POLICY ON SOCIAL, ENVIRONMENTAL AND CLIMATE RISK

SUMMARY

This Policy establishes guidelines to ensure that the Bank and its subsidiaries have strategies and governance frameworks in place to address social, environmental, and climate risks associated with lending activities.

Contents

1. INTRODUCTION

Climate change is a global phenomenon that negatively affects nature, people, and economic activities, both locally and internationally.

The effects of climate change are expected to increase over time, gradually altering weather patterns and amplifying the frequency and severity of extreme weather events. These changes have a detrimental impact on the real economy. In fact, climate change can lead to a deterioration in debtors' ability to repay their debts. Additionally, the possible depreciation of assets used as collateral for loans can contribute to increased credit risk. These negative impacts can be transmitted to the financial sector, exacerbating various types of risk.

In this context, Banco Itaú Chile recognizes that climate change can significantly impact the risks to which it is exposed and must therefore be properly managed by all employees across all areas of activity. Banco Itaú Chile is also committed to protecting the environment and curbing climate change.

Banco Itaú Chile directly impacts the environment through its use of natural resources in internal operations. However, its greatest impact is indirect, through its banking and financial activities. Its customers' industrial and commercial activities have positive and negative impacts on society. The latter include contributing to climate change and climate-related events, as well as air and water pollution and ecosystem degradation.

Nevertheless, climate change entails not only risks but also opportunities associated with the financial support the Bank can provide customers for the transformation or conversion of their activities and businesses in the transition to a carbon-neutral economy.

Banco Itaú Chile is a signatory to the Green Agreement, which was reached in December 2019 at the Public-Private Green Finance Roundtable led by the Ministry of Finance. This voluntary agreement between the financial sector, the government, and regulators defines general principles for managing climate-related risks and opportunities in signatory entities' decision-making processes and commits them to specific actions in this area. The agreement aims to contribute to financial stability and help the country achieve its climate goals. The agreement has four areas of action: Governance, Strategies and Opportunities, Risk Management, and Objectives and Metrics.

Additionally, the Bank has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which covers the same four areas. Banco Itaú Chile has developed a plan to implement these recommendations in alignment with the parent company.

The purpose of this Policy on Social, Environmental, and Climate Risk is to promote environmental protection, support customers in transitioning to a carbon-neutral economy, and reduce the environmental impact of their activities, products, and services.

2. OBJECTIVE

The objectives of this Policy are:

a) Integrate climate change risks into the Bank's decision-making and business strategy.

b) Strengthen the capabilities at all levels of the Bank to identify, understand, assess, manage, and integrate climate change risks and their impact on decision-making.

c) Establish rules and responsibilities related to the management of social, environmental, and climate risks (SEC), taking applicable regulations into account, particularly General Regulation 461 (NCG 461) of the Financial Market Commission (CMF).

3. SCOPE

This policy applies to Banco Itaú Chile and its subsidiaries, Itaú Administradora General de Fondos S.A. and Itaú Asesorías Financieras Ltda. The latter are responsible for establishing and approving the specific policies and procedures necessary to comply with the objectives set forth in this policy within their respective governing bodies.

This policy will apply to Wholesale Banking customers (CIB, Large Corporate and Real Estate) and Retail Banking customers with individual CMF ratings.

4. RESPONSIBILITIES

4.1 Board of Directors

- Approve this policy and definition of the governance, strategy, and general guidelines that contribute to the management of social, environmental, and climate risk in the Bank's lending operations.
- Oversee compliance with this policy, and consider delegating this responsibility to a more specialized governing body for management purposes.

4.2 Senior Wholesale Credit Committee

- Review and approve adjustments or modifications associated with the process of identifying and managing social, environmental, and climate risks.
- Establish the corporate governance bodies that will make decisions subject to this policy.

4.3 Risk Control Management

- Distribute this policy to relevant departments to ensure proper management of social, environmental, and climate risks and to train employees responsible for its application.
- Update this policy as necessary when considering the Bank's possible adherence to new initiatives and/or regulatory changes associated with social, environmental, and climate risk issues.
- Define a methodology for identifying and communicating social, environmental, and climate risks that could impact business performance and financial condition. Consider regulatory changes, national or international guidelines, and recommendations when defining this methodology.
- Assess and monitor the social, environmental, and climate risks of the loan portfolio according to the defined procedures.

- Provide the Sustainability Management team and other relevant internal departments with information on identifying and managing social, environmental, and climate risks so that it can be disclosed in the Bank's annual report in accordance with the deadlines indicated in NCG 461.

