

Banco de Chile

Ser azul está en nuestra
Naturaleza

Conoce nuestro programa
COMPROMISO
azul para **Chile**

Un programa con todas las medidas y acciones para proteger lo más lindo que tenemos: nuestro país y nuestro planeta.

ESG at Banco de Chile

June 2022



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



ESG Highlights

Governance

- Creation of a Sustainability Committee that aims to boost our ESG strategy and initiatives.
- Incorporation of ESG criteria at credit risk policy.
- Sustainability guidelines, procedures and requirements for suppliers.
- SASB: adoption of disclosure framework.

Social

- US\$1.8 Billion¹ in Fogape Reactiva COVID-19 Loans granted to SMEs.
- 5,285 people reached by our Financial Education Program.
- US\$182 million in credits approved to finance the construction of social housing.
- Participation in diverse initiatives to promote the inclusion of women in the financial sector.

Environmental

- Social and Environmental Risk Analysis training to workers by the UN Environment Programme Finance Initiative (UNEP FI).
- Green Leasing: benefits for solar projects and electric cars.
- ESG related investment funds offered by Banchile.
- Purchase process of renewable energy certificates (I-RECs) concluded.



mercoRESPONSABILIDAD
ESG

#3 best Company in
ESG Responsibility by
Merco



BCH received a **rating of A** in the
MSCI ESG Ratings.²



BCH improved its **ESG Risk** to
the best score among peers in Chile³



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 2021.



Business Ethics



- The corporation has an **ethics management and transparency system** consisting of its **Code of Conduct** and its **Ethics Committee**, which is made up of members of senior management.
- Pursuant to our Code of Conduct, the following are the **fundamental ethical values** for Banco de Chile: integrity, commitment, respect, loyalty, prudence, responsibility and justice.
- The current **Code of Conduct** has eight dimensions: Bank Secrecy, Acting on Behalf of the bank, Conflicts of Interest, Use of Resources, Handling Confidential Information, Risk and Cybersecurity, Respectful Treatment and Conduct and Internal and External Fraud.
- There are several **whistle-blowing channels** available to anyone involved with the bank for **resolving ethical issues** and where appropriate reporting them to the corresponding authority.
- The Global Compliance Division is the executive body responsible for issues related to **corruption**, and internal monitoring using the **Crime Prevention Model** is designed to detect these crimes.



Customer Service

- Banco de Chile has always focused on **customer-centricity** and is constantly striving to provide the best service and effective solutions.
- The **service quality** is monitored by a **committee chaired by the CEO** and composed of various members of senior management and the chairman of the board. This committee meets every two months.
- **Products and services are reviewed** every month by senior management and various departments from the Commercial, Marketing and Digital Banking divisions.
- On a board level, our **Directors' and Audit Committee reviews customer claims** filed with the Customer Defense institutions.
- The Code of Conduct governing the Bank contemplates **Banking Secrecy, Handling Confidential Information, Risk and Cybersecurity, Respectful Treatment and Conduct**.

74.0%
Net Promoter
Score

Best Bank in Chile
GLOBAL FINANCE



Bank of the Year
Innovative Digital Bank of the Year
Best Bank for Financial Inclusion
THE EUROPEAN



Supporting Customers



- The bank's commitment to the development of people and Chile means it is constantly seeking **solutions to support its customers** when contingencies arise.
- During the COVID19 pandemic, BCH announced the **National Customer Support Program** that allowed clients to **renegotiate loans** with preferential conditions, rescheduling **464 thousand Personal Banking loans**.
- **US\$1.8 Billion¹** in Fogape Reactiva COVID-19 Loans granted to **support SMEs** in 2021.
- **Deferral of six mortgage loan installments** for customers with Fogape guarantees in early 2021. A total of **2,397 loans** were processed by the close of the campaign in June 2021.
- 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**.



Transparent Customer Communications



- 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**.
- 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.
- The bank has a **Responsible Advertising Policy**, which is key to the image projected by the bank, not only to its customers and investors, but also to the community at large.
- Banco de Chile has a **Customer Protection department**, which manages complaints and requirements, based on transparent and clear communications. It is responsible for detecting, analyzing and reporting any situation or product design that lacks clarity and transparency.





Financial Inclusion and Accessibility

- **Best Bank for Financial Inclusion** according to The European 2021.
- Highest number of ATMs and branches in the country among private banks.
- **Inclusive branches**: in 2020 we installed **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.
- The **FAN Account**, launched in 2020 in the midst of the pandemic, is our **first fully online** account and aims to attract unbanked people.
- **Online scheduling**: new functionality for customers and non-customers to schedule a visit to a branch in order to provide optimal and efficient service.

1,761 ATMs

available throughout Chile



Bank of the Year
Innovative Digital Bank of the Year
Best Bank for Financial Inclusion
THE EUROPEAN



Financial Education



- The **Cuentas con el Chile Financial Education Program** is designed to contribute to financial education and inclusion through diverse initiatives.
- **5,285 people reached by our Financial Education Program**, including micro-entrepreneurs, SMEs, immigrants, university and school students in 2021.
- The program includes a **free financial education course for students at schools** in order to promote positive habits and informed and responsible behavior regarding **saving and spending decisions**.
- **B-TV** channel with **webinars focused on entrepreneurs**, addressing the following topics: **Financial Management**, Electronic Receipts, **Efficient Financing**, E-commerce Sales and Cybersecurity.



