



# Sustainability Report

20  
23

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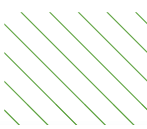
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## How to read this Report?

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The information contained in this Annual Sustainability Report pertains to the performance and progress concerning the environmental, social, and corporate governance aspects of Latinex Holdings S.A., and that of its principal subsidiaries, namely the Latin American Stock Exchange, S.A. ("Latinex") and the Central Latinoamericana de Valores, S.A. ("Latinclear"). This report covers the period from January 1, 2023, to December 31, 2023. Any reference to the "Group" or "Latinex Group" refers to the collective entity of Latinex Holdings, Inc. and its subsidiaries.

This annual report, our third, was developed based on the results of the first Double Materiality Analysis conducted by the Group in 2021. It details the evolution of the sustainability and strategic objectives set by the Latinex Group's Sustainability Strategy, as well as the contribution to the achievement of the 2030 Agenda proposed by the United Nations and its 17 Sustainable Development Goals (SDGs). Additionally, it reports on progress concerning gender equality, which aligns with the commitments made by Latinex and Latinclear as signatories of the Women's Empowerment Principles (WEPs).

The report's content has undergone an internal verification process and validation by the Executive President of Latinex.

Subsequently, the Sustainability and CSR Committee and the Board of Directors of Latinex Holdings reviewed and approved it. This report does not include re-statements of previously reported information or external verification.

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

## About this Report

- The report has been developed referencing the standards of the Global Reporting Initiative (GRI), the Universal Standards Version GRIs 1, 2, and 3, and the standards of the Sustainability Account Standards Boards (SASB) for the stock exchange industry and its corresponding products and essential services (Security Commodity Exchanges Standard).
- It complies with the Superintendence of the Securities Market (SMV) requirements.

## Keys to Reading the Report

- The report tracks progress toward the Latinex Group's sustainability strategy objectives.
- The report tracks the progress on the objectives of the Latinex Group's sustainability strategy and 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 regarding 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.

# Message from the President

Dear Stakeholders,

With great satisfaction, we present the Sustainability Report of Latinex Holdings, Inc. and its principal Subsidiaries. This report highlights our achievements in Environmental, Social, and Corporate Governance (ESG) management and performance during 2023 and reaffirms our ongoing commitment to sustainability and the promotion of sustainable finance.

Sustainability is a fundamental pillar of our corporate strategy, as it enables us to channel our efforts toward financing solutions to address challenges such as climate change, economic inequality, promoting innovation, responsible consumption, peace, and, in general, the pursuit of a better world for all.

In this context, we continue to move forward with determination on our roadmap to promote sustainable finance, responding proactively to the call from capital markets, both locally and internationally. We are committed to taking concrete actions to contribute to advancing the global agenda of the United Nations' Sustainable Development Goals (SDGs), working in collaboration with various stakeholders to generate a positive impact on our society and the planet.

In 2023, as the midpoint of the 2022-2024 Sustainability Strategy implementation timetable, Latinex made significant progress in executing this initiative, reaffirming our ongoing commitment to building a more sustainable future. This strategy guided our actions throughout the year and laid the groundwork for our future efforts. Through this strategy, we have consolidated notable achievements in managing the ESG factors, thus demonstrating our constant dedication to sustainable development. Moreover, 2023 was a year of impactful actions in corporate sustainability management, driven by several initiatives in this area.

Our efforts to promote sustainability within our company have also received external recognition. As a result of our carbon footprint management and the actions we have implemented to achieve neutrality in this area, we are pleased to have been recognized by MiAmbiente as one of the 50 organizations committed to calculating and presenting our inventory of greenhouse gas (GHG) emissions, thus earning the "Top 50" Seal and the 2022 Carbon Footprint Inventory Seal. Additionally, among other climate-action achievements, we highlight the celebration of Latinex's first Climate Bell Ringing and our membership in the Net Zero Financial Service Providers Alliance (NZFSPA).

In collaboration with various companies, jurisdictions, and other market players worldwide, we also signed a declaration of support during Finance Day at COP28, committing to advance the adoption or use of climate-related disclosures from the International Sustainability Standards Board (ISSB).

Committed to the development and well-being of our human capital, in 2023 we focused our efforts on the advancement of our employees through continuous education programs and various training sessions. Additionally, we prioritized physical, mental, and overall well-being by organizing health days and vaccination fairs and offering flexible working hours. We celebrated the academic achievements of our employees with the launch of a scholarship program for higher education and, in particular, recognized the educational success of our employees' children. We also marked a milestone with the development and

implementation of the Latinex Corporate Volunteering Program, through which activities were carried out aligned with Sustainable Development Goals (SDGs) No. 4 (Quality Education), No. 5 (Gender Equality), and No. 13 (Climate Action).

As part of our ongoing strategy to develop products and services for the local market, we focused on promoting financial education and expanding access to training. In this regard, the Latinex Stock Market Education Program (PEB) stands out as a fundamental pillar, including, among others, the Seminar in collaboration with 'Ella Invierte,' which specifically addresses financial empowerment with a gender focus. Additionally, we organized the first Latinex Hackathon, which brought together passionate innovators and technology experts in a creative and challenging environment. We also conducted workshops in partnership with the Inter-American Development Bank (IDB) on the potential for the generation, in Panama, of thematic issuances aimed at real-sector issuers.

Aligned with this, as part of our initiatives to encourage the listing of Social, Green, and Sustainable (SGS) bonds, we implemented a differentiated fee schedule for programs that fall in this category, offering a 20% discount on the placement commission and waiving registration and maintenance fees. These initiatives have to date enabled us to reach over USD 700 million listed in SGS issuances.

In 2023, key events took place, such as the 50th General Assembly and Annual Meeting of the Ibero-American Federation of Exchanges (FIAB) and the Latinex Investors Forum, where we reaffirmed our commitment to sustainability by organizing them as carbon-neutral events, offsetting the carbon footprint that an event of this magnitude generates. We also took the opportunity to recognize our issuers through the Forum's Market Champions Awards, introducing new categories that acknowledge their efforts in ESG matters, such as commitment to voluntary ESG reporting and disclosure, diversity and inclusion, gender equality, and environmental protection.

As active members of the Sustainable Finance Working Group of Panama (GTFS), we have actively participated in the technical development to launch Panama's Sustainable Finance Taxonomy. At the local level, we have also continued to advance the development of the Panama Carbon Exchange, for which Latinex has been proposed as the operating company. Furthermore, internationally, we maintain an active role in various initiatives, committees, and associations related to sustainability, including our participation in working groups of the advisory council of the United Nations Sustainable Stock Exchanges Initiative (UN SSE Initiative), the World Federation of Exchanges (WFE) Sustainability Working Group, and the Sustainability Committee of the Ibero-American Federation of Exchanges (FIAB).

As we conclude this report, we renew our commitment to sustainability and corporate responsibility. We extend our gratitude to everyone who has contributed to our progress and invite you to join us in creating a more sustainable and prosperous world for future generations.

Yours sincerely,



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



# Key Figures 2023

▲ **35**  
listed corporate issuances

▲ **USD 1.552MM**  
in listed amount

▲ **USD +700 MM**  
in thematic bond issuances  
(social, green, and sustainable)

▲ **USD 9.3 MM**  
in revenues (+7.8% vs. 2022)

▲ **USD 3.8 MM**  
in EBITDA (+11.6% vs. 2022)

▲ **USD 2.4 MM**  
in net profit (+14.1% vs. 2022)

▲ **USD 31.774 MM**  
in assets under custody

▲ **+80,000**  
transactions

▲ **USD +696 MM**  
traded in integrated markets

▲ **267**  
Issuers (+16 in 2023)

▲ **USD 6481 MM**  
in trading volume

▲ **USD 24 MM**  
in average daily volume



# 62%

of the total workforce are women,  
with female leadership in the general  
management of the Subsidiaries.

# 36%

female participation in the Board of  
Directors of Latinex Holdings Inc. and its  
Subsidiaries.

# Who We Are?



The company is a publicly held holding company whose common shares are traded on the Bolsa Latinoamericana de Valores S.A. (Latinex). As of the end of 2023, there were no controlling shareholders, and the Directors do not directly or indirectly, individually or collectively, hold a controlling number of shares in the Company. Additionally, no director directly or indirectly acts as a significant provider of goods or services; however, some directors are executives of companies that have relationships with the company and its subsidiaries. The executives of the Subsidiaries are independent of the Directors and shareholders. Its headquarters location is the Latinex Building, Avenida Federico Boyd & Calle 49, Panama.



It is the intermediary entity between buyers and sellers within an organized market where securities are traded. It is self-regulated and has been operating since June 1990; its regulator is the Superintendence of the Securities Market (SMV). Its official name was the Panama Stock Exchange until June 2021, when the new corporate image was introduced along with the name change.

## Mission

To develop and promote the Panamanian stock market transparently and efficiently.

## Vision

To promote the stock market for company financing, becoming the leading trading center for issuers and investors in the country and the region.



A self-regulated company specializing in the custody and management of securities, it began operations in 1997 and also provides services for the electronic clearing and settlement of securities. It maintains custody agreements and operational arrangements with several regional custody centers, facilitating the buying and selling of registered securities in these markets.

## Mission

To be an entity specialized in providing excellent service to local and foreign clients, maintaining high levels of efficiency, security, and internal controls to meet client needs, and being a change agent in developing the securities market.

## Vision

To be the leading regional custody, clearing, and settlement center recognized for providing the best custody services to our clients, following international best practices based on high standards of service, trust, security, and efficiency. Operations began in 1997.

## Principles

### Ethics

Ensure compliance with the market's regulatory manuals and laws.

### Security

Ensure transactions are carried out in a secure and reliable environment.

### Transparency

Provide accurate and precise information to our investors.

### Impartiality

As an exchange, we maintain a neutral position towards issuers and brokerage firms.



# 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.

## 2014

- Operational start of iLink's Phase I (Government and Quasi-government), which is a link with Euroclear, the largest market infrastructure globally, facilitating the internationalization of titles listed on the stock exchange.

## 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.

## 2023

- 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.
- Launch of the second Sustainability Report of Latinex Holdings Inc. and its Subsidiaries, along with the Environmental Policy and Human Rights Policy of Latinex Holdings Inc. and its Subsidiaries.
- Creation of the Latinex action plan to achieve carbon neutrality by 2050, based on the Science Based Target Setting methodology.
- Recognitions received from MiAmbiente (for two consecutive years): the "Top 50 First" Seal and the Carbon Footprint Inventory.
- Membership in the Net Zero Financial Service Providers Alliance (NZFSPA).
- Formalization of the Latinex-ADP Collaboration Agreement to increase women's participation on boards of directors, as stipulated by Law 56 of 2017.
- Launch of ESG Awards at the Latinex Investors Forum.
- Membership in various working groups on sustainable finance with strategic allies (WFE Sustainability Working Group, UN SSE, FIAB, AMCHAM, GTFS Panama, among others).
- Development of a comparative analysis of Sustainable Finance Taxonomies (Colombia-EU taxonomies).
- Membership in the Advisory Group for the development of the UN-SSE guide "How exchanges can maximize opportunities in carbon markets."
- Leadership in projects with strategic partners from the Government of Panama, Carbon Market (BPC) and the Panama Sustainable Finance Taxonomy.
- Bell Ringings for Gender Equality and Financial Education.
- First participation in the Bell Ringing for Climate, an initiative organized by the World Federation of Exchanges (WFE) and promoted by around 25 stock exchanges worldwide during COP28, the United Nations Climate Conference.
- Second Latinex podcast on sustainability. Edition #9: ESG Disclosure and International Sustainability Standards.

# Our Value Generation Model

## Latin American Stock Exchange (Latinex) – Capital Market Infrastructure Services

Latinex manages and regulates the buy and sell operations of various financial instruments offered by market-listed companies. It earns a commission based on the traded value and the type of market used for respective transactions.

### Main Services:

- Admission of securities for trading on Latinex.
- Publication and updating of the listed securities' prices on Latinex.
- Organizing the matching of buy and sell orders for listed securities.
- Recording, calculating, and billing stock exchange transactions.
- Organizing auctions.
- Dissemination of information regarding the prices of securities, the financial situation of the market, and registered companies.

### Additional Services:

- Establishing order routing systems and other technical IT systems for market members or authorized entities.
- Dissemination of information.
- Organization and preparation of market studies.
- Economic/financial analysis and studies.
- Publications related to national and international financial markets.
- Personnel training.
- Any other service that, by legal mandate, regulatory requirement, or express authorization of the Superintendence of the Securities Market, can be performed as an accessory.

### Instruments Traded:

- **Equities:** Local and foreign stocks, investment funds, and real estate funds.
- **Fixed Income:** Corporate bonds, fiduciary participation certificates, corporate notes, negotiable commercial papers, government bonds, treasury bills, and notes.
- **Repos (Repurchase agreements).**

## Central Latinoamericana de Valores (Latinclear) – Custody

Latinclear is a centralized securities depository that performs custody, clearing, settlement, and electronic management of securities in the local and international market, maintaining the highest international risk control standards.

### Deposits and Custody:

- Custody accounts.
- Deposit and withdrawal of securities.
- Immobilization and dematerialization of securities.
- Transfers of securities with or without payment.
- Services for non-affiliated third parties.
- International custody with Euroclear and Clearstream.
- Regional custody with CEDEVAL, InterClear, CENIVAL, and a custody agreement with BCR.
- iLink connection (internationalization of securities):
  - **Phase I: Instruments of the Republic of Panama and quasi-governmental issuers (active).**
  - **Phase II: Corporate fixed income (active).**
  - **Phase III: Equities (pending).**

### Electronic Clearing and Settlement Mechanism:

- T+2 settlement.
- Clearing House of the National Bank of Panama (BNP).
- Phase I: Real-Time Gross Settlement (RTGS).
- T+3 settlement for Panama and El Salvador.

### Administration/Rights Management:

- Local and international securities.



# Securities Market and Our Role

We participate in a market where companies with financing needs publicly issue securities, which investors in the organized market acquire to obtain financial returns as an alternative to traditional banking instruments.

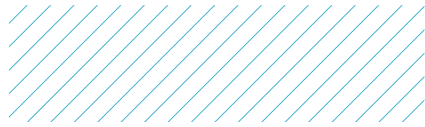
Similarly, the securities market includes relationships between an entity seeking capital and financing and multiple investors by dividing the amount to be financed into homogeneous and fungible units (securities).

To provide our various stakeholders with a better understanding of the different roles of market participants, we present below the main actors of the securities market:



Market Participants	Role
Issuers	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).
Investors (personal and institutional)	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.
Brokerage Firms / Exchange Seat Holders	Market participants that intermediate in the purchase and sale of financial securities, either on behalf of third parties or for their own account.
Latinclear Participants	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.
Security Brokers	Market professionals, authorized by their home regulator, experienced in the trading of securities, who act in representation of exchange-seat holders.
Securities Exchange	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.
Central Securities Depository	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.
Certified Public Accountants	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.
Risk-Rating Agencies	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).
Regulator	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.

## 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, whereby the seller, from the outset, undertakes to repurchase from the buyer, at a specific price and on a pre-established date, the assets sold initially.

## Corporate Strategy

We continue to focus on the objective of becoming the international capital markets hub, working on the following pillars:

### Operating Efficiency

Technological investments and digital transformation are part of our strategy, which aims to enhance the service we as a Group offer our clients by incorporating innovative financial technology tools that improve market efficiency. In this regard, we have taken the following actions:

- Replacement of the SICUS custody system: We selected PERCIVAL Software as the platform to replace SICUS. We also initiated the project, maintaining alignment with the agreed-upon schedule, with a production launch date set for the end of 2024.
- NASDAQ ME upgrade and migration to the cloud: By the end of 2023, we achieved 80% of the implementation and met the work schedule established to complete the project in the second quarter of 2024. This update will include market best practices and offer enhanced functionalities for its users, achieved by actively listening to the needs expressed by brokers.
- Digital process transformation: We launched the "Latinex Virtual" portal to automate and digitize several processes and services offered by the Company's subsidiaries. Additionally, the portal introduced the first workflow to facilitate hybrid inspections for brokerage firms and participants.
- Websites: We worked on designing, programming, and developing the Group's websites for production release and launch in the first half of 2024.
- ISO 27001:2022 Certification: We completed the certification process (with no objections) for Latinex and NASDAQ ME, positioning ourselves as the first companies to obtain this updated certification by the end of 2023.





## Local Market Development

Throughout 2023, we continued working with the Superintendence of the Securities Market (SMV) to promote initiatives to advance the local securities market. As a result of this joint effort with other market players, the SMV issued the agreement establishing rules for the simplified opening of investment accounts by brokerage firms to promote financial inclusion and facilitate access to the securities market.

In addition, we progressed in digital transformation to create positive impacts for our stakeholders. In this context, through a Memorandum of Understanding signed with the SMV in February 2023, we successfully automated the automatic transmission of member reports from the Superintendence of the Securities Market to Latinex and Latinclear, generating positive impacts by eliminating duplicate report submissions and making the process more agile and efficient.

Moreover, we automated the creation of long-term corporate debt instruments in Bloomberg, becoming the first market in the world to upload fixed-income instruments automatically. The following steps include the automated upload of corporate events for common stocks, the automatic creation of mortgage-backed debt instruments, and the automatic uploading of the Net Asset Value (NAV) of investment funds.

Finally, we continued advancing the development of the Panama Carbon Exchange, which, through Decree No. 100 of October 20, 2020, mandates its creation under the oversight of Panama's Ministry of Environment (MiAmbiente). The board, composed by MiAmbiente, the Panamanian Capital Market Association (APAMEC), and the Ministry of Economy and Finance (MEF), has proposed us as the operators of this National Carbon Market (NCM).

# Sustainable Finance

We continued to deploy our 2022–2024 Sustainability Strategy, reaffirming our commitment to sustainable finance. This strategy will guide sustainability actions through 2024 and inform actions in the coming years. Additionally, we have consolidated notable achievements in managing the Environmental, Social, and Corporate Governance (ESG) factors, reflecting a strong commitment to sustainable practices.

As part of our accountability strategy towards external stakeholders, we published our second Sustainability Report based on international GRI and SASB standards. In addition, MiAmbiente recognized us as one of the 50 organizations committed to calculating and presenting their inventory of greenhouse gas (GHG) emissions, receiving the “Top 50” Seal for our commitment to carbon neutrality by 2050. We were also recognized for our organizational carbon footprint management, obtaining the 2022 Carbon Footprint Inventory recognition.

During our flagship event, the Investors Forum, we awarded the Market Champions with the new ESG Awards, which include categories such as commitment to voluntary ESG reporting and disclosure, diversity and inclusion, gender equality, and environmental protection.

