



# Report

# TCFD 2024



**TCFD** | TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

## TCFD 2024

As part of its commitment to transparency, climate risk management, and the promotion of financial sustainability, Bci adopted the principles and recommendations established in the Task Force on Climate-related Financial Disclosures (TCFD) Guidelines in 2021. This report details the key actions and measures implemented to address the challenges and opportunities arising from climate change.

### GOVERNANCE

Governance plays a fundamental role in Bci's strategy and is structured at different levels, from the Board of Directors to daily operations, ensuring a robust integration of climate considerations into strategic decision-making.

#### Supervision by the Board of Directors

Bci's Board of Directors oversees risks and opportunities related to climate change, integrating them into the organization's overall risk management framework. This framework ensures comprehensive monitoring of ESG risks, including climate change as one of the key factors to be considered.

For this purpose, the Board has delegated specific responsibilities to three committees:

Board Committees	
<p><b>Executive Committee</b></p> <p>It meets twice a week, where it approves the risk appetite framework in its annual review and ensures that ESG risk is within defined limits.</p> <p><i>*Within ESG risk, the climate variable is considered.</i></p>	<p><b>Sustainability Committee</b></p> <p>On a quarterly basis, he oversees the management of ESG risks, including climate change, and the progress of the portfolio's sustainability and decarbonization strategy.</p>

#### Management at Executive and Operational Level

Bci has a solid executive-level structure to manage the risks and opportunities related to climate change:

Administration Committee
<p><b>Sustainability Board of Directors</b></p> <p>Comprised of the general manager and division managers, it meets monthly to define, among other matters, the progress of the sustainability and climate change strategy, its results, the strategic framework, and related investments.</p>

Additionally, Bci has established specific instances to integrate sustainability into the business:

Responsible bodies within the organization				
<p><b>Strategic tables of sustainability</b></p> <p>It is held weekly and is made up of second-line managers of the bank,</p>	<p><b>Work tables by business</b></p> <p>Held weekly, it is comprised of those responsible for implementing initiatives</p>	<p><b>Center of Excellence in Innovation and Sustainability</b></p> <p>Leads the ESG strategy. Provides guidelines and</p>	<p><b>Risk management</b></p> <p>Designs policies, programs and methodologies. Monitors the execution of management</p>	<p><b>Risks - business</b></p> <p>Driven through a strategy focused on: 1. Establish sustainability capacity across the corporation.</p>

responsible for bringing climate change and sustainability issues to the business.	related to the installation of sustainable and climate-focused investments and financing.	methodologies for integrating sustainability and climate change as a strategic capability.	activities and the level of risk independently of the first line of defense. Execution of the corporate sustainability plan aligned with the flagship focuses of sustainable financing/investment, financial enablement, and trust.	2. Accelerate the delivery of value and positive impact from the business. 3. Measure the risk and final impact of the strategy through ESG data and the corporate sustainability index.
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### Information on climate issues in governance bodies

Instance	Topic covered	Date
Executive Committee of the Board of Directors	Results of the risk identification and assessment (RIA) process and Risk Appetite, where ESG risk, including climate issues, is considered a material risk.	April/2024
Executive Committee of the Board of Directors	The Center of Excellence in Innovation and Sustainability presented progress in implementing the portfolio's decarbonization strategy.	April/2024
Finance and Risk Committee	The Center of Excellence in Innovation and Sustainability presented the progress of the portfolio's decarbonization strategy.	June/2024
Sustainability Committee	The Center of Excellence in Innovation and Sustainability presented: -Progress in current compliance with Standard 461 regarding climate risk disclosure. -Progress on the portfolio's decarbonization strategy.	July/2024
Sustainability Board of Directors	The Center of Excellence in Innovation and Sustainability and the Wholesale business area presented: -The sectors and intermediate decarbonization objectives. -Methodology for setting short-term goals for Net Zero	November 2024
Sustainability Committee	The Center of Excellence in Innovation and Sustainability and the Wholesale business area presented: -The sectors and intermediate decarbonization objectives.	December/2024

### Commitment to Transparency

Bci publishes its sustainability and sustainable financing policies on its website, ensuring the transparency and accessibility of its commitments. This reinforces its alignment with international best practices in climate risk management and the transition to a sustainable economy.

