



# Sustainability Report 2022



Latinex

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# About this Report

This annual sustainability report for Latinex Holdings, Inc. (from now on, the "Company") and its principal subsidiaries, the Latin American Stock Exchange, S.A. ("Latinex") and the Central Latinoamericana de Valores, S.A. ("Latinclear") – jointly referred to, from now on, as the "Subsidiaries" – covers the period from January 1st, 2022, through December 31st, 2022. Any reference to the "Group" or the "Latinex Group" refers to the whole of Latinex Holdings, Inc. and its Subsidiaries.

The report has been developed using as a reference the standards of the Global Reporting Initiative (GRI), the Universal Standards Version GRIs 1, 2, and 3, as well as the standards of the Sustainability Account Standards Boards (SASB) for the stock exchange industry and its corresponding products and basic services (Security Commodity Exchanges Standard).

The report tracks the progress on the objectives of the Latinex Group's sustainability strategy, as well as its contribution to the Sustainable Development Goals (SDGs), a global roadmap proposed by the United Nations (UN) to address the major challenges facing society. It also reports on progress in respect of gender equality, as part of Latinex and Latinclear's commitment as signatories to the Women's Empowerment Principles (WEPs), an initiative of UN Women and the UN Global Compact.

## SCOPE of the Report

## Verification and Approval

The report's contents were subject to an internal verification process and a subsequent validation by Latinex's Executive President. Subsequently, the report was reviewed and approved by the Sustainability and CSR Committee and by the Latinex Holdings Board of Directors.

This annual iteration of the report has no external verification.

For more information on the content of the report or to learn more about the Latinex Group's commitment to sustainability, please contact [sostenibilidad@latinexgroup.com](mailto:sostenibilidad@latinexgroup.com) or see <https://www.latinexbolsa.com/es/bvp/sostenibilidad-en-latinex/>.



## Dignataries

Arturo Gerbaud, [President](#)  
Roberto Brenes, [Vice President](#)  
Carlos Mendoza, [Treasurer](#)  
Mónica García de Paredes de Chapman, [Secretary](#)

## Executives of the Subsidiaries

Olga Cantillo, [Executive President](#)  
Lerzy Batista, [Senior Vice President -- Commercial](#)  
Anyelis Marrero, [Vice President -- Compliance](#)  
Ernesto Rivera, [Vice President – Technology](#)  
Manuel Batista, [Vice President – Finance and Strategic Innovation](#)  
María Guadalupe Caballero, [Vice President -- Operations](#)  
Karla Vidal, [Assistant Vice President -- Human Capital and Administrative Services](#)  
Lydia Caballero, [Assistant Vice President – Sustainability and CSR](#)  
Rosario Fernández, [Assistant Vice President – Members’ Compliance](#)  
Diana García, [Corporate Communications Manager](#)  
Nayarith Oliva, [Internal Auditor](#)  
Julio Hernández, [Risk Officer](#)

## Sustainability Report 2022

### **Management and coordination of the report**

Lydia Caballero, [Assistant Vice President – Sustainability and CSR](#)

### **Validation of the content**

Olga Cantillo, [Executive President](#)

### **Design**

Corporate Communications Department, Latinex Group

# Message from the President

Dear Stakeholders,

I'm pleased to present the Sustainability Report of Latinex Holdings Inc. and its mail subsidiaries, where we display our progress in terms of environmental, social and corporate governance (ESG) management and performance in 2022, and through which we reaffirm our commitment to sustainability.

Sustainability plays an active role in our corporate strategy, as it constitutes a powerful tool to continue conveying our efforts related to financing solutions to combat climate change, economic inequality, promote innovation, sustainable consumption, peace, and social transformation for a better world.

In this regard, we continue working on our ambitious roadmap to continue promoting sustainable finance, actively heeding the capital markets' call to act, both locally and internationally, in contributing to the advancement of the United Nations Sustainable Development Goals global agenda.

The year 2022 was one of important developments in terms of corporate sustainability management. We published our first sustainability report, applying the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Based on the results of the materiality analysis carried out in 2021, we established our strategic priorities and their respective objectives, as well as our sustainability purpose, shaping the Sustainability Strategy of Latinex Holdings, Inc. and Subsidiaries for the period 2022-2024. This in turn will allow us to guide our sustainability actions for the coming years and contribute meaningfully to the global sustainable development agenda.

The Group's Corporate Sustainability Policy was also approved, establishing the general principles and guidelines we will follow in our quest for the development of a sustainable capital market. Other corporate policies related to sustainability were also approved, such as the Corporate Volunteer Policy, which aims to encourage the participation of our employees in community support activities that contribute to the social and economic development of the country, in line with the company's purpose and its sustainability strategy.

Our efforts to promote sustainability within the company are also being tracked and recognized externally. As a result of the management of our carbon footprint and the actions we have taken to achieve carbon neutrality, in 2022 we received two recognitions from the Ministry of Environment of Panama: the "First 50" seal, as part of the Declaration of the First 50 Carbon-Neutral Organizations, and the 2021 Carbon Footprint Inventory recognition, for the management of our organizational carbon footprint, as part of the Reduce your Corporate-Carbon Footprint program.

From a corporate perspective, we continue implementing our updated strategic plan, which aims to promote the development of the local market, but, above all, to transform Panama into an international capital market hub. In terms of innovation, during 2022 we carried out several initiatives that go hand in hand with the group's strategic pillars, such as the launch of the Corporate Market Makers Program, which aims to encourage the liquidity of the local market in keeping with the best international standards.



Committed to the development and well-being of our human capital, which will make possible the beneficial reconciliation of professional and family life, as well as its ongoing professional development, and with a focus on equal opportunity and diversity, in the second quarter of 2022 the Board of Directors of Latinex Holdings, Inc. approved the extension of paid paternity leave for Latinex Group employees to 10 days. In addition, as part of the standardization and updating of the Internal Labor Regulations of the Latinex Group subsidiaries, measures have been incorporated for the prevention of gender-based violence against women and non-discrimination, as well as the promotion of diversity, in line with local and international legislation in this area.

In terms of developing products and services for the local market, we continue to work with our strategic allies, such as the Superintendence of the Stock Market (SMV), in the implementation of strategic initiatives that promote the development of the local market. On the other hand, with the aim of generating knowledge and exchanging experiences between issuers of thematic bonds, investors and the stock market, we held workshops with the Inter-American Development Bank (IDB) on the potential of generating thematic bonds in Panama, aimed at various governmental and quasi-governmental institutions.

In this sense, as part of the initiatives to encourage the listing of social, green, and sustainable issues, Latinex implemented a differentiated rate for programs in that category, granting them a 20% placement-commission discount and exempting them from registration and maintenance fees. These initiatives have made it possible to achieve, to date, more than USD 550 MM in social, green, and sustainable issue listings.

We continue to make progress in strengthening our local capabilities, as an active member of the Panama Sustainable Finance Working Group (GTFS). And, at the international level, we maintain an active role within the Independent Advisory Committee of the United Nations Sustainable Stock Markets Initiative (UN SSE Initiative), participating in various working groups to develop initiatives and guidelines that will allow us to continue guiding market participants in respect of best ESG practices.

The Latinex Board of Directors is very satisfied with the company's ESG performance and reaffirms the Company's commitment to developing and promoting the Panamanian stock market in a transparent and efficient manner, in accordance with the highest standards of corporate governance, which in turn allows for the development of a sustainable capital market, and contributes to the social and economic development of the country; all of this hand in hand with our executive leaders and all of our employees, who each year commit to continue contributing to promote sustainability through our efforts and activities.

We invite you to learn more about our activities.

Yours sincerely,

**Arturo Gerbaud**  
President of the Board of Directors  
Latinex Holdings, Inc.

# Key Figures 2022

**USD 8.7 MM**  
in revenues



**USD 3.4 MM**  
in EBITDA



**USD 2.1 MM**  
in net income




**USD 27,513 MM**  
in assets  
under custody



**+75,000**  
transactions



**USD 121 MM**  
in the integrated  
markets



**250**  
issuers



**37**  
corporate  
issues



**USD 6,132 MM**  
total trading  
volume



**USD 1,818 MM**  
total listed  
amount



**USD 24 MM**  
daily, average  
trading volume



**USD 50 MM**  
in thematic bond  
issues



# 62%

of associates are women, and women occupy the general manager positions of the Subsidiaries



# 36%

participation of women on the Board of Directors of Latinex Holdings, Inc. and Subsidiaries

# Our Group



## Latinex Holdings, Inc.

Is a publicly held entity whose common stock is traded on the Latin American Stock Exchange (Latinex). To date, there are no controlling shareholders, and the directors are not, directly or indirectly, individually or jointly, beneficial owners of a controlling number of the Company's shares. No director, directly or indirectly, is a major supplier of goods or services to the Company; however, certain directors are officers of companies that maintain relationships with the Company and its Subsidiaries. The officers of the Subsidiaries are independent of its directors and shareholders.

## Bolsa Latinoamericana de Valores, S.A

Intermediary entity between buyers and sellers within an organized market in which securities are traded. It is self-regulated and has been operating since June 1990; its regulator is the Superintendency of the Securities Market. Its official name until June 2021 was the Panama Stock Exchange, at which time the name change and the new corporate image was introduced.

### Mision

To develop and promote the Panamanian securities market in a transparent and efficient manner.

### Vision

To promote the securities market for the financing of companies, becoming the negotiation center par excellence for the country and the region's issuers and investors.

## Central Latinoamericana de Valores, S.A.

A self-regulated company specialized in the custody and administration of securities, which also provides the related electronic clearing and settlement services. It also maintains custody arrangements and operating agreements with various custody centers in the region, which facilitates the purchase/sale of securities registered in those markets and maintains international custody relationships with global market infrastructures. It began operating in 1997.

### Mision

To be a specialized entity focused on providing its local and foreign clients an excellent service, maintaining the required levels of efficiency, security, and internal controls; to satisfy the needs of its clients; and to be an agent of change in the development of the securities market.

### Vision

To be the leading custody, clearing and settlement center in the region, recognized for providing the best custody services to our clients, following best international practices, and based on high standards of service, trust, security, and effectiveness.



# Our History

- 
- 1990** | The Latin American Stock Exchange begins operating.
- 
- 1997** | The Central Latinoamericana de Valores (Latinclear), engaged in the administration, custody, clearing and settlement of financial securities, begins operating.
- 
- 2010** | Corporate reorganization with the incorporation of Latinex Holdings, Inc. Latinex Holdings, Inc. owns 100% of the shares of Latinex Inc., which in turn owns 100% of the shares of the Latin American Stock Exchange, S.A. (Latinex) and the Central Latinoamericana de Valores, S.A. (Latinclear).
- 
- 2011** | Following final authorization from the National Securities Commission (now Superintendency of the Securities Market), Latinex Holdings, Inc. is listed on the Latin American Stock Exchange, S.A.
- 
- 2015** | Integration of the Latin American Stock Exchange and the Bolsa de Valores de El Salvador securities markets, which makes it possible to trade in both markets by means of remote operators.
- 
- 2018** | Latinex membership in the UN Sustainable Stock Exchanges Initiative (SSE), an initiative of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Global Compact, the United Nations Environment Programme Finance Initiative (UNEP FI), and the Principles for Responsible Investment (PRI).
- 1st Ringing of the Bell for Gender Equality, in collaboration with the United Nations Global Compact, UN Women, the UN Sustainable Stock Exchanges Initiative, the International Finance Corporation (IFC), the World Federation of Stock Exchanges (WFE), and Women in ETFs (Exchange Trade Funds).
- In collaboration with the Government of Panama, establishment of the Panama Sustainable Finance Working Group (GTFS), with the participation of representatives from all local financial sector segments. The Panama Stock Exchange was a founding member and promoter for the constitution of the GTFS and continues to hold the Technical Secretariat of the group.
- 
- 2019** | First securities exchange in Latin America to join the Partners Program of the Climate Bonds Initiative.  
Joined Sumarse, an organization which promotes Corporate Social Responsibility (CRS) and the principles of the UN Global Compact in Panama.  
Launch of the Securities Market Education Program.  
Launch of the Guide for the Issuance of Social, Green, and Sustainable (SVS) securities.  
Issuance, by the Corporación Interamericana para el Financiamiento de Infraestructura (CIFI), of Panama's first green bond.  
Signing by Latinex and Latinclear of the Womens' Empowerment Principles (WEPs).  
Successful implementation, utilizing the NASDAQ Matching Engine (NASDAQ ME) technology, of an electronic trading system.
- 
- 2021** | Launch of the Guide for the Report and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, prepared thanks to the support of IDB Invest and carried out by consulting firm HPL LLC.  
Launch of Latinex Holdings, Inc. and Subsidiaries new corporate image, whereby the Bolsa de Valores de Panamá, S.A. changed its name to the Bolsa Latinoamericana de Valores, S.A. (in English, Latin American Stock Exchange, S.A.).  
Latinex joins the Gender Equality Initiative (IPG).  
Latinex joins The First 50 Carbon-Neutral Organization Declaration and the Reduce your Corporate Carbon Footprint Program  
Formation of the Standing Sustainability and Corporate Social Responsibility (CSR) Committee to reinforce our commitment to the development and promotion of a sustainable and transparent capital market.  
Participation in the First Ring the Bell for Financial Education event, in commemoration of the World Investor Week organized by the International Organization of Securities Commissions (IOSCO) and the World Federation of Exchanges (WFE).
- 
- 2022** | Launch of the first Sustainability Report of Latinex Holdings, Inc. and Subsidiaries.  
Publication of the Corporate Sustainability Policy and the Corporate Volunteer Policy of Latinex Holdings, Inc. and Subsidiaries.  
Approval of a 10-day paid paternity leave for Latinex Group employees.  
Latinex topped the list with the highest percentage of positions held by women in the governing bodies of listed companies (20%), and the highest percentage of committee and administrative bodies chaired by women (9%) in the Equality of Employment Analysis study Gender in Latin American Corporate Directories, developed by the SSE and the IFC, in collaboration with the Ibero-American Federation of Stock Exchanges (FIAB) and UN Women.

# Our Business

As integral elements of Latinex Holdings, we present the products and services provided by the Subsidiaries related to the brokerage, clearing, settlement and custody of securities.

## Bolsa Latinoamericana de Valores (Latinex) – Capital Market Infrastructure Services

Latinex manages and regulates the purchase and sale operations carried out on the exchange of the different financial instruments offered by the companies registered in the market, obtaining as consideration a commission based on the monetary value of the traded securities and the market type used for the respective operations.

### Main Services

- Admission / registration of securities for trading on Latinex.
- Publication and regular update of the price quotes for the securities listed on Latinex.
- Organization of the approximation process between the purchase and sale orders of the listed securities.
- Registration, calculation, and invoicing of the exchange's transactions.
- Organization of auctions
- Dissemination of information in respect of security price quotes, the market's financial situation, and that of the listed companies

### Additional Services

- Establishment of order channeling systems and other technical computer systems for exchange members and other authorized market entities.
- Information dissemination
- Organization and/or production of market studies
- Economic / financial analyses and studies
- Publications related to the financial markets, national and international
- Personnel training
- Any other service that, on account of a legal or regulatory mandate, or an express authorization of the Superintendencia del Mercado de Valores, may be performed on an ancillary basis.

### Traded Instruments

- **Variable income:** national and international shares, investment fund participations, mutual fund participations.
- **Fixed income:** corporate bonds, fiduciary participation certificates, corporate notes, negotiable commercial securities; government bonds, notes, and other short-term instruments<sup>1</sup>.
- **Repurchase**

## Central Latinoamericana de Valores (Latinclear) – Custody

Centralized securities depository providing custody, clearing, settlement, and electronic administration of securities in the local and international markets, maintaining the highest international risk-control standards.

### Deposits and Custody

- Custody accounts
- Deposit and withdrawal of financial securities
- Immobilization and dematerialization of financial securities
- Securities' transfers, with and without payment
- Non-related, third-party services
- International custody with Euroclear and Clearstream
- Regional custody with CEDEVAL, Interclear, CENIVAL, and a custody agreement with BCR
- iLink link (internationalization of securities)

**Phase I:** Republic of Panama financial instruments and quasi-governmental issuers (active)

**Phase II:** Corporate Fixed Income (pending)

**Phase III:** Variable income (pending)

### Electronic Compensation and Settlement Mechanism

- T+2 settlement
- Clearing House of the Banco Nacional de Panama (BNP)
- Phase I: Real Time Gross Settlement (in Spanish, Liquidación Bruta en Tiempo Real or LBTR)
- T+3 Settlement, Panama and El Salvador

### Administration / Property Rights

- Local and international financial securities

1. A correction has been made to the types of instruments traded in fixed income, in relation to that information published in the Sustainability Report of Latinex Holdings, Inc. and Subsidiaries for 2021.





## Sustainable Finance

Sustainability plays an active role in our strategy because, beyond knowing and feeling that the promotion of sustainable finance is the right path to follow, it clearly constitutes one of the most powerful tools to unify and articulate efforts to achieve the financing of solutions to, on the one hand, combat climate change and economic inequality, and, on the other, to promote innovation, sustainable consumption, peace, justice and, in short, the transformation for the better of our world.

In 2022, the definition of Latinex's sustainability strategy for the period 2022 - 2024 was formalized and the new sustainability purpose was incorporated, thus reaffirming our commitment to the development of sustainable finance. At the same time, the first Sustainability Report was launched with the application of the GRI and SASB international standards, as part of the accountability strategy directed to our stakeholders.

Additionally, as part of our initiatives to encourage the listing of social, green, and sustainable issues, Latinex implemented a differentiated fee schedule for programs which fall in this category, granting a 20% discount for the placement commission and an exemption from registration and maintenance fees. To date, these initiatives have made it possible to achieve more than USD 550 MM listed in social, green, and sustainable issues.



# International Hub

We intend to move forward with the objective of transforming Panama into an international capital market hub, by supporting the development of a regulatory structure and of efficient processes; by attracting and reactivating local and international issuers; and by means of the continuous development of innovative products that allow for the creation of suitable conditions for the strengthening and deepening of the Panamanian market.

During 2022, progress continued with the integration of the regional capital markets, which allows access from Panama to El Salvador, Costa Rica, Nicaragua, Guatemala, and Colombia, under the models of remote operators or correspondent agreements. In this regard, various webinars were held for the market to reinforce knowledge about the opportunities conferred by regional integration.

At the end of 2022, in respect of the integration of markets under the models of remote operators and correspondent agreements, more than USD 530 MM were traded, through more than 2,200 transactions, all having been successfully negotiated and settled, reaffirming the robustness of the models, and generating the confidence necessary for the continuous development and promotion of integrated regional capital markets.

All this has been possible thanks to the work and positive performance of the different working committees made up of all the member exchanges of the Capital Markets Association of the Americas (AMERCA). It is important to note that other stock exchanges in the region have shown interest in joining this integrated market and, to achieve this, continue to work in their respective countries on the relevant regulatory and operational aspects.



