

Grupo Security

ESG Support Document CSA 2023

1. Governance and Economic Dimension

1.1 Corporate Governance

Board Independence:

Grupo Security is governed by the Securities Law and Law No. 18,046 on Corporations (Ley de Sociedades Anónimas or the “Chilean Corporations Act”), which regulates corporate governance and independent director requirements, among other aspects. Given that we are regulated by this law, we cannot impose a specific independent director target on our shareholders. We have one independent director as required by Chilean Law Chilean Law No 18,046, article 50.

1.2 Materiality

Materiality analysis:

Currently Grupo Security is undertaking their first double materiality analysis, which incorporates all subsidiaries of the Group. However, in 2022, Banco Security led the way by undertaking an ESG mapping exercise including a cross-analysis of information collected from stakeholders. The study was approved by the Grupo Security Sustainability Committee, which includes five directors.

The main objective of this study was to assess ESG risks associated with customer behaviors, suppliers and employees connected to Banco Security business strategy. The instruments used were based on the SSIndex distributed across four pillars, with Likert, open ended, and additional questions for some stakeholders.

The most critical issues identified in the study were:

- Corporate governance
- Risk management
- Sustainability of Banco Security
- Customer relationship
- Environmental initiatives
- Management of teams and talent

Material Issue1: Corporate Governance – Ethical management: trust, integrity, anti-corruption, complaints channel, ethics.

Business case: Banco Security has a governance structure that ensures its activities are consistent with a culture that promotes and encourages corporate values of transparency, professionalism, and ongoing concern for the individual. The Bank has the highest level of corporate governance, aimed at safeguarding compliance with Chilean and banking industry regulations through internal mechanisms. Through its Board of Directors, Banco Security has made statements expressly highlighting ethical behavior and conduct as a fundamental basis for conducting its business in a sustainable manner. Ethical management is key for the Bank as any unethical behavior could impact the future of the bank financially (via fines, lawsuits, customer attrition, etc) and result in severe reputational damage.

Business strategies: Ethical management is included in the Banks vision, mission, value framework and purpose. The Bank implemented a governance structure and policies to guide its employees' conduct in

performing their duties. The Bank has a Conduct committee with board and senior management representation that oversees these issues, and a Compliance Division, which monitors and controls of the regulatory framework. The policy structure include the Code of Ethics, Code of Conduct, Conflicts of Interest Policy, Customary Related Party Transactions Policy, regulatory framework for Compliance, AML/CFT and Crime Prevention, among others. Every year, Banco Security employees participate in training courses on Law 20,393 on the Criminal Liability of Legal Entities and Law 19,913 on Money and Asset Laundering. They also review changes to policies. Through the complaint channel, employees and other stakeholders can report violations of their rights, anonymously, confidentially and free from retaliation. Additionally, the Grupo's directors committee has been tasked with monitoring and controlling these risks and, in particular crime prevention for all Group companies.

Material Issue 2: Management of teams and talent: Caring for people and teams, relationship between areas and with managers. Workplace incentives, such as benefits, remote work, compensation and life-work balance.

Business case: Since its fundation, Banco Security has been convinced that the success of its business lies in the people who make up the Company and has, therefore, focused on attracting the best professionals in the market who have a vocation for customer service and are enthusiastic about the company. The Bank promotes on going development of a work environment that encourages each person in the organization to fulfill their purpose, thereby contributing to the business, their families and society. Demonstrating that the Bank values professional growth and personal well-being attracts high-quality job applicants and, boots employee engagement, which results in greater productivity, innovative thinking and higher customer satisfaction.

Business strategies: At the Bank, we strive to prioritize work-family-life balance, striving each day to make sure all employees can successfully manage their personal and professional responsibilities. In 2022 we reduced our work week to less than 40 hours and continued to offer remote or hybrid work arrangements to employees who prefer to telecommut. Finally, we continued to invest in the professional development of our employees. In 2022, female employees participated in an average of 58 hours of training, while male employees logged 37 hours.

Material Issue 3: Customer relationship - loyalty, relationship management, communications, complaints and value, customer service.

Business case: At Banco Security, we have a customer-centric business strategy to ensure long-term relationships with our clients. Focusing on our clients different financial needs, being open and transparent and providing skilled, motivated and empowered people to deliver our customer experience results in improved customer retention, customer satisfaction, better customer relationships and a higher net promoter score.

