

Caja Los Andes

Type of Engagement: Annual Review

Date: 15 May 2025

Engagement Team:

Anjansingh Bist, anjansingh.bist@morningstar.com

Kajal Chaubey, kajalchaubey@morningstar.com

Introduction

In 2024, Caja Los Andes (“CLA”) issued social bonds and obtained loans (collectively, the “Social Financing Instruments”),¹ raising a total of USD 599.1 million to finance social or consumer loans that seek to achieve positive socio-economic outcomes for target populations. In April 2025, CLA engaged Sustainalytics to review the projects financed with proceeds from the Social Financing Instruments (the “Nominated Expenditures”) and assess whether they meet the use of proceeds criteria and whether CLA complied with the reporting commitments in the Caja Los Andes Social Financing Framework (the “Framework”).² Sustainalytics provided a Second-Party Opinion on the Framework in July 2022.³ This is Sustainalytics’ second annual review of the allocation and reporting of the instruments issued under the Framework, following a previous review in January 2024.⁴

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and CLA’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
<p>Access to Financial Services</p> <p>Target Population: underserved individuals who are members of Caja Los Andes, either workers or retirees and their respective families, including:</p> <ul style="list-style-type: none"> ▪ Individuals with limited access to credit 	<p>Financing for medicine, treatments, and health equipment or services, including:</p> <ul style="list-style-type: none"> ▪ Services received at hospitals, clinics, healthcare centres, elder care centres, and laboratories ▪ Childcare ▪ Mental health services ▪ Preventative care ▪ Emergency response 	<ul style="list-style-type: none"> • Amount of social loans provided for low-income individuals • Amount of social loans provided for elderly individuals • Amount of social loans provided for individuals who self-identify as women • Amount of social loans provided for individuals who have limited access

¹Includes three social bonds totaling USD 222.1 million, one international bond of USD 300 million, one international loan of USD 62 million, and a syndicated loan of USD 15 million.

² CLA, “Sustainability Bond Framework”, (2018), at: https://cla.cdn.modyo.com/uploads/7c49f811-d5a6-40f6-a945-ba5698b79a06/original/CLA_Social_Bond_FrameworkVF_ENG_.pdf

³ Sustainalytics, “Second-Party Opinion, CLA”, (2022), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/publishedprojects/project/caja-los-andes/caja-los-andes-social-financing-framework-second-party-opinion-\(english\)/caja-los-andes-social-financing-frameworksecond-party-opinion-\(english\)](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/publishedprojects/project/caja-los-andes/caja-los-andes-social-financing-framework-second-party-opinion-(english)/caja-los-andes-social-financing-frameworksecond-party-opinion-(english))

⁴ Sustainalytics, “Annual Review, CLA”, (2024), at: https://cla.cdn.modyo.com/uploads/5c685fc0-249f-41a6-a1f2-ff2bf1a12238/original/Caja_Los_Andes_Annual_Review_2023-1.pdf

<ul style="list-style-type: none"> ▪ Lower-income individuals ▪ Elderly individuals: <ul style="list-style-type: none"> - With limited access to credit - Categorized as lower income ▪ Individuals who self-identify as women: <ul style="list-style-type: none"> - With limited access to credit Categorized as lower income	Access to Essential Services - Education	Financing for educational expenses, services, systems or equipment, including in universities, colleges, schools, continuing education, vocational training services, online learning and courses and workshops for retirees.	to credit or are unbanked Amount of housing enhancements financed for each target population
	Affordable Housing	Financing for expenses related to the expansion and maintenance of housing.	
	Affordable Basic Infrastructure	Financing for expenses related to the purchase or maintenance of durable consumer goods, including: <ul style="list-style-type: none"> ▪ basic household appliances ▪ sanitation infrastructure ▪ internet and telecommunications related hardware 	

Issuer’s Responsibility

CLA is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Social Financing Instruments. The work undertaken as part of this engagement included the collection of documentation from CLA and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and facts presented by CLA. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by CLA.