## Corporate sustainability policy

It establishes the principles and guidelines that enable the integration of environmental, social, and governance sustainability capabilities and criteria into the Group's strategy, people, business models, systems, and metrics.

Its strategic focuses are (1) caring for the environment by enabling sustainable financing and investment, (2) building an inclusive and equitable society, promoting financial and digital empowerment, and (3) strengthening trust through a transparent, empathetic and responsible business model.[Link](#)

## Sustainable financing policy

Banco de Crédito e Inversiones' (Bci) Sustainable Financing Policy establishes criteria and scope to strengthen its sustainability strategy, promoting businesses that generate positive economic, social, and environmental impacts. This policy applies to the SME Banking, Nace, and Wholesale & Investment Banking areas and seeks to support its clients with sustainable financial solutions.[Link](#)

## Strategic Analysis and Evidence-Based Decision-Making

In 2024, the special report prepared by Bci's economic studies area, entitled "*Economic Analysis of Climate Change: Impacts on Activity and Challenges for Decarbonization*" This analysis considers a global context, growth by economic sector under different temperature scenarios, and investment opportunities, providing a basis for strategic decision-making in the context of climate change. For more details, see here:[Link](#)

## Capacity Building

Capacity building on climate issues is a priority for Bci. Throughout the year, sessions on climate-related topics were held at various management and executive levels:

- Meetings with international experts such as Nigel Topping and Gonzalo Muñoz, both COP champions and global leaders in climate change, aimed at understanding how the financial industry is implementing its plans for a transition to a low-carbon economy.

These sessions contributed to a deeper understanding of the challenges and opportunities presented by the transition to a low-carbon economy.

## Incentive Mechanisms

With the aim of driving progress on long-term commitments, Bci has developed a sustainability index that directly influences the bank's annual strategy achievement. As such, this Bci sustainability index serves as a goal-setting incentive for all employees and is part of the Balanced Scorecard for senior management, including the CEO.

This index is calculated based on the achievement of goals associated with the sustainability strategy and the evaluation of ESG performance.

Environmental and climate indicators include:

- Green financing volume (accumulated stock).
- Corporate Decarbonization Plan.
- Market share in sustainable bonds.
- Percentage of assets under management (AUM) with ESG criteria.

These indicators are linked to specific goals for the bank's different segments, ensuring that sustainability, risk management, and climate opportunity priorities are shared across the organization.

## STRATEGY

### Climate risk identification

Following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the UNEP FI guidelines, Bci has evaluated two key scenarios. The first is the RCP 8.5 (Intergovernmental Panel on Climate Change - IPCC) scenario, which represents high global warming with no coordinated global measures and continued high emissions. This scenario projects warming of up to 4 °C by the year 2100. The second scenario is the IEA SDS (International Energy Agency), which represents a rapid transition towards a low-carbon economy with the goal of limiting global warming to below 2 °C.

Bci has identified specific risks that could have a significant impact on its operations and assets. Below, we provide further details on the impacts and opportunities identified according to the types of anticipated climate risks: transition and physical.

