

Sustainability Report 2021



Latinex



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About this Report

Scope and time frame

We are pleased to present to our stakeholders this first sustainability report for Latinex Holdings, Inc. (from now on, the "Company") and its principal subsidiaries, the Latin American Stock Exchange ("Latinex") and the Latin American Central Securities Depository ("Latinclear") (jointly, from now on, the "Subsidiaries"). (Any reference to "Group" or "Latinex Group" refers to the whole of Latinex Holdings, Inc. and its Subsidiaries.)

In this report we disclose our management and performance in respect of the environmental, social, and corporate governance (ESG) factors from January 1 through December 31, 2021.

Likewise, the report is an integral part of our efforts to address sustainability from the standpoint of our business, making the ESG factors present in our decision-making and, in the same manner, in respect of the accountability owed our external stakeholders.

Specifically, in the report we address both determined and material topics, thus applying the double-materiality concept, according to which, following international trends, socio-environmental and financial materiality is integrated, and making use in the process of related reference standards.

We carried out the materiality assessment this year, which, in the determination of topics, has allowed us to consider the changes experienced by the Group in recent years in respect of its strategy, business model and management structure. The growing interest of our different stakeholders in sustainable finance and the impact of the COVID-19 pandemic has also played a material role.

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

Details of the Double Materiality Concept in the Chapter on Sustainability Focus

The Report:

This report was developed applying the Global Reporting Initiative (GRI) standards; the new universal GRI 1, 2 and 3 standards launched in October 2021 were used.

The GRI standards focus on socio-environmental materiality and are intended for a broad audience.

It also includes the Sustainability Accounting Standards Board (SASB) standards for the securities-market industry and its corresponding basic products and services (Security & Commodity Exchanges Standard).

The SASB standards address financial materiality and attend to information requirements, especially those of investors and other capital providers.

It also monitors the contribution to the Sustainable Development Goals (SDGs), a global roadmap proposed by the United Nations Organization (UN) to address society's significant challenges.

Further, it reports on progress in respect of gender equality, as part of Latinex and Latinclear's commitment to the Women's Empowerment Principles (WEPs), an initiative of the UN Women and the United Nations Global Compact.

Contents Identification

2



An index of our contribution to the UN SDGs and the Sustainability Principles of the World Federation of Exchanges (WFE) is included at the end of the report.

1



At the beginning of each section there are references to the relevant contents of the GRI Standards and the SASB parameters.

3



The specific distribution indices of the GRI and SASB contents are also presented at the end of the report.

Validation and Approval

The report's contents were submitted to an internal verification process and a subsequent validation, first off, by the Executive VP and General Manager of Latinex.

Subsequently, the report was approved by the Sustainability and CSR Committee, as well as, by the Latinex Holdings' Board of Directors in May 2022.

In this first annual edition of the report, do not have an external verification.

Dignitaries

Arturo Gerbaud, Chairman

Roberto Brenes, Vice President

Carlos Mendoza, Treasurer

Mónica García de Paredes de Chapman, Secretary

Executives of the Subsidiaries

Olga Cantillo, Executive Vice President and CEO of Latinex

Myrna Palomo, Deputy General Manager of Latinex

Lerzy Batista, CEO of Latinclear

María Guadalupe Caballero, Deputy General Manager of Latinclear

Anyelis Marrero, Compliance Manager of Latinex

Rosario Fernández, Compliance Manager of Latinclear

Alexander Quezada, Markets Development Manager

Karla Vidal, Human Capital and Administrative Services Manager

Lydia Caballero Cadastre, Sustainability and CSR Manager

Nayarith Oliva, Internal Auditor

Julio Hernández, Risk Officer

Sustainability Report 2021

Direction

Olga Cantillo, Executive Vice President and CEO of Latinex

Coordination

Lydia Caballero Cadastre, Sustainability and CSR Manager

Advisory services

Valora Sostenibilidad e Innovación, S.A. de C.V.

Design

Communications and Public Relations Team, Latinex Holdings

Latinex Holdings Inc.
Federico Boyd Avenue & 49 Street
Building PH Latinex
Panama Republic, Panama
2022

Message from the President

(GRI 2-22)

Dear Stakeholders,

I'm pleased to present our first Sustainability Report, in which we disclose our management and performance, by Latinex Holdings Inc. and its Subsidiaries, in respect of the environmental, social, and corporate governance (ESG) factors during 2021.

As a company, we recognize the material role we play in developing and promoting sustainable finance. That is why sustainability is an important pillar of our strategy.

We are committed to continue facilitating access to financing for climate and social solutions, making, in so doing, a potential base of investors available to issuers, and thus contributing to the country's inclusive economic growth and the kind of development that drives progress and fosters job creation.

Undoubtedly, in the face of the difficulties brought about by the COVID-19 pandemic, ongoing access to financing has been critical for national and international companies. Likewise, the pandemic has allowed us to understand in an accelerated manner the vulnerabilities we face as a society, as well as, among other critical factors, the importance of working to reduce inequalities and address the risks deriving from climate change.

In this regard, we've been working on an ambitious roadmap to provide continuity to the sustainable finance promotion effort, which continues to play a very significant role for the local and international market.

During 2021 we approved the creation of the Standing Sustainability and Corporate Social Responsibility (CSR) Committee. This committee's specific objectives are to establish and to promote the sustainability strategy and policies of the Company and its Subsidiaries, to ensure the proper management of the ESG factors, and, at the same time, to promote these factors in the process of building and promoting a sustainable and transparent capital market.

Panama's competitive advantages, due to its geographic location and for having a robust international banking center, added to our objective of becoming an international capital market hub, pushes us to lead the development of a knowledge ecosystem and the associated products required for the advancement of sustainable finance.

To further the development of local capabilities, Latinex is part of the Panama Sustainable Finance Working Group (GTFS), of which, in addition to having led its formation in 2018, it currently serves as its secretary. Internationally, we play an active role within the Independent Advisory Committee of the United Nations Sustainable Stock Exchanges Initiative (UN SSE Initiative).

In the same way, and with the aim of becoming an international hub, we launched our Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance Factors (ESG Guide), which is aligned with recently updated global principles and standards.

With this guide, we aim to support companies with the simplification and standardization of the processes associated with the development of sustainability strategies, as well as to guide issuers in the preparation of voluntary ESG factors disclosure reports. In addition, we contribute with the reports to the dissemination and implementation of best practices and global standards in respect of corporate sustainability issues.

With these capabilities in place, added to the active promotion of security issues based on compliance with ESG criteria, since 2019 thematic bond issues have been undertaken, and in 2021 the first sustainable bond was issued, which integrates both environmental as well as social objectives.

Having carried out, in conjunction with a selection of our stakeholders, our first materiality assessment, our internal efforts are also progressing well. This analysis allowed us to understand our stakeholders' opinions, expectations and needs, as well as to determine the nature of the ecological, social, and economic impacts on our immediate environment.

The material topics identified in this analysis are serving as the basis for the development of our sustainability strategy, which will in turn guide and inform our actions in this area in the coming years.

All this is possible thanks to the effort and conviction of our employees, who are becoming increasingly aware and knowledgeable about how to contribute to sustainable development through our activities.

It is worth highlighting that this first sustainability report applies the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). This in turn places us at the forefront of these reports at both a local and regional level. With it, we seek to inspire other companies to follow our path.

We invite you to learn more about our activities.

