

## Social and Environmental Risk Management Policy

### Target

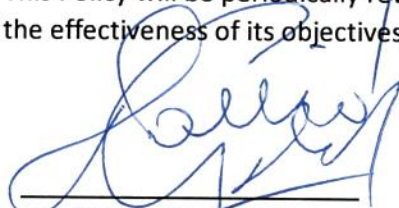
- Integrate environmental and social considerations into the credit management that allow identify, evaluate, mitigate and monitor social and environmental risks of our customers, in order to avoid undesirable events in the credit portfolio that affect the reputation, guarantees and cash flow of the organization.
- Improve the overall performance of the portfolio following as a reference current social and environmental regulations, contractual commitments and best practices.

### Scope

For all productive credit products offered by the Bank in Ecuador. Has been integrated into the entire credit process, from prospecting to follow up and monitoring.

### General Guidelines

1. Not to grant loans to those customers whose commercial activities are included in the list of activities that are not financed.
2. It will maintain an environmental and social risk management system (SARAS) that identify, evaluate, mitigate and monitor social and environmental risks of our customers
3. The S&E (social & environmental) assessment level is directly proportional to the level of risk
4. It will support its clients in understanding the S&E aspects that they must improve and comply with through the implementation of an S&E actional plan
5. Include the results and recommendations of the environmental and social risk assessment in the decision making process for granting loans.
6. You will inform your clients, collaborators and other interest parties
7. Establish and maintain an integrated organizational structure within the credit granting process with defined roles and responsibilities
8. Provide training and capacity team building to relevant personnel on environmental and social risk management issues
9. Encourage customers to comply with national legislation on occupational health and safety, environmental and social issues, as well as best practices in their sector.
10. This Policy will be periodically reviewed in such a way as to guarantee its validity and the effectiveness of its objectives, its guidelines and other elements that compose it.



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Sustainability and Organizational  
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### List of activities that are not financed

Banco Pichincha will not finance any activity, production, use, distribution, business or trade that involves:

1. Subscription and payment of shares of the Bank or another company of the Financial Group
2. Political campaigns
3. Cultivation, production and / or trade of\*:
  - weapons and ammunition
  - Tobacco
  - alcohol for human consumption- except for wine and beer
  - gambling, casinos and equivalent companies
4. Endangered species of flora and fauna
5. Production, commercialization or use of:
  - loose asbestos or asbestos fibers
  - Wood or other forest products that do not come from sustainably managed forests
  - persistent organic compounds
  - radioactive materials
6. Illegal, dangerous products such as: psychlorinated, biphenyls, pharmaceuticals, pesticides or herbicides, chemicals, substances that destroy the ozone)
7. Unsustainable fishing methods
8. Non-compliance with fundamental principles and rights for workers such as: Forced labor, child labor, discriminatory practices or practices that impede the right of association and collective bargaining
9. Activities that significantly degrade critical areas due to their high value of natural conservation and cultural heritage
10. transboundary movements of waste products, except non-hazardous waste destined for recycling
11. Acquisition of properties that are within protected areas)
12. (shipping oil or other dangerous substances on ships that do not meet IMO requirements
13. Export and import without the respective authorization
14. Employees who working businesses contrary to public morals and good customs.
15. Businesses that violate morality and good customs such as pornography or prostitution
16. Racist or anti-democratic media
17. Any business related to illicit activities or illegal activities under local regulation or according to international regulations or conventions

\* Activities excluded when they represent more than 10% of the volume of the financing portfolio