



# Integrated Sustainability Report 2021



Prepared in accordance with GRI, SASB Standards and the Stakeholder Capitalism Metrics, WEF

# INDEX

Letter from the Executive President	4
How to read this Report?	6
Main figures	8

## 1

### Profile and context of Banco Guayaquil

1.1 Profile	11
1.2 Context	14
1.3 Capital	15
1.4 Sustainability Strategy	16

## 2

### Corporate Governance

2.1 Structure and operation	19
2.2 Organization chart	23

## 3

### Ethics and compliance

3.1 Ethics: promotion and monitoring	25
3.2 Commitment to the culture of compliance	27

## 4

### Risk management

4.1 Prevention and monitoring	29
4.2 Relationship with the supply chain	31

## 5

### Economic results

5.1 Relevant financial data	31
5.2 Statement of Profit and Loss and Summarized balance Sheet	33
5.3 Loan Portfolio Breakdown	38
5.4 Breakdown of Deposits	41

## 6

**Customer Connection**

- 6.1 Experience. . . . . 43
- 6.2 Comprehensive Security . . . . . 44

## 7

**Responsible Banking**

- 7.1 Introduction. . . . . 47
- 7.2 Financing and Sustainable Investment . . . . . 51
- 7.3 Financial Culture and Access to Banking . . . . . 51

## 8

**Team**

- 8.1 Introduction. . . . . 57
- 8.2 Diversity and inclusion. . . . . 58
- 8.3 Training and Career Development . . . . . 59
- 8.4 Security and health. . . . . 59

## 9

**Environmental management**

- 9.1 Environmental management. . . . . 65

## A

**Annexes**

- Annex I** Balance Sheet . . . . . 69
- Annex II** Detail of ESG Management . . . . . 70
  - Relationship with our Interest Groups . . . . . 70
  - Alliances and Memberships . . . . . 73
  - Respect for Human Rights . . . . . 74
- Annex III** Materiality Analysis . . . . . 76
- Annex IV** Advances in Responsible Banking . . . . . 80
- Annex V** Contribution to the Sustainable
  - Development Goals . . . . . 92
- Annex VI** Reporting frameworks and standards . . . . . 96
- GRI and Global Compact content Index . . . . . 96
- SASB parameter index . . . . . 110
- Stakeholder Capitalism Metrics Index . . . . . 112

# Letter from the CEO

(GRI 2-22)

Dear readers,

We take stock of a very significant year for everyone, due to the resilience and the effort to remain firm despite the uncertainty that the pandemic brought. Without a doubt, the country context in the second semester, with the exponential increase in vaccination, helped the economic recovery and allowed us to resume a more positive vision of the following months. GDP growth reached 4%, exceeding the expectations of the main International organizations. Hemos balance de un año muy significativo para todos, por la resiliencia y el esfuerzo para seguir firmes a pesar de la incertidumbre que todavía trajo la pandemia. Sin duda el contexto país en el segundo semestre, con el exponencial incremento en la vacunación, ayudó a la recuperación económica y nos permitió retomar una visión más positiva de los siguientes meses. El crecimiento del PIB alcanzó el 4%, superando las expectativas de los principales organismos internacionales.

In relation to our clients, we continue to advance in our strategy **Primero tú** (First You), which places them at the center of decision-making processes, products and services. The growth of digital channels, accelerated by the pandemic, brings us new users of online banking. To those who were and those who arrived, we want to offer simple, comfortable and safe care. We closed the year with more than 28 million virtual transactions,

they represent a growth of 75% compared to 2020; we emphasize that most of them are produced through our new application. As for clients, the growth was 52%, up to 590 thousand.

The positive evolution of the economy was favored by the delivery of credit from banks. As an institution we grew by 20% in the delivery of credit, well above the financial system. For companies, we provided US\$ 4,177 million in commercial credit; complementary to this, the enormous growth in our Microcredits with US\$ 178 million stands out, compared to US\$ 481 million in 2020. In this way, we contribute to the stability of its operation and the recovery of its activity. We also allocated the financing of the MiPymes most affected by the pandemic the US\$ 20 million that we raised at the end of 2020 with the issuance of the Social Bonus, the first of its kind in Ecuador. This allows us to connect with our understanding of responsible banking.

We believe in a banking model that contributes to economic and social development, while protecting the environment. Our Sustainability Strategy, launched in 2020, already conceives the generation of opportunities from the business, with the development of products and services, financial education and organizational culture. We are founding members of the Principles for Responsible Banking, coordinated by the United Nations





Environment Program Finance Initiative UNPE\_FI. In this way, during the year we have advanced in the design of credits with social and environmental criteria, respectively with emphasis on financial inclusion and the development of energy efficiency projects. During 2022 we will extend its commercialization, mobilizing our clients and future clients. It represents a step forward on the evaluation of environmental and social risks - SARAS, which allows us to analyze the main business credit operations.

Financial inclusion requires collaboration and alliances, like the rest of the main challenges of the Sustainable Development Goals. The Bankers of the Neighborhood (Banqueros del Barrio) play a fundamental role, bringing the products and services closer, mobilizing the use of the products by the client. We continue to be firmly committed to a model that already reaches 12,858 Bancos del Barrio, 39% more than in 2020. Inclusion connects with financial education, in which we serve different age groups, seeking to generate capacities that allow them to make appropriate decisions in managing current and/or future of their finances and in the choice of banking products. Thanks to the use of digital media, we were able to increase the reach to 32,989 trained people.

We are in a climate emergency, and as a financial institution we are working hard to reduce our environmental footprint. The energy monitoring program shows significant efficiencies, which contribute to lower greenhouse gas emissions; we also offset emissions to be carbon neutral, as a sign of our commitment to a better future. With clients, through the potential of credit, we also promote good environmental practices.

We are a diverse team, focused on talent and generating development opportunities. We continue to grow and we already have 2,989 collaborators, with 55% of the workforce being women. We promote equal opportunities in the professional career, advancing in the presence of women in middle and upper management. We are a signatory to the Women's Empowerment Principles-WEPs, an initiative of UN

Women and the United Nations Global Compact, and we actively promote compliance within the Bank.

Given the continuity of the pandemic, we continue to place special emphasis on guaranteeing the health of our collaborators, with different measures. We want to especially thank the commitment of each and every one of our collaborators throughout this time.

We are proud to be the best company to work for in Ecuador and the third in the ranking of the best companies in Latin America, in terms of work environment and employee commitment, according to Great Place to Work®.

The commitment to sustainable development cuts across the entire company, in which each employee can be a leader of change. As adherents of the United Nations Global Compact, we advance together in the implementation of its 10 Principles, related to human rights, labor practices, protection of the environment and anti-corruption practices.

The financial results accompany us, showing that this banking approach is possible and generates value. We achieved an ROE of 14.09%, the highest for banking in the country. Our technical heritage and provisions, well above those required, also guarantee stability.

The trust placed by our shareholders, even in times of difficulty due to the pandemic, was rewarded with a combined profit of US\$74 million, which is 123% more than in 2020.

Throughout this report we give an account of our main initiatives and results, in environmental, social and governance (ESG) aspects, of growing interest to the market, together with the associated evolution in financial and business indicators. We invite you to consult it.

**Econ. Angelo Caputi Oyague**  
CEO

# How to read this report?

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

**A**t Banco Guayaquil we are committed to sustainability, which we approach from the business, promoting that environmental, social and governance (ESG) factors form part of decision-making, as well as the active participation of our interest groups.

Through this report, we give an account of our performance in 2021. We continue with our path of transparency, issuing an integrated report for the second year. It includes all of the company's operations. Regarding the previous report, there are no restatements of information.

We respond to material issues, applying the concept of dual materiality in which socio-environmental and financial aspects are integrated, in accordance with international trends, and making use of related reference standards.

It was supervised by the Executive Vice President of Finance and Management Control, and was also validated by the Corporate Governance Committee and the Board of Directors. The information was compiled with the participation of different Bank units

and in accordance with the relevant techniques and standards in each case.

The report:

- It has been developed by applying the Global Reporting Initiative (GRI) Standards; We apply the new universal standards GRI 1, 2 and 3, launched in October 2021. Additionally, we apply the GRI Sector Supplement for Financial Services.

The GRI Standards respond to socio-environmental materiality and are intended for a wide audience.

- It also includes the Sustainability Accounting Standards Board (SASB) Standards for commercial banks, consumer finance and mortgage finance.

The SASB Standards address financial materiality and respond to information requirements, especially from investors.

- It accounts for our contribution to the Sustainable Development Goals (SDGs), a roadmap proposed by the United Nations (UN) to address the great challenges of society.





- It serves as our Communication on Progress (COP) for the Global Compact and we report on progress in implementing its 10 Principles.
- We communicate our progress with respect to the Principles for Responsible Banking, promoted by the United Nations Environment Program Finance Initiative (UNEP-FI). The Principles were developed to guide banks in strategically aligning their business with sustainable development goals.

For the first time, we incorporate the metrics of stakeholder capitalism (Measuring Stakeholder Capitalism initiative), from the International Business Council (IBC) of the World Economic Forum (WEF). These seek to communicate how the company works to create long-term value, taking into account the needs of the different stakeholders, with people and the planet at the center of the strategies. We use the core and expanded metrics that are related to the aforementioned double materiality.

#### How to identify the contents:

- On the cover of each chapter you will find: reference to the SDGs and the lines of action of the Sustainability Strategy.
- At the beginning of each section there is a reference to the contents of the GRI Standards and the SASB parameters.
- At the end of the report, our progress with respect to the SDGs, the Global Compact Principles and the Principles for Responsible Banking is detailed.
- Also the specific indexes of the reporting standards and frameworks: GRI, SASB and Stakeholder Capitalism.

# Main Figures

As of December 31, 2021

## Governance and ethics



Development of a set of ESG Policies



100% compliance with the new ARLAFGT regulations

## Customer connection



**2'696.139**  
Customers (+2%)



**586.864**  
Digital customers (+51%)



**60%**  
of savings accounts opened digitally



**70%**  
of the Multicredit product has been requested and granted online

## Financial literacy and access to banking



**12.858**  
Neighborhood Banks (+39%)



**32.989**  
people trained in financial education (children, youth and adults)



**US\$20** million  
from the Social Bonus channeled as financing to MiPymes



## Sustainable financing and investment



Carrying out 151  
environmental and social  
due diligences in

**155**  
clients



Training  
**450**  
clients in good environmental  
and social practices

## Internal commitment



**2.989**  
employees (+5%)



**55%**  
women on the workforce  
(similar to 2020)



**US\$463.569**  
investment in  
employee training  
(+33%)



**3'554.875**  
kWh electricity  
consumption (similar  
to 2020, within the 5  
buildings buildings)



**13%**  
reduction in GHG  
emissions  
(5 main buildings)

## Business results



**US\$4.177** million  
of Commercial  
Credit granted  
to companies  
(+13%)



Increase of  
**US\$637** million  
of Public  
Deposits



**US\$74** million  
Accumulated  
Profit (+123%)

# 1. Profile and Context

8 DECENT WORK AND  
ECONOMIC GROWTH



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## 1.1 Profile

(GRI 2-1)

### Our slogan **Primero tú** (First you)

We are a customer-focused bank, a people-for-people business, and our purpose is to “work permanently to offer the best banking experience”.

Since 2018, the *Céntrico* project has allowed us to delve especially into the expectations and needs of our clients, through different analyzes and consultations.

The result showed that the ideal bank is close, simple and transparent.

We subscribe to this approach, making progress in placing the customer at the center of decision-making and evolving our management model and way of working, especially through technology.

**The ideal bank is close, simple and transparent**

#### Central Project

- Focus on each segment
- Gain national projection
- Bet on digital integration
- Be a relationship bank

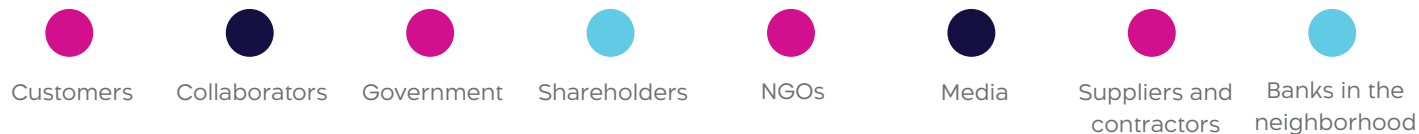
#### Our Values

- Passion
- Empathy
- Flexibility
- Innovation

#### Collaborator Profile

- Firm predisposition to persevere
- Understands others
- Adapts to changes
- Ideas new solutions

#### Our Stakeholders



## Products and services

(GRI 2-6)

At Banco Guayaquil **we offer products** and services for the different needs of our clients, to facilitate the development of their personal and professional projects in corporate banking, and business in SME and Corporate banking.

» Relationship with **stakeholders**

Our commercial proposal includes products and services that facilitate financial inclusion, including savings and credit. Likewise, they promote good environmental and social practices in companies, either: **1)** through evaluation by the Environmental and Social Risk Analysis System - SARAS, or **2)** with specific products for projects favorable to the environment.

» In detail: **Responsible Banking**



### Persons

#### Accounts

- Savings account
- Current account
- Friend account

#### Cards

- Debit Card
- Credit cards

#### Investments

- Investment policies
- Shares

#### Financing

- Educative credit
- Autofácil
- Casafácil
- Multi-credit

#### Transactional Services

- Payment of Collections
- Tax payment
- Transfers to other banks and abroad
- Remittances
- Foreign Exchange

### Companies

#### Accounts

- Business Checking Account
- Business Savings Account

#### Cards

- Business Credit Cards

#### Investment

- Investment Policies

#### Financing

- Credit For Working Capital
- Credit For Investment Capital
- Agricultural Credit
- Confirming
- Factoring
- Credit to Distributor
- Voucher Credit

#### Foreign trade

- Finance And Guarantees

- Import Letter of Credit
- Import Collections
- Export Letter of Credit
- Export Collections
- Foreign Credit Line: BNDES
- Correspondents

#### Treasury

- Buying And Selling Coins
- Transfers Abroad Transactional

#### Services

- Business Digital Channels
- Electronic Check Deposit
- Redicheckue
- Collections
- Payment of payroll
- Payments to third parties

### Financing

- Savings and checking account
- Credit

- Remittances



## Channels

(GRI 2-6)

For a better experience for our customers, depending on their needs at all times, we make different channels available to them. It is worth noting the evolution of those digital channels and the **Bancos del Barrio** in the context of the pandemic, both due to their availability and proximity.

In person, we have branches, agencies and ATMs. Added to this network are the different service points of our allies: the **Bancos del Barrio** (Neighborhood Banks).



# 1.114

ATMs and multifunction machines



# 12.858

Neighborhood Banks



# 205

Bank branches  
(132 branches, 73 windows)

## 1.2 Context

### international context

The pandemic continued in 2021, but governments generally proceeded to ease restrictions to stimulate economic recovery. In this regard, according to estimates by the International Monetary Fund, the world economy expanded by 5.9% in the year, compared to a reduction of 3.1% in 2020. Specifically in Latin America, it is estimated that by the end of 2021 GDP growth will have been 6.3%, compared to the contraction of -7% in the previous year.

This health scenario did prevent the reactivation of activities that require personal contact, maintaining the impact on the tourism, leisure and service sectors in general. On the other hand, the demand for consumer products increased more than expected, with difficulties for companies in the sector to be able to respond adequately.

As of the second half of the year, the economic recovery slowed down due to the lack of products, the difficulties in international logistics and the rise in maritime transport costs. Associated with this, among other factors, the main economies of the world presented inflation, except for China.

The rise in prices of raw materials and fuels brought the average cost of a barrel of oil to US\$68, compared to US\$39 in 2020, according to West Texas Intermediate (international benchmark).

### National Context

As a consequence of the pandemic, Ecuador began 2021 with economic decline and high unemployment; the situation improved with the mass vaccination plan, which has led to more than 70% of the population being vaccinated. The government made progress in opening up activities, facilitating economic recovery. The Central Bank estimates a growth of 3.5% of the economy in 2021,

compared to the contraction of -7.8% in 2021, but the GDP did not recover even half of what was lost in 2020.

The recovery came mainly from household consumption, which grew by 4.6%, compared to 2.6% for capital formation. Associated with this, along with other factors, there was a recovery in sectors such as fishing, with growth of 13.9%; the shrimp and aquaculture industry with +10.9%. Other sectors that grew above the average are: Commerce (7.9%); Post and telecommunications (6.7%); Manufacturing (5.4%); and Financial services (5.3%).

In the first ten months of 2021, exports grew by 30.9%; oil companies, including fuels, increased their value by 78.4%, due to the rise in the price of oil. The value of exports of the most important primary items: bananas, flowers, shrimp and other sea products, grew by 11.9%, and the rest of non-oil exports by 19.9%.

The employment rate recovered, and at the end of November national urban unemployment registered a year-on-year decrease of 5.8% compared to 7.7% in 2020, which represents 88 thousand people. It is closely linked to the aforementioned economic reactivation and recovery of different sectors of the national economy.

### Evolution of the Financial Sector

Customer confidence in the financial sector has been decisive and a differential compared to previous economic crises. Proof of this is that deposits increased by 9.8%, despite the economic difficulties.

The credit portfolio grew 14% compared to 2020, as a result of the recovery of the economy. Microcredit had the largest percentage increase with 30%, followed by commercial credit with 18%. However, due to the uncertain scenario, there was a decrease of -2.9% in housing financing and -8% in educational loans.



## 1.3 Capital

(GRI 2-1)

Banco Guayaquil, SA is a corporation, listed on the Guayaquil and Quito Stock Exchanges. At the end of 2021, it had 7,246 shareholders; 97% natural persons. 80.85% of the capital is owned by Corporación MultiBG SA. The capital value at the close of December 31, 2021 was US\$ 449'900.000.

Committed to our shareholders, the Bank distributed a cash dividend of US\$33'472.000 corresponding to the profits generated in fiscal year 2021; in accordance with the authorization granted by the Superintendence of Banks.

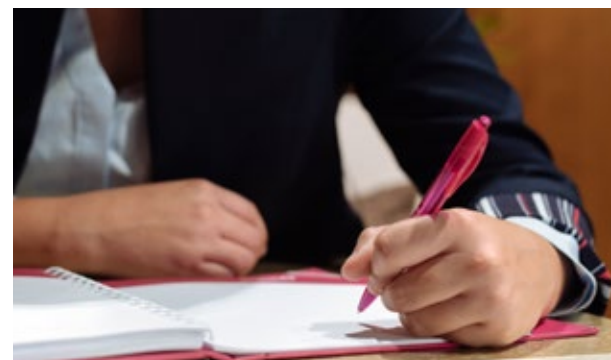
### Distribution by range of shareholders' capital

SHAREHOLDER CAPITAL RANGE	% SHARES
Shares <1.000	0,14%
Shares >=1.000 to <=5.000	0,82%
Shares >=5.001 to <=10.000	1,01%
Shares >=10.001 to <=50.000	4,82%
Shares >=50.001 to <=100.000	2,70%
Shares >100.000	90,51%

### Classification of shareholders by length of stay

YEARS RANGE	NUMBER OF SHAREHOLDERS	% SHARES
< 1 year	244	3,37%
>=1 <= 3 years	439	6,06%
>3 < =5 years	189	2,61%
> 5 years	6.374	87,97%

Thanks to the excellent relationships we maintain with our allied banks, we closed the year with financing for US\$ 1,140 million. It stands out for its positive social impact, the use of the resources of the Social Bond issued at the end of 2020 for US\$ 20 million, the first in Ecuador.



## 1.4 Sustainability Strategy

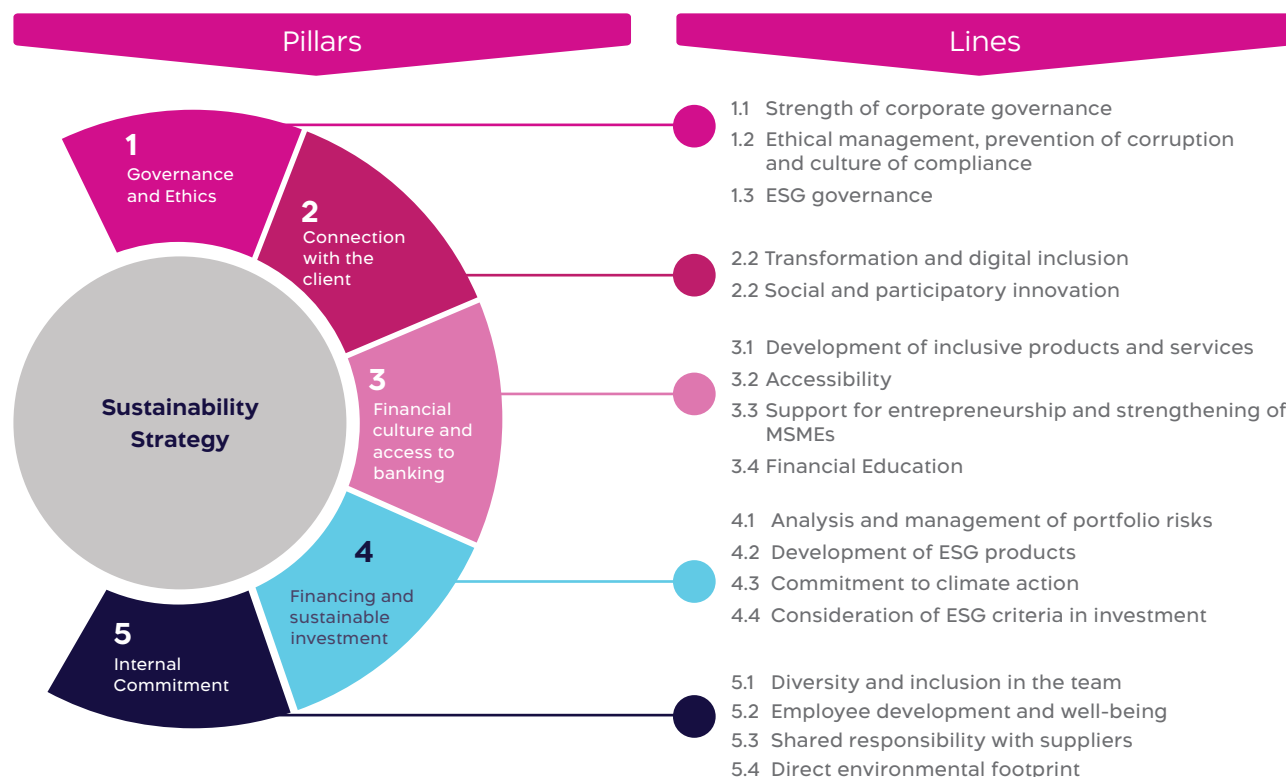
(GRI 2-23, 2-24)

Banco Guayaquil understands our activities as generating value for all our stakeholders. This is why we have developed financial products and services that contribute to economic and social development, protecting the environment. In this way, the focus on sustainability, which seeks to maximize positive impacts and minimize negative ones, is part of decision-making at all levels.

The efforts are articulated in our Sustainability Strategy, which was redesigned in 2020 to address the critical and emerging issues resulting from our materiality analysis.

The analysis included the context of the pandemic, our commitments to the 2030 Agenda and the Sustainable Development Goals (SDGs), and those resulting from our pioneering adherence in 2019 to the Principles for Responsible Banking of the Financial Initiative of the United Nations Program for the Environment (UNEP-FI).

Below, we present the main pillars and lines of work. They are in turn made up of different initiatives, which materialize thanks to the efforts of all our collaborators and joint work with other interest groups.



The pillars were raised from the synergies between the material issues.

spotlights	Material Topics
Governance and ethics	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Ethics and Anticorruption</li> <li>Security of the information</li> </ul>
Customer Connection	<ul style="list-style-type: none"> <li>Customer experience</li> <li>Innovation in products and services</li> <li>Technology and use of Information</li> </ul>
Financial culture and access to banking	<ul style="list-style-type: none"> <li>Accessibility</li> <li>Competitiveness and development of market</li> <li>Financial Inclusion</li> </ul>
Financing and Sustainable Investment	<ul style="list-style-type: none"> <li>Social and Environmental Assessment of clients (responsible financing)</li> </ul>
Internal Commitment	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Training and development of career (collaborators)</li> <li>Internal Communication and Leadership (work environment)</li> <li>Operational Efficiency</li> <li>Economic results</li> </ul>

The Strategy is accompanied by a set of policies and procedures with which we establish guidelines for environmental, social and governance (ESG) aspects in our processes and in the relationship with the different interest groups.