Yours sincerely,



Arturo Gerbaud
Chairman of the Board of Directors



Key Numbers 2021

USD 9.5 MM
in revenues



USD 4.4 MM
in EBITDA



USD 2.8 MM in
net income



236
issuers



USD 9,461 MM
total trading
volume



USD 37.8 MM
daily, average,
trading volume



37
listed corporate
issues



USD 5,091 MM
total listed amount



USD 50 MM
in thematic
bond issues



USD 26,275 MM
in assets under
custody



83,003
transactions



USD 160 MM
in the integrated
market



61% of employees are women, and
women occupy the general manager
positions of the Subsidiaries



36% participation of women on the
Board of Directors of Latinex
Holdings, Inc. and Subsidiaries

Pioneering participation in the Ministry of the Environment's **"The First 50 Carbon-Neutral Organizations"** Declaration and in the **"Reduce your Corporate Carbon Footprint"** program



14.41 tons of CO2 eq/year from the operation (GHG emissions 2020)

Latinex Holdings, Inc.

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

Latin American Stock Exchange

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

Mission

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

Vision

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

Latin American Central Securities Depository

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

Mission

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

Vision

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

Our History

- 1990** | The Latin American Stock Exchange begins operating. At the time, it was known as the "Panama Stock Exchange".
- 1997** | The Latin American Central Securities Depository (Latinclear), engaged in the administration, custody, clearing and settlement of financial securities, begins operating.
- 2010** | Corporate reorganization with the constitution 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 (Latinex) and the Latin American Central Securities Depository (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
- 2015** | Integration of the Latin American Stock Exchange and the El Salvador Securities Exchange , which makes it possible to trade in both markets by means of remote operators.
- 2018** | Latinex joins the UN Sustainable Stock Exchange initiative (SSE), an initiative of the UNCTAD, the UN Global Compact, UNEP FI, and the PRI. Establecimiento del Grupo de Trabajo de Finanzas Sostenibles de Panamá
- First Ring the Bell for Gender Equality event, in collaboration with the UN Global Compact, UN Women, SSE, IFC, WFE and Women in ETFs.
- Formation of the Grupo de Trabajo de Finanzas Sostenibles de Panamá (GTFS), with the participation of all the financial-sector segments and in collaboration with the Government of Panamá. Latinex is a participant.
- 2019** | First securities exchange in Latin America to join the Partners program of the Climate Bonds
- Joined Sumarse, an organization which promotes Corporate Social Responsibility (CRS) and the principles of the UN Global Compact in Panamá.
- Launch of the Securities Market Education Program.
- Launch of the Guidelines for the Issuance of Social, Green, and Sustainable (SVS) Securities.
- Issuance, by the Corporación Interamericana para el Financiamiento de Infraestructura (CIFI), of Panamá'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 the electronic trading system.
- 2021** | Launch of the Guide for the Voluntary Reporting and 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 Literacy event, in commemoration of the World Investor Week organized by the International Organization of Securities Commissions (IOSCO) and the World Federation of Exchanges (WFE).

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

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

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

Main Services:

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

Additional Services:

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

Traded Instruments:

Variable income: national and international shares, investment fund participations, mutual fund participations.

Fixed income: corporate bonds, fiduciary participation certificates, corporate notes, negotiable commercial securities; government bonds, notes, and other short-term instruments; financial intermediation instruments and the registry of operations (Over the Counter, OTC) interest rates and currencies.

Latin American Central Securities Depository (Latinclear) -- Custody

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

Deposits and Custody:

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

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

Phase II: Corporate Fixed Income (pending)

Phase III: Variable income (pending)

Electronic Compensation and Settlement Mechanis

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

Administration / Property Rights

- Local and international financial securities

Corporate Strategy

We are focused on the objective of becoming the international capital markets' hub, based on the following fundamental pillars:

Operating Efficiency

Improvements in the efficiency of our processes through the implementation of important technological developments. Among these, we highlight (i) replacement of Latinclear's custody software with a view to its launch in 2023, (ii) migration of Nasdaq ME to the cloud, (iii) obtaining ISO 27001 certification, and (iv) the digitization of processes; such as, for example, the launch of the virtual securities registration window, in conjunction with the Superintendency of the Securities Market (SMV), which makes it possible to speed up and shorten the times required to register issues and to digitize the documents required for the registration and enrollment process; all with a view to improving the experience of our internal and external customers.

Local Market Development

To provide local and international investors with more investment alternatives our efforts to develop the local market include the analysis and development of new products. This in turn is intended to make it possible for them to diversify their investments not only in terms of instrument types, but also issuers.

In 2021, we introduced corporate auctions to the market, a procedure that incentivizes market liquidity through the price-discovery process. In this regard, the first auction held achieved 406 bids for USD 55 MM in common shares, ultimately awarding an amount of USD 36 MM.

As tools for issuers, a guide for the registration of securities in Latinex and the custody of securities in Latinclear, and a cost calculator were presented, which makes it possible for issuers to have more information at their disposal.

To enhance access to instruments issued in the different markets, we will press ahead in respect of our efforts to integrate the markets that make up AMERCA, with some of which, through remote operators and correspondent agreements, integration models already exist.

At the educational level, through the Securities Market Education Program, we plan to develop an inherent financial and securities market education model that integrates different market players, thus generating a new culture of knowledge in respect of the public securities market. And, in addition, by promoting through educational professorships and university chairs the training of current and new investors to make new and better investment decisions. In the process, we hope to foster a more visible market, strengthen the level of competitiveness among issuers on the one hand and investors on the other, and, in general, to contribute to the overall development of Panama's securities market.

Sustainable Finance

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

In addition, we will continue to promote social, green, and sustainable tradable issues (SVS) as well as the standards and principles outlined by the strategic allies of the Company and its Subsidiaries. These include, among others, the UN Sustainable Stock Exchanges Initiative (SSE), the Climate Bonds Initiative (CBI), and the World Federation of Exchanges (WFE). Always focused on complying with the different UN Sustainable Development Goals (SDGs), we will continue working on different initiatives directly impacting the different priorities and goals envisioned by this ambitious global agenda.



International Hub

The international hub initiative -- by supporting the development of an effective regulatory structure, efficient processes, the attraction and reactivation of local and international issuers, and the continuous development of innovative products -- envisions advancing the goal of turning Panama into an international capital market hub. These efforts, we believe, will allow for the creation of conditions conducive to the strengthening and deepening of the Panamanian securities market.

In this regard, efforts will continue to determine an implementation date for Phases II and III of the iLink project with Euroclear Bank, such that the purchase and sale of corporate debt and equity instruments can be internationalized.



Strengths



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

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

Favorable fiscal framework for the capital markets, resulting in better conditions for investors.

A highly competitive professional team, operating under a corporate governance structure governed by best practices and which conforms to the Company's institutional framework.

Efficiency in operations, with significant investments in technology; in this regard, electronic trading in Latinex through the Nasdaq Matching Engine system stands out.

The link with Euroclear Bank, through the iLink system, which allows Latinex-listed instruments duly authorized by the infrastructure provider to be traded and held at an international level.

Market Evolution



In 2017, the El Salvador Securities Exchange and Latinex signed an agreement that makes cross-border trading operations possible. Indeed, under the figure of a remote operator, exchange-seat holders in Panama and brokerage houses in El Salvador can operate in both markets without the need of an intermediary.

At the level of the Capital Markets Association of the Americas (AMERCA), work has also been undertaken on the implementation of a second integration model, through correspondent agreements, for exchanges that have not yet implemented the remote operator model. With this alternate model, trade negotiations are handled through exchange-seat holders between the countries that have correspondent agreements in place and whose operations are settled and cleared through central depositories. Latinclear maintains correspondent agreements with Costa Rica (InterClear), Nicaragua (Cenival), Guatemala (CVN), and El Salvador (Cedeval), thus increasingly expanding the options for investors and, for issuers, the opportunity to diversify their capitalization and financing sources.

Context



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

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

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

Market Participants	Role
Issuers	Issuers offer financial securities to obtain financing, either in 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 sales of financial 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 financial information provided reasonably reflects the 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 Superintendence of the Securities Markets an autonomous State entity. It is in charge of regulating and supervising the operation of the activities of the securities' market's activities and that of its diverse actors and participants.