During COP28 in Dubai, we demonstrated our commitment to sustainability by joining the Net Zero Financial Service Providers Alliance (NZFSPA), aiming for a zero-emissions transition by 2050. In response to climate action calls at COP28, we supported the establishment of market infrastructures that enable consistent and comparable global climate disclosures through the adoption and use of the ISSB Climate Standard as a worldwide climate baseline.

We also participated in various initiatives, committees, or associations, such as the delivery of the Comparative Analysis of Sustainable Finance Taxonomies (Colombia–EU taxonomies), the WFE Sustainability Working Group, the FIAB Sustainability Committee, and the Sustainable Finance Working Group for the Panama Sustainable Finance Taxonomy.

Finally, we achieved a significant milestone by joining over 25 stock exchanges in the first Climate Bell Ringing, which took place in parallel with COP28 of the United Nations Framework Convention on Climate Change (UNFCCC).

These initiatives have allowed us to list more than USD 700 million in social, green, and sustainable bond issuances as of the end of 2023.





## International Hub

In 2023, we continued working on integrating regional markets, which enabled the trading of more than USD 700 million through over 3,040 transactions under remote operator and correspondent agreement models. Additionally, we formalized Nicaragua's incorporation into the Integrated Securities Market of El Salvador – Panama by signing an agreement between the stock exchanges and depositories of the three countries.

Similarly, the Central American Stock Exchange (BCV) in Honduras and our Central Latinoamericana de Valores (Latinclear) signed a contract for the deposit, custody, management, and securities registration. This pioneering agreement establishes and regulates mechanisms and services that will enable clients of the Central American Stock Exchange of Honduras to carry out transactions in Panama with securities deposited in Latinclear.

**As of the end of 2023, we have access to the markets in El Salvador, Nicaragua, Costa Rica, Guatemala, Honduras, and Colombia.**

By the end of the period, through the relationship established with Clearstream Banking, we launched the internationalization of Panamanian funds through the Vestima platform. This allows investment funds registered with the Superintendence of the Securities Market (SMV) in Panama and listed on Latinex to request their inclusion on the Vestima platform and be acquired by international investors. This way, funds listed in the local market can register their units internationally.

Regarding the project for listing international issuances (Listing), a proposal for regulating this service was submitted to the Superintendence of the Securities Market (SMV) in 2023. This project seeks to create a space in Panama for listing international issuances on Latinex in the secondary market, which currently do not come to the Panamanian market.

# Operational Results

GRI Content 203-2, 3-3

SASB FN-EX-000.A, FN-EX-000.B

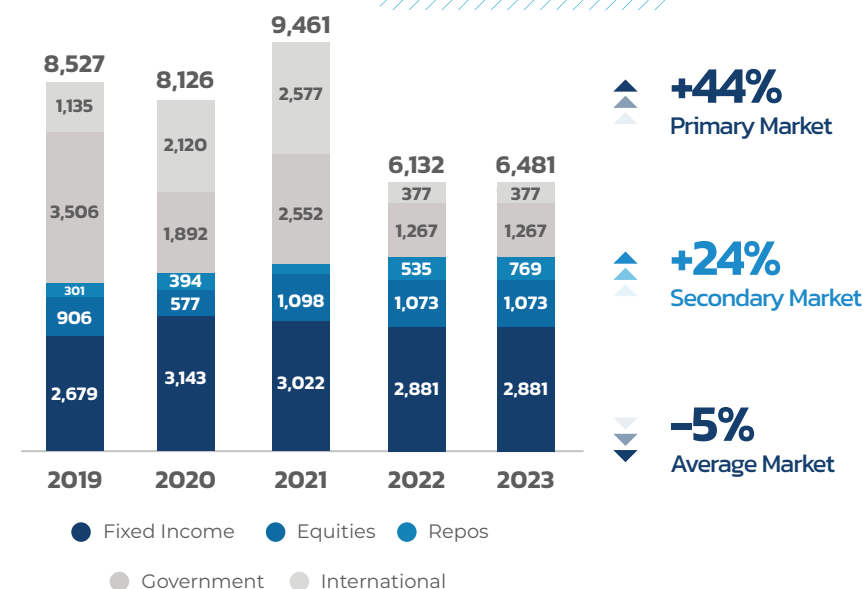
## Latin American Stock Exchange

In 2023, we closed the period with a 5.7% increase in trading volume compared to 2022. Despite this, there was less activity in the placements of new primary market issuances, with the volume being supported by greater activity in repos from local fixed-income refinancing and liability management operations of the Republic of Panama (RPMA).

In contrast to previous years, when international issuances averaged 16.9% of the traded volume, in 2023, these issuances represented only 1% of the volume. This trend has persisted since 2022 and is observed throughout Latin America and the Caribbean, where there has been a decrease in issuances aimed at an international market, primarily under New York Law format.

## USD MM

Yearly Breakdown



## Listing of Corporate Issuances

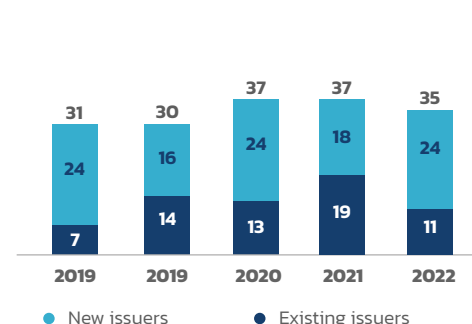
In 2023, we listed 35 issuers, reaching a market value of USD 2,547 million; 24 of these were new issuers, and three were foreign issuers (Chile, Guatemala, and Honduras), totaling 267 issuers on Latinex, which represents a growth of 9.6% compared to 2022.

8.2% of issuers are international issuers. Additionally, two thematic issuances were listed, including the first green VCN (Negotiable Commercial Paper) and a green bond, for a total of seven thematic issuances in our market, with a listed amount exceeding USD 700 million.

We also have issuances in progress for 2024 that exceed USD 1.5 billion through 21 issuances, including issuances from Costa Rica and Ecuador, as well as three thematic issuances: a green bond, the first blue bond, and social bond issuances for Panama.

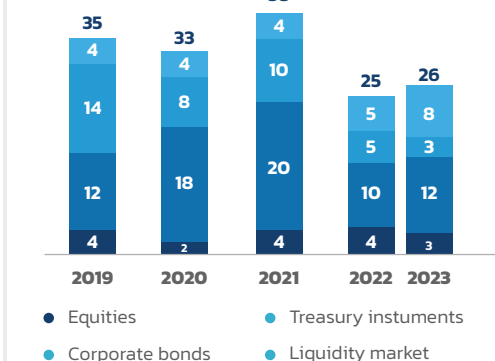
## Breakdown of Issuances

(By type of issuer)



## Daily Average Volume

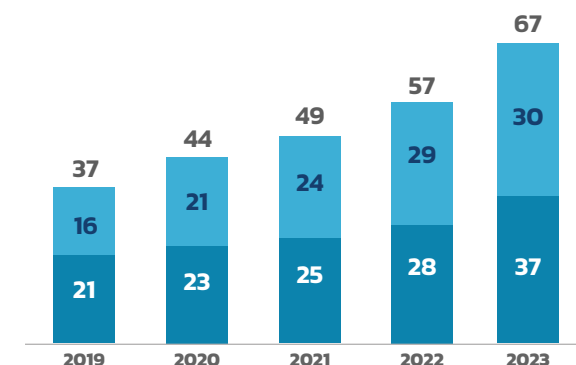
(USD MM)



## Listed Funds

(By type of funds)

- Investment funds
- Real State funds

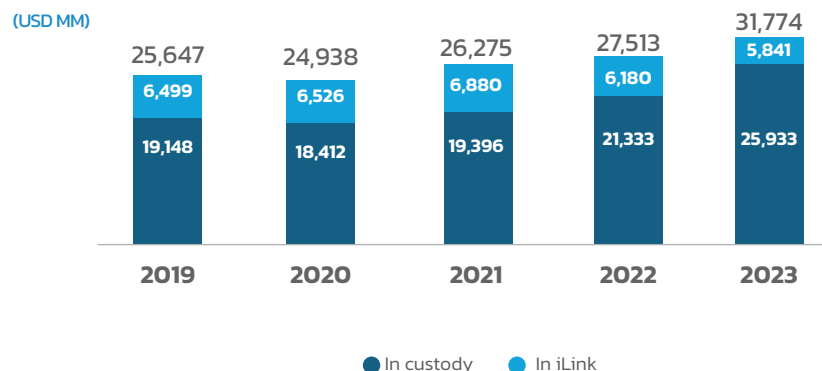


## Central Latinoamericana de Valores

In 2023, Latinclear achieved a record number of assets under custody, by yearend reaching a total value of USD 31,774 million. This increase represents a 13% growth compared to the previous year, driven by the registration of Panamanian government issuances and fiduciary bonds, which accounted for more than USD 2,900 million.

The entry of new public and private issuers from Guatemala, Costa Rica, and Honduras, as well as new private issuers in Panama, also contributed to this growth, adding around USD 625 million. Additionally, the connection with the Euroclear Bank iLink service, allowing the internationalization of debt instruments issued in Panama and their trading abroad, has been a key factor.

### Assets under Custody



**49%**

Fixed Income

**27%**

Equities

**22%**

Funds

**2%**

Others

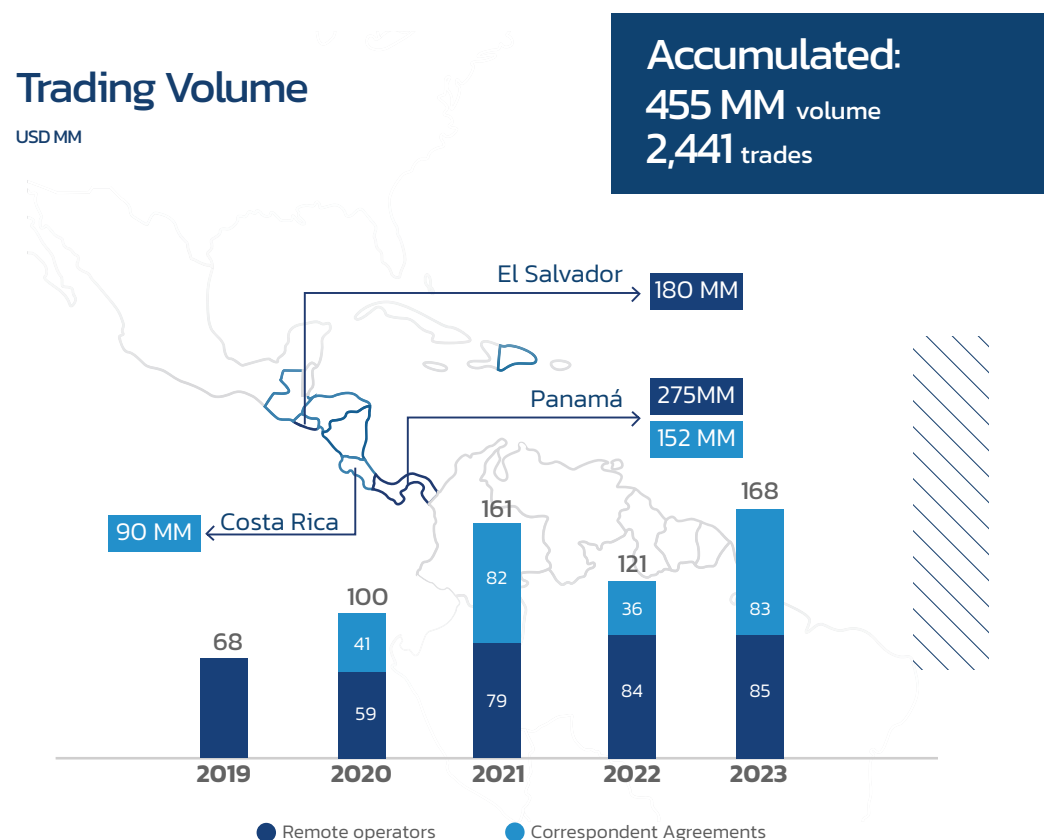
## Integration of Markets

With over 3,040 transactions executed and a total accumulated volume of USD 696 million, we have been motivated to pursue the integration of regional markets. In this regard, the following was formalized in 2023:

- The signing of an agreement with Nicaragua as a Remote Operator.
- The approval of a one-way agreement with Honduras for Correspondent Agreements.

### Trading Volume

USD MM





# Financial Performance

## Latinex Holdings

We generated total revenue of USD 9.3 million, representing a 7.8% increase compared to what was reported in 2022. Thus, we achieved a net profit of USD 2.4 million, reflecting a net profit per share of USD 0.1603 compared to a profit of USD 0.1404 recorded in 2022. These results were supported by:

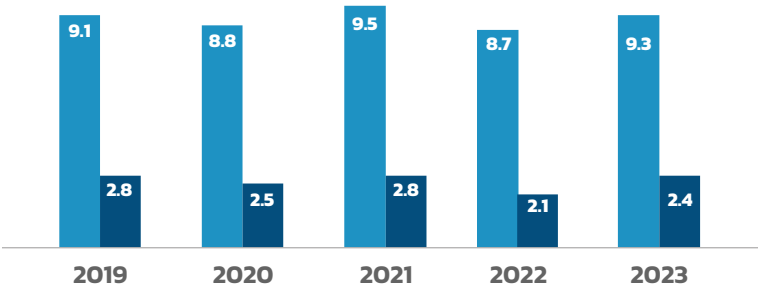
- An increase in local custody balances.
- Administration services for participants in local issuances.
- Greater dynamism in the repurchase market.

On the other hand, we closed with total assets of USD 15.6 million and equity of USD 14.5 million, providing a return on assets (ROA) of 15.1% and a return on equity (ROE) of 16.3%.

### Results

(USD MM)

- Total revenue
- Net profit



### Indicators

2019	2020	2021	2022	2023	
21.1%	18.6%	19.4%	14.8%	16.3%	ROE
19.1%	16.7%	17.6%	14.0%	15.1%	ROA
46.8%	44.9%	45.9%	39.8%	41.2%	EBITDA margin

## Stock Overview

### Dividend Distribution

At a meeting of the Company’s Board of Directors, a regular cash dividend of USD 0.12 per share was declared, to be distributed in four equal payments of USD 0.03 each in March, June, September, and December 2024. Additionally, an extraordinary cash dividend of USD 0.03 per share was declared, to be distributed in two equal payments of USD 0.015 each in May and August 2024.

### Stock Price:

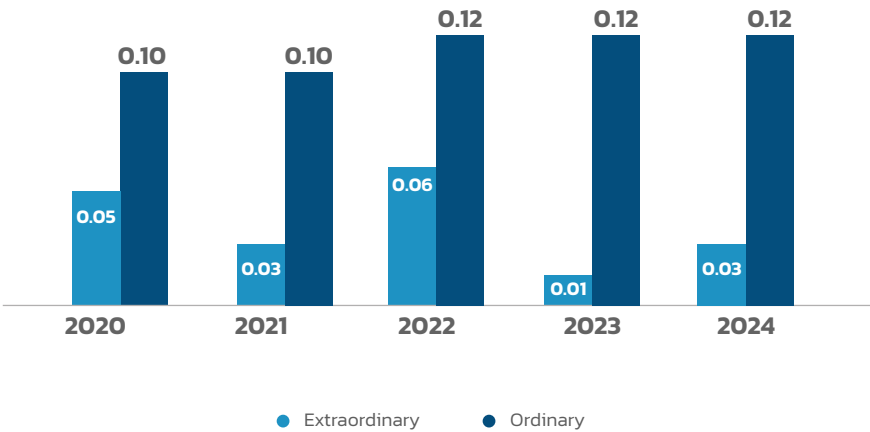
LTXH: 1.96 (-17.9%)

LTXHB: 1.90

### Dividend Return:

LTXH: 6.6%

LTXHB: 6.8%



## Generated and Distributed Economic Value

### Generated and Distributed Economic Value (GEV & DEV) (USD)

	2023	2022	2021	Δ 23-22 (%)	2020
<b>Revenue (Generated Economic Value, GEV)</b>	9,330,017.00	8,658,128.00	9,518,814.00	7.8%	8,752,461
<b>Costs and Expenses (Distributed Economic Value, DEV)</b>	7,853,934.00	9,797,755.00	8,311,260.00	-19.8%	8,116,566
Operating Costs	2,146,688.00	3,467,363.00	2,274,318.00	-38.1%	2,179,830
Salaries and Benefits (to employees)	2,127,288.00	2,127,229.00	2,214,235.00	0.0%	2,058,145
Payments to Capital Providers (excluding share purchases/sales)	1,900,264.00	2,656,006.00	1,960,301.00	-28.5%	2,261,886
Payments to the Government (taxes and contributions)	1,044,561.00	991,788.00	1,205,552.00	5.3%	1,035,884
Investment in Infrastructure and Technology	615,733.00	534,444.00	638,699.00	15.2%	548,764
Donations (Community)	19,400.00	20,925.00	18,155.00	-7.3%	32,057
<b>Retained (GEV-DEV)</b>	1,476,083.00	(1,139,627.00)	1,207,554.00	-229.5%	635,895.00

# Our Commitment to ESG Management

At Latinex Group, we are aware of our importance in the transition toward sustainable development, positioning ourselves as the central point of contact between issuers, investors, and market intermediaries. Similarly, we facilitate investment in climate, social, and corporate governance solutions by providing issuers with access to a potential investor base while supporting these investors in making responsible and impactful investments.

The year 2023 marked a period in which we made significant progress in strengthening sustainable finance and received multiple recognitions for our reporting practices. This includes the presentation of our Greenhouse Gas (GHG) emissions inventory, the launch of our Human Rights policy, and our participation in various sustainability-focused working groups.

Our purpose is to develop and promote the Panamanian stock market transparently and efficiently, adhering to the highest standards of corporate governance, enabling the creation of a sustainable capital market, and contributing to the country's social and economic development.