- » Sustainability Policy
- » Human Rights Policy
- » Diversity Policy
- » Climate Change Policy
- » Anti-corruption Policy
- » Financial Inclusion Policy
- » Environmental and Social Risk Policy

The progress of the Strategy is monitored by the Corporate Governance and Sustainability Committee, where we report on performance and management. We also use other different channels. In turn, it also reports to the Board of Directors. This committee is made up of a delegate from the Board of Directors, who chairs it; the Executive Vice President – General Manager responsible for the Corporate Governance Unit; the Vice President of Comprehensive Risk or his/her delegate; the Vice President of Financial Controllershship, the Legal Vice President or his/her delegate and the Marketing Vice President or his/her delegate. The Manager of the Corporate Governance Unit will be a permanent guest, and may invite any collaborator to the sessions, as well as allied entities or entities that wish to present a proposal to the institution.

Starting in 2022, the Committee will follow up on the proposed scorecard to promote progress and monitoring.

### Alliances

Our strong commitment to sustainable development leads us to form part of alliances that help multiply positive impacts, such as Pacto *Global Red Ecuador* and the Ecuadorian Corporation for Social Responsibility and Sustainability - CERES.

We want to emphasize that banking plays a fundamental role in achieving the 2030 Agenda and the SDGs. The Bank's contribution is detailed in Annex V. We have adhered to different international initiatives that guide companies to contribute to this roadmap.

### Commitment to the Principles for the Empowerment of Women

In October 2020 we signed these Principles (WEPs), created in collaboration between the United Nations Global Compact and UN Women with the aim of reducing the gender gap in employment and professional development, as well as in the access to the products and services provided by the company, and the development of an inclusive internal and external culture, in addition to marketing.

For the second consecutive year, we are part of the SDG 5: "Gender Equality" Working Group, led by CHUBB Seguros and with the technical assistance of UN Women, within the "Leaders for the SDGs" initiative of the Global Compact - Red Ecuador. We are now working on the creation of Manual 2.0 on the prevention of gender violence, the development of gender policies, and the incentive for parental leave in all the companies that are part of the Table.

On the other hand, we also participate in the SDG 16 Work Group: "Peace, Justice and Solid Institutions", led by EY. We contribute to the development of knowledge, sharing our Anti-Bribery Management System, in the application of the ISO 37001 standard, including with other Global Compact networks in Central America.

## 2. Corporate Governance





Our Corporate Governance is aligned with the principles of integrity, transparency, responsibility and justice.

We comply with the current legislation of Ecuador, we apply the best international practices and the guidelines established in our bylaws.

The guidelines are developed in depth in the Corporate Governance Code, which we updated in 2021 and is publicly available.

The modifications responded to the changing environment, with the approval at the end of 2020 of the Ecuadorian Standards for Good Corporate Governance, of the Superintendency of Securities and Insurance Companies (SCVS), as well as the recommendations

that different multilateral organizations have been formulating to us.

## 2.1 Structure and Functioning

GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20

The structure and operation have been proposed with the aim of guaranteeing compliance with the Bank's strategic objectives and generating value for all of our shareholders and other interest groups.

For its proper functioning, it has the participation of the General Shareholders' Meeting, the Board of Directors and Senior Management, each with their respective responsibilities.



**The General Meeting of Shareholders** is the supreme governing body of the Bank, with the following main functions:

- Appoint the Principal and Alternate Directors, Internal Auditor and External Auditor, and set their remuneration;
- Approve the Financial Statements, the Report of the External Auditors and the Internal Auditor, and the Report of the Commissioner;
- Approve the destination of the profits proposed by the Directory;
- Approve the authorized capital increase and any amendment to the Bylaws, among others.

It meets in an ordinary manner within 90 days after the close of the annual financial year, and in an extraordinary manner when legally convened; In the 2020-21 financial year, there was one session of each type.

The **Board of Directors** is the highest body responsible for the administration, direction, supervision and control of the Bank, having among its functions:

- Define the financial and credit policy, and supervise its application;
- Approve the main policies and procedures, ensure their compliance and the operation of the Bank's internal control systems;
- Approve the corporate strategy;
- Authorize the annual budget;
- Evaluate the performance of the Bank and Senior Management, based on the management report presented by the executive president;

It is made up of five main directors and three alternates, who are elected by the General Shareholders' Meeting. The Bank has been working to increase the diversity of the Board of Directors, based on the successive renewals that are being carried out, in training, experience and aspects such as gender, age and other characteristics that allow building a broader vision as the society to which we serve.

In 2021, Sandra Vargas López, an economist by profession and with solid experience in the audit branch, joined the Board of Directors as a new member.

The term of office of the Board of Directors is two years, with the possibility of re-election. For his part, the Chairman of the Board of Directors is elected in turn by the group of members of said body.

The Board of Directors meets once a month, with the possibility of making extraordinary calls if necessary. Its members receive remuneration for each session they attend, proposed by the Remuneration Committee and approved by the Ordinary General Shareholders Meeting. In 2021, 12 ordinary and 8 extraordinary sessions were held.

The current composition of the Board corresponds to the period 2020 - 2022, elected in February 2020, and has five main directors and three alternates. The average seniority of the directors in the exercise of the position is 12 years; none holds an administrative position in the Bank.



Econ. Danillo Carrera Drouet  
**President**  
2018 - 2020. Elect 1995



Dr. José Ayala Lasso  
**Principal Director**  
2018 - 2020. Elect 2005



CPA. Víctor Hugo Alcívar  
**Substitute Principal**  
2020. Elect 2020



Dr. Galo García Feraud  
**Principal Director**  
2018 - 2020. Elect 1998



Ab. Raúl Gómez Ordeñana  
**Principal Director**  
2018 - 2020. Elect 2004



Econ. Sandra Vargas López  
**Substitute Principal**  
Elect 2021



Dr. Mario Jaramillo Paredes  
**Principal Director**  
2018 - 2020. Elect 2012



Ing. Leonardo Moreira Luzuriaga  
**Substitute Principal**  
2018 - 2020. Elect 2018



Dra. Paola Ycaza Oneto  
**Substitute Principal**  
Elect 2021 and  
*positioned in 2022*



Name	Position	Elect	Last election
Econ. Danilo Carrera Drouet	President	1995	2018 - 2020
Dr. José Ayala Lasso	Principal Director	2005	2018 - 2020
Dr. Galo García Feraud	Principal Director	1998	2018 - 2020
Ab. Raúl Gómez Ordeñana	Principal Director	2004	2018 - 2020
Dr. Mario Jaramillo Paredes	Principal Director	2012	2018 - 2020
Ing. Leonardo Moreira Luzuriaga	Substitute principal	2018	2018 - 2020
CPA. Víctor Hugo Alcívar	Substitute principal	2020	2020
Econ. Sandra Vargas López	Substitute principal	2021	-
Average directors position: 12 years			

Description	Participants	Percentage
National and international political and economic situation	5	80%
Key postcovid sustainability agenda for the financial sector	7	100%
Training in technology law and FINTECH	7	100%
Conference: Country risk and interest rates in Ecuador	7	100%
Governance Conference	7	100%
United Nations 2030 Agenda	7	100%

These are professionals with proven financial, legal, commercial and operations experience. We also reinforce their knowledge with the Financial and Regulatory Update Program, which provides information on the scope of the new regulations issued by the country's economic and supervisory authorities, on the global, regional and national macroeconomic context, as well as the risk scenario of the Bank. In 2021, we facilitated six trainings on different topics.



Directory	Normative Committees										Management Committees		
	Audit	Comprehensive Risk Management	Compliance	Remuneration	Ethics	Joint Security and oooOccupational Health	Continuity	Technology	Risk Asset Rating	Comprehensive Security	Executive	Credit	Corporate governance and sustainability
Econ. Danilo Carrera Drouet		X		X						X			X
Ab. Raúl Gómez Ordeñana					X								
Ing. Leonardo Moreira Luzuriaga								X				X	
CPA. Víctor Hugo Alcívar Alava	X												
Econ. Sandra Vargas López	X												

## Senior Management/Administration

Senior Management is responsible for implementing the strategy and guidelines approved by the Board of Directors. It is made up of the Executive President and two Executive Vice Presidents – General Managers, who are elected by the Board of Directors for 5-year terms,

with the possibility of re-election. They are joined by the General Representatives, officials who represent the Bank in both public and private acts, by designation of the Executive President with prior authorization from the Board of Directors.



The members of the Board of Directors and Senior Management participate in the committees that are part of the Bank's control bodies, which include regulatory committees, required by law, and management committees as a complement to strengthen decision-making.

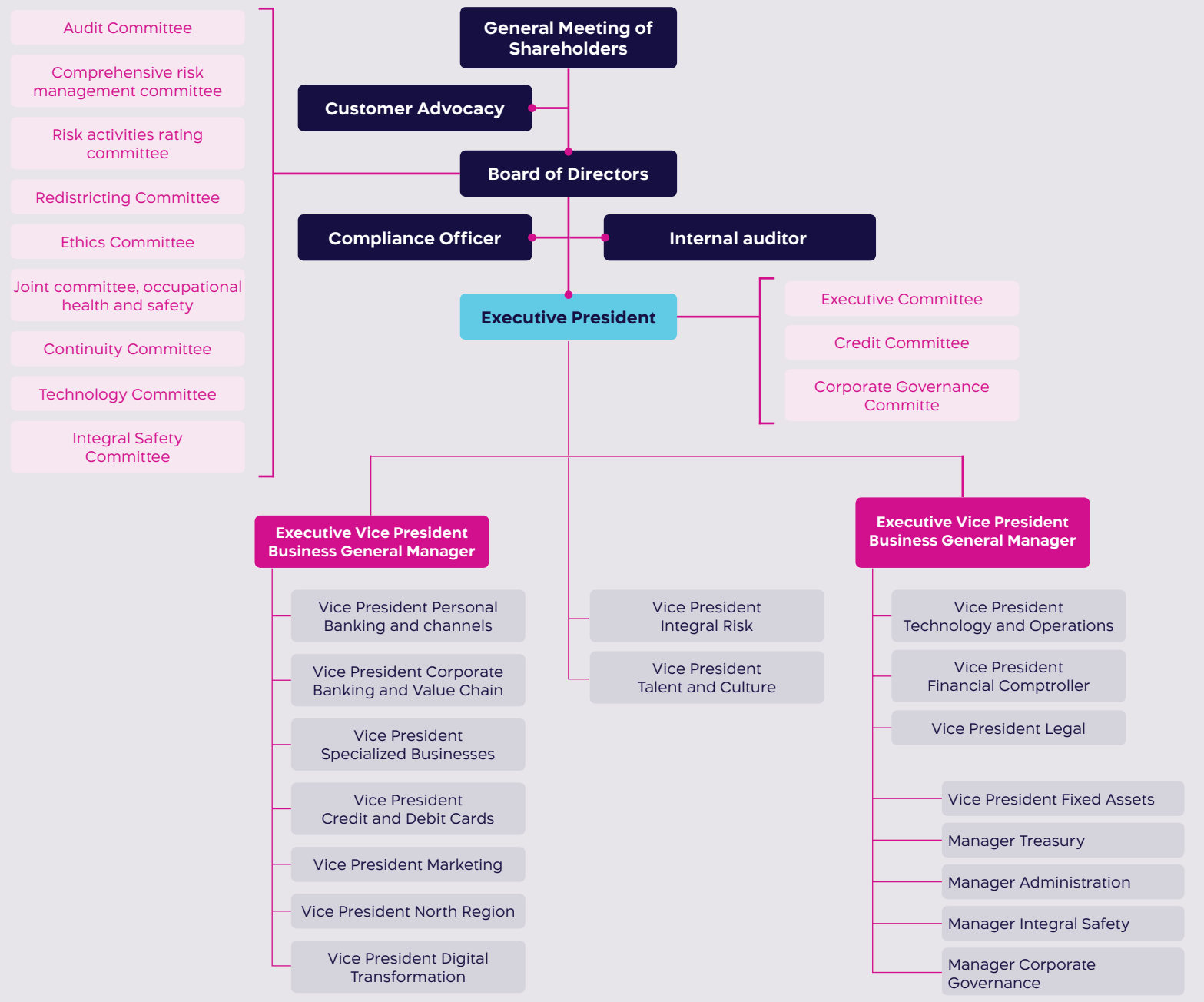
The Board of Directors is kept informed of the steps taken within the committees directly through the participation of directors in both structures, in addition to having regular presentations and having consolidated information it receives about the Bank's performance.

According to the Organic, Monetary and Financial Code, the External Auditor of the institution also holds the position of Commissioner, who fulfills the functions provided for by said legal body. The external auditor is appointed annually by the General Shareholders' Meeting, to whom he reports his report on the financial statements.

Similarly, the Bank has its own internal control and the work of the Compliance Officer, who is in charge of the Risk Management of Money Laundering and Financing of Crimes such as Terrorism (ARLAFDT) and the internal auditor, who They report directly to the Board of Directors.

On the other hand, there is the Customer Ombudsman, an external and independent figure, appointed by the State who collaborates with the Superintendence of Banks of Ecuador and annually reports his performance to the General Shareholders' Meeting. He is in charge of receiving and processing the claims, seeking agreement between both parties.

## 2.2 Organization chart





### 3. Ethics and compliance





### 3.1 Framework for action, culture and training

(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 3-3, 201-4, 205-1, 205-2, 205-3, 206-1)

For Banco Guayaquil, it is key to operate in accordance with the different legal and regulatory provisions, as well as adhering to our policies and codes. Our organizational culture is based on ethics and integrity.

The Code of Ethics governs the way in which our collaborators relate, and these with external interest groups. Likewise, it contains the main guidelines to avoid conflicts of interest, corruption practices and money laundering. Additionally, it promotes respect for diversity and non-discrimination.

It is complemented by the Internal Work Regulations and other policies of the Bank, and its compliance is required of all employees, members of the Board of Directors, our suppliers and the Banco del Barrio (Bankers of the Neighborhood).

Internal communication is key for our staff to know the policies and codes. We disseminate its contents through the “Vamos” intranet platform and notify us of updates via email. Likewise, we make them known to the collaborators in the induction when they join the Bank.

To reinforce its understanding and application, we annually train the workforce, maintaining in 2021 a participation of more than 99% of the collaborators, as in previous years. In the same way, we informed and trained 100% of the members of our Board of Directors in this regard.

In the event that our collaborators detect non-compliance, they have the “Ethics Line” available on the intranet, to generate complaints anonymously; For our external stakeholders we have a complementary channel made up of an email account so that they can also send us their complaints. Added to these cases are those identified by our team in internal audits.

The cases are evaluated by the Vice Presidency of Talent and Culture, and by the Vice Presidency that corresponds to the area involved. Those of greater seriousness and/or that require sanction, as well as those involving Senior Management, are analyzed by the Ethics Committee.



The Committee is also in charge of taking care of the knowledge of the Code of Ethics by the collaborators and of informing the Board of Directors about it.

The composition and responsibilities of the Ethics Committee correspond to what is established by legal provisions. We seek that the members of the Committee have the highest credentials, for which they are approved by the Board of Directors and must have a qualification from the Superintendency of Banks. Its members include a representative of the shareholders, the Board of Directors and employees, as well as the Executive President of the Bank.

We also have an Anti-Bribery Management System for the supplier selection, evaluation and payment process, certified in accordance with the ISO 37001 standard. The

performance of the management model is internally and externally audited.

Similarly, as part of our performance to avoid any corrupt practice, including bribery, we do not make contributions to political parties.

As a result of the commitment of our collaborators and the management carried out, we had no confirmed cases of corruption during 2021. We also had no sanctions for non-compliance or arbitration cases. This is due to the Bank's adherence to the law, including the Organic Monetary and Financial Code, as well as the rest of the legislation and regulations that apply to us. It should be noted that we do not receive financial support from the Government.



## 3.2 Commitment to the Compliance culture

(GRI 2-27, 3-3, 415-1, 416-2, 417-2, 417-3)  
(SASB FN-CF-220a.2, FN-CF-270a.5,  
FN-MF-270a.3, FN-CB-510a.1, FN-CB-510a.2)

As a financial institution, we place special emphasis on identifying possible risks in terms of preventing money laundering and crime financing, which have evolved at an accelerated rate in this new digital era. For this reason, we bet on highly efficient monitoring platforms.

2021 was a year of preparation for the IV Mutual Evaluation Round on the prevention of money laundering and financing of terrorism (LA/FT) by the Financial Action Task Force of Latin America (GAFILAT) for Ecuador. Banco Guayaquil has been committed to this challenge that we have as a country and we are sure that we have transmitted our vision and the highest standards that the banking sector manages.

Following our commitment, we adhere to the Organic Law for the Prevention of Asset Laundering and Financing of Crimes such as Terrorism and the Regulation (ARLAFDT). For this, we have an ARLAFDT Institutional Program, which is based on corporate governance, internal regulation, culture and technology. Added to this is a robust, specialized organizational structure in accordance with the highest international standards, as well as internal policies and procedures, integrated into the ARLAFDT Manual.

We also welcome the recommendations of the main international organizations, such as the International Financial Action Task Force (FATF) against Money Laundering and Financing, and its guidelines on digital identity, risk indicators in virtual assets, and money laundering risks in the context of the pandemic.





## 4. Risk Management

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION





## 4.1 Prevention and Monitoring

(GRI 2-12, 2-13, 201-2)

(SASB FN-MF-450a.3)

We have a solid internal structure for risk identification and management, safeguarding the continuity of our operations and the bank's assets.

The Board of Directors is responsible for establishing the global management framework and carrying out monthly monitoring; including the analysis of potential risks that may arise. It is supported by the Comprehensive Risk Management Committee, which evaluates the impact projections of risks on the Bank's operating and financial results, with the participation of Senior Management.

The Comprehensive Risk Management Committee proposes risk management strategies, policies and processes, which must be approved by the Board of Directors, and is responsible for supervising their correct execution.

Also key to risk management is a culture of prevention and the active participation of employees, who are asked to remain vigilant, support the continuous identification of possible emerging risks and participate in the initiatives proposed by the management team. of risks and the area(s) involved.

As of the COVID-19 pandemic, a new scenario has been created for the Bank's operations, as well as for the continuity of activities and financial forecasts. Despite the fact that the authorities' measures have been relaxed, the Committee continues to work to address the evolution of the risks derived from the emergency in the credit portfolio and in the customer service processes.

Below, we present our main risks and the keys to managing them:

Risk	Description	Keys in Management	Performance Indicators
Credit	Non-payment of obligations for customer compliance due to different reasons.	<ul style="list-style-type: none"> <li>- Request and study of the information of the applicants.</li> <li>- Evaluation platform.</li> <li>- Environmental and Social Risk Analysis System (SARAS), which evaluates related aspects.</li> <li>- Complementary and decision-making evaluation of the Risk Management Committee.</li> <li>- Monitoring the financial health of clients. its evolution in the context of a pandemic.</li> </ul>	<p>General delinquency rate: 1,12%</p> <p>General delinquency in the commercial segment: 0.78%</p> <p>Delinquency rate in consumer loans: 1,18%</p> <p>Delinquency rate in microcredits: 2,79%</p> <p>Credit risk coverage index: 390,06%</p> <p>US\$ 182 million of provisions</p>
Liquidity	Shortage of funds to meet our obligations as a financial institution.	<ul style="list-style-type: none"> <li>- Analysis of different contractual scenarios regarding liquidity gaps.</li> <li>- Monitoring the adequate availability of resources, the stability and concentration of public deposits and that the gaps between assets and liabilities are covered.</li> <li>- Compliance in addition to the requirements that the Central Bank dictates.</li> </ul>	<p>37.25% liquidity index</p> <p>US \$ 1.801 millions of available liquid assets</p>
Market	Decrease in the value of the investment and credit portfolio, due to changes in the variables that determine it: interest rate, exchange rate, and dynamics of the stock market.	<p>Specificities depending on the risk:</p> <ul style="list-style-type: none"> <li>- Interest rate risk: The sensitivity of the financial margin and the equity value is measured.</li> <li>- Stock risk: monitoring of the local and international investment portfolio.</li> <li>- Exchange rate risk: monitoring through identification and analysis methodologies of potential exposure, due to variations in the price of currencies.</li> </ul>	<p>Interest rate risk: indicator of 0.14% of the Bank's Technical Equity.</p> <p>Stock Market Risk: indicator of 0.32% of the Bank's Technical Equity.</p> <p>Exchange rate risk: 0.002% of the Bank's Technical Equity.</p>
Operational	Failures in systems and processes, due to external and internal agents (fraud, human and / or technological failures, etc.)	<ul style="list-style-type: none"> <li>- Business Continuity Management System (BCM), aligned with the ISO 22301 standard.</li> <li>- Business Impact Analysis (BIA) to establish critical processes.</li> <li>- Identification of the risks for its operations.</li> <li>- Establishment of preventive measures, with the participation of the Continuity Committee.</li> <li>- Implementation of continuity tests, to verify that we could maintain the required levels of functionality in case of critical events.</li> </ul>	<p>The number of operational risk events is 0,0165% of the total volume of transactions carried out.</p>

## Emerging Risks

Within our internal structure that seeks operational continuity and delivery of value to customers, we address the risks that may impact security and trust

in the Bank. In this way, we attend to the emerging factors that may affect the risks mentioned above, where cybersecurity and climate change stand out.

Factor	Impacts	Bank Management	More Info
Cyber Security	<ul style="list-style-type: none"> <li>- Blockage in remote channels</li> <li>- Theft of customer data</li> <li>- Impersonation of identity of clients and / or collaborators (phishing)</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of the Cybersecurity Strategy, to detect, prevent and respond to internal and external threats directed towards the Bank's technological infrastructure and information.</li> <li>- Performance of the Integrated Intelligent Monitoring Center (CIMI), which coordinates the supervision of the different Bank teams that work on prevention.</li> </ul>	» <b>Comprehensive Security</b>
Climate Change	<ul style="list-style-type: none"> <li>- Commercial credit recovery</li> <li>- Regulatory requirements for the evaluation of credit clients</li> <li>- Establishment of provisions (capital requirements)</li> <li>- Loss of value of assets in which it has been invested</li> <li>- Investment in more efficient technologies in the use of energy (for the operation of the Bank)</li> <li>- Clients favored and/or disadvantaged financially by regulations and related regulations</li> <li>- Regulatory requirements for business clients in their fields of activity</li> <li>- Increased social inequalities (impact of extreme weather events)</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluation of the environmental risks of credit applicants through SARAS.</li> <li>- Support within the framework of ASOBANCA for the elaboration of sectorial Guides to mitigate environmental risks in the granting of credit.</li> <li>- Development of green lines: credit product for energy efficiency.</li> <li>- Sensitization to business credit clients in environmental practices.</li> <li>- Preparation for the measurement of credit portfolio issues (companies)</li> <li>- Compensation of GHG emissions: carbon neutrality certification.</li> <li>- Availability of microcredit</li> </ul>	» <b>Financing and sustainable investment</b>  » <b>Environmental management</b>

The impacts associated with climate change are causing a disruption in the economy, also in the role of banking. We have the opportunity to advance in the transition to a lower carbon credit portfolio, through specific credit products (for energy efficiency and renewable energy), as well as promoting good environmental practices by applying SARAS and training our clients.

## 4.2 Relationship with the supply chain

(GRI 2-6, 204-1)

Our suppliers are key to the operations and quality of service that we deliver from the bank. We seek long-term, trusting relationships.