Integration of Services in the Value Chain

	Issues Registration	Trading	Custody	Clearing	Settlement
Latinex	•	•			
Latinclear			•	•	•
Exchange Seat Holders	•	•			
Remote Operators		•			
Correspondents		•	•	•	•

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, through which the seller, from the beginning, undertakes to repurchase, at a certain price and on a pre-established date, the assets originally sold.

Risk Management

(GRI 2-12, 2-13, 3-3)

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

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

Risk management is performed based on the ISO 3100 standard. To identify risks, the teams in charge in the subsidiaries involve other areas to analyze the set of processes and relationships with relevant stakeholders. Prevention and mitigation measures are then established, considering the controls that we, as a company, already have in place.

Comprehensive risk management has allowed us to develop an effective management of the risks inherent to the business processes, with the purpose of ensuring they are consistently and systematically identified, measured, controlled, and reported on a timely basis to a set of pre- defined units and entities. In this way, we seek to protect and create value in a sustainable manner.

Principal Risks

- | Technological and information security related
- | Legal and regulatory
- | Business continuity
- | Market risks (e.g., changes in market conditions and/or in the terms and conditions of security issues)

Emerging Risks

- | Teleworking related
- | Climate change



As part of our commitment to managing the main ESG aspects (environmental, social, and corporate governance), we are working on a climate roadmap, both for our direct operations and to act, through our market role, as a catalyst for issuers and investors.

- | We started with the calculation of our GHG emissions.
- | We promote transparency in issuers, including the application of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- | We also promote thematic issues, which can capture resources for more efficient and cleaner technologies.

At the Latinex Holdings level -- to develop a work plan which considers the recommendations of the TCFD, as well as the subsequent disclosure of the risks and opportunities thus identified -- we will also seek to identify our main risks and opportunities related to climate change.

Sustainability Approach

(GRI 2-13, 2-23, 2-24, 2-28)

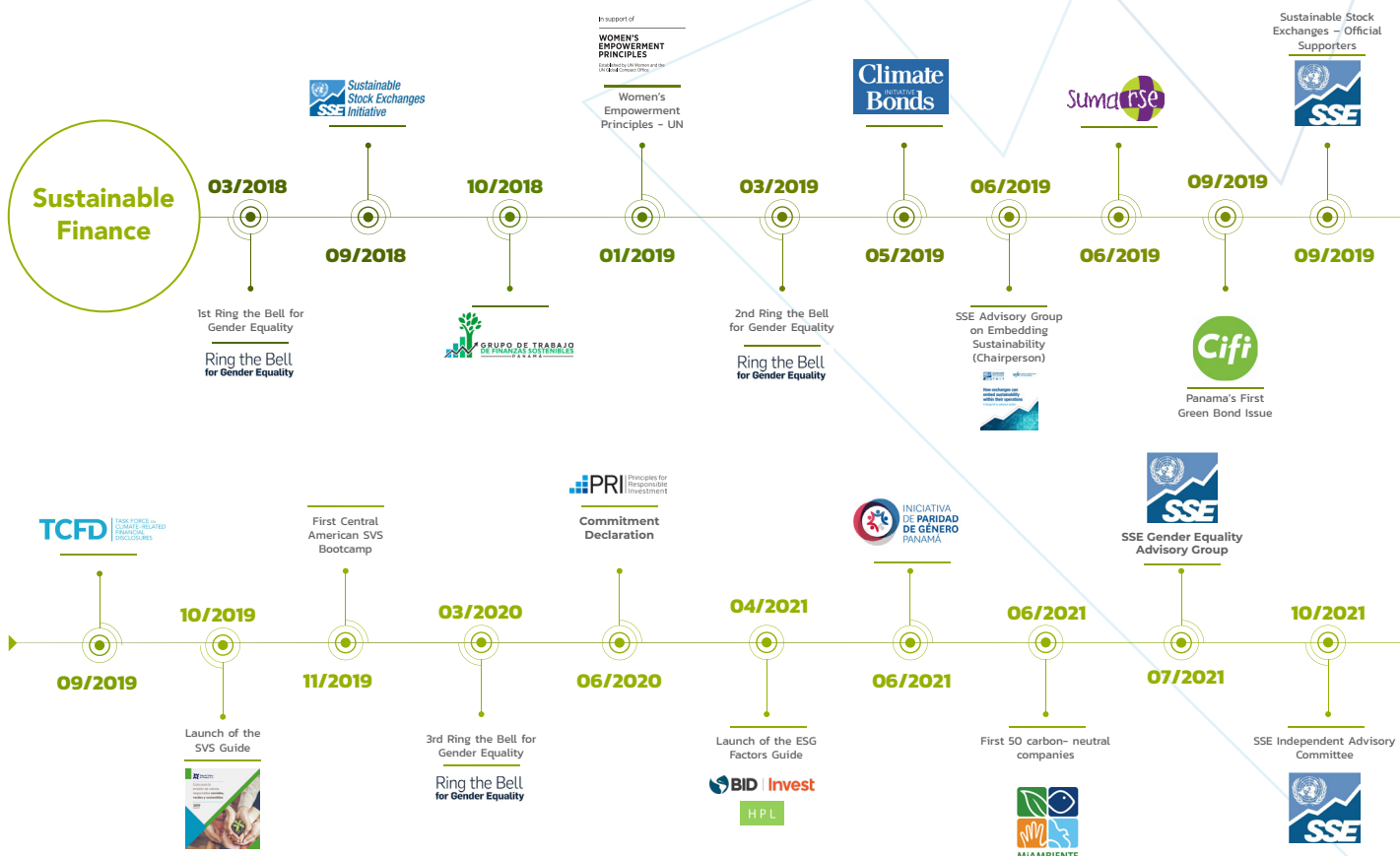
At Latinex Holdings, we are highly committed to the development and promotion of a sustainable and transparent capital market. As a central point among the actors it comprises, we facilitate investments in environmental, social, and corporate governance (ESG) solutions, making a potential investor base available to issuers. We also support these investors in making impact investments, while complying with responsible investment principles.

In line with this commitment, we have made progress in the consideration of ESG aspects in respect of our decision-making processes, products, and services. In this way, we have also strengthened our relationship with our different stakeholders.

In addition, in 2021 we approved the formation of the Standing Sustainable and Corporate Social Responsibility (CSR) Committee, whose objectives are to establish and promote the corporate sustainability strategy and policies of the Company and its Subsidiaries, to ensure the appropriate management of the ESG factors and, in turn, to promote such factors for the benefit and strengthening of the securities market.

This committee is composed of (5) directors. By decision of the Board of Directors, the committee may also include a member external to the Board of Directors who has the necessary experience and knowledge to fulfill the functions and responsibilities contemplated by this role. All members have the right to speak and vote. The general managers and other officers or managers of the subsidiary companies, as well as advisors or any other guests determined by the committee, shall be invited to participate with the right to speak.

Principal Sustainability Milestones



We play an active role as part of the sustainability initiatives at a local, regional, and international level. We do this, in respect of the issue of sustainable finance, to achieve progress as our main contribution, in addition to other aspects related to our business activities and for which we have identified other specific market-support opportunities.



UN Sustainable Stock Exchanges Initiatives (SSE), since 2019 we have been an “official supporter”. In the same year we held the presidency of the advisory group for the development of the guide “How exchanges can embed sustainability within their operations”. In 2021 we participated in the advisory group for Gender Equality for the development of the guide “How exchanges can advance gender equality”, and we currently participate as a member of the Independent Advisory Committee, represented in this regard by Latinex’s Executive Vice President and General Manager. Through our participation in SSE and based on the highest standards for sustainable investment incorporating the environmental, social and governance factors, we seek to promote the development of the capital market.



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



Women Empowerment Principles (WEPs), aligned with our commitment to work in favor of gender equality from all scenarios where we can have an influence, internally and towards issuers. In addition, we facilitate the celebration of the Ring the Bell for Gender Equality.