Financial Education Program

Participants:

2,429 Students from participating schools

1,254 Financial Education Mentors





Data Security Structure



- Managing **customer privacy** is a priority for Banco de Chile.
- The **Strategic Cybersecurity Plan** main objectives are to protect customer, employees and the bank's data, manage technological, cybersecurity and data security risks, and strengthen the risk prevention culture.
- The **Cybersecurity Division** is composed of the Cyberdefense, Cybersecurity Engineering and Technology Risk departments and the Strategic Management and Assurance units.
- The Cybersecurity Engineering Department is responsible for defining, implementing and **maximizing cyberthreat protection technologies**, and defining and maintaining the security architecture.
- The Technology Risk Department is responsible for identifying, assessing, treating and reporting information security, technology and cybersecurity risks, and managing the **technology risks within the bank's projects**.
- During 2021, **no substantiated claim** was received or identified regarding privacy violations, loss or leakage of customer data.



Cybersecurity Awareness



- The Assurance Unit is responsible for developing and implementing the **Cybersecurity Awareness Program** aimed at employees of the bank, its subsidiaries, customers and the community.
- **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.
- Employee training: diverse online courses, challenges and campaigns during the year in order to **boost employee knowledge** of cybersecurity.
- **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. In 2021, more than 17,000 cyberthreats were reported by employees.





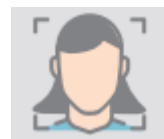
Human Capital



- #1 Best Bank in **Attracting & Retaining Talent** according to Merco 2021.
- Pacific Alliance: programs that provide **opportunities to young people**, including internships and trainee programs.
- **Persons with Disabilities Inclusion Program** which manages both the work-life balance of people with disabilities and the role of their supervisors and teams.
- Employee **Scholarship Program** for Undergraduate and Graduate Degrees.
- Training and Development: **226,908 training hours** in 2021.
- **We Value Diversity and Respect** campaign, which focused on highlighting female inclusion in the financial sector
- The average minimum salary at Banco de Chile was **2.23 times the legal minimum salary** in 2021.



12,284
Total corporation



51.7%
woman



48.3%
man



+226,908
hours in training for
employees in 2021





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** (SEIA) and obtain approval through the respective Environmental Qualification Resolution (RCA).
- In 2021, our workers were trained in **Social and Environmental Risk Analysis** by the UN Environment Programme Finance Initiative (UNEP FI).
- Development of **ESG products** for customers: green leasing, loans for electromobility and energy efficiency, ESG funds and financing for infrastructure projects that have a positive impact on the environment and/or foster sustainability, such as social housing projects.
- In 2019 we issued a **green bond** for **US\$48 million** in Hong Kong to refinance a series of **renewable energy projects** and in 2021 we issued **Social Bond** for **~US\$45 million** in Japan to finance **female micro-entrepreneurs**.
- 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**.

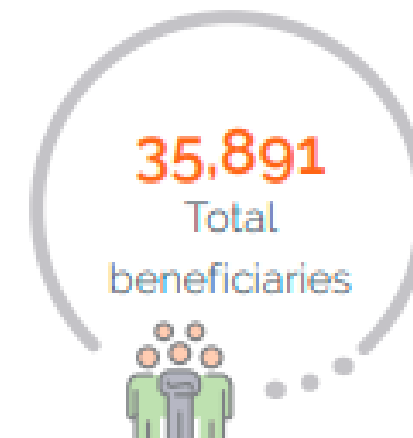




Community



- **35,891** people benefited by our **initiatives to the community**.
- **5,285** people reached by our **Financial Education Program**.
- **US\$182 million** in credits approved to finance the construction of **social housing**.
- **\$7.6 billion** pesos in **social investment** during 2021.
- **6th National Entrepreneur Challenge**, with awards to SMEs totaling \$150 million pesos and more than **23,000 participants**.
- **US\$1.8 billion¹** in Fogape Reactiva loans granted to support SMEs.
- Donation of computers to an Educational Center to **improve the connectivity** of 800 students.
- Diverse programs to support entrepreneurship and inclusion.





For more information about our [Sustainability strategy](#) and initiatives, please see the links below:

[Sustainability Website](#)

[Corporate Governance Website](#)

[Investor Relations Website](#)

[Annual Report 2021](#)

Banco de Chile
Investor Relations



Appendix

Compensation at Banco de Chile

We have a competitive executive compensation program that attracts and retains talented people and aligns their interests with those of the corporation and its stakeholders. Compensation programs for senior management are linked to performance targets. Other employees with compensation linked to performance targets have a portion of their variable compensation linked to net promoter score targets. Some employees also have specific ESG targets within their individual objectives, depending on their responsibilities.

The performance targets of the CEO are determined by the board. The CEO determines the individual targets for the division managers. The division manager within each organizational unit determines the targets for their employees. The Directors' and Audit Committee examines the compensation systems and plans for senior executives and employees

Code of Conduct

This document contains the general principles and policies that guide the ethical-professional conduct of the organization's employees, directors and advisors. Its purpose is to safeguard the values that are fundamental to properly conduct the bank's business, in accordance with its corporate philosophy. It includes rules on personal finances, conflicts of interest and handling confidential information.

See Banco de Chile [Code of Conduct](#).