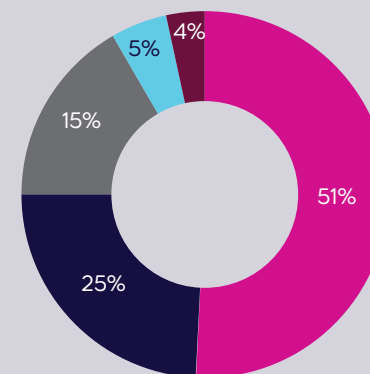
We promote our ethical guidelines, as well as the prevention of social and environmental risks in all of them. We have a prior evaluation, carried out by an external third party, which analyzes its operational capacity, quality and compliance with applicable legislation.

We have an Anti-Bribery Management System (SGA) in the supplier evaluation and selection process, certified in accordance with the international standard ISO 37001. As part of it, we have strengthened our requirements for suppliers so that they have their own guidelines in each case. on ethics and anti-corruption.

At the end of 2021, we had 341 active suppliers, who invoiced US\$ 85 million. 4% of what was invoiced corresponded to national suppliers.

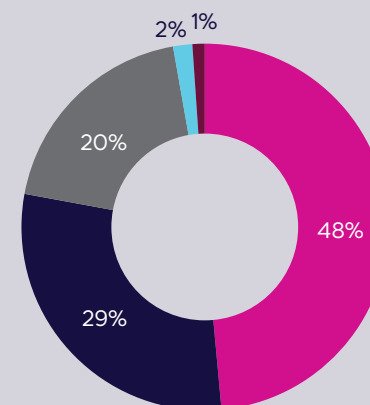
### Suppliers - type of products/service 2021

Number breakdown



### Suppliers - type of products/service 2021

Billing breakdown



## 5. Economic results

8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE





## 5.1 Relevant Financial Data

(GRI 2-2, 2-4, 3-3)

In the year there was a positive evolution of growth expectations, which finally happened hand in hand with the economic reactivation. This benefited from the injection of credit by banks in the different sectors of activity; At Banco Guayaquil we were able to make use of the liquidity with which we closed in 2020, as a result of the reserves inherent to the context of the pandemic and the lower demand for loans. We closed 2021 with a liquidity indicator of 37.25%.

The Bank grew 20% in credit, well above the financial system, and we have already reached second place in the country. Regarding deposits, we continue to advance with an increase of 15%, climbing to third position. In both cases, the trust of our clients has been essential, associated with solid management and quality of service.

During the year, a special effort was made to improve delinquency, purging those clients whose non-compliance could pose a risk, reaching an indicator of 1.12%, lower than the average of the financial system.

The Bank's Technical Equity Index at the end of the year was 14.62%, which is 5.62% more than the legal requirement.

We continue advancing in efficiency, so operating costs represented 35.36% of sales. Technology is proving to be key to reaching these levels, with customers who are increasingly active in the use of digital channels.

The management carried out and the results allowed us to reach an ROE of 14.09%, the highest of banking in the country; ROA was 1.17%.

At the end of the year, our provisions represented 390.06% of the delinquent portfolio, although if we



add the technical equity it reaches up to 834.88%, well above the average of the financial system.

The trust placed by our shareholders, even in times of difficulty due to the pandemic, was rewarded with a combined profit of US\$74 million, which is 123% more than in 2020.

Below, we present the year-on-year variation of our main financial indicators

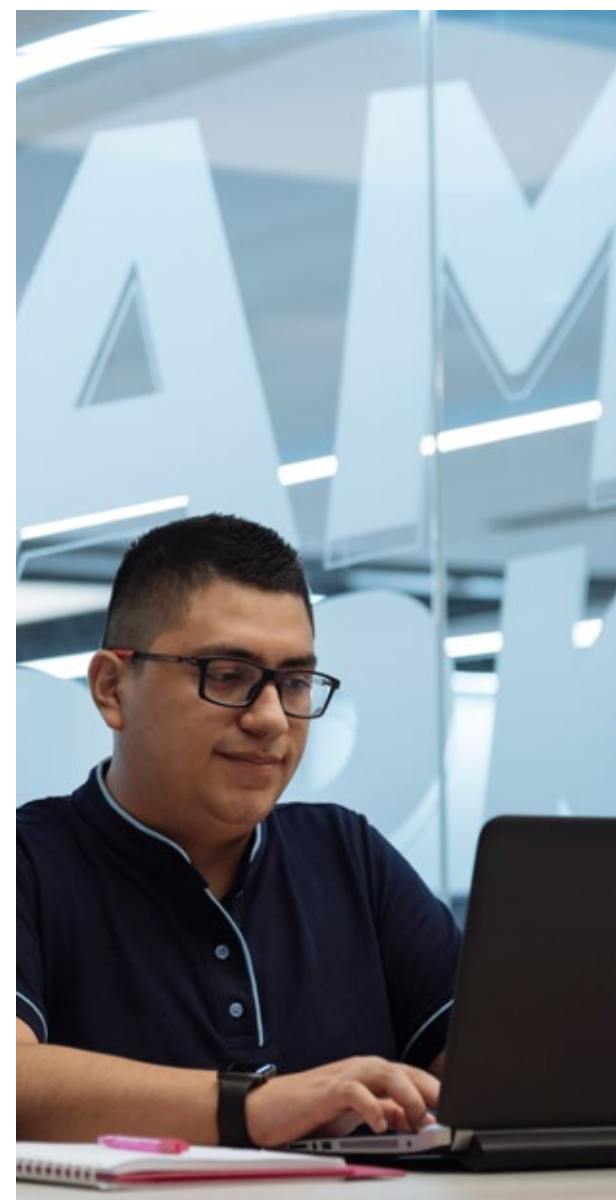
# MAIN FINANCIAL AND BUSINESS INDICATORS – BANCO GUAYAQUIL

	2019	2020	2021	Δ21-20
Assets and Contingents (thousands of dollars)	6'729.611	7'349.742	8'247.175	12
Loan portfolio (thousands of dollars)	3'682.983	3'854.011	4'608.043	20
Deposits (thousands of dollars)	3'718.315	4'373.171	5'010.624	15
Operational Efficiency Index (%)	38,09	32,27	35,36	3
ROE (%)	17,62	6,63	14,09	7,46
ROA (%)	1,59	0,58	1,17	0,59
Liquidity Index (%)	36,75	43,73	37,25	-6,48
Solvency Index (Technical Assets) (%)	14,55	15,90	14,62	-1,28
Delinquency Rate (Overdue Portfolio) (%)	1,50	1,72	1,12	-0,60
Net Profit (thousands of dollars)	80.733	33.290	74.383	123

The financial strength that we have as an institution has allowed us to continue advancing in access to external financing from investment banks and multilateral organizations; At the end of 2021, this capital represented US\$ 1,140 million. The use this year of funds raised through the Social Bonus issued in 2020 stands out to support the recovery of SMEs especially impacted by COVID-19.

## Note

- The Operational Efficiency Index expresses the relationship between operating costs and revenues.
- The ROE expresses the net profits of a period for the total equity; ROA shows the ratio of net profits to average assets.
- The Technical Equity is made up of the sum of the paid-in capital, reserves, total profits for the current year, accumulated profits from previous years, contributions to future capitalizations, convertible bonds less the deficiency of provisions, required amortization and depreciation, losses and other items that the financial institution has not recognized as losses and that the Superintendency of Banks classifies as such.
- The delinquency index measures the operations that at the time of expiration have not been canceled or renewed by the clients.



## 5.2 Profit and loss; and Summary Balance Sheet

(GRI 3-3, 201-1)

At the end of the year, profit was US\$ 74 million, recovering pre-pandemic levels. We present the profit and loss statement that allowed us to reach said value.



### Profit and loss

As of December 31, 2021

(In thousands of dollars)

ACCOUNT	Dec -19	Dec-20	Dec-21	ANNUAL VAR.	Var. %
<b>INCOME</b>	536.794	605.950	623.825	17.875	3%
Earned interests	343.112	407.125	415.687	8.563	2%
Service revenues	126.068	103.402	124.655	21.253	21%
Commissions earned	44.481	38.425	39.041	616	2%
Other income	930	48.553	22.351	-26.202	-54%
Financial profits	10.246	7.858	21.351	13.494	172%
Other operating income	11.956	588	740	152	26%
<b>EXPENSES</b>	458.080	572.659	549.442	-23.217	-4%
Operating costs	174.031	166.231	187.467	21.236	13%
Accrued interest	103.899	145.004	144.809	-195	0%
Provisions	63.051	177.256	114.010	-63.245	-36%
Taxes and contributions	61.512	47.066	51.868	4.802	10%
Commissions paid	25.989	23.602	27.935	4.333	18%
Worker participation	19.224	7.571	15.419	7.848	104%
Other expenses	2.462	2.137	4.356	2.220	104%
Financial losses	5.807	3.526	3.315	-212	-6%
Other operating expenses	87	266	261	-5	-2%
<b>NET UNIT</b>	80.733	33.290	74.383	41.092	123%

## Income

Revenues reached US\$624 million; interest represented 67% of sales, followed by income from services with 20% (growing compared to the previous year) and finally 13% from other services that include commissions earned and financial profits.

## Expenses (costs)

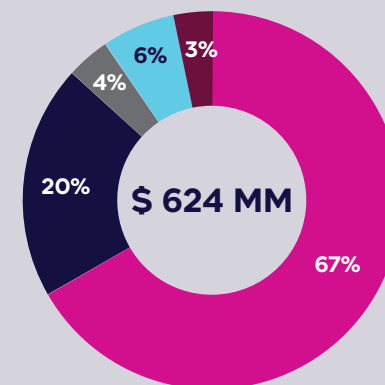
The costs were located at US\$ 549 million, that is, a decrease of 4%, in relation to the previous period of that total, the most relevant costs were those of operation with 34%, the provisions remained at 21% before the change in the economic scenario (compared to the 31% they represented in 2020); accrued interest (paid) represented 26%.

In particular, on tax contributions, they were US\$ 52 million, a figure that represents 70% of the total net profits for the year. The majority corresponds to contributions for Deposit Insurance (COSEDE) (40%) and Income Tax (33%).

## Sales Structure

(In millions of dollars)

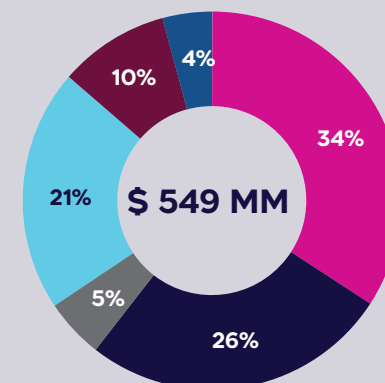
- INTEREST EARNED / US\$ 416 MM
- INCOME FROM SERVICES / US\$125 MM
- OTHER INCOME / US\$23 MM
- COMMISSIONS EARNED / US\$39 MM
- FINANCIAL PROFITS / US\$21 MM



## Cost structure

(In millions of dollars)

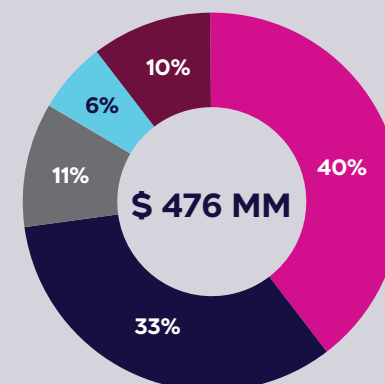
- OPERATING EXPENSES / US\$187 MM
- INTEREST CAUSED / US\$145 MM
- COMMISSIONS CAUSED / US\$28 MM
- PROVISIONS / US\$114 MM
- TAXES / US\$52 MM
- OTHERS / US\$23 MM



## Taxes

(In millions of dollars)

- COSEDE - AGD / US\$189 MM
- INCOME TAX / US\$158 MM
- TAX. FOREIGN ASSETS / US\$51 MM
- TAXES / US\$29 MM
- BANKS / US\$49 MM





## Summary Balance Sheet

Below, we present the Balance Sheet, as of December 31, 2021<sup>1</sup>:

**General condition (in thousands of dollars)**

	2019	2020	2021	Δ21-20
Assets	5'977.367	5'761.260	6'364.654	10
Liabilities	4'538.511	5'225.863	5'762.317	10
Equity	538.856	535.397	602.337	13
Total: Liabilities + Equity	5'077.367	5'761.260	6'364.654	10
Net Contingents	1'652.243	1'588.482	1'882.521	19
Total Assets + Net Contingents	6'729.611	7'349.742	8'247.175	12

At Banco Guayaquil we have decided to have reasonable solvency levels above the legal norm, in order to maintain the trust of our shareholders, members of the board of directors and administrators.

## Credit delivered

We have always sought to be with our clients, even in complex moments such as the intense result of the pandemic. The recovery of the economy is being possible thanks to the credit offered by the financial system to companies.

<sup>1</sup> The detailed table of the Balance Sheet can be found in the Annexes section of this Report.

In our case, as an institution we have experienced a particularly notable growth in credit to the productive sector, driven by the prospects for foreign trade. Microcredit also stands out, a segment in which we are betting heavily and which has an enormous impact on development and social cohesion. In the case of our individual customers, we continue to make progress in consumer and family credit.



**Commercial**  
(companies)  
**US\$4.177 million**  
Includes the  
Corporate, Business  
and SME segments  
  
In 2020  
**US\$3.699 million**

**Microcredit**  
(Business)  
**US\$178 million**  
28.059  
micro-entrepreneur  
projects  
  
In 2020  
**US\$81 million**

**Consumption**  
(persons)  
**US\$1.925 million**  
505.687 clients  
  
In 2020  
**US\$1.419 million**

**Housing**  
(persons)  
**US\$76 million**  
572 families  
  
In 2020  
**US\$51 million**

## 5.3 Loan Portfolio Breakdown

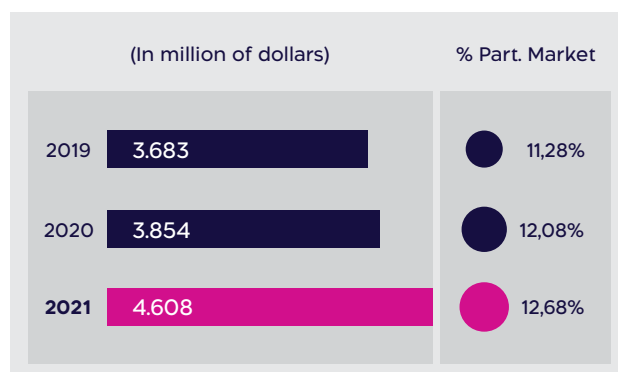
(GRI 3-3, 203-3, FS6)

(SASB FN-MF-270a.1, FN-MF-000.A, FN-CB-240a.1, FN-CB-410a.1, FN-CB-000.B, FN-CF-270a.2)

The growth of the credit portfolio was US\$745 million, thus obtaining a balance at the end of the period of US\$4,608 million. Our market share increased to 12,68%

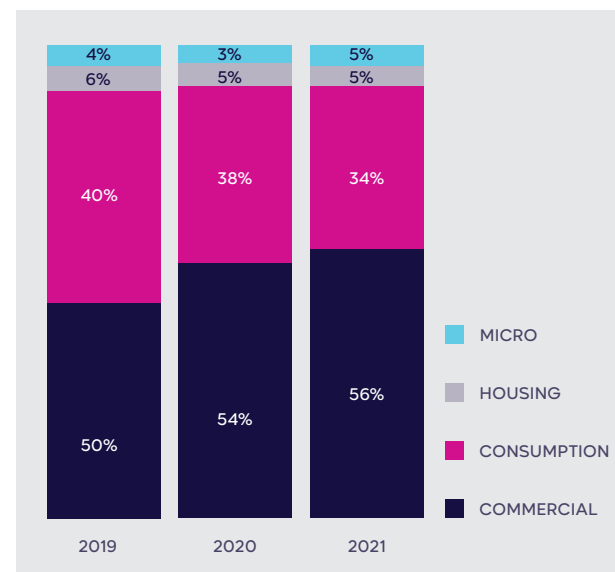
Below is the breakdown of the portfolio at the end of the year in the different categories.

### Credit Portfolio

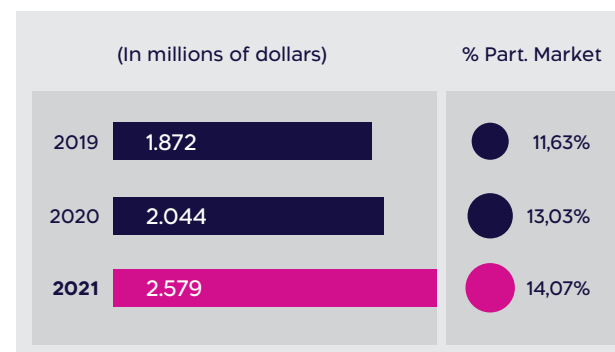


Credit to business activity, categorized in the commercial segment, closed with a balance of US\$ 2,579 million (including contingents), which corresponds to an increase of US\$ 535 million, 26.15% compared to the previous year and above 16.88% of the Ecuadorian banking system as a whole. The market share was 14.07%, compared to 13.03% in 2020.

### Evolution of credit segments



### Commercial portfolio + Contingencies (in millions of dollars)

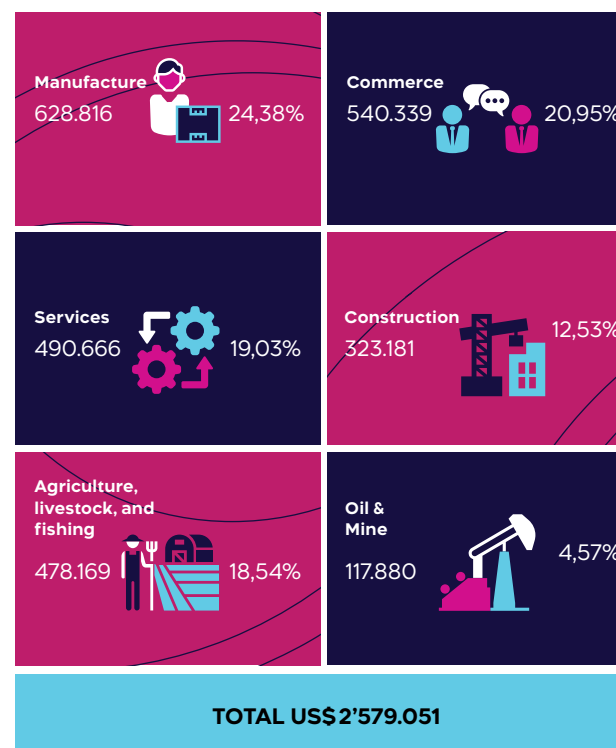




We distribute commercial credit among different economic sectors. Trade stands out, although it is fairly distributed, reducing the risks for the Bank and facilitating comprehensive development of the economy compared to 2019. The increase in the weight of the agriculture, livestock and fishing sectors stands out.

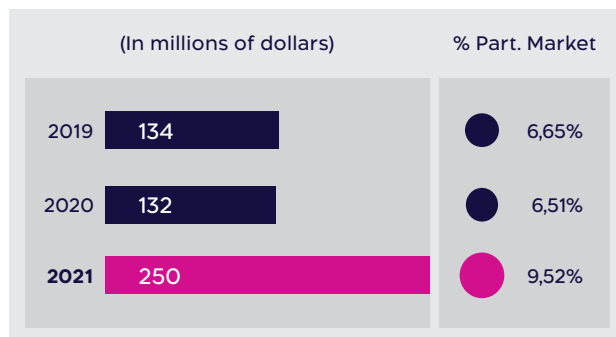
## Commercial Credit

As of December 31, 2021  
(In thousands of dollars)



In the credit granted by Banco Guayaquil in 2021, microcredit grew especially, betting on an inclusive economic recovery with entrepreneurs and small business owners. The portfolio balance at the end of 2021 was US\$ 250 million, which represents a growth of 90% compared to the previous year.

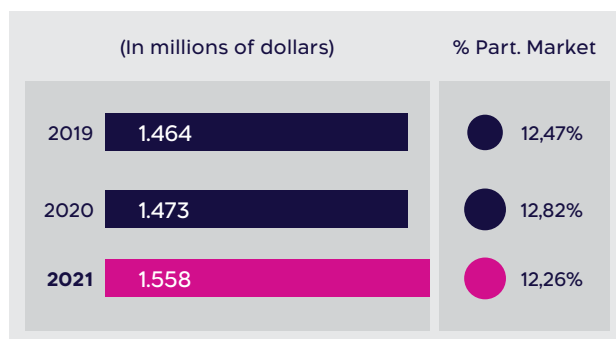
## Microcredit



In relation to loans to individuals, the main one is consumer credit, which includes the delivery of financing linked to payroll or income (in the case of being a self-employed professional) for any use, including the purchase of automobiles (family, not of the company); It also integrates the educational credit.

Consumer credit amounted to US\$ 1.558 million in 2021, 5,8% higher than the previous year, a growth that, however, is lower than the 10,63% of the Ecuadorian financial system. We closed the year with a market share of 12,26%

## Consumer Portfolio

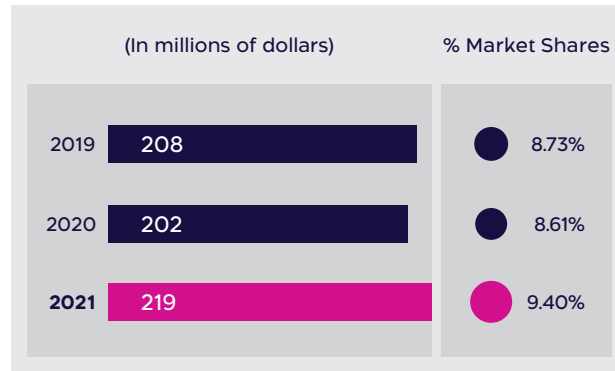


In relation to housing credit, which allows financing new homes, the balance at the end of 2021 was US\$ 219 million, which represents a growth of 8,33% compared to the previous year, our market share was 9,4%





## Housing Portfolio



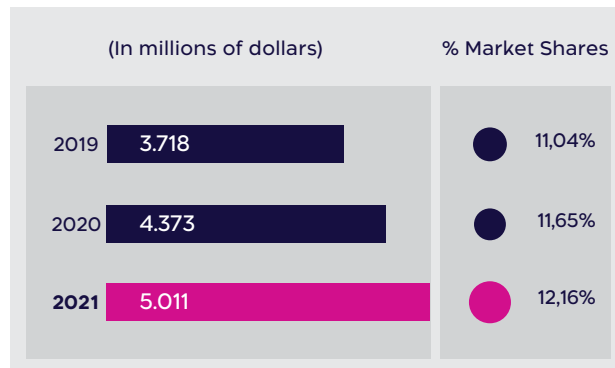
## 5.4 Breakdown of Deposits

(GRI 3-3)

(SASB FN-CF-000.A,  
FN-CF-000.B, FN-CB-000.A)

In 2021, the growth of 14,58% in deposits obtained by the Bank stands out, with a balance of US\$ 5.011 million, above the 9.80% increase in the financial system as a whole. This allowed our market share to increase to 12.16%. Without a doubt, it obeys the trust of our clients.

## Total Deposits



Evolution of deposits (in millions of dollars)					
	2019	2020	2021	Δ21-20%	Market share 2021
In current accounts	1.270	1.516	1891	25	14,55
In savings accounts	1.001	1.098	1235	12	11,06
Term	1.386	1.706	1814	6	10,91

**Note.** The difference with respect to the annual total corresponds to other types of deposits.



## 6. Customer Connection

10 REDUCED  
INEQUALITIES



16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



## 6.1 Experience

(GRI 3-3, 203-1, 416-1, 417-1)  
(SASB FN-CF-230a.2, FN-CF-270a.1,  
FN-CF-270-a3, FN-MF-270a.4)

We are a customer-focused bank, with a model of empathy and simplicity for the best banking experience. We have been advancing this through the Central Project. Online, with the aforementioned and during 2021, 2,696,139 clients trusted us.

We offer our clients relevant products and services, with clear conditions and the possibility of operating with an omnichannel experience, through face-to-face and remote channels, with an outstanding commitment to online banking.

Regarding our transactions, last year the following were carried out: 37.15% through Banco del Barrio; 28.5% through ATMs; and 10.80% through our windows. We continue to invest in our network, to which we allocated US\$2,126 thousand in 2021.

The rest of the transactions are carried out through our digital channels, the same ones that have an unusual growth and relevance.