As for iLink, the link with Euroclear Bank, it continues to be one of the Panamanian securities-market's notable advantages and a fundamental relationship for Latinex. By means of the project's Phase I, aimed at Panamanian Government and Quasi-government securities, already more than USD 6.0 billion of securities migrated to Euroclear Bank.

Additionally, follow-up work is ongoing to advance with Phase II, which will make the internationalization of corporate debt instruments possible.

In terms of promotion and integration, trips were made to Costa Rica, Guatemala, Ecuador (Quito and Guayaquil), and three issues from foreign issuers were registered during the year.

In conjunction with the Authority for the Attraction of Investments and the Promotion of Exports of Panama (PROPANAMA) and the Chamber of Commerce, Industries and Agriculture of Panama, we participated in the Trade Missions to Colombia and Peru, with the objective of presenting Panama as a capital-market alternative for the diversification of financing and investment options.

The first Panama Day was also co-organized with PROPANAMA in New York City, United States, for the financial sector and the capital market. It was an event conducted in conjunction with important representatives of the banking and financial sector, both Panamanian and international, which included presentations and informative workshops on the strength of Panama's financial position and its growing relevance in the international arena.

## Our Strengths

Services complementarity between Latinex and Latinclear, which makes it possible to better service the issuance and asset-management components of the value chain

Active promotion of the development of Panama's securities market, which, in diverse ways, is already profiling itself as an international financial hub

Diversification: sectors, maturities, and rates

A robust securities trading / order-matching system: Nasdaq Matching Engine

Competitive financing costs

Unified registry / listing process

International relations: Euroclear Bank, Clearstream—Deutsche Börse Group

Sustainable Finance: active promotion of negotiable ESG securities with differentiated tariffs, guided in turn by the highest sustainable-finance standards, and working in conjunction with important strategic allies

Abbreviated listing process for recurrent issuers

Continuous promotion and market exposure

Personalized service, by means of a highly competitive professional team, operating in line with a corporate governance structure which adheres to best practices and acts in keeping with the Company's institutional character

Regional leadership and market integration



## Context

The Panamanian stock market is structured with several participants, which we describe below.

Companies with financing needs publicly issue securities that are acquired by investors in the organized market, as a means of obtaining alternative financial returns to those of traditional banking instruments.

In turn, the securities market includes the relationships between a subject that requires financing and a plural number of savers, through the division of the amount to be financed into units of a homogeneous and fungible nature (securities).

## Market Participants

## Role

<b>Issuers</b>	Issuers offer financial securities to obtain financing, either in the form of debt instruments (such as, among others, bonds and negotiable commercial securities) or equity (common shares).
<b>Investors (personal and institutional)</b>	Investors acquire securities with the purpose of obtaining financial returns, either in the form of interest in the case of debt instruments, or dividends in the case of equity securities, or also for the sale of securities in the secondary market.
<b>Brokerage Firms / Exchange Seat Holders</b>	Market participants that intermediate in the purchase and sale of financial securities, either on behalf of third parties or for their own account.
<b>Latinclear Participants</b>	Market participants that intermediate in the custody, transfer, administration, liquidity, and compensation of securities, either on behalf of third parties or for their own account
<b>Security Brokers</b>	Market professionals, authorized by their home regulator, experienced in the trading of securities, who act in representation of exchange-seat holders.
<b>Securities Exchange</b>	Platform that facilitates the negotiation, purchase and sale activity of financial securities generated by the exchange-seat holders and carries out the registration of the securities which will be the object of future trade negotiations.
<b>Central Securities Depository</b>	The central securities depository provides custody services for issued securities, as well as clearing and settlement services for the trade transactions carried out in the organized and non-organized markets.
<b>Certified Public Accountants</b>	Certified accounting professionals engaged to audit companies' financial statements, further certifying that the provided financial information reasonably reflects the actual and real financial situation of the audited companies.
<b>Risk-Rating Agencies</b>	A risk rating is obligatory, except for certain equity instruments (see the SMV's Acuerdo No. 2-2010). The function of risk-rating agencies is to undertake studies in respect of the level of risk associated with the securities issued by companies (risk, in turn, assumed by the investor acquiring a specific security).
<b>Regulator</b>	The regulatory entity of the securities market in Panama is the Superintendencia del Mercado de Valores (SMV), an autonomous State entity. It oversees the regulation and supervision of the operation of the securities' market's activities and that of its diverse actors and participants.

## Integration of Services in the Value Chain

	Issues Registration	Trading	Custody	Clearing	Settlement
Latinex	●	●			
Latinclear			●	●	●
Exchange Seat Holders	●	●			
Latinclear Participants		●	●	●	●
Remote Operators		●			
Correspondents		●	●	●	●
iLink – Link with Euroclear Bank	●	●	●	●	●

# Market Composition



## Primary Market

The set of first-time purchase/sale operations, or placement, of new security issues.

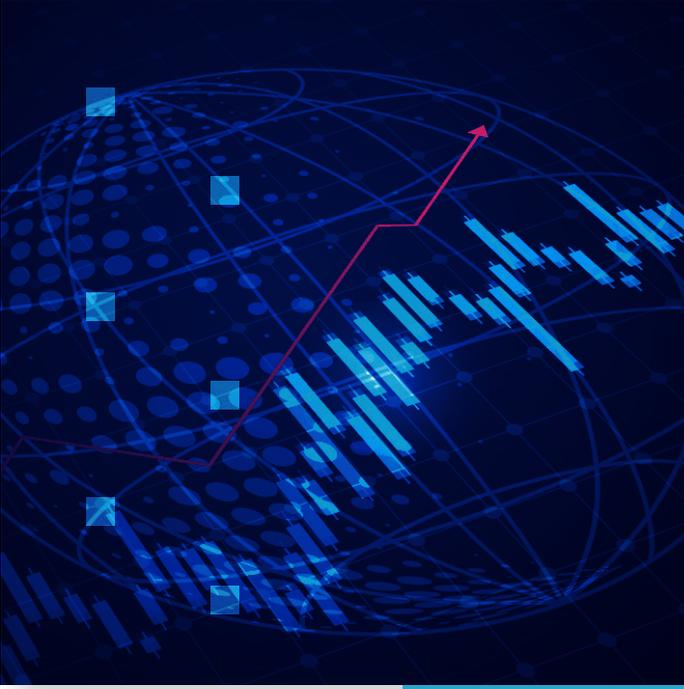
## Secondary Market

The purchase / sale between third parties of securities previously placed through the primary market.

## Repurchases Market

Also known as repurchase agreements, or "repos." It is an agreement between the seller and the buyer of a security, by means of which the seller, from the outset, undertakes to repurchase, at a certain price and on a pre-established date, the assets originally sold.





# Operating and financial Results

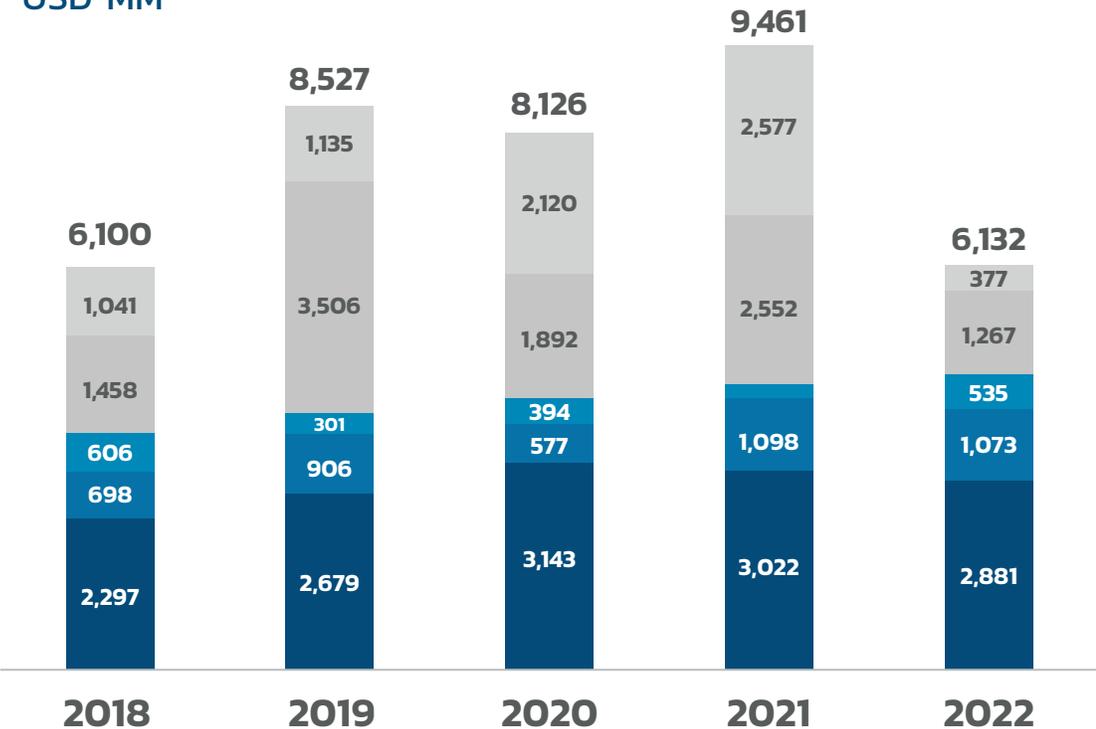
## Main Operating Indicators

The solidity of our management and the strengths of our value proposition toward clients have made it possible for us to generate positive results. However, the economic context is still one of progressive recovery in the country as well as internationally, with external factors that impact operations, such as the volatility of capital markets, high worldwide inflation, increases in interest rates by the central banks of developed countries, which impact our country, coupled with local circumstances and situations that affected the country's economy.

We present the main results of our subsidiaries, in terms of the size of the operation and the obtained results.

# Bolsa Latinoamericana de Valores

USD MM



● Fixed Income ● Variable Income ● Repurchase Agreements ● Government ● International

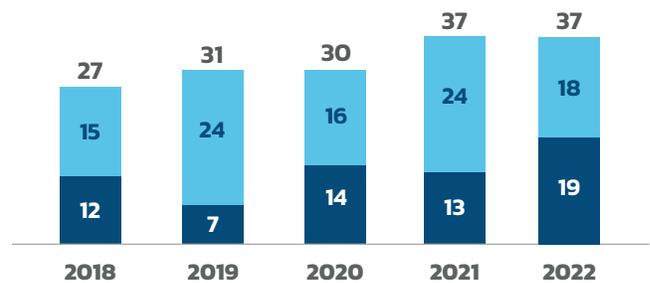
# List of Corporate Issues

In 2022 thirty-seven corporate programs totaling USD1,911 million were listed, of which thirty-four, for an amount of USD 813 million or 42.6% of the listed total, were placed in the primary market. Of the thirty-seven issuances, three were placed by foreign issuers: two from Guatemala and one from El Salvador.

## Breakdown of Issues

(By Issuer type)

- Existing Issuers
- New Issuers

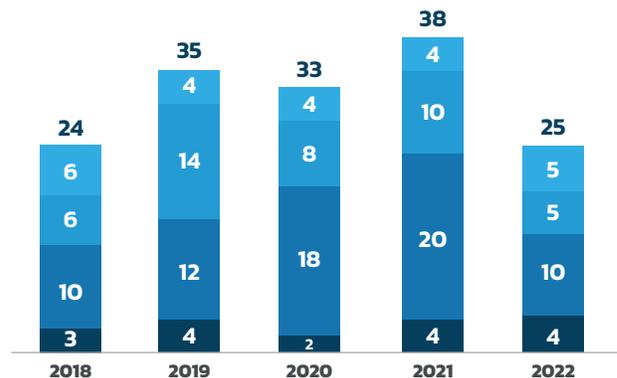


In respect of the lists, we highlight the increase in the funds segment, which closed out 2022 with 57 funds listed with a market capitalization of USD 2,296 million, which translates to a compound annual growth rate (CAGR) for the most-recent five years of 5.2%.

## Daily Average Volume

(USD MM)

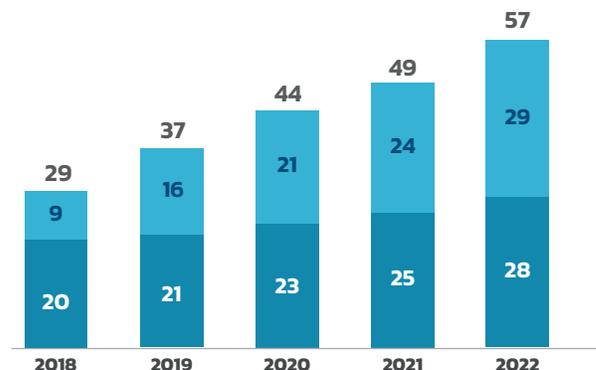
- Variable Income
- Corporate bonds
- Treasury instruments
- Liquidity-market instruments



## Listed Funds

(By type of fund)

- Investment funds
- Real estate investment funds

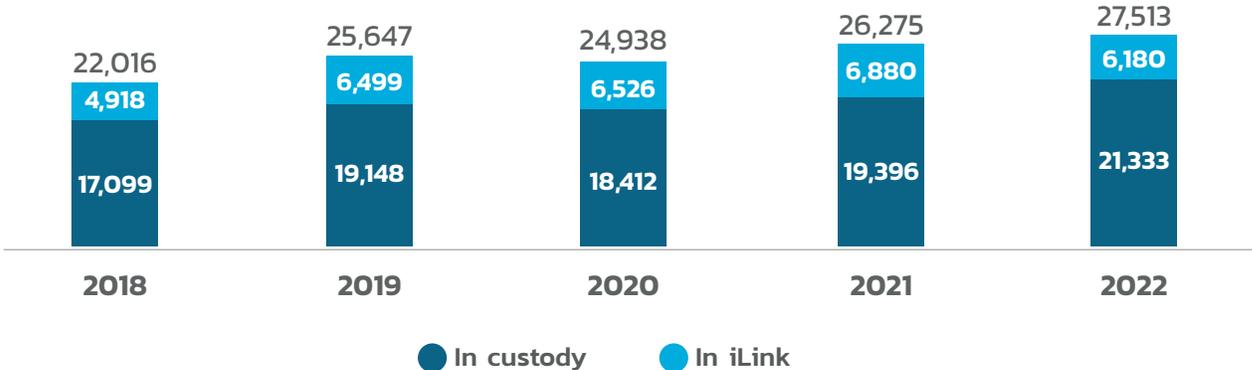


# Central Latinoamericana de Valores

The volume of assets under custody at yearend 2022 exhibited a 4.7% increase in comparison with 2021, buoyed by the recovery of the prices of variable-income securities y new placements throughout the year.

In contrast, the increased number of international trades and local services led to the successful processing of 75,000 plus transactions, a figure which reflects a 10.7% increase in comparison with the average of the past five years.

## Total Assets under Custody (USD MM)

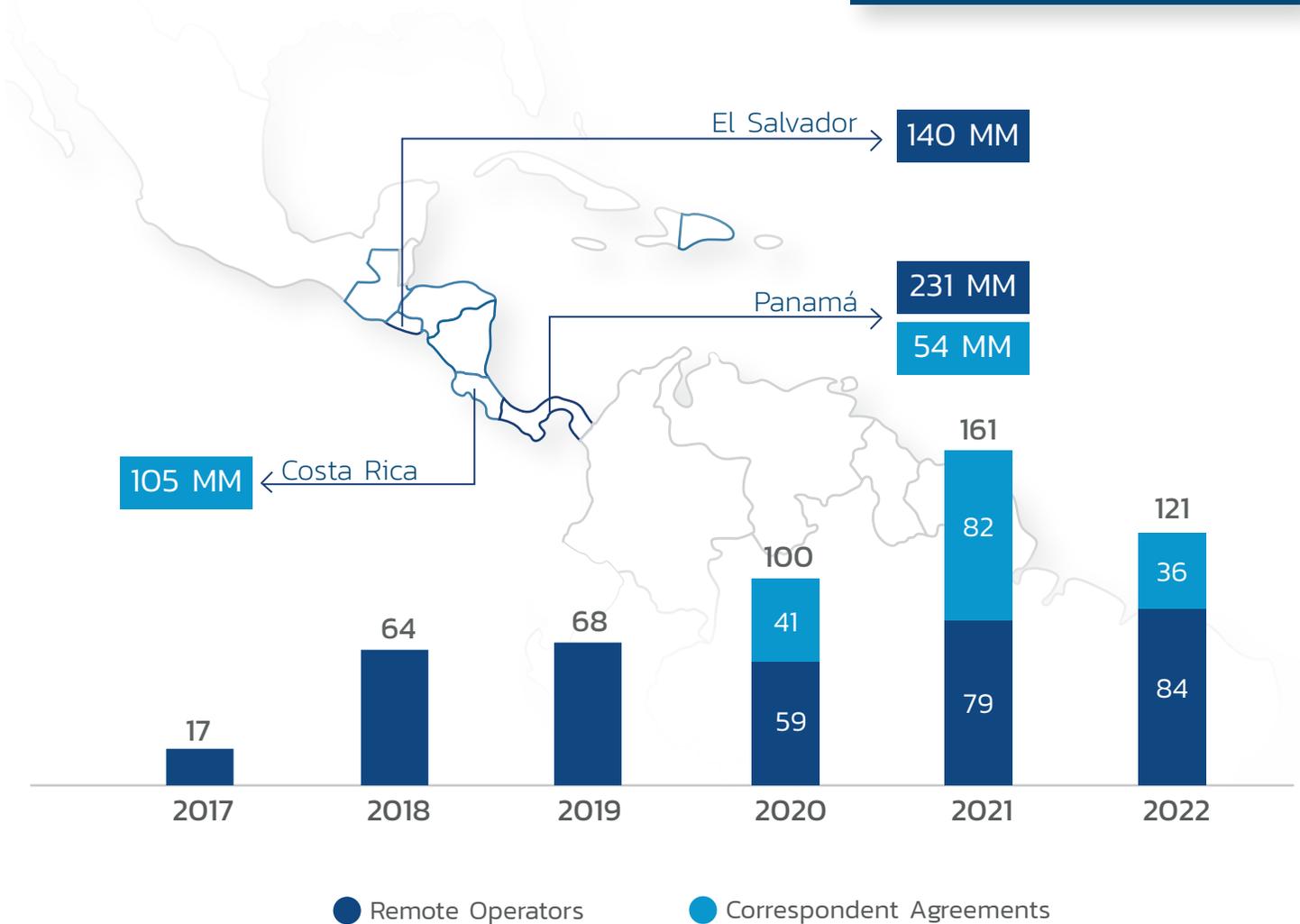


# Market Integration

The **2,400 plus transactions** carried out in respect of a **USD 530 million** volume serve as encouragement for Latinex to continue pursuing the integration of the markets. In this regard, it is also worth noting that in 2022 a link was formalized with Colombia's Deceval by means of the free-of-payment settlement (DVF) format.

Cumulative:  
**530 MM** volume  
**2,441** transactions

Trade Volume  
 USD MM



Note: Indicated amounts for each country reflect where the securities were traded. Operations executed between Panama, El Salvador, Costa Rica, and Guatemala.