Task Force on Climate-related Financial Disclosures (TCFD), that we support to promote transparency of issuers on how they manage the climate-related risks and opportunities.



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



Pacto Global
Red Panamá

Sumarse – UN Global Compact local network, as a gathering for learning and exchanging good practices in sustainability and corporate social responsibility (CSR) in Panama. It fosters examples of leadership in the promotion of universal principles and of companies' responsibility in the achievement of a more sustainable and inclusive global economy. In the same manner, it fosters participation in dialogues aimed at resolving the main, critical global problems and allows for the management of risk by taking a proactive stance in respect of critical issues.



INICIATIVA
DE PARIDAD
DE GÉNERO
PANAMÁ

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

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



Ibero-American Federation of Stock Exchanges and Securities Markets (FIAB) – We participate in the Sustainability Committee, with the mission of promoting and developing sustainable finance in the Ibero-American stock exchanges and capital markets, fostering the interactivity of entities and thus contributing to the achievement of the Sustainable Development Goals.

Ring the Bell for Gender Equality

Towards our clients and society, we also develop initiatives such as Ring the Bell for Gender Equality and provide informative materials related thereto on our social networks, where Tesi, our virtual representative, explains the importance of gender equality initiatives, as a right that is both fundamental and essential for the progress of societies.

For the fourth year in a row, we joined more than 100 stock exchanges around the world to commemorate International Women's Day.

This reaffirms our commitment to SDG 5: Gender Equality, through which private and governmental entities are urged to adopt initiatives in favor of fulfilling this objective.

We carry out this initiative in partnership with: Sumarse – United Nations Global Compact, UN Women, the UN Sustainable Stock Exchanges Initiative (SSE), the International Finance Corporation (IFC), the World Federation of Exchanges (WFE), Women in ETFs and IDB Invest.



Our Stakeholder

(GRI 2-29, 3-3)

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

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

Stakeholder

Shareholders	The State (Government)
Members of the Board of Directors	Strategic allies
Committee members	Regulator (Superintendence of the Securities Market)
Employees	The Media
Suppliers and creditors	General public
Clients: Latinex exchange-seat holders, Latinclear participants, issuers, and other clients	

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

Honesty Principle Requires that transparency, fairness, confidentiality prevail.	Diligence Principle Requires that any action be taken promptly, with care, objectivity, impartiality, and the professionalism required by the position.	Loyalty Principle It deals with abiding by the norms, policies, and internal rules, putting the interests of the Latinex Group, its shareholders, and the investing public before personal interests.
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Engagement with Stakeholders

To attend the relationship with our different stakeholders, we place at their disposal different channels and platforms, in addition to the direct relationship with the different teams in our Subsidiaries.

In the interaction between Latinex and each stakeholder, we aim to always maintain:

Respect between the parties for all rights recognized by Law, through policies, codes, or internal regulations, and those acquired through contracts.	Open communication channels which will make it possible to develop the best relationships and the professional growth of all parties, based on knowledge and experience.	The study and evaluation of each situation, with the commitment to constantly evolve towards best practices.
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The following table includes our stakeholders, as well as the diverse communication channels and interaction scenarios with each group.

Category	Subcategory	Value Proposition	Communication Channels and Interaction Scenarios
Shareholders	<ul style="list-style-type: none"> • Class A shareholders • Class B shareholders 	<p>Investment in a company with a solid business model, being the only local securities market and which, in addition and with a strategic vision, diversifies its portfolio and regionalizes its operations.</p> <p>To work in a highly regulated ecosystem with strict operating criteria (brokerage firms).</p> <p>A wager on the development of products and services linked to sustainable emissions, (e.g., green bonds), attending to growing business opportunities.</p>	<ul style="list-style-type: none"> • General Shareholders' Meeting • Annual Report • Financial statements • Relationship with Shareholders team (Compliance Manager) • Investors' Forum • Website • Results and strategy presentation meetings • Sustainability Report
Members of the Board of Directors and Committee members	<ul style="list-style-type: none"> • Related directors • Independent directors 	<p>Participation in a corporate-governance structure which abides by the best international practices.</p>	<ul style="list-style-type: none"> • Board of Directors' meetings (ordinary and extraordinary) • Committee meetings • Annual Report • Financial statements (annual) • Quarterly newsletter • Monthly figures • Risk Rating Agency questionnaires and evaluations • Investors' Forum • Invitation to other forums and group events • Results and strategy presentation meetings • Website • Remittances by e-mail with the information for the committee meetings • Sustainability Report
Employees	<ul style="list-style-type: none"> • Managers and Deputy Managers • Officers • Coordinator • Administrative • Operative • Auditing 	<p>To support training and career development, generating highly competitive professional profiles. To seek professional and personal well-being, through job security and the work environment, and to promote gender equality.</p>	<ul style="list-style-type: none"> • Work environment surveys • Intranet • Contact with directors through the committees • Educational sessions (including onboarding) • Performance evaluations • Annual report • Financial statements (annual) • Quarterly newsletter • Monthly figures • Investors' Forum • Invitation to other forums and group events • Quarterly Human Capital newsletter • Relevant group news • Broader, in-office general and informative meetings • Direct contact with the Human Capital management unit • Weekly managers, assistant managers, area supervisory officers and internal audit meetings • E-mail remittances

Suppliers and creditors	<ul style="list-style-type: none"> • Strategic and non-strategic 	To build long-term relationships, through transparency and fairness.	<ul style="list-style-type: none"> • Direct contact with services and administration users • Evaluation, contracting, and survey processes • Due diligence processes (Worldcheck) • Annual report • E-mail remittances • Website and social media • Sustainability report • Notices (platform failures, updates, or maintenances)
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Clients	<ul style="list-style-type: none"> • Members Latinex exchange seat holders • Latinclear participants • Issuers • Other clients (institutional investors, securities' intermediaries, international clients, etc. 	<p>To offer a trustworthy operations infrastructure and the attractiveness of a growing market.</p> <p>The opportunity to access capital through different products, and an agile and secure process. Development of capabilities prior to a securities issue and other advisory options.</p>	<ul style="list-style-type: none"> • Meetings with senior management and/or Latinex executives • Working processes • Educational sessions for market agents through the Securities Market Education Program • Annual report • Financial statements (annual) • Annual brochure • Quarterly newsletter • Monthly figures • Notices, relevant issuers' facts prospect attraction tours / sessions • Correspondent operations • Investors' forum • Invitation to other forums and group events • Website and social media • Client attention services and complaints channel • Sustainability report
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The State	<ul style="list-style-type: none"> • Government authorities 	Contribution to the socioeconomic development of the country, under criteria of general interest collected in compliance with applicable legislation and regulations.	<ul style="list-style-type: none"> • Audits and other analytic processes • Norms compliance reports • Initiatives requirements or joint work-programs report • Forums and other relevant events • Financial statements (annual) • Website and social media • Sustainability report
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Regulator – Superintendence of the Securities Market		Contribution to the development of the country's financial securities market, under criteria of general interest collected in compliance with applicable legislation and regulations.	<ul style="list-style-type: none"> • Audits and other analytic processes • Norms reports • Dialogue opportunities to advance regulatory development • Investors' forum and other market-relevant events
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Strategic allies	Allies – ESG themes <ul style="list-style-type: none"> • Grupo de Trabajo de Finanzas Sostenibles (Panama) • United Nations (Sustainable Stock Exchanges Initiative, Women’s Empowerment Principles, etc.) • Sumarse – UN Global Compact local network, Task Force on Climate-related Financial • Disclosures (TCFD) • BID Invest • Climate Bonds Initiative • Others 	To jointly promote the development of sustainable finance on the part of all participants in the securities–market value chain.	<ul style="list-style-type: none"> • Participation and direct communication among market actors through ordinary and extraordinary meetings • Commission or committee-related work meetings • Invitations to specific events • Press releases and specific, relevant information • Initiatives requirements or joint work–programs report • Internal third-party educational sessions • Positive market and country news newsletter (as applicable) • Website and social media Sustainability report
	Allies – Sector Associations <ul style="list-style-type: none"> • Ibero–American Federation of Stock Exchanges and Securities Markets (FIAB) • Capital Markets Association of the Americas (AMERCA) • Cámara de Emisores de Valores de Panamá • Cámara Panameña del Mercado de Capitales (CAPAMEC) • World Federation of Exchanges 	To work together to develop markets, including addressing business-model risks and opportunities, based on shared positions and efforts.	
The Media	<ul style="list-style-type: none"> • Traditional media • Digital media 	Transparency on the performance of Latinex Holding as an issuer, making it easier for the media to serve as a channel for approaching and/or responding to other different interest groups. To promote knowledge about the operation and opportunities of the securities market for financial management purposes by citizens and SMEs, as well as large companies.	<ul style="list-style-type: none"> • Press releases • Invitation to forums and other group events • Direct dialogue with company spokespersons • Annual report • Financial statements (annual) • Quarterly newsletter • Monthly figures • Website and social media • Sustainability report
The general public		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"> • Exchange markets educational programs • Forums and open events • Initiatives with allies • Financial statements (annua) • Quarterly newsletter • Monthly figures • Website and social media
		To transmit trust in the country as a destination for investments.	<ul style="list-style-type: none"> • Ethical complaints channel • Sustainability report
		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.	