	2020	2021
Active digital users (number)	386.839	586.684
Digital placement of accounts (Savings and Current)	59%	60%
Digital Placement of Credits (Multicredit)	27%	70%

### Development of digital channels

- 16,800,000 transfers on our digital channels, +80%
- 586,684 digital users, +51%

- US\$454,086 digital contracting of products, +225%
- US\$ 252 million in digital contracting of accumulation policies.

During the year we were working on a version of the App, with a multidisciplinary team that included the areas of Technology, Organization and Methods, and Digital Transformation. We also invited different clients and collaborators to actively participate as users using the BETA version.

The changes in the App are designed to make the customer experience easier; It should be noted that they facilitate access to financial information and, therefore, responsible management by the client.

For the digital transformation of the Bank, not only in the channels towards the client but also in the different processes and management platforms, we have invested significantly. In 2021, the investment in technology was US\$ 5,372,601.

### Information transparency

We want our customers to always be informed so that they can make the best decision about contracting the financial products and services that we make available to them. This decision must be supported at all times by the advice of our executives. We also comply with all that concerns national legislation, so that the information on our rates for products and services is publicly available<sup>2</sup>.

We promote commercial practices oriented so that the executive offers the most pertinent products in each case. We avoid the possible occurrence of abusive

<sup>2</sup> <https://www.bancoguayaquil.com/conocenos/transparencia/>



## 6.2 Comprehensive Security

(GRI 3-3, 205-1, 418-1)

(SASB FN-CF-220a.2, FN-CF-230a.1,  
FN-CB-230a.2, FN-CF-230a.3)

placements with strict guidelines, a culture of ethics and a fixed remuneration well above the variable one.

In the same way, we avoid any improper use of our clients' information, this is in accordance with our internal guidelines and their rights as financial users.

On the other hand, we make available to our clients the Help Center for Individuals and Companies, with which we seek to respond to any type of query; it is a website with answers to more than 240 questions and tutorials. During 2021, more than 2,400,000 visits to this portal were recorded ([ayuda.bancoguayaquil.com](http://ayuda.bancoguayaquil.com)). In addition, we made 600,000 services through social networks. Our clients also have the availability of the call center.

### Active listening to the client

Aligned with our transformation totally directed towards the client, we generate different instances to know their needs, expectations, strengths and opportunities for improvement in the experience with the Bank.

This year, for the first time, we made customers participate in the customer service training that we deliver to our employees.

After its launch in 2020, we continue to make progress on the Service Quality Platform. This collects indicators related to customer experience and satisfaction, even disaggregated by channel. The personnel in charge can access this information and, during the Bimonthly Quality Committee, the monthly indicators of each channel are presented, as well as the proposal and

progress of the main initiatives that impact on the improvement of said indicators.

In the different channels, we aim for a Customer Satisfaction Index (CSAT) above 4 points out of 5; We are proud to achieve this result in all cases, and practically in the priority segments and the specialized payroll (3.97).

Additionally, we measure the recommendation index with the NPS methodology. The fraction of detractors was 22%, down from 2020 (29%), and we will continue to make progress towards our goal of being below 20%. We had also set ourselves to have a Net NPS of 45%, which we did achieve; It is calculated as the difference between the percentage of promoter clients and the percentage of detractor clients.



In 2021 we settled the changes with which we responded to the 2020 contingency, which has resulted in a greater analysis of new risks in money laundering, cyberattacks and new types of fraud. This has allowed us to rapidly evolve in the face of the new digital environment and standardize processes, having great adaptability in the analysis and response for all our channels.

In order to prevent logical, physical and fraud attacks on our clients, we have an integrated security structure. In this way, we have the Integrated Smart Monitoring Center (CIMI), where we monitor our clients' transactions through operational intelligence platforms, 24 hours a day. This monitoring allows us to take immediate action if necessary.

### External fraud prevention

The evolution of fraud in 2021 guided us to carry out a continuous improvement process with respect to the structure of the Fraud Prevention area, with the aim of mitigating the different types of fraud more effectively and efficiently. We arranged groups specialized in the prevention and detection of fraud in the different channels of our Institution. In addition, we apply the world-class guidelines of the brands we work with on cards.

Thanks to the measures implemented, despite the new forms of cyberattacks and online fraud, none of the data leak incidents involved personal information of customers. We only had losses of US\$ 1,302,000 due to fraud related to credit cards.



## Regulatory and internal control

At Banco Guayaquil we have different policies and guidelines that guide the relationship between employees and between them and our clients, neighborhood bankers and suppliers, promoting a culture of compliance.

The Regulatory and Internal Control area has maintained its actions across the institution, directly involving the Talent and Culture area. In this way, we have maintained monitoring actions, expanded due diligence, as well as updating internal policies and regulations that allow outlining the ethical and transparent relationship with our internal and external clients.

On the other hand, through the Anti-Bribery Management System -SGAS, certified in accordance with the international standard ISO 37001, we monitor and evaluate the selection, hiring and payment of suppliers.

## Security of the information

We are committed to protecting our customers' data and the information generated in the Bank's operations.

With the aim of aligning ourselves with the new work modalities and digital transformation, we strengthened preventive controls, within the framework of the Information Security Management System and the Cybersecurity Program.

We seek to avoid, among others, malware infection through emails, identity theft and information leakage on wireless networks.

In addition, we have international certifications that guarantee the proper management of information security within the Bank, such as:

- Information security management system, certified in accordance with the international standard ISO 27001.



- International cardholder data security standard PCI-DSS (Payment Card Industry Data Security Standard).
- Alignment with ISO 27032, cybersecurity guidelines.
- International PCI PIN Security Standard Visa.
- CSP SWIFT security program.

## Physical security

With the aim of always being aligned with the philosophy of guaranteeing the physical integrity of our clients, employees and Bank facilities, we effectively apply schemes aimed at preventing, monitoring, controlling and remedying all types of criminal events or disturbances of order that could affect to our physical service channels.

During 2021, the country's financial entities suffered continuous attacks due to theft of ATMs with an

increase in violence. For this reason, the Physical Security area of Banco Guayaquil began a study of different preventive solutions at an international level. Thanks to the support of the Association of Private Banks of Ecuador, we are very close to obtaining the authorization to be able to execute the selected measures.

## Analytical Security

In March 2021, the Bank made the decision to create the Analytical Security area, to centralize the administration of the Comprehensive Security monitoring tools and the refinement of alerts through statistical inputs, performance indicators and control panels.

This has allowed us to be at the forefront with the best practices to make decisions immediately and manage different types of controls in relation to the diversity of attacks we face, in an increasingly digital operation.

## 7. Responsible Banking

1 NO POVERTY



5 GENDER EQUALITY



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





## 7.1 Introduction

At Banco Guayaquil we actively contribute to the role of banking in the social and economic development of the country, and we also take care of the criteria of caring for the environment. We contribute from the operation itself and especially by promoting good practices among our clients through credit. The offer of financial products and services also generates opportunities from financial inclusion for citizens and the development of SMEs, which we complement with financial education for the best use of the products and financial resources available.

We established a Sustainability Strategy, the same one that will serve as a roadmap until 2023 in the environmental, social and corporate governance (ASG) aspects, especially in how to approach it from the business. The responsible banking approach is a main component of it, present in the development of products and services, in financial education, the development

of the sustainable finance ecosystem and in our own governance. We already had some background.

As we mentioned before, in 2019 we were pioneers in signing the Principles for Responsible Banking, coordinated by the United Nations Environment Program Finance Initiative (UNEP-FI) and the banking community on an international level. The signature helped us a lot for the indicated trajectory.

Although we already had an Environmental Policy, we decided to design and implement a robust Environmental and Social Risk Analysis System-SARAS. On the other hand, we must note that since 2008 we have had our pioneer network of non-banking correspondents, called "Banco del Barrio" through which the Amiga Account can be offered. In addition, since 2013 we have had our Financial Education Program for different segments of the population.

### 2013 - 2015

- Code of Ethics
- Corporate Governance Code
- Entry to the Global Compact Network and Work Contribution to the ODS
- Management of the change of the Corporate Image
- Establishment of an Environmental Management System
- Calculation of GHG emissions - Carbon Neutrality
- Sustainability Reports and Materiality exercises

### 2016 - 2019

- Signing of the Sustainable Finance Protocol of Ecuador - ASOBANCA/CAF/IFC/UNEP\_FI
- Sustainability Model
- Greater impact on Education and Financial Inclusion programs
- Central Project
- Anti-Bribery Management System - ISO 37001
- Signing of the Principles for Responsible Banking UNEP\_FI
- Design and implementation of an Environmental and Social Risk Analysis System (SARAS)

### 2020 - 2021

- Solidity in the response to COVID-19
- Sustainability Strategy
- Greater business development of Microfinance and SMEs
- Signing of the Principles for the Empowerment of Women of the UN and Global Compact
- Change of Corporate Image "A closer bank to the customer"
- First Social Bank
- Integrated Sustainability Report
- Growth in the number of Non-Banking Correspondents
- Climate Change Policy
- Human Rights Policies and Financial Inclusion Policy

## Strategic advances

Within our Sustainability Strategy, we have a Responsible Banking sub-strategy, aligned with the Principles of Responsible Banking of UNEP\_FI, which includes commitments and actions organized in the following areas:

- **Governance and ethics:** for the integration of the responsible banking approach in decision-making at all levels, maximizing the positive impact of financial activity.
- **Financial culture and access to banking,** with the development of inclusive and accessible products, financial education and support for entrepreneurship and strengthening of MSMEs.
- **Sustainable financing and investment:** application of social and environmental risk analysis in the delivery of credit, in the development of specific financing products, and the monitoring of the impacts of our portfolio.

As part of our commitment to the Principles, in 2020 we carried out an analysis of the positive and negative impacts of our commercial offer, including credit

products, savings, as well as other products and services. The process was carried out using the UNEP-FI Portfolio Impact Analysis Tool.

The result considered both the characteristics of our portfolio, such as the socioeconomic profile of individual customers and the activity sectors of corporate banking customers, together with the country's priorities for sustainable development (critical issues in the social and environmental aspects of Ecuador).

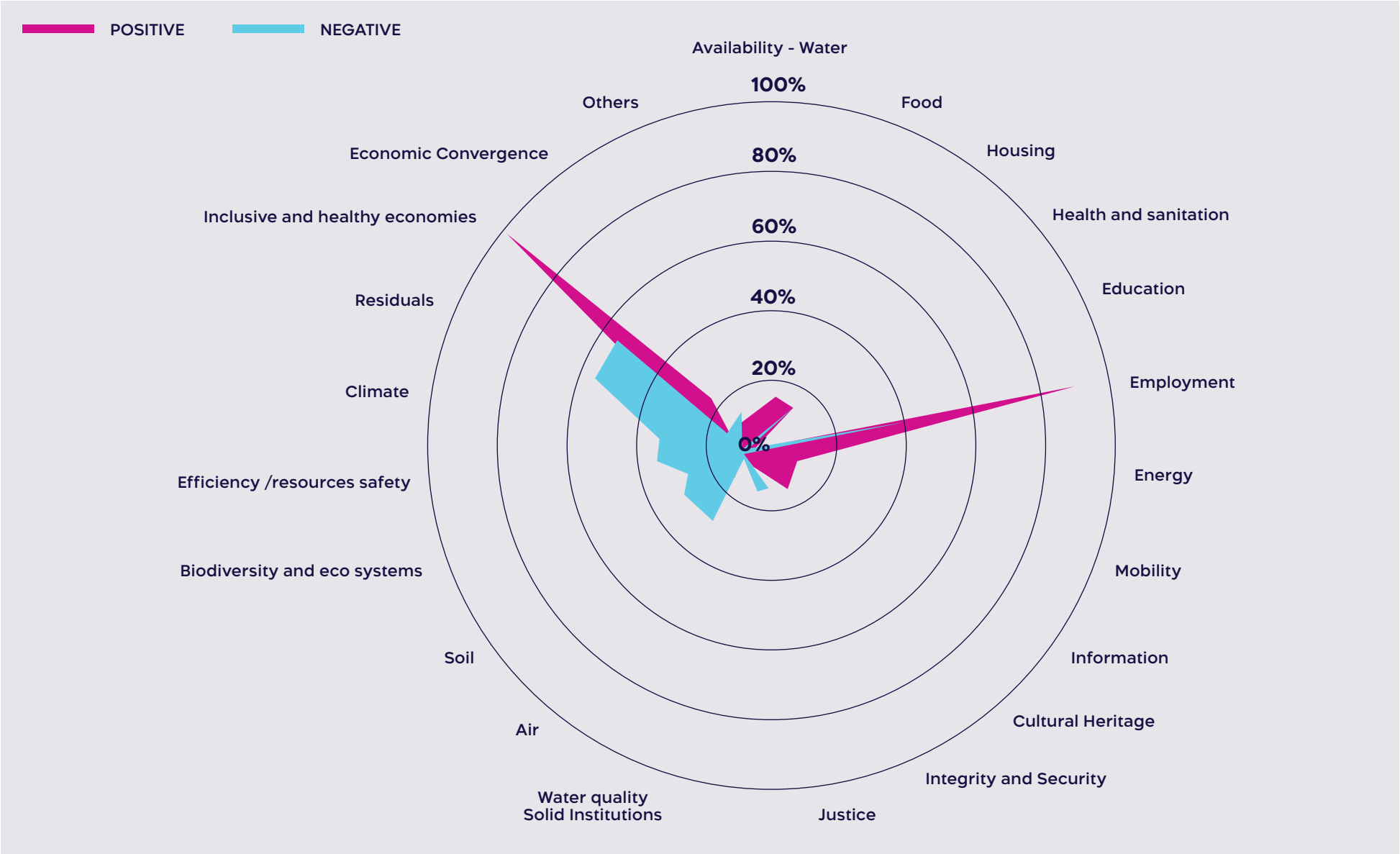
The impact analysis is complementary to the materiality analysis. Banco Guayaquil has multiple roles with its different stakeholders: employer, client, provider of financial products and services, partner for development, etc.) and all are analyzed in the materiality process; however, the process of studying the portfolio of products and services delves into the role of financial provider.





Impact Map

Based on the impact areas, to maximize our positive impacts, and reduce and/or mitigate the negative ones, we set ourselves the following objectives:





Our understanding of responsible banking and early adoption of the approach have allowed us to actively participate as an institution in the UNEP\_FI Inclusion and Reporting working groups. In the same way, we participate at the regional level in different spaces, highlighting our intervention this year in the IV International Forum of the Sustainable Finance Table of Paraguay.

## 7.2 Financing and Sustainable Investment

(GRI 3-3, 201-2, FS1, FS2, FS3, FS4, FS5, FS8, FS9, FS10, FS11)  
(SASB FN-CB-410a.2)

At the Bank we contribute to generating opportunities in the business community and we seek to ensure that they are consistent with the best environmental and social practices.

We have an Environmental and Social Risk Management System - SARAS, which considers high standards, including the requirements of the Performance Standards of the IFC (International Finance Corporation). It is based on the Bank's Environmental and Social Risk Policies. In addition, we have established a list of activities that we do not fund.

SARAS applies to individual or accumulated financing for the same client for certain credit value thresholds.

At the time of receiving a credit application, we evaluate all the risks, this is in addition to the basic and economic information of the client (or future client) also the information on environmental and social management. For those with greater exposure, we establish mandatory compliance commitments, which we monitor. The authorization of the delivery of financing corresponds to the Credit Approval Committee.

We annually train our collaborators in the Risk, Commercial and Sustainability areas regarding the different sustainability certifications and the operation of SARAS.

In 2021, 606 clients were categorized in the scope of SARAS, of which we were able to evaluate 86 through Due Diligence, implemented by our specialized team.

As part of our union action in the Association of Private Banks of Ecuador (ASOBANCA), we support the development of 12 Sector Guides to facilitate the evaluation of environmental and social risks, with financing from the eco.business Fund and presented at the end of 2021. It should be noted that there is already an agreement to develop 22 additional guides, thanks to IDB Invest and FMO.

Additionally, we are in the final phase of the development of the green lines, which we will be launching in 2022. This is a loan for projects that contribute to a lower environmental impact. We have begun granting projects for energy reconversion in the shrimp sector, from the use of fossil fuels to electricity, for up to US\$100,000 credit per client.

As a complement to the products, we also provide training in sustainable practices, including possible certifications depending on the type of activity of the client. In this way we support their efficiency, competitiveness and reinforce their access and/or presence in international markets. This year we trained 264 clients on sustainable certification issues, with the support of our collaborators.

### Contribution to business activity

Along with the granting of credit to large companies, it is also important to highlight our support for MiPymes and SMEs in the country, through credit and complementary consulting and business networking services.

» Details of [commercial credit and microcredit](#)

The pandemic had a particularly significant impact on micro, small and medium-sized companies, which at the regional level represent around 99% of all companies that operate and employ around 70% of workers. The consequences were even more severe in the case of companies led by women, the same ones that still have difficulties in accessing financing.

In response to this, in 2020 we issued a social bond for US\$20 million, the first in the country. It was structured by IDB Invest, in accordance with the Social Bonds Principles of the International Capital Markets Association (ICMA), an international benchmark in the field.

The capital has been allocated to MiPymes in the areas most affected by the pandemic. Part of the delivery of these credits was channeled through the Banks of the Neighborhood, in order to bring the resources closer to the beneficiaries and maximize the scope.

The detail of the use of resources is presented in the Social Bonus Report.

» [Social Bonus Report](#)

## 7.3 Financial culture and access to banking

### Financial inclusion

(GRI 3-3, 203-2, FS1, FS7, FS13, FS14, FS15)  
(SASB FN-CB-240a.1, FN-MF-270b.3)

As part of our third pillar of the Sustainability Strategy, "Financial culture and access to banking", we continue to advance in the development of inclusive and accessible products and services. This with the aim of making it easier for our clients to materialize their personal and professional projects.

We have access products, as a first stage in the development of banking and credit histories of those clients with greater difficulties; This is the case of the

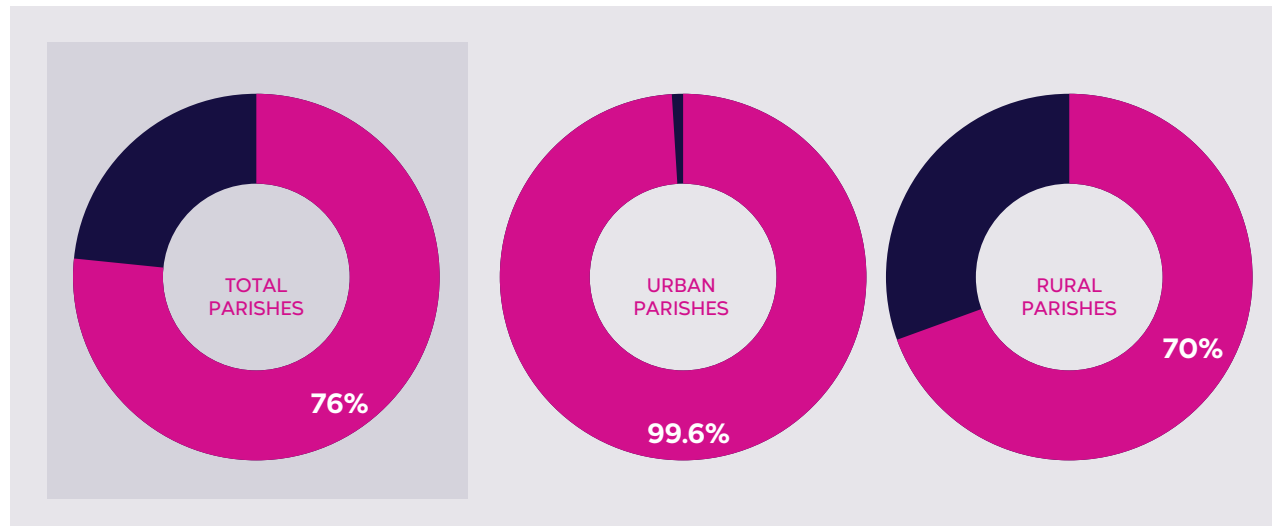
Amiga Account for deposits and MiCrédito for financing (microcredits ranging from US\$1.000 to US\$40.000).

It should be noted that more than 1 million Amiga Accounts were opened and 218.908 accounts remain active with transactions in the last 3 months.

One of the ways to bring Banco Guayaquil's services and operations closer to customers is by working together with the Bankers of the Neighborhood. The "Banco del Barrio" network is a network of non-banking correspondents, which, as we have already mentioned, was the pioneer network in Ecuador, made up of small businesses. In 2021, we reached the number of 12.858 Bancos del Barrio, which represents a 38% growth of the network. Our Bankers of the Neighborhood are found in 100% of the provinces and 100% of the cantons of the country. Regarding the parishes, to the practically total coverage of the urban ones, we already add the presence in more than 70% of the rural areas.



### Presence of the Banco del Barrio (Bank of the Neighborhood)





Through the Banks of the Neighborhood our customers can make deposits, withdrawals, various transactions and payments of services and taxes. In addition, you can receive money orders, or collect government bonds, as well as make the monthly payment of your microcredit (Micredito) and open your “Friend Account”

In January/2021 we launched a Microcredit for Women, these credits range between US\$5,000 and US\$10,000, with the support received from IDB Invest. Additionally, we provide loans from US\$10,000 to women who work in the SME sector.

## Financial Education

(FS16)

(SASB FN-CB-240a.4)

At Banco Guayaquil we believe that it is key that our clients and future clients know the conditions of the products and services that they will contract, as well as that the earliest generations learn about the general concepts of finance so that they can make appropriate financial decisions. . Below, we present the different financial education initiatives in the different segments and target groups.

### Children's segment

All the workshops that were offered this year were under the virtual modality. Despite this, it was possible to stimulate the imagination and interest of each child in the classes. These classes became memorable experiences. With the support of the educational system, we carry out financial education workshops where we try to teach children in an original way about

the importance of saving and the correct handling of money. This “Little Savers” program allowed Banco Guayaquil to be closer to the families of each child and that is why both parents and teachers appreciated the usefulness of this topic, because they know what it will represent in the lives of each one of them. We continue to count on the support of our volunteer facilitators,

As of December 31, 134 financial education workshops were held, benefiting 14,084 children.





## Youth segment

In the same way, this year virtual workshops were held at secondary schools. Banco Guayaquil wants to continue sowing good financial habits in young people who are currently in high school. That is why, through the “Banking Partners” program, it provides knowledge about the different banking products or services to young people, which will allow them to compare.

The process for teaching workshops in schools begins by sending a request to the principals or authorities of the schools, who internally review the content of the program and confirm the availability of dates. The possibility of schedules to dictate the training is evaluated together. After they indicate to the Bank that they agree and confirm by email, the workshop is held.

Once the day and time have been established with the school, the two Facilitators (BG Volunteer Collaborators) who will be in charge of giving the training are also notified.

Until December 31, 2021, **9,469 young people** were trained nationwide.

## Adult segment

The financial education program is also given to some Corporate Banking customers, who request this training especially to lower the rates of advance requests among their employees, or also because their Human Resources departments want them to learn to program themselves in the expenses or be prepared for times when bonuses, bonuses or utilities are paid.

<b>Customers</b>	We train the staff of our business clients, especially on issues of saving and budgeting.	2,363 participants
<b>Banqueros del Barrio</b>	Personal finance program	540 participants
<b>Collaborators</b>	E-Learning of Financial Education (5 modules) as well as the operation of the Deposit Insurance Corporation - COSEDE	2,853 BG collaborators
<b>Community</b>	To train children and young people, we collaborate with educational institutions where they study to develop two recreational programs: "Little Savers" and "Banking Partners". They participate as volunteer instructors collaborating with the Bank	14,084 children 9,469 children 226 educational institutions 93 volunteer collaborators

**The total number of persons trained during 2021 increased to 32.989**





## 8. Team

3 GOOD HEALTH  
AND WELL-BEING



4 QUALITY  
EDUCATION



5 GENDER  
EQUALITY



8 DECENT WORK AND  
ECONOMIC GROWTH





## 8.1 Introduction

(GRI 2-7, 2-30, 3-3,  
401-1, 405-1)

Our team is key to the operation and excellence in customer service of our business, highlighting what we highlight their talent and commitment. We offer development opportunities and work for solid internal communication and a strong work environment.