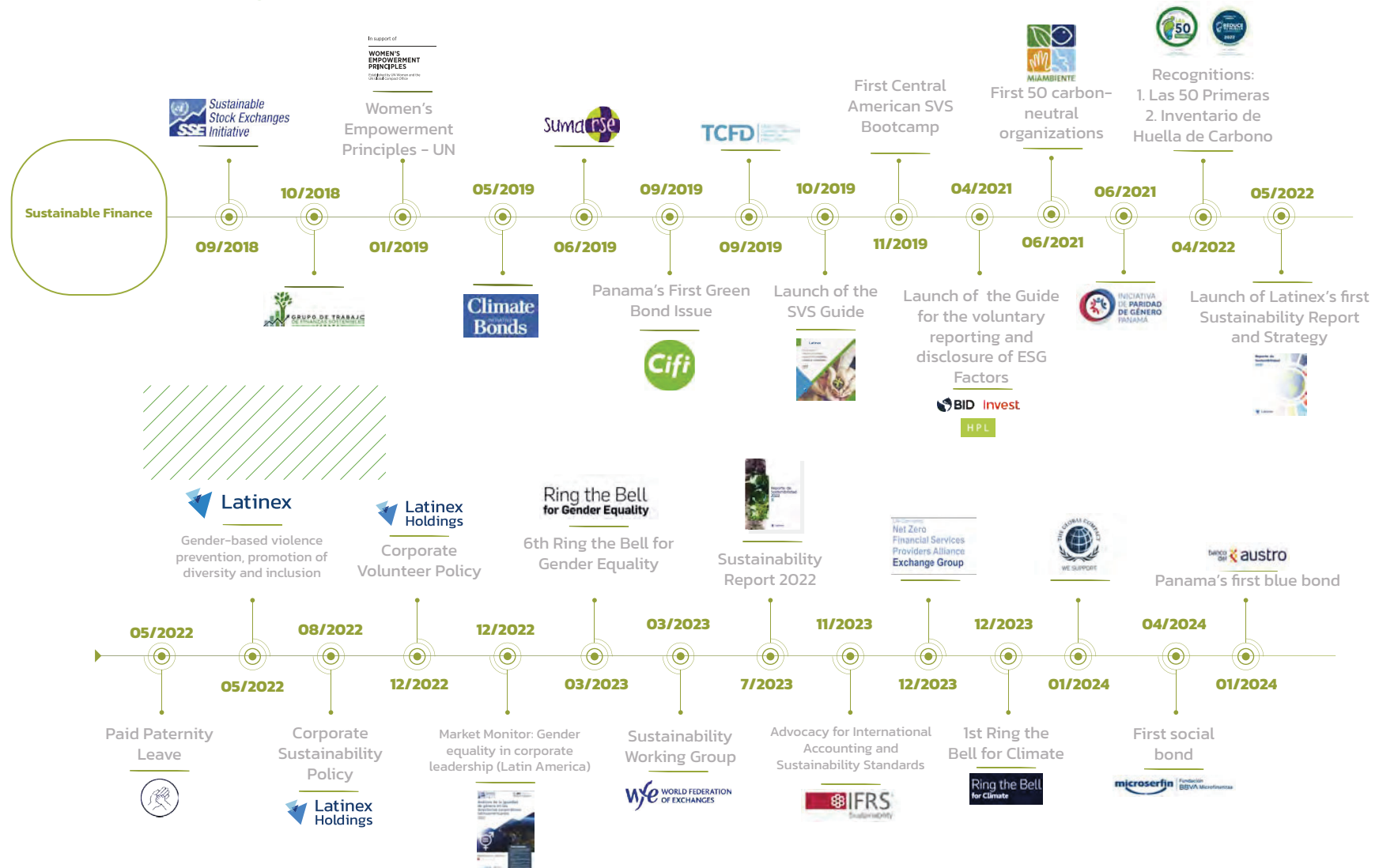
# Strategic Sustainability Priorities



Priority	Strategic Objective 2023-2024
Technology and Digitalization	Enhance service for our internal and external clients by incorporating technological tools that enable better performance and security while keeping us up to date with processes for preventing and managing cybersecurity threats.
Internal Management of ESG Factors	Focus efforts on the transition toward sustainable economic, social, and environmental development, aligned with the highest standards and best practices in the international market. This includes working jointly with our stakeholders to promote best ESG practices.
Human Capital	Develop strategies and implement actions for the well-being of our employees, facilitating a proper balance between professional and personal life, as well as their professional development, with a focus on diversity and equal opportunities.
Sustainable Products and Strategic Services	Develop the stock market through the implementation of new ESG-focused financial instruments and strategic services aligned with the best global market infrastructures.
Relationship to the Market	Strengthen engagement with our stakeholders through the development of innovative, inclusive, and high-quality communication channels that contribute to the growth of relationships and the creation of value for all parties involved. Implement strategies to strengthen stock market education and financial education and inclusion, which will facilitate the establishment of strategic alliances.



# Main milestones in Sustainability



# Process for the Determination of the Material Issues

A selection of our stakeholder groups actively participated in determining the material issues through a materiality analysis carried out with the support of an external consultant in 2021 and the beginning of 2022. In the context of Latinex's operation and business strategy, as well as from our stakeholders' perspectives, the objective was to identify and address the critical ESG issues and to 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 and 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.

## Social and Environmental Materiality

It reflects the company's most significant external impacts on the economy, the environment, and people. It addresses the perspectives 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, 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.

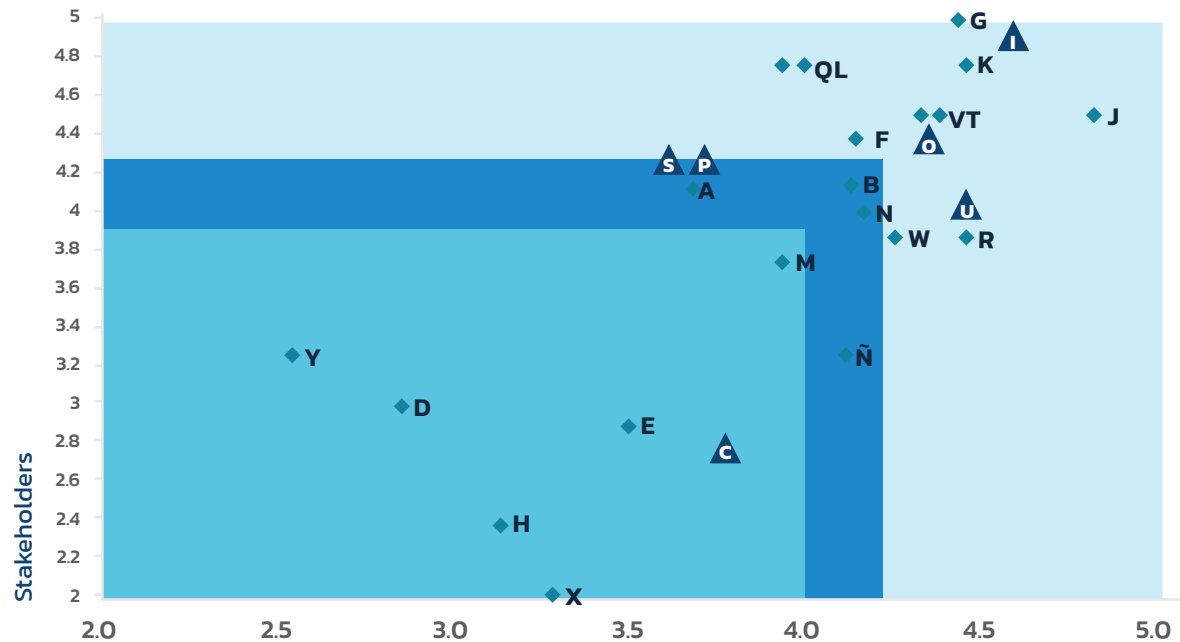
The Company's leading executives also participated in the prioritization exercise.

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 developing industry standards at an international level, we applied the topics the initiative establishes for the Securities and Commodities Exchanges and the related Asset Management and Custody Activities.

# Materiality



## Company Focus

- Material Topics
- Potential Material Topics (Short-term)
- Non-Material Topics

## Financial Materiality



## Material Topics

- N. Topic
- G Brand Positioning
- I Cybersecurity
- K Market Development
- J Regulatory Compliance
- V Financial Information Disclosure and Transparency
- T Corporate Governance
- O Issuer Services
- U ESG Information Disclosure and Transparency
- R Relationship with Authorities
- W Investor Relations
- Q Digital Transformation
- L Operational Risk Management
- F Financial Education
- S Ethics and Anti-Corruption
- P Sustainable Investment Products
- C Diversity and Equal Opportunities

## Emerging Topics

- N. Topic
- N̄ Information Privacy
- N. Product Innovation
- B Attracting and Retaining Employees
- A Employee Training and Development

## Non-Material Topics

- N. Topic
- M Economic Performance
- Y Operational Efficiency
- D Work Environment
- E Community Socioeconomic Development
- H Responsible Supply Chain
- X Climate Change Risks

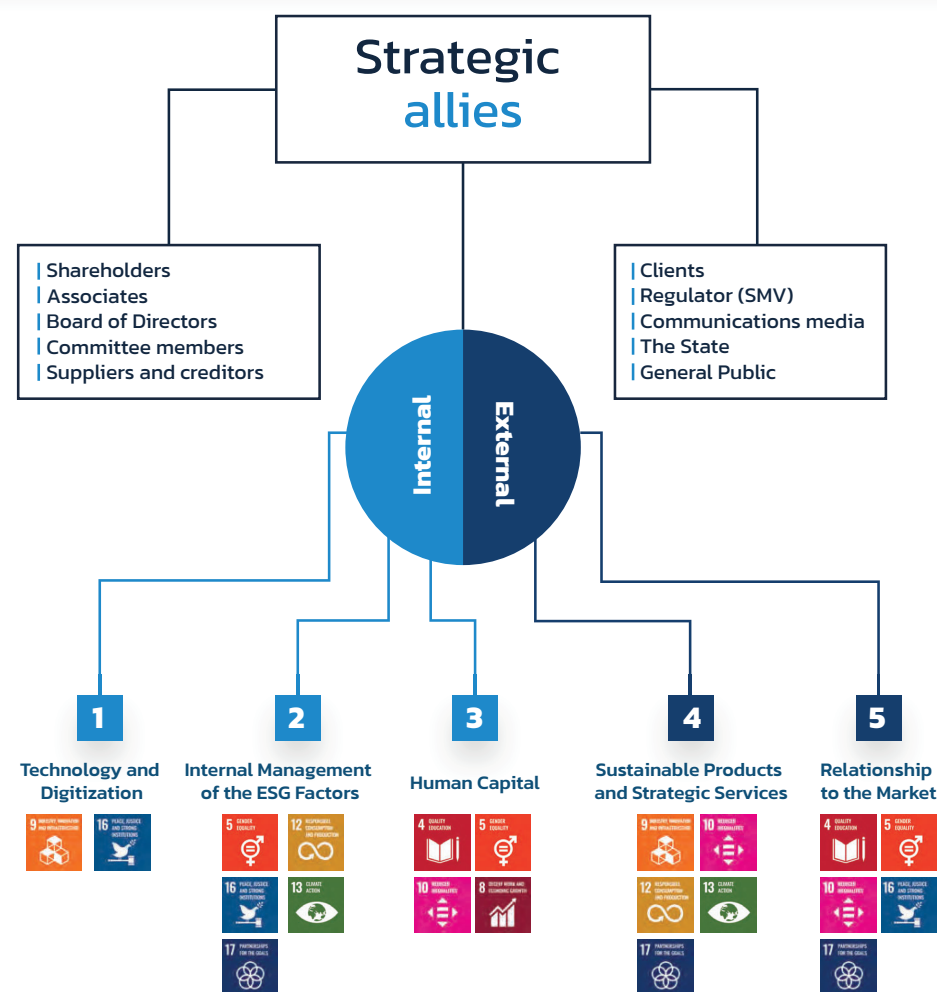


# Relevant Topics for Our Business and the Stakeholder Groups

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

Priority	Correlation with Material Topics
Technology and Digitalization	<ul style="list-style-type: none"> <li>Cybersecurity</li> <li>Digital transformation</li> <li>Operating risks management</li> </ul>
Internal Management of ESG Factors	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Information transparency and disclosure</li> <li>Corporate Governance</li> <li>ESG information transparency and disclosure</li> <li>Ethics and anti-corruption</li> <li>Information privacy</li> </ul>
Human Capital	<ul style="list-style-type: none"> <li>Diversity and equity of opportunities</li> <li>Training and development of associates</li> <li>Attraction and retention of associates</li> </ul>
Sustainable Products and Strategic Services	<ul style="list-style-type: none"> <li>Brand positioning</li> <li>Market development</li> <li>Issuer Services</li> <li>Sustainable investment products</li> </ul>
Relationship to the Market	<ul style="list-style-type: none"> <li>Financial education</li> <li>Relationship with government authorities</li> <li>Relationship with investors</li> <li>Product innovation</li> </ul>

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



Our contribution to the SDGs is broken down throughout this report and can also be found in the Annex specific to each topic.

# Engagement with Stakeholders

Our stakeholders are individuals and organizations that directly or indirectly affect or can be affected by our activities, products, and services. They also include key groups for implementing our business model and achieving strategic objectives through the creation of shared value. These identified groups actively participate in our operations and are fundamental to their continuity.

- Shareholders.
- Members of the Boards of Directors of the Latinex Group companies.
- Members of the Committees of the Latinex Group companies.
- Employees of the Latinex Group companies.
- Strategic Allies (those with a direct relationship that allows business enhancement).
- Suppliers and creditors.
- Clients: Members of the Latin American Stock Exchange, S.A., Participants of Central Latinoamericana de Valores, S.A., issuers of securities listed on the Latin American Stock Exchange, S.A., and those held in custody at Central Latinoamericana de Valores, S.A., other clients of services provided by our subsidiaries.
- State
- Regulator: Superintendency of the Securities Market
- Media
- General Public

Likewise, we have declared the following principles, detailed in the Corporate Governance Code of Latinex Holdings and its subsidiaries, underpinning our relationship with our stakeholders.

## Principle of honesty

Requires that transparency, fairness, and confidentiality prevail

## Principle of diligence

Requires that any action be taken promptly, with care, objectivity, impartiality, and the professionalism demanded by the position

## Principle of loyalty

Involves complying with internal rules, policies, and regulations, prioritizing the interests of the Latinex Group, its shareholders, and the investing public over personal interests.

# Engagement with Stakeholders

In our engagement with stakeholders, we aim to maintain:

Respect between all parties for all rights recognized by law, through policies, codes, or internal regulations, and those acquired through contracts.

Open communication channels that foster the best relationships and professional growth for all parties based on knowledge and experience.

Analysis and evaluation of each situation with a commitment to continually evolving towards better practices.

In this regard, we have a series of established communication channels, as outlined below, which allow us to regularly understand the diverse needs and expectations, facilitating the structuring of specific value propositions for each of them:

Category	Subcategory	Value proposition	Communication channels and interaction scenarios
Shareholders	Class A shareholders	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.	<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>
	Class B shareholders	To work in a highly regulated ecosystem with strict operating criteria (brokerage firms).	
	Any other shareholder class allowed for by the Corporate Charter	A wager on the development of products and services linked to sustainable issues, (e.g., green bonds), attending to growing business opportunities.	

Category	Subcategory	Value proposition	Communication channels and interaction scenarios
Members of the Board of Directors and committee members	Directors	Participation in a corporate-governance structure which adheres to the best international practices.	<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</li> <li>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 Work plans of the committees</li> <li>Questionnaires / evaluations 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>
	Independent directors		
Associates	Committee members		
	Managers and assistant managers	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.	<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</li> <li>Invitations to the forums and events of the Latinex Group</li> <li>Communiqués from the Human Capital Department</li> <li>Relevant group information</li> <li>Extended meetings</li> <li>General and informative in offices</li> <li>Direct contact with the Human Capital Department</li> <li>Weekly managers, assistant managers, officers in area HQs and internal audit</li> <li>Diverse information communicated through e-mail and other media</li> </ul>
Suppliers and creditors	Officers Coordinator		
	Administrative personnel		
	Operative personnel		
	Auditing personnel		
Suppliers and creditors	Strategic and non-strategic	To build long-term relationships, through transparency and fairness	<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>



Category	Subcategory	Value proposition	Communication channels and interaction scenarios
<b>Clients</b>	• Latinex exchange-seat holders	To offer a trustworthy operations infrastructure and the attractiveness of a growing market	<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</li> <li>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>
	• Latinclear participants	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	
	• Issuers		
	• Other clients		
<b>The State</b>	• Government authorities	Contribution to the socioeconomic development of the country, under criteria of general interest collected in the process of complying with applicable legislation and regulations	<ul style="list-style-type: none"> <li>Audits and other analytic processes</li> <li>Norms compliance reports</li> <li>Initiatives requirements or joint</li> <li>Work-programs report</li> <li>Forums and other relevant Latinex Group events</li> <li>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>		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.	<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>
<b>Strategic allies</b>	• Allies in ESG-related topics	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.)	<ul style="list-style-type: none"> <li>Participation and direct communication among market actors through ordinary and extraordinary meetings</li> <li>Commissions or committee-related work meetings</li> <li>Invitations to specific events</li> <li>Press releases and specific, relevant information</li> <li>Initiatives requirements or joint work-programs report</li> <li>Internal and for third-parties' Educational sessions</li> <li>Positive market and country news newsletter (as applicable)</li> <li>Website and social media,</li> <li>Sustainability Report</li> <li>Communications through e-mail and other communications media</li> </ul>
	• Allies in industry-sector associations	To work together to develop markets, including addressing business-model risks and opportunities, based on shared positions and efforts.	

Category	Subcategory	Value proposition	Communication channels and interaction scenarios
<b>Public communications media</b>	• Traditional 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.	<ul style="list-style-type: none"> <li>Press releases</li> <li>Invitation to forums and other group events</li> <li>Direct dialogue with company spokespersons</li> <li>Annual report</li> <li>Financial statements (annual)</li> <li>Monthly and quarterly results</li> <li>Newsletters</li> <li>Website and social media</li> <li>Sustainability Report.</li> </ul>
	• Digital media	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.	
<b>The public in general</b>		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.	<ul style="list-style-type: none"> <li>Exchange markets educational programs</li> <li>Campaigns through diverse communications media</li> <li>Forums and events open to the public</li> <li>Initiatives with allies</li> <li>Annual report</li> <li>Financial statements (annual)</li> <li>Monthly and quarterly results</li> <li>Newsletters</li> <li>Website and social media</li> <li>Ethical complaints channel</li> <li>Sustainability Report</li> </ul>
		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.	



# Associations and Organizations

We actively participate in various sustainability initiatives and collaborate with local, regional, and international organizations that enable us to advance our strategy and commitments to sustainability and other actions related to our management, identifying additional opportunities for supporting the market.



**World Federation of Exchanges (WFE):** The WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents over 250 market infrastructure providers, including independent CCPs not part of exchange groups.



**UN Sustainable Stock Exchanges Initiative (SSE):** Since 2019, we have been an "official supporter" of this initiative. That same year, we led the advisory group to develop the guide "How exchanges can embed sustainability within their operations." In 2022, we participated in the "Net Zero Comment Group" working group, aiming to contribute to creating net-zero targets for stock exchanges to achieve carbon neutrality. Additionally, we continue to participate as a member of the Independent Advisory Committee, represented by the Executive President of Latinex. Through our involvement with the SSE, we seek to promote the development of the capital market based on the best standards for sustainable investment, incorporating environmental, social, and governance factors.