# Latinex Holdings

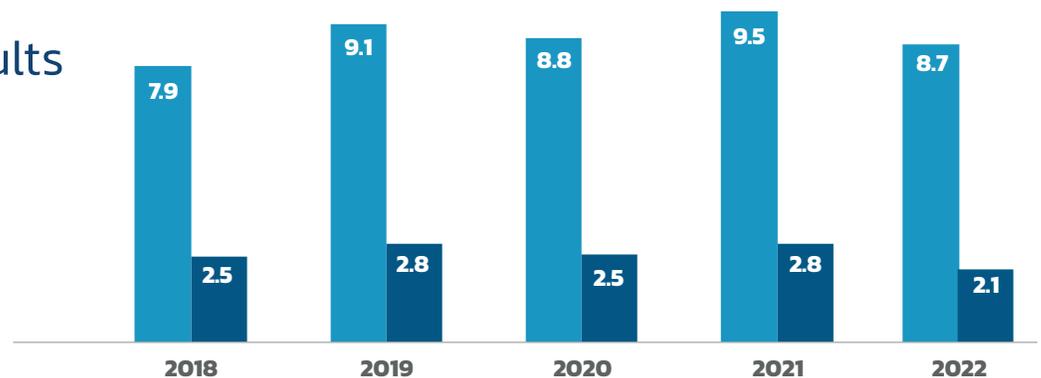
## Main Financial Indicators

In 2022 Latinex Holdings generated total revenues of **USD 8.7 million**, a decrease of 9.0% in comparison with 2021, which is attributable to the reduced placement of, and trading related to, RPMA securities, and to the absence of issues subject to the New York Law format. This in turn led to a net profit for the year of **USD 2.1 million**, resulting in a net earnings per share figure of **USD 0.1404** in comparison with **USD 0.1922** in 2021.

The Company closed out 2022 with total assets of **USD 14.8 million** and shareholders' equity of **USD 14.0 million**, thereby generating a return on assets (ROA) of 14.0% and a return on equity (ROE) of 14.0%. For its part, paid-in capital was comprised of 14,756,375 duly issued and outstanding shares, thereby providing a net profit per share of USD 0.1922.

### Financial Results (USD MM)

- Total revenues
- Net income



### Profitability Indicators

2018	2019	2020	2021	2022	
<b>19.7%</b>	<b>21.1%</b>	<b>18.6%</b>	<b>19.4%</b>	<b>14.8%</b>	ROE
<b>17.8%</b>	<b>19.1%</b>	<b>16.7%</b>	<b>17.6%</b>	<b>14.0%</b>	ROA
<b>47.0%</b>	<b>46.8%</b>	<b>44.9%</b>	<b>45.9%</b>	<b>39.8%</b>	EBITDA Margin

# Distributed Economic Value

In Latinex Holdings we are committed to the generation of value for each of our stakeholder groups.

The resulting retained economic value allows us, on the other hand, to have the necessary capital to continue growing, always adhering to our strict risk controls and commitment to the financial stability of the Company.

It should be noted that the Company has not received financial contributions from the Government for the exercise of its activity.

## Generated and Distributed Economic Value (VEG and VED) (USD)

	2022	2021	2020	Δ 22-21 (%)	2019
<b>Revenues (Generated Economic Value, GEV)</b>	8,359,646	9,518,814	8,752,461	-12.2%	9,149,117
<b>Costs and Expenses (Distributed Economic Value, DEV)</b>	9,797,755	8,311,260	8,116,566	17.9%	7,940,838
Operating Costs and Expenses	3,467,363	2,274,318	2,179,830	52.5%	2,228,146
Payroll and other benefits (to associates)	2,127,229	2,214,235	2,058,145	-3.9%	2,154,570
Payments to capital providers (does not take share purchases and sales into account)	2,656,006	1,960,301	2,261,886	35.5%	1,960,301
Payments to the government (taxes and contributions)	991,788	1,205,552	1,035,884	-17.7%	1,116,562
Investments in infrastructure and technology	534,444	638,699	548,764	-16.3%	460,298
Donations (community)	20,925	18,155	32,057	15.3%	20,960
<b>Retained (GEV – DEV)</b>	-1,438,109.00	1,207,553.80	635,895.00	-219.1%	1,208,278.80

# Latinex's Commitment to Sustainability

In the Latinex Group, in its capacity as a central point of contact between issuers, investors, and market intermediaries, we recognize the important role we play in the transition toward sustainable development. We facilitate investment in climate, social and corporate governance solutions by making a potential investor base available to issuers. Likewise, we support these investors in the process of making responsible and impactful investments.

The year 2022 was one of important actions and developments regarding the management of the Company's Environmental, Social and Corporate Governance (ESG) factors. Based on the results of the materiality analysis carried out in 2021, the Sustainability and CSR Committee worked on the definition and approval of the five strategic priorities and their respective objectives, thereby shaping the Sustainability Strategy of Latinex Holdings, Inc. and Subsidiaries for the period 2022-2024, a strategy which will in turn guide the initiatives related to sustainability in the coming years.

Additionally, the Corporate Sustainability Policy was approved, thus establishing the general principles and guidelines the Company will follow as it pursues the development of a sustainable capital market.



## Our Purpose

Our purpose is to develop and promote the Panamanian stock market in a transparent and efficient manner, adhering to the highest standards of corporate governance, which allows for the development of a sustainable capital market. The latter, in turn, contributes to the social and economic development of the country.

# Strategic Sustainability Priorities



## Priority Strategic Objective 2022–2024

### Technology and Digitalization

Potenciar el servicio a nuestros clientes internos y externos mediante la incorporación de herramientas tecnológicas que les permitan un mejor desempeño y seguridad. Mantener a Latinex actualizado en procesos de prevención y manejo de amenazas de ciberseguridad.

### Internal Management of the ESG Factors

To guide efforts in the transition towards sustainable economic, social, and environmental development, aligned with the highest international market standards and best practices, working together with our stakeholder groups in the promotion of the best ESG practices.

### Human Capital

To develop strategies and implement actions for the well-being of our employees, which allow for the appropriate reconciliation of professional and family life, as well as for their professional development, with a focus on diversity and equality of opportunities.

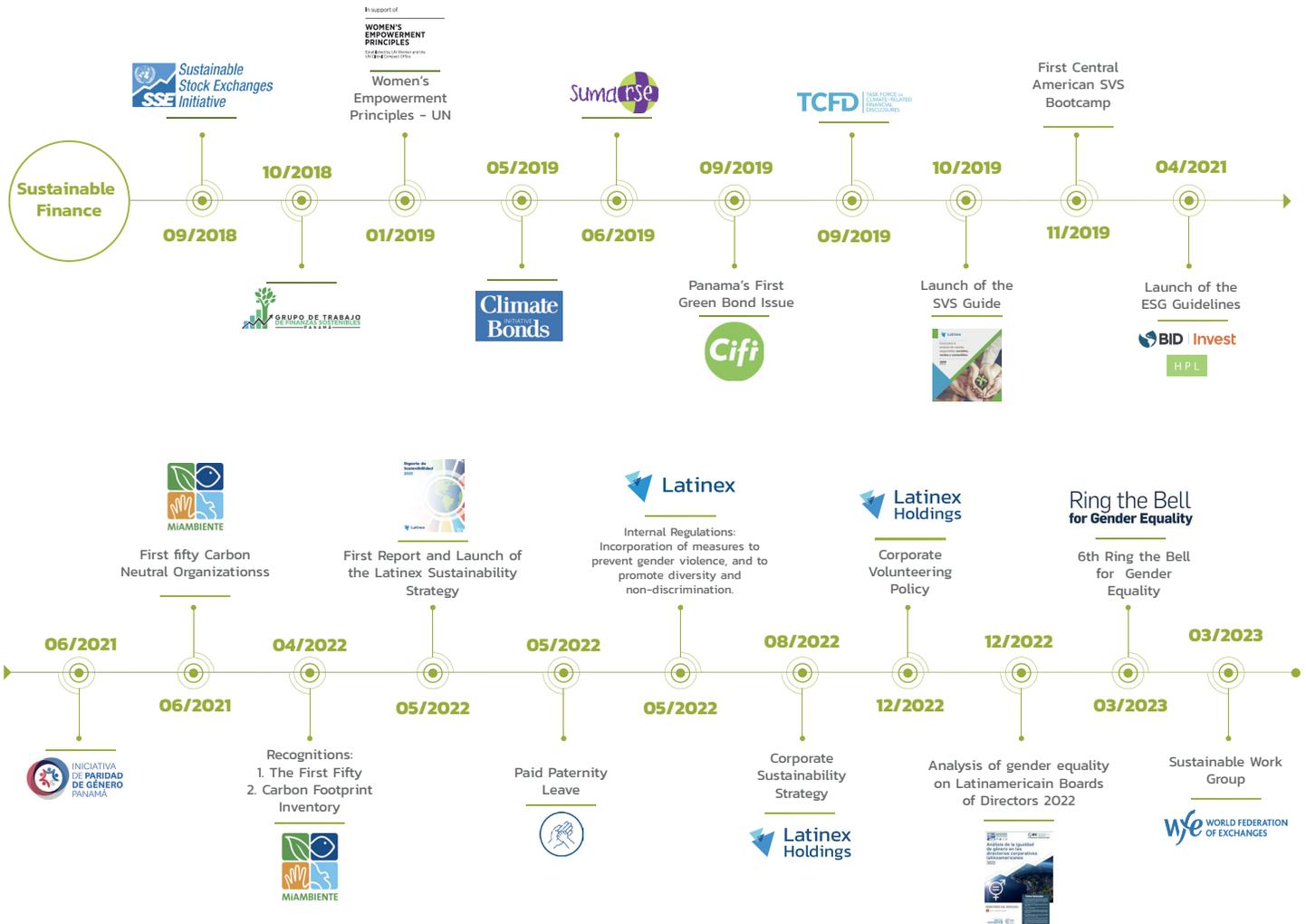
### Sustainable Products and Strategic Services

To develop the securities market through the implementation of new financial instruments with an ESG approach and strategic services aligned with the best global market infrastructures.

### Relationship with the Market

Strengthen the relationship with our stakeholder groups, through the development of innovative, inclusive, and quality communication channels that foster the growth of relationships and the creation of value for all parties. Implement strategies to strengthen stock market education and financial education and inclusion, in the process establishing strategic alliances.

# Principal Sustainability Milestones



# Associations and Organizations

We play an active role in respect of different sustainability initiatives and contribute with different sustainability-focused entities at the local, regional, and international level. This in turn makes it possible for us to advance in respect of our sustainability-related strategy and commitments, in addition to other measures linked with our own management endeavors in this regard and in respect of which we have identified other specific market-supporting opportunities.



UN Sustainable Stock Exchanges Initiatives (SSE). Since 2019 we've been an "official supporter". In the same year we held the presidency of the advisory group for the development of the guide "How Exchanges can Embed Sustainability Within their Operations". In 2022, we were participants in the "Net Zero Comments Group" working group, with the objective of contributing to the creation of net zero objectives for the securities exchanges, which effectively aims to achieve carbon neutrality. In addition, we maintain our participation as a member of the in the advisory group for Gender Equality for the development of the guide "How Exchanges can Advance Gender Equality", and we currently also maintain our participation as a member of the Independent Advisory Committee, represented in this capacity by Latinex's Executive President. Through our participation in the SSE and based on the highest standards for sustainable investment incorporating the environmental, social and governance factors, we seek to promote the ongoing development of the capital markets.



Climate Bonds Initiative (CBI), to promote bond issues that help reduce environmental effects and favor the transition to a low-carbon economy.

In support of

## WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Women Empowerment Principles (WEPs), aligned with our commitment to work in favor of gender equality from all scenarios where we can have an influence, both internally and towards issuers.



Task Force on Climate-related Financial Disclosures (TCFD), which we support to promote the transparency of issuers in respect of how they manage their risks and opportunities as they relate to climate change.





Grupo de Trabajo de Finanzas Sostenibles de Panamá (GTFS), which, in collaboration with the government, integrates representatives from all segments of Panama's financial sector. From our vantage point, as Latinex, we participated as a founding member and promoter for the group's constitution in 2018. We currently occupy the group's Technical Secretariat.



Sumarse – Pacto Global Red Panamá, a forum for scholarship and the exchange of best practices related to sustainability and corporate social responsibility (CSR) issues in Panama. It fosters examples of leadership in the promotion of universal principles and of companies' responsibility in the achievement of a more sustainable and inclusive global economy. In the same manner, it promotes participation in dialogues aimed at resolving the main, critical global problems and allows for the management of risk by taking a proactive stance in respect of critical issues.

In 2022, as a sponsor, Latinex participated in the 11th Week of Sumarse's CSR, whose motto was "Promoting a Sustainable Corporate Transformation"

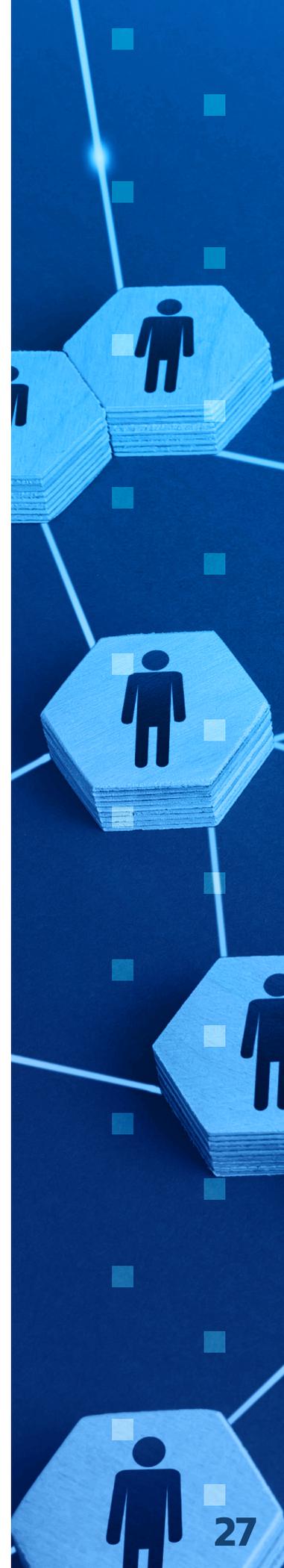


Iniciativa de Paridad de Género (IPG), a public-private partnership led by Panama's Ministry of Social Development, in collaboration with the IDB and the World Economic Forum. The initiative, by means of a coordinated country-level strategy, seeks to influence and to work to increase women's labor participation, reduce the gender wage gap, and to promote women's participation in leadership positions in companies.

## In addition, we are part of the committees and working groups of:



Federación Iberoamericana de Bolsas (FIAB) — We participate in the Sustainability Working Subgroup, with the mission of promoting and developing sustainable finance in the Ibero-American stock exchanges and capital markets, fostering the interactivity of entities, and thus contributing to the achievement of the Sustainable Development Goals.



# Stakeholder Groups



We regard as stakeholder groups individuals and organizations that affect, and/or may be affected, in a direct or indirect manner, by our activities, products and services, as well as groups that, through the creation of shared value, are key for the implementation of our business model and the achievement of our strategic objectives.

The identified stakeholder groups are those that actively participate in our operations, being essential to their continuity.

- | Shareholders
- | Members of the Board of Directors of the Latinex Group companies
- | Committee members of the companies of the Latinex Group
- | Associates of the companies of the Latinex Group
- | Strategic allies (individuals and entities with a direct relationship to our business and which make it possible to achieve its potential)
- | Suppliers and creditors
- | Clients: Members of the Latin American Stock Exchange, S.A., participants of the Central Latinoamericana de Valores, S.A., issuers of securities listed on the Latin American Stock Exchange, S.A. and/or custodied in the Central Latinoamericana de Valores, S.A., and other clients of the services offered by the Latin American Stock Exchange, S.A. and the Central Latinoamericana de Valores, S.A.
- | The State
- | Regulator: The Superintendency of the Securities Market
- | Communications media
- | The public in general

In the same manner, we have declared the following principles on which the relationship with our stakeholder groups is based. This is detailed in the Code of Corporate Governance of Latinex Holdings and Subsidiaries.

## Honesty principle

Requires that transparency, equity and confidentiality prevail.

## Diligence principle

Requires that any action be taken promptly, with care, objectivity, impartiality, and the professionalism required by the relevant person's position.

## Loyalty principle

It deals with abiding by the norms, policies, and internal rules, putting the interests of the Latinex Group, its shareholders, and the investing public before any personal interests.

# Relationship with Stakeholder Groups



In the communications between the Latinex Group and each one of its stakeholder groups, we aim to always abide by the following:

- Respect between the parties for all rights recognized by Law, through policies, codes, or internal regulations, and those acquired through contracts.
- Open communication channels which will make it possible to develop the best relationships and the professional growth of all parties, based on knowledge and experience.
- The study and due evaluation required of each situation, with the commitment to constantly evolve towards best practices.