At the end of 2021, our workforce was made up of 2,989 collaborators, which represents an annual increase of 5%. We continue to bet on employment and growth despite the difficulties arising from the pandemic and, of course, thanks to the trust of our customers. 99.9% of collaborators have an indefinite contract; all employees work full-time.

In relation to gender, 55% of the collaborators are women; fraction of 56% in the case of managerial positions and 6% in executive positions. We continue to advance in the progress of collaborators for strategic and command positions.

It should also be noted that we are committed to young talent, with 41% of collaborators under 30 years of age, who join a group of excellent professionals with a longer career.

On the other hand, we respect the freedom of association of our collaborators, 14% being unionized. In addition, in practice, the entire workforce forms part of the National Association of Employees, which facilitates networking and access to different collective benefits.

Professional category	2019		2020		2021	
	N° of collaborators	% women	N° of collaborators	% women	N° of collaborators	% women
Executives	19	5,3%	17	5,9%	17	5,9%
Managers	189	58,2%	201	58,7%	226	55,7%
Middle managers	771	57,2%	795	57,9%	835	56,5%
Assistants and assistants	1.876	56,5%	1,827	55,8%	1.911	55,2%
<b>Total</b>	<b>2.855</b>	<b>56,5%</b>	<b>2.840</b>	<b>56,3%</b>	<b>2.989</b>	<b>55,3%</b>

**Notes.** The Executive category includes the Executive President (CEO), Executive Vice Presidents, and Vice Presidents.

The percentage of women corresponds to the fraction of the number of collaborators in each professional category.

Breakdown By Gender And Age Group - Year 2021					
	<30	30-50	>50	Total	Percentage
Men	520	687	128	1.335	44,7%
Women	713	859	82	1.654	55,3%
<b>Total</b>	<b>1.233</b>	<b>1.546</b>	<b>210</b>	<b>2.989</b>	<b>100,0%</b>

As we pointed out, we continue to create job opportunities. During the year we incorporated 354 new collaborators, so that we return to the dynamics prior to the occurrence of the pandemic.

We are at a time of changes in people's expectations, which is leading to a demobilization of collaborators in corporate spheres at an international level. This, together with less uncertainty after the first year of the pandemic, has brought our turnover rate to 5,3%

Breakdown of hires, withdrawals and turnover			
	2019	2020	2021
Hiring	359	123	354
Voluntary and involuntary withdrawals	365	138	203
Turnover rate (%)	-1.3	0,5	5,3

## 8.2 Diversity and Inclusion

(GRI 2-20, 3-3, 401-2, 401-3, 405-2, 406-1)

We are committed to diversity and promote inclusion, safeguarding non-discrimination. It is part of our internal guidelines, including the Code of Ethics and the Diversity and Inclusion Policy that we launched in 2021.

For the selection of professionals, we base ourselves on criteria of professional and academic experience, we seek to hire the best talent, avoiding gender or any other type of bias. In the same way, for career development and access to leadership positions. These efforts favor the dynamics of teams free of discrimination throughout the year.

We also supervise that there are no salary differences by gender, also applying the HAY methodology, with a scheme of ladders and annual reviews.

We endorse this approach as signatories of the Women's Empowerment Principles, promoted by UN Women and the United Nations Global Compact. This commitment to equal opportunities extends both within our team and in the range of banking products and services.

Likewise, we supported the celebration of the first edition of the "Ecuador Diverse and Inclusive" meeting, in which we were able to convey the message to the business community and make our best practices known. We remain a benchmark in the "Talent has no Gender" award, in this edition as the first finalist.

We work continuously on culture, with awareness actions. Also with training initiatives, such as the International Program: Gender & Diversity at work, building inclusive organizations.

Next, we present the salary ratio by gender and professional category. In addition, these differences represent the proportion of gender within the different profiles in each category and take into account other aspects, such as seniority.

Salary Ratio Women/Men 2021 Total Remuneration (fixed + variable) (annual average USD)	
Professional category	Salary Ratio (M:F)
Executives	0,91
Managers	0,92
Middle Management	1,00
Assistants and Auxiliaries	0,98

For the development of our collaborators in the company, regardless of their gender, it is essential that they be able to reconcile their professional responsibilities and their personal lives.

## 8.3 Training and Career Development

(GRI 3-3, 201-3, 404-1, 404-2, 404-3)

Regarding conciliation, we have the following measures:

- Bank of hours, so that collaborators can attend to personal matters.
- Scheme of flexible schedules in which employees can set their arrival and departure times within intervals established by the Bank.
- Design of new work modalities.
- Support for the exercise of maternity and paternity leave.

At the end of 2021, 52 men and 78 women took their paternity/maternity leave, of which 100% returned to work.

Efforts to foster a culture of respect among employees demonstrate that we are committed to continuing to avoid practices and situations that violate the integrity of our employees.



We support the career development of our collaborators, their knowledge and skills. In addition, we promote their professional growth. In the year 2021, we reached:

- 2.526 collaborators trained
- 17 hours of training per employee
- US\$463M investment in training

- Quality program: aimed at Commercial Advisors, Financial Executives, Specialists and Agency Heads.

During the year, we continued to support the professional and academic development of our collaborators, through the granting of scholarships at the master's level, bachelor's degrees, considering their seniority. These scholarships are granted as long as

Training									
Professional Category	No. Trained Collaborators			No. Training Hours			Average Hours/ Trained Collaborator		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
<b>Strategic</b>	14	15	13	184	110	160	13,1	7,3	12,3
<b>Executive</b>	193	191	209	5.973	6.990	3727	30,9	36,6	17,8
<b>Tactical</b>	795	619	701	16.528	13.466	12.302	20,8	21,8	17,6
<b>Operative</b>	1.802	924	1.603	23.004	7.504	32.371	12,8	8,1	20,4
<b>Total</b>	<b>2.804</b>	<b>1.749</b>	<b>2.526</b>	<b>45.688</b>	<b>28.070</b>	<b>48.920</b>	<b>16,4</b>	<b>16,1</b>	<b>17,0</b>

Among the different training programs, it is worth highlighting:

- Schools for position profiles within the Bank: that prepare the collaborator for their Cashier, Call Center and Microcredit tasks. There is also a Commercial Training Program.
- Virtual Leadership Program: the same one that is for managers with teams working remotely.
- Gender training: to avoid bias in commercial activity and risk analysis. As part of our commitment to banking for everyone, 190 employees participated.

they provide added value for the performance of the functions of each collaborator.

Accompanying the training and as part of the development of the collaborator, we annually evaluate their performance<sup>3</sup>. The person in charge of the evaluation is the immediate head of each area, who evaluates through a 90° methodology common to all professional categories. Organizational competencies, critical tasks, and exceptional behaviors are considered in this assessment. 99% of employees who meet the criteria are evaluated.

<sup>3</sup> All those who have been in the Bank for more than six months.

## 8.4 Security and health

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

We have as a priority to protect the health, safety, physical and emotional well-being of all our collaborators.

Given the continuity of the pandemic scenario, we continue to apply the biosafety protocol in our agencies and administrative offices, as well as the delivery of protective equipment and biosafety supplies. We continued to carry out COVID-19 detection tests, with periodic frequency in the groups that have been identified as having the greatest exposure. We also continue with the Online Doctor service for employees and their families. Due to the impact of the pandemic on everyone's emotional health, we added a psychological consultation service with external specialists.

We facilitated our collaborators to access the complete vaccination scheme (two doses), achieving as a result that 98% of the Bank's population has been vaccinated. Additionally, this benefit was extended to family members, neighborhood bankers, and collaborators of complementary service companies that work for the Institution.

Throughout the year, we train employees to strictly adhere to internal regulations on health and safety, and we raise awareness with messages through the different channels. As a complement, we carry out face-to-face and virtual inspections to validate compliance with the established measures, and regular tests (fire prevention, ash risk, etc.).

The management of our health and safety management system is the responsibility of the Occupational Health and Safety Joint Committee, and it covers the entire workforce and has initiatives for all identified risks.

The different initiatives are part of the Strategic Plan "I take care of myself". This program, aligned with the





SDG3 “Health and Well-being” and with the model of healthy companies of the World Health Organization, is divided into different components.

We are the first company in the country to obtain the Healthy Company (SIGES) certification, granted by the international certifier AENOR, which recognizes that we have a continuous improvement process that promotes the health, well-being and safety of our employees, in addition to the sustainability of the work environment. By 2022 we will execute the transition to the new Healthy Organization Management System (SIGOS).

### Health and wellness support – “Me cuido” (I take care of myself) program

- Support for medical insurance (contribution of 45% of the cost).
- Extension of medical benefits to family members: discounts on medical care.
- Psychosocial evaluation for those with greater opportunities, we carry out collective coaching practices.
- Virtual sports and cultural clubs. We had our first virtual race, with a very good reception from the collaborators.
- Training on emotional management, ergonomics, active breaks and interpersonal conflicts.
- Maternal Club: in which our collaborators from the moment of their pregnancy receive free medical check-ups and talks about pregnancy, breastfeeding and baby care.





HEALTH AND SAFETY INDICATORS			
	2019	2020	2021
Number of accidents	12	4	11
Number of occupational diseases	0	0	0
Number of fatalities	0	0	0
Days lost due to injuries and/or illnesses	109	108	71
Accident rate	2,20	0,85	1,80
Occupational disease rate	0	0	0

## Commitment and Work Climate

(GRI 3-3, 401-2)

In the context of the pandemic, we facilitate different work modalities, with 21% of the workforce in flexible home office, 14% in telework, 22% in mobile office and 43% in face-to-face work.

Regarding teleworking, it is worth highlighting the responsibility and commitment of our collaborators in this operating scenario, and the greater integration as a national team.

Given the growing emotional risk due to the pandemic and the development of these new work scenarios, we created the “mindfulness” program, which prepares employees virtually for 8 weeks.

To assess the situation and follow up, we use tools such as FPSICO 4.0 and the Psychosocial Comfort Measurement Technical Test (developed by the Bank). 95% of the workers confirm that they are happy with their way of working.

We also conduct our work environment survey with Great Place to Work® (GPTW). This year we were recognized again as the best place to work in Ecuador and we also obtained the 3rd. best place in Latin America in the category of large companies (more than 500 employees). Our employees highlight the benefits for themselves and their families, the bank’s concern for their physical and mental well-being, the good atmosphere, camaraderie and teamwork, and development opportunities, among others.

At Banco Guayaquil we offer benefits and benefits, which are included in the collective contract, such as the



payment of contributions to social security and income tax, bonuses higher than what is established by law and other subsidies. We deliver a bonus for reaching 15 and 25 years of continuous and uninterrupted service and employer retirement upon reaching 25 years of service.

We have the Membership Fund, which helps our employees prepare for their retirement.

From the third month in the company, the Bank contributes 3% of the employee’s monthly remuneration for this purpose.



## 9. Environmental management

7 AFFORDABLE AND  
CLEAN ENERGY



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION





## 9.1 Environmental management

(GRI 2-4, 302-1, 302-3, 302-4,  
305-1, 305-2, 305-4, 305-5)

At Banco Guayaquil we work continuously to improve the efficiency of our facilities and processes, to reduce the environmental impacts that we may be generating directly, for example, in the classification and management of waste, in addition, we promote good environmental practices in our clients through credit.

» see chapter 7, **Responsible Banking**

Through the “Yo Cuido” environmental program, we seek to transfer this commitment to the Bank’s culture and operations. Integrates the operation of our Environmental Management System.

In this way, we monitor energy consumption and calculate our GHG emissions. Likewise, we added the supervision of water collection and waste management under circular economy criteria that maximize reuse and recycling.



### Energy and emissions

For our top 5 centers<sup>4</sup>, we monitor energy consumption throughout the year, including facility electricity and fuel used by the Bank’s associated fleet of cars. The GHG emissions corresponding to this consumption are also those that we offset through the carbon neutrality program

FUEL CONSUMPTION AT THE MAIN CENTERS (GJ)			
	2019	2020	2021
Diesel (vehicles)	373	457	697
Gasoline (vehicles)	2.851	2.468	2.983
Diesel (generators)	159	84	63
Gasoline (Ecopaís)	4.238	4345	4.826
Ethanol VF (Ecopaís)	140	117	130
LP Gas (Installations)	419	298	297
<b>Total</b>	<b>8.180</b>	<b>7.769</b>	<b>8.997</b>

ELECTRICITY CONSUMPTION OF THE MAIN CENTERS			
	2019	2020	2021
kWh	4'011.455	3'669.840	3'750.175
GJ	14.441	13.211	13.501

<sup>4</sup> Main Building, Annex and Multiparqueo in Guayaquil, Mayor Quito Branch and Cuenca Branch.

Energy consumption within our 5 main centers was 22,498 GJ, which represents an increase of 7.2% compared to the previous year. 60.0% corresponds only to the use of electricity. These centers account for 42.6% of total electricity consumption (which already includes branches and agencies) in the total of the Bank's facilities.

TOTAL ELECTRICITY CONSUMPTION			
	2019	2020	2021
kWh	9'346.481	8'703.437	8'812.126
GJ	33.647	31.332	31.724

We have incorporated ecodesign criteria in the planning of new branches and agencies, as well as in remodeling and administrative centers, in order to move towards energy efficiency.

During the year, GHG emissions from our five main centers, included in the energy monitoring program, were 1,807 tCO<sub>2</sub>eq, which represents a decrease of 13.1% compared to the previous year, associated with the reduction in consumption of electricity (Scope 2).

The calculation includes the emissions associated with the consumption of fuel, electricity and the loss of refrigerant gases in the air conditioning equipment.

GHG EMISSIONS – MAIN CENTERS (tCO <sub>2</sub> eq)			
	2019	2020	2021
Scope 1	531,0	424,3	447,2
Scope 2	1.808,8	1.654,7	1.437,8
<b>Total</b>	<b>2.339,7</b>	<b>2.079,0</b>	<b>1.925,0</b>

INTENSITIES – MAIN CENTERS			
	2019	2020	2021
energy consumption (GJ/collaborator)	14,98	14,25	14,51
GHG Emissions (Scope Y2) (tCO <sub>2</sub> eq/employee)	1,55	1,41	1,23

We offset the emissions of our main centers through the purchase of carbon bonds in projects in Latin America. Our carbon neutrality is certified by the Institute of Technical Standards of Costa Rica (INTECO).

Additionally, we maintain our commitment to the conservation of an area of 746 hectares of El Chamizo Minas Protected Forest, in collaboration with the Decentralized Autonomous Government of Carchi.



By safeguarding its forest mass, we guarantee that it continues to function as a carbon sink in the country.

### Commitments and alliances

As an Institution, we advance in the development of sustainable finances and responsible banking, in order to promote the best environmental practices in our clients through the business.

In 2021 we participate in the Climate Accelerator Program of the Ecuador Global Compact Network. In the same way, we work with the public sector and civil society organizations to promote the protection of the environment. In 2021, we joined the initiative of the Guayaquil Water Fund (FONDAGUA), a trust to develop actions that enable the conservation of the Daule River basin.

### Environmental certification

Banco Guayaquil in the last semester of 2021 began with the request for Green Point certification for its five main buildings (Matrix, Annex, Multiparque, Mayor Quito Branch and Cuenca Branch).

Punto Verde is the institutional mark granted by the Environmental Authority to all national development activities for projects that go beyond compliance with legal regulations and contribute to environmental management and the reduction of negative environmental impacts on the natural environment and the environment. climate change.

The institution seeks to implement the preventive strategy of Cleaner Production as a tool to improve environmental performance and competitive positioning in the market.





# ANNEXES





## Annex I

### Balance sheet

As of December 31, 2021. In thousands of dollars

	dec-19	dec-20	dec-21	Δ21-20 (total)	Δ21-20%
<b>ASSETS</b>	<b>5'077.368</b>	<b>5'761.260</b>	<b>6'364.654</b>	<b>603.394</b>	<b>10%</b>
AVAILABLE FUNDS	932.001	1'004.165	1'010.882	6,717	1%
INVESTMENTS	625.058	1'135.596	977.440	-158.156	-14%
CREDIT PORTFOLIO	3'204.457	3'282.941	3'992.819	709.878	22%
ACCOUNTS RECEIVABLE	54.205	71.122	66.558	-4.564	-6%
FORECLOSED ASSETS FOR PAYMENT	2.673	4.995	25.220	20.225	405%
PROPERTY AND EQUIPMENT	130,844	127.337	111.070	-16.267	-13%
OTHER ASSETS	128.129	135.03	180.665	45.562	34%
<b>LIABILITIES</b>	<b>4'538.511</b>	<b>5'225.863</b>	<b>5'762.317</b>	<b>536.454</b>	<b>10%</b>
OBLIGATIONS WITH THE PUBLIC	3'718,315	4'373.171	5'010.624	637.453	15%
IMMEDIATE OBLIGATIONS	10.316	23.348	50.129	26.781	115%
ACCOUNTS PAYABLE	183.637	173.331	173.983	652	0%
FINANCIAL OBLIGATIONS	594.502	590.584	458.091	-132.493	-22%
VALUES IN CIRCULATION AND OTHER LIABILITIES	1.182	21.499	17.783	-3.716	-17%
OBLIGATIONS CONV. ACCIO. CONTRIBUTION.FUT. CAPITAL	30.560	43.931	49.975	6.044	14%
OTHER LIABILITIES	-	-	1.732	1.732	-
<b>EQUITY</b>	<b>538.856</b>	<b>535.397</b>	<b>602.337</b>	<b>66.940</b>	<b>13%</b>
SOCIAL CAPITAL	391.905	428.265	449.900	21.635	5%
RESERVE	61.381	69.454	72.784	3,330	5%
SURPLUS BY VALUATIONS	4.837	4.388	5,270	882	20%
RESULTS	80.733	33.290	74.383	41.093	123%
<b>TOTAL LIABILITIES + EQUITY</b>	<b>5'077.368</b>	<b>5'761.260</b>	<b>6'364.654</b>	<b>603.394</b>	<b>10%</b>
<b>NET CONTINGENTS</b>	<b>1'652.243</b>	<b>1'588.482</b>	<b>1'882.625</b>	<b>294.143</b>	<b>0%</b>
<b>TOTAL ASSETS + NET CONTINGENTS</b>	<b>6'729.611</b>	<b>7'349.742</b>	<b>8'247.279</b>	<b>897.537</b>	<b>12%</b>

### Details of ESG management (environmental, social and governance)

#### Relationship with our stakeholders

(GRI 2-29)

Involvement with our different stakeholders is key to maximizing the results of operations and thus continuing to create value in an integral manner.

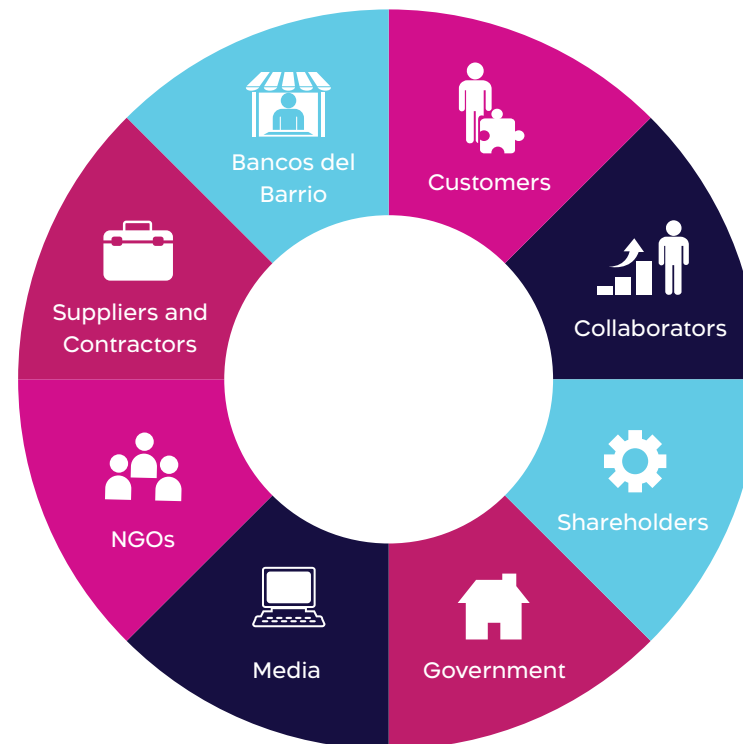
We encourage dialogue with our collaborators, communication and collaboration between them, as well as the link with their external counterparts: customers, neighborhood bankers, suppliers and shareholders, among others. We have different channels for dialogue, which allow a close bond and strengthen trust.

Similarly, it is a requirement that relations with and between these groups be based on our values, the guidelines of the Code of Ethics and the rest of our self-regulation (policies, codes, and applicable legislation).



Along with the regular relationship as part of our daily activity, we also carry out consultations to learn about the environmental, social and governance (ESG) issues in which our performance has a special impact on them. These are the materiality analysis exercises, the last one carried out in 2020, which served as the basis for the development of our Sustainability Strategy.

We understand as interest groups all the agents that are impacted by our activity, as well as those that have a decisive influence on its achievement.



## Relationship Detail

Groups of Interest	Value creation	Channels
<b>Collaborators</b>	<p>Support training and career development, generating highly competitive professional profiles.</p> <p>Seek professional and personal well-being, through job security, the work environment and specific health and work-life initiatives.</p> <p>Guarantee equal opportunities and non-discrimination in a culture of respect.</p>	<ul style="list-style-type: none"> <li>• Work climate assessment</li> <li>• Complaint channel</li> <li>• Weekly summaries (Briefing) and internal corporate mail</li> <li>• website</li> <li>• General and area meetings</li> <li>• Training sessions</li> <li>• Focus groups (as part of the materiality analysis)</li> <li>• Integrated Sustainability Report</li> </ul>
<b>Shareholders</b>	<p>Invest in a company with a solid financial track record, profitable and demanding in risk management, which advances in accordance with a marked strategic plan that includes the ASG aspects (environmental, social and governance).</p> <p>The strength of financing for the company by multilateral Banks.</p>	<ul style="list-style-type: none"> <li>• Shareholders meeting</li> <li>• Specific section on the web</li> <li>• Shareholders Report (annual and quarterly)</li> <li>• Performance of the Shareholder Service Office</li> <li>• Requests for information from capital providers</li> <li>• Commissioner Performance</li> <li>• Social Bonus Report</li> <li>• Integrated report</li> </ul>
<b>Suppliers and contractors</b>	<p>To be allies of the Bank both in the construction and delivery of products and services and in the generation of the customer experience, with quality criteria that, added to innovation, contribute to advancing the business of both parties and their degree of competitiveness.</p> <p>Build long-term relationships with a win-win approach.</p>	<ul style="list-style-type: none"> <li>• Recruitment meetings and service provision operations</li> <li>• Evaluation processes (including anti-corruption)</li> <li>• Focus groups (as part of the materiality analysis)</li> <li>• Complaint channel</li> <li>• Integrated report</li> </ul>

Groups of Interest	Value creation	Channels
<b>Customers</b>	<p>Have financial products and services relevant to their needs.</p> <p>Facilitate the achievement of your personal and professional goals based on savings and credit, including the development of products and services with a special focus on inclusion.</p> <p>Opportunity that they can choose the solutions with criteria thanks to the information provided and the transparency in the conditions.</p> <p>Live an appropriate experience at all times, combining digital channels and face-to-face service. Accessibility when and where they need it.</p> <p>Promote that they incorporate the best ESG practices.</p>	<ul style="list-style-type: none"> <li>• Offices</li> <li>• Remote channels (web, mobile app)</li> <li>• Performance of the Customer Defender</li> <li>• Social networks and email alerts</li> <li>• Help Center (Personal Banking and Business Banking)</li> <li>• Service Quality Platform (satisfaction monitoring)</li> <li>• Training sessions: financial education, sustainability in the operation (agribusiness)</li> <li>• Integrated Report</li> </ul>
<b>Bancos del Barrio</b>	<p>Dotar a sus clientes de un valor agregado mediante la provisión de servicios financieros, además de incrementar la afluencia a sus establecimientos.</p> <p>Contribuir a la inclusión financiera en sus comunidades, convirtiéndose en agentes de cambio local.</p>	<ul style="list-style-type: none"> <li>• Networking call</li> <li>• Informative Sessions</li> <li>• Focus groups (as part of the materiality analysis)</li> <li>• Follow-up of the executives in charge</li> </ul>
<b>Governance</b>	<p>Contribution to the socio-economic development of the country, under criteria of general interest collected in compliance with the applicable legislation and regulations.</p> <p>Participate in the relationship between the public and private sectors to advance in the attention of the main country gaps, including in the achievement of the Sustainable Development Goals (SDG)</p>	<ul style="list-style-type: none"> <li>• Reports / documentation required</li> <li>• Monitoring of the Superintendency of Banks</li> <li>• Shareholders report with information required by regulations</li> <li>• Participation in union organizations</li> </ul>
<b>ONGs</b>	<p>Offer opportunities for the development of projects through social investment.</p> <p>Participate in alliances that address different social and environmental issues, especially those related to the Bank's operations.</p> <p>Promote financial education, especially among children and young people.</p>	<ul style="list-style-type: none"> <li>• Performance of the financial education program.</li> <li>• Social investment initiatives</li> <li>• Sectoral actions and support for multilateral initiatives</li> <li>• Participation in alliances and/or organizations linked to sustainable development</li> <li>• Integrated report</li> </ul>
<b>Media</b>	<p>Inform the different interest groups through its channels and platforms about the Bank's performance, as well as raise awareness about the importance of managing finances and create a culture of savings and prevention.</p>	<ul style="list-style-type: none"> <li>• Performance of the communication and marketing team</li> <li>• Integrated report</li> <li>• Participation in union events and/or events of a different nature</li> </ul>



## Alliances and Memberships

GRI 2-28

At Banco Guayaquil we believe in the potential of working together to address the great challenges of society, which the United Nations establishes as part of the 2030 Agenda through the Sustainable Development Goals.