Transition risks	Potential financial impact	Chance
<b>Politicians</b>		
Changes in climate regulation and policies	Increased costs due to necessity to adapt to new regulations and regulations, both for customers and for Bci  Loss of ability to pay financial obligations due to increased costs/expenses of customers in carbon-intensive sectors	Opportunity to develop technologies and innovative solutions that meet with regulations and mobilize decarbonization
<b>Market</b>		
Changes in investor appetite and consumers by companies sustainable	Divestment of non-company companies sustainable and/or carbon-intensive, which may affect the market valuation of Bci or customers.	Opportunity to improve the image and reputation of the company through adoption of sustainable practices
<b>Technological</b>		
Replacing existing products and services with lower-emission options	Loss of payment capacity due to the reduction in the value of some obsolete or highly polluting assets	Opportunity to finance and support clients' transition plans.
Significant capital expenditures on low-carbon technologies	Rising CAPEX costs for companies and faster depreciation of customers' carbon-intensive fixed assets	Opportunity to finance R&D in innovative solutions.
<b>Reputation</b>		
Reputational risk for not aligning with climate action (at the corporate level of	Loss of market share or of own capital and clients	New alliances and opportunities positioning according to characteristics related to climate change

Transition risks	Potential financial impact	Chance
the client portfolio)		
Scandals, poor customer service, breach of ethical standards, among others others, may affect Bci's reputation, decreasing customer confidence	Loss of income	Build and maintain a corporate culture based on transparency, ethics and social responsibility, provide excellent customer service and use social media and other channels communication to strengthen the company reputation

Physical risks	Potential financial impact	Chance
<b>Acute</b>		
Disruption in operational continuity due to events extreme weather	<p>Loss of business assets after extreme weather events, which can include both infrastructure physical as equipment and technology, both for Bci and for customers</p> <p>Considerable costs to improve the resilience of the organization and/or repair damage caused by events extreme weather conditions for both Bci and its customers</p>	<p>Implement disaster prevention and response measures, such as purchasing adequate insurance and conducting evacuation drills, to minimize impacts and increase the organization's resilience.</p> <p>Opportunity to offer innovative products and services that support customers in strengthening resilience to extreme weather events</p>
<b>Chronicles</b>		
Decrease or loss of productivity in water-intensive industries due to prolonged periods of dry weather	<p>Impact on land, processes, water resources for human or animal consumption</p> <p>Loss of customers' ability to pay due to reduced productivity</p>	<p>Opportunity to offer innovative products and services that support customers in strengthening adaptation to climate change</p> <p>Explore opportunities for financial inclusion, offering services to segments of the population that have been historically excluded</p>
Impact and displacement of cities and operations in the country's coastal territories due to rising sea levels	<p>Loss of ability to pay financial obligations of clients due to regional climate displacement of people and economic activities</p> <p>Relocation of Bci offices located in coastal areas</p>	Opportunity to offer innovative products and services that support customers in strengthening adaptation to climate change

<p>Health risks for workers and reduction in productivity, created by high temperatures and heat waves</p>	<p>Loss of payment capacity of companies in sectors that directly depend on weather conditions, such as agriculture, fishing, tourism and energy</p> <p>Interruption in the operation of Bci offices</p>	<p>Offer parametric heat wave insurance, designed to protect businesses and workers against operational disruptions and lost productivity</p> <p>Identify the sectors most vulnerable to heat waves and advise clients on strategies to improve their climate resilience.</p>
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The strategic pillars established to effectively manage the risks and opportunities associated with climate change are presented below.

### Net Zero Strategic Pillars

Bci has defined a long-term strategy with two fundamental pillars. The first is the decarbonization of its financing and investment portfolios, aligning with the goals of the Paris Agreement and the transition to a low-carbon economy. The second pillar focuses on promoting sustainable solutions through its products and services, seeking to provide its clients with options that allow them to face the challenges of climate change and take advantage of the opportunities of a sustainable economy.

#### Portfolio Decarbonization

Banco Bci has adopted a roadmap aligned with the objectives of the **Paris Agreement** and the commitments assumed as a signatory of the **Net-Zero Banking Alliance (NZBA)**. To this end, it is working to increase its investments in sustainable sectors such as renewable energy and energy efficiency, and to support clients in their transition plans.

Additionally, it has defined its first short-term (2030) sectoral intensity reduction targets for the energy and cement sectors (see metrics chapter).

