Executive Summary: Environmental Credit Risk Assessment Policy

The Environmental Risk Assessment Policy aims to integrate environmental criteria into the credit risk assessment process. This involves leveraging insights and knowledge derived from identifying and understanding risks associated with climate change. The policy focuses on evaluating the impact of exposure to specific environmental risks or non-compliance, with a primary emphasis on climate change-related risks (physical and transition risks). The goal is to proactively address situations that could lead to violations of environmental laws or regulations, reputational damage, social sanctions, or negatively impact access to financing, key suppliers, or market access for products.

This policy seeks to promote the adoption of effective practices for identifying and assessing physical and transition risks. It prioritizes the use of data analysis and publicly available information from official sources such as SNIFA and ARCLIM, among others.

This document establishes a framework for identifying and evaluating credit risks stemming from environmental factors for Corporate Banking clients of the "Wholesale & Investment Banking" Division. In this initial stage, it applies to clients in the energy generation and cement production sectors , with the aim of gradually extending this to more clients, segments and industries.

The policy suggests classifying debtor companies into one of five possible levels based on the analysis. Specific actions are then recommended for each level.

These actions will provide complementary information for a comprehensive credit risk assessment. Ultimately, this will enhance the understanding of BCI clients' environmental compliance or non-compliance, supplementing existing variables already part of the credit risk analysis.Within the framework of environmental factor analysis, these factors will be considered in financing evaluations, though their mere presence will not necessarily determine credit approval.The environmental risk levels (High, Medium High, Medium, Medium Low, and Low) should guide the qualitative assessment of financing. Materiality will be assigned based on the existence of mitigation plans, the absence of risks, or environmental monitoring.

Under no circumstances will the sole presence of these elements determine the approval or rejection of financing, unless explicitly decided by the respective committee, in accordance with current credit risk policies or other justifications duly regulated in BCI's manuals, KYC procedures, regulations, and/or policies, and the ESG exclusion list.