We understand a banking model that contributes to economic and social development, protecting the environment. For this reason, we are an active part of the United Nations Environment Program Financial Initiative (UNEP\_FI), learning from our peers and adopting commitments on climate change and even financially, among others. We are founding members of the Principles for Responsible Banking, along with other leading banks. This approach is also present with our presence in ASOBANCA, including in the joint advances in sustainable finance.

We also participate in the main unions, in their performance to boost the local and national economy, and participate in regulatory development.

At the local level, we participate in initiatives that contribute to social development, in aspects such as youth employment, and also the environment. This year highlights our incorporation into the Guayaquil Water Fund Initiative (FONDAGUA), a trust constituted to develop actions that enable the conservation of the Daule River basin.

AMBIT	INSTITUTION/INITIATIVE
<b>Associations</b>	Association of Private Banks of Ecuador (ASOBANCA)
<b>Chambers</b>	Guayaquil Chamber of Commerce
	Associations
	Cuenca Chamber of Commerce
	Chamber of Industries of Guayaquil
	Chamber of Industries and Production
	Chamber of Small Industry and Production
	Ecuadorian-American Chamber of Commerce
	Ecuadorian-German Chamber of Industry and Commerce
	British Ecuadorian Chamber of Industry and Commerce
<b>Other organizations and forums</b>	Ecuadorian Corporation for Social Responsibility and Sustainability (CERES)
	Global Pact Ecuador Network
<b>Main and supported initiatives</b>	Principios de Empoderamiento de las Mujeres (ONU Mujeres, Pacto Global) Principles for Responsible Banking (UNEP_FI) Alliance for Youth (promoted by Nestlé) Tables of the Leaders for the SDGs (Global Compact) program Guayaquil Water Fund Initiative (FONDAGUA)

## Respect for Human Rights

(GRI 2-23, 2-24, 2-25, 2-26)

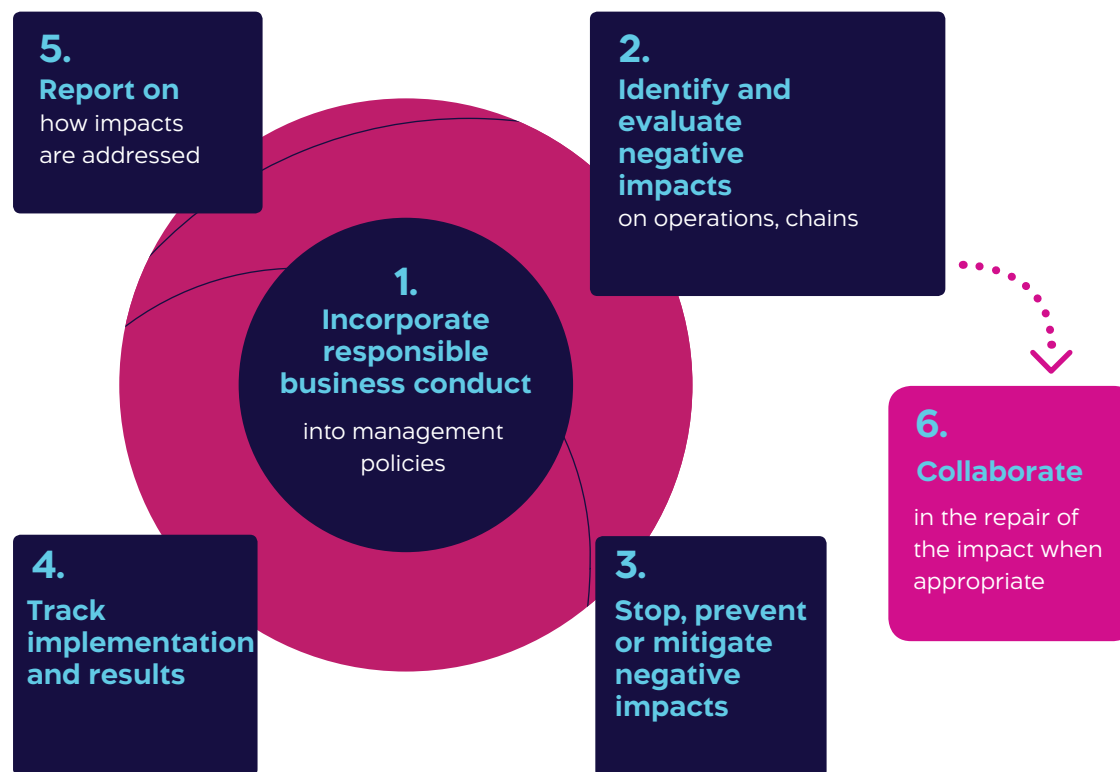
At Banco Guayaquil, based on our values, we are committed to respecting Human Rights, both within our teams and in our relationships with customers, neighborhood bankers, suppliers and other stakeholders.

We adhere to international guidelines, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, as well as the Guidelines for Multinational Companies and the rest of the recommendations of the Organization for Cooperation and Development. Economic Development - OECD.

As part of the financial sector, we have a double exercise of respecting Human Rights:

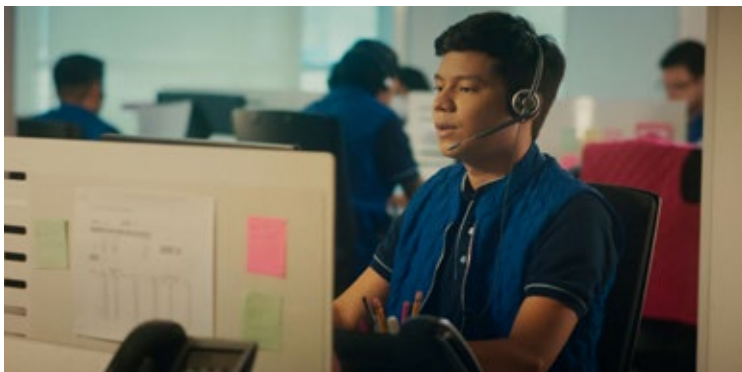
- 1) In our direct operation, in the treatment of employees, working conditions and non-discrimination.
- 2) In the relationship with our customers, in access to products and services, their conditions and transparency in information. But especially, regarding clients, it is given in the risks that may be generated in the operations of those who receive financing. We have the responsibility to promote good social practices in its activity, including the application of our Environmental and Social Risk Analysis System - SARAS.

At Banco Guayaquil, we have implemented a due diligence roadmap, which we detail below:



Source: OECD Due Diligence Guidance for Responsible Business Conduct

As a key pillar of management, we have our Human Rights Policy, approved in 2021, which establishes the reference frameworks and guidelines that allow us to foster respect and promotion of human rights in our field of action, encompassing the rights of all individuals who work at Banco Guayaquil or they interact with us. It therefore has guidelines for the relationship between collaborators and between them and clients, communities and suppliers.



Process	Performance	More details
1. Incorporate responsible business conduct into management policies and systems.	<ul style="list-style-type: none"> <li>• Our Code of Ethics constitutes the main framework of guidelines for the performance of the Bank's activity, and promotes respect for diversity and non-discrimination.</li> <li>• Additionally, in 2021 we developed the Diversity and Inclusion Policy, with which we seek to facilitate the experience of personal differences without barriers or biases.</li> <li>• We also incorporate these principles in the guidelines of the hiring processes and establishment of remunerations, as well as in the management of well-being.</li> <li>• As a fundamental part of the commitment, we also developed the Human Rights Policy this year, which serves as a reference framework for the entire operation, the rest of the policies and codes.</li> </ul>	<ul style="list-style-type: none"> <li>» Sustainability Strategy</li> <li>» Ethics and compliance</li> <li>» Equipment: introduction</li> </ul>
2. Identify and Evaluate the Negative Impacts of Operations, Supply Chains and Business Relationships.	<ul style="list-style-type: none"> <li>• We can detect breaches of self-regulation through the complaints received in our Ethics Line. They are complemented by the cases identified through internal and external audit processes.</li> <li>• We apply the Environmental and Social Risk Analysis System (SARAS) in the granting of credit, with which we evaluate and monitor risks, also promoting good practices among clients.</li> <li>• In relation to the culture of respect within the Bank, we regularly monitor the work climate through the climate survey and other exercises.</li> </ul>	<ul style="list-style-type: none"> <li>» Ethics and compliance</li> <li>» Financing and sustainable investment</li> <li>» Equipment: introduction</li> </ul>



Proceso	Performance	More details
3. Stop, prevent or mitigate negative impacts.	<ul style="list-style-type: none"> <li>• <b>Customers</b> <ol style="list-style-type: none"> <li>1) The SARAS exercise itself allows us to identify risks and establish prevention and mitigation measures. As part of it and in accordance with international best practices, we have set ourselves a series of high-risk activities that we do not finance.</li> <li>2) The approach with which we have carried out the technological transformation is inclusive, both in the design and operation of the channels and in coexistence with the operation of branches and bankers in the neighborhood.</li> <li>3) The offer of products for the segments with the greatest difficulties, basic accounts and micro-financing, favors opportunities and avoids exclusion.</li> </ol> </li> <li>• <b>Collaborators</b> <ol style="list-style-type: none"> <li>1) Permanent awareness of diversity, initiatives to support the development of collaborators.</li> <li>2) Systematization of performance evaluation and remuneration setting, to avoid bias.</li> <li>3) Wellness program and strict health and safety measures to safeguard the integrity of employees.</li> </ol> </li> <li>• <b>Supply chain</b> <ol style="list-style-type: none"> <li>1) We require suppliers to have ethics and anti-corruption guidelines, as part of our Anti-Bribery Management System, certified according to the ISO 37001 standard; Its scope is the process of evaluating and contracting suppliers.</li> <li>2) We pay special attention to the practice of our physical security providers, in terms of respect for customers.</li> </ol> </li> <li>• <b>Society</b> <ol style="list-style-type: none"> <li>1) We have an active participation in organizations that promote sustainability and respect for Human Rights: Global Compact Red Ecuador and CERES. Among the main initiatives to which we have contributed is the Gender Equality Manual of the SDG 5 Working Group, led by Chubb Seguros, and the Guide for the Development of Diversity and Inclusion Policies prepared with our leadership in the Working Group. of SDG 8.</li> <li>2) We also promote financial education as a vehicle to reduce inequalities.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>» Financing and sustainable investment</li> <li>» Customer connection: experience</li> <li>» Financial inclusion</li> <li>» Diversity and inclusion</li> <li>» Security and health</li> <li>» Relationship with the supply chain</li> <li>» Contribution to the SDGs</li> <li>» Financial education</li> </ul>



Process	Performance	More details
4. Track Implementation and Results.	<ul style="list-style-type: none"> <li>• The initiatives are monitored by different committees and working groups depending on the case.</li> <li>• The Ethics Committee monitors compliance with the different policies and codes, including diversity itself.</li> <li>• The Corporate Governance and Sustainability Committee monitors the pillars of the sustainability strategy, which includes respect for human rights.</li> </ul>	<ul style="list-style-type: none"> <li>» Corporate governance</li> <li>» Ethics and compliance</li> <li>» Sustainability Strategy</li> </ul>
5. Report on how Impacts are Addressed.	<ul style="list-style-type: none"> <li>• We maintain internal communication campaigns and call for the active participation of our collaborators in the initiatives.</li> <li>• We are part of different networking spaces communicating our practices and learning from the experience of other organizations.</li> <li>• Likewise, we have produced six Sustainability Reports and this is our second Integrated Report, following international reporting methodologies and parameters. It includes the adoption of the update of the GRI Standard 2, which places special emphasis on due diligence in human rights.</li> </ul> <p>The Report is key to making all our stakeholders aware of our work in Human Rights and the Sustainability Strategy as a whole.</p>	<ul style="list-style-type: none"> <li>» Relationship with our stakeholders</li> </ul>
6. Repair or collaborate in the Repair of the Impact when appropriate.	<ul style="list-style-type: none"> <li>• Our preventive management has allowed us not to have had significant negative impacts that need repair.</li> <li>• Likewise, adherence to external legislation.</li> <li>• Through the Ethics Committee, once the possible cases have been evaluated, the pertinent measures and sanctions derived from the magnitude of the case would be established.</li> </ul>	<ul style="list-style-type: none"> <li>» Ethics and compliance</li> </ul>

### Materiality analysis

(GRI 3-1, 3-2, 3-3)

We apply the concept of double materiality, according to international trends:

**Socio-environmental or impact materiality:** reflects the company's most significant impacts abroad: on the economy, the environment and people; these impacts can have positive or negative consequences (on the operation, reputation, financially).

For this, we carried out a prioritization of ESG issues in which both a selection of our stakeholders and the company's senior management participated; This exercise is recurring, the last one carried out in 2020.

**Financial materiality:** reflects the ESG factors that could have a reasonable probability of affecting the financial condition, operating performance and cash flows within the company.

We apply the key issues established by the Sustainability Accounting Standards Board (SASB) for the industries that apply to us in the financial sector: commercial banking, consumer finance and mortgage finance.

Below, we detail socio-environmental materiality: the participatory process for socio-environmental materiality:

#### 1) Review

Analysis of the material topics determined in the previous exercises.

#### 2) Identification

Preparation of a list of potentially relevant topics, based on the analysis of:

- Sectoral reference documents that propose key issues (related to the international non-financial reporting frameworks of the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB)

- Sustainability frameworks for the financial sector, promoted by UNEP-FI.
- National and international trends in multisector sustainability, such as the analysis of global risks presented annually by the World Economic Forum (WEF).
- Our Strategic Business Plan and internal risk analyses.
- The appearances of Banco Guayaquil in the media.

#### 3) Prioritization

The list of potentially relevant topics was evaluated from two perspectives:

1. Priority for the Bank, in accordance with the corporate strategy, through interviews with a selection of directors.
2. Importance for interest groups, through focus groups with collaborators, suppliers and bankers from the neighborhood, in Quito, Guayaquil and Cuenca.

From this, we elaborate the materiality matrix, with the significance of the different topics; Those with the highest score from both perspectives (axes) were prioritized.

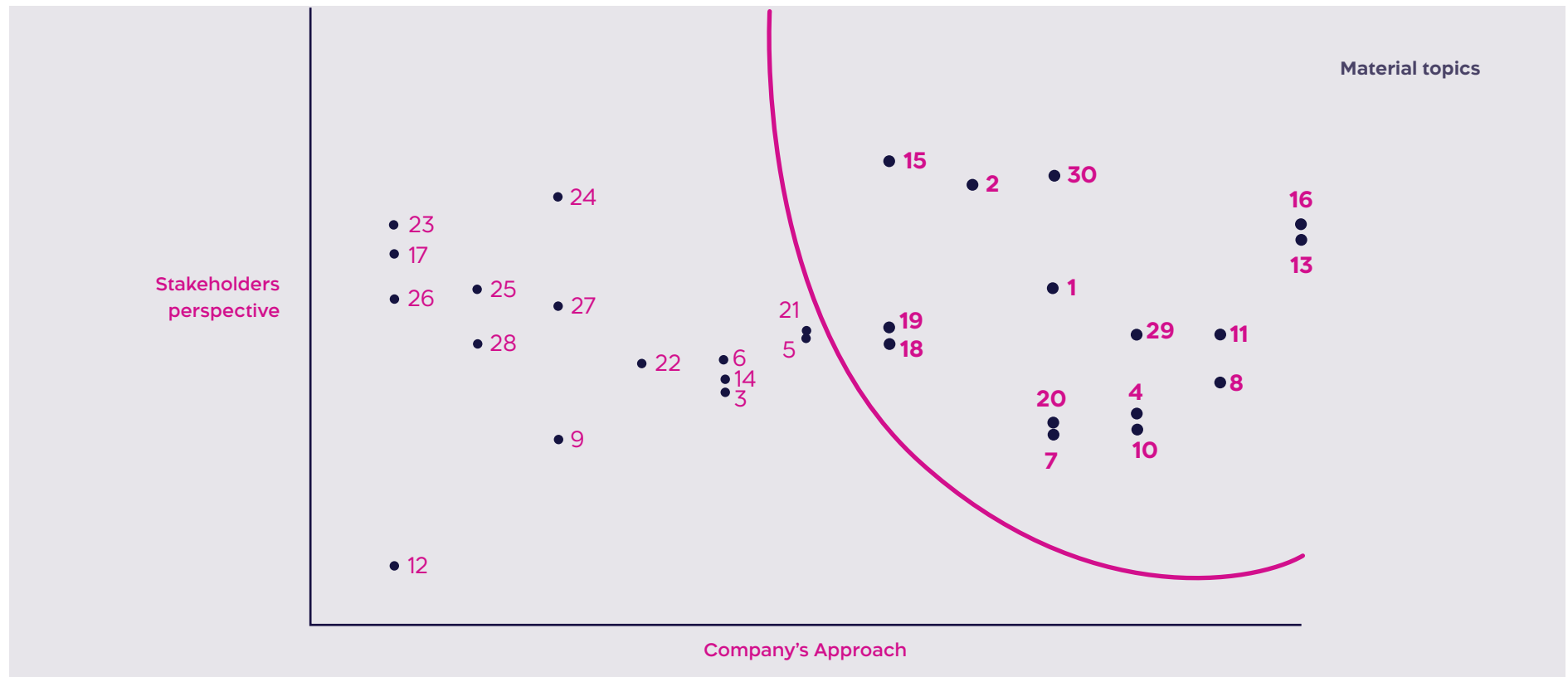
#### 4) Validation

The Bank's senior management was closely involved in the process.

The results of our socio-environmental materiality were generated right in the initial stages of the COVID-19 pandemic in Ecuador. Based on the evolution of its economic and social impact, we reviewed our materiality matrix, expressing the changes in the significance of the topics.

In this way, we were able to prioritize attention to those issues whose relevance was growing, especially as a result of the context and our operational response.

## Materiality Matrix Banco Guayaquil



- 1. Regulatory compliance
- 2. Ethics and anti-corruption
- 3. Corporate governance
- 4. Accessibility (customers)
- 5. Entrepreneurship support
- 6. Financial education
- 7. Environmental and social evaluation of clients (responsible financing)
- 8. Financial inclusion
- 9. Financial health (customers)
- 10. Operational efficiency

- 11. Customer experience
- 12. Management of suppliers and contractors
- 13. Innovation in products and services
- 14. Marketing and information of products and services
- 15. Information security
- 16. Technology and use of information
- 17. Security for customers
- 18. Talent attraction and retention
- 19. Training and career development (employees)
- 20. Internal communication and leadership (work environment)
- 21. Diversity (collaborators)

- 22. Social investment
- 23. Remuneration and benefits (collaborators)
- 24. Health and safety (employees)
- 25. Issuances (of the loan portfolio)
- 26. Own issues (Banco Guayaquil)
- 27. Corporate environmental management
- 28. Risks and opportunities of climate change
- 29. Competitiveness and market development
- 30. Economic results

### Self-Assessment and Advancement of the Principles of Responsible Banking

At Banco Guayaquil we understand banking as an engine for economic and social development, protecting the environment. It is part of our Sustainability Strategy from the business, including the design of products and services and financial education.

We are a founding member of the Principles for Responsible Banking, promoted by different leading international institutions and the coordination of the United Nations Environment Program Finance Initiative (UNEP\_FI).