The channels of communication with the Stakeholder Groups are those that, to illustrate, are detailed in the following table, it being understood that the communication can be carried out by means of the execution of one or more of the possibilities listed in the column referred to "Communication Channels and Interaction Scenarios" with each Stakeholder Group:



Category	Subcategory	Value Proposition	Communication Channels and Interaction Scenarios
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Class A shareholders</li> <li>• Class B shareholders</li> </ul>	<p>Investment in a company with a solid business model, being the only local securities market and which, in addition and with a strategic vision, diversifies its portfolio and regionalizes its operations.</p> <p>To work in a highly regulated ecosystem with strict operating criteria (brokerage firms).</p> <p>A wager on the development of products and services linked to sustainable issues, (e.g., green bonds), attending to growing business opportunities.</p>	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> <li>• Annual reports</li> <li>• Financial statements (annual and interim)</li> <li>• Relevant events</li> <li>• Website</li> <li>• Invitations to the Latinex Group's forums and events.</li> <li>• The Sustainability Report</li> <li>• Interaction with shareholders as required.</li> </ul>
<b>Members of the Board of Directors and committee members</b>	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Independent directors</li> <li>• Committee members</li> </ul>	<p>Participation in a corporate-governance structure which adheres to the best international practices.</p>	<ul style="list-style-type: none"> <li>• Board of Directors' meetings (ordinary and extraordinary)</li> <li>• Committee meetings</li> <li>• Annual report</li> <li>• Financial statements (annual and interim)</li> <li>• Monthly and quarterly results reports Minutes of the meetings of the Board of Directors and committee meetings</li> <li>• Strategic plan of the Latinex Group Annual schedule of the Board of Directors and committee meetings</li> <li>• Work plans of the committees Questionnaires / evaluations</li> <li>• Invitations to the forums and events of the Latinex Group</li> <li>• Website</li> <li>• Reports / information packets for the committee meetings</li> <li>• Diverse information communicated by means of e-mail and other media</li> <li>• Sustainability Report</li> </ul>
<b>Associates</b>	<ul style="list-style-type: none"> <li>• Managers and assistant managers</li> <li>• Officers Coordinator</li> <li>• Administrative personnel</li> <li>• Operative personnel</li> <li>• Auditing personnel</li> </ul>	<p>To support training and career development, generating highly competitive professional profiles. To seek professional and personal well-being, through job security and the work environment, and to promote gender equality.</p>	<ul style="list-style-type: none"> <li>• Work environment surveys</li> <li>• Intranet</li> <li>• Direct contact with directors through different means</li> <li>• Educational sessions</li> <li>• Performance evaluations</li> <li>• Annual reports</li> <li>• Financial statements (annual and interim)</li> <li>• Monthly and quarterly results reports Invitations to the forums and events of the Latinex Group Communiqués from the Human Capital Department</li> <li>• Relevant group information</li> <li>• Extended meetings, general and informative in offices</li> <li>• Direct contact with the Human Capital Department</li> <li>• Weekly managers</li> <li>• Assistant managers</li> <li>• Officers in area HQs and internal audit, diverse information communicated through e-mail and other media</li> </ul>

<b>Suppliers and creditors</b>	<ul style="list-style-type: none"> <li>• Strategic and non-strategic</li> </ul>	<p>To build long-term relationships, through transparency and fairness</p>	<ul style="list-style-type: none"> <li>• Direct contact with services and administration users</li> <li>• Contracting and survey processes</li> <li>• Due diligence processes</li> <li>• Annual report</li> <li>• Diverse information communicated through e-mail, website and social media</li> <li>• Sustainability Report</li> <li>• Communiqués in respect of the contracted relationship</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Latinex exchange-seat holders</li> <li>• Latinclear participants</li> <li>• Issuers</li> <li>• Other clients</li> </ul>	<p>To offer a trustworthy operations infrastructure and the attractiveness of a growing market</p> <p>The opportunity to access capital through different products, and an agile and secure process. Development of capabilities prior to a securities issue and other advisory options</p>	<ul style="list-style-type: none"> <li>• Meetings with senior management and/or Latinex executives</li> <li>• Working processes</li> <li>• Educational sessions for market agents through the Securities Market Education Program</li> <li>• Annual report</li> <li>• Financial statements (annual and interim)</li> <li>• Monthly and quarterly results newsletters</li> <li>• Important issuers' events</li> <li>• Attraction rounds / sessions of potential clients</li> <li>• Communiqués on products and services</li> <li>• Invitations to the forums and events of the Latinex Group</li> <li>• Website and social media</li> <li>• Customer service and denunciations reporting channel</li> <li>• Sustainability Report</li> <li>• Communications through e-mail and other communications media</li> </ul>
<b>Regulator – Superintendence of the Securities Market</b>	<ul style="list-style-type: none"> <li>• Government authorities</li> </ul>	<p>Contribution to the socioeconomic development of the country, under criteria of general interest collected in the process of complying with applicable legislation and regulations</p>	<ul style="list-style-type: none"> <li>• Audits and other analytic processes</li> <li>• Norms compliance reports</li> <li>• Initiatives requirements or joint work-programs report</li> <li>• Forums and other relevant Latinex</li> <li>• Group events, financial statements (annual and interim)</li> <li>• Website and social media</li> <li>• Sustainability Report</li> <li>• Communications through e-mail and other communications media</li> </ul>
<b>Regulator – Superintendence of the Securities Market</b>		<p>Contribution to the development of the country's financial securities market, under criteria of general interest collected in the process of complying with applicable legislation and regulations.</p>	<ul style="list-style-type: none"> <li>• Audits and other analytic processes</li> <li>• Norms reports</li> <li>• Dialogue opportunities to advance regulatory development</li> <li>• Invitation to market-relevant forums and events</li> <li>• Communications through e-mail and other communications media</li> </ul>

## Strategic allies

- Allies in ESG-related topics**
- Grupo de Trabajo de Finanzas Sostenibles (Panamá)
  - Naciones Unidas (Sustainable Stock Exchanges, Women Empowerment Principles, etc.)
  - Sumarse – Pacto Global Red Panamá Task Force on Climate-related Financial Disclosures (TCFD)
  - BID Invest
  - Climate Bonds Initiative
  - Otros

**Allies in industry-sector associations**

- Federación Iberoamericana de Bolsas de Valores (FIAB)
- Asociación de Mercados de Capitales de las Américas (AMERCA)
- Cámara de Emisores de Valores de Panamá Cámara Panameña de Mercado de Capitales (CAPAMEC)
- World Federation of Exchanges

To jointly promote the development of sustainable finance on the part of all participants in the securities-market value chain (banks, securities market, issuers and/or funded companies, etc.)

To work together to develop markets, including addressing business-model risks and opportunities, based on shared positions and efforts.

- Participation and direct communication among market actors through ordinary and extraordinary meetings
- Commissions or committee-related work meetings, invitations to specific events
- Press releases and specific
- Relevant information
- Initiatives requirements or joint work-programs report
- Internal and for third-parties educational sessions
- Positive market and country news newsletter (as applicable)
- Website and social media Sustainability Report
- Communications through e-mail and other communications media

## Public communications media

- Traditional media
- Digital media

Transparency on the performance of Latinex Holding as an issuer, making it easier for the media to serve as a channel for approaching and/or responding to other different stakeholder groups.

To promote knowledge about the operation and opportunities of the securities market for financial management purposes by citizens and SMEs, as well as large companies

- Press releases
- Invitation to forums and other group events
- Direct dialogue with company spokespersons
- Annual report
- Financial statements (annual), monthly and quarterly results newsletters
- Website and social media
- Sustainability Report.

## The public in general

To boost the economy through the market's impact on companies, which can thus obtain capital for different uses in their operation and to pursue their respective strategies.

To transmit trust in the country as a destination for investments

To develop and to strengthen the general population's knowledge of financial matters, thus facilitating better management of the financial affairs of individuals, families, and companies.

- Exchange markets educational programs
- Campaigns through diverse communications media
- Forums and events open to the public
- Initiatives with allies
- Annual report
- Financial statements (annua)
- Monthly and quarterly results newsletters
- Website and social media
- Ethical complaints channel
- Sustainability Report

# Process for the Determination of the Material Issues



A selection of our stakeholder groups played an active part in the process of determining the material issues, through a materiality analysis carried out with the support of an external consultant during 2021 and the beginning of 2022. The objective, in the context of Latinex's operation and business strategy, as well as from our stakeholders' perspectives, was to identify and address the critical ESG issues, establish corresponding work priorities, including those based on changes derived from the COVID 19 pandemic.

The process for defining the material topics was developed by applying the Global Reporting Initiative (GRI) standards, as well as the Sustainability Accounting Standards Board (SASB) standards for the securities and commodity exchanges industry (Security Commodity Exchanges Standard).

We applied the concept of dual materiality, responding to the broadest set of stakeholder groups and to the detail required by the market's participants (investors, rating agencies, banks). In this manner, the priorities we define and attend to are framed within an ESG approach.

## Socio-environmental Materiality

It reflects the company's most significant external impacts: on the economy, the environment and on people. It addresses the perspective and needs of different stakeholder groups.

## Financial Materiality

It reflects the ESG factors that could have a reasonable probability of affecting the company's financial condition, its operating performance, and cash flows. It provides the level of detail required by investors.

## Material Issues Identification and Definition Process

### Determination of socio-environmental materiality:

First, we identified potentially relevant issues, analyzing the main sector risks and opportunities; the priorities of other securities markets that act as international benchmarks; the priorities for sustainable development in Central America (as an operating context); the key issues evaluated by rating agencies, investors, and other capital providers; the topics that emerged in the climate survey; and those for which we appeared in the media.

Subsequently, the topics were prioritized by our main stakeholders: shareholders, issuers, stock exchange members, associates, and suppliers. And, in consultation with those responsible for the Latin American Stock Exchange (Latinex) and the Central Latinoamericana de Valores (Latinclear), we obtained the vision of the authorities' expectations. Online surveys and interviews were also undertaken.

The Company's main executives also participated in the prioritization exercise.

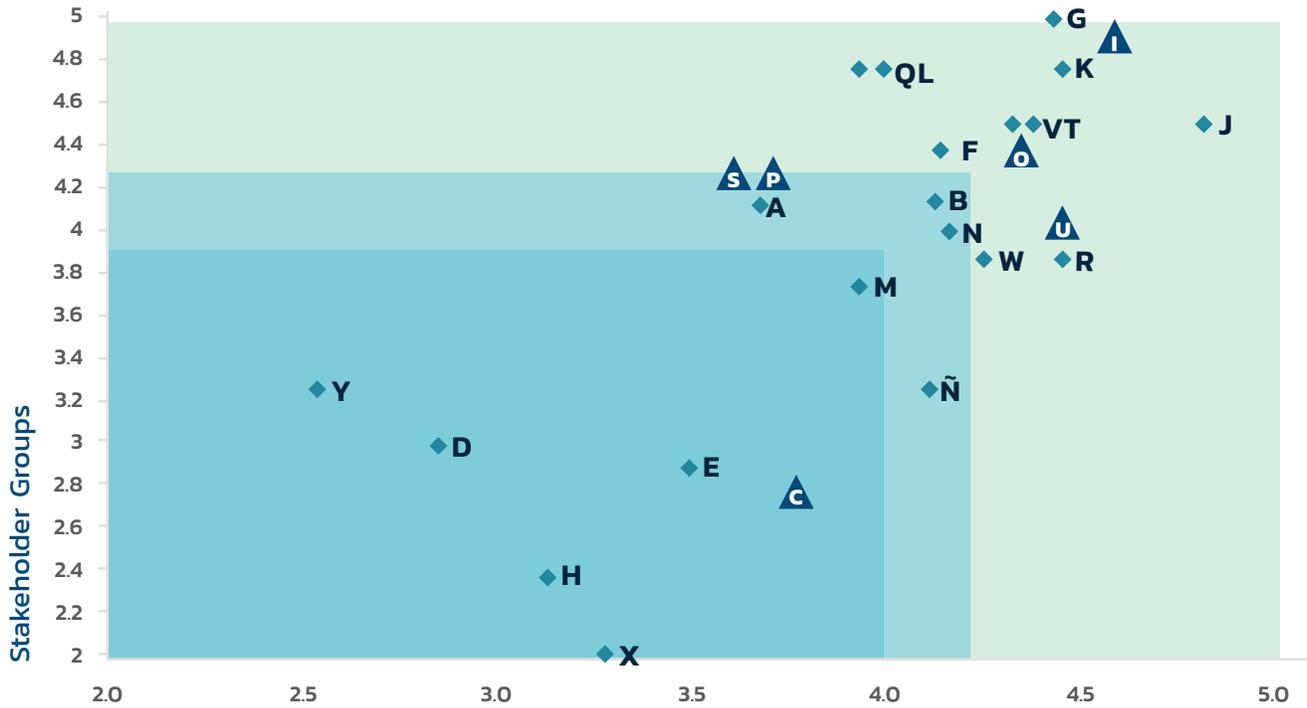
The integration of both these perspectives, that of the stakeholder groups on the one hand, and, on the other, through its executives, that of the Company based on its internal and strategic dynamics, allowed us to determine the material topics (socio-environmental materiality).

### Determination of financial materiality:

Given the analysis and consultation process previously undertaken by the Sustainability Accounting Standards Board (SASB) in the by-industry development of standards at an international level, we applied the topics which the initiative establishes for the Securities and Commodities Exchanges, as well as for the related Asset Management and Custody Activities.

# Integrated Materiality Index

(Reflects the double materiality)



## Company focus

- Material Topics
- Potential Material topics (short term)
- NON-Material topics

## Financial Materiality



Material Topics	
N. Topic	<b>16</b>
G Brand positioning	
<b>I</b> Cybersecurity	
K Market development	
J Regulatory compliance	
V Financial information disclosure and transparency	
T Corporate governance	
<b>O</b> Issuer services	
<b>U</b> ESG information disclosure and transparency	
R Relationship with the authorities	
W Relationship with investors	
Q Digital transformation	
L Operating risks management	
F Financial Education	
<b>S</b> Ethics and anti-corruption	
<b>P</b> Sustainable investment products	
<b>C</b> Diversity and equality of opportunities	

Emerging Topics	
N. Topic	<b>4</b>
Ñ Information privacy	
N. Product innovation	
B Attraction and retention of associates	
A Employees' training and development	

NON-Material Topics	
N. Topic	<b>6</b>
M Economic performance	
Y Operational eco-efficiency	
D Working environment	
E Communities' socio-economic development	
H Responsible supply chain	
X Climate-change risks	



# Relevant Topics for Our Business and the Stakeholder Groups



Based on the results of the analysis to determine materiality, the five strategic priorities and the respective objectives of Latinex's sustainability strategy were determined, which correlate with the material issues as well as with some emerging topics identified during the materiality analysis exercise which we decided to also prioritize.

## Sustainability Priorities

## Correlation with Material Topics

### Technology and digitization

- Cybersecurity
- Digital transformation
- Operating risks management

### Internal Management of the ESG Factors

- Regulatory compliance
- Information transparency and disclosure
- Corporate Governance
- ESG information transparency and disclosure
- Ethics and anti-corruption
- Information privacy

### Human Capital

- Diversity and equity of opportunities
- Training and development of associates
- Attraction and retention of associates

### Sustainable Products and Strategic Services

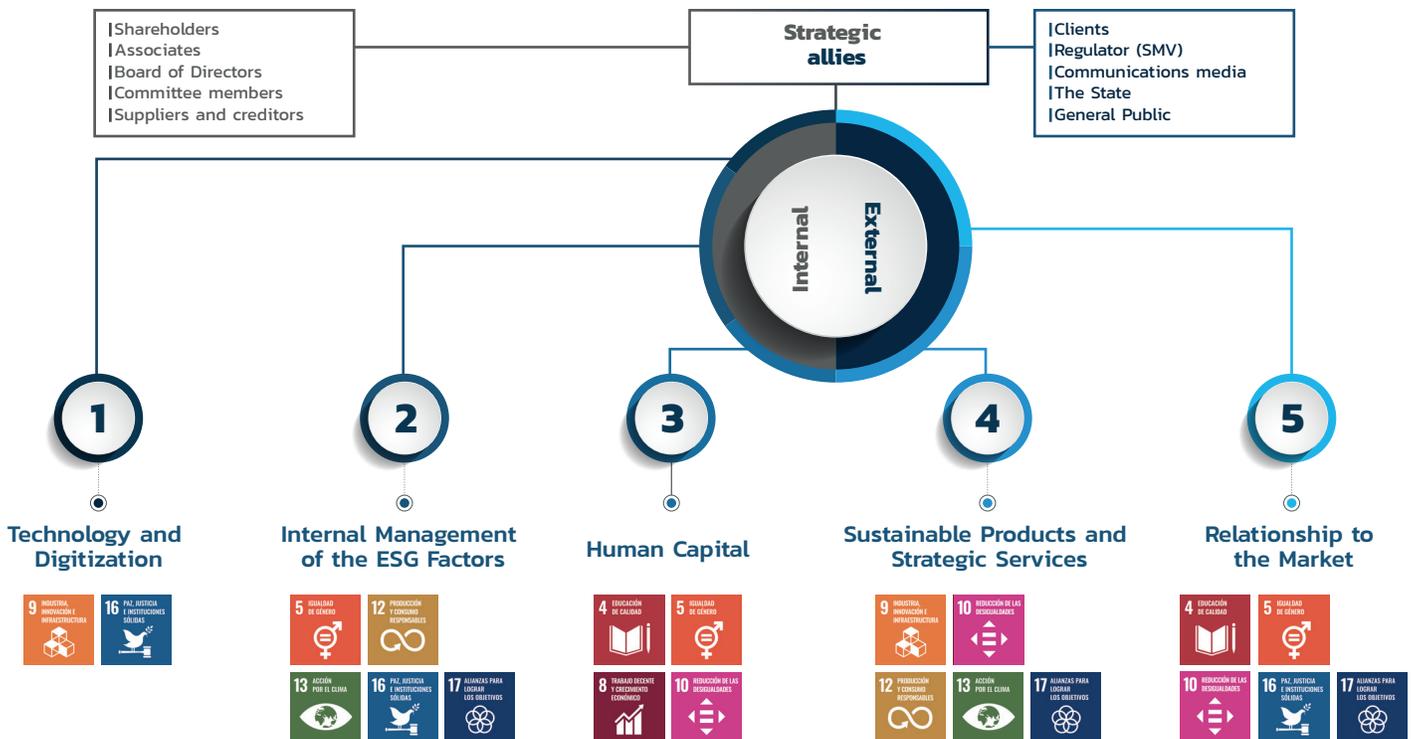
- Brand positioning
- Market development
- Issuer Services
- Sustainable investment products

### Relationship to the Market

- Financial education
- Relationship with government authorities
- Relationship with investors
- Product innovation

The impact materiality topics have also allowed us to determine which Sustainable Development Goals (SDGs) we can strategically contribute to, based on our type of activity and the context in which we operate. They were determined from the impact materiality.

# Contribution Diagram to the SDGs for each of Latinex's Strategic Sustainability Priorities



The breakdown of our contribution to the SDGs is presented throughout this report but can also be found in the Annex specific to each topic.

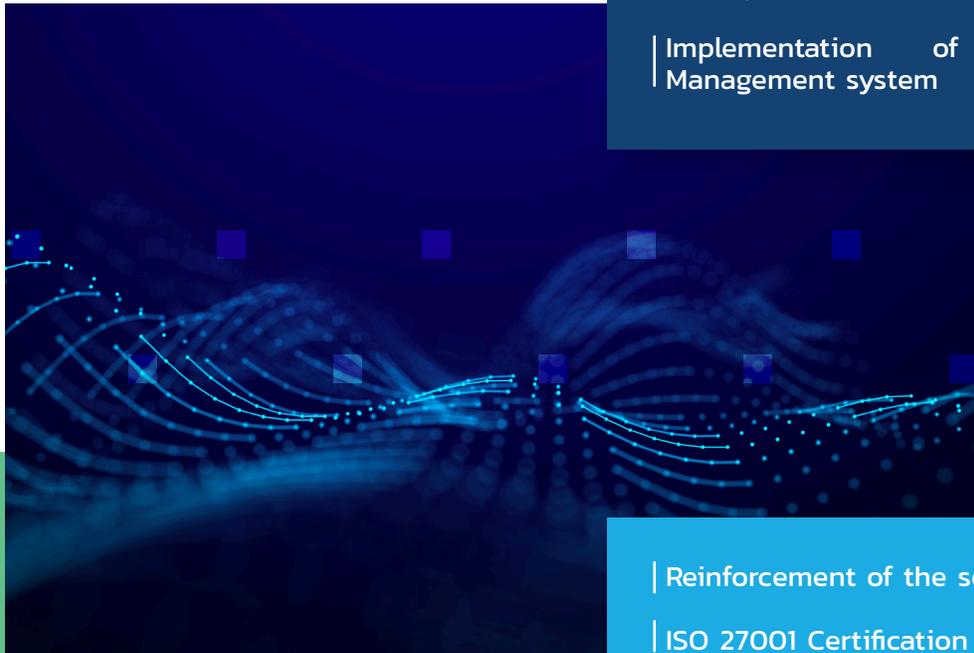


# Technology and Digitization

To leverage the service to our internal and external clients through the incorporation of technological tools that will make it possible for them to achieve superior performance and security. To maintain Latinex up to date in respect of the prevention and management of cyberthreats.