Business strategies: Banco Security and its subsidiaries use the Excellence Management Model (EMM) to cultivate long-term relationships with customers. This assessment of quality management and experience helps detect which areas should be strengthened and improved. It also provides information on the maturity of customer experience management practices in order to optimize those processes and measure the importance that employees give to their customer relationships. In addition, account executives take part in the Retail Banking Division's ongoing training program to gain the necessary knowledge to perform their role effectively and deliver an excellent experience. In 2022, 100% of commercial teams were trained and the program is expected to be extended to the rest of the customer service channels during 2023. In 2022 we also focused on customer data security and personal data protection.

1.3. Risk and Crisis Management

1.3.1. Risk Management Process:

- Risk Management:

Grupo Security reviews the company's risk exposure annually.

It performs a yearly internal audit of the risk management process and has an external audit conducted on its Crime Prevention Model. The Crime Prevention Model covers management of key risks related to money laundering, terrorism financing, bribery, incompatible negotiations, unfair administration, misappropriation, water pollution and other illicit activities. The model establishes ethical standards for the development of the Company's commercial and operational activities, complementing the corporate code of ethics, codes of conduct, regulations and internal policies.

- Board Training on Risk Management:

Directors have access to an annual budget for consultant and training. In 2019 and 2021, they were trained by Beker Mckenzie in the areas of new risks and regulations. In addition, in 2021 the Board was trained in cybersecurity risks and in 2022, on the business risks, including value creation through SG management, financial materiality, the role of board members in incorporating SG factors into the business strategy and the Group's main gaps and challenges with respect to the requirements of the new general regulation 461. In 2023, the Board will once again be trained in cybersecurity, as well as risk related to sustainability.

- Employee Training on Risk Management:

Grupo Security has developed a training program to build its employees' regulatory, technical and critical skills. The first area is focused on legal compliance and customer security. Grupo Security also conducts continuous training on anti-corruption and antibribery policies, including law No. 20,393 and its amendments. Employees also have an annual mandatory awareness and training program on cybersecurity, the implementation of key risk indicators and the crime prevention model. Finally, in 2022 training was provided to the risk and reporting areas of the Group's companies on good disclosure practices based on the TCFD standard, to enhance their knowledge in order to better capture risks and opportunities associated with climate risk.

1.3.2. Emerging Risks:

Risk 1: Disruptive innovation (Fintech and Insurtech)

Description: Grupo Security's core business are Vida Security and Banco Security. Both industries are starting to undergo substantial changes. In the banking sector, the new Fintech law and open banking represents a crucial step forward, as they promote financial innovation and greater competition. In the insurance industry, Insurtech is also tightening competition. This heightened competition could result in better banking/insurance products and services at lower cost if the businesses adapt to new innovations and ecosystems. However, if businesses fail to evolve and adapt to these new ecosystems, the Fintech and Insurtechs could have a negative impact on the respective business model and market share of the Bank and Vida Security .

Impact: If businesses fail to evolve and adapt to these new ecosystems, Fintechs and Insurtechs could have a negative impact on the respective business model and market share of the Bank and Vida Security. Not keeping up with the disruptive innovation changing these industries could impact the demand for company products, affecting Grupo Security's reputation and resulting in severe financial impacts.

Mitigation: To stay ahead of these changes, both the Bank and Vida Security have been exploring and engaging in new partnerships and pilots with the Fintech and Insurtech ecosystems. In 2022, the Bank signed four new Fintech partnerships, including a bank sponsor service for issuers of pre-paid cards. In the insurance industry, Vida has strengthened collaboration, promoting the development of the Insurtech ecosystem in the country, via a collaborative partnership with InsurteChile (trade association). In addition, Grupo Security is undergoing a four-year digital transformation process to consolidate and complement its current business, while also adapting to new requirements and ways of working. To this end, the Group developed a digital plan focused on the four main businesses Banco (bank), Inversiones (asset management), Vida (life insurance) and Factoring Security, to develop digital business platforms and implement a corporate data lake.

1.4 Business Ethics

1.4.1. Corruption and Bribery:

Grupo Security does not make political and/or charitable contributions as a means of bribery and corruption.

Record for all anti-money-laundering/terrorism financing-related documents are kept for five years.