- Report the results of the social, environmental, and climate risk assessment to Credit Management and submit them to the relevant approval body for complex cases.

- Notify the Social, Environmental, and Climate Risk team in Brazil of projects that are subject to compliance with the Equator Principles' Category A.

- Define and control the limit established for SEC risk appetite in accordance with the defined procedures. Note: This point will be addressed by July 2025.

4.4 Wholesale and Retail Commercial Management

- Request socio-environmental and climate-related documents from customers as required by Risk Control Management.

- Determine if the customer engages in any of the economic activities listed in the exclusion or restricted activity lists.

4.5 Credit Management (Wholesale and Retail)

- Consider social, environmental, and climate risk variables in the Bank's credit risk management as reported by the RSAC area of Risk Control Management.

- Determine if the customer belongs to the exclusion list, restricted activities list, or sensitive sectors.

- Manage the submission of social, environmental, and climate information necessary for compliance with this policy to the Risk Control Management.

- Work with the Risk Control Management to submit cases requiring social, environmental, and climate assessments to the appropriate approval body with the necessary documentation, in accordance with the risk levels established in the Procedures Manual.

4.6 Legal Management

- Advise on adapting and updating environmental and social clauses in contracts for projects subject to monitoring, in accordance with the Equator Principles.

- Provide advice on identifying legal implications and risks associated with noncompliance with defined social and environmental clauses, as well as possible actions.

4.7 Sustainability Management

- Disclose the social, environmental, and climate risks associated with this policy in the Bank's Annual Integrated Report.

5. GUIDELINES

- Incorporate social, environmental, and climate risk assessment criteria into the Bank's customer risk assessment. This should be an additional component to the credit risk modalities to which the Bank is exposed.
- Monitor the social, environmental, and climate risks of Bank customers subject to this policy by applying specific procedures for each segment.
- Comply with the Equator Principles and the IFC Performance Standards[1], as a management framework for project financing assessments.
- Incorporate TCFD criteria for managing and assessing climate change risks.
- Avoid financing activities that socially and environmentally contradict the values of Banco Itaú Chile, especially those related to concern for people, ethics, and benefits for our customers.
- Establish and develop training opportunities at all levels of the Bank to promote understanding of the social, environmental, and climate aspects of our customers.

6. RELATED DOCUMENTS

- Procedures Manual for Social, Environmental, and Climate Risk Management.
- Equator Principles.
- Social and Environmental Performance Standards of the International Finance Corporation (IFC).
- Green Agreement (Ministry of Finance, 2019).
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- NCG 461 of the Financial Market Commission (CMF).

1 For projects located in countries that are not OECD members, these standards must always be complied with to ensure adherence to robust environmental and social standards when the local regulatory framework is less stringent or under development.

7. GLOSSARY

Climate Change: According to the United Nations Framework Convention on Climate Change (UNFCCC), climate change is defined as a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed on the planet.

Physical Risks: These are risks generated by the physical impact of climate change, related to severe weather events such as droughts, floods, and storms.

Transition Risks: These are risks related to the transition to a low-carbon economy. For example: Changes in demand for certain commodities, regulatory or legal changes, etc.

ESG credits: These are credits that encourage borrowers to achieve certain sustainability indicators in their business operations. They are called ESG credits because they cover the areas of environmental, social, and governance (ESG). They can be any type of financing as long as they incorporate sustainability goals or the use of financed resources for green or social purposes.

SDG Goals: The 17 Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure peace and prosperity for all by 2030.

Legal Entities: Companies incorporated under Chilean law that aim to carry out a specific economic activity.

Natural Persons with Business Activities: Individuals who carry out economic activities in their personal capacity rather than through the creation of a company.

Resilience: The ability of companies to adapt to climate change and respond appropriately to the risks and opportunities that arise.

Taxonomy: A tool that enables financial institutions and companies to identify environmentally sustainable economic activities.

TCFD: An acronym for the "Task Force on Climate-related Financial Disclosures," formed in 2015 within the framework of the G-20 Financial Stability Board. The TCFD's objective is to formulate recommendations for entities in all economic sectors to consider, manage, and disclose information related to climate change, thereby promoting informed decision-making.

NCG 461: A general standard issued by the Financial Market Commission (CMF) that establishes guidelines for the disclosure of sustainability and corporate governance information by securities issuers.

Social and Environmental Clauses: Contractual commitments made by a customer to one or more financial institutions that determine a company's environmental and social commitments as a binding condition of financing.