

Zero net emissions objective



Under current national and international policies, it is expected that the average global temperature will increase between 2.5°C and 2.9°C by 2100 compared to pre-industrial levels (Climate Action Tracker, 2022). This increase in temperature will likely result in more frequent and more severe climate threats, making it imperative to commit to a high level of transitioning towards a low-carbon economy.

Financial institutions are uniquely positioned to influence other organizations through their investment and lending activities. They play a significant role in aligning the allocation of financing with the decarbonization of organizations in the real economy. Furthermore, the financing provided by financial institutions removes the barriers faced by companies seeking to reduce their emissions.



BancoEstado is already taking actions through its environmental policy to achieve a carbon-neutral economy by 2050. The institution is committed to offering various products and services that can help achieve this goal. Additionally, it has joined the Green Agreement led by the Ministry of the Treasury, which aims to contribute to financial stability, meet Chile's climate commitments, and participate in the United Nations' Race to Zero campaign.

To achieve zero net emissions by 2050, BancoEstado has taken the first step by measuring its financed emissions for 2019, 2020, and 2021, aligned with the methodology proposed by the Partnership for Carbon Accounting Financials (PCAF).



PCAF Partnership for Carbon Accounting Financials

BASE YEAR (2021): 24.343 ktCO₂e



Recently, the Bank has made a commitment to reduce its financed emissions to a level that aligns with the objectives of the Paris Agreement, which aims to keep the global temperature increase below 1.5°C compared to the pre-industrial era. The Bank is following the guidelines of the Science-Based Targets initiative (SBTi) for financial institutions to set this objective.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Commitments of BancoEstado



BancoEstado commits that 100% of its listed equity and bonds portfolio will have committed targets to the Science-Based Target initiative by 2040.



BancoEstado commits to reduce GHG emissions from the Electricity Generation sector within its corporate loan portfolio by 74% per MWh by 2030 from a 2021 base year.

The scientific position on the Fossil Fuels sector is in the process of being defined. BancoEstado will be attentive to the indications of the Science-Based Target initiative regarding this sector.

For now, BancoEstado commits to evaluate the implications and effectiveness of a plan to reduce financing for the Fossil Fuels sector that is aligned with the global goal of ceasing financing for this sector by 2030.

BancoEstado commits to reduce GHG emissions from Service companies within its corporate loan portfolio by 67% per square meter by 2030 from a 2021 base year.



BancoEstado commits to reduce GHG emissions from the Commercial Real Estate companies it finances by 67% per square meter by 2030 from a 2021 base year.