Sustainalytics made all efforts to ensure the highest quality and rigour during its assessment process and enlisted its Sustainability Bonds Review Committee to oversee the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. CLA has disclosed to Sustainalytics that 92.7% of the proceeds from the Social Financing Instruments were allocated as of December 2024.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	CLA reported on at least one KPI per use of proceeds category.	None

⁵ Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting

Table 3: Net Proceeds Raised from the Social Financing Instruments

Serial No.	Social Financing Instrument	Issued or obtained in	Amount raised per instrument (USD million)
1	Social Bond - BCAJBW0324	Apr 2024	82.9
2	Social Bond - BCAJCG0424	Jun 2024	59.3
3	Social Bond International – 144A/RegS	Jul 2024	300.0
4	Social Bond – BCAJCJ1024	Oct 2024	79.9
Net proceeds from bonds issued (USD million)			522.1
5	Bank Loan – SMBC	Mar 2024	62.0
6	Social Syndicated Term Loan Additional	Aug 2024	15.0
Net proceeds from loans obtained (USD million)			77.0
Net proceeds from the Social Financing Instruments (USD million)			599.1

Appendix 2: Reported Impact

Table 4: Reported Impact from the Eligible Expenditures

Use of Proceeds Category	Eligibility Criteria	Amount Allocated (USD million)
Access to Financial Services⁶	Loans to individuals or families with low credit ratings	190.43
	Loans to individuals or families with low income	45.86
	Loans to individuals or families with low credit ratings and low incomes	34.78
	Loans to women or elderly with low credit ratings	110.38
	Loans to women or elderly with low income	91.72
	Loans to women or elderly with low credit ratings and low income	82.31
Total amount of loans financed or refinanced by CLA per the Framework criteria (USD million)		555.48

⁶ CLA has confirmed to Sustainalytics that; i) all beneficiaries of these loans are members of CLA earning CLP 1,000 or less per month; ii) all loans are offered at interest rates that are 5–35% lower than the average market rates in Chile; and iii) the end uses of the loans are limited to health, education, affordable housing and affordable basic infrastructure per the criteria defined in the Framework. CLA has informed Sustainalytics that it conducted telephonic surveys to verify that the loans provided to the targeted populations were used for the intended purposes.

Disclaimer

Copyright ©2025 Sustainalytics, a Morningstar company. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein (the "Information") are proprietary to Sustainalytics and/or its third-party content providers and may be made available to third parties only in the form and format disclosed by Sustainalytics. The Information is not directed to, nor intended for distribution to or use by India-based clients and/or users, and the distribution of Information to India resident individuals and entities is not permitted.

The Information is provided for informational purposes only and (1) does not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (2) does not constitute investment advice nor recommends any particular investment, nor represents an expert opinion or negative assurance letter; (3) is not part of any offering and does not constitute an offer or indication to buy or sell securities, to select a project nor enter into any kind of business transaction; (4) is not an assessment of the economic performance, financial obligations nor creditworthiness of any entity; (5) is not a substitute for professional advice; (6) has not been submitted to, nor received approval from, any relevant regulatory or governmental authority. Past performance is no guarantee of future results.

The Information is based on information made available by third parties, is subject to continuous change and no warranty is made as to its completeness, accuracy, currency, nor the fitness of the Information for a particular purpose. The Information is provided "as is" and reflects Sustainalytics' opinion solely at the date of its publication.

Neither Sustainalytics nor its third-party content providers accept any liability in connection with the use of the Information or for actions of third parties with respect to the Information, in any manner whatsoever, to the extent permitted by applicable law.

Any reference to third party content providers' names is solely to acknowledge their ownership of information, methodologies, data and opinions contained or reflected within the Information and does not constitute a sponsorship or endorsement of the Information by such third-party content provider. For more information regarding third-party content providers visit <http://www.sustainalytics.com/legal-disclaimers>

Sustainalytics may receive compensation for its ratings, opinions and other services, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Sustainalytics maintains measures designed to safeguard the objectivity and independence of its opinions. For more information visit [Governance Documents](#) or contact compliance@sustainalytics.com.

This deliverable, in particular the images, text and graphics contained therein, and the layout and company logo of Sustainalytics are protected under copyright and trademark law. Any use thereof shall require express prior written consent. Use shall be deemed to refer in particular to the copying or duplication of the opinion wholly or in part, the distribution of the opinion, either free of charge or against payment, or the exploitation of this opinion in any other conceivable manner.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds, which incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. For more information, visit www.sustainalytics.com.