#### Promoting Sustainable Solutions

Bci seeks to empower its customers with options that facilitate their transition to sustainability:

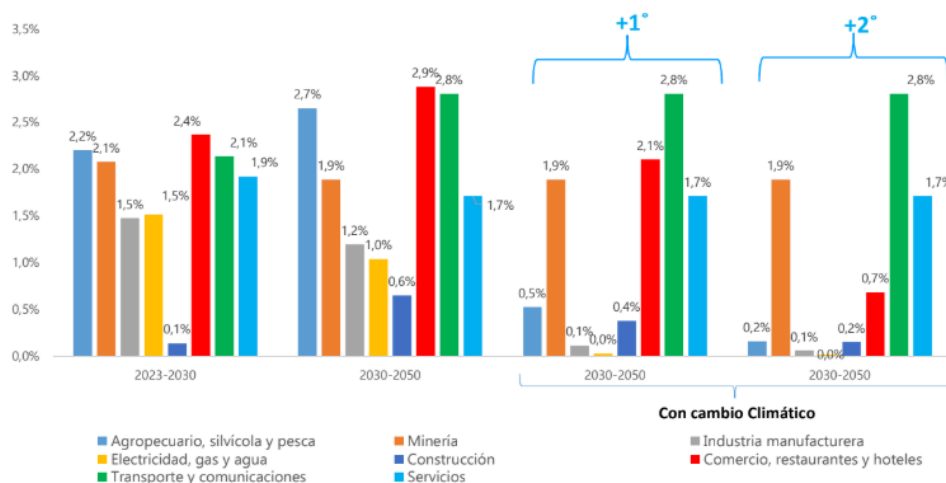
- Development of green financial products, including lines of credit for energy efficiency, water efficiency, renewable energy, and electromobility.
- Green leasing solutions for financing everything from electric vehicles to photovoltaic panels.
- Credit cards with benefits at various green businesses that help protect the environment.
- Green investment products, including funds and portfolios, that incorporate social, economic, and environmental criteria.
- Launch of a fire and weather risk insurance policy for fruit crops that covers losses caused by extreme weather events, such as floods, drought, frost, and others.

### Climate scenario analysis

To assess the potential impacts of rising global average temperatures on economic sectors relevant to BCI, an external model developed on "The Impact of Climate Change on Chile's Economic Output: Past and Future" was used to analyze three scenarios: a baseline scenario with no climate change, a scenario with a 1°C temperature increase, and a third scenario with a 2°C increase. It should be noted that if the world does not make progress on its decarbonization goals, the scenario with the greatest temperature increase becomes the most likely, inevitably generating more detrimental economic effects.

In this way, the projected growth by economic sector in the three scenarios was graphed as a percentage for the period 2030 to 2050. As a result, a considerable decrease in economic growth is perceived for the agricultural, forestry and fishing, manufacturing, electricity, gas and water, construction and trade, restaurants and hotels sectors primarily.

**Figura 4. Crecimiento por sector económico con distintos escenarios de temperatura**  
(porcentaje)



Finally, Chile's GDP was projected under three scenarios for the next 25 years, yielding a difference of US\$60 billion between the case without climate change and the case where the average temperature of the Earth's surface increases by 2°C, allowing the full long-term impact of climate change on the Chilean economy to be realized.

This exercise is macroeconomic in nature and does not constitute a direct analysis of the Bank's portfolio; however, it serves to guide strategic discussions. It is expected that these results, as well as specific stress tests for the Bank's direct exposure, will be incorporated into decision-making and risk management processes.

### Operational eco-efficiency plan

Consistency in its actions is very important to Bci, which is why it has an Operational Eco-Efficiency Plan with goals for 2028 that reinforce its commitment to sustainability:

- **Energy:** Reduce absolute consumption by 16% and achieve 100% use of renewable sources.
- **Carbon Footprint:** Mitigate 46% of emissions and maintain annual carbon neutrality.
- **Waste:** 90% of waste recovery, minimizing the use of landfills.
- **Water:** 24% reduction in water consumption.
- **Paper:** 30% reduction in paper consumption.
- **Single-use plastics:** Complete elimination by 2028.