**UN Global Compact:** The world's largest corporate sustainability initiative, supported by the United Nations, encompasses the organization's principles and values. It is uniquely positioned to foster collaboration with the goal of achieving and enhancing solutions to global challenges.



**International Sustainability Standards Board (ISSB):** This is a recent but essential body in the world of finance and sustainability, part of the IFRS Foundation. This board published the new S1 and S2 standards in June 2023, aiming to establish a global foundation for disclosing sustainability-related financial information due to the high demand for a uniform understanding of how sustainability factors affect business outlooks.



**Net Zero Financial Service Providers Alliance (NZFSPA):** A global group of service providers committed to supporting the goal of net-zero global greenhouse gas emissions by 2050 or earlier, in line with the ambition of limiting global temperature rise to 1.5°C above pre-industrial levels. Latinex is the second stock exchange in Latin America to join this NZFSPA alliance, which is part of the Glasgow Financial Alliance for Net Zero (GFANZ).



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**Women's Empowerment Principles (WEPs):** Aligned with our commitment to work towards gender equality in all areas where we can make an impact, both internally and toward issuers.



**Task Force on Climate-related Financial Disclosures (TCFD):** We support this initiative to promote transparency among issuers in managing climate-related risks and opportunities.



**Association of Capital Markets of the Americas (AMERCA):** This association includes the stock exchanges of Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the Dominican Republic. It represents the evolution of BOLCEN, resulting from the integration of stock exchanges in South American countries.



**Panama Sustainable Finance Working Group (GTFS):** This group brings together representatives from all financial sector segments in collaboration with the government. Latinex has been a founding member and promoter of the GTFS since its establishment in 2018, and we currently hold the Technical Secretariat role.



**Sumarse – Global Compact Network Panama:** A space for learning and exchanging best practices in sustainability and corporate social responsibility (CSR) in Panama. It allows us to demonstrate leadership in promoting universal principles and the responsibility of companies to make the global economy more sustainable and inclusive. It also facilitates participation in dialogues addressing the world's critical challenges and enables risk management through a proactive approach to critical issues. In 2023, Latinex participated as a sponsor of the 12th CSR Week of Sumarse, under the theme "People, Planet, Prosperity."



**Gender Parity Initiative (IPG):** This is a public-private partnership led by the Ministry of Social Development in collaboration with the IDB and the World Economic Forum. Through a coordinated national strategy, it aims to promote increased labor participation of women, reduce the gender pay gap, and encourage women's participation in leadership positions within companies.



**Panama Institute of Corporate Governance (IGCP):** A non-profit organization that promotes good corporate governance practices in Panama and is part of a network of Institutes in Latin America, promoted by the IFC (International Finance Corporation) and the GCGF (Global Corporate Governance Forum). Its primary mission is to maintain the dynamism and leadership that make it a reference in corporate governance, adding value to society in transparency issues, with the vision of being the leading center in Panama for training, dissemination, research, and knowledge sharing regarding corporate governance practices.



**Ibero-American Federation of Exchanges (FIAB):** We participate in the Sustainability Working Subgroup, which promotes and develops sustainable finance in the Ibero-American stock exchanges and capital markets, fosters interaction among entities, and contributes to achieving the Sustainable Development Goals.



**American Chamber of Commerce and Industries of Panama (AmCham):** A non-profit, apolitical association whose primary objective is to promote trade and investment between Panama and the United States. It is affiliated with the U.S. Chamber of Commerce and the Association of American Chambers of Commerce of Latin America and the Caribbean (AACCLA). In this association, we are part of the Sustainability Committee.

# Technology and Digitalization

## Strategic Objectives

### 1.1

Promote a digital transformation that generates value for our stakeholders

#### Related Indicators

- Implementation of a new custody system (CSD) for Latinclear.
- Upgrade of the NASDAQ ME trading system and cloud deployment.
- Implementation of a Business Process Management system.

### 1.2

Manage cybersecurity risks to ensure the integrity and confidentiality of data, as well as the availability of information systems.

#### Related Indicators

- Strengthening of the security framework.
- ISO 27001 Certification.



# Information Systems

GRI Content [3-3, 203-1]

SASB Content [FN-EX-410a.2]

With 100% of transactions generated through our automated trading systems, we recognize that technology is a fundamental pillar for operational efficiency, reputational transparency, and ensuring business continuity. It provides security and speed in operations and generates value for issuers, brokerage firms, and investors.

As the Latinex Group, we aim to become an international financial hub. To achieve this, it is crucial to continue digitalizing our main processes for issuers and users and reviewing and standardizing operational workflows.

To provide greater functionality for our users and facilitate better access to stock market information, we invested USD 695,604 in technology and digital infrastructure during this period. Additionally, in 2023:

The "Latinex Virtual" portal was launched to automate and digitize various processes and services offered by the Company's Subsidiaries. Additionally, the first workflow was introduced on the "Latinex Virtual" portal to facilitate hybrid inspections for brokerage firms and participants.

We continued working on the upgrade in preparation for the transition to the cloud of our matching engine (NASDAQ ME), in line with international market best practices. This transition will enable dynamic scaling of transactional levels, offering greater functionality for issuers, associated brokers, and users.

We worked on the design, programming, and construction of the Group's websites, which were planned for production release and launch in 2024.

We automated the transmission of reports from organizations regulated by the Superintendence of the Securities Market (SMV) to our subsidiaries, reducing wait times in internal processes and avoiding submission duplications.

# Data Management and Cybersecurity

GRI Content [3-3, 418-1]

SASB Content [FN-EX-550a.2]

We understand the importance that data management represents for our operations and the trust of our issuers and users in having information systems and solid procedures that allow reliable levels of operation and digital assets shielded against any type of threat.

Our senior management's commitment plays a key role in fostering a strong internal culture focused on strengthening our systems and IT processes. We are dedicating increased efforts and resources to bolster these systems while ensuring that our collaborators are trained in the latest technologies and industry best practices. Additionally:

Through internal regulation, we ensure compliance with the security framework for the SWIFT transactional platform, implementing controls and monitoring systems for detecting unusual and fraudulent activities.

Our cybersecurity systems and protocols were aligned with the best market practices at the international level. Our Nasdaq ME system and related secondary systems have the ISO27001:2022 cybersecurity certification.

Penetration tests (Pentest) were conducted to identify vulnerabilities in our systems.

Our prevention culture was strengthened through continuous awareness and training for our collaborators on cybersecurity and data protection.

Our Anti-Phishing and Anti-Spam policies on the Cloud Exchange Platform were strengthened.

The first phase of implementing our password management platform was initiated.





# Policies Supporting Cybersecurity and Information Security Management



Policy	Description
Information Security Policy	Describes the controls implemented to ensure the security and privacy of information.
Email Use Policy	Establishes guidelines for the secure use of email communications.
Clean Desk Policy	Manages the handling of all confidential or sensitive internal documents within the user workspace.
Password Policy	Protects information and our confidential systems by ensuring the implementation of secure passwords.

In 2023, we approved the modification of our Data Protection Policy, expanding its scope to include photographs, recordings, and information collected during corporate events, as well as the processing of personal data of minors.

This policy outlines our protocols and necessary mechanisms to ensure the integrity, protection, and confidentiality of the personal data of our users, issuers, and groups of stakeholders that we manage. Our policies are adjusted to integrate these protocols, covering data collected digitally through physical devices and electronic means or in printed documents.

These procedures allow us to prioritize security in the processing of personal data involved in the operations of our subsidiaries and enable us to identify potential leaks and breaches within our information systems. If any such occurrences arise, our processes ensure that they are handled within 72 hours:

- **Notifying the responsible personal data owner.**
- **Identifying the data compromised by the incident.**
- **Outlining the following steps and necessary corrective actions.**

During this period, we did not record customer complaints through the Superintendence of the Securities Market of Panama (SMV) related to data leaks or privacy breaches. Likewise, we did not experience any breaches of our information systems.



# Operational Continuity

We aim to continue strengthening our systems and processes to ensure the transparency, efficiency, and continuity of all transactions we facilitate daily. We have implemented actions to prevent technological errors or security breaches in our IT systems that could disrupt our operations and the transactions of issuers or users. We comply with Law 81 of March 26, 2019, which regulates the protection of personal data, maintaining policies for the treatment of personal data stored in our internal databases.

The Manual for the Prevention of Money Laundering, Terrorism Financing, and Financing of the Proliferation of Weapons of Mass Destruction details monitoring processes concerning market events, such as price changes of instruments resulting from stock market transactions.

In 2023, we assessed the status of our Business Continuity Management System based on the ISO 22301 Standard, which allowed us to design a Roadmap that will support the implementation of our Business Continuity Plan and facilitate the alignment of our processes and protocols with the Standard.

This year, our operations continued without interruptions or pauses in the transactions carried out by our subsidiaries or issuers. Likewise, we received no legal complaints or sanctions related to our operations.

# Internal Management of ESG Factors

We manage our impacts on the economy, society, and the environment in an integrated manner, incorporating Environmental, Social, and Governance (ESG) factors at all operative levels. We apply international best market practices and work closely with our stakeholders to promote these practices. We have established strategic ESG objectives that we monitor through performance indicators, ensuring effective and transparent management throughout the period.

In this regard, during 2023, we worked to achieve the following strategic objectives:

## Strategic Objectives

### 2.1

Accelerate the transition to a low-carbon market by making efforts to reduce our carbon footprint towards neutrality.

#### Related Indicators

- | Annual measurement of Latinex's Carbon Footprint (t CO<sub>2</sub> eq/year).
- | Implementation and monitoring of the action plan to achieve carbon neutrality by 2050.

### 2.2

Ensure that all our corporate events are Carbon Neutral.

#### Related Indicators

- | Number of events.
- | Carbon Footprint of events (t CO<sub>2</sub> eq/event).
- | Compensation of GHG emissions (t CO<sub>2</sub> eq/event).

### 2.3

Analyze our climate risks and opportunities in accordance with TCFD recommendations.

#### Related Indicators

- | Climate change risk catalog based on TCFD recommendations.
- | Development of a sustainability matrix (including social and economic risks related to sustainability).

### 2.4

Ensure the annual reporting and disclosure of our own ESG factors and continue promoting best practices and global standards for the preparation of voluntary disclosure reports.

#### Related Indicators

- | Annual publication of the Latinex Holdings Sustainability Report.
- | % of issuers with ESG reporting and disclosure.

### 2.5

Strengthen Corporate Governance standards aligned with international market best practices.

#### Related Indicators

- | % of women's participation on the Group's Board of Directors.
- | % of women's participation on the Boards of Directors of issuers and brokerage firms.
- | Annual review of the Code of Ethics and Conduct of Latinex Holdings, Inc. and its subsidiaries.
- | Unification of the Corporate Governance Committee and the Sustainability and CSR Committee.
- | Annual performance evaluation of the Board of Directors, its Directors, and Permanent Committees (external verification).

### 2.6

Engage our employees in sustainability programs and actions.

#### Related Indicators

- | Development and implementation of the Latinex Corporate Volunteering Program.

# Environmental Impact

In 2023, we continued implementing our roadmap and Action Plan towards Carbon Neutrality by 2050, framed under our declaration “The Top 50” and the Corporate Carbon Footprint Reduction Program of the Ministry of Environment (MiAmbiente). Additionally, we have an Environmental Policy that operationalizes this commitment, establishing our framework for action in respect and protection of the environment, as well as our emission mitigation strategies and actions that lead us toward building a sustainable stock market.

## Focus

Promote thematic issuances, including sustainable and green bonds, where the capital raised is directed towards reducing environmental impacts (e.g., more eco-efficient technologies and renewable energy generation).

Encourage transparency in issuers' ESG performance, thus in the management of environmental topics and the monitoring of their actions, including environmental practices.



## Climate Action

We recognize the great importance of promoting financing opportunities to address climate change and implementing sectoral measures for mitigation and adaptation to these new challenges.

At Latinex, we reaffirm this commitment by carrying out the first Climate Bell Ringing event, thus joining over 25 stock exchanges participating in this initiative led by the World Federation of Exchanges (WFE) during the United Nations Climate Conference (COP28). Additionally, we promote collaboration and collective action against climate change in the following ways:

Joining the Net Zero Financial Service Providers Alliance (NZFSPA).

Supporting the appointment of our Executive President, Olga Cantillo, to the Advisory Council for the Latin America and Caribbean Network of the Glasgow Financial Alliance for Net Zero (GFANZ) and celebrating the launch of this chapter with the First Climate Bell Ringing.

Committing to promote adopting and using Climate-Related Disclosures (IFRS S2) from the International Sustainability Standards Board (ISSB).

Encouraging and supporting thematic issuances by our issuers through our Guide for the Issuance of Social, Green, and Sustainable Negotiable Securities.



# Energy Management and GHG Emissions

Regarding our emissions, we remain aligned with our roadmap's commitments and strategic objectives towards carbon neutrality before 2050. In 2023, we conducted our second Greenhouse Gas (GHG) inventory for the operations of our two subsidiaries. To achieve this, we applied the methodology of the Greenhouse Gas Protocol (GHG Protocol), which is expressed in tCO<sub>2</sub>e and takes into account:

- | **Scope 1 emissions: Fuels used in offices, vehicles, and refrigerant gases.**
- | **Scope 2 emissions: Electricity consumption.**

During the 2022 management, we achieved a 35% reduction in our emissions from mobile sources, representing most of our total direct Scope 1 emissions.

Total Scope 1 Emissions (tCO <sub>2</sub> e)				
	Mobile	Stationary	Fugitive Emissions	Total
2021	5.55	0.59	5.22	11.36
2022	3.63	0.00	0.42	4.05

Despite recording a 45% increase between 2021 and 2022 in our Scope 2 indirect emissions, mainly due to the return of our employees to in-person work, the reduction in our Scope 1 emissions, which were 64% lower compared to 2021, kept us on a downward trend, achieving a 23% reduction in our total emissions.

Total Scope 1 and 2 Emissions (tCO <sub>2</sub> e)				
	2021	2022		
Scope 1:	11.36	4.05	t CO2 eq/year	
Scope 2:	6.85	9.91	t CO2 eq/year	
Total	18.21	13.95	t CO2 eq/year	

Note: The data presented in this report reflects the Carbon Footprint for 2022, calculated based on the conversion factor provided by the National Energy Secretariat of Panama. Ensuring methodological consistency and comparability, the results of the 2023 Carbon Footprint will be calculated based on the 2023 conversion factor as soon as it becomes available and will be communicated through our website.



In addition to our mitigation actions, in 2023 we managed to offset 100% of the carbon footprint of our flagship events: the 50th General Assembly and Annual Meeting of the Ibero-American Federation of Exchanges (FIAB) and the 2023 Investors Forum, an action that OVV Versa subsequently verified.

Regarding the increase in Scope 2 emissions, in 2022, our total electricity consumption was 96,183 kWh.

Energy Consumption		2021	2022	2023
Electricity	Interconnected System (kWh)	66,471.44	96,183.00	103,754.00

## 2021



"First 50" Seal for the Latinex Group's commitment to achieving carbon neutrality by 2050, as part of the declaration of the "Top 50 Carbon-Neutral Organizations" by the Ministry of Environment (MiAmbiente).

## 2022



Carbon Footprint Inventory Recognition 2021 by the Corporate Carbon Footprint Reduction Program (RTH Corporativo) of the Ministry of Environment (MiAmbiente).

We developed an Action Plan to achieve carbon neutrality by 2050, which includes:

- Conducting an annual greenhouse gas (GHG) emissions inventory.
- Establishing mitigation measures aimed at reducing our GHG emissions.
- Implementing offset measures if emissions cannot be reduced.
- Monitoring the progress towards our goals and overseeing the stability of the achieved reductions.

## 2023

The board, composed of MiAmbiente, the Panamanian Capital Market Association (APAMEC), and the Ministry of Economy and Finance (MEF), selected us as the operating company of the National Carbon Market (MNCP).

Received the Carbon Footprint Inventory Recognition 2022 by the Corporate Carbon Footprint Reduction Program (RTH Corporativo) of the Ministry of Environment (MiAmbiente).

Maintained our "Top 50" seal for our commitment to achieving carbon neutrality by 2050, as part of the "Top 50 Carbon-Neutral Organizations" declaration.

Joined the Net Zero Financial Service Providers Alliance (NZFSPA).

Participated in the collaborative process among the public and private sectors, financial sector, academia, civil society, and international organizations, acting as technical leaders for developing the Panama Sustainable Finance Taxonomy.

Developed a comparative analysis of Sustainable Finance Taxonomies (Colombia-EU Taxonomies).

Member of the Advisory Group for creating the UN SSE Guide "How Exchanges Can Maximize Opportunities of Carbon Markets".

With the support of the management company Renuevo Panama and the PREAL Project, we managed 1,156.89 pounds of electronic waste for recycling and final disposal.

Created an internal action plan to achieve carbon neutrality by 2050 by applying science-based targets.

## Milestones and Recognitions



# Social Management

At Latinex, we recognize our vital role in the transition towards sustainable development. For this reason, we actively participate in spaces and activities that strengthen the social fabric in our areas of influence, primarily through synergistic work with social actors that promote gender equity, corporate volunteering, and donations to important causes to the Panamanian population. Below, we present our community and social contributions made during 2023.

**For the third consecutive year, we participated as a sponsor of the Mentoring Walk 2023 of the Voces Vitales Foundation.**

To commemorate International Women's Day, the Voces Vitales Foundation organized the Mentoring Walk in Panama, which is celebrated globally in more than 117 cities. During this event, more than 150 women, including leaders and women with leadership potential in companies and other fields, are paired as mentors and mentees to promote their empowerment.



**We support the empowerment of adolescent women through the "Las Claras" Program of the Voces Vitales Foundation.**



We have supported the "Las Claras" Program of the Voces Vitales Foundation for more than five years as part of our commitment to gender equality and empowering women and young people. This program aims to train adolescent women, removing the barriers that prevent the development of their personal and professional potential, even when they are teenage mothers.

In 2023, our support significantly impacted five teenage mothers from the Las Claras Center in Felipillo. These young women had the opportunity to graduate with a high school diploma in commerce with a specialization in accounting, which allowed them to continue their education and professional development.

Since 2016, we have also collaborated with the Voces Vitales Foundation's "Mi Primer Empleo" program. This program offers young women who benefit from the "Las Claras" program the opportunity to enter the workforce as interns after graduation.