## Strategic Objectives

- 1.1 To foster a digital transformation that will generate value for our stakeholder groups.



| Implementation of a new custody system (CSD) for Latinclear

| Update of the NASDAQ ME trading system and its implementation in the cloud

| Implementation of Business Process Management system

| Reinforcement of the security scheme

| ISO 27001 Certification

## Indicators

- 1.2 Manage cybersecurity threats to guarantee data integrity and confidentiality, as well as the continuous availability of the information systems.

## Indicators

# Information Systems



At the holding company level, we are highly focused on the use of technology in all our activities. It constitutes one of our main competitive factors, one which endows our operations with transparency, security, and speed and delivers value to issuers, as well as to exchange seat holders and investors.

At Latinex, since 2019 the electronic trading system has been operating with Nasdaq Matching Engine (ME) technology, which also allows us to progressively incorporate services for the exchange seat holders and investors. To date, it represents Latinex Holdings' most important technological investment. Another priority technological project will consist of updating the version we use of the Nasdaq ME trading system and its transfer to the cloud.

During 2022, the first phase of the comprehensive analysis study was completed with Nasdaq for the upgrade and move to the cloud of the Latinex trading system, with work on its development during 2023 and its implementation in production at the beginning of next year. This upgrade will feature better market practices and enhanced functionalities for its users.

In addition, work was carried out on the first two phases of the selection process for the system that will replace Latinclear's SICUS custody system, thereby concluding the design study aspect and moving on to the project's next phase. In 2023, the selection analysis will continue with a view to launching the project with the selected supplier. The change of the custody system will provide Latinclear participants with significant improvements in respect of their daily processes, as well as new services, thereby resulting in greater efficiency in their operations and, in so doing, in keeping with high international standards.



It will begin with the development and testing of new web pages for the Group to facilitate the search for information and to improve the user experience. These websites are scheduled to be rolled out for production during 2023.

Along the same lines, in 2022 we worked on the digital transformation of several, diverse processes, among the main ones Members' inspections, and the transmission of Member reports and issuers' public data from the Superintendency of the Securities Market to Latinex and Latinclear, thereby eliminating the duplication of processes and documents by Members

# iLink

This is an important Latinclear value proposition, based on the agreement with Euroclear Bank. The link allows instruments issued in Panama that have been duly authorized by said global market infrastructure to be traded and held in custody internationally.

Thanks to Phase I with Euroclear Bank, 22.4% or USD 6.18 billion of the total custody has been transferred to iLink. This phase allows the internationalization of Panamanian government and quasi-government instruments, where at the end of 2022 USD 1,342 million or 21.7% of the transferred balance was held by international investors.

In addition, we continue with our efforts to set a start-up date for Phases II and III for, respectively, corporate fixed income and variable income securities.



## iLink Benefits

- | Convertibility of securities to Euroclearable securities
- | Standardized investment conduit
- | Direct access to international investors
- | Enhanced liquidity and market growth
- | Broadens and diversifies the array of potential investors

# Mobile Latinex App

To make it easier for our clients and the market in general to interact with the market's operation, we have made a mobile application available. It offers access to information about the capital markets, including:

- | Updated list of issuers and instruments
- | Market statistics and securities-exchange indicators
- | Current news related to the capital markets

The app makes it easier for investors to keep track of their investment portfolios, even on a consolidated basis.

## Virtual Latinex



During 2022, we began the process of implementing software manufacturer InDenova's e-Signa BPM system, which aims to make the exchange of documents more efficient, opening a virtual management option and thereby eliminating the use of paper. This will be done through our portal [latinexvirtual.com](http://latinexvirtual.com) and is planned for the second quarter of 2023.

It is key to the diversification of the supply of investment opportunities and the progressive integration of the markets. There are currently two integration models: remote operator, which allows integration with the El Salvador Securities Market, and correspondent agreements with the other markets.

## Technology for the integration of the markets

# Remote Operator

El Salvador Securities Exchange

Bolsa Latinoamericana de Valores (Latinex)

It allows authorized stockbrokers in each country to directly enter the counterparty's transactional system, facilitating the purchase and sale of titles registered in the market of origin, thus avoiding the need for double registration/listing.

In 2022, within the framework of the relationship, trades totalling USD 84 million were transacted.

## Correspondent agreements

Stock market negotiations are handled through brokerage houses between countries that have correspondent agreements and whose operations are settled and cleared, as with remote operators, through the central depositories.

Currently existing Correspondent Agreements between:

- | 2018 - Latinclear and INTERCLEAR (Costa Rica)
- | 2019 - Latinclear and CENIVAL (Nicaragua)
- | 2020 - Latinclear and CVN (Guatemala)
- | 2022 - The agreement for the link between Latinclear and CEDEVAL (El Salvador) was completed, as well as the link between Latinclear and Deceval (Colombia).

In 2022, using this model, trades totaling USD 36 million were transacted.

Through the end of 2022, in respect of the integration of markets under the Remote Operators and Correspondent Agreements models, more than 2,200 trades totaling more than B/.530 MM were transacted.



# Data and Cybersecurity Management

We seek to guarantee the security of the systems and information of our operations, based on a work strategy that includes:

Ensuring the reliability, availability, and integrity of the information stored, transmitted, and received through our infrastructures and the internet. For this, we have tools that include, but are not limited to:

- 1 Internal regulation (policies, processes, and procedures).
- 2 Monitoring of security events, perimeter-based solutions that mitigate or seek to minimize known threats and, in the process, new ones that end-users must now face.
- 3 Implementation of a cybersecurity culture
- 4 We guarantee that access to the network is equitable, promoting digital inclusion through investment in solutions that add additional layers of security in order to adapt to the risks that may jeopardize the operation of our business.  
As a result of these efforts, during the year we had no customer data-related losses or leaks.
- 5 We work to guarantee the responsible use of the information provided by issuers, stock exchanges, and participants, among other market players.
- 6 We have an Information Security Policies Manual, which establishes the administrative and technical guidelines and policies adopted by Latinex and Latinclear, in order to ensure information integrity and privacy. Additionally, annual penetration and social engineering tests are carried out in a controlled manner, in order to know the current state of health of our operational infrastructure.

Since 2018 we have continuously complied with the security framework for the SWIFT transactional platform, which has the objective of preventing and detecting fraudulent activities through a series of mandatory controls issued by the international financial communications network between banks and other financial entities.

In 2021 we began the process to seek certification under the guidelines of the ISO 27001 standard (ISO/IEC 27001:2013 version). During 2022, different initiatives were worked on to meet the pre-certification requirements to be completed in 2023, together with the certification in the new version of ISO/IEC 27001:2022, with the purpose of aligning our security to new trends, such as cloud security.

Through awareness talks and cybersecurity campaigns, we continuously reinforce the knowledge of our associates in these matters. In a second phase, access will be provided to users so they can access videos, news, and relevant information related to cybersecurity.

# Internal Regulation

Our Personal Data Protection Policy is applicable to Latinex Holdings, Inc. and Subsidiaries. It takes into account the requirements established in Panamanian legislation, which became enforceable in 2021 (Law 81 of March 26, 2019). The personal data we receive in the process of conducting our Group's business, both from clients and from any other stakeholder group, are treated in accordance with this policy.

It also reinforces our performance to guarantee the security of the systems and our client's ability to operate adequately; in the event of a data breach, it would be brought to the attention of those affected.

## Systems Monitoring and Testing

Our systems are aligned with the best international practices.

In addition, we carry out tests on a regular basis and update our work plans based on identified strengths and weaknesses.



## Organizational Culture

The value of data is seen as constituting an important element of the Company's assets, and the adequate use of its systems is part of the induction process and the ethical guidelines provided to associates throughout the year, being present both in the Code of Ethics and in other specific policies.

# Operational Continuity

As part of our risk-management process, at the level of both subsidiaries, we are especially attentive to guaranteeing the continuity of operations. The necessary measures and response protocols in the event of an incident are part of our Business Continuity Plan (BCP).



In this regard, in 2022 we experienced no operational interruptions, including interruptions triggered by us in response to market disturbances.

In respect of issuers, the last temporary suspensions of trading activity date back to 2019 because of published information, breach of legal obligations by an issuer, and/or decisions of the relevant government authorities such as forced liquidations. Since then, similar events have also not occurred.

The publication of information about issuers is carried out in accordance with the legislation of the regulatory body and the Latinex operation manuals.



# Internal Management of the ESG Factors

To guide efforts in the transition towards sustainable economic, social, and environmental development, aligned with the highest international-market standards and best practices, working together with our stakeholder groups to promote the best ESG practices.

## Strategic Objectives

### 2.1

To accelerate the transition toward a low-carbon environment, fostering efforts and implementing initiatives to reduce our carbon footprint towards neutrality.

#### Indicators

- | Annual measurement of Latinex's Carbon Footprint (t CO2 eq/year)
- | Implementation and follow-up of the action plan to achieve carbon-neutrality by 2050

### 2.3

To analyze our climate-related risks and opportunities in accordance with TCFD recommendations.

#### Indicators

- | Catalogue of climate-related risks based on TCFD recommendations
- | Development of sustainability matrix (including risks in respect of social and economic topics related to sustainability)

### 2.5

Reinforcement of the Corporate Governance norms aligned with best international market practices.

#### Indicators

- | Participation percentage (%) of women on the Group's Board of Directors
- | Participation percentage (%) of women on the Boards of Directors of issuers and brokerage houses
- | Annual review of Latinex Holdings and Subsidiaries' Code of Ethics and Conduct
- | Unification of the Corporate Governance and Sustainability and CSR Committees
- | Annual evaluation of the performance of the Board of Directors, its directors and the permanent committees (external verification)

### 2.2

To ensure all our corporate events are Carbon Neutral.

#### Indicators

- | Number of events
- | Events Carbon Footprint (t CO2 eq/year)
- | Compensation of GHG (t CO2 eq/year)

### 2.4

To ensure the annual reporting and disclosure of in-house ESG factors and to continue fostering best practices and global standards for the preparation of voluntary disclosure reports

#### Indicators

- | Annual publication of Latinex Holdings' Sustainability Report
- | Percentage (%) of issuers with ESG reports and disclosures

### 2.6

To involve our associates in the sustainability programs and actions

#### Indicators

- | Development and implementation of the Latinex Corporate Volunteers program

# Environmental Performance



At Latinex Holdings we are committed to the development of sustainable finance for the Panamanian capital market, being aware of the risk that climate change poses for the future of our planet.

We promote best practices among our issuers and other stakeholder groups, working in two areas:

1.

promoting thematic issuances, including sustainable and/or green bonds, in which the capital obtained is destined to reduce environmental impacts (e.g., more eco-efficient technologies and renewable energy generation).



2.

to promote transparency in the ESG performance of issuers and, therefore, in the management of issues and monitoring of their actions, including environmental practices.

Within our operations we also work on initiatives to mitigate our impact on the environment. At the holding company level, we monitor energy consumption and calculate our GHG emissions, taking advantage of technology to achieve superior efficiency. We are also working on measures to reduce the use of paper and to raise environmental awareness among our associates.

# Adherence to The Top 50 Carbon-Neutral Organizations and Reduce your Corporate-Carbon Footprint Declaration

As an organization, we work for an environmentally responsible operation. Aware of the climate urgency, we made progress in reducing our carbon footprint and moving towards neutrality, as part of our commitment to promoting a low-carbon, inclusive and resilient Panamanian market.

In June 2021, we adhered to the commitment implicit in "The 50 first Carbon-Neutral Organizations" and the "Reduce your Corporate-Carbon Footprint" declaration, both programs promoted by Panama's Ministry of the Environment.

In this regard, in 2022 we developed an action plan to achieve carbon neutrality by 2050, setting therefore ambitious and measurable objectives for reducing greenhouse gas (GHG) emissions.

The actions called for to be included in this plan and that we will be implementing in our organization include the following:

1. Undertake an annual inventory of greenhouse gas (GHG) emissions.
2. Establish and implement mitigation measures aimed at reducing GHG emissions.
3. If necessary, offset GHG emissions that cannot be reduced.
4. Monitor compliance with the goal and supervise the stability of the achieved reductions. Although we recognize that compensation actions in respect of GHG emissions is a tool to reduce our carbon footprint, as an organization we will prioritize the concrete measures proposed and established for compliance with the goal and that, in this manner, the emission sources are eliminated in a progressive and continuous manner. These internal actions will be aligned with the objectives called for by the Paris Accord.

# Recognition from Panama's Environmental Ministry (Ministerio de Ambiente de Panamá, in Spanish, or MiAmbiente)

As a result of our carbon footprint management and the actions we have been carrying out to achieve carbon neutrality, in 2022 we received two recognitions from MiAmbiente.



"The First 50" seal for the Latinex Group's commitment to achieve carbon neutrality by 2050, as part of the "Declaration of the First 50 Carbon-Neutral Organizations".

2021 Carbon Footprint Inventory Recognition, for the management of the organizational carbon footprint, as part of the "Reduce your Corporate Carbon Footprint" program.



021\_RTHCC  
Verifica mi validez en:  
rthcorporativo.miambiente.gob.pa



021\_RTHCC  
Verifica mi validez en:  
rthcorporativo.miambiente.gob.pa

# Energy and GHG Emissions Management

Aligned with the outlined commitments and road map, in 2022 we carried out our second emissions inventory. The calculation comprised the activities of both subsidiaries during the prior year (2021).

## GHG Emissions Inventory in 2020

Total scope 1 and 2 emissions			
	2020	2021	
Scope 1:	6.68	11.36	t CO2 eq/year
Scope 2:	7.74	6.85	t CO2 eq/year
<b>Total</b>	<b>14.41</b>	<b>18.21</b>	<b>t CO2 eq/year</b>

Scope 1 by source (t CO2 eq / year)				
	Mobile sources	Fixed sources	Fugitive sources	Process sources
2020	6.12	0.55	0.00	0.00
2021	5.55	0.59	5.22	0.00

The emissions correspond to the following electricity consumption:

ENERGY CONSUMPTION		2020	2021
Electricity	Interconnected system (kWh)	66,471.44	66,471.44

# Risk Management



Latinex Holdings we have a Risk Committee, whose main function, based on best practices and international standards, it is to identify, establish and implement criteria to minimize and manage the risks inherent to the activities and operations of the Company and its Subsidiaries. It is made up of four (4) directors and one (1) member, external to the Board of Directors, who has the necessary experience and knowledge to fulfill the functions and responsibilities contemplated for this role. All members have the right to speak and to vote. The general managers, the risk officer, the internal auditor, the information security officer, and the compliance officers of the Company, as well as advisers or any other guest determined by the committee, will be invited to participate, with the right to speak.

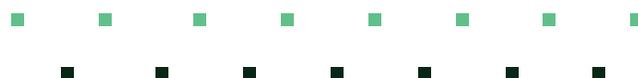
In addition, for all members of the Board of Directors and senior management, we provide training on topics such as emerging market risks, risk appetite, and risk management in general. We also hold talks for the training and awareness of all associates, by means of internal communications.

Risk management is carried out based on the international standard ISO/IEC 31000, which provides risk-management principles and guidelines.

For the identification of risks, the teams in charge of the subsidiaries involve other areas in order to carry out an analysis of the set of processes and relationships with the relevant stakeholder groups. Further, the prevention and mitigation measures are determined and established, considering the controls which, as a company, we already have.

Comprehensive risk management has allowed us to develop an effective management of the risks inherent to our business processes, such that risks are consistently and systematically identified, measured, controlled, and reported on a timely basis to the pre-defined management units. In this way, we seek to sustainably create and preserve value.

The prioritization of risks approved by Latinex Holdings' Board of Directors is the following:



# Principal Risks

- | Operative
- | Technological
- | Information security
- | Legal and regulatory
- | Business continuity

# Emerging Risks

- | Teleworking related
- | Climate change

As part of our commitment to managing the main ESG (environmental, social, and governance) aspects, we are working on a climate roadmap, both for our direct operation as well as in keeping with our market role as a catalyst opposite issuers and investors.

| We begin with the calculation of our GHG emissions

| We promote transparency in issuers, including the application of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



In 2022, in conjunction with AMERCA (Association of Capital Markets of the Americas), the execution of the "Training Program on Climate Disclosure and TCFD" was coordinated, which was offered free of charge in different markets around the world, thanks to the collaboration between the UN Sustainable Stock Exchanges Initiative (SSE), the International Finance Corporation (IFC), the Carbon Disclosure Project (CDP), and Bloomberg. This program's objective was to provide the capital markets with high-quality training on climate disclosures and to provide an overview of the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), through a multi-stakeholder dialogue on disclosure aligned with the TCFD and to achieve an understanding of the importance of climate-related disclosures.

We also promote thematic security issues, which can attract resources for more efficient and cleaner technologies.

At the Latinex Holdings level, we continue to make progress towards identifying our main risks and opportunities related to climate change, in order to develop a work plan considering the recommendations of the TCFD, as well as the subsequent disclosure of the risks and opportunities thus identified.

# Latinex as a promoter of Gender Equality in the Panamanian market

As a signatory company to the Women's Empowerment Principles (WEPs) and as an organization that is part of the Gender Parity Initiative (IPG), at Grupo Latinex we are committed to working towards gender equality from all the scenarios where we can influence and, recognizing the important role we have in the promotion of gender equality, we have embodied in our sustainability strategy important strategic objectives to promote diversity and equal opportunities in the Panamanian market, in order to achieve for women an equitable participation in our economy, recognizing in so doing that progress towards gender equality is a fundamental factor in achieving societies that are both more prosperous in economic terms and more cohesive in social terms.

Towards our clients and society, we develop initiatives such as Ringing the Bell for Gender Equality and informative materials on our social networks.

## Ring the Bell for Gender Equality

For the fifth year in a row, the Latin American Stock Exchange (Latinex) joined more than 121 stock exchanges around the world and participated in the Ring the Bell for Gender Equality event to commemorate International Women's Day. This reaffirms our commitment to SDG No. 5: Gender Equality, through which private and governmental entities are urged to adopt initiatives in favor of fulfilling this objective.

The event was carried out in association with: Sumarse – United Nations Global Compact, UN Women, the UN Sustainable Stock Exchanges Initiative (SSE), the International Finance Corporation (IFC), the World Federation of Stock Exchanges (WFE), Women in ETFs, and IDB Invest.

During the session, the guide "How can stock markets promote gender equality"2 was presented, a document developed and published by the UN Sustainable Stock Exchanges Initiative (SSE) and the International Finance Corporation (IFC), in strategic collaboration with UN Women.

There was also a panel, namely "The Role of Financing for a Sustainable and Inclusive Economic Recovery", with the participation of Gema Sacristán, Chief Investment Officer of IDB Invest, Aimeé Sentmat de Grimaldo, Executive President of Banistmo, and María Inés Salamanca, a Resources Mobilization Specialist with UN Women.