1.4.2. Reporting on breaches:

Reporting areas	Number of breaches FY 2022
Corruption or Bribery	0
Discrimination or Harassment	6
Customer Privacy Data	0
Conflicts of interest	0
Money Laundering	0

1.5 Information Security/ Cybersecurity & System Availability

1.5.1. IT Security/ Cybersecurity Governance

Digital Committee members: Chairman of the Board plus three directors

Renato Peñafiel
 Juan Cristóbal Pávez
 Gonzalo Pávez
 Naoshi Matsumoto
 Ana Sainz de Vicuña

Naoshi Matsumoto's experience in cybersecurity:

PC Factory S.A. (Chairman of the Board of Directors (To date)): Leads, the digital transformation strategy in all areas and processes of the company, in compliance with the regulations and needs of the market, authorities, customers, suppliers, etc. Process started in 2020.

SK Comercial S.A. (To date): Analyzes ongoing information from all technological tools and cybersecurity to implement the company's digital transformation since the beginning of the process.

1.5.2. IT Security/ Cybersecurity Process and Infrastructure

Tested at least semi-annually.

Grupo Security does not have Certifications associated with the Information Security infrastructure, since its service providers administer and manage the infrastructure and CGSI. Our suppliers are 100% certified.

2. Environmental Dimension

2.1 Emissions

2.1.1 Direct Greenhouse Gas Emissions (Scope 1):

Direct GHG (Scope 1)	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total direct GHG emissions (Scope 1)	metric tonnes CO2 equivalents	246	221	184	86
Data coverage (as % of denominator)	Percentage of: Reported square meters / total square meters	100	100	100	100

2.1.2 Indirect Greenhouse Gas Emissions (Scope 2):

IGHG (Scope 2)	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Location-based	metric tonnes CO2 equivalent	3651	2669	2630	1877
Data coverage (as % of denominator)	Percentage of: Operations	100	100	100	100
Market-based	metric tonnes CO2 equivalent	3651	2669	2630	1877
Data coverage (as % of denominator)	Percentage of: Operations	100	100	100	100

2.1.3 Indirect Greenhouse Gas Emissions (Scope 3):

IGHG (Scope 3)	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total indirect GHG emissions (Scope 3)	metric tonnes of CO2 equivalents	8119	4154	4160	4410

Scope 3 Category	Emissions in the reporting year (Metric tons CO2e)	Emissions calculation methodology and exclusions
1. Purchased Goods and Services	938	The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors.

		<i>Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category includes office supplies, bank cards and external datacenter services.</i>
2. Capital Goods	-	-
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	1	<i>The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category considers fuel manufacture under scope 1.</i>
4. Upstream transportation and distribution	172	<i>The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category includes transportation of value and courier services.</i>
5. Waste generated in operations	113	<i>The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category includesconsiders waste and recycling.</i>
6. Business travel	853	<i>The calculation was using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category considers business travel.</i>
7.Employee commuting	1470	<i>The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category considers employee commuting.</i>
8. Upstream leased assets	-	-
9. Downstream transportation and distribution	861	<i>The calculation was made using the Greenhouse Gas Protocol, compatible with the international standard ISO 14064. GHG emissions were obtained by multiplying activity data by documented emission factors. Emissions of the seven greenhouse gases recognized by the Kyoto Protocol and IPCC (CO₂, CH₄, N₂O, SF₆, NF₃, HFCs and PFCs) were considered. This category considers customer transportation, ATM's and web page.</i>
10. Processing of sold products	-	-

11. Use of sold products	-	-
12. End of life treatment of sold products	-	-
13. Downstream leased assets	-	-
14. Franchises	-	-
15. Investments	-	-
Other upstream	-	-
Other downstream	-	-

2.2 Resource Efficiency and Circularity

2.2.1 Energy Consumption

Total energy consumption	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total non-renewable energy consumption	MWh	9267	7195	6966	6269
Total renewable energy consumption	MWh	0	0	0	0
Data coverage (as % of denominator)	Percentage of: Buildings and branches	100	100	100	100

2.3 Waste

2.3.1 Waste Disposal

Waste	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total waste recycled/reused	metric tonnes	0,9225	2,383	0,1	0,8
Total waste disposed	metric tonnes	655	171	237	245
- Waste landfilled	metric tonnes	654	168	236	243
- Waste incinerated with energy recovery	metric tonnes	-	-	-	-
- Waste incinerated without energy recovery	metric tonnes	-	-	-	-
- Waste otherwise disposed, please specify	metric tonnes	-	-	-	1,4
- Waste with unknown disposal method	metric tonnes	1	3	1	0,6
Data coverage (as % of denominator)	Percentage of: Branches and offices	100	100	100	100