**To date, seven young women from the Las Claras Program have completed their professional internships at Latinex, and one of them continues to work here.**

The ongoing and coordinated collaboration between Latinex and the Voces Vitales Foundation demonstrates both organizations' shared commitment to empowering teenage women and supporting their entry into the labor market.

**We contribute to the empowerment of women through the Calicanto Foundation.**

For over seven years, we have continuously collaborated with the various programs of the Calicanto Foundation, providing direct financial support for the development of empowerment and comprehensive training programs aimed at women in situations of social vulnerability. This collaboration has enabled the beneficiaries to access high-quality non-formal education, helping them enhance their personal, professional, and social skills through knowledge transfer on various topics.

The contribution made during 2023 directly impacted 5 women beneficiaries of CAPTA. These women will complete their development cycle with the Foundation, progressing through CAPTA, Conexiones, and Agentes de Cambio, including gender violence prevention so that they can raise awareness among other community members. This process generates social capital for the human development of the beneficiary communities.

**We provided tickets to the MAC Gala 2023, an initiative of the Museum of Contemporary Art celebrating its 60th anniversary.**

MAC Gala is the premier event that allows MAC to raise the necessary annual funds to implement the Museum of Contemporary Art of Panama's free art and education programs. In 2018, a new format for the MAC Gala emerged: How would a gala in Panama look with our climate, rhythms, gastronomy, and particularities? This led to a much more Panamanian concept, with tropical sophistication, filled with beauty, art, and emotions.

**We sponsored the 12th CSR Week of strategic partner SumaRSE**

During this event, our Executive President, Olga Cantillo, participated in a panel titled "The Future of Sustainability Reporting: From Voluntary to Regulation," where new and innovative tools driving sustainability within and outside of companies were discussed. [Learn more here](#)



## | Relevo por la Vida by Fanlyc Foundation

As part of our ongoing commitment, we once again joined the "Relevo por la Vida" race through our corporate volunteers. Their participation stood out this time, with over 197 laps completed, equivalent to over 591 kilometers. This effort significantly contributed to the foundation's goal of achieving 75,000 laps in 24 hours (225,000 km) among all participating teams, aiming to cover the distance from the Earth to the Moon by adding up all results nationwide.



"Relevo por la Vida" aims to accumulate kilometers of love to support children and adolescents with cancer. Fanlyc uses the resources generated by the race to provide transportation for patients and their families to hospitals, lodging, medication, food, and psychosocial support services. This initiative has a positive impact on more than 500 families facing the difficult situation of childhood cancer.

## | We joined the Teletón 20-30, organized by the Club Activo 20-30

The 2023 Teletón aimed to strengthen the breastfeeding network at the Lourdes Tzanetatos Hospital and José Domingo de Obaldía Hospital Milk Banks and equip milk banks nationwide with new technology. This project includes enhancing the collection and distribution points and optimizing the cold chain for transporting breast milk.

The initiative seeks to improve the infrastructure and processes related to breastfeeding, ensuring better access and care for breastfeeding mothers and their babies in Panama.

In the 38th edition of this charitable event, Club Activo 20-30 set a fundraising goal of USD 2,538,020. As part of our tradition, we once again contributed to help achieve this goal, supporting the promotion and strengthening of breastfeeding in Panama.

## More notable milestones in 2023 included

- Development of the Environmental Policy and the Human Rights Policy of Latinex Holdings, Inc. and its Subsidiaries.
- Formalization of the Latinex-ADP Collaboration Agreement aimed at increasing the participation of women on boards of directors, based on the provisions of Law 56 of 2017. This was complemented by recognition as one of the companies in the Issuer Sector in Panama with the highest number of women on its Board of Directors.
- ADP Recognition: Issuers in Panama have the highest number of women on their Board of Directors.
- During Latinex's flagship event, the Investors Forum, we awarded the Market Champions with the new ESG Awards, which include categories such as commitment to voluntary ESG reporting and disclosure, diversity and inclusion, gender equality, and environmental protection.
- Participated in various working groups on sustainable finance with strategic partners (WFE Sustainability Working Group, UN SSE, FIAB, AMCHAM, GTFS Panama, among others).
- Bell Ringings for Gender Equality, Financial Education, and Climate Action.
- Launched the second Latinex podcast on sustainability. Edition #9: ESG Disclosure and International Sustainability Standards.



# Risk management

At Latinex Holdings, comprehensive risk management is a fundamental pillar of our corporate strategy. Our long-term commitment is to continuously strengthen it by establishing robust processes that support the trust of our issuers and our stakeholders in the market operations we manage.

Within our Corporate Governance structure, a Risk Committee is responsible for establishing and overseeing the processes for identifying, mitigating, and managing the risks inherent to our corporate operations. Our management principles and guidelines are based on the ISO/IEC 31000 standard and international best practices.

During 2023:

We implemented a self-assessment methodology related to anti-money laundering risks, expanding our understanding of the established controls and our level of exposure to such risks.

We updated the processes and controls that support our operational risk management.

We evaluated our Business Continuity Management System, resulting in the design of a roadmap aligned with the ISO 22301 Standard.

## Principal Risks

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

## Emerging Risks

- Risks related to telecommunicating (cybersecurity)
- Climate change



Currently, we do not have an exercise for identifying opportunities and risks derived from climate change. We are executing a joint strategic plan between our Risk and Sustainability areas to carry out this exercise and communicate its results within the upcoming reporting periods.

Our Board of Directors holds quarterly meetings, during which the Sustainability and Social Responsibility Committee reports on the impacts generated by our operations and the management of ESG factors that affect our business activities.

# Corporate Governance

Our corporate governance system has been structured to safeguard business decisions, provide stability to the Company, and ensure its sustainability over time. The goal is to continue creating value for our shareholders and other stakeholders.

Our corporate governance system is relevant to the strategic objectives of the organization because it enables:

- Clear identification of the responsibilities, duties, and rights of each of its bodies and control entities (Shareholders, Board of Directors, Board Committees, Senior Management, and Employees).
- Support the Board of Directors in reviewing, assessing, and in the ongoing oversight of the subsidiaries' accounting, financial, and risk control systems.
- Establishment of a clear framework for identifying, verifying, and controlling risk, which is a critical factor in the management of strategic projects.
- Timely review of projects by permanent or temporary Committees, according to the needs of our subsidiaries.

Below, we outline the guidelines and policies that govern and guide good corporate governance, which can be consulted here:

- Bylaws of Latinex Holdings Inc., Latinex, and Latinclear.
- Social Pact.
- Code of Ethics and Conduct.
- Corporate Governance Code.
- Code of Ethics and Conduct for Suppliers
- Shareholders' Registration and Due Diligence Policy of Latinex Holdings, Inc.
- Personal Data Protection Policy.

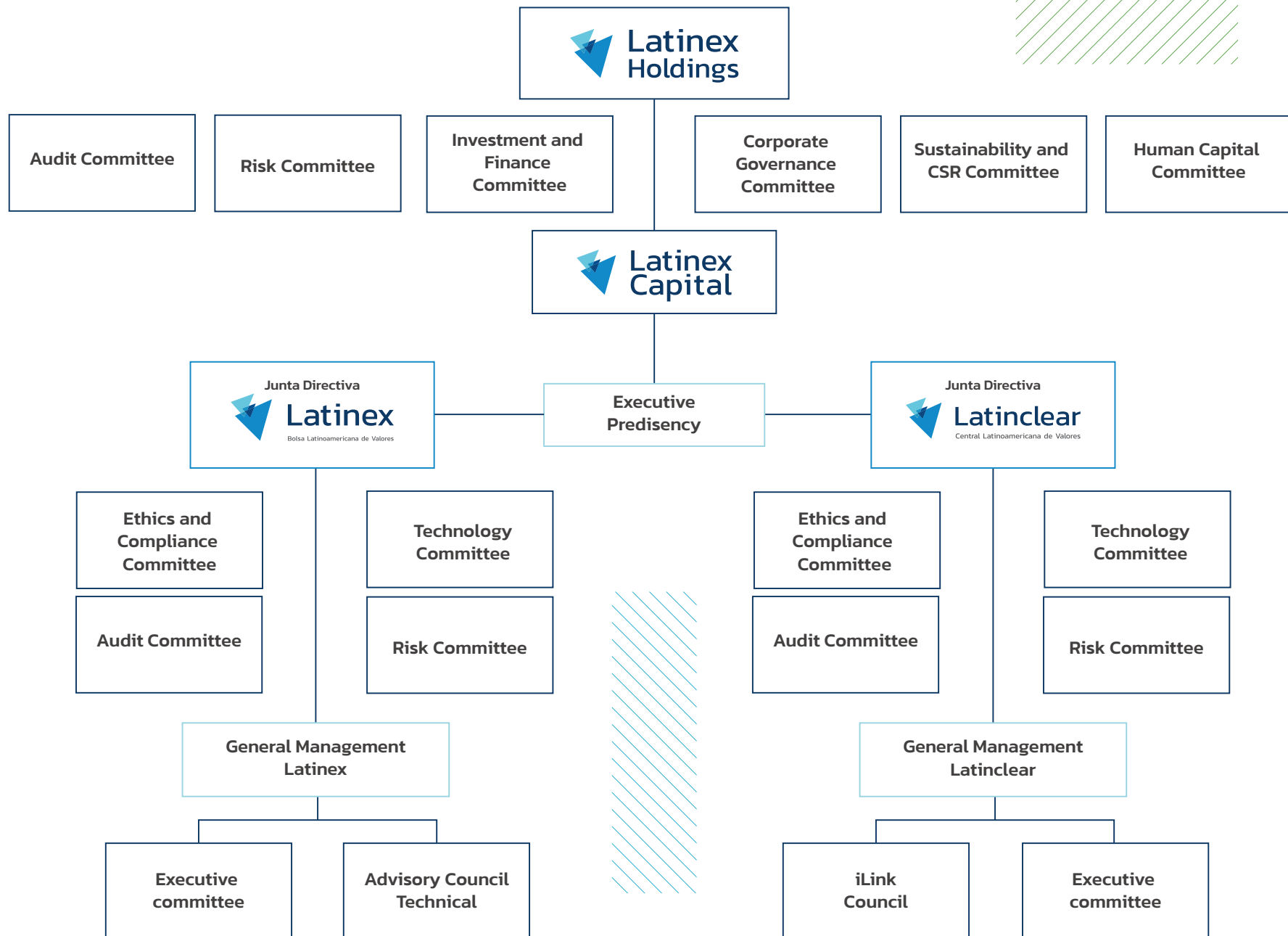


These documents are organized according to international recommendations and applicable local regulations. Additionally, they are constantly reviewed and/or updated to ensure alignment with best practices and international standards.

Moreover, as part of our activity plan, we have an annual training and awareness program aimed at the Board of Directors, External Committee Members (Marielena García-Maritano, Rafael Moscarella, Jorge Cano, Alejandro Carbonell), and employees to ensure the effective implementation of these policies. Additionally, we present various cases to the Corporate Governance and/or Ethics and Compliance Committee for their consideration and updates to the regulations in line with other international and/or local standards.

We recognize that corporate governance issues are constantly evolving. At the end of 2023, we identified the need for internal training on the new corporate governance principles issued by the Organization for Economic Co-operation and Development (OECD). Therefore, in 2024, we will initiate this training phase to align our internal regulations with international standards and, if necessary, establish a roadmap for their adaptation.

# Structure of the Latinex Group



# General Shareholders' Meeting

Latinex Holdings, Inc. has two share classes: Class B Shares with political and economic rights, and Class A Shares with economic rights. No Class B shareholder may hold, directly or indirectly, more than 5% of the issued and outstanding shares of Latinex Holdings, Inc.

Both classes of shares are publicly traded on the Latin American Stock Exchange, S.A. (Latinex), and registered with the Superintendence of the Securities Market under the tickers LTXH and LTXHB. The General Shareholders' Meeting is held annually, within 120 calendar days after the end of the fiscal year (December 31 of each year).

Shareholders have rights and expected conduct established in the Social Pact, the Bylaws, and the Corporate Governance Code, including the following:

- | The right to be summoned to the General Shareholders' Meeting following legal formalities, the social pact, and the bylaws.
- | The right to nominate candidates for director and independent director positions at each annual General Shareholders' Meeting.
- | Elect the members of the Board of Directors.
- | Receive the information or documentation relevant to the General Shareholders' Meeting within the time frame deemed sufficient by the Board of Directors for analysis and participation.
- | Approve decisions to amend the Social Pact.
- | Approve mergers or consolidations with other companies.
- | Pledge, mortgage, or otherwise encumber or guarantee the company's movable or immovable assets to secure third-party obligations, except when such third parties are subsidiaries or affiliates.
- | Sell, exchange, or otherwise dispose of all, or substantially all, of the company's assets.
- | Dissolve the company.
- | Remove directors from their positions.
- | Annually review the financial statements presented by the Board of Directors.
- | Any other rights assigned by the Law, the Social Pact, and the Bylaws.
- | Additionally, we have a Policy for Shareholder Registration and Due Diligence.



# Board of Directors

Our Board of Directors is composed of 11 directors, of whom at least two are independent directors. They are selected by the annual Shareholders' Meeting and elected for staggered terms, ensuring continuity in management.

The company's officers (President, Vice President, Secretary, and Treasurer) are elected annually by the Board of Directors.

Name	Position	Term
Arturo Gerbaud De La Guardia	Independent Director / President	2023–2025
Roberto Brenes P.	Director / Vicepresident	2023–2025
Carlos Antonio Mendoza	Director / Treasurer	2024–2026
Mónica García de Paredes	Directora / Secretary	2023–2025
Christine Ariane Müller	Director	2024–2026
José Antonio Montero	Independent Director	2024–2026
Gary Chong-Hon Cabada	Director	2024–2026
Ana Graciela de Méndez	Director	2023–2025
Manuel Alemán Márquez	Director	2023–2025
Jorge Vallarino Ferrer	Director	2023–2025
María del Carmen de Diego	Director	2024–2026

The board consisted of ten members at the end of 2023 due to the voluntary resignation of one director.

Additionally, the functions of the Board are defined in the bylaws, including the authority to appoint the Executive President of Latinex Holdings, Inc. and the General Managers of the subsidiaries; it meets at least four times a year. The Board defines the overall strategy of the Group, while the Boards of the subsidiaries focus on managing their respective businesses and meet at least ten times a year.



According to our Bylaws, the Board of Directors has the following functions, aligned with the organization's objectives, strategy, and policy setting, including those for sustainable development:

- Establish an effective corporate governance structure for the Group, including an internal control system that contributes to effective oversight of investments.
- Approve the Corporate Governance Code and Code of Ethics and Conduct and any subsequent amendments, modifications, or additions.
- Approve the Group's strategic plan, regularly review its progress, and approve any necessary modifications.
- Understand the primary risks to which the Group is exposed, set reasonable limits and procedures for risk monitoring, and ensure that the subsidiaries adopt the necessary risk identification, measurement, monitoring, and control measures.
- Approve and review at least once a year the objectives and procedures of the internal control system, as well as organizational manuals and risk control policies and procedures.
- Approve and review the implementation of the Business Continuity Management System (BCMS) and assign responsibilities and authorities for its oversight.
- Establish and review, as deemed appropriate, temporary and/or permanent Committees and advisory councils to which it may delegate one or more of its functions and powers and appoint their members.

We have an Executive President for Latinex Holdings, Inc., a role typically held by the General Manager of Latinex, with powers granted through a general power of attorney approved by the Board of Directors and registered with the Public Registry of Panama. Additionally, the Executive President is responsible for approving internal policies and/or procedures related to administrative, accounting, technological, or any other aspects of the Latinex Group companies, to ensure greater efficiency and synergy.

## Selection and Appointment of Board Members:

- Members are selected at the Ordinary General Shareholders' Meeting, following the nomination process established in the Bylaws.
- This is an exclusive right of the Class B Shareholders of Latinex Holdings, Inc.
- Class B shareholders nominate candidates for the positions of director or independent director. In coordination with the Corporate Governance Committee, the nominee must complete the information required to verify compliance with the profile.
- Directors must possess the necessary competencies and skills to perform their duties, as required by the profile in the Bylaws, and they must not be subject to any disqualifying conditions.



For 2023, our Board of Directors has a diverse composition, integrating different experiences, knowledge, age, and gender:

**30%**  
of the members are women

The average tenure in the position  
is 7 years

Directors on average attended 94% of  
the board meetings held during the  
year

Additionally, the Bylaws establish transparency and accountability as a core principle of our operations, understood as acting clearly and unambiguously, ensuring compliance with regulations, norms, and the company's sustainability policies, and promoting participation in activities related to the sustainability strategy in Environmental, Social, and Governance (ESG) matters.

# Oversight of Impacts and Delegation of Responsibility

One of the pillars of our strategy is sustainable finance, which encompasses all short- and long-term actions related to environmental, social, and corporate governance policies for the Latinex Group and with a vision of positive impact on the capital market. These are periodically reviewed by the Board of Directors through regular meetings, addressing these impacts as follows:

- Approval of policies, methodologies, and/or ESG and CSR criteria, reviewed by the Sustainability and CSR Committee.
- Quarterly meetings of the Sustainability and Corporate Social Responsibility (CSR) Committee, which has the role or responsibility of informing the Board of Directors about ESG and CSR factors that impact the Group.
- Quarterly meetings of the Corporate Governance Committee, which primarily manages relationships with shareholders and directors as key stakeholders in the organization.

The Board of Directors has delegated the responsibility for managing the impacts in the economic, social, and environmental dimensions to the permanent Sustainability and CSR Committee, with the following functions:

- Develop, coordinate, and review with management the strategy and policies on environmental, social, and corporate governance (ESG) and CSR topics.
- Submit for approval by the Board of Directors the strategy, policies, methodologies, and/or criteria related to ESG and CSR factors.
- Ensure and supervise compliance with ESG and CSR policies, methodologies, and/or criteria.
- Regularly inform the Board of Directors about ESG and CSR factors that could impact the Latinex Group.

## Executives of the Subsidiaries

Name	Position
Olga Cantillo	Executive President
Lerzy Batista	Senior Vice President of Commercial
Anyelis Marrero	Vice President of Compliance
Ernesto Rivera	Vice President of Technology
Manuel Batista	Vice President of Finance and Strategic Innovation
María Guadalupe Caballero	Vice President of Operations
Rosario Fernández	Assistant Vice President of Compliance
Diana García	Corporate Communications Manager
Nayarith Oliva	Internal Audit
Julio Hernández	Risk Officer

Learn more about the profiles of the members of our Board of Directors at: <https://www.latinexholdings.com/en/corporate-governance/>

# Permanent/Temporary Committees.

The Board of Directors has a series of permanent committees, and the function is to form those it deems appropriate to support the management of the Group's projects and operations. Temporary committees are established to review specific topics. Committees analyze issues related to the areas of the Group's Companies, including:

Operations

Finance and Investments

Human Capital

Product Development

Sustainable Development and CSR

Technology

Ethics and Compliance

Corporate Governance

Audit, Risks, or any other area

Our committees may be composed of Directors and external individuals who are not Board members but have a voice and vote. Administration personnel may also be invited to participate depending on the topics to be addressed. Each committee appoints its respective president and spokesperson.