Below, we present our main advances in 2021

Request	Response and self-assessment	Greater detail (integrated report or others)
<b>Principle 1: Alignment</b>  We will align our business strategy to be consistent with and contribute to the needs of individuals and the goals of society, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant regional and national frameworks.		
<b>1.1</b> Describe (high level) your bank's business model, including the main customer segments served, the types of products and services provided, the main sectors and types of activities and, where applicable, the technologies financed in the main geographies in which your bank has operations or provides products and services.	<p>Banco Guayaquil is a multiple banking institution that operates in Ecuador.</p> <p>We raise funds from people and companies, and we provide different financing options, organized in the commercial, consumer, housing and microcredit sectors.</p> <p>Regarding deposits, we offer savings, credit and term deposit accounts as the main alternatives.</p> <p>We are customer focused. Our slogan "Primero tú" (First you) constitutes our way of doing banking. We are a simple, close and transparent bank.</p>	<ul style="list-style-type: none"> <li>» Profile (IAI21)</li> <li>» Breakdown of the loan portfolio (IAI21)</li> <li>» Evolution of deposits (IAI21)</li> <li>» Financial culture and access to banking (IAI21)</li> </ul> <p><a href="https://www.bancoguayaquil.com/conocenos/">https://www.bancoguayaquil.com/conocenos/</a></p>
<b>1.2</b> 1.2 Describe how your bank has aligned and/or plans to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and national frameworks and relevant regions.	<p>We have a Sustainability Strategy, designed in 2020 based on material issues and that considers our work history. We also present its alignment with the Sustainable Development Goals (SDG).</p> <p>It includes a Responsible Banking sub-strategy, to maximize the positive contribution we can make to social development and the environment through our financial products and services.</p> <p>We therefore contribute strategically to a selection of the SDGs, and we monitor our contribution through specific indicators.</p>	<ul style="list-style-type: none"> <li>» Sustainability Strategy (IAI21)</li> <li>» Responsible Banking: Introduction (IAI21)</li> <li>» Annex V: Contribution to the SDGs</li> </ul> <p><a href="https://www.bancoguayaquil.com/conocenos/sostenibilidad/">https://www.bancoguayaquil.com/conocenos/sostenibilidad/</a></p>

Request	Response and self-assessment	Greater detail (integrated report or others)
<p><b>Principle 2: Impact and goal setting</b></p> <p>We will continually increase our positive impacts while reducing negative impacts and managing risks to people and the environment resulting from our activities, products and services. To that end, we will set and publish targets where we can have the most significant impacts.</p>		
<p><b>2.1</b> Impact analysis:</p> <p>Demonstrate that your bank has identified the areas where it has its most significant (potential) positive and negative impact through an impact analysis that meets the following elements:</p> <ol style="list-style-type: none"> <li>Scope:</li> <li>Exposure scale:</li> <li>Context and relevance:</li> <li>Scale and intensity / importance of the impact</li> </ol> <p>Show that, based on this analysis, the bank:</p> <ul style="list-style-type: none"> <li>Identified and disclosed your most significant (potential) positive and negative impact areas.</li> <li>Identified strategic business opportunities in relation to increasing positive impacts / reducing negative impacts.</li> </ul>	<p>We analyzed the positive and negative impacts of our portfolio of products and services, through a process that considered the recommendations of UNEP-FI. We use the Portfolio Impact Analysis Tool.</p> <p>Scope and exposure: We consider commercial credit as a whole, as well as microcredit, consumer and housing credit.</p> <p>Note that:</p> <ul style="list-style-type: none"> <li>In commercial credit, the main sectors we finance are: Manufacturing, trade, services, as well as agriculture, livestock and fishing. To encourage our clients' investment in technologies that reduce environmental impact, we are working on the development of green lines of credit.</li> <li>With microcredit, we support entrepreneurs and small business owners. We are also developing a microcredit for women, initially for neighborhood bankers and their clients in rural areas; We also give loans to women who work in the SME sector.</li> <li>Consumer credit includes credit delivered to a personal customer for different uses, such as the purchase of a vehicle, studies, etc.</li> <li>Separately, we monitor home loans.</li> </ul> <p>Context: we consider the country's priorities for sustainable development, present in the last Voluntary National Report on compliance with the 2030 Agenda that Ecuador has presented.</p> <p>Scale and intensity of impact: the impact analysis, after casting our impact areas in positive and negative terms, helped us to focus on those where the positive and negative net contribution is greater.</p>	<ul style="list-style-type: none"> <li>» Responsible banking (IAI21)</li> <li>» Breakdown of the loan portfolio (IAI21)</li> <li>» Evolution of deposits (IAI21)</li> </ul>

Request	Response and self-assessment	Greater detail (integrated report or others)
Please provide your bank's conclusion/statement if you have met the requirements related to the Impact Analysis.		
The Bank used the UNEP FI Portfolio Impact Analysis Tool, considering in the scope both commercial credit, microcredit, consumer credit and housing. In this way we identify the main areas of impact for our net positive and negative contribution.		
The next steps to improve the impact analysis of the portfolio are to use the new version of the UNEP FI tool, and to identify the financed technologies in the clients.		
<p><b>2.2</b> Goal setting</p> <p>Demonstrate that the bank has established and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) objectives, which address at least two of the “most significant impact areas” identified, resulting from the bank’s activities and the provision of products and services.</p> <p>Show that these goals are linked to and drive alignment and further contribution to the appropriate Sustainable Development Goals, the goals of the Paris Agreement and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and set targets against this baseline.</p> <p>Demonstrate that the bank has analyzed and recognized significant (potential) negative impacts of the established goals in other dimensions of the SDGs/climate change/ society objectives and that it has established relevant actions to mitigate them to the extent possible to maximize the result net of the positive impact of the objectives set.</p>	<p>Taking into account the main impacts due to the positive or negative net contribution, we set ourselves a series of objectives; both exercises in 2020. The objectives are aligned with different SDGs.</p> <p>In 2021, we established the indicators for its monitoring, the annual and medium-term goals (2025). In the first quarter we set the goals for 2022 and continued with the medium-term goals (2025).</p> <p>In addition, as part of the issuance in 2020 of the first social bond in accordance with the Social Bonds Principles of ICMA (The International Capital Market Association), we assumed positive impact commitments to be achieved through the financing of MSMEs, with our own indicators.</p>	<p>» Responsible banking: strategic advances (IAI21)</p> <p>» Analysis of impact and commitments (2020)</p> <p>Objectives set (2021)</p>

Request	Response and self-assessment	Greater detail (integrated report or others)
<p>Please provide your bank's conclusion/statement if you have met the requirements regarding Target Setting.</p> <p>The objectives have been constructed to address the main impacts identified. They were proposed for the indicators that we previously established to monitor the acquired commitments, these being the ones that respond to the main positive and negative impacts of the bank due to its net contribution (result of applying the Portfolio Impact Analysis Tool).</p> <p>The objectives are set for two time scopes: annual (short term), which are set in the first quarter of each year, and medium term: they have already been set for 2025.</p> <p>To achieve each objective we have different initiatives, which we report on in the Integrated Annual Report.</p>		
<p><b>2.3</b> Implementation and monitoring against objectives</p> <p>Show that your bank has defined actions and milestones to meet the established objectives.</p> <p>Show that your bank has put in place the means to measure and monitor progress against stated goals. The definitions of key performance indicators, any changes to these definitions, and any changes to baselines must be transparent.</p>	<p>The objectives established from the impact map have been provided with indicators, with short and medium-term goals (annual and 2025).</p> <p>To achieve this, we are implementing different initiatives that we report on in the integrated report, especially in the sections on <b>1)</b> Financing and sustainable investment, <b>2)</b> Contribution to business activity, <b>3)</b> Financial culture and access to banking; also in the Financial Education section.</p>	<p>» Responsible Banking (IAI21)</p>
<p>Please provide your bank's conclusion/statement if you have met the requirements regarding the Plans for the Implementation and Monitoring of the Objectives.</p>		
<p>For each objective, we have set different initiatives. In addition, the set of indicators defined for each objective is monitored annually to assess compliance with both the annual goal set and progress with respect to the medium-term goal (2025).</p>		



Request	Response and self-assessment	Greater detail (integrated report or others)
<p><b>2.4</b> Progress in achieving objectives</p> <p>For each objective separately:</p> <p>Show that your bank has implemented the actions you had previously defined to meet the stated objective.</p> <p>Or explain why the actions could not be implemented / needed to be modified and how your bank is adapting its plan to meet its stated objective.</p> <p>Report on your bank's progress over the past 12 months (up to 18 months in your first report after becoming a signatory) towards achieving each of the stated goals and the impact your progress had (where feasible and appropriate, banks must include quantitative disclosures).</p>	<p>The progress in achieving the objectives is monitored by the sustainability team, with the support of the different business areas. This is reported in the sessions of the Corporate Governance and Sustainability Committee.</p> <p>We report on progress annually in our integrated report.</p>	<p>» Sustainability strategy (IAI21)</p> <p>» Responsible Banking: strategic advances (IAI21)</p>
Please provide your bank's conclusion/statement if you have met the requirements regarding Progress in Implementing Targets.		
<p>We monitor progress through the Corporate Governance and Sustainability Committee, and report annually in the integrated report.</p> <p>Highlight the achievement of the 2021 annual goals and the progressive progress for those established for 2025; see progress section in the Responsible Banking chapter.</p>		

Request	Response and self-assessment	Greater detail (integrated report or others)
<b>Principle 3: Clients and users</b>  We will work responsibly with our customers and users to encourage sustainable practices and enable economic activities that create prosperity for current and future generations.		
<b>3.1</b> Provide a general description of the policies and practices that your bank has implemented and/or plans to implement to promote responsible relationships with its customers and users. This should include high-level information on the programs and actions implemented (and/or planned), their scale and, where possible, their results.	<p>Customers are at the center of the Bank's performance, as a result of the Céntrico project that materializes in the concept of Primero Tú, a new way of doing banking.</p> <p>Our Code of Ethics reflects the main guidelines for the relationship between employees and between them and external groups, such as customers. The Code is also followed by Banqueros del Barrio, our network of non-banking correspondents.</p> <p>For the social and environmental evaluation of credits within the SARAS framework, we have the Environmental and Social Risk Policy. This reflects our commitment to promoting the improvement of the environmental and social performance of our clients.</p> <p>As a milestone for 2021, we developed our Financial Inclusion Policy, which establishes the guidelines to continue maximizing the positive impact that we can achieve with our products and services.</p>	<ul style="list-style-type: none"> <li>» Profile (IAI21)</li> <li>» Ethics and compliance (IAI21) Code of ethics</li> <li>» Financial Inclusion Policy</li> <li>» Sustainable financing and investment (IAI21)</li> <li>» Financial culture and access to banking (IAI21)</li> </ul>
<b>3.2</b> Describe how your bank has worked and/or plans to work with its customers and users to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, impacts achieved.	<p>Clients assessed through SARAS are required to establish environmental and social commitments, compliance with which is incorporated into the contracts and monitored by the Bank.</p> <p>The new credit products for women (social purpose), as well as credit for energy efficiency projects (environmental purpose), will reinforce this impulse from the Bank to the practices of the clients.</p> <p>Additionally, through our financial education program, we train clients in managing their finances (as well as other stakeholders); It is complemented with advice and training in different aspects of business for company clients (eg, BG Business Portal).</p>	<ul style="list-style-type: none"> <li>» Sustainable financing and investment (IAI21)</li> <li>» Financial culture and access to banking (IAI21)</li> </ul>

Request	Response and self-assessment	Greater detail (integrated report or others)
<p><b>Principle 4: Interest groups</b></p> <p>We will proactively and responsibly consult, participate and partner with relevant stakeholders to achieve society's goals.</p>		
<p><b>4.1</b> Describe which stakeholders (or groups/ types of stakeholders) your bank has consulted, engaged, collaborated with or associated with for the purpose of implementing these Principles and enhancing your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>As part of the development of the impact map, different business areas were consulted to dimension the Bank's portfolio of products and services, the profiles of associated clients and, thus, the possible impacts. They contributed their knowledge of the expectations and scenario of the clients.</p> <p>In addition to the impact map, we developed a materiality study. In this case, they participated in the prioritization of material issues: collaborators, suppliers and neighborhood bankers, through different focus groups.</p> <p>In this way we can understand with their involvement, the positive and negative impacts resulting from our activity as a whole.</p> <p>We also develop training for clients, for example, in sustainable practices for agriculture, aquaculture, etc.</p> <p>We also regularly maintain different communications with our stakeholders, making channels and platforms available to them, with specialized teams.</p>	<ul style="list-style-type: none"> <li>» Responsible Banking (IAI21)</li> <li>» Annex IV. Materiality analysis (IAI21)</li> <li>» Annex III. Relationship with our stakeholders (IAI21)</li> </ul>

Request	Response and self-assessment	Greater detail (integrated report or others)
<b>Principle 5: Governance and culture</b> We will implement our commitment to these Principles through responsible banking culture and governance.		
<b>5.1</b> Describe the relevant governance structures, policies and procedures your bank has in place or plans to implement to manage significant positive and (potential) negative impacts and support the effective implementation of the Principles.	<p>The Responsible Banking Sub-Strategy is integrated into the Sustainability Strategy; It is coordinated by the sustainability team.</p> <p>Depending on the initiative, the responsibilities for implementation are shared between the different business areas (product design and marketing), the risk team (socio-environmental assessment, pronouncement prior to credit authorizations) and the sustainability team (financial education, promotion of products for inclusion and for environmental purposes).</p> <p>The progress of the different initiatives is reported by those responsible to the Corporate Governance and Sustainability Committee.</p> <p>Representatives from the Audit, Finance, Legal, Risk, Human Talent and Corporate Governance areas form part of the Committee.</p>	» Sustainability strategy (IAI21)
<b>5.2</b> Describe the initiatives and measures that your bank has implemented or plans to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of skills development, inclusion in pay structures, and leadership communication and performance management, among others.	<p>The employees of the areas with responsible banking initiatives have an active role in its development and results.</p> <p>In addition, some teams have specialized training for their responsibilities, as is the case of Risk, Treasury and Sustainability, trained in sustainable finance in 2021 in a program of the Quito Stock Exchange (BVQ, ESPOL) and the IFC.</p> <p>Likewise, this year work has been done on the development of an internal training program in sustainable finance, aimed at all commercial teams; also in an introductory sustainability training program for all employees; They will be released in 2022.</p> <p>On the other hand, through internal networks, we frequently transmit our progress in sustainability, in the different ESG aspects (environmental, social and governance).</p>	» Responsible Banking (IAI21)



Request	Response and self-assessment	Greater detail (integrated report or others)
<p><b>5.3</b> Estructura de gobernanza para la implementación de los Principios</p> <p>Demostrar que su banco cuenta con una estructura de gobernanza para la implementación de los PBR, que incluye:</p> <ul style="list-style-type: none"> <li><b>a.</b> establecimiento de objetivos y acciones para lograr los objetivos establecidos</li> <li><b>b.</b> corrective actions in case objectives or milestones are not achieved or unexpected negative impacts are detected.</li> </ul>	<p>The monitoring of the progress of the indicators with respect to the objectives set, based on the impacts of the portfolio (positive and negative impacts), corresponds to the Corporate Governance and Sustainability Committee, with the support of the business areas.</p>	<ul style="list-style-type: none"> <li>» Sustainability strategy (IAI21)</li> <li>» Responsible Banking (IAI21)</li> </ul>
<p>Please provide your bank's conclusion/statement if you have met the requirements regarding the Governance Structure for the Implementation of the Principles.</p>		
<p>We have fulfilled the requirements with a governance structure articulated around the Corporate Governance and Sustainability Committee and with the participation of the areas directly involved in the initiatives to achieve the objectives.</p> <p>In addition, we reinforce the knowledge of collaborators with specialized training and create a transversal culture for the institution as a whole with recurring informative and awareness-raising messages about our strategy, results and impacts.</p>		

Request	Response and self-assessment	Greater detail (integrated report or others)
<p><b>Principle 6: Transparency and responsibility</b></p> <p>We will periodically review our individual and collective implementation of these Principles and be transparent and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p><b>6.1</b> Progress Principles in the implementation of the Principles.</p> <p>Show that your bank has made progress in implementing all six Principles in the last 12 months (up to 18 months in your first report after becoming a signatory), as well as setting and implementing targets in at least two areas (see 2.1-2.4 ). Show that your bank has considered existing and emerging international/regional good practices relevant to the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practices</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant to the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practices.</p> <p>Demonstrate that your bank has implemented/ is working on implementing changes to existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress in implementing these Principles.</p>	<p>We have made progress in implementing the principles, in accordance with those indicated in this Annex and in the integrated report itself. Our commitment is total, from top management.</p> <p>Here is a brief overview of the progress:</p> <p><b>P1</b> Alignment – Customer focus and broad portfolio of products and services, including credit and deposit opportunities. Validity of the Sustainability Strategy, which integrates initiatives from the business (responsible banking).</p> <p><b>P2</b> P2Continuity in the implementation of initiatives to achieve the established objectives; setting of the new annual objectives 2022.</p> <p><b>P3</b> Advance in financial inclusion, through microcredit (especially enhanced in 2021) and loans with a focus on women. Further development of the Financial Inclusion Policy.</p> <p><b>P4</b> Training for clients in good environmental and social practices.</p> <p><b>P5</b> Specialized external training in sustainable finance; Development of complementary internal training for implementation in 2022.</p> <p><b>P6</b> Continuity in the application of the Principles and transparency regarding our performance. We use the GRI and SASB Standards as support for reporting ESG progress, including those related to PBRs.</p>	<p>» Letter from the Executive President (IAI21)</p> <p>» Responsible Banking (IAI21)</p>
<p>Please provide your bank's conclusion/statement if you have met the requirements regarding progress in implementing the Principles for Responsible Banking.</p>		

Request	Response and self-assessment	Greater detail (integrated report or others)
<p>After our adhesion, we have completed the milestones of: <b>1)</b> Integration of responsible banking in the Sustainability Strategy, from its very design; <b>2)</b> Analysis of the impact of the credit portfolio, <b>3)</b> Setting of objectives, <b>4)</b> Establishment of annual and medium-term goals by objective, <b>5)</b> Annual updating of short-term goals (annual), <b>6)</b> Strengthening of knowledge in the teams and the culture of the bank in relation to these issues.</p> <p>In this report we give an account of the set of initiatives related to the six principles.</p> <p>Highlight the advances in the design of credit products with social impact (financial inclusion of women) and environmental impact (energy efficiency).</p>		

## Annex V

### Contribution to the Sustainable Development Goals (SDG)



At Banco Guayaquil we are committed to contributing to the achievement of the 2030 Agenda and its Sustainable Development Goals (SDGs), an international roadmap proposed by the United Nations to address the main challenges of society, in close collaboration with companies, academia and the population as a whole.

From the provision of products and services, we can strategically contribute to a set of SDGs linked to financial inclusion, business



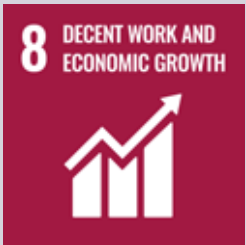
development and protection of the environment; Others related to corporate activity are added, such as the generation of employment, the development of collaborators and the protection of health and safety.



We determine the strategic SDGs based on our material issues, business analysis and the context in which we operate.

Below we highlight our contribution, which is also reported throughout the report.

SDG	Targets	Contribution	Results and impacts
	1.4 1.5	<ul style="list-style-type: none"> <li>We have financial products and services for different segments, including those with greater banking difficulties: savings and credit products (Amiga Account and My Credit)</li> <li>We have the Bancos del Barrio, a network of correspondents to facilitate financial operations for customers.</li> </ul>	<p>218.908 Cuentas Amigas accounts at the end of 2021.</p> <p>12.858 Bancos del Barrio</p> <p>37% of the transactions are carried out in the Banks of the Neighborhood.</p>
	3.3 3.8	<ul style="list-style-type: none"> <li>We promote the health, safety and well-being of our employees, with the Strategic Plan "I take care of myself", focused on prevention activities.</li> <li>In response to the pandemic, we developed biosecurity protocols for offices and branches, facilitated teleworking, and tested our staff.</li> </ul>	<p>Healthy Company Management System (SIGES) certified.</p> <p>Assessment of psychosocial risks.</p>



SDG	Targets	Contribution	Results and impacts
	4.2 4.3 4.4	<ul style="list-style-type: none"> <li>We train children, youth and adults in financial education; It includes training as a value proposition for the templates of our corporate clients.</li> <li>We offer our collaborators opportunities for professional development, providing training for the growth of their skills and knowledge, including the possibility of scholarships.</li> </ul>	32.989 persons trained in financial education.  17h average of training per employee.  US \$ 347,264 invested in training for employees.
	5.1 5.5	<ul style="list-style-type: none"> <li>We are developing banking products especially for women, including female entrepreneurs, with the aim of reducing the gaps in access that exist in the sector.</li> <li>In relation to our teams, we promote equal opportunities, safeguarding the guidelines established in the Code of Ethics. We also launched our Diversity and Inclusion Policy.</li> <li>We adhere to the UN Principles for the Empowerment of Women.</li> <li>We are part of the table of ODS 5, of the Program Leaders for the ODS of the Global Compact Ecuador Network.</li> </ul>	Diversity and Inclusion Policy.  56% of women in managerial positions  Participation in the first edition of Diverse and Inclusive Ecuador
	8.2 8.3 8.5 8.6 8.10	<ul style="list-style-type: none"> <li>We contribute through credit to the activity of companies and entrepreneurs.</li> <li>We also support them to acquire greater knowledge in different topics related to business administration, through the BG business website.</li> <li>We allocate credit to the recovery of MSMEs, especially affected by COVID-19, captured with the issuance of the Social Bonus at the end of 2020.</li> <li>On the other hand, we are generators of direct employment in our teams and we offer indefinite contracts.</li> </ul>	Financing of 28,059 microentrepreneurs (Microcredits)  US\$ 4,177 million granted in commercial credit  US\$ 20 million from the Social Bonus channeled as financing to Pymes.  2,989 collaborators

SDG	Targets	Contribution	Results and impacts
	9.2 9.3 9.4 9.7	<ul style="list-style-type: none"> <li>We promote innovation within the company, through collaborative schemes and with the customer at the center.</li> <li>We work on the simplicity of digital channels, facilitating their use.</li> <li>Through commercial credit (companies), we make it easier for our clients to assume investments in innovation that translate into returns for their businesses.</li> </ul>	586,864 digital customers  70% of the multicredit requested and granted through digital channels  60% of accounts (savings and current) opened via digital.
	10.2	<ul style="list-style-type: none"> <li>We contribute to financial inclusion through different products and services, which we bring closer thanks to neighborhood bankers and the growing use of digital channels.</li> <li>Likewise, the financing of the productive activity of MSMEs generates opportunities for development and employment.</li> </ul>	Microcredit opportunities.  Neighborhood Banks Network  Support for Pymes.
	12.2 12.6	<ul style="list-style-type: none"> <li>Through our Environmental and Social Risk Analysis (SARAS) system we evaluate credit risk, establish requirements and monitor compliance. In this way we promote good practices in our clients.</li> <li>We are working on the development of loans with an environmental purpose, aimed at energy efficiency projects, initially in the shrimp and banana sectors.</li> </ul>	Carrying out environmental and social due diligence  Training clients in good environmental and social practices

SDG	Targets	Contribution	Results and impacts
	13.3	<ul style="list-style-type: none"> <li>We develop training for our clients, in best environmental practices, which have a positive impact, especially in the protection of biodiversity, the rational use of natural resources and a lower contribution to climate change.</li> <li>We developed our Climate Change Policy, with the Bank's commitments and guidelines.</li> <li>Additionally, we establish environmental and social commitments to credit recipient clients as part of the SARAS process.</li> <li>In particular, our environmental performance. <ul style="list-style-type: none"> <li>1) Energy Monitoring Program with which we monitor the consumption of electricity in the facilities and fuel by the Bank's associated fleet of cars.</li> <li>2) Compensation of GHG emissions, so that our operations are carbon neutral.</li> </ul> </li> </ul>	Climate Change Policy Neutral Carbon Process
	16.5 16.6 16.7	<p>We have a solid corporate governance, attached to the legislation and the best international practices.</p> <p>We have the Anti-Bribery Management System, certified in accordance with the ISO 37001 standard for the supplier selection process.</p> <p>We share our learnings in this regard at the SDG16 Table, of the Leaders for the SDGs Program of the Global Compact Red Ecuador.</p> <p>We reviewed our Corporate Governance Code, so that it meets the new recommendations and requirements of the authorities and other publics.</p> <p>We make the Ethics Line available to the public for any type of complaint.</p>	ISO 37001 certified Anti-Bribery Management System.  Update of the Corporate Governance Code

## Annex VI

### Reporting frameworks and standards GRI and Global Compact content index

Banco Guayaquil reports in accordance with the GRI Standards for the period from January 1 to December 31, 2021.

For the Content Index - Essential Service, GRI Services reviewed that the GRI content index is presented clearly, consistent with the Standards, and that the references for disclosures 2-1 through 2-5, 3-1, and 3-2 are aligned with the appropriate sections in the report.



