



Sustainability at Banco de Chile



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

ESG Highlights 3Q21



Support to SMEs

- **US\$1.8 billion¹** in **Fogape Reactiva** loans granted to **support SMEs**.
- **23,515** participants in the **6th National Entrepreneur Challenge**.

Community

- **5,000** people benefited from our **Financial Education** Program “*Cuentas con el Chile*”.
- Creation of a **Policy of Inclusion, Non-Discrimination and Diversity**.



Sustainable Finance

- Our workers were trained in **Social and Environmental Risk Analysis** by the **United Nations Environment Programme Finance Initiative** (UNEP FI).
- In Aug-21 we issued a **Social Bond** that will be used to finance **female micro-entrepreneurs**.



MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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As of Sep 21, Banco de Chile received a **rating of A** in the **MSCI ESG Ratings**, an **upgrade of three notches** in comparison to the prior rating action.²



2021 Awards

Bank of The Year – The European
Innovative Digital Banking – The European
Best Bank for Financial Inclusion – The European
#1 Bank in Attracting & Retaining Talent – Merco
Best Bank in Chile – Global Finance

Governance

- ▶ Active Board involvement in committees
 - ▶ Directors & Audit; 5 Risk Committees; 4 Business Committees
- ▶ Best practices pursuant to NYSE and SEC standards
- ▶ Successful Partnership with Citi supporting international business opportunities
- ▶ Executive Compensation linked to global performance targets, including ESG metrics such as customer satisfaction¹.

Board of Directors

Name	Position
Pablo Granifo L.	Chairman
Andrónico Luksic C.	Vice Chairman
Julio Figueroa	Vice Chairman
Jean Paul Luksic F.	Director
Jaime Estévez V.	Independent Director
Francisco Pérez M.	Director
Alfredo Ergas S.	Independent Director
Andrés Ergas H.	Director
Raúl Anaya Elizalde	Director
Samuel Libnic	Director
Hernán Büchi B.	Director
Paul Fürst G.	Alternate
Sandra Guazzotti	Alternate

Senior Management

Name	Position
Eduardo Ebensperger O.	Chief Executive Officer
Rolando Arias S.	Chief Financial Officer
Alfredo Villegas M.	General Legal Counsel
José Luis Vizcarra V.	Commercial Manager
Axel Fahrenkrog R.	Corporate Banking
Sergio Karlezi Aboitiz	Treasury and Market Head
Claudia Herrera G.	Marketing and Digital Banking
Julio Cubillo N.	Retail Credit Risk / Global Risk Control
Paola Alam A.	Wholesale Credit Risk
Felipe Echaiz B.	Global Compliance
Cristián Lagos C.	People and Organization
Óscar Mehech C.	Internal Audit
Esteban Kemp D.	Operations and Technology
Salvador Danel H.	Cyber Security
Nicolás Burr G.	Efficiency and Productivity



¹. See more on **Appendix: Executive Compensation**. For more information, please see the section Corporate Governance, Annual Report 2020.

Supporting Customers

- ▶ In 2020, BCH announced **The National Customer Support Program** that allowed clients to **renegotiate loans** with preferential conditions.
- ▶ During 2020, **464 thousand Personal Banking loans** were rescheduled.
- ▶ **US\$2.6 billion** in Fogape **Covid-19 loans** was granted to support SMEs, benefiting over 39,000 enterprises in 2020.
- ▶ BCH was considered the **bank that did the best** in taking actions **during the health crisis** according to Ipsos Survey 2020.
- ▶ BCH has policies approved by the board of directors that addresses loans with difficulties in complying with the originally agreed conditions, such as collection and renegotiation, where the Bank generates **payment solutions** to clients to **partially or totally restructure their products**.
- ▶ These policies establish the different activities, roles and responsibilities to implement this type of **payment alternatives for clients based on their new financial conditions**.



Outstanding Crisis Leadership according to Global Finance 2020.

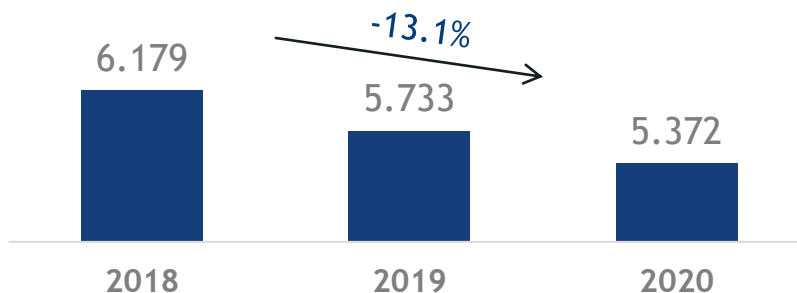
Customer Relationship

- ▶ #1 in the National **Customer Satisfaction Award** by Procalidad 2020.
- ▶ On a board level, our **Directors' and Audit Committee** reviews customer claims filed with the **Customer Defense institutions**.
- ▶ **The Quality Committee is chaired by the CEO**. Other members include various Senior Management and the Chairman of the Board that participate as a guest. This committee's duties include supervising service **quality indicators**, projects and initiatives.
- ▶ The Code of Conduct governing the Bank contemplates **Banking Secrecy, Handling Confidential Information**, Risk and Cybersecurity, Respectful Treatment and Conduct.