The implementation of this strategy aims to standardize the processes associated with the organization's environmental control and manage the use of resources allocated to Bci's services through specific action plans. This is all with the goal of improving environmental performance and contributing to the corporation's carbon neutrality goal.

Another important point of this strategy is that it seeks to be part of the culture of employees, suppliers, customers, and board members so that their actions contribute to the environment.

### RISK MANAGEMENT

Bci is developing a climate risk management system to identify, assess, and manage risks related to climate change, enabling it to integrate these risks into its overall risk management

framework and align with international best practices. The results of the initial analyses and actions are presented below. Vulnerability is understood as the degree of susceptibility or inability of a system to cope with the adverse effects of climate change, particularly climate variability and extreme events. The exercise was carried out to explore scenarios, identify trends, and generate analytical input. However, for the time being, the results are not yet considered in the decision-making process, serving instead as an informative or reference complement to the overall analysis.

### Identification of climate vulnerability

In order to address climate risk analysis from a top-down perspective, physical and transition risks are assessed, through the definition of different criteria, in key sectors of the economy.

For physical vulnerability, the following criteria were taken into account:

1. Dependence on natural resources, including water.
2. Dependence on secure energy supply
3. Climate-sensitive inputs
4. Dependence on safe transport routes
5. Climate-sensitive assets and processes
6. Climate sensitivity of market demand
7. Health dependency and work productivity

For transition vulnerability, the following criteria were taken into account:

1. Climate and environmental regulation
2. Carbon intensity
3. Sensitivity in the value chain
4. Changes in demand
5. Capital investment
6. Reputation

Based on these various weighted factors, results were obtained that allowed us to classify the vulnerability of these sectors to climate risks in Chile.

Economic sector	Vulnerability to risks	
	Physical risks	Transition
Education	Green	Green
Other services	Green	Yellow
Trade	Orange	Yellow
Financial	Yellow	Orange
Telecommunications	Yellow	Orange
Health	Orange	Orange
Real Estate	Orange	Orange
Entertainment	Yellow	Orange
Agriculture, livestock and forestry	Red	Orange
Concessions	Orange	Red
Transport	Orange	Red
Energy, gas and water	Red	Red
Mining	Red	Red
Other industries	Red	Red

\*Red being the highest vulnerability and green being a lower vulnerability.

Additionally, Bci has a process called RIA (Risk Impact Analysis), which includes the identification and assessment of climate and non-climate risks, calculating their magnitude. This process is reviewed and validated by a specialized internal team. Material risks are defined according to their impact, frequency, defined thresholds, and established limits. These risks are then presented to Senior Management and the Board of Directors for review and approval.

Likewise, the bank conducts an internal self-assessment that analyzes the management, methodologies, processes, and governance related to material risks. This helps identify, measure, and monitor risks in accordance with the defined risk appetite. The entire system is periodically audited by the CMF and other regulators, ensuring compliance with regulations and best practices. This year, for example, within the 2024-2025 Sector Vision Update, in addition to evaluating the sectors' projections from an economic perspective, a qualitative analysis was included based on the aforementioned climate vulnerability heatmaps.

### Integration into risk management

Currently, ESG risk is considered among material risks. It has been defined as: *"Risks related to the impacts of climate change, both physical and related to the transition or adaptation to a new green economy, and those associated with social considerations that economic activities must meet, as well as governance factors."*

In this context, Bci has developed a sustainability plan with the aim of fostering the engagement of all stakeholders and collectively promoting a growing contribution from the financial industry to the sustainable development of society. In this regard, in 2019, Bci's Board of Directors approved the identification of climate change as an emerging risk, and in 2020, the systematization of actions aimed at making significant progress in mitigating this risk, integrating best practices in conjunction with its stakeholders.