Materiality

(GRI 3-1, 3-2)

A selection of our stakeholders played an active part in the process of determining the material topics, through a materiality assessment commissioned to an independent consultancy to carry out the assessment between 2021 and the beginning of 2022. The objective, in the context of Latinex's operation and business strategy, as well as stakeholders' perspectives, was to identify and address the critical ESG topics, establish corresponding work priorities, including those based on changes derived from the COVID 19 pandemic.

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

We apply 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 way, the priorities we attend to are framed within an ESG approach.

Socio-environmental Materiality:

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

Financial Materiality:

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

Identification and Definition Process of the Material Topics

Determination of socio-environmental materiality:

| First, we identified potentially relevant topics, 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 topics 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, employees, and suppliers. And, in consultation with those responsible for the Latin American Stock Exchange (Latinex) and the Latin American Central Securities Depository (Latinclear), we obtained the vision of the authorities' expectations. Online surveys and interviews were also undertaken.

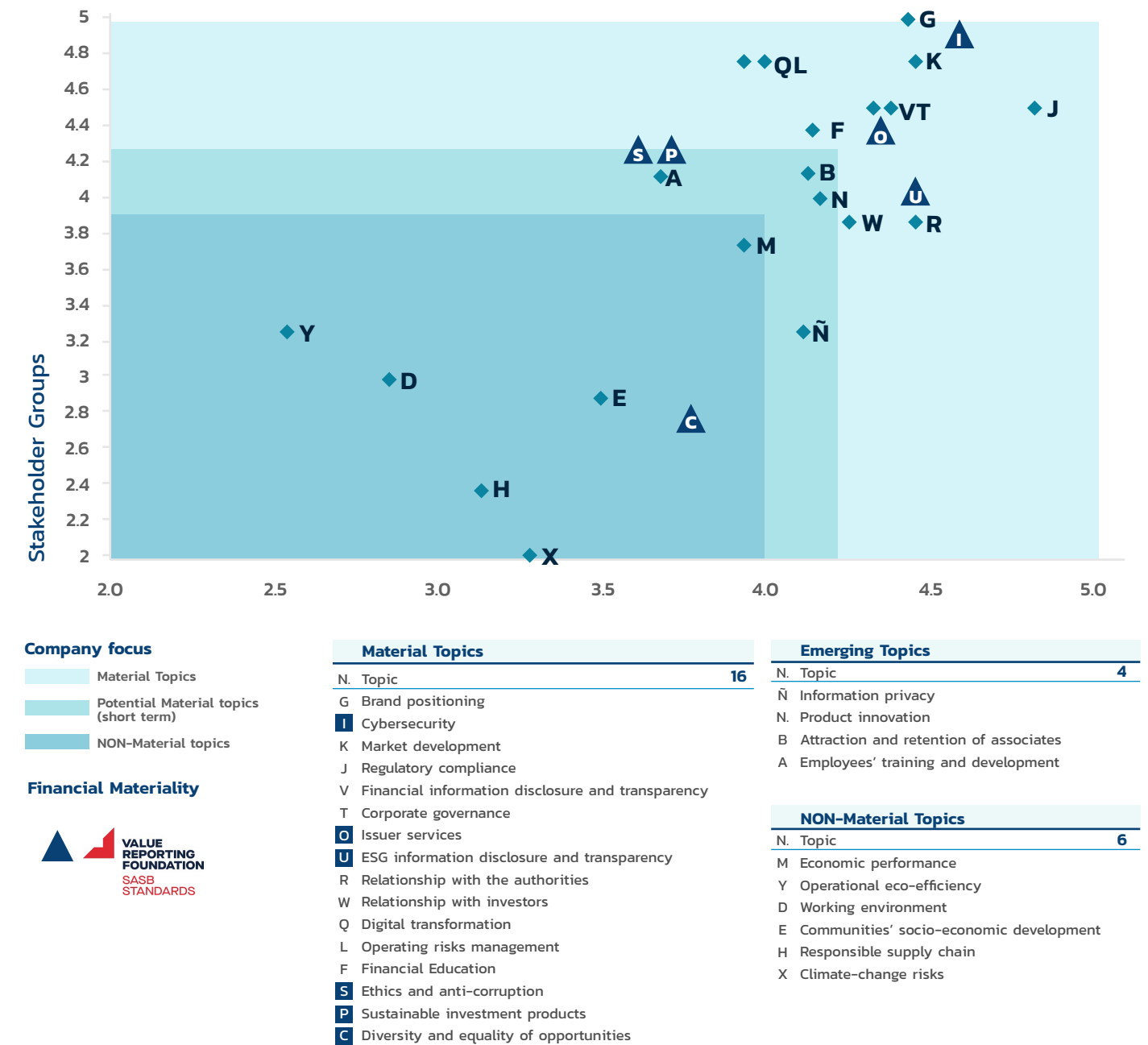
| The Company's main executives also participated in the prioritization exercise. The integration of both these perspectives, that of the stakeholder groups on the one hand, and, on the other, through its executives, that of the Company based on its internal and strategic dynamics, allowed us to determine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

Determination of financial materiality:

Given the analysis and consultation process previously undertaken by the Sustainability Accounting Standards Board (SASB) in the by-industry development of standards at an international level, we applied the topics which the initiative establishes for the securities and commodities exchanges, and related asset management and custody activities.

Integrated Materiality Index

(Reflects the double materiality)





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

The breakdown of our contribution to the SDGs is presented throughout the report, but you can find a summary in the Annex specific to that topic.

The sustainability priorities defined by the materiality assessment also serve as the basis for the construction of our sustainability strategy, which will in turn be articulated in terms of strategic objectives and action lines. Each line will integrate the initiatives we have already undertaken, which we will reinforce upon implementation, and the new ones which we will develop to continue advancing in respect of the securities market commitment to sustainable development.

Sustainability Model: Focal Points and Action Lines

Based on the results of the analysis to determine materiality, we have established six priority sustainability issues, which correlate with the material topics, and some emerging topics identified during the materiality assessment which we decided to also prioritize.