## Participation in the "The Role of Companies as an Accelerator of Gender Equality"

We received an invitation from Sumarse to participate as panelists in the forum entitled "The Role of Companies as an Accelerator of Gender Equality", organized by UN Women, the Chamber of Commerce, Industries and Agriculture of Panama (CCIAP), and Sumarse, whose objective it was to share good business practices in terms of gender equality and provide tools to reduce gender gaps in companies.



## We participated in the launch of the Gender Equality Analysis on Latin American Corporate Boards

At the end of 2022, the UN Sustainable Stock Exchanges Initiative (SSE) and the International Finance Corporation (IFC), in collaboration with the Ibero-American Federation of Stock Exchanges and UN Women, published an analysis of gender equality in Latin American corporate boards to measure progress in this regard in the Latin American markets.

Olga Cantillo, Executive President of Latinex, was invited to participate in this event as a member of the discussion panel on gender equality on corporate boards, together with representatives of IFC, UN Women, the Ibero-American Federation of Stock Exchanges (FIAB), the Institutional Stock Exchange (BIVA), the Santiago Stock Exchange, the Argentine Stock Exchange and Markets (BYMA), representative of the Colombian market, and the Directors Association of Panama. The event was moderated by the UN SSE.

The following can be highlighted from the published document:<sup>5</sup>

The Panamanian stock market, Latinex, leads the list with the highest percentage of positions held by women in the governing bodies of listed companies (20%), and the highest percentage of bodies chaired by women (9%).<sup>6</sup>

On average, women represent less than 14% of the governing bodies of publicly traded companies in Latin America.<sup>7</sup>

There is a deficit in publicly available data on the leadership of listed companies in Latin America, highlighting the fundamental role played by stock markets to improve and promote the disclosure and transparency practices of their respective issuers.

Currently, more than 20% of the companies listed on the Latin American stock markets analyzed have governing bodies made up only of men. The percentage of governing bodies formed exclusively by men ranges from 23% to 52%.

5. See the document here.

6. The 100 public companies by market capitalisation in the Panamanian market were analysed.

7. In stock exchanges with more than 100 listed companies, the 100 public companies by market capitalisation of each market were analysed. In cases where there were fewer than 100 listed companies, all were analysed.

## Latinex participated as a sponsor of the Fundación Voces Vitales Mentoring Walk 2022

In commemoration of International Women's Day, the Voces Vitales Foundation held the Mentoring Walk in Panama, which is celebrated globally in more than 117 cities, and in which more than 150 women, including leaders, women with leadership potential in companies, or individuals are assigned in mentor-apprentice pairings with the objective of promoting the empowerment of women through mentoring.



## Empowerment of Adolescent Women Through the Las Claras Program of the Fundación Voces Vitales

As part of Latinex's commitment to gender equality and the empowerment of women and young people, for more than four years Latinex has been providing financial support to Fundación Voces Vitales for direct investment in the Las Claras program, which promotes the creation of new training and development scenarios such that the condition of the adolescent mother is not an impediment to developing all the personal and professional potential of the adolescent mothers who are beneficiaries of the program.

The program develops different interventions, from psychosocial care, schooling and professional training, comprehensive health service, as well as early childhood development and attachment.

With the contribution provided in 2022, five teenage mothers from the Group 10 of the Felipillo Center were directly and positively affected, in which these young women had the opportunity to graduate with a bachelor's degree in commerce with an emphasis in accounting, thus continuing with their academic and professional training.

Since 2016, Latinex has also collaborated with the My First Job program of the Voces Vitales Foundation, whose objective is to provide an opportunity for young beneficiaries of the Las Claras program who are about to graduate to enter the workplace for the first time, as practitioners. Since then, seven young people from the Las Claras program have done their professional practice at Latinex, where currently two of them are still working at the company.

# We contribute to the empowerment of women through the Calicanto Foundation

For now over six years, Latinex has been cooperating with the Calicanto Foundation's various programs, by means of financial support for direct investment in the development of empowerment and comprehensive training programs for women in situations of social vulnerability, by providing access to quality non-formal education to its beneficiaries, and by helping them to advance their personal, professional and social skills through the transfer of knowledge on diverse topics, thereby reducing gender gaps and providing tools applicable to more members of Panama's urban and semi-urban communities.

Latinex's contribution in 2022 directly impacts 4 women beneficiaries of CAPTA, who will be able to complete their development cycle with the Foundation through CAPTA, Conexiones, and Agents of Change (for the prevention of gender violence so that they themselves can sensitize other members of their communities), thereby generating social capital for the human development of the beneficiary communities.



# Corporate Governance

In Latinex Holdings we have structured our corporate governance in such a way that it protects our business decisions, provides solidity to the organization, and promotes success over time, generating value both for our shareholders and for the rest of our stakeholder groups.

We are organized in accordance with international recommendations and best practices, as well as applicable local regulations. Our guidelines are included in the Corporate Governance Code, as well as in the Code of Ethics and Conduct. It is complementary to what is required by Law, the Articles of Incorporation, each company's Bylaws, and any other policy duly approved by the Board of Directors. The Code applies both to the holding company (hereinafter "the Company") and to our two subsidiaries: Latinex and Latinclear.

In 2022, the Company and its Subsidiaries undertook a comprehensive update of the Corporate Governance Code with the main purpose of continuing to adopt the best local and international standards, in which we highlight the incorporation of a new procedure to address denunciations, complaints and/or claims that our stakeholder groups may present.

In the same manner, based on the sustainability strategy of the Company and its Subsidiaries, a list of the main communication channels and engagement scenarios the Company maintains with its stakeholder groups was included, embracing the best practices established by international organizations.



In matters related to the Corporate Governance structure, the following changes were adopted:

The Technology Committee of the Company's Subsidiaries has a new function, namely that of evaluating and incorporating digital innovation management at the group level.

The Human Capital Committee strengthened its functions and responsibilities.

Any Committee will have, within its composition, an alternate member to decide on matters the Committee, due to conflicts of interest among its regular members, does not have the required quorum.

# General Shareholders' Meeting



Shareholders have rights and expected behaviors that are laid out in the Articles of Incorporation, in the Bylaws, and in the Corporate Governance Code, among which we can highlight the following:

- | To be summoned to the General Shareholders' Meeting in accordance with the legal formalities, the articles of incorporation, and the Bylaws.
- | Nominate at each annual General Shareholders' Meeting the candidates to fill the positions of director and independent director.
- | Elect the members of the Board of Directors of the Company.
- | Receive the information or documentation pertinent to the General Shareholders' Meeting, within the time the Board of Directors determines sufficient for its analysis and to achieve active participation.
- | Approve the decisions to reform the Articles of Incorporation.
- | Approve mergers or consolidations with other companies.
- | Pledge, mortgage, or in any other manner encumber or to use as collateral the movable or immovable property of the company to guarantee third-party obligations, unless said third parties are subsidiaries or affiliates of the company.
- | Sell, exchange, or in any other manner dispose of all or substantially all of the company's assets.
- | Dissolve the company.
- | Remove the directors of the company from their posts.
- | Consider the annual financial statements presented by the Board of Directors.
- | Any other rights assigned by the Law, the Articles of Incorporation, and the Bylaws.
- | The Shareholders' Meeting is ordinarily held once a year.

## Year 2022

Meeting	Latinex Holdings, Inc.	Latinex Capital, Inc.	Latinex	Latinclear
Ordinary	1	1	1	1
Extraordinary	0	0	1	0

# Board of Directors



The Board of Directors of the Company establishes the Group's integral strategy, and the Boards of Directors of Latinex and Latinclear focus on aspects related to the management of the business itself.

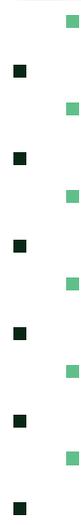
The functions of the Board of Directors of the Company and its subsidiaries are defined in the Bylaws, within which the power to appoint the general managers of the subsidiaries is included.

The Board of Directors of the Company meets at least 4 times a year and the Board of Directors of Latinex and Latinclear at least 10 times a year.

It has several permanent committees (see below), whose respective presidencies rest with the members entrusted with the establishment of the respective committees. However, in some committees the chairs are not members of the Board of Directors, but rather external members.

The Board of Directors will be made up of eleven (11) directors who meet the profile stipulated in the Bylaws, of which at least two (2) must be independent, in accordance with the independence criteria contemplated therein, and by the number of women required in accordance with Law 56 of July 11, 2017.

In fiscal year 2022, the Board of Directors was made up of 11 directors, 2 of them independent (18%) and 4 women (36%).



## Year 2022

Meeting	Latinex Holdings, Inc.	Latinex	Latinclear
Ordinary	4	12	12
Extraordinary	2	1	1



# Of the Directors



They are selected during the Ordinary General Shareholders' Meeting, according to the nomination process established in the Bylaws.

They must have the necessary skills and abilities to carry out their functions.

Having some type of conflict of interest is not an impediment to acting as a director if the latter has disclosed the conflict and declares the impediment.

They are part of a Board of Directors with diverse composition, which integrates different experiences, knowledge, age, and gender.

The Board of Directors is made up of at least two independent directors and four women, complying with the percentage established in Law 56 of July 11, 2017.

The election of the directors is carried out for staggered periods of two (2) years, such that there is always management continuity.

The company's dignitaries (president, vice president, secretary, and treasurer) are chosen annually by the Board of Directors itself.

They are adequately and appropriately informed in respect of their decision-making role.



→ 36% are women



→ The average seniority in the position is 6 years



→ The directors of Latinex Holdings, Inc. attended, on average, 89% of the year's meetings, and 91%, on average, for the Board of Directors of Latinex and Latinclear



→ The directors of Latinex Holdings, Inc. also serve on the Boards of Directors of our two subsidiaries



# Training and Performance Evaluation

The individuals elected for the first time to form part of any of the Boards of Directors or permanent committees of the Latinex Group must undergo an induction course given by the Group's employees, who have been designated by the Executive President of Latinex. This induction course will include, among other topics, the following:

- a. Organizational structure
- b. Strategic plan
- c. Main elements of the Articles of Incorporation, the Bylaws, the Code of Ethics and Conduct, and the Corporate Governance Code, among other policies of interest
- d. Main businesses, products, and services provided by the Latinex Group
- e. Main aspects related to risk, audit, and compliance

In addition, during the year they participate in trainings on various topics, in a program reviewed by the Corporate Governance Committee.

On the other hand, the Board of Directors performance is evaluated annually, by means of one of the following options:

## Self-assessment

Responding to a questionnaire of questions determined by the Corporate Governance Committee of Latinex Holdings, Inc.

## Peer evaluation

According to the methodology established by the Corporate Governance Committee of Latinex Holdings, Inc.

## Evaluation by the Executive President of Latinex Holdings

The Board of Directors of each subsidiary is also responsible for evaluating the performance of the Executive President of Latinex Holdings, Inc.

## Compensation

Based on the statutes, the compensation of the members of the Board of Directors or of anyone who, as a member, is part of a committee will be assigned in accordance with the following guidelines:

Remuneration is based on a fixed per-diem amount for participation in each meeting of the Board of Directors and of the committees.

The Board of Directors takes into consideration the structure and the duties and responsibilities of the directors and members of the committees for the purposes of setting the remuneration, as well as the personal and professional qualifications of its members, the time they dedicate to their activity, and their professional experience

The body in charge of evaluating the payment of compensations and for making recommendations on possible modifications to the established per-diem amounts is the Corporate Governance Committee of Latinex Holdings, Inc.

# Standing Committees



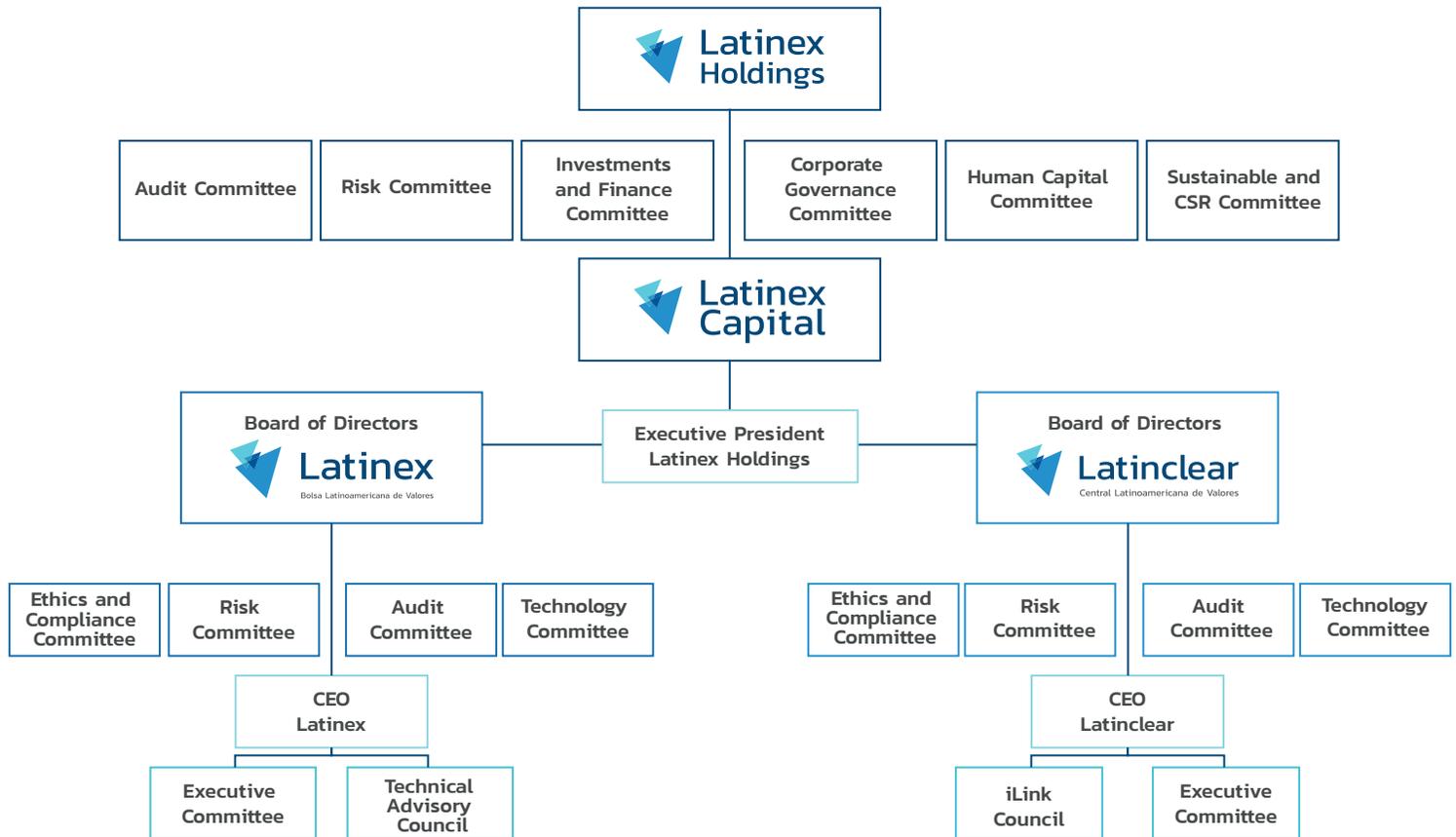
Their purpose is to support the Board of Directors' decision-making, at the Latinex Holdings level as well as that of the subsidiaries.

The committees are part of the self-regulatory management model followed by the Company to ensure the best interests of the shareholders, the Company, and its Subsidiaries.

## Members

	Investments and Finance Committee	Corporate Governance Committee	Human Capital Committee	Sustainability and CSR Committee	Auditing Committee	Risk Committee	Ethics and Compliance Committee	Technology Committee
Arturo Gerbaud de la Guardia (Independent)		●	President				●	
Roberto Brenes P.						●		
Mónica García de Paredes de Chapman	●	●		President				●
Carlos Antonio Mendoza V.	President	●	●	●				
Rolando Antonio Arias A.			●			President		
Fátima Asvat	●				●			●
Christine Ariane Muller S.		President		●			●	●
José Antonio Montero M. (Independent)					●	●	●	
Gary Chong –Hon Cabada				●	●	●		
Mitzi Alfaro de Pérez	●							President
Jorge Vallarino Ferrer	●			●				
Bismark Rodríguez (external)						●		
Ricardo Zarak (external)	●							
Marielena García-Maritano (external)		●						
Rafael Moscarella (external)							President	
Lilia Liu (external)								●
Jorge Cano (external)					●			
Alejandro Carbonell (external)								●

# Structure of the Latinex Group



The Company as well as the subsidiaries have permanent committees, where issues related to the different areas of the company are analyzed, these being operations, finance and investment, human capital, product development, sustainable development and CSR, technology, ethics and compliance, governance corporate, audit, risks or any other.

In addition, both subsidiaries have advisory councils.

The Latinex Technical Advisory Council's function is to resolve doubts or questions the Administration may have on issues related to the registration of securities.

Latinclear's i-Link Technical Advisory Council aims to analyze the strategy to develop and promote international custody links.

To the aforementioned structure, the management team of each subsidiary is added, made up of professionals committed to the Group and with extensive experience in the fulfillment of their respective duties and obligations.

# Ethics and Compliance

In all our operations, we perform in accordance with the different legal and regulatory provisions, to which we add our internal codes and policies. In this manner, we work to guarantee our stability, respect for the rights of our different stakeholder groups, and responsible business conduct.

We have a Code of Ethics and Conduct, of which we highlight:

It applies to all our subsidiaries, their associates, the members of the boards of directors and of the committees.

Its pillars are the principles of honesty, integrity, diligence, and loyalty.

It contains specific rules for dealing with conflicts of interest and regulates inappropriate or illegal conduct, such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, and corruption, among others.

It is illustrative of the possible conflicts of interest that could occur in decision-making at all levels, establishing clear guidelines to prevent them from occurring.

It is complemented by the internal work regulations of our subsidiaries.

In 2022, the Compliance Unit successfully executed its planned activity plan, which encompasses mainly the administration of the Money Laundering Prevention Program of the Company's Subsidiaries, and the review, analysis, and monitoring of standards and/or local and international laws with a view to assessing the extent to which they apply to the Company and its Subsidiaries.

In addition, based on the strategic pillar of operational efficiency and digital transformation, the Compliance area actively participated in the development of new products and the review of the processes and internal rules for the continuous improvement of the services offered by the Company's Subsidiaries.

Likewise, in 2022, Latinex Holdings, Inc. and its Subsidiaries, to continue adapting it to the best practices and local and international standards, updated the Code of Ethics and Conduct, in so doing highlighting the inclusion of new ethical principles and duties, and link the commitment of the Latinex Group with projects that promote environmental, social and corporate governance (ESG) factors.