Committees also have the prerogative of appointing alternate members, who will be called upon only when the Committee cannot meet the quorum due to conflicts of interest regarding the meeting agenda topics.

**Audit Committee:** Its primary function is to ensure the proper functioning of the internal control system and the integrity of the financial information of the Company and its Subsidiaries.

**Risk Committee:** Its primary function is to identify, establish, and implement criteria based on best practices and international standards to minimize the inherent risks of the operations carried out by the Company and its Subsidiaries.

**Investment and Finance Committee:** Its main functions are: i) to establish internal rules and guidelines for fixed and variable income investments, including maximum investment limits and financial requirements for companies in which the Company and its Subsidiaries invest; ii) to ensure the effective and efficient management of funds, financial strategic plans, and the capital structure of the Company and its Subsidiaries, and to make recommendations to the Board of Directors as deemed necessary.

**Corporate Governance Committee:** This Committee is responsible for verifying the functioning of the structure and compliance with best practices to improve the corporate governance of the Company and its Subsidiaries.

**Human Capital Committee:** Responsible for analyzing matters related to the selection, remuneration, termination, succession planning, and evaluation of key executives of the Company and its Subsidiaries.

**Sustainability and Corporate Social Responsibility (CSR) Committee:** The Sustainability and CSR Committee aims to establish and promote the corporate sustainability strategy and policies of the Company and its Subsidiaries, ensure proper management of Environmental, Social, and Governance (ESG) factors, and promote these factors in the capital market.

**Committees of the Subsidiaries:** Each of our subsidiaries has permanent Audit, Ethics and Compliance, Risk, and Technology Committees.

Additionally, both subsidiaries have advisory councils: the Technical Advisory Council of Latinex, which addresses questions or concerns management may have regarding securities registration, and the Technical Advisory Council of i-Link, which analyzes strategies for developing and promoting international custody links.

# Participation of Directors and External Members in Permanent Committees



Member	Investment and Finance Committee	Corporate Governance Committee	Human Capital Committee	Sustainability and CSR Committee	Audit Committee	Risk Committee	Ethics and Compliance Committee	Technology Committee
Arturo Gerbaud (Independent)		●	President				●	
Roberto Brenes					President	●		
Mónica García De Paredes de Chapman	●	●	●	President				●
Carlos Mendoza	President	●	●	●				
Ana Graciela de Méndez				●	●			
Manuel Alemán						●		●
Christine Müller		President		●			●	●
José Montero (Independent)			●		●		●	
Gary Chong-Hon			●	●		●		President
Jorge Vallarino	●			●				
Mitzi Alfaro (External Member)	●							
Marielena García-Maritano (external)		●						
Rafael Moscarella (external)		●					President	
Jorge Cano (external)					●			
Alejandro Carbonell (external)								●



# Collective Knowledge and Performance Evaluations

Individuals elected for the first time to serve on any of the Boards of Directors or permanent committees receive an induction or training provided by our team members designated by the Executive President. This induction includes, among other topics, the following:

- Organizational structure.
- Strategic plan.
- Key elements included in the Social Pact, Bylaws, Code of Ethics and Conduct, and the Corporate Governance Code, among other relevant policies.
- Core businesses, products, and services provided by the Latinex Group.
- Main aspects of risk, audit, and compliance.

Additionally, the Corporate Governance Committee annually approves the training plan for the Board of Directors and committee members, aiming to ensure a knowledge development program in various subjects, including, among others, sustainability, corporate governance and ethics, risk, and anti-money laundering prevention. For sustainability training, we identify external speakers with extensive experience and knowledge in the relevant topics.

According to our Corporate Governance Code, the performance of the Board of Directors is evaluated annually using one of the following options:

**Self-evaluation:** Responding to a questionnaire with questions defined by the Corporate Governance Committee.

**Peer evaluation:** The Corporate Governance Committee decides on the methodology for the review.

The evaluation can be conducted by the Corporate Governance Committee or by external facilitators. This Committee reviews the results, which are then presented to the Board of Directors for discussion and feedback and to establish the action plan for the following period.

To date, we have used the self-evaluation methodology, which involves a questionnaire covering four areas: strategy, risk management, supervision, and effectiveness and composition. Additionally, members must assess the performance and effectiveness of the permanent committees.

Through the self-evaluation processes, we have achieved the following results, including:

- Adjustment to the content of the monthly reports submitted to the Board of Directors.
- Improvements in the mechanism for delivering and presenting the management reports of each Committee to the Board of Directors.
- General review and adjustment of the time allocated for Board meetings.
- Review of the directors' profiles resulted, for example, in the decision to include the role of technological innovation and digital transformation within the Technology Committee alongside an external member with extensive knowledge in the field.

# Conflicts of Interest, Claims Management and Compliance

Our Code of Ethics and Conduct, which applies to members of the Board of Directors, contains a section that regulates conflicts of interest. It establishes the procedure whereby, in the event of an actual or potential conflict of interest, the individual must immediately declare themselves disqualified through the following mechanisms:

If the meeting notice was received beforehand, they must immediately inform the President of the Board or Committee.

If the matter generating the conflict of interest arises during a meeting, they must declare their disqualification before the discussion begins.

Once declared disqualified, the individual must:

Refrain from participating in the discussion of the matter, to avoid generating a potential conflict of interest.

Abstain from expressing opinions or attempting to exert any influence.

Leave the meeting while discussing the matter, generating a conflict of interest. If the discussion occurs via written or electronic means, the meeting's President or Secretary will ensure the relevant individual is excluded from the communication chain.

When a director or Committee Member becomes aware of a situation that could be considered an apparent conflict of interest, the following procedure is established:

They must notify the President of the Board or Committee beforehand (if the meeting notice was received in advance) or declare it at the meeting before the discussion begins.

The Board or Committee may determine whether the risk of an apparent conflict of interest requires the individual to declare themselves disqualified for the best interests of the Latinex Group, in which case the procedure for managing an actual or potential conflict of interest will be followed. If no apparent conflict of interest is found, the individual may participate, intervene, or influence future matters but cannot decide or influence past issues.

**In 2023, no complaints, grievances, or claims from our stakeholders were received.**

We encourage our stakeholders to reach out through our available contact channels, which can be found on our website: <https://www.latinexholdings.com/en/contact/>

# Remuneration

According to the Bylaws, the remuneration of our Board members or anyone serving as a committee member is determined according to the following guidelines:

The remuneration is based on a fixed amount for participation in each Board or committee meeting.

The Board considers the structure, duties, and responsibilities of directors and committee members when determining remuneration, as well as the personal and professional qualifications of its members, the time required for their activities, and their professional experience.

The Corporate Governance Committee is responsible for assessing remuneration payments and making recommendations for possible adjustments to the established amounts.

No additional remuneration is provided for participation in Board meetings, and therefore, it is not tied to performance.

Regarding senior executives, the Human Capital Committee is responsible for approving policies, plans, and compensation benefits related to profit-sharing, salary adjustments, and any other benefits that might financially impact our employees.

For senior executives, profit-sharing distribution depends on the results obtained during the year and the achievement of performance indicators. The Investment and Finance Committee reviews this distribution, which the Board of Directors then approves.

Finally, our Corporate Governance Code states that our stakeholders have the right to propose changes in the management of the relationship, ask questions, and seek clarifications they deem relevant. Any suggestions regarding the remuneration of the Board or Committee members will be received through the established channels, reviewed first by the Corporate Governance Committee, and then submitted to the Board of Directors for their consideration.





## Ethics and Compliance

We adhere to various legal and regulatory provisions in all our operations, complemented by our internal codes and policies. This ensures our stability, respect for the rights of different stakeholders, and responsible and ethical business conduct. In this regard, we have internal and external policies that outline the expected actions of our employees toward our stakeholders, based on the following principles:



Our standards of ethics, anti-corruption, and compliance are tailored to the group's needs and requirements, and we continuously review and update them to align with local and international standards.

**Code of Ethics and Conduct:** This code applies to all our subsidiaries, employees, Board members, and committee members. It contains specific rules for managing conflicts of interest and regulates improper and/or illegal conduct, such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, and corruption.

It also provides guidance on potential conflicts of interest that may arise at all levels during decision-making, setting clear guidelines to prevent them. Our subsidiaries' internal work regulations further support the code.

**Code of Ethics and Conduct for Suppliers:** This code ensures that our suppliers maintain ethical standards and conduct themselves following our principles.

**Corporate Governance Code:** Its objective is to define the best practices to follow with our stakeholders, in addition to what is established by law, the Social Pact, the Bylaws of each company, and any other policy duly approved by the Board of Directors.



# Corruption Prevention

Our Code of Ethics and Conduct declares our zero tolerance for bribery and/or corruption. It establishes measures to prevent, detect, and sanction any act of bribery or corruption through the following guidelines:

- Comply with the approved processes by the general management of the Group's operating companies for contracting suppliers.
- Not grant donations that may influence decision-making in favor of the company or the Group.
- Not accepting gifts, courtesies, donations, discounts, or other benefits that could interfere with actions that should be taken against clients, users, or suppliers or that could influence decision-making.
- Report any act of bribery or corruption by individuals.

## Anti-Bribery and Corruption Rules:

- Offering or requesting money, favors, courtesies, or other benefits from a third party, supplier, or government entity in exchange for business for any Group's companies or a personal benefit.
- Offering, directly or indirectly, illegal payments, unapproved trips, undue commissions, or other benefits to public officials to obtain an advantage for the Group's companies.
- Offering, directly or indirectly, money or other benefits to the Group's suppliers or clients over other suppliers or clients to obtain a personal advantage or benefit for another person or company within the Group.

In 2023, we continued our positive trend of not recording any corruption cases, and as a result, we did not incur any monetary losses, fines, or sanctions in this area. Similarly, we did not make any monetary or in-kind contributions to any political movement or party.

# 2023 Milestones

In terms of corporate governance, ethics, and integrity, our most significant achievements during 2023 were:

- Approval of the Code of Ethics and Conduct for Suppliers at the Group level aimed at ensuring that our suppliers adhere to ethical standards and conduct that align with our culture of good governance.
- Approval of amendments to the Code of Ethics and Conduct to strengthen the management of conflicts of interest and, more broadly, to conduct a comprehensive review of the document.
- Approval of modifications to the Bylaws of the Group's companies, which involved a comprehensive update of the document, including improvements such as increasing the attendance percentage for Board members and establishing similar requirements for external members of permanent Committees.
- Approval of modifications to the Personal Data Protection Policy to regulate the handling of photos and recordings obtained during the events we organize, as well as the management of the personal data of minors.
- Conducted awareness training on the changes to regulations for all employees, Directors, and External Members, delivered by the Compliance Department, complemented by informative capsules throughout the year.



# Engagement with Authorities and Regulatory Compliance

As organizations supervised and regulated by the Superintendence of the Securities Market (SMV), our operations are subject to compliance with the requirements established by regulations, and we maintain a close relationship with our regulatory body. This relationship is facilitated through annual meetings with its Board of Directors and quarterly follow-up meetings with its team.

We achieved 100% compliance with the regulations and legislation applicable to our activities, closing the year without any monetary or non-monetary fines or sanctions.

This engagement is outlined in our Corporate Governance Code, which is based on active collaboration, allowing and enabling the regulator to fully perform its regulatory and supervisory functions and communicate relevant information about our management. The regulator is also a key participant in invitations to events and forums. The relationship with the Superintendence of the Securities Market is significant in two ways:

- Firstly, our strategic objectives are presented annually to the SMV as part of our engagement plan to keep the SMV updated on our projects and to facilitate the approval of those that require it.
- Secondly, our close relationship with the SMV allows us to establish an annual roadmap for coordinating other strategic initiatives to promote and develop the capital market.

We recognize the importance of aligning our operations with the requirements of the SMV and our internal regulations, considering that regulatory compliance is the foundation of our strategic projects' success. In this regard, all projects are analyzed by the Compliance department to determine the requirements that must be met, the authorizations that must be obtained (if applicable), and the overall notification process for our stakeholders (contracts, notices, etc.).

**"At Latinex, our relationship with Panamanian authorities is crucial due to these entities' impact on our strategic objectives."**

Additionally, we maintain close relationships with other authorities, such as the Ministry of Economy and Finance, to support Panama's capital market through initiatives like the market makers program for public debt or the link with Euroclear Bank (referred to as iLink) for the internationalization of Panamanian issuances.

Similarly, our engagement efforts in the Sustainable Finance Working Group, in which the authorities participate, enable us to achieve our Group's objectives in this area.

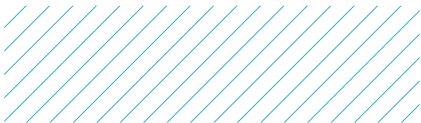
We consider the most significant milestones and achievements in our relationship with authorities, specifically with the Superintendence of the Securities Market (SMV), to be:

- Development of an annual work plan with the SMV for 2023.
- Identifying and achieving short-term goals ("Quick Wins") for 2023.
- Presentation of a strategic project to the SMV's Board of Directors, Superintendence, and technical team to obtain approval in 2024.
- Reorganization of the roadmap for other medium- and long-term projects.
- Maintaining regular follow-up meetings with the Superintendent and their team.
- Promotion and sponsorship by the SMV in some of our events.
- 100% regulatory compliance by Latinex and Latinclear regarding the requirements set by the Superintendence of the Securities Market.

Together with the Superintendence of the Securities Market, we established goals for 2024 based on the impact areas for our capital market, which are focused on:

Local market development	Sustainable finance
Operational efficiency	International hub

This plan aligns with our strategy and allows us to approach the regulator for support and/or approval on specific issues or to coordinate other cooperative projects between the parties.



# Internal Compliance Management

Regulatory compliance is integral to every pillar of our strategy, which is why we have implemented a series of internal policies aimed at establishing the foundation of our activities and how they are conducted:

- | Internal regulations and manuals of Latinex.
- | Internal operations regulations and procedures manual of Latinclear.
- | Manual for the prevention of money laundering, countering the financing of terrorism, and the proliferation of weapons of mass destruction for both subsidiaries.

We recognize the need to comply with the requirements necessary to operate a stock exchange and securities depository in the Republic of Panama, specifically but not limited to:

Securities Market Law	Agreement No. 7-2003.	Agreement No. 9-2003
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To achieve compliance with these regulations, all our departments adhere to the internal policies. The Risk Committee reviews potential internal and external incidents to evaluate their impact and materiality, ensuring that our operations align with the regulations and corresponding procedures.

For Latinex Holdings, Inc., as an issuer with shares registered with the SMV (Superintendence of the Securities Market), there are a series of agreements that relate to the submission of annual and quarterly financial statements, as well as the public communication of any significant or material events, known as "material facts." The relevant agreements are:

Agreement No.8-2003	Agreement No.8-2000	Agreement No.12-2000
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Our compliance department ensures that Latinex Holdings, Inc. meets its obligations under these agreements. Depending on the topic, matters requiring approval are presented to the various committees and subsequently submitted to the Board of Directors.

In 2023, our compliance department successfully executed the planned activities, focusing primarily on administering the money laundering prevention program for our subsidiaries and reviewing, analyzing, and monitoring local and international laws and regulations to assess their impact on the Group's companies.

Additionally, based on our strategic operational efficiency pillar, our subsidiaries advanced in the digital transformation of processes and services to create positive impacts, internally -- by optimizing resources -- and externally--by strengthening relationships and providing services tailored to stakeholder needs. One of the projects successfully implemented during the period was the automatic transmission of reports from Brokerage Houses/Participants from the SMV to Latinex and Latinclear. This improvement increased efficiency in the internal processes of Latinex and Latinclear members, eliminated the duplication of report submissions, and optimized communication among all parties.

Furthermore, we continued to enhance the visibility and participation of the Group in international markets. For this reason, our compliance and commercial areas supported the management and development of the following projects:

- Signing of an agreement with Nicaragua's stock exchange and securities depository for integrating remote operators along with Panama and El Salvador.
- Signed the international service provision contract for the deposit, custody, and transfer of securities between Latinclear and the Central American Securities Exchange of Honduras. This relationship allows clients of the Honduras Stock Exchange to conduct transactions on securities held in custody by Latinclear.

As mentioned in previous sections, the update and implementation of new internal and external rules was a key highlight of the period, as it allows us to promote the Group's ethical standards and improve the efficiency of the local capital market. Additionally, we worked alongside the SMV on critical regulatory initiatives that continue to advance the local capital market through new products and services, while aligning the market and practices with international standards.

For 2024, the Ethics and Compliance Committee will approve the activity plan that includes compliance with applicable regulations. Key activities include:

- Executing 55 recurring regulatory activities such as report submissions, manual updates, client supervision, audits, etc.
- Continuing with operational efficiency projects and the internal training and awareness program.
- Applying the anti-money laundering policy for the subsidiaries.

# 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

#### Related 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

#### Related 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

#### Related 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

Human capital management at Latinex incorporates an equality and inclusion approach at all levels. We value the contributions of each of our employees, regardless of their backgrounds, knowledge, skills, perspectives, and experiences. For this reason, we ensure equality and inclusion within our workforce beyond just the gender perspective. These efforts allow us to ensure that our recruitment and retention processes are grounded in ethical principles and values that promote personal and professional development under fair conditions, within safe working environments, and with zero tolerance for discrimination in any form.

## Key Management Highlights

On March 8th, as part of the International Women's Day (IWD) celebrations, we joined over 110 stock exchanges worldwide to host our sixth edition of the Ring the Bell for Gender Equality.

Our commitment to promoting more leadership positions for women was recognized by the Sustainable Stock Exchanges (SSE) in the SSE Market Monitor analysis. Our board's composition stood out among the top nine stock exchanges in Latin America and the Caribbean for having the highest participation of women.

We integrated a gender perspective into our Stock Market Education Program through Ella Invierte.

We reaffirmed our commitment to working towards gender equality as signatories of the Women's Empowerment Principles (WEPs) of UN Women and as participants in the Gender Parity Initiative (IPG) led by the Ministry of Social Development, in collaboration with the Inter-American Development Bank (IDB) and the World Economic Forum.

We celebrated three consecutive years as sponsors of the Global Mentoring Walk, eight years supporting the Las Claras Program. We provided seven internships to the Mi Primer Empleo program participants by the Voces Vitales Panama Foundation.