Bci recognizes itself as a critical enabler that can support the country in its transition to a low-carbon economy through the following actions:

- Have an environmentally friendly operation.
- Promote investments and/or financing related to sustainable and/or low-carbon activities, in addition to being relevant to the value or production chains of the productive or manufacturing sectors.
- Promote technological advances and innovation in energy efficiency, renewable energy, electromobility, and efficient water use.

### Identification of climate opportunities and risks

BCI seeks to promote the financing of sustainable businesses that mitigate climate risk and/or enable adaptation to climate change, contributing to environmental protection. To this end, the bank has implemented the BCI Sustainable Financing Policy, which establishes criteria and scope to strengthen its sustainability strategy, promoting businesses that generate positive economic, social, and environmental impacts.

The Sustainable Business Rating Council is responsible for analyzing, evaluating, and verifying that all financing proposed as Sustainable Businesses comply with the ESG criteria of this policy. This seeks to define a framework for action to encourage the origination of new sustainable financing, which is currently classified under the sustainable financing policy and summarized in three types of financing:

1. Sustainable Destination of Funds: Financing intended exclusively to promote positive environmental and social effects
2. Sustainable Clients: Clients with businesses certified as sustainable by external or internal entities
3. Sustainable Covenants: These are financing options granted to clients who sign commitments to reduce CO2 emissions in their operations. These commitments are validated by third parties and verified annually.

Through this approach, the bank seeks to promote sustainable and climate-resilient financing practices.

## Environmental Credit Risk Assessment Policy

Regarding the identification of environmental risks, a *Environmental Risk Assessment Policy* This policy allows for the articulation of the impact of climate change on certain BCI clients from a credit risk perspective. This policy establishes a structured approach to identifying and assessing credit risks arising from environmental risks, especially those related to climate change. Initially, it applies to clients in the power generation and cement production sectors within the Corporate Banking division.

The objective is to assess the impact of physical and transition climate risks on clients' solvency, as well as other environmental risks that may affect their operational capacity, regulatory compliance, and access to financing. This analysis is based predominantly on public information and allows debtor companies to be classified into five risk levels, defining specific actions for each case.

## METRICS AND OBJECTIVES

### Funded issues

Since 2021, Bci has been measuring its financed emissions from its operations in Chile. This measurement currently includes the Wholesale and SME segments, as well as its subsidiaries Bci Asset Management and Bci Corredor de Bolsa.

To measure financed emissions, the Partnership for Carbon Accounting (PCAF) standard was used. This initiative provides guidelines for consistent and comparable assessment and calculation of indirect emissions attributed to financing or investment activities of financial institutions.

Additionally, the measurement corresponds to seven types of assets considered in the PCAF methodology:

- corporate stocks and bonds;
- commercial loans and investments in non-commercial companies listed;
- project financing;
- commercial real estate;
- mortgages;
- vehicle loans; and
- sovereign debt.

The quantification of financed emissions is the starting point for developing Bci's decarbonization strategy, aimed at playing a role as a facilitator of financial solutions to support its clients toward a low-carbon, climate-resilient economy.

This table below reflects the year-over-year (2022-2023) comparison of the Net Zero Banking Alliance's wholesale banking sector emissions measurement derived from its commercial lending, calculated using the PCAF methodology.