72.1%
Net Promoter Score

Complaints Received

Number of formal complaints made by customers



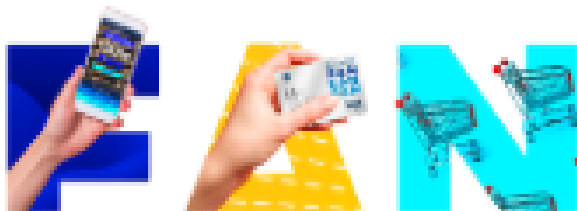
Transparency to Customers



- ▶ Delivering **transparent, timely and accurate information** to our customers is a priority for Banco de Chile.
- ▶ The Marketing and Digital Banking Division is the **unit responsible** for fulfilling this commitment, with support from **the Customer Defense Department** and the general counsel's office.
- ▶ The Transparency Principle, established under our **Transparency Policy**, as well as our **Code of Conduct**, is manifested in a set of standards and protocols created to facilitate **public access to all information** related to the conditions of products and services offered by the Bank, including existing restrictions.
- ▶ The **commitment to transparency** is monitored through the Customer Defense Department, working to ensure that announcements, advertising and campaigns comply with the respective **principles and clarity**, raising any observations and proposals of the corresponding departments.
- ▶ A public website was set up for **direct communication** with the bank's **official response channel**.

Financial Inclusion

- ▶ **Best Bank for Financial Inclusion** according to The European 2020.
- ▶ Highest number of ATMs and branches in the country among private banks.
- ▶ **Inclusive branches:** in 2020 we installed **1,771 new ATMs**, all of which meet the height standards in the **Americans with Disabilities Act** (ADA) and **464 inclusive audio guide devices** at branches and key locations.
- ▶ **Inclusive Financial Education** Mentoring Program, preparing employees to train persons with cognitive disabilities, hearing impairments and migrants.
- ▶ **CrediChile:** branch network specialized in consumer loans for middle and low-income individuals.



- ▶ In September 2020, we launched our first **digital account** that **promotes financial inclusion**, reaching over 220 thousand clients*.

Financial Education

- ▶ The *Cuentas con el Chile* Financial Education Program is designed to contribute to financial education and inclusion through diverse initiatives.
- ▶ **4,634 entrepreneurs**, including micro-entrepreneurs, SMEs, immigrants, university and high school students in Chile **were trained in financial education** in 2020.
- ▶ Free online platform (**Digital Financial Education**) in partnership with the País Digital Foundation so that students could take a digital course to foster **healthy financial habits**, such as savings and responsible 'spending, **reaching 3,415 students**.
- ▶ **B-TV** channel with **webinars focused on entrepreneurs**, addressing the following topics: **Financial Management**, Electronic Receipts, **Efficient Financing**, E-commerce Sales and Cybersecurity.



Data Security Structure



- ▶ Managing **customer privacy** and application security is a priority for Banco de Chile.
- ▶ The **Cybersecurity Division**'s main objectives are: Business Alignment, **Cultural Transformation, Protection and Safeguarding**, and Prevention and Detection.
- ▶ The **Information Security Risk Department** is charged with identifying, assessing and treating information security risks to which the bank's information assets are exposed, as well as issuing **measures to implement in response to identified risks**.
- ▶ The **Information Security Department** is in charge of overseeing that information is protected properly in terms of **confidentiality**, integrity and availability.
- ▶ During 2020, **no substantiated claim** was received or identified regarding privacy violations, loss or leakage of customer data.

Cybersecurity Awareness



- ▶ Awareness Governance: responsible for strengthening awareness, **training and education** among employees, customers and suppliers in matters of **cybersecurity**.
- ▶ Webinars, campaign and communications to reinforce employee and customer **knowledge of phishing, vishing and ransomware; prevention of information leaks**, responses to cybersecurity incidents, correct email use, robust passwords and proper use of IT resources.
- ▶ **Channels** for employees to **report suspicious** cases or **real threats** to the Cybersecurity department which is continuously reinforced in **both awareness talks** and internal communications.
- ▶ Employee training: online course entitled “**Cybersecurity in your DNA**” and an online game (**atthackers**), among others, in order to **boost employee knowledge** of cybersecurity.