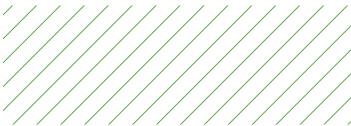
In a formal ceremony, we recognized our volunteer force's effort and unwavering dedication, who received certificates for their noble work.

## Composition of Our Team

As of the end of fiscal year 2023, we had 49 employees on our payroll, of which 63% are women, who hold 30% of our managerial positions. Additionally, we are committed to ensuring job stability and security for our employees, all of whom have full-time and permanent contracts.



# Composition of Our Workforce



As of the end of fiscal year 2023, we had 49 employees on our payroll, of which 63% are women, who occupy 30% of our managerial positions. Additionally, we are committed to ensuring job stability and security for our employees, all of whom have full-time and permanent contracts.

Breakdown of the Workforce by Job Category and Gender (2023)								
Category	Under 30 years		Between 30 and 50 years		Over 50 years		Total	
	M	F	M	F	M	F	M	F
Managers and Deputy Managers	1	1	1	7	1	4	3	12
Officers	1	1	3	2	-	1	4	4
Coordinator	-	-	-	-	-	-	-	0
Administrative	-	4	-	3	-	-	-	3
Operative	7	-	4	6	-	1	11	11
Audit	-	-	-	1	-	-	-	1
Total	9	6	8	19	1	6	18	31

| M: Male | F: Female

Grupo Latinex does not have collective bargaining agreements or unionized employees. However, we respect the rights of free expression and association that each of our employees enjoys and are committed to protecting their exercise of these rights if necessary.

Currently, we do not have employees with any form of disability. Nevertheless, we are implementing accessibility improvements in our offices to ensure greater mobility and accessibility for people who use wheelchairs.

Regarding outsourced services, in 2023, we had one worker dedicated to providing technical support in implementing and developing systems in the operations area.

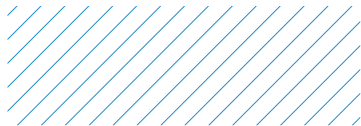
Outsourced Employees		
Type	Male	Female
Operative	1	0

In 2023, 9 new hires were made, mainly to fill vacancies resulting from voluntary and involuntary departures recorded in 2022.

HIRES AND DEPARTURES (TOTAL FOR THE YEAR)			
Year	2021	2022	2023
Number of hires (with fixed-term contracts)	0	0	0
Number of hires (with indefinite contracts)	7	12	9
Number of voluntary departures (with indefinite contracts)	6	6	5
Number of involuntary departures (dismissals, deaths) - with indefinite contracts	1	2	5
Total	14	20	19

Our turnover rate increased by five percentage points compared to 2022, mainly due to internal restructuring processes aimed at optimizing our internal structure and strengthening human resource management processes.

TURNOVER RATE			
	2021	2022	2023
Total turnover rate	15%	15%	20%
Voluntary turnover rate	12%	11%	9%
Involuntary turnover rate	1%	3%	9%



# Maternity and Paternity Leave

In the second quarter of 2022, we pioneered the extension of paid paternity leave for our employees, increasing it from the 3 days stipulated by law to 10 days. Additionally, we ensure that our employees can enjoy and exercise their right to paid maternity leave, which totals 14 weeks.

In 2023, one female employee took paid maternity leave and returned effectively to her position afterward.

Additionally, we established a lactation room in our facilities to provide mothers in the group with a comfortable and private space for breastfeeding, thus promoting work-life balance. We firmly believe that actions like this contribute not only to the overall well-being of our employees but also to creating a more inclusive work environment that respects individual needs.



## Discrimination Prevention

We promote creating an internal culture that protects diversity and fosters inclusion throughout our value chain. We also convey this culture to our issuers, encouraging the establishment of safe working environments free from discrimination.

We have guidelines within our Code of Ethics and Internal Work Regulations to prevent and penalize any act of gender violence or discrimination based on ethnicity, sexual orientation, religion, or any other characteristic protected by law. We provide access to internal channels for anonymous reporting through emails and physical complaint boxes. These are managed by the compliance, audit, and human resources departments and supervised by our Ethics Committee.

Thanks to these efforts, in 2023, we did not record any cases or complaints related to discrimination, harassment, or sexual harassment.

**\*\*More information about the reporting channels can be found in the Internal Management of ESG Factors chapter.**



# Talent Attraction and Retention

In terms of attracting and retaining talent, we have designed selection processes that are fair and impartial, ensuring that all positions are evaluated without bias. Additionally, we have implemented policies and practices that support employees in their professional and personal development, striving to create an inclusive and valued environment for everyone. These initiatives make us a more diverse company and strengthen our ability to innovate and grow in a competitive market.

This year, we aimed to strengthen our reputation as an employer brand and reflect our commitment to the team. We are developing a new Succession and Career Development Plan Policy, which provides a clear path for continuity and internal growth for all job categories. Implementing this career and professional development plan is a critical pillar of our strategy to attract and retain the best talent in the market.

Similarly, we aim to attract and create mutual growth paths with Panama's best talent, offering transparent and open selection processes based on merit, knowledge, and individual skills

Furthermore, we strive to provide value beyond the economic aspect for our employees. During this period, we enhanced the benefits package accessible to them:

Hybrid work arrangements, maintaining the possibility of designated telework days and flexible entry times that allow our employees to balance their personal and professional lives.

We promote our employees' growth and professional development by creating opportunities for continuous education to pursue higher studies through our partial scholarship program.

We offer Educational Recognition for employees' children, which aims to recognize and value their efforts and support families in their commitment to education, ensuring that their children's academic achievements are acknowledged and supported.

We provide interest-free loans for emergency financing.

We create job opportunities for young people through the Mi Primer Empleo (My First Job) internship program, reaching a total of seven interns in 2023, distributed across the following areas:

	Quantity	
	F	M
Technology	0	1
Sustainability and CSR	1	1
Communications	1	0
Human Capital	2	0
Finances	1	0
<b>Total</b>	<b>5</b>	<b>2</b>



# Talent Attraction and Retention

In addition, all our full-time employees receive the following benefits:

## List of Benefits for Employees 2023

### Category

### Benefits

Life and Health Insurance	<ul style="list-style-type: none"><li>■ 100% coverage provided by the company for Life and Health Plans after the 3rd month of employment.</li></ul>
Others	<ul style="list-style-type: none"><li>■ Flexible days (Birthday off and 3 additional days without affecting vacation funds or statutory leave).</li><li>■ Year-End Bonus – The December payment of the XIII month is adjusted to a full fortnight.</li><li>■ Profit Sharing – Based on the profits at the end of the year, a profit-sharing distribution is made, subject to defined goals and objectives. For permanent employees with less than 1 year, the distribution is prorated for that first year.</li><li>■ Free parking.</li><li>■ Recognition of service every five years.</li><li>■ Corporate mobile phone plan for key positions within the organization.</li><li>■ Fuel allowance – For positions where travel is necessary.</li><li>■ Health fairs and vaccination drives, expanding access to preventive medical services.</li><li>■ Ongoing training with internationally recognized certifications, ensuring professional development and enhancing competitiveness in the job market.</li></ul>

At Grupo Latinex, we provide quarterly salary contributions of 3% towards a retirement fund for our employees

## Organizational Climate

We evaluate the organizational climate to measure employee satisfaction and gather valuable feedback to adjust and optimize our processes. These evaluations are carried out through a biennial survey, which helps us identify areas for improvement, strengthen internal communication, and promote a positive and productive work environment, measuring three main dimensions:

Dimension		
	2021	2023
Commitment	97%	93%
Customer Service	97%	91%
Communication	89%	82%

# Training and Career Development

Our training plan is tailored to the needs of each operational area and prioritizes the preparation and development of employees who occupy critical roles for our business operations. Additionally, we use a human resource management platform (Crehana) that enables us to evaluate and analyze the effectiveness of the training plan for each area and employee.

During this period, we reached a total of 1,179.95 training hours. Although the total number of training hours delivered decreased by 10% compared to 2022, we increased the number of training hours provided to our corporate staff by 15.7%.

Trained Employees	2022			2023		
	No. of Attendees	Total Training Hours	Hours per Participant	No. of Attendees	Total Training Hours	Hours per Participant
Managers and Deputy Managers	17.00	486.62	0.03	15.00	387.95	28.62
Officers	8.00	258.12	32.27	7.00	161.00	32.27
Coordinator	1.00	10.81	10.81	1.00	14.50	10.81
Administrative	3.00	73.97	24.66	4.00	105.50	24.66
Operational	20.00	429.13	21.46	21.00	496.50	21.46
Audit	1.00	58.62	58.62	1.00	14.50	58.62
<b>Total</b>	<b>50.00</b>	<b>1317.27</b>	<b>24.64</b>	<b>49.00</b>	<b>1179.95</b>	<b>29.41</b>

As part of our training efforts, we organized strategic talks, workshops, and awareness sessions to keep our employees updated on critical and business-relevant topics such as Anti-Money Laundering Prevention, regulation and compliance, and risk management, among other important subjects for the Group.



Additionally, we extend invitations to training sessions offered by third parties, including our strategic partners. These include talks and workshops organized by entities such as, among others, WFE, FIAB, SSE, AMERCA, Climate Bonds, Sumarse, AmCham and IGCP, to which we invite our employees, external Members, and board members to attend.

Training	Description	Type	Number of Participants	Number of Hours
Anti-Money Laundering Prevention Talk	Regulatory focus on compliance and prevention	External	43	1 hr
Annual Risk Talk	Regulatory focus on updates in risk management	External	37	1hr
Personal Data Protection Law Talk	Updates on the Law	External	48	1 hr
Learn to Invest / Fixed Income	Stock market knowledge	Internal	10	2 hrs
Ethics and Corporate Governance Rules	Informational	Internal	43	1 hr
Latinex as a Promoter of Gender Equality	Equity and equal opportunities	Internal	28	1 hr
Cybersecurity Awareness	Prevention	Internal	21	1 hr
Strategic Alignment	Alignment with the Group's strategic plan and objectives	External	44	4 hrs
Agile Methodologies	Process automation	Internal	34	1hr
Financial Intelligence	Personal finance management	External	43	250 hrs
Time Management	Soft skills	External	46	2 hrs
Stock Market Insights	Stock market knowledge	Internal	32	2hrs





We conduct 90° performance evaluations annually for 100% of our employees, focusing on the achievement of individual objectives related to:

Projects

Assignments

Knowledge

Skills

We also promote growth in communication skills, teamwork, problem-solving, and time management. Based on these results, we map out areas for deepening knowledge and identify improvement opportunities related to soft and technical skills.

We have a Compensation Policy that outlines the criteria for establishing remuneration based on:

- | Employee's income.
- | Internal mobility.
- | Structural changes.
- | Outstanding performance.
- | Performance evaluation.
- | Talent retention.
- | Biennial review according to market salary bands.



# Health and Well-Being

We are committed to providing a safe working environment that protects our employees' physical and mental health. To this end, we ensure 100% coverage and protection for all direct employees through medical assistance services and a corporate health plan.

Additionally, through our internal culture, we promote actions and processes that ensure the well-being of each of our employees. We regularly conduct awareness sessions on physical and mental health that encourage adopting healthier habits to improve individual well-being. This culture also promotes continuous improvements in physical safety within our offices, which are equipped with:

- | First aid kits and fire extinguishers are available throughout the office premises.
- | A periodically maintained internal fire control system.
- | Clearly defined evacuation routes, for which drills are conducted to test their efficiency.
- | Trained emergency responders.

## In this area, during 2023:

We conducted health campaigns and vaccination fairs, expanding access to preventive medical services.

We organized talks and workshops on financial intelligence, focusing on the relationship between economic, mental, and physical health.

The health team also offers employees telemedicine services, providing unlimited access to timely general medical care through SEMM Panama's medical services.





# Human Rights

As Grupo Latinex, we have a Human Rights Policy that formalizes and establishes our commitment to the respect and promotion of human rights. It also declares our role as a financial group in protecting these rights. The policy also defines responsibilities and roles for its implementation across all job categories, including our Board of Directors and Senior Management.

Our actions, defined by our commitment and policy, are based on the Universal Declaration of Human Rights and universal frameworks related to human rights and businesses, such as, among others, the United Nations Guiding Principles on Business and Human Rights.

These actions focus on respecting and promoting human rights in alignment with the nature of our operations and subsidiaries. Our primary focus is on aspects like equality, inclusion, and prevention of discrimination. However, we recognize the broader impact our operations as a financial institution can have and ensure that the ethical principles guiding our actions extend throughout our value chain and stakeholders, including employees and issuers.

Moreover, our internal policies and procedures are aligned with the implementation of the Human Rights Policy, supported by mechanisms to prevent risks related to:

**Code of Ethics and Conduct**

**Corporate Governance Code**

**Personal Data Protection Policy**

**Corporate Sustainability Policy**

# Volunteer Program

Our employees play an active role in our efforts to generate community benefits and promote economic development and environmental protection within the country. In 2023, we launched the implementation of our Volunteer Policy, which aims to:

Directly engage the Group's employees in community support programs and actions, within the framework of the Group's Sustainability Strategy, reinforcing the Group's commitment to sustainability.

Develop initiatives that promote solidarity and cooperation to benefit communities, advancing social, environmental, and economic transformation.

Forge bonds that increase employee commitment to the Group and foster pride in being part of it.

Develop skills and talents in employees, such as, among others, teamwork, leadership, organizational and planning skills, creativity, and interpersonal communication.

Develop the Latinex Corporate Volunteer Program strategy, approved by the Sustainability and CSR Committee and the Board of Directors.

## Prioritized SDGs:



## Key Activities 2023

During this period, 36 of our employees participated in activities as part of our Volunteer Program, contributing over 60 hours throughout the year. These activities included:

**36 volunteers**  
**+60 volunteer hours**

Participation in the Global Mentoring Walk 2023 organized by Voces Vitales Foundation.

Organization of an executive clothing drive for women in the Las Claras program of the Voces Vitales Foundation.

Blood donation in support of the Dona Vida Foundation during the XIV CSR Week organized by Sumarse.

Attendance at the inauguration of Phase II of the Las Claras Home of the Voces Vitales Foundation.

Participation as Team Latinex in the Relay for Life organized by Fanlyc.

Organization of an internal toy campaign for the Fanlyc Christmas Party.



# Sustainable Products and Strategic Services

## Strategic objectives

### 4.1

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

#### Related Indicators

- | Client satisfaction survey
- | The establishment of strategic alliances for the development of responsible investments in the region
- | Development of a website section for ESG instruments (guides, publications, instruments lists, etc.)

### 4.2

To have a diversity of products and services to offer both local and international investors

#### Related Indicators

- | Number of thematic ESG issuances
- | Transacted volume in ESG issues



# Issuer Services

With a proactive approach towards issuers and users, we aim to increase their confidence in our operations, enhancing the shared value proposition through continuously strengthening systems and platforms, transparency of operations, and contributing to the development and growth of all stock market participants in Panama and the region.

Through our vision of becoming an International Hub, we strive to be a primary meeting point for local and international issuers.

We focus on creating opportunities for engagement and continuous development through awareness sessions and workshops aimed at issuers and users.

We provide continuous support and clear channels for assistance and complaints.

We prioritize continuous innovation within our systems, platforms, and internal processes that support our operations.

We promote the development of the stock market and the growth of its organizations toward adopting Environmental, Social, and Governance (ESG) factors.

Simultaneously, Latinex seeks to elevate Panamanian issuing companies and the national market by enabling access to more financing and capital options. To this end, we dedicate efforts to simplifying the navigation of the necessary processes for new issuers. On the new corporate website, we have created an informational space for issuers where:

We have developed a Guide for the Registration of Securities in Latinex and Custody of Securities in Latinclear.

We provide updated market information and statistics, including, among others, transactional volumes, market capitalization, and lists of active and new issuances.

We centralize access to necessary forms for issuers, remote operators, brokerage firms, and procedure and management manuals.

We offer tools for new issuers, such as our Online Cost Calculator, which provides reference information on listing, registration, and public offering negotiation costs.

In 2023, 35 new issuers were listed, 24 of which were new issuers and three were foreign issuers (Chile, Guatemala, and Honduras). This brought the total to 267 issuers in Latinex, representing a 9.6% growth compared to the previous year

Issuers

267

▲ 16 vs. 2022  
▲ 24 New issuers  
▲ 8% Internationals

\*International refers to foreign issuers or that their main flow comes from abroad.



# iLink

The iLink international connection with Euroclear Bank saw significant progress and represents a key component of our proposal to generate added value through Latinclear's custody operations. This agreement allows us to internationalize Panamanian issuances and establish a direct link with investors in Europe and worldwide. In 2023, we continued advancing the first phase of implementing this tool, to date successfully migrating USD 5.841 billion in custodial assets to Euroclear Bank.

## USD 700 million were issued through PaBono2033 of the Republic of Panama.

In 2024, we planned to launch the next phase of iLink implementation, which we prepared for by successfully completing the necessary operational tests. This implementation was finalized during the first quarter of 2024. The next phase enables the internationalization of corporate debt issuances and those from multilateral and supranational organizations.

Total Migrated Custody Balance	
2022	2023
21.7%	26.4%

## iLink Benefits

- | Convertibility of securities to Euroclearable.
- | Standardized channel for investment.
- | Direct access to international investors.
- | Increased liquidity and market growth.
- | Broadens and diversifies the range of investors.



## Correspondent Agreements and Remote Operators

We promote the integration of markets in Latin America and the Caribbean, simplifying transactions through remote operator models and correspondent agreements that make stock exchange trades accessible under existing brokerage firms within the connected countries. This year, we incorporated Nicaragua into the integrated securities market of El Salvador – Panama, joining El Salvador, Costa Rica, Guatemala, Honduras, and Colombia.

“Over USD 700 million traded in 2023 through 3,040 transactions generated by remote operators and correspondent agreements.”

We also ensure the financial health and stability of our users and issuers. Currently, we do not have a categorization of products or services that could pose a financial risk to them. However, we maintain strict control and detailed monitoring of critical incidents related to products and services, to identify improvement opportunities that can be implemented within the management of our existing offerings and the development of new products and services.

Product Category	Total # of Incidents	%
Cerpanes	1	7%
Compensation	2	13%
Custody and Administration of Securities	3	20%
Market Information	2	13%
Settlement	1	7%
International Market	1	7%
Local Market	1	7%
Trading	3	20%
Notification, Consent, and Voting	1	7%
Total	15	100%

“In 2023, we did not receive any complaints or sanctions related to anti-competitive behavior, product and service information, unfair competition, or monopolistic practices associated with our operations or those of our subsidiaries.”

