstado's climate change and environmental policy has defined the following objectives to achieve a transition to a carbon neutral and climate change resilient economy:

- Ensure proper provision of financial products and services, as well as adequate support to our customers.
- Support the State of Chile and its sectoral institutions in the implementation of the general and specific policies defined by them.
- Create the necessary transformations to its internal processes and activities to become a carbon neutral company by 2030.
- Create a culture of awareness of the contribution and impact of each employee in the protection and care of the environment.
- Report in a timely, periodic and transparent manner the results regarding the implementation and progress in environmental matters by BancoEstado and its subsidiaries.

PRINCIPLES AND CRITERIA

BancoEstado defines its principles and criteria taking as a reference the current environmental legislation and regulations applicable to its activities, as well as other commitments it voluntarily subscribes to according to international standards and existing best practices, such as:

- United Nations Framework Convention on Climate Change (UNFCCC).
- Paris Agreement on climate change, signed under the UNFCCC.
- Vienna Convention for the Protection of the Ozone Layer.
- United Nations Global Compact (SDG)
- Equator Principles (International Finance Corporation guidelines)
- Dow Jones Sustainability Indexes (DJSI)
- LEED Certification of United States Green Building Council (USGBC)
- Montreal Protocol and its amendments, which develop the Vienna Convention for the Protection of the Ozone Layer.
- Guidelines of the Organization for Economic Cooperation and Development (OECD)
- NCh standard – ISO No. 26.000
- NCh standard – ISO No. 14.001
- Global Reporting Initiative (GRI)
- Carbon Disclosure Project (CDP)
- Principles for Responsible Banking/ UNEP FI
- Task force on climate related finance disclosure (TCFD) recommendations.

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ACTION PLAN

1. Banking and financial activity

- BancoEstado is committed to make available to its customers proper provision of financial products and services to support them in the transition, reconversion or transformation required by their activities and businesses, in order to become a carbon neutral economy by the year 2050.
- Support its clients in all climate change adaptation, mitigation, remediation and resilience measures through its scope of action.
- It will integrate social and environmental risk criteria, in accordance with current international standard methodologies, to its product and service offerings.
- It will establish measuring mechanisms and indicators, with a minimum annual periodicity, reflecting the changes associated with climate change actions.

3. Suppliers

- As part of its value and supply chain, BancoEstado will promote the adoption by its suppliers of environmental protection standards that are at least similar to those used by the Corporation. Thus, in the bidding and contracting of services, measurement of the impact on climate and environmental change must be considered, and as of the year 2030, all suppliers that are not carbon neutral will be excluded.

2. Internal management

- BancoEstado will seek to reinforce capacities, at all levels of the organization, to identify, measure, assess, manage and integrate the risks and opportunities associated with climate change and its impact on business opportunities.
- Promote a cultural change within the organization, encouraging, disseminating and installing good environmental practices that help to raise awareness among workers in their daily activities.
- Adopt measures to improve efficient use of resources and, at the same time, reduce or minimize polluting emissions produced by the Institution's activities. By the year 2030 we seek to be a carbon neutral company with regard to its direct impact.

4. Society

- BancoEstado, as a financial reference to support the economic transition required by Chile to achieve greenhouse gas emissions neutrality by 2050, seeks to be a relevant, active player in the definition of public policies, and commits its participation and support to both the State of Chile and private institutions. It also undertakes to use its internal and external communications to disseminate, promote and accelerate the necessary actions to address climate change.



SCOPE OF APPLICATION

The definition of this policy is in line with the environmental policies defined by the State of Chile and the international standards and protocols applying to this matter.

This policy commits all BancoEstado and its subsidiaries. It also seeks to have an impact on our clients, suppliers and other agents related to our entity.

COMPLEMENTARY POLICIES

This policy defines that BancoEstado will provide financial support to environmentally-friendly projects and will assess in depth the environmental and social conditions in accordance with current regulations:

- Corporate Sustainability Policy.
- Social and Environmental Risk Policy.



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