WHOLESALE BANKING - COMMERCIAL LOANS 2022-2023\*

NZBA SECTOR	EMISSIONS [TON CO2E]		INTENSITY [TONE CO2E/MM CLP]		PCAF NOTE	
	2022	2023	2022	2023	2022	2023
Coal	0	12	0.00	1.03	N/A	4.0
Oil and gas	6,187	13,309	1.22	0.31	4.0	4.0
Gas	1,180,146	293,567	10.24	4.90	4.0	4.0
Oil	21,213	18,151	1.23	0.78	4.0	4.0
Power generation**	2,907,238	583,508	9.73	1.84	3.5	3.7
Commercial real estate	44,189	52,237	0.05	0.03	4.0	4.4
Iron and steel	208,291	193,622	2.44	1.31	4.0	4.0
Aluminum	0	0	0.00	N/A	N/A	N/A
Cement	236,395	271,991	2.33	2.57	4.0	2.6
Agriculture	750,276	1,160,443	1.83	2.03	4.0	4.0
Food manufacturing	171,593	114,187	0.69	0.60	3.9	4.0
Ground transportation	311,029	295,932	8.07	6.99	4.0	4.0
Maritime transport	376,434	123,341	6.03	1.73	4.0	2.2
Air transport	219,896	24,348	22.22	1.94	4.0	4.0
Automobile manufacturing	3,390	1,852	0.66	0.77	4.0	4.0
Other sector	5,082,822	3,799,117	0.72	0.60	4.0	4.0
Total	11,519,098	6,945,614	1.23	0.73	4.0	4.0

\*First year this breakdown is disclosed.

\*\* The year-over-year variation (2022-2023) for the Power Generation sector is mainly due to the adjustment of the classification of clients according to their operating status and PCAF methodology.

The following table reflects the year-over-year comparison (2022-2023) of Bci's financed emissions measurement, including retail banking (SME), wholesale banking, Bci Asset Management, and the Stock Brokerage firm classified by asset type (PCAF). Of the Bank's total assets (CLP 79,301,153

million in 2023), Bci was able to measure 26.2% of its emissions, given the limitations of its financed emissions measurement methodologies and data availability.

### Bci FINANCED ISSUES 2022-2023

TYPE OF ASSETS PCAF	EMISSIONS [TON CO2E]		INTENSITY [TONCO2E/MM CLP] FINANCED ISSUES / STOCK_CLOSING_MM		PCAF NOTE		COBERTURA* STOCK/STOCK MEDIBLE PCAF	
	2022	2023	2022	2023	2022	2023	2022	2023
Stocks and bonds	849,919	1,279,776	0.286	0.385	3.30	2.89	69.95%	97.56%
Commercial products	12,598,375	7,822,511	1.032	0.659	4.20	4.09	99.73%	97.26%
Commercial real estate	10,713	8,009	0.053	0.024	4.98	5.00	39.95%	94.56%
Residential properties	450	92	0.027	0.018	4.98	5.00		94.23%
Vehicles	170,001	90,134	0.482	0.309	2.76	3.20	98.70%	99.96%
Sovereign debt with LULUCF	204,071	314,333	0.114	0.100	1.95	2.00	93.76%	100.00%
Sovereign debt without LULUCF**	373,307	577,229	0.209	0.184				
Project financing	84,715	149,038	0.062	0.082	4.05	3.73	99.87%	100.00%
Total**	13,918,244	9,663,894	0.736	0.466	3.80	3.55	91.46%	97.56%



\*\* Total con UTCUT

## Sectoral reduction targets

In 2023, Bci strengthened its commitment to sustainability by joining the Net Zero Banking Alliance (NZBA), a global initiative that brings together leading banks to accelerate the transition to a low-carbon economy. This alliance seeks to align credit and investment portfolios with the goal of achieving net-zero emissions by 2050 at the latest. This commitment is complemented by the Sustainability and Sustainable Investment Policies, which highlight the importance of promoting concrete actions to address the challenges of climate change.



As a financial institution, the bank recognizes its responsibility and the key role it plays as a catalyst for the transformation toward more sustainable production models. For this reason, it has defined its first sectoral targets for financed emissions reductions.

### Energy

METHODOLOGICAL VARIABLES		
Scope	1 and 2	In the Power Generation sector, Scopes 1 and 2 are the most relevant, as they directly represent emissions associated with the burning of fossil fuels in plants and the consumption of electricity used in operations.
Scenery	SBTi 1.5°C	The goal is defined with a scenario aligned with science, meaning the trajectory seeks to limit global warming to 1.5°C.
Emissions calculation methodology	 PCAF	Global standard that guides financial institutions in measuring and disclosing financed emissions. In this case, the established methodology for commercial lending is used.
Value chain		The focus is on the power generation segment, where decarbonization efforts have the greatest impact on reducing the sector's overall emissions.