# Sustainable Finance

As Grupo Latinex, we aim to be one of the main drivers of Sustainable Finance in Panama, promoting and facilitating the development of the stock market and trading that creates opportunities for financing climate, environmental, and social solutions.

We also work with our issuers to encourage the adoption of principles and guidelines that foster greater responsible and impactful investments through Social, Green, and Sustainable (SGS) issuances.

In 2023, based on the implementation of our Latinex Sustainability Strategy 2022 – 2024, along with our renewed commitment to the development of sustainable finance:

- During our Annual Investors Forum, we awarded 4 ESG Recognitions to Market Champions in categories such as commitment to reporting and voluntary disclosure of ESG factors, diversity and inclusion, gender equality, and environmental protection.
- We joined over 25 stock exchanges in the first Ring the Bell for Climate, in the framework of the United Nations Framework Convention on Climate Change (UNFCCC) and COP28.
- We conducted the Thematic Bonds Issuance Workshop in Panama for Financial Institutions in collaboration with BID Invest.

During the period, we facilitated the listing of the country's first Green Negotiable Commercial Value (VCN) and a Green Bond, totaling more than USD 700 million in Social, Green, and Sustainable (SGS) issuances to date.

- Since 2019, we have been promoting the listing of Social, Green, and Sustainable (SGS) issuances through our Guide for the Issuance of Social, Green, and Sustainable Negotiable Securities (SGS), following international standards from the Climate Bonds Initiative (CBI).
- Since 2022, we have implemented a differentiated fee structure for Social, Green, and Sustainable (SGS) issuances, applying a 20% discount on the placement fee.
- In 2023, we were selected by the Ministry of Environment (MiAmbiente) as the administrative entity for the National Carbon Market of Panama.

Number of Issuers and Listed Value of Social, Green, and Sustainable (SGS) Issuances			
2022		2023	
GSS+ Issuers	Listed value (USD Millions)	GSS+ Issuers	Listed Value (USD Millions)
5	+559	7	+700

For 2024, we plan to strengthen awareness efforts and promote greater SGS issuances and ESG practices within the stock markets by updating the Guide for the Issuance of SGS Securities, through a project supported by the Inter-American Development Bank (IDB) and in collaboration with the Climate Bonds Initiative (CBI).

Additionally, we aim to continue promoting and developing the Panamanian market by working with strategic local, regional, and international partners to encourage thematic issuances and the preparation of Environmental, Social, and Governance (ESG) reports, as well as to provide education on updated trends and standards to all participants in the Panamanian capital markets. In this regard, we have planned training and capacity-building initiatives, including a workshop on "Thematic Bond Issuance in Panama for Financial Institutions" supported by IDB Invest, as well as the launch of a sustainability seminar under our Securities Education Program.

More than USD 1,500 million in issuances are in process for 2024, including three thematic issuances, among them a green bond, as well as the first blue bond and a social bond for Panama.

## Partnerships

We are actively involved in various initiatives and working groups, both local and international, that promote the development of more sustainable and inclusive stock markets. This year, we supported and participated in the development of the Comparative Analysis of Sustainable Finance Taxonomies (Colombia-EU Taxonomies) by the Climate Bonds Initiative (CBI).

Additionally, we are members of:

- Sustainable Working Group of the World Federation of Exchanges (WFE).
- Sustainable Finance Working Group of Panama (GTFS).
- Sustainability Committee of the Federación Iberoamericana de Bolsas (FIAB).
- Advisory Council of the United Nations Sustainable Stock Exchanges Initiative (UN SSE).

# Relation with the Market

To strengthen relationships with our stakeholder groups, we will develop innovative, inclusive, and quality communication channels that allow all parties to grow relationships and to create value. We will also implement strategies to strengthen 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 groups

#### Related Indicators

- | Creation of the relationship plan with stakeholder groups

### 5.2

To identify and monitor interactions with the various stakeholder groups

#### Related 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

#### Related 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 public, utilizing training on topics relevant for the Panamanian and international markets.

#### Related Indicators

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



# Financial Education

We deepen the relationships established with our stakeholders by providing direct communication channels that offer added value, especially for issuers, users, and the community. For this reason, financial and stock market education and inclusion form an active pillar of our corporate and positioning strategy.

In this context, we aim to bridge knowledge gaps among the population regarding the benefits and opportunities offered by the stock market. We also strive to encourage the participation of more companies in the local market and promote the development of knowledge and continuous collaboration with capital markets throughout the region.

Our annual plan supports our main financial and stock market education initiatives, with specific objectives and goals for achieving these purposes.

## Stock Market Education Program

The Stock Market Education Program is one of our main mechanisms for promoting the development and growth of the stock market and its culture in Panama. Through this program, we achieve:

- Contributing to the development and professionalism of the market.
- Promoting a financial culture by facilitating access to quality information and knowledge.
- Democratizing the stock market to make it accessible to the public increases our country's competitiveness.

	2022	2023
Training sessions	24	30
Participants	458	1160



In addition, we developed events, initiatives, training sessions, and awareness programs to promote access to stock market information and education. During this period, we launched the first investment seminar with a gender focus, "Ella Invierte," which attracted more than 100 women.

We focused on early stock market education for young people by organizing our first stock market competition targeting the tech sector, "Hackathon Latinex". Additionally, we conducted educational visits and awareness sessions at schools and universities nationwide, reaching and training over 900 students through 28 visits.

We also hosted over 10 webinars and events broadcast through our institutional social media channels. These events covered current market and financial system topics, future outlooks for global capital markets, and, among other issues, challenges and opportunities regarding the adoption and use of reporting standards focused on ESG factors.

For 2024, we will launch a new version of our Hackathon Latinex, which will be open to the public. Additionally, we plan to host the first Stock Market Competition aimed at university students.

## El Podcast Latinex:

The Latinex Podcast: Launched in 2022, the Latinex Podcast is broadcast through our institutional accounts on YouTube and Spotify. It aims to delve into stock market and financial education topics through various guests and local and international experts, sharing perspectives and experiences from different sectors of the economy.



By the end of this reporting period, our podcast had reached 9 episodes

# Investor Relations

As a listed company in the stock market, we are responsible for communicating our business performance to investors in a precise, straightforward, and timely manner. We provide insights into the sector in which we operate and our plans for operational continuity. This approach ensures an environment of transparency and trust with our issuers, users, investors, and broader stakeholder groups.

In 2023, we continued to democratize and boost the participation of new investors in the stock market with the development of our Simplified Investment Account, which will enable more investors to access the market with a minimum amount of USD 3,000 starting from the first quarter of 2024. Additionally, we deepened our strategy to increase the internationalization of trades and attract more foreign investors, completing the first phase of iLink. This has allowed us to increase the migration of our assets under custody.

**\*\*More information about iLink can be found in the Sustainable Products and Strategic Services chapter.**

## Investor Composition 2023

**74%**  
Local

**26%**  
International












## Investor Forum

This year, we held the twenty-fourth edition of our Annual Investor Forum, in conjunction with the 50th General Assembly and Annual Meeting of the Federation of Ibero-American Exchanges (FIAB). The event attracted over 1,000 attendees, with 43% being international participants, and featured more than 25 national and international speakers. During the forum, we recognized the efforts and commitment of five issuers towards integrating Environmental, Social, and Governance (ESG) factors, through the ESG Awards for "Market Champions", honoring their achievements in categories reflecting good corporate governance practices, SVS issuance, ESG management, environmental protection, and gender equality.

# Annex I:

## Contribution to the Sustainable Investment Goals (SDGs)

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

SDG	Goals	Contribution	Results and Impacts
	13	<ul style="list-style-type: none"> <li>We promote stock market knowledge through our Stock Market Education Program.</li> <li>We provide up-to-date information to the community through digital campaigns and The Latinex Podcast.</li> </ul>	<ul style="list-style-type: none"> <li>More than 1,300 beneficiaries of the Stock Market Education Program.</li> <li>9 episodes of The Latinex Podcast.</li> <li>More than 10 webinars and events broadcast virtually.</li> <li>1,179.9 training hours delivered.</li> </ul>
	5.5	<ul style="list-style-type: none"> <li>Commitment to the Women's Empowerment Principles (WEPs).</li> <li>Participation in the Gender Parity Initiative, promoted by the Ministry of Social Development.</li> <li>We organize initiatives, events, and awareness-raising activities about gender equality and women's empowerment in business.</li> </ul>	<ul style="list-style-type: none"> <li>62% of the Group's employees are women.</li> <li>3 general management positions in our subsidiaries held by women.</li> <li>30% women representation on our Board of Directors.</li> <li>Bell Ringing for Gender Equality.</li> <li>100 participants in the first "Ella Invierte" (She Invests) Seminar.</li> </ul>
	8.2, 8.8, 8.10	<ul style="list-style-type: none"> <li>We ensure job security and stability through indefinite contracts.</li> <li>We create job opportunities for young people.</li> <li>We facilitate market access for new investors.</li> </ul>	<ul style="list-style-type: none"> <li>100% of employees with indefinite contracts.</li> <li>7 new interns under the "Mi Primer Empleo" program.</li> <li>New simplified investment account.</li> </ul>
	9.2, 9.3, 9.4	<ul style="list-style-type: none"> <li>Investment in technology and systems.</li> <li>We facilitate interconnectivity.</li> <li>Robust systems with enhanced functionalities for users.</li> <li>Connections that allow access to international markets.</li> <li>Advances to diversify the portfolio and offer products to SMEs.</li> </ul>	<ul style="list-style-type: none"> <li>USD 695,604 invested in technology.</li> <li>Completed phase of iLink.</li> <li>ISO 27001:2022 certification.</li> </ul>
	10.2, 10.5	<ul style="list-style-type: none"> <li>We drive the democratization of the capital market, promoting access to more investors and new issuers.</li> <li>Social action programs, community initiatives, and support for foundations.</li> </ul>	<ul style="list-style-type: none"> <li>USD 35,525 in social investment programs and community support (2023).</li> <li>Issuer Guide.</li> <li>35 issuers benefited through Thematic Issuance Workshop</li> </ul>
	12.6	<ul style="list-style-type: none"> <li>Promotion and support for adopting reporting and disclosure practices on ESG performance by issuers and other stock market actors.</li> <li>Commitment and reporting culture integrated into the corporate strategy.</li> <li>Promotion of more Green, Social, and Sustainable (SVS) issuances.</li> </ul>	<ul style="list-style-type: none"> <li>Guide for Voluntary Reporting and Disclosure of Environmental, Social, and Governance (ESG) Factors.</li> <li>Second GRI and SASB report as Latinex Group.</li> <li>Updated Guide for the Issuance of Green, Social, and Sustainable Securities (SVS).</li> <li>Support and promotion for adopting new Sustainability Standards S1 and S2.</li> </ul>
	13.3	<ul style="list-style-type: none"> <li>Promotion of thematic issuances, including green bonds.</li> <li>Participation in working groups and alliances to drive climate action in markets.</li> <li>Climate commitments, emission reductions, and carbon neutrality.</li> <li>Measurement, mitigation, and compensation of Carbon Footprint.</li> <li>Action plan to achieve carbon neutrality by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Over USD 700 million in SVS issuances.</li> <li>Bell Ringing for Climate Action.</li> <li>Selected as administrators of the Panama Carbon Market.</li> <li>Carbon Footprint Inventory Recognition 2022.</li> <li>Adherence to "Las 50 Primeras Organizaciones Carbono-Neutro" Declaration and "Reduce tu Huella Corporativo-Carbono."</li> </ul>
	16.5, 16.6	<ul style="list-style-type: none"> <li>Update and expansion of the internal self-regulation framework: Code of Ethics and complementary policies.</li> <li>Cybersecurity management: internal regulation, system monitoring, and organizational culture.</li> </ul>	<ul style="list-style-type: none"> <li>100% of employees trained in our Code of Ethics.</li> <li>No incidents of data breaches or leaks.</li> <li>No cases, fines, and/or judgments related to corruption.</li> <li>New Code of Ethics and Conduct for Suppliers.</li> <li>100% compliance with applicable regulations and legislation.</li> </ul>
	17.16, 17.17	<ul style="list-style-type: none"> <li>Participation in various private sector ESG initiatives, with local and/or authority involvement (e.g., Panama Sustainable Finance Working Group).</li> <li>We are part of initiatives and organizations that promote Sustainable Development and Sustainability (e.g., SUMARSE).</li> <li>We actively participate in the development of our local and regional market through our affiliation with (FIAB, UN SSE, WFE).</li> </ul>	<ul style="list-style-type: none"> <li>These are presented throughout the report.</li> </ul>

## Annex II: WFE Principles

In Latinex Holdings, we are committed to the development of sustainable finance. That's 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. Its objectives are to facilitate the representation and development of organized and regulated markets and 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 wherein 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>	<b>Pages:</b> 26,53,67,70
<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>	<b>Pages:</b> 7, 67
<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>	<b>Pages:</b> 26, 34
<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>	<b>Pages:</b> 67
<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,</li> <li>▪ 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 of Latinex Holding and Subsidiaries, based on the dual financial and impact materiality established in 2021-22.</li> </ul>	<b>Pages:</b> 38, 46



# Annex III: Report Standards

## GRI Contents Index

**Usage declaration** Latinex Holdings, Inc. and its subsidiaries have presented the information cited in this GRI content index for the period between January 1, 2022, and December 31, 2023, using the GRI Standards as a reference.

**GRI Used** GRI 1: Foundations 2022

GRI Standard	Content	Page
<b>GRI 2: : General Disclosures 2022</b>		
Organization and its reporting practices	GRI 2-1	6
	GRI 2-2	6
	GRI 2-3	3
	GRI 2-4	3
	GRI 2-5	3
Activities and workers	GRI 2-6	6
	GRI 2-7	54
	GRI 2-8	54
	GRI 2-9	38
	GRI 2-10	40
Governance	GRI 2-11	40
	GRI 2-12	42
	GRI 2-13	42
	GRI 2-14	1,42
	GRI 2-15	46
	GRI 2-16	46
	GRI 2-17	45
	GRI 2-18	45
	GRI 2-19	47
	GRI 2-20	47
	GRI 2-21	-
	GRI 2-22	40
Strategy, policies, and practices	GRI 2-23	18,19 & 61
	GRI 2-24	18,19 & 61
	GRI 2-25	61
	GRI 2-26	46,61
	GRI 2-27	50
Stakeholder participation	GRI 2-28	26
	GRI 2-29	23 & 24
	GRI 2-30	54
<b>GRI 3: Material Topics GRI 2021</b>		
	GRI 3-1	20
	GRI 3-2	21
	GRI 3-3	They are mentioned throughout the report

\*Confidential, due to internal company guidelines.

Material Topic	GRI Standard	GRI Content	Page
Cybersecurity	GRI 3: Material Topics 2021	GRI 3-3	28, 29
	GRI 418: Customer Privacy 2016	418-1	29
Regulatory Compliance	GRI 3: Material Topics 2021	GRI 3-3	50
	GRI 206: Anti-competitive Behavior 2016	206-1	66
Market Development	GRI 3: Material Topics 2021	GRI 3-3	11,67 & 68
	GRI 203: Indirect Economic Impacts 2016	203-1 / 203-2	27/14 & 15
Diversity and Equal Opportunities	GRI 3: Material Topics 2021	GRI 3-3	53
	GRI 401: Employment 2016	401-1 / 401-2 / 401-3*	54 / 56,57 / 55
	GRI 404: Training and Education 2016	404-1 / 404-2 / 404-3	-
	GRI 405: Diversity and Equal Opportunity 2016	405-1 / 405-2*	54 / -
	GRI 406: Non-discrimination 2016	406-1	55
Disclosure and Transparency of Financial Information	GRI 3: Material Topics 2021	GRI 3-3	14,17
Financial Education	GRI 3: Material Topics 2021	GRI 3-4	69
Ethics and Anti-corruption	GRI 3: Material Topics 2021	GRI 3-3	48,49
	GRI 205: Anti-corruption 2016	205-1* / 205-2 / 205-3	49
Operational Risk Management	GRI 3: Material Topics 2021	GRI 3-3	37
Corporate Governance	GRI 3: Material Topics 2021	GRI 3-3	38,45
Brand Positioning	GRI 3: Material Topics 2021	GRI 3-3	10
	GRI 201: Economic Performance 2016	201-1 / 201-2** / 201-3* / 201-4	17/ - / 56/17
Issuer Services	GRI 3: Material Topics 2021	GRI 3-3	64
	GRI 416: Customer Health and Safety 2016	416-1 / 416-2	64
	GRI 417: Marketing and Labeling 2016	417-1 / 417-2 / 417-3	66
Relationship with Authorities	GRI 3: Material Topics 2021	GRI 3-3	50
	GRI 415: Public Policy 2016	415-1	49
Investor Relations	GRI 3: Material Topics 2021	GRI 3-3	70
Digital Transformation	GRI 3: Material Topics 2021	GRI 3-3	27
Sustainable Investment Products	GRI 3: Material Topics 2021	GRI 3-3	67

\*Not available, the company is working to publish it in the next report.

Energy and emissions information is presented in a complementary manner due to participation in the Authority's initiatives to reduce the carbon footprint of companies; They are not linked to material topics and therefore are not coded according to the GRI Standards.

In the case of occupational health and safety information, it is presented due to the context of contingency that still exists due to the pandemic, although the topic was not material as part of the analysis; For this reason, it is not coded according to the GRI Standards.

# Annex III: Report Standards

## SASB Parameters Index

### SASB Standard: Stock and Commodity Exchange 2018

SASB Topic	Code	Topic Description	Measurement Unit	Page
Parámetro de actividad				
Activity metric	FN-EX-000.A	Average daily operations, by product or asset class	Number	14
Activity metric	FN-EX-000.B	Average daily trading volume, by product or asset class	Communication currency	14
Accounting parameter			Number, minutes	
Promotion of transparent and efficient capital markets	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	Percentage (%)	30
	FN-EX-410a.2*	Percentage of transactions generated by the automated trading systems	n/a	27
	FN-EX-410a.3	Description of the notices policy regarding the moment and nature of the information publication	n/a	30
	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	Percentage (%)	67
Management of conflicts of interest	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	Communications currency	49
	FN-EX-510a.2	Analysis of the processes to identify and evaluate conflicts of interest	n/a	28,46
Business continuity and technological risks management	FN-EX-550a.1	"1.1 Number of important market disruptions" "1.2 Inactivity time duration of the important market disruptions"	Number, hours (h)	30
	FN-EX-550a.2	2.1 Number of data leaks 2.2 Percentage implying personal identification information (PII) 2.3 Number of affected clients	Number, percentage (%)	29
	FN-EX-550a.3	Description of the efforts to avoid technological errors, security violations, and market disruptions	Communication currency	30

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

# Sustainability Report

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