Community

- ▶ **\$2.4 billion pesos** raised to support the health emergency in alliance with Desafío Levantemos Chile **benefiting 439,816 people** with diverse initiatives.
- ▶ 5th National Entrepreneur Challenge, with awards to SMEs totaling \$150 million pesos and **56,123 participants**.
- ▶ **42 thousand door-to-door deliveries of medicine**, food and telemedicine to vulnerable senior adults.
- ▶ **+330 thousand people** benefited from our **Corporate Volunteering**.
- ▶ Essential products donation to **9 thousand vulnerable families**.
- ▶ Support to *Vamos Chilenos* campaign that raised over **\$16 billion pesos** to benefit elderly **people affected by the pandemic**.
- ▶ The first and only private bank included in the 2020 ranking of **Key Civic Brands** during COVID-19, according to a study from Cadem.
- ▶ **\$5.9 billion pesos** in **social investment** during 2020.



Human Capital

- ▶ #1 Best Company in **Attracting & Retaining Talent** according to Merco 2020.
- ▶ **Best Bank to work according to University Students** (Merco Talento Universitario 2020).
- ▶ Pacific Alliance: programs that provide **opportunities to young people**, including internships and trainee programs form part of this initiative.
- ▶ **Inclusive internship program** for students with disabilities supported by talks for the teams hosting the students and monitoring to ensure participants had an enriching experience.
- ▶ Employee **Scholarship Program** for Undergraduate and Graduate Degrees.
- ▶ COVID-19: the bank took some **compensation** related measures to ensure average monthly compensation similar to **pre-pandemic figures**.
- ▶ Training and Development: 242,449 training hours in 2020.
- ▶ Employees Turnover of **5.4%** in 2020.



52%
woman



48%
man



+240,000
hours in training for
employees in 2020

Sustainable Finance



- ▶ Financing decisions: we incorporate **ESG variables** in order to ensure compliance with current legislation and sustainability over time.
- ▶ Projects seeking financing are required to go through the **Environmental Impact Assessment System** and obtain approval through the respective Environmental Qualification Resolution (RCA).
- ▶ We promote the use of **social and environmental criteria** analysis processes for **loans and investments, projects and other activities**, considering their impacts and risks.
- ▶ Continuously working to develop **ESG products** for customers: fixed-income, ESG-based products and financing for infrastructure projects that have a positive impact on the environment and/or foster sustainability, such as DS19 real estate projects.
- ▶ In 2019 we issued the first **green bond** in our history for **US\$48 million**. The placement issued in Hong Kong was intended to refinance a series of **renewable energy projects**.
- ▶ Through Banchile Inversiones, we continued to adhere to the **UN Principles for Responsible Investment** (PRI) with a strategy and practices for incorporating environmental, social and corporate governance (ESG) factors into **investment decisions**.

Eco efficiency



- ▶ Environmental management is governed through our **Environmental Sustainability Policy**, issued by the board and published on the bank [website](#).
- ▶ Diverse programs to improve **energy efficiency** and **reduce paper use**, as well as **manage solid waste**, care for **water resources** and promote efforts to reduce greenhouse gas (GHG) emissions.
- ▶ Corporate volunteer program: initiatives to **mitigate pollution** and restore or **rehabilitate degraded areas**.
- ▶ The **carbon footprint** is measured based on the **Greenhouse Gas Protocol** with assistance from an engineering company. During 2020, the total **carbon footprint was reduced by 28% YoY**.
- ▶ **We Choose to Recycle at Banco de Chile!** entailed installing 228 recycling points including in branches, headquarters and corporate offices.
- ▶ **Electronic Waste:** Obsolete computer equipment are sustainably transformed by our alliance with the Chilenter Foundation.
- ▶ Climate change strategy included signing the **Green Agreement launched in 2019** by the Finance Ministry that aims to contribute to financial stability and the achievement of Chile's commitments in climate matters.



For more information about our **Sustainability strategy** and initiatives, please see the links below:

[Sustainability Website](#)

[Corporate Governance Website](#)

[Investor Relations Website](#)

[Annual Report 2020](#)

Appendix - Executive Compensation

At Banco de Chile, we maintain a competitive executive compensation package to attract and retain talent and to align their interests to drive value creation with those of the corporation, stakeholders and the community. Our compensation programs for all levels of management are fairly and transparently linked to global bank performance targets, which for all management includes diverse levels of importance of ESG considerations depending on their responsibilities within the institution.

Banco de Chile's compensation program for all management and most employees include quantitative and qualitative targets that are linked in part to sustainability. Depending on the responsibility of each individual, sustainability goals are more relevant for their compensation. All employees with remuneration linked to performance targets have a portion of their variable compensation linked to Net Promoter Score, which is an important customer loyalty leading indicator. Certain individuals depending on their responsibilities also have specific ESG targets within their individual goals.

Variable compensation is based on attaining a minimum or exceeding the organization's and individual's performance metrics. Depending on the management level, the global or individual's targets weigh more in the determination of their remuneration.

The performance targets of our Chief Executive Officer are determined by the Board of Directors. The Chief Executive Officer determines individual goals for Division Managers. Within each business unit, the Division Manager determines the targets of their subordinates which are aligned with the overall organization and business unit's goals. The Directors' and Audit Committee, which is composed of three board members and that are appointed by the board of directors, also examine the compensation systems and plans for senior executives and employees.