Sustainability priorities	Correlation with material topics	Correlation with the SDGs
Technology and digitization	<ul style="list-style-type: none"> • Cybersecurity • Digital transformation • Operating risks management 	   
Products and services Relationship with the Market	<ul style="list-style-type: none"> • Brand positioning • Market development • Issuer services • Sustainable investment products • Financial education • Relationship with the authorities • Relationship with investors • Products innovation 	      
Corporate governance ESG impacts	<ul style="list-style-type: none"> • Regulatory compliance • Information disclosure and transparency • Corporate governance • Disclosure and transparency of ESG information • Ethics and anti-corruption • Information privacy 	    

At Latinex Holdings we have structured our corporate governance in a manner that protects our business decisions, provides solidity to the organization, and promotes success over time. In so doing, we generate value for our shareholders as well as other stakeholder groups.

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

General Shareholders' Meeting

Shareholders have, as follows, rights and expected behaviors that are established in the Articles of Incorporation, in the Bylaws, and in the Corporate Governance Code. They are empowered to:

- Nominate candidates to occupy the positions of director and independent director in each annual General Shareholders' Meeting
- Elect the members of the Board of Directors of the holding company and that of the companies that make up the Latinex Group (Latinex Capital, Inc., Latinex and Latinclear)
- Receive the reports presented by the president of the Board of Directors and the reports submitted by the general managers of Latinex and Latinclear
- Approve the decisions related to the contents of the Articles of Incorporation
- Approve any mergers or consolidations with other companies
- Pledge, mortgage or in any other way encumber or provide as security the movable or immovable property of the Company to guarantee third-party obligations, unless the third parties are company subsidiaries or affiliates
- Sell, exchange, or otherwise dispose of all or substantially all of the Company's assets
- Remove the directors of the Company from their positions
- Annually consider the financial statements presented by the Board of Directors
- Other rights assigned by Law, the Articles of Incorporation, and the Bylaws.

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

Board of Directors

- | Determines the holding company's integral strategy, in coordination with the board of each subsidiary.
- | Is entitled to name the senior management team of the subsidiaries, including the general managers.
- | Meets at least four (4) times a year.
- | Has a set of standing committees (see below), the presidency of each assigned to the director placed in charge of establishing the committee.
- | Will be made up by eleven (11) directors who meet the profile established in the Bylaws, of which at least two (2) must be independent, in accordance with the independence criteria set out in same.
- | For the operating year 2021 the Board of Directors was made up by 11 directors, 2 of them independents (18%).

Meeting	Latinex Holdings, Inc.	Latinex	Latinclear
Ordinary	4	12	12
Extraordinary	0	1	1

Of the Directors

- | The directors are selected during the General Shareholders' Meeting, following the nomination process set out in the Bylaws.
- | They must have the skills and abilities necessary to perform their duties, and to be free of conflicts of interest.
- | They are part of a board of directors with a diverse composition, with which we are making progress, integrating in the process different experiences, knowledge, ages, and genders.
- | The Board of Directors is made up of at least 2 independent directors and four women, fulfilling the percentage of women established in Law 56 of July 11, 2017.
- | The election of directors is carried out for staggered periods, to ensure there is always management continuity.
- | The Company's dignitaries (president, vice president, secretary, and treasurer) are chosen annually by the Board of Directors.
- | They are informed in detail to make it possible for them to appropriately address their decision-making duties.
- | Women hold 36% of the board seats.
- | The average length of service is 6 years.
- | For the board, that of Latinex Holdings on the one hand, and, on the other, those of each of the subsidiaries, the attendance percentage for the year's sessions were, respectively, 93% and 96%.
- | The directors also make up the boards of directors of our two subsidiaries.

Training and Performance Evaluation

Persons elected for the first time to be part of any of the Boards of Directors or of the Latinex Group's standing committees must take part in an induction course carried out by group executives. These executives are designated by Latinex's Executive Vice President and General Manager. Among other topics, the induction course includes the following

- a.** Organizational structure.
- b.** The strategic plan.
- c.** Main elements of the Articles of Incorporation, the Bylaws, the Code of Ethics and Conduct, and the present code, among other policies of interest.
- d.** Main businesses, products and services provided by the Latinex Group.
- e.** Main aspects of risk, audit, and compliance.

In addition, during the year the directors participate in training sessions on diverse topics, in a program prepared by the Corporate Governance Committee.

Further, the performance of the directors is evaluated annually, by means of one of the following options:

Auto-evaluation: By responding to a questionnaire defined by Latinex Holdings, S.A.'s Corporate Governance Committee.

Peer review evaluation: In accordance with a methodology defined by Latinex Holdings, S.A.'s Corporate Governance Committee.

The board of directors of each subsidiary is also responsible for evaluating the performance of the Executive Vice President and General Manager of Latinex. Conversely, the Executive Vice President and General Manager of Latinex evaluates the Board of Directors.

Compensation:

Based on the Bylaws, the compensation of the Board of Directors' members, or of anyone sitting as a member on a committee, shall be assigned in accordance with the following guidelines:

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

To determine compensation, the Board of Directors takes into consideration the structure and the duties and responsibilities of the directors and committee members, as well as members' personal and professional qualities, the time devoted to their respective activities, and their professional experience.

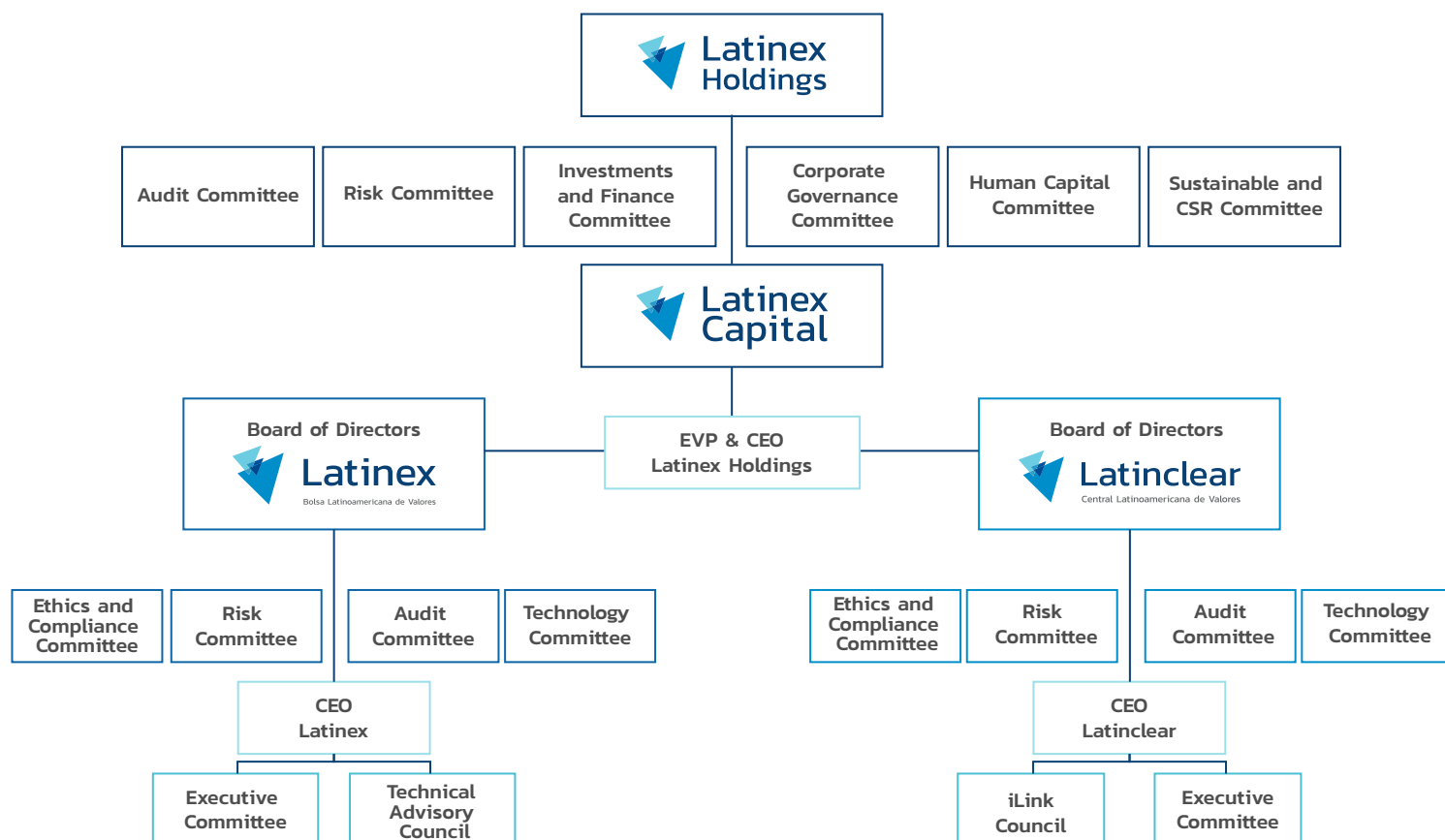
Latinex Holding, S.A.'s Corporate Governance Committee is the body in charge of evaluating the payment of compensation and of making recommendations on possible modifications to the established per- diem amounts.