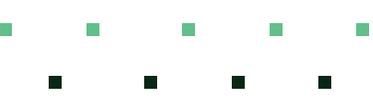


## GRI

2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-1, 205-2, 205-3, 206-1, 406-1, 415-1, 416-2, 417-2, 417-3

## SASB

FN-EX-510a.1 FN-EX-510a.2



# Attention to complaints, complaints or claims

We have a communication line for denunciations, complaints, or claims available to the public, through which you can notify us of possible breaches or unethical cases that have been detected in the exercise of our activity. It includes several ways to contact us: a site within the Group's website ([www.latinexholdings.com](http://www.latinexholdings.com)), e-mail, or the receipt of physical complaints in the compliance department of our subsidiaries. In all cases, anonymity is possible.

Together with the receipt of denunciations, complaints, or claims, the internal audit processes also serve to identify cases, which would also be subject to the analysis process.

The cases are analyzed following a guarantor process for all those involved. Depending on their nature, they will be analyzed by an interdisciplinary team (compliance, audit, and/or human capital), whose results will be reviewed by the Ethics and Compliance Committee (in the case of complaints) and by the Administration (in the case of complaints or claims), who will make a decision, depending on factors such as severity, recurrence, type of non-compliance or fault, affectation produced, among others.

It should be noted that no denunciations, complaints, or claims were received in 2022.

In the event of an act of corruption, in any of its forms, disciplinary measures will be applied against the collaborator and, in the event that a director or external member of a committee is involved, the Ethics and Compliance Committee will review the case and will submit it to the Board of Directors so that it may determine the corresponding actions to be levied against the director or external member of the committee.

As part of our principles, we do not make donations and/or contributions to institutions or political representatives.

On the other hand, we safeguard against the occurrence of conflicts of interest, with mechanisms that prevent the participation of directors, committee members, and associates in the decision-making process where the relevant event is unfolding, ensuring in this manner that the best interests of the Company are upheld.

Part of our strengths is the permanent work on the culture of ethics, compliance, and corporate governance. All associates receive the Code of Ethics and Conduct upon admission, signing their acceptance of it, and are trained on the operation of the Group's corporate governance structure, the ethics rules, and the responsibilities that all associates have in respect of compliance matters. In addition, we foster and develop annual training programs on the prevention of corruption, money laundering, and the financing of terrorism. In 2022 we trained 100% of our associates, as well as the members of the Board of Directors, both in Latinex and Latinclear.

In addition, throughout the year we send different informative capsules to all collaborators, via e-mail, on issues related to ethical principles, compliance on issues of prevention of money laundering, corporate governance, protection of personal data, and the reiteration of our zero-tolerance policy in respect of corruption cases.

The manuals and policies are on the web pages of the Company and its Subsidiaries, thereby also facilitating their knowledge by our stakeholder groups.

As a result of these efforts, in 2022 we have not received complaints related to anti-competitive behavior and/or in respect of the information provided regarding the conditions of our services.

# Latinex Corporate Volunteering

Corporate volunteering is a means that allows employees to be incorporated into the implementation of the company's sustainability strategy, through direct involvement in the development of initiatives to benefit communities, and towards progress in respect of social, environmental, and economic transformation.

It is the purpose of Grupo Latinex's sustainability efforts to develop and promote the Panamanian stock market in a transparent and efficient manner, subject to the highest standards of corporate governance, which allows for the development of a sustainable capital market, which contributes to the social and economic development of the country. In this regard, we promote the participation of our associates in actions to support communities, framed in the purpose of the Group's Sustainability Strategy.

## Principal actions undertaken in 2022

Publication of the Corporate Volunteering Policy of Latinex Holdings, Inc. and Subsidiaries, approved by the Sustainability and CSR Committee, as well as by the Board of Directors of Latinex Holdings, Inc.

### Objectives framed by the Corporate Volunteering Policy

To directly involve the Group's associates in community-support programs and actions, within the framework of the Group's Sustainability Strategy, with the aim of contributing to reinforce the Group's commitment to sustainability.

In the process of advancing in respect of social, environmental, and economic transformation goals, to develop initiatives that will promote solidarity and cooperation to the benefit of the communities.

To forge connections that will increase our associates' commitment to the Group and foster the pride and sense of belonging.

To develop our associates' capabilities and talents, such as, among others, teamwork, leadership, organizational and planning skills, creativity, and interpersonal communications.

Development of the strategy for the Latinex Corporate Volunteer Program, approved by the Sustainability and CSR Committee, as well as by the Board of Directors of Latinex Holdings, Inc.

### Action Lines



Gender equality; based in the Latinex Group's commitment to the Women's Empowerment Principles and the Gender Parity Initiative, promoted by Panama's Social Development Ministry and the UN Sustainable Stock Exchanges Initiative.



Quality education; based on actions for the transfer of knowledge and skills to our associates and by means of the Latinex Group's Stock Market Education Program.



Climate-related actions; oriented to emissions and carbon-neutrality climate-related commitments.

## The Friends of Children with Leukemia and Cancer Foundation's (Fanlyc) Relay for Life race:

As it has now in recent years become tradition, Latinex participated with its corporate volunteers in the "Relay for Life" race, supporting with more than 493.45 kilometers traveled, as a contribution to achieving the foundation's goal of reaching one million kilometers for the year. Relay for Life consists of adding kilometers of love to encourage a boy, a girl, or an adolescent with cancer. Proceeds generated by the race are invested by Fanlyc in the transportation of children and their families to their hospitals, to supply them with lodgings and medicines, in so doing providing food and psychosocial support to more than 500 families of children with cancer.



## Visit to the Las Claras-Felipillo Center of the Voces Vitales Foundation:

In commemoration of the International Day for the Elimination of Violence Against Women, the #VolunteersLatinex group participated in a workshop and a get-together meeting with a group of young people from the Voces Vitales Foundation's Las Claras Program, where human rights, laws for the prevention of violence against women, self-esteem and self-love were discussed.



# Transition to Life Foundation:

Provided economic support to the foundation for direct investment in the EleMentor Transition to Life Program, with the aim of improving the link between the productive and training sectors to provide vulnerable young people with the skills required by the labor market and thereby foster their inclusion as an important engine for the country's ongoing development.



# Human Capital



To develop strategies and implement actions for the well-being of our associates, which will allow for the appropriate reconciliation of professional and family life, as well as for their professional development, with a focus on diversity and equality of opportunities.

## Strategic objectives

### 3.1

Ensure the well-being and development of our associates

#### Indicators

- | Improvement in the results of the organizational climate survey
- | Hours of employee training (broken down by gender)
- | Measurement of the learning path in the development of our human talent through the reports of the Crehana platform

### 3.2

Attract and retain the best talent

#### Indicators

- | Talent attraction index
- | Annual turnover rate
- | Development of strategic alliances with educational and professional training institutions

### 3.3

Integrate an inclusive culture that promotes diversity and equality of opportunities

#### Indicators

- | Percentage participation of women in leadership positions at the executive level
- | Development of business policies, programs, and action plans in favor of gender equality and human rights

# Demographics and diversity



Based on the premise that diversity goes beyond gender, belief, culture, religion, or age, our organizational strategy focuses on attracting and retaining key human talent for our operations, hiring qualified profiles, but above all, always respecting the principle of equality between men and women, and ensuring their professional growth, through their training and development supported by an organizational culture based on ethical principles, values, and commitment.

Our team is diverse on account of the fact that 62% of the Group's total number of associates are women.

It should also be noted that in the areas of General Management of Latinex and Latinclear, as well as in the Operations and Technology areas of the group are, among others, led by women.

It also highlights the coexistence of different generations, which enriches the decision-making process and fosters the contribution of innovative ideas and methodologies.

## Labor Demographics 2022 – Latinex Holdings

Professional Category	Less than 30 years		Between 30 and 50 years		More than 50 years		Total	
	M	F	M	F	M	F	M	F
Managers and Assistant Managers	2	1	2	7	-	4	3	12
Officers	-	1	3	2	-	1	4	4
Coordinators	-	-	1	-	-	-	-	1
Administrative	-	4	2	6	-	1	2	11
Operative	5	-	5	1	-	1	10	2
Audit	-	-	-	1	-	-	-	1
<b>Total</b>	<b>7</b>	<b>6</b>	<b>12</b>	<b>15</b>	<b>0</b>	<b>7</b>	<b>19</b>	<b>31</b>

| M: Male | F: Female

We are betting on our associates' stability, with 100% of contractual hirings being of an indefinite duration, thereby offering opportunities that strengthen the labor relation with our associates.

## TURNOVER PERCENTAGES – Latinex Holdings

2020	2021	2022
13%	15%	16%

We actively promote respect for diversity and inclusion by means of campaigns and training for our associates, as signatories of the Women's Empowerment Principles (WPEs).

# Talent attraction and retention



We can point to a set of actions focused on benefitting our associates:

Flexible work schedules

Telecommuting

Interest-free loans

Partial scholarships for higher-level studies

School scholarships – economic support for the children of our associates with outstanding grades.



## Paid Paternity Leaves

As part of the implementation of actions to continue promoting internal gender equality (SDG5), in the second quarter of 2022 the Board of Directors of Latinex Holdings, Inc. approved the extension, to 10 days, of paid paternity leave for employees of the Latinex Group (Law No. 27 of May 23, 2017, establishes the obligation to grant only 3 days). This extension contributes to the management of basic aspects in the combination of paid work and family life (SDG8), thereby allowing for the leveling of the responsibility loads borne by parents upon the arrival of an infant, thus promoting bonding and learning experiences.



# Training and Career Development

For the Latinex Group, it is more than a commitment to empower and develop its workforce through the different trainings, workshops and talks undertaken throughout the year in accordance with the needs of each professional level and area, thus creating high performance teams committed to the Group's strategic objectives. In the context of these trainings, regulatory issues such as the following are addressed: the Talk on the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction, and Protection of Personal Data and Risk. In respect of soft skills, we can highlight workshops on Principles of Client Attention and Leadership with Strategic Vision and Teamwork.

Additionally, certifications were obtained in Compensation, Risk Management, and CompTIA Security Cybersecurity.

Another important 2022 achievement, in keeping with the strategic objective of hiring and retaining the best talent, was the completion of higher education programs of our associates in Corporate Communication and Digital Marketing Management; International Cooperation for Development; Law and Political Science; and Process Management and Innovation.

Training in Latinex Holdings	Total Training Hours	Hours / Associate Average
2020	486	10.3
2021	250	5.4
2022	1,317	26.34

Note: The indicated training is complemented with the training provided on account of regulatory norms and requirements, determined as a function of position profiles and responsibilities.

## Training hours broken down by gender

Training Latinex Holdings	Total Training Hours		Hours / Associate Average	
	M	F	M	F
2022	551.38	765.62	29.02	24.70

| M: Male | F: Female

Note: The indicated training is complemented with the training provided on account of regulatory norms and requirements, determined as a function of position profiles and responsibilities.

Annually, 90° performance evaluations are undertaken, considering criteria such as, among others, achievements, skills, teamwork, problem-solving, and time management. The obtained results are considered for the elaboration of the employee training and development plan for the following year, in which the recommendations provided by the group leaders are factored in as part of the process of crafting a career development trajectory for each employee.

Employees are hired with equal opportunities, free of biases and discriminatory practices, providing applicants an attractive benefits package, in addition to an excellent work environment and compensation which takes workload and family-time variables into consideration.

To provide continuity to the internship program, the Group's Internship Policy was presented to the Board of Directors, which reinforces the commitment to provide university- and high-school-aged youth with the opportunity to acquire knowledge and skills that will allow for better insertion prospects and adaptability to the labor field.

Regarding the development of the internship program, by 2022 we had a total of six interns and one school intern, who assisted in the areas of Sustainability, Strategic Innovation, Public Relations, and Technology, a program that complements and enhances their future labor-market insertion prospects.

Additionally, as part of our commitment to empower women, we support the Las Claras program of Fundación Voces Vitales "My First Job". In this regard, we have one (1) young, female adolescent for the Administrative Services area.

By the end of the third quarter, in alliance with Crehana for business, a virtual platform was acquired that promotes the career development of people with the objective of achieving maximum professional growth at each stage of their working life.

46

Licenses

8

Certified Projects

81%

Completed courses

39

Associates studying

2.27

Average hours per student

Types of courses

- ILeadership
- IAWS Cloud
- IMicrosoft Azure
- IEnglish
- ICommunication
- IScrum
- IFinance
- ITime management
- IJira

## Organizational Climate Survey

In 2021\* an organizational climate survey was undertaken, with noteworthy results in respect of the following indices:

97%

Commitment

97%

Client service

89%

Communication

\* The results were not included in the 2021 Sustainability Report of Latinex Holdings Inc. and Subsidiaries. This is because by the publication date of the report the results of survey had yet not been made available.

# Health and Wellbeing

By providing optimal working conditions, promoting a culture of prevention and self-care, and through information campaigns that encourage the adoption of healthy habits, talks on updates on wellness issues, and sports evenings, Latinex seeks to guarantee that its associates have access to benefits that contribute to good performance, productivity, and to maintaining quality of life.



The foregoing initiatives are complemented by means of different processes to ensure health and security in our installations:

- | Use and handling of first-aid kits and fire extinguishers
- | Regular maintenance of the fire-control system
- | Mapping of evacuation routes and evacuation drills
- | Emergency brigades

# Respect for Human Rights

In Latinex Holdings we are committed to respecting human rights in our activities and operations, including relations with different stakeholder groups. In this manner, we perform in accordance with the UN Guiding Principles on Business and Human Rights.

Due to our type of activity, the relationship with human rights is especially impacted by aspects such as equality and non-discrimination towards and between associates, in the relationship with suppliers, and ethical performance and transparency in the relationship with stock-exchange seat holders, participants, issuers, and investors, as well as in respect of the protection of information. Corruption, in any of its manifestations, increases social and economic inequalities, due to market-distorting effects.

To prevent risks, we have policies that directly or indirectly seek respect for human rights, such as our Code of Ethics and Conduct and Internal Work Regulations, and we also train our associates. In the same manner, by making the ethics line available and by monitoring our teams, we also seek a quick response and resolution to possible situations.

In 2022, Latinex participated in the training of the private sector on matters having to do with Business and Human Rights and Responsible Business Conduct, all of this within the framework of the implementation of the National Plan for Public-Private Social Responsibility and Human Rights 2020-2030, an initiative of the Ministry of Commerce and Industries (MICI), which has the support of international organizations and other cooperation institutions, and which has been established with the mission of accelerating the action of the Government of Panama in the achievement of the SDGs.



## Update of the Internal Work Regulations

With the homologation and update of the Internal Work Regulations of the subsidiary companies of the Latinex Group, measures have been incorporated for the prevention of gender violence against women and non-discrimination, as well as the promotion of diversity, in line with local and international legislation on the matter.

# Sustainable Products and Strategic Services

To develop the securities market through the implementation of new financial instruments with an ESG approach and strategic services aligned with the best global market infrastructures.

## Strategic Goals

**4.1** To position Latinex as a hub for the international capital markets (ESG focus)



## Indicators

| Client satisfaction survey

| The establishment of strategic alliances for the development of responsible investments in the region

| Development of a section of the website for ESG instruments (guides, publications, instruments lists, etc.)

| Number of thematic ESG issuances

| Transacted volume in ESG issues

| Percentage of SVS issues and/or related to sustainability in respect of the total exchange issuances for the year

| Development of the sustainability index

**4.2** To have the diversity of products and services to offer both local and international investors

## Indicators

# Sustainable Finance

We are committed to continuing to facilitate access to financing for climate and social solutions, making a potential investor base available to issuers, thus contributing to the inclusive economic growth of the country.

At the end of 2022, during the first meeting of the Board of Directors of the Panamanian Carbon Exchange (in Spanish, Bolsa de Carbono de Panama, or BPC), established under Resolution No. DM-0207-2022 and made up of a member of the Ministry of the Environment of Panama (MiAmbiente), a member of the Ministry of Economy and Finance, and a member of the Panamanian Chamber of Capital Markets (CAPAMEC), Latinex was chosen as the organization that will manage the Panamanian Carbon Exchange, a component of the National Carbon Market of Panama.

The BPC is projected as a transaction platform for the purchase and sale of Greenhouse Gas Emission Reduction Units (in Spanish, Unidades de Reducción de Emisiones de gases de efecto invernadero, or UNRE), and will be the component of the MNCP that facilitates the interaction between the demand supply components.

## Issuers and ESG Issues

Committed to the development of sustainable finance for the Panamanian capital market and adhering to international CBI standards, in 2019 we launched the Guide for the Issuance of Social, Green and Sustainable Marketable Securities from the Latin American Stock Exchange (at the time the Panama Stock Exchange).

This important step, by providing the companies listed on our stock market with guidelines that generate responsible and impact investments with the best environmental, social, and corporate governance (ESG), has been crucial for the fulfillment of our commitment to the development of sustainable finance in our market.

As part of its initiative to encourage the listing of social, green, and sustainable issues, Latinex implemented a differentiated rate for programs that fall in that category, granting a 20% discount for the placement commission and an exemption from registration and maintenance fees.

Since then, the following issues have been placed:



Together with the thematic issues (green, social and/or sustainable), in this regard we also seek to promote the ESG management of listed issuers and transparency in their performance, which is then added to the customary financial component.

We make available to our issuers the Guide for the Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, developed thanks to the support of IDB Invest. In this manner, we seek to publicize the trends, frameworks, and reference standards for transparency in respect of ESG performance.

Likewise, we continue to develop training opportunities and events for the market on the main ESG reporting frameworks and standards (GRI, SASB, TCFD), with sessions led by leading international specialists. In the third quarter of 2022, in conjunction with the IFRS Foundation, the webinar "The International Sustainability Standards Board (ISSB): Draft Standards and Public Consultation" was organized. During COP26, the IFRS Foundation announced the creation of the International Sustainability Standards Board (ISSB). The ISSB aims to create a "global foundation" of standards for sustainability financial disclosure that meets the ESG information needs of investors, and which draws on concepts and principles from existing frameworks and standards—such as the TCFD framework and the SASB standards.

As an active participant in Panama's financial sector, we have participated since its inception in 2018 in the Sustainable Finance Working Group (GTFS), of which we continue to hold the Technical Secretariat. This seeks to collaboratively address ESG issues, turning Panama into a center of sustainable finance, to achieve an inclusive, resilient, and sustainable economy that promotes human well-being, social equity, and environmental conservation. The GTFS stands out on account of the diversity of the agents it includes, with the participation of actors from different segments of the financial sector, with representation from the public sector; the banking, insurance, and securities sectors; the cooperatives sector; the private-companies sector, NGOs, and multilateral banks.

Among the actions undertaken during the year, the webinar "Panama 2022: Country Opportunities for the Implementation of Sustainable Finance" was organized, where different topics were addressed, such as perspectives and projects on sustainable finance for the Panamanian financial sector, as well as the opportunities for the country in terms of thematic issues for the mobilization of capital for responsible financing that contributes to sustainable development. Latinex participated in this webinar presenting on the Issuance of Sustainable, Green and Social Securities: Mobilizing Capital to Finance Responsible Development.

In conjunction with the Inter-American Development Bank (IDB), Latinex held the workshop "Exchange of Experiences and Generation Potential of a Sustainable Bond Issuance Market in Panama" as a benefit for the Panamanian stock market and its diverse participants. The objective of this workshop was to carry out a work session with different ministries and quasi-government institutions to generate knowledge and exchange experiences among issuers of thematic bonds, investors, and the stock market to promote the issuance of thematic bonds in the Panamanian market.