GRI standards	GRI Contents	GRI Content Title	Omission	UN Global Compact Principles	Sustainable Development Goals	Pages
GRI 1: Fondaments 2021	Applied transversally throught out the report					
GRI 2: General contents 2021						
The organization and report practices	GRI 2-1	Organization Details				11, 15
	GRI 2-2	Entities included in the company report				6, 33
	GRI 2-3	Period, frequency and contact point of the report				6
	GRI 2-4	Restatement of information				6, 33, 65
	GRI 2-5	External verification				6
Employees	GRI 2-6	Activities, value chain and other business relationships				12, 31
	GRI 2-7	Activities, value chain and other business relationships				57



GRI standards	GRI Contents	GRI Content Title	Omission	UN Global Compact Principles	Sustainable Development Goals	Pages
Employees	GRI 2-8	Workers who are not employees	Not applicable. Banco Guayaquil operates with its own workforce		2.8	-
Governance Structure and Composition	GRI 2-9	Workers who are not employees			5.5 16.7	19
	GRI 2-10	Nomination and selection of the highest governing body			5.5 16.7	19
	GRI 2-11	Presidency of the highest government body			16.6	19
	GRI 2-12	Role of the highest governance body in monitoring impacts			16.7	29
	GRI 2-13	Delegation of responsibility for impact management				29
	GRI 2-14	Role of the highest governance body in preparing sustainability reports				6
	GRI 2-15	Conflicts of interest			16.6	25
	GRI 2-16	Communication of critical concerns	Confidential due to internal regulations of the company			-
	GRI 2-17	Collective knowledge of the highest governing body				19

GRI standards	GRI Contents	GRI Content Title	Omission	UN Global Compact Principles	Sustainable Development Goals	Pages
Governance	GRI 2-18	Collective knowledge of the highest governing body				19
	GRI 2-19	Remuneration policies				19, 58
	GRI 2-20	Process for determining remuneration			16.7	19, 58
	GRI 2-21	Annual Total Compensation Ratio	Confidential due to internal regulations of the company			-
Strategy, politics and practices	GRI 2-22	Sustainable Development Strategy Statement				4
	GRI 2-23	Policy commitment		Principle 1, 2, 4, 5, 6, 7, 8, 10		16, 25, 74
	GRI 2-24	Incorporation of policy commitments		Principle 1, 2, 4, 5, 6, 7, 8, 10		16, 25, 74
	GRI 2-25	Processes to remedy negative impacts		Principle 1, 2		25, 74
	GRI 2-26	Mechanisms for seeking advice and raising concerns		Principle 1, 2, 10		25, 74

GRI standards	GRI Contents	GRI Content Title	Omission	UN Global Compact Principles	Sustainable Development Goals	Pages
Strategy, politics and practices	GRI 2-27	Compliance with laws and regulations			16.3	27
	GRI 2-28	Associations in which it participates				73
Involvement of stakeholders	GRI 2-29	Approach to stakeholder engagement				70
	GRI 2-30	Collective bargaining agreements		Principle 3	8.8	57
<b>GRI 3: Material Topics 2021</b>						
	GRI 3-1	Process for determining material issues				78
	GRI 3-2	List of material topics				79
	GRI 3-3	Management of material issues				Answered in the report. See chart two

SPECIFIC GRI CONTENT BY SUBJECT							
Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Accesibility (Clients)	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				51
		<b>FS14</b>	Initiatives to improve access to financial services for disadvantaged people			1.4, 1.5	51
Talent attraction and retention	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				57
	GRI 401: Empleo 2016	<b>401-1</b>	New employee hiring and staff turnover		Principle 6	5.1, 8.5, 8.6, 10.3	57
		<b>401-2</b>	Benefits for full-time employees not shared with part-time or temporary employees			3.2, 5.4, 8.5	58
		<b>401-3</b>	Parental leave		Principle 6	5.1, 5.4, 8.5	58
Training and career development	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				59



Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Training and career development	GRI 404: Formation and teaching 2016	<b>404-1</b>	Average hours of training per year per employee			4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3	59
		<b>404-2</b>	Programs to improve employee skills and transition assistance programs			8.2, 8.5	59
		<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews			5.1, 8.5, 10.3	59
Competitiveness and marketing development	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				25, 27, 38, 41
	GRI 206: Unfair competition 2016	<b>206-1</b>	Legal actions related to unfair competition, monopoly practices and against free competition		Principle 9	16.3	25
		<b>FS6</b>	Percentage of the portfolio for lines of business by specific region, size (eg micro/SME/ large) and by sector			9.2, 9.3	38

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Internal Communication and leadership (work environment)	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				58, 60, 63
	GRI 403: Health and Work Safety 2018	<b>403-1</b>	Representation of workers in formal worker-company health and safety committees				60
		<b>403-2</b>	Types of accidents and accident frequency rates, occupational diseases, days lost, absenteeism and number of deaths due to occupational accidents or occupational diseases			3.3, 3.9, 8.8	60
		<b>403-3</b>	Workers with high incidence or high risk of diseases related to their activity			3.3, 3.9, 8.9	60
		<b>403-4</b>	Health and safety topics covered in formal agreements with unions			3.3, 3.9, 8.10	60
		<b>403-5</b>	Training of workers on health and safety at work			3.3, 3.9, 8.11	60
		<b>403-6</b>	Promotion of the health of workers			3.3, 3.9, 8.12	60
		<b>403-7</b>	Prevention and mitigation of impacts on the health and safety of workers directly linked to business relationships			3.3, 3.9, 8.13	60

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Internal Communication and leadership (work environment)	GRI 403: Health and Work Safety 2018	<b>403-8</b>	Coverage of the occupational health and safety management system			3.3, 3.9, 8.14	60
		<b>403-9</b>	Work accident injuries			3.3, 3.9, 8.15	60
		<b>403-10</b>	Occupational ailments and diseases			3.3, 3.9, 8.16	60
	GRI 405: Diversity and equality of opportunities 2016	<b>405-1</b>	Diversity in governing bodies and employees		Principle 6	5.1, 5.5, 8.5	57
		<b>405-2</b>	Ratio of basic salary and remuneration of women compared to men		Principle 6	5.1, 8.5, 10.3	58
	GRI 406: Non discrimination 2016	<b>406-1</b>	Cases of discrimination and corrective actions taken		Principle 6	5.1, 8.8	58
Mandatory compliance	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				25, 27
Eficiencia operacional	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				65
	GRI 302: Energía 2016	<b>302-1</b>	Energy consumption within the organization		Principle 7, 8	7.2, 7.3, 8.4, 12.2, 13.1	65
		<b>302-2</b>	Energy consumption outside the organization	Not applicable. Banco Guayaquil provide financial products and services that do not require a significant consumption of energy for use/operation	Principle 8	7.2, 7.3, 8.4, 12.2, 13.1	-
		<b>302-3</b>	Energy intensity		Principle 8	7.3, 8.4, 12.2, 13.1	65
		<b>302-4</b>	Reduction of energy consumption		Principle 8, 9	7.3, 8.4, 13.1	65

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Operation Efficiency	GRI 302: Energy 2016	<b>302-5</b>	Reduction of energy requirements of products and services	Not applicable. Banco Guayaquil provide financial products and services that do not require a significant consumption of energy for use/operation	Principle 8, 9	7.3, 8.4, 13.1	65
	GRI 305: Emissions 2016	<b>305-1</b>	Direct GHG emissions (scope 1)		Principle 7, 8	3.9, 12.4, 14.3, 15.2	65
		<b>305-2</b>	Indirect GHG emissions when generating energy (scope 2)		Principle 7, 8	3.9, 12.4, 13.1, 14.3, 15.2	65
		<b>305-3</b>	Other indirect GHG emissions (scope 3)	Not available. Banco Guayaquil is working on a climate strategy to include an estimate of GEI emissions of credit portfolio	Principle 7, 8	3.9, 12.4, 13.1, 14.3, 15.2	-
		<b>305-4</b>	GHG emissions intensity		Principle 8	13.1, 14.3, 15.2	65
		<b>305-5</b>	Reduction of GHG emissions		Principle 7, 8	13.1, 14.3, 15.2	65
		<b>305-6</b>	Emissions of substances that deplete the ozone layer (ODS)	Not applicable. The activity of Banco Guayaquil generates, mainly, GEI emissions and no other type	Principle 7, 8	3.9, 12.4	-
		<b>305-7</b>	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Not applicable. The activity of Banco Guayaquil generates, mainly, GEI emissions and no other type	Principle 7, 8	3.9, 12.4, 14.3, 15.2	-
Ethics and anti corruption	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues		Principle 10		25, 27

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Ethics and anti corruption	GRI 205: Anticorrupción 2016	<b>205-1</b>	Operations assessed for risks related to corruption		Principle 10		25, 44
		<b>205-2</b>	Communication and training on anti-corruption policies and procedures		Principle 10	16.5	25
		<b>205-3</b>	Confirmed cases of corruption and measures taken		Principle 10	16.5	25
	GRI 415: Política pública 2016	<b>415-1</b>	Contributions to political parties and/or representatives		Principle 10	16.5	27
Client environmental and social evaluation (responsible financing)	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				51
	GRI Sector Supplement Financial Sector	<b>FS2</b>	Procedures for the evaluation and detection of environmental and social risks in the lines of business				51
		<b>FS3</b>	Processes to monitor clients in the implementation and compliance with environmental regulations and social requirements included in agreements or transactions				51
		<b>FS4</b>	Process(es) to improve staff competencies to implement environmental and social policies and procedures applied to lines of business			13.3	51



Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Client environmental and social evaluation (responsible financing)	GRI Sector Supplement Financial Sector	<b>FS5</b>	Interactions with clients/ investees/business partners on environmental and social risks and opportunities				51
		<b>FS9</b>	Coverage and frequency of audits to assess the implementation of environmental and social policies and risk assessment procedures				51
		<b>FS10</b>	Percentage and number of companies in the company's portfolio with which it has interacted on environmental or social issues			9.2, 9.4, 12.6	51
		<b>FS11</b>	Percentage of assets subject to positive and negative environmental or social evaluation			9.2, 9.4, 12.6	51
Client experience	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				43, 44
	GRI 416: Health and client security 2016	<b>416-1</b>	Assessment of the health and safety impacts of product or service categories				43
		<b>416-2</b>	Cases of non-compliance related to the health and safety impacts of product and service categories			16.3	27

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Client experience	GRI 417: Marketing and labeling 2016	<b>417-1</b>	Requirements for information and labeling of products and services			12.8	43
		<b>417-2</b>	Cases of non-compliance related to the information and labeling of products and services			16.3	27
		<b>417-3</b>	Cases of non-compliance related to marketing communications			16.3	27
	Sector Supplement Financial Sector	<b>FS15</b>	Policies for the fair design and sale of financial products and services				51
Financial inclusion	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				51
	GRI Sector Supplement Financial Sector	<b>FS7</b>	Monetary value of products and services designed to provide a specific social benefit for each line of business broken down by purpose		Principle 1, 2	1.4, 1.5, 9.3	51
		<b>FS13</b>	Access points in sparsely populated or financially disadvantaged areas by type				51
		<b>FS15</b>	Policies for the fair design and sale of financial products and services				51

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Financial inclusion	GRI Sector Supplement Financial Sector	<b>FS16</b>	Initiatives to improve financial education by type of beneficiary				53
Products and services innovation	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				43
	GRI 203: Indirect economic impact 2016	<b>203-1</b>	Investments in infrastructures and services supported		Principle 9	5.4, 9.1, 9.4, 11.2	43
		<b>203-2</b>	Significant indirect economic impacts			1.2, 8.2, 8.3, 8.5	51
	Sector supplement Financial Sector	<b>FS1</b>	Policies with specific environmental and social components applied to business lines				51
		<b>FS8</b>	Monetary value of products and services designed to deliver a specific benefit to the environment for each business line broken down by purpose		Principle 9		51

Material topics	GRI Standards	GRI Contents	GRI Content Title	Omissions	UN Global Compact Principles	Sustainable Development Goals	Pages
Economic Results	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				33, 35
	GRI 201: Economic Performance 2016	<b>201-1</b>	Direct economic value generated and distributed			8.1, 8.2, 9.1, 9.4, 9.5	35
		<b>201-2</b>	Financial implications and other risks and opportunities arising from climate change		Principle 7	13.1	29, 51
		<b>201-3</b>	Defined benefit plan obligations and other retirement plans				59
		<b>201-4</b>	Financial assistance received from the government			25	41
Information Security	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				44
Use of technology and information	GRI 3: Material topics 2021	<b>GRI 3-3</b>	Management of material issues				43, 44
	GRI 418: Client privacy 2016	<b>418-1</b>	Substantiated claims regarding breaches of customer privacy and loss of customer data		Principle 1, 2	16.3, 16.10	44

## SASB parameter index

SASB Parameters Index			
CODE	Accountings or Activity Parameters	Omission	PAGE/LINK
FN-CB-550a.2	Approach description to incorporate resistance results mandatory and voluntary in the corporate capital planning, long erm.	Does not correspond to Banco Guayaquil. This topic is SASB	NA
FN-CB-000.A	(1) Number and (2) value of checking and saving accounts by segments: (a) personal and (b) small businesses		41
FN-CB-000.B	(1) Number and (2) value of loans by segment (a) personal, (b) small businesses and (c) corporate.		38
FN-MF-270a.1	(1) Number and (2) value of housing mortgages: (a) hybrids or mortgages with adjustable rate with option to (ARM, (b) penalty for advance payment, (c) Higher interest rate, (d) Total, per points FICO over or under 660	Not Available	NA
FN-MF-270a.2	(1) Number and (2) value of (a) mortgages modifications, (b) mortgage executions and (c) uncovered sales or deeds instead of mortgage execution, per points FICO over or under 660	Not Available	NA
FN-MF-270a.3	Total amount of monetary losses due to legal proceedings associated with client communication or payment to loan originators.		27
FN-MF-270a.4	Description of payment structure of loan issuers	Not Available	NA



CODE	Accountings or Activity Parameters	Omission	PAGE/LINK
FN-MF-270b.1	(1) Number, (2) value, and (3) pondered average of loan-amount range of mortgages issued to minorities and (b) other borrowers, per points FICO over or under 660	Not Available	NA
FN-MF-270b.2	Total amount of economic loss due to legal proceedings associated to discriminatory loans.	Not Available	NA
FN-MF-270b.3	Description of policies and procedures against discriminatory mortgages		51
FN-MF-450a.1	(1)Number and (2) amount of mortgage loans in flood zones of 100 years	Not Available	NA
FN-MF-450a.2	(1)Expected total loss and (2) Actual total loss due to non compliance due to mortgage loans and delinquency due to meteorological conditions such as natural catastrophes, by geographic regions	Not Available	NA
FN-MF-450a.3	Description of the incorporation of risks due to climate changes or other environmental risks in their origin and modification of mortgages	Not Available	NA
FN-MF-000.A	(1)Number and (2) value of mortgages originated by category: (a) housing and (b) commercial	Not Available	NA
FN-MF-000.B	(1)Number and (2) value of mortgages bought per category (a) housing and (b) commercial	Not Available	NA

## Stakeholders Capitalism Metrics, WEF

Stakeholders Capitalism Contents				
Pillar: Governance				
Topics	Metrics	Central/ Expanded	Description	Pages
Governance Purpose	Set a purpose	Central	The purpose established by the company, means used by the company to offer solutions to economic, environmental and social problems. The corporate purpose must create value for the interested parties, including the shareholders.	11, 47
	Directed Management for the purpose	Expanded	The way how the purpose of the company is included in its strategies, policies and objectives.	16, 48
Corporate Governance Quality	Composition of Corporate Governance	Central	High Management and committees composition	20, 23
Commitment of Groups of Interest	Temas materiales que impactan a los grupos de interés	Central	List of topics which are material to the groups of interest and for the company ;how such topics where identified and how the groups of interest are committed to them.	78, 79
Ethics behavioiur	Anti-corruption	Central	1) Total percentage of the members of High Management, employees and commercial partners that have received training in policies and anti corruption procedures in the organization, described by region.	25
		Central	1.a) Total number and nature of incidents in corruption matters during this year, but related to previous years.	26

## Stakeholders Capitalism Contents

### Pilar: Governance

Topics	Metrics	Central/ Expanded	Description	Pages
Ethics behaviour	Anti-corruption	Central	<b>1.b</b> Total number and nature of incidents of corruption confirmed during this year, in relation to the present year.	26
	Anti-corruption	Central	<b>2.</b> Discussion of initiatives and commitment of the groups of interest to improve the Operation environment and is culture to fight corruption	25
	Information mechanisms and ethics counseling	Central	Internal and external description of mechanisms for: <b>v2.</b> Report of concerns on un ethical or illegal behaviours and lack of organization integrity	25, 26
	Monetary losses due to un ethics behaviour	Expanded	Total amount of monetary loss resulting from illegal procedures associated to fraud, traffic of influences, behaviour against competitiveness, market manipulation, bad practices or violation of other related laws and regulations.	26
Risk supervision and opportunities	Integrate risks and opportunities in the business processes	Central	Information concerning risk factors and opportunities identified by the company in the main risks and opportunities maintained (different from generic risks of the sector), company's motivation concerning these risks, movements, opportunities throughout time and response to such changes. These opportunities and risks must include economic, environmental and social matters, also climate change and data processing.	29, 31

## Stakeholders Capitalism Contents

### Pillar: Planet

Topics	Metrics	Central/ Expanded	Description	Pages
Climate Change	Greenhouse gas emission (GGE)	Central	For all greenhouse gas emissions (i.e., carbon dioxide, methane, nitrous oxide, F gases, etc. Inform in metric tons the carbon dioxide equivalente (tco22e), Protocol of greenhouse gas emissions, Scope 1 and Scope 2. Estimate and reporte emissions upstream and downstream (Protocol GGE, Scope 3) when it corresponds	Banco Guayaquil will start as of 2023 to calculate the emissions of Scope 3, corresponding to category 15 of those associated to credit portfolio, as per guidelines PCAF (Partnership for Accounting Financials)
	Implementation of TCFD	Central	Implement all recommendations "Task Force on Climate-related Financial Disclosures (TCFD)"	Banco Guayaquil shall identify in 2022 its main risks and opportunities related to climate change to achieve an action strategy. The following integrated report shall use theTCFD recommendations.
Nature Loss	Use of soil and eco sensibility	Central	Report the number and area (in hectares) of the locations it has, rented or managed in or next to protected areas and/or key biodiversified areas (KBA)	Due to type of activity, it is not a material topy for Banco Guayaquil. Additionally, credits for major projects are presented to the Analysis System of Social and Environmental risks
Availability of fresh/potable water	Consumption and extraction of water in zones with hydric stress	Central	Report relevant operations: megaliters of water extracted, megaliters of water consumed and percentage of each in regions with hydric stress, high and extremely high, as per the Aqueduct Water Risk Atlas Tool. Estimate and report information to chain of value, upstream and downstream.	Por el tipo de actividad, no resulta un tema material para Banco Guayaquil.

## Stakeholders Capitalism Contents

### Pillar: Persons

Topic	Metrics	Central/ Expanded	Description	Pages
Equality and dignity	Diversity and Inclusion (%)	Central	Percentage of employees per employment category, age group, gender and other diversity indicators (I.e. Etnia)	
	Salary equality (%)	Central	Relation/ratio between base salary and compensation of employment category, operation places for areas of priority of equality: women and men, main majoritary and minority ethnics groups and other relevant of equality.	Salary ratio available woman-man per professional category. The differences represents the gender among the profiles in each category and takes into account other aspects, such as seniority.
	Salary gap	Expanded	Salary base range from base salary and employee compensation, full time, in consideration to gender (women – men) and diversity indicators at a business level or by location according to the operation.	58
	Salary Level (%)	Central	<ol style="list-style-type: none"> <li>1. Relation between standard initial salary per gener and local minimum salary.</li> <li>2. Relation between total annual retribution of CEO and the range of the total annual compensation of all the employees, except CEO</li> </ol>	Confidential information.
	Incidents concerning discrimination and harassment (#) and total number of monetary loss/ economic	Expanded	<ol style="list-style-type: none"> <li>1. Number of incidents concerning harassment and discrimination, status of incidents and actions taken.</li> <li>2. Total amount of economic loss as the result of legal proceedings associated with: <ol style="list-style-type: none"> <li>a) La infringement</li> <li>b) Employee discrimination</li> </ol> </li> </ol>	58



## Stakeholders Capitalism Contents

### Pillar: Persons

Topics	Metrics	Central/ Expanded	Description	Pages
	Freedom of Association and collective negotiation in risk (%)	Expanded	<ol style="list-style-type: none"> <li>1. Percentage of active workers under collective negotiation.</li> <li>2. An explanation of the evaluation carried out to suppliers as the right to freedom of association and collective rights, negotiation may be at risk; including measures adopted by the organization to face these risks.</li> </ol>	In the process of suppliers evaluation, prior to publishing and establishing a commercial relation, the Bank ensures supplier's compliance of labor obligations.
	Risk of work incidents from child labor, forced or obligatory	Central	An explanation of the operations and suppliers considered to have an important child labor risk, forced or obligatory.	Considering the type of activity of Banco Guayaquil, there are no significative risks in suppliers. With regard to credit, major projects are assessed applying SARAS prior to grant a credit. Also, the Bank is strongly committed, see specific policy. Annex: Due Diligence in DDHH.
	Review of Human Rights, impact concerning injustices and modern slavery (#,%)	Expanded	<ol style="list-style-type: none"> <li>1. Total number and percentage of operations subject to human rights reviews or evaluations that impact human rights, per country.</li> <li>2. Number and Type of claims associated to impacts related to a highlighted topic of human rights during the period of the report and an explanation concerning the type of impact.</li> <li>3. Number and percentage of operations and suppliers considered to have a significative risks of incidents of child labor, forced or obligatory work.</li> </ol>	<p>1 and 2, Annex – Due Diligence in HHRR</p> <p>3. Type of activity of Banco Guayaquil and its suppliers, no significative risk.</p>

## Stakeholders Capitalism Contents

### Pillar: Persons

Topics	Metrics	Central/ Expanded	Description	Pages
Health and Wellness	Health and Safety (%)	Central	The number and death rates from accidents associated with work, serious injuries related to work (excluding deaths); main type of injuries related to work; and the number of hours worked. An explanation of how the organization makes available access to medical and health care, non-occupational, and the scope of the access available to employees and workers.	60, 62
	Employee Welfare (%)	Expanded	<ol style="list-style-type: none"> <li>The number of deaths resulting from health problems related to work, injures due to poor health related to work and other type of diseases related to work with all employees and workers.</li> <li> <ol style="list-style-type: none"> <li>Porcentaje de empleados que participan en programas de “mejores prácticas” de salud y bienestar , y</li> <li>Tasa de ausentismo (AR) de todos los empleados.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Página 62</li> <li> <ol style="list-style-type: none"> <li>A detail of the plan Me Cuido (I take care of myself) and other participants/beneficiaries for all kind of initiatives.</li> <li>Not available.</li> </ol> </li> </ol>
Skills for the future	Training (#,S)	Central	1. Average of training hours per person that employees of the organization have prepared during the period of the report	59
			2. Average spending on training and development per employee, full time, (total cost of the training provided to employee divided per the number of employees).	59

## Stakeholders Capitalism Contents

### Pillar: Prosperity

Topics	Metrics	Central/ Expanded	Description	Pages
Equality and Dignity	Absolute number and ratio- Employment Generation	Central	<ol style="list-style-type: none"> <li>1. Total number and rate of new employee hiring during the report period, per groups of age, gender and other indicators of diversity and region.</li> <li>2. Total number and rotation rate of employees during the report period, per groups of age, gender and other indicators of diversity and region.</li> </ol>	Not yet available per demographic categories and/or diversity; Total rates are shown.
	Economic Contribution	Central	<ol style="list-style-type: none"> <li>1. Economic value, directly generated and distributed, over an accrual basis, covering basic components for global operations of the organization.</li> <li>2. Financial assistance from government: total monetary amount of financial assistance received from the organization of any government during the report period.</li> </ol>	<ol style="list-style-type: none"> <li>1. 35-36</li> <li>2. 26</li> </ol>
	Contribution for Financial Investment	Central	<ol style="list-style-type: none"> <li>1. Total capital expenses minus depreciation, backed by a narrative to describe the investment strategy of the company.</li> <li>2. Repurchase of shares plus payment of dividends backed by the company strategy for capital returns to shareholder.</li> </ol>	<ol style="list-style-type: none"> <li>1. Not available.</li> </ol>
	Investments in infrastructure and support services	Expanded	<p>Qualitative information to describe the following components:</p> <ol style="list-style-type: none"> <li>1. Scope of investment development in the significative infrastructure and support services.</li> <li>2. Actual or expected impacts in the communities and local economies, including positive and negative impacts where relevante.</li> <li>3. Should these investments and services be commercial, report commitments in cash or pro bono.</li> </ol>	<ol style="list-style-type: none"> <li>1. 43</li> <li>2. 38-41, 51-53</li> <li>3. Not available.</li> </ol>

## Stakeholders Capitalism Contents

### Pillar: Prosperity

Topics	Metrics	Central/ Expanded	Description	Pages
Innovation of best products and services	Total expenses in I+D (\$)	Central	Total expenses related to research and development.	Not available.
	Generated Social Value	Expanded	Percentage of income of products and services designed to provide specific social benefits or to approach sustainability challenges.	51, 53
Comunidad y Vitalidad Social	Total taxes paid (s)	Central	The total global tax of the company, including taxes over corporate revenues, taxes over property, VAT not creditable and other taxes on revenues, taxes on the payroll paid by the employer and other taxes constitute costs for the company in the tax category.	36
	Impuesto total pagado por país para ubicaciones significativas	Expanded	Total tax paid and, if declared, additional tax remitted, per country for significative locations.	36



Banco Guayaquil S.A.  
RUC: 0990049459001  
Matrix: Pichincha 105 and P. Icaza  
Telephone: (593 4) 3730100  
Guayaquil, Ecuador