TARGETS	
Baseline year	2022
Baseline	0,73 tCO2/MWh
Target year	2030
Target	0,21 tCO2/MWh
% reduction by 2030	71

## Cement

METHODOLOGICAL VARIABLES		
Scope	1 and 2	In the cement sector, Scopes 1 and 2 are the most relevant because the majority of emissions come from clinker calcination (Scope 1) and energy consumption in plants (Scope 2), while Scope 3 emissions, such as those from transport or product use, are less significant in comparison.
Scenery	GCCA 1.5°C	The goal is defined with a scenario aligned with science, defined by the <i>Global Cement and Concrete Association-GCCA</i> , and is used by the cement sector roadmap in Chile.
Emissions calculation methodology		Global standard that guides financial institutions in measuring and disclosing financed emissions. In this case, the established methodology for commercial lending is used.
Value chain		The focus should be on clinker production, as it is the most fossil-fuel-intensive process. Targeting decarbonization efforts at this link will achieve the greatest impact on emissions reductions throughout the value chain.

TARGETS	
Baseline year	2022
Baseline	0,64 tCO <sub>2</sub> / ton of cement
Target year	2030
Target	0,53 tCO <sub>2</sub> / ton of cement
% reduction by 2030	17

One of the tools Bci will use to monitor the progress of its financed emissions reduction goals is the Corporate Sustainability Index, which integrates sustainability performance metrics into its strategic management model. This index includes a percentage of compensation tied to the achievement of specific sustainability goals, such as the increase in green financing and the percentage of assets under management (AUM) classified as ESG (Environmental, Social, and Governance).

### Climate impact metrics

Other climate change-related metrics and targets are shown in the table below.

Theme	Metric (unit)	Value (quantity)	Comments
Operational carbon footprint (scope 1)	tCO <sub>2</sub> eq	2022: 599 2023: 395 2024: 410	Verified by an independent third party: Corporate Citizenship Chile
Operational carbon footprint (Scope 2)	tCO <sub>2</sub> eq	2022: 5,470 2023: 4,236 2024: 3,383.6	-Verified by an independent third party: Corporate Citizenship Chile -Emissions calculated

Theme	Metric (unit)	Value (quantity)	Comments
			using the market method
Operational carbon footprint (Scope 3)	tCO <sub>2</sub> eq	2022: 8,759 2023: 10,567 2024: 8.664,40	Verified by an independent third party: Corporate Citizenship Chile
Emissions Reduction Targets - Operating Footprint	%	Goals for 2028 <ul style="list-style-type: none"> <li>• 46% reduction compared to the baseline (2017).</li> <li>• 70% reduction in business travel compared to baseline (2017).</li> </ul> 100% Coverage	<ul style="list-style-type: none"> <li>-Objectives aligned with the SBTi 1.5C trajectory.</li> <li>-Obtaining the Neutralization Seal from the Huella Chile program.</li> </ul>
Environmental Financing 2024*	USD M	1,923	
Ambition 2026 for environmental financing	USD M	2,055	
Incentives linked to climate goals	%	10% of Bci's Balanced Scorecard is linked to meeting sustainability goals.	-Corporate Sustainability Index

\*We are in the process of dividing the volume of sustainable financing between green and social. The 2024 green financing outcome could still include a small percentage of sustainable financing.

### Use of carbon credits

Regarding the operational footprint, 100% of residual emissions are offset each year through the purchase of verified national carbon credits. This has resulted in the company obtaining the Neutralization Seal from the Huella Chile program.

At this time, the use of carbon offsets to meet climate targets associated with financed emissions is not contemplated. The priority is to implement concrete measures to support clients in their decarbonization. However, it is recognized that the regulatory landscape and market practices are constantly evolving. Therefore, we will take a proactive approach and periodically evaluate the possibility of incorporating carbon credits into our processes.