SOCIO-ENVIRONMENTAL GENERAL POLICY

SOFT COMMODITIES SECTOR

RISK DIVISION

1. INTRODUCTION

1.1 Objectives and Context

This policy aims at detailing Santander's Group criteria in the Soft Commodities Sector.

Forest resources (natural forests, forest plantations and reforested areas) have an unquestionable ecological value and, while also representing a source of wealth which translates into numerous commercial activities, such as wood treatment, soy and palm oil extraction, biofuel generation or cellulose pulp production for paper manufacturing.

In this regard, Banco Santander Chile and Santander Group are present in countries where the elaboration of products derived from forest resources is very high, a situation which requires the establishment of baseline standards that guarantee the sustainability of the projects and activities undertaken.

This document details the General Corporate Risk Framework and the General Corporate Compliance and Conduct Framework. This policy aligns and must be applied jointly to Santander Group's General Sustainability Policy.

1.2 Regulations Reference

This policy considers the best of practices, standards, and international treaties, such as:

- Certifications and reviewed principles and criteria related to the Forest Stewardship Council (FSC).
- The Forest Certification Systems Recognition Program (PEFC: Program for the Endorsement of Forest Certification).
- The principles and criteria for the sustainable production of palm oil from the Round table on Sustainable Palm Oil (RSPO).
- The standard for the responsible production of soy from the Round Table on Responsible Soy (RTRS).
- The Banking Environment Initiative Soft Commodities Compact
- Those related to Ramsar Sites[1], World Heritage, or areas classified by the International Union for Conservation of Nature (IUCN) as categories I, II, III or IV[2].
- The Equator Principles.

[1] The Ramsar Convention is the intergovernmental treaty that defines the framework for the conservation and use of wetlands.

[2] The International Union for Conservation of Nature (IUCN) classifies protected areas in relation to their environmental management objectives: Category I: Nature Reserve and Wilderness Areas, Category II: National Park, Category III: Natural Monument or Feature, Category IV: Habitat / Species Management Area

1.3 Definition and Scope

This policy establishes the criteria to be applied to the delivery of products and/or financial services to clients whose activity may have an impact on tropical and/or native forests, tropical savannas and savanna biomes or may be located in high-risk locations, and is related to the following activities:

- Wood extraction and processing
- The supply chain of raw materials used for manufacturing and processing of cellulose/pulp
- Soybean plantations
- Oil palm plantations
- Rubber plantations
- Soy, palm oil or rubber processing.
- Agricultural and farming activities.
- Biomass or biofuel production[3]

High-risk locations are considered to be: any country in Africa, Argentina (only the provinces of: Chaco, Formosa, Santiago del Estero, Salta and Tucumán), Bolivia, Brazil (only the Legal Amazon and the Northeast regions), Cambodia, China, Colombia, Ecuador, Estonia, Guatemala, Guyana, Honduras, India, Indonesia, Laos, Latvia, Lithuania, Madagascar, Malaysia, Mexico, Myanmar, Nicaragua, Panama, Paraguay, Papua New Guinea, Peru, Russia, Solomon Islands, Thailand, Vietnam, and any clients whose operative location we are unable to identify. The list of high-risk places will be periodically reviewed to adapt it expansions of the agricultural business with a socio-environmental impact.

In term of this policy, financial products and/or services are defined as: banking operations that involve credit risk, insurance, advisory services, equity, and asset management.

Exclusion criteria, described as prohibited activities in section 2 of this policy, are applicable in all Santander Group's business units.

Santander Corporate and Investment Banking clients will require an appraisal of the most relevant social and environmental risk impacts. This analysis will be more detailed when the financial products and/or services affect the restricted activity subsectors specified in section 2.

1.4 Scope

This policy applies to Banco Santander Chile.

[3] For the purposes of the Soft Commodities Sector policy, biomass is defined as "the biodegradable fraction of products, residues and waste of biological origin from agriculture (including animal and plant origin substances), forestry and related industries, including the fisheries and aquaculture sectors".

2 APPLICATION CRITERIA

2.1 Prohibited Activities

Santander Group will not provide financial products and/or services related to any of the following activities:

- Peat Swamps developments in High-Risk Locations
- Extraction and sale of native tropical wood species without Forest Stewardship Council certification (FSC).
- Projects or activities located in areas classified by the lists of Ramsar, World Heritage or by the International Union for Conservation of Nature (IUCN) as categories I, II, III or IV.

2.2 Restricted Activities

In the provision of financial products and/or services, Santander Group will destine special attention[4] to the social and environmental risks concerning the location of facilities for the following activities:

- Processes that have an environmental impact on forests of high ecological and/or social value included in the UNESCO world heritage list.
- The extraction and commercialization of native tropical wood species.
- Forest plantations within forests identified by official organizations.
- Developments in forested areas that have suffered fires or massive deforestation in the last five years
- The funding of activities that generate the expansion of agricultural areas or plantations in detriment of the natural forest.

[4] See section 1.3

3 GOVERNMENT AND CAPACITIES

The socio-environmental risk analysis is carried out following the internal procedure established by the Socio-Environmental Risk Analysis Methods.

This analysis should be integrated into the asset risk workflow, corresponding to the entities that sanction credit hazards to ensure that decisions considering socio-environmental menace and the criteria defined in this policy are being adopted.