Standing Committees

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

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

Member	Investments 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 de la Guardia (Independent)		●	President				●	
Roberto Brenes P.					President	●		
Mónica García de Paredes de Chapman		●		President				●
Carlos Antonio Mendoza V.	President	●	●	●				
Rolando Antonio Arias A.			●		●	President		●
Fátima Asvat					●			●
Christine Ariane Muller S.		●		●			●	●
José Antonio Montero M. (Independent)					●	●	●	
Gary Chong –Hon Cabada				●	●	●		President
Mitzi Alfaro de Pérez	●							
Jorge Vallarino Ferrer	●			●				
Bismark Rodríguez (External member)						●		
Ricardo Zarak (External member)	●							
Marielena García-Maritano (External member)		President						
Rafael Moscarella (External member)							President	
Lilia Liu (External member)								●



Our subsidiaries have executive committees, where issues related to the different areas of the Company are analyzed, these being operations, accounting, systems, human capital, product development, sustainable development and CSR, technology, compliance, and any other.

In addition, both subsidiaries have advisory councils.

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

The purpose of Latinclear's iLink Technical Advisory Council is to analyze the strategy to strengthen iLink's link with Euroclear Bank.

In addition to the above-reflected structure, there is the management team of each subsidiary, made up of professionals committed to the Company and with extensive experience in the performance of their respective duties.

Ethics and Compliance

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

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



We have a whistleblower line available, by means of which the public can notify us of possible cases, contrary to the ethics and detected in the exercise of our activities. It includes various means of contact: a site within the Group's website (www.latinexholdings.com), email (latinex@latinexgroup.com), or the receipt of physical complaints in the compliance department of our subsidiaries. In all cases, anonymity is possible.

Together with the reception of complaints, the internal audit processes also serve to identify cases, which would also be subjected to the analysis process.

Cases are analyzed following a procedural due-process protocol accorded all involved parties. Depending on their nature, in cases involving greater risk they will be approached by the human resources team or by the Ethics and Compliance Committee, who will carry out the corresponding investigation and apply the system of consequences in the event the occurrence of a misdeed is confirmed. It should be noted that no complaints were received during the year.

In the event of an act of corruption, in any form, disciplinary measures will be applied against the employees. And, if a supplier is involved, the Corporate Governance Committee at the holding company level, or the Ethics and Compliance Committees in the subsidiaries, will review the complaint and submit it to the Board of Directors such that appropriate, corresponding actions can be taken against the supplier.

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

On the other hand, we safeguard against conflicts of interest, with mechanisms that prevent the participation of directors and executives in the decision-making process where the act or event is occurring, thus ensuring the interests of the Company as a whole.

Part of our strengths is our permanent work on a culture of ethics and compliance. All employees receive the Code of Ethics and Conduct upon joining the Company, signing their acceptance of it, and are trained on how the internal compliance structure functions. Additionally, we undertake an annual training on prevention of corruption, money laundering and financing of terrorism; in 2021 we trained 100% of our collaborators, as well as the members of the Boards of Directors, both in Latinex and Latinclear.

In addition, throughout the year we send different informative capsules to all associates, via email, reminding them of the policies of zero tolerance in respect of corruption.

The manuals and policies are posted on the websites of the holding company and its subsidiaries, thus facilitating their knowledge by our external stakeholders.

As a result of these efforts, in 2021 we have not received any complaints related to anti-competitive behavior and/or about the information provided regarding the terms and conditions of our services.

Sustainable Finance

At Latinex Holdings we recognize the important role that, as a central point of contact between issuers, investors, and market intermediaries, we have been assigned as important vectors in the transition towards sustainable development.

Due to the constant pressure from investors highly committed to an inclusive and sustainable economy, increasingly forceful calls to action are being generated, demanding the companies they invest in incorporate, but above all act based on, the principles of responsible investment, environmental, social and corporate governance standards, and the 17 UN Sustainable Development Goals.

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

Issuers and ESG Issues

(GRI 3-3, SASB FN-EX-410a.4)

Committed to the development of sustainable finance for the Panamanian capital market, in 2019, from the Latin American Stock Exchange (at that time as the Panama Stock Exchange), we launched the Guidelines for the Issuance of Social, Green and Sustainable Securities, following international standards, such as those of the Climate Bonds Initiative (CBI).

This important step has been crucial for the fulfillment of our commitment to the development of sustainable finance in our market by providing the companies listed on our stock exchange with guideline recommendations to generate responsible and impactful investments following the best environmental, social and governance principles (ESG).

In addition, that same year we joined the Climate Bonds Initiative (CBI) Partner Program, as the first market in the region.

Since then, the following issues have been placed:



Together with the thematic issues (green, social and/or sustainable), we also seek to enhance the ESG management and transparency of listed issuers in the operation of their businesses, which is then added to the habitual financial-performance component.

In 2021, from the Latin American Stock Exchange, we developed the Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, prepared thanks to the support of IDB Invest.

In this manner, we seek to publicize the trends, frameworks, and reference standards for the transparency of ESG performance, as well as the benefits the exercise yields for companies. Together with the issuance of the Guide, we developed a training program for the market, detailing the main ESG reporting frameworks and standards (GRI, SASB, TCFD), with sessions led by leading international specialists.

As an active part of Panama's financial sector, we have participated since its inception in 2018 in the Sustainable Finance Working Group (GTFS). The GTFS, to achieve an inclusive, resilient, and sustainable economy that promotes human well-being, social equity, and environmental conservation, seeks to collaboratively address ESG issues, turning Panama into a center for sustainable finance.

The GTFS stands out for the diversity of agents that it includes, with the participation of actors from the different financial-sector segments, and with representation from the public sector, the banking sector, the insurance sector, the securities sector, the cooperative sector, private companies, NGOs, and multilateral banks.



Securities Market Education Program (Programa de Educación Bursátil or P.E.B.)

We continued leveraging the Securities Market Education Program, whose objectives are to contribute to the market's professionalization, to establish a financial culture by means of easy access to relevant knowledge, and the development of the securities market, in the process contributing to enhance the country's competitiveness.

(2019–2021)

P.E.B



136 trainings



+3,000 people trained



Satisfaction level
Maximum score value: **4.0**

Webinars



32 webinars



+3,800 attendees

P.E.B and Webinars (2021)



+2,900 people trained

On the other hand, since 2021 we have supported the **Ring the Bell for Financial Education** initiative, in commemoration of World Investor Week, promoted by the International Organization of Securities Commissions (IOSCO) and the World Federation of Exchanges (WFE).

+14,200
Total people trained

Innovation and Technology

Plataforms

Systems

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

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

For Latinclear, we are engaged in the development of the new custody system, replacing the current SICUS system. This change is made to have a state-of-the-art system that will allow us to generate greater operational efficiencies, offer new services, and achieve our strategic growth plans.