2.4 Water

2.4.1 Water Use

Water consumption	Unit	FY 2019	FY 2020	FY 2021	FY 2022
Total water use	million cubic meters	0,078	0,055	0,049	0,044
Data coverage (as % of denominator)	Percentage of: Offices and branches	100	100	100	100

3. Social Dimension

3.1. Financial Inclusion Products and Services

Financial Inclusion Product: Fogape Loans

Fogape is an economic support measure for micro, small and medium-sized companies that facilitates access to financing for working capital, investment or debt refinancing. The Guarantee Fund for Small Entrepreneurs (FOGAPE) is a state fund intended to guarantee a certain percentage of the principal of loans, leases and other financing mechanisms that public and private financial institutions grant to micro, small and medium entrepreneurs, as well as exporters, supporters and organizations of small eligible entrepreneurs defined in the fund law that lack or have insufficient collateral to apply for financing. Benefits of these economic measures include: financing term up to 60 months (about 5 years) based on credit assessment, special interest rate, no guaranteed commission, no cost for prepayment and exempt from stamp tax. All these benefits give microenterprises access to financial products.

Banco Security joined the Fogape credit granting policy promoted by the Chilean government and processed 1,171 loans with total principal of CLP\$133,338.

- Number of Fogape loan customers: 1,171
- Number of Fogape transactions/contracts: 1,171

Financial Inclusion product: Home Financing

Inmobiliaria Casanueva is a residential leasing company that helps low-income families with government housing subsidies purchase their first home. Its customers are individuals that are not served by the traditional banking system, with an average monthly family income of UF30 who receive financing for up to 80% of the property with a value ranging from UF 800 to UF 2,800. The company also participates indirectly in the mortgage financing market in projects with housing subsidies from the Ministry of Housing and Urban Development, between the regions of Coquimbo and La Araucanía. Casanueva offers its services in these regions through authorized agents. To date, Inmobiliaria Casanueva has directly and indirectly financed 4,500 families, with total loans of UF 3,822,106.

- Number of residential leasing customers: 4,500
- Number of residential leasing transactions/contracts: 4,500

Financial Inclusion Service

Auto Factoring is a 100% online platform where small and medium-sized companies can self-register as customers, conduct business and access resources in just a few hours. The system includes a cash flow panel that is focused on helping companies with their financial planning process. The system also has a control panel or dashboard to help monitor sales, search for invoices and generate projections of financial commitments, among others. The cloud-based platform seeks to facilitate digitalized and agile SME financing. The platform is focused on financing invoices and the entire process can be carried out online, quickly, with no formalities or paperwork, with the payment deposited immediately in the SME's account. In addition, thanks to an artificial intelligence model, the number of approved debtors has tripled in the last 12 months, thus increasing financing options for customers and expanding coverage to new companies in the Chilean market. A total of 506 customers used this platform in 2022, up 99% from 2021, generating CLP\$ 20.9 in financing from their accounts receivable.

- Number of Auto Factoring customers: 561 used the platform in 2022, up 99% from 2021
- Number of Auto Factoring transactions/contracts: 2,082

3.2. Non-financial Support

Financial Literacy

Our purpose as a Group is to contribute to the financial well-being of people and companies, and through financial literacy initiatives we seek to help them improve their financial management practices. We are convinced that financial literacy is essential for society to prosper.

Banco Security has a financial literacy website spotlighting topics such as budgeting, how to save, different types of credit and cybersecurity risks. In 2022, the page had 2,362 views. Vida Security has made a public commitment to promoting financial literacy and provides podcasts, videos and entries to the corporate blog on financial literacy for customers and the Vida Security community. Our Factoring subsidiary engages in financial literacy actions such as educational snacks on social media and webinars organized by Inversiones Security. In 2022, 77 educational snacks were posted on Facebook, Instagram and LinkedIn.

- Quantitative social impact: Number of views on Bank's Financial Literacy website.

Special Business Unit

The UNE (Special Business Unit) was created during the pandemic as, a kind of "field hospital" to evaluate restructuring actions or other solutions for customers undergoing hardship. In 2022, unity was maintained with a focus on the real estate sector. 28 real estate projects received assistance in extensions, restructuring, support.

Quantitative social impact 2022: 28 real estate projects