The workshop was attended by different representatives of the region's thematic issuers, including the Chilean Ministry of Finance, the Colombian Ministry of Finance, the Costa Rican Electricity Institute, the Argentine Investment and Foreign Trade Bank, as well as experts who presented the different market trends in Latin America and the Caribbean in respect of thematic issues.

In the same manner, there was representation in events such as CapiLAC 2022 - Regional Dialogue on Capital Market Policy with the theme: "Sustainably Financing the Productive Sector from Capital Markets", organized by the Inter-American Development Bank (IDB) in collaboration with the Ibero-American Federation of Stock Exchanges (FIAB) and the Association of Central Securities Depositories of America (ACSDA). During this public-private dialogue, joint solutions were sought to the challenges faced by the region's capital markets, and their regulation and supervision. The disclosure of sustainability, the carbon markets, the financing of MSMEs in the capital markets, and the application of technology to the market were among the subjects discussed and debated.

# Relation with the Market



To strengthen the relationship with our stakeholder groups, by means of the development of innovative, inclusive, and quality communication channels, which allow for the growth of relationships and the creation of value for all parties. Implement strategies to strengthen education on the stock market and financial education and inclusion, in the process establishing strategic alliances.

## Strategic objectives

### 5.1

To establish a relationship model with our stakeholder group

#### Indicators

- | Creation of the relationship plan with stakeholder groups

### 5.2

To identify and monitor interactions with the various stakeholder groups

#### Indicators

- | Creation of a CRM (centralizing contacts and interactions with stakeholder groups)
- | Number of interactions by type of stakeholder group

### 5.3

To develop a training program with a gender focus, which promotes the development of skills toward the empowerment of women and their financial inclusion

#### Indicators

- | Number of participants (segregated by gender, region of the country, and socioeconomic level)
- | Number of strategic allies
- | Impact measurement of through an education program with a gender focus

### 5.4

To strengthen the Stock Market Education Program toward the effective specialization of stock market agents, the training of professionals from the financial sector and the general public, by means of training on topics relevant for the Panamanian and international markets

#### Indicators

- | Number of participants (segregated by gender, nationality, sector, socioeconomic level, and educational profile)
- | Number of trainings (classified by topic)
- | Number of strategic allies
- | Level of satisfaction

# Securities Exchange Education Program 2022

Throughout 2022, the Latinex Stock Market Education Program continued to be a fundamental market ally. This program aims to contribute to the professionalization of the market, and to establish a financial culture by means of easy access to knowledge and the development of the securities market, contributing thereby to an increase of the country's competitiveness.



## S.M.E.P



**24**  
Number of trainings



**693**  
Registrants



**458**  
Number of SMEP participants

## Webinars

### Hablando de Bolsa



**6**  
Number of complementary webinars



**205**  
Number of attendees to the webinars

During the third quarter of 2022, the Latinex Stock Market Education Program conducted several free training sessions at various institutions such as the Inter-American Academy of Panama (AIP), where a talk was given to the Money Geeks Club made up of graduating students from this educational center.

In the same way, training was carried out for students from the Technological University of Panama (UTP) and ADEN Business School. Also, members of the "One" Shipping Company received training on Stock Market Education. In total, an audience of 160 people benefitted from these private trainings.

As part of the program's strategy and to continue contributing to quality educational opportunities, new courses and training will soon be launched, as well as updates to the Latinex website, thus generating an educational ecosystem readily available to the general public on matters having to do with the market.

# Ring the Bell for Financial Education

For the second year in a row, we supported the Ring the Bell for Financial Education initiative, in commemoration of World Investor Week, promoted by the International Organization of Securities Commissions (IOSCO) and by the World Federation of Stock Exchanges (WFE).



## Latinex's Podcast

We launched the Latinex Podcast on the Spotify platform in the third quarter of 2022, with a view to promoting topics of interest to our stakeholder groups, in matters relating to the securities-market and financial education.

The first episode of the podcast included the participation of representatives of the Global Reporting Initiative (GRI) and the Value Reporting Foundation (currently part of IFRS), who presented interesting contributions on "The Future of Reporting and Disclosure of the ESG Factors".

### El Podcast de Latinex



#### Episodio 1

El futuro del reporte y divulgación de factores ASG

Con la participación de:

**Andrea Pradilla**  
Directora para Hispanoamérica  
Global Reporting Initiative



**Arturo Rodríguez**  
Líder Senior de Mercado  
Iberoamérica del Value Reporting Foundation



Encuétranos en:  
 Spotify

Latinex  
Bolsa Latinoamericana de Valores

# Annex I: Progress Details

## Contribution to the Sustainable Investment Goals (SDGs)

We contribute to the Sustainable Development Goals (SDGs), which make up the 2030 Agenda proposed by the United Nations to address the society's great challenges. We focus on the goals most closely associated with our activities, where we can achieve and deliver the greatest contribution.

SDG	Goals		
	<b>4.3,</b> <b>4.4</b>	<ul style="list-style-type: none"> <li>Securities Market Education Program</li> <li>Training program for our associates</li> <li>Ring the Bell for Financial Education</li> </ul>	<ul style="list-style-type: none"> <li>More than 458 participants in the Securities Market Education Program</li> <li>1,317 training hours during the year for the staff as a whole</li> </ul>
	<b>5.5</b>	<ul style="list-style-type: none"> <li>Committed to the Women's Empowerment Principles (WEPs)</li> <li>Participation in the Gender Equality Initiative, promoted by the Ministry of Social Development</li> <li>Organization of the Ring the Bell for Gender Equality events; digital media and corporate social media networks content uploads</li> </ul>	<ul style="list-style-type: none"> <li>62% of the group's total number of associates are women</li> <li>General Manager positions of the subsidiaries held by women</li> <li>Messages in digital media and in corporate social media networks</li> </ul>
	<b>8.2,</b> <b>8.8,</b> <b>8.10</b>	<ul style="list-style-type: none"> <li>Employment security for our associates, with professional development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>100% of associates with indefinite employment contracts</li> </ul>
	<b>9.2,</b> <b>9.3,</b> <b>9.4</b>	<ul style="list-style-type: none"> <li>Investment in technology</li> <li>Development of options to enhance client contact, thanks to technology</li> <li>Improvements to allow for portfolio diversification and to offer products to SMEs</li> </ul>	<ul style="list-style-type: none"> <li>Operation of the NASDAQ Matching Engine electronic trading system</li> <li>Latinex mobile app</li> <li>Latinex's podcast</li> <li>Latinex Virtual</li> </ul>
	<b>10.2,</b> <b>10.5</b>	<ul style="list-style-type: none"> <li>Opportunities for raising capital for companies, to allocate to operational investments and/or their operation, facilitating the generation of employment, economic and social development, of supply chains, etc.</li> <li>Contribution to the level of trust in the country to also attract investment</li> <li>Social bond issues</li> <li>Social action programs, community initiatives and support for foundations</li> </ul>	<ul style="list-style-type: none"> <li>Operational transaction indicators (see chapter)</li> <li>USD 20,925 in social investments and community support (2022)</li> </ul>
	<b>12.6</b>	<ul style="list-style-type: none"> <li>Encouraging issuers to develop and/or reinforce transparency on their performance in respect of the ESG factors</li> <li>Development of their own reports</li> <li>Fostering and facilitating the issuance of thematic bonds</li> </ul>	<ul style="list-style-type: none"> <li>Guide for the Voluntary Reporting and Disclosure of the Environmental, Social and Corporate Governance (ESG) Factor impacts</li> <li>First Latinex Holdings GRI and SASB report</li> <li>Guide for the Issuance of Social, Green and Sustainable Negotiable Securities</li> </ul>
	<b>13.3</b>	<ul style="list-style-type: none"> <li>Promotion of thematic issues, including green bonds</li> <li>Climate commitments, emissions reduction, and carbon neutrality</li> <li>Calculation of the carbon footprint</li> </ul>	<ul style="list-style-type: none"> <li>More than USD 550MM in thematic issues since 2019 (green and sustainable)</li> <li>Adherence to The Top 50 Carbon-Neutral Organizations and Reduce your Corporate-Carbon Footprint declaration</li> <li>Participation in the "Net Zero Comment Group" working group of the SSE, with the objective of contributing in the creation of net zero objectives for the securities exchanges</li> </ul>
	<b>16.5,</b> <b>16.6</b>	<ul style="list-style-type: none"> <li>Internal self-regulation framework: Code of Ethics and complementary policies</li> <li>Cybersecurity management: internal regulation, monitoring and systems testing, organizational culture</li> </ul>	<ul style="list-style-type: none"> <li>100% of associates know and accept our Code of Ethics</li> <li>Absence of incidents on account of customer-data leaks</li> </ul>
	<b>17.16,</b> <b>17.17</b>	<ul style="list-style-type: none"> <li>Participation in different private-sector ESG initiatives and/or with the participation of the authorities (e.g., Sustainable Finance Working Group)</li> <li>Membership in associations that promote sustainability (e.g., Sumarse)</li> <li>Active participation promoting sustainable development in our trade union organizations (e.g., FIAB)</li> </ul>	<ul style="list-style-type: none"> <li>Presented through the report</li> </ul>

# Annex II:

## WFE Principles



In Latinex Holdings, we are committed to the development of sustainable finance, which is why we work to facilitate access to financing for climate and social solutions that contribute to the move towards a low-carbon market and the transition towards an inclusive and sustainable economy.

In this manner, we are also aligned with the Sustainability Principles of the World Federation of Exchange (WFE), to which we are affiliated.

The WFE is a private international organization made up of the world markets' main operators, whose objectives are to facilitate the representation and development of organized and regulated markets, as well as to identify needs as they arise in the capital markets.

Throughout this report, we account for our contribution to the WFE Principles.

Below, we present a summary table with the main initiatives and where in the report you can find additional details.

Principles	Initiatives	Additional information
<b>Principle 1:</b> The exchanges will work to educate trading ecosystem participants about the importance of sustainability issues.	<ul style="list-style-type: none"> <li>• Guide for the Issuance of Social, Green and Sustainable Negotiable Securities, and complementary training upon its launch (2019).</li> <li>• Celebration of thematic bell rings: for Gender Equality and for Financial Education.</li> <li>• Workshops/webinars held after the launch of the Guide for Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance (ESG) factors with topics on sustainability (GRI standards, SASB, TCFD recommendations, Principles of the Global Compact and PRI, among others).</li> </ul>	Pages: 52, 76, 77, 80
<b>Principle 2:</b> Exchanges will promote greater availability of ESG information relevant to investors and useful for decision-making.	<ul style="list-style-type: none"> <li>• Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, and complementary training upon its launch (2021).</li> <li>• Leadership by example, first ESG report applying the GRI and SASB Standards.</li> </ul>	Pages: 11 y 77
<b>Principle 3:</b> Exchanges will actively engage with stakeholders to advance the sustainable finance agenda.	<ul style="list-style-type: none"> <li>• Member of the Sustainable Finance Working Group of Panama.</li> <li>• Participation in the Sustainability Committee of the Ibero-American Federation of Stock Exchanges (FIAB).</li> <li>• Support for the United Nations Sustainable Stock Market Initiative (SSE), as participants in various advisory groups on sustainability issues.</li> </ul>	Pages: 26 y 27
<b>Principle 4:</b> The exchanges will provide markets and products that support the growth of sustainable financing and the redirection of financial flows.	<ul style="list-style-type: none"> <li>• Development of options for environmental, social and/or sustainable thematic bonds.</li> <li>• Issuance of the first green and sustainable bonds.</li> <li>• Development of workshops with strategic allies for the promotion of thematic issues</li> </ul>	Pages: 76 y 77
<b>Principle 5:</b> Exchanges will establish effective internal governance and operational policies and processes to support their sustainability efforts.	<ul style="list-style-type: none"> <li>• Corporate governance structure in accordance with the best international practices.</li> <li>• Operational policies in respect of different ESG aspects: e.g., privacy of information and data protection, Corporate Sustainability Policy, Corporate Volunteering Policy.</li> <li>• Code of Ethics and Conduct.</li> <li>• Having Latinex Holdings' Permanent Sustainability and CSR Committee.</li> <li>• ESG Strategy if Latinex Holding and Subsidiaries, based on the dual financial and impact materiality established in 2021-22.</li> </ul>	Pages: 23, 24, 56, 61, 63

# Annex III: Report Standards

## GRI Contents Index

**Usage Declaration** Latinex Holdings, Inc. and Subsidiaries presents the information contained in this GRI Content Index for the period from 1 January 2022 to 31 December 2022, applying the GRI Standards as a reference.

**GRI 1 utilized** GRI 1: Fundamental 2021

GRI Standard	Contents	Location
<b>GRI 2: General Content 2021</b>		
The organization and its reporting practices	GRI 2-1	7
	GRI 2-2	3
	GRI 2-3	3
Activities and associates	GRI 2-4	3
	GRI 2-5	3
	GRI 2-6	9 y 13
Corporate Governance	GRI 2-7	68
	GRI 2-8	
	GRI 2-9	56
	GRI 2-10	56 y 57
	GRI 2-11	56 y 57
	GRI 2-12	50
	GRI 2-13	23 y 50
	GRI 2-14	3
	GRI 2-15	63
	GRI 2-16	–*
Strategies, policies and practices	GRI 2-17	56 y 58
	GRI 2-18	56 y 58
	GRI 2-19	56, 58, 60 y 71
	GRI 2-20	56, 58 y 71
	GRI 2-21	–*
	GRI 2-22	5
	GRI 2-23	23, 63 y 74
	GRI 2-24	23, 63 y 74
	GRI 2-25	63 y 74
	GRI 2-26	63 y 74
Stakeholder Groups' Participation	GRI 2-27	63
	GRI 2-28	23 y 82
	GRI 2-29	28
	GRI 2-30	68
<b>GRI 3: Material topics 2021</b>		
	GRI 3-1	33 y 34
	GRI 3-2	33 y 34
	GRI 3-3	Presented throughout the report for each material topic

\*Confidential, on account of internal company guidelines

# Annex III: Report Standards

## GRI Contents Index

Material Topic	GRI Standard	GRI Content	Page/s (2021)
Cybersecurity	GRI 3: Material topics 2021 GRI 418: Client privacy 2016	GRI 3-3 418-1	33 y 34 42
Regulatory Compliance	GRI 3: Material topics 2021 GRI 206: Disloyal competition 2016	GRI 3-3 206-1	33 y 34 63
Market Developments	GRI 3: Material topics 2021 GRI 203: Indirect economic impacts 2016	GRI 3-3 203-1 / 203-2	33 y 34 38 / 16
Diversity and equality of opportunities	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 404: Training and education 2016 GRI 405: Diversity and equality of opportunities 2016 GRI 406: Non discrimination 2016	GRI 3-3 401-1 / 401-2 / 401-3* 404-1 / 404-2 / 404-3 405-1 / 405-2* 406-1	33 y 34 68 / 71 / 68 71 / - / 71 68 / - 63
Disclosure and transparency of financial information	GRI 3: Material topics 2021	GRI 3-3	33 y 34
Financial education	GRI 3: Material topics 2021	GRI 3-4	
Ethics and anticorruption	GRI 3: Material topics 2021 GRI 205: Anticorruption 2016	GRI 3-3 205-1 / 205-2 / 205-3	33 y 34 63 / 63 / 63
Management of operating risks	GRI 3: Material topics 2021	GRI 3-3	33 y 34
Corporate governance	GRI 3: Material topics 2021	GRI 3-3	34
Brand positioning	GRI 3: Material topics 2021 GRI 201: Economic performance 2016	GRI 3-3 201-1 / 201-2** / 201-3* / 201-4	34 y 35 22 / - / 68 / 22
Issuer services	GRI 3: Material topics 2021 GRI 416: Clients' health and security 2016 GRI 417: Marketing and labeling 2016	GRI 3-3 416-1 / 416-2 417-1 / 417-2 / 417-3	33 y 34 - / 63 - / 63 / 63
Relationship with regulators / government authorities	GRI 3: Material topics 2021 GRI 415: Public policy 2016	GRI 3-3 415-1	33 y 34
Relationship with investors	GRI 3: Material topics 2021	GRI 3-3	33 y 34
Digital transformation	GRI 3: Material topics 2021	GRI 3-3	33 y 34
Sustainable investment products	GRI 3: Material topics 2021	GRI 3-3	13 y 76

The information on energy and emissions is presented in a complementary manner on account of our participation in the Authority's initiatives to reduce the carbon footprint of companies. It is not linked to material topics and it is, for this reason, not codified in accordance with the GRI Standards.

In the case of information related to occupational health and security, it is presented on account of the still-prevalent contingency context related to the COVID pandemic, even if the topic resulted not being material as part of the analysis. For this it is not codified in accordance with the GRI Standards.

\*Not available; the company intends to present this in the next report.

\*\*Not available; work on a climate action roadmap at the Group level is ongoing.

# Annex III: Report Standards

## SASB Parameters Index

### SASB Standards: Securities Exchange and Basic Products 2018

SASB Topic	Code	Topic Description	Measurement Unit	Page
<b>Activity parameter</b>				
<b>Activity metric</b>	FN-EX-000.A	Average daily operations, by product or asset class	Número	16
<b>Activity metric</b>	FN-EX-000.B	Average daily trading volume, by product or asset class	Communication currency	18
<b>Accounting parameter</b>				
<b>Promotion of transparent and efficient capital markets</b>	FN-EX-410a.1	1.1 Number of interruptions related to the publication of information 1.2 Duration of the interruptions related to the publication of information 1.3 Number of volatility-related pauses 1.4 Duration of the volatility-related pauses	Numbers, minutes	44
	FN-EX-410a.2*	Percentage of transactions generated by the automated trading systems	Percentage (%)	38
	FN-EX-410a.3	Description of the notices policy regarding the moment and nature of the information publication	n/a	44
	FN-EX-410a.4	Description of the policy to encourage or demand of the listed companies the public disclosure of the environmental, social, and corporate governance (ESG) information	n/a	63
<b>Management of conflicts of interest</b>	FN-EX-510a.1	Total amount of the monetary losses resulting from legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice, or other related financial-industry laws or regulations	Communication currency	63
	FN-EX-510a.2	Analysis of the processes to identify and evaluate conflicts of interest	n/a	63
<b>Business continuity and technological risks management</b>	FN-EX-550a.1	"1.1 Number of important market disruptions" "1.2 Inactivity time duration of the important market disruptions"	Numbers, hours (h)	44 / 44
	FN-EX-550a.2	2.1 Number of data leaks 2.2 Percentage implying personal identification information (PII) 2.3 Number of affected clients	Numbers, percentage (%)	42 / 42 /42
	FN-EX-550a.3	Description of the efforts to avoid technological errors, security violations, and market disruptions	Communication currency	44

\* The answer corresponds to the operation of the Latin American Stock Exchange, where all transactions are generated through the NASDAQ Matching Engine system.