In the same manner, we will be concluding the revisions and implementation of the recommendations resulting from the ISO 270001 pre-certification, which will allow us to have high standards for the management of information security.

Finally, to facilitate the search for information and users' experience, the development and testing of new Group web pages will begin. These new pages are scheduled for production launch in 2023.

iLink

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

At this moment we have Phase I, which allows for the internationalization of Panamanian government and quasi-government instruments, where at year-end 2021 USD 6,880 MM -- or 26.2% of Latinclear's total custody -- was migrated to iLink, and USD 1,724 MM, or 24.6% of said migrated balance, was in the hands of international investors.

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

iLink's benefits

- Convertibility of securities to Euroclearable securities
- Standardized investments channel
- Direct access to international investors
- Increased liquidity and market growth

Latinex Mobile App

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

- Updated list of issuers and instruments
- Market statistics and exchange trading indicators
- Current news related to the capital market

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

Markets Integration Technology

Technology is a key factor in the process of diversifying the investment offer and the gradual integration of the markets. There are currently two integration models: remote operator, which makes integration with the El Salvador Securities Exchange possible, and correspondent agreements with other markets.

Remote Operator: The Latin American Stock Exchange (Latinex) and Securities Exchange of El Salvador

It allows authorized brokers in each country to directly enter their counterpart's transactional system, thereby facilitating the purchase and sale of securities registered in the market of origin, thus in turn avoiding the need for the double registration/listing of securities.

In 2021, within the framework of the remote operator relationship with El Salvador, **USD 79 million were traded.**

Correspondent Agreements

Cross-border trades are handled through the respective securities brokers in the countries with correspondent agreements in place and whose operations are settled and cleared, as is the case with the remote-operators trading model, through central securities depositories.

In this respect, Panama (Latinclear) has correspondent agreements in place with Costa Rica (InterClear), Nicaragua (Cenival) and Guatemala (CVN).

In 2021, **USD 82 million** were traded utilizing this model.

Data Management and Cybersecurity

(GRI 3-3, 418-1) (SASB FN-EX-550a.2)

We seek to guarantee the security of the systems and information that support our operations, by means of a work strategy that includes:

- 1) Internal regulation (policies, codes).
- 2) Monitoring and testing of systems, investment in software.
- 3) Culture of prevention among employees.



As a result of these efforts, during the year we did not experience any losses or leaks related to customer data. We work to guarantee the responsible use of the information provided by issuers, exchange seat holders, participants, among other market players.

We have an Information Security Policy Manual, which establishes the administrative and technical guidelines and policies adopted by Latinex and Latinclear to ensure information integrity and privacy. Additionally, annual penetration and social engineering tests are carried out in a controlled manner, to ascertain the infrastructure's current state of health.

Through internal email communications, reports and data on information security is periodically sent to raise awareness among our associates. In a second phase, access will be provided to users so that they can access videos, news, and other relevant information related to cybersecurity.

Internal Regulation



Our Personal Data Protection Policy is applicable to Latinex Holdings, Inc. and Subsidiaries. It considers the requirements established in Panamanian legislation, which came into force in 2021 (Law 81 of March 26, 2019). Personal data received in the operation of our businesses, from clients as well as from any other stakeholder group, will be treated in accordance with this policy.

It also reinforces our performance to guarantee systems security and the proper operation of our clients; in the event of a data breach, it would be brought to the attention of those affected.

Systems Monitoring and Testing



Our processes are aligned with the best international practices. In 2021 we began the process to seek certification under the guidelines of the ISO 27001 standard. In addition, we regularly carry out tests and update work plans based on identified strengths and opportunities.



Organizational Culture

The value of data as Company assets and the proper use of the systems is part of the induction process and of the ethical guidelines communicated to associates throughout the year, being present in the Code of Ethics as well as in other specific policies.



Operational Continuity

As part of our risk management, at the level of both subsidiaries, we are particularly attentive to ensuring the continuity of our operations. The necessary measures and response protocols in the event of an incident are part of our business continuity plan (BCP).

Thus, in 2021, we experienced no interruptions in our operations, including any generated by us in response to market disruptions.¹

Regarding issuers, the last temporary trading suspensions on account of published information, non-compliance with legal obligations as an issuer, and/or authority decisions such as forced liquidations, date back to 2019. Since then, no similar events have occurred.

The publication of information on issuers is carried out in accordance with the regulatory norms and the operating manuals established by Latinex.

¹ Events considered be disturbances would be those in which the stock market ceases to function in its usual manner, and/or which cause, or threaten to cause, sharp market declines.

Human Capital

(GRI 2-7, 2-30, 3-3, 201-3, 401-1, 401-3, 405-1)

Demography and Diversity

As part of our organizational strategy, we base our efforts on attracting and retaining key human talent for our operations. Our strategy is therefore aimed at developing actions that promote our employees' well-being, as well as their professional growth, in an inclusive environment framed in respect, ethical principles and the protection of human rights.

Our team is diverse, with 61% women of the total employees of the Group.

Female leadership in the general-manager units of both Latinex and Latinclear is also worth mentioning. It also highlights the coexistence of different generations, which enriches decision-making.

Labor Demographics 2020 – Latinex Holdings


Professional Category	Less than 30 years		Between 30 and 50 years		More than 50 years		Total	
	M	F	M	F	M	F	M	F
Managers and Deputy Managers	0	0	2	8	0	4	2	12
Officers	1	1	3	2	0	1	4	4
Coordinators	1	0	0	0	0	0	1	0
Administrative	3	4	4	5	1	1	8	10
Operative	3	2	0	0	0	0	3	2
Audit	0	0	0	1	0	0	0	1
Total	8	7	9	16	1	6	18	29

Labor Demographics 2021 – Latinex Holdings

Professional Category	Less than 30 years		Between 30 and 50 years		More than 50 years		Total	
	M	F	M	F	M	F	M	F
Managers and Deputy Managers	0	0	2	7	0	4	2	11
Officers	1	1	3	2	0	1	4	4
Coordinators	1	0	0	0	0	0	1	0
Administrative	3	4	4	5	1	1	8	10
Operative	3	2	0	0	0	0	3	2
Audit	0	0	0	1	0	0	0	1
Total	8	7	9	15	1	6	18	28

M: Male

F: Female



Although in 2021 the total number of employees remained similar to the year before, the incorporation during the year of 7 employees, because of staff turnover, is worth highlighting.

Of the year's seven (7) dismissals, six (6) were voluntary, which reflects the strength of the process we employ for the identification of high-level professionals, who are nevertheless attractive in the marketplace and enjoy high exposure.

We are committed to the stability of the employees, with 100% permanent contracts, offering development opportunities that strengthen the employment relationship.

Turnover Ratio Latinex Holdings

2020	2021
13%	15%

Note: The turnover percentage corresponds is the result of calculating the following ratio: dismissals / (number of associates at the beginning of the year + additions – dismissals).

Our Code of Ethics and Conduct penalizes any act of discrimination; in addition, as signatories of the Women's Empowerment Principles (WEPs) initiative, we actively promote, with campaigns and training, respect for diversity and inclusivity.

Training and Career Development

(GRI 2-19, 2-20, 401-2, 404-1, 404-3)

Committed to the advancement of our workforce, we develop soft skills training through integration, leadership, and teamwork workshops; technical and regulatory training on the Prevention of Money Laundering, the Financing of Terrorism, and the Proliferation of Weapons of Mass Destruction; and the Protection of Personal Data and Risk.

Training in Latinex Holdings	Number of Training Hours	Average Training Hours per Employee
2020	486	10.3
2021	250	5.4

Note: The training statistics provided above are complemented, based on each employee's profile of duties and responsibilities, by the training provided in accordance with regulatory requirements.

We undertake 90° performance evaluations on an annual basis, considering criteria such as, among others: achievements, communication skills, teamwork, problem solving and time management. The performance evaluation of the VPE and General Manager is carried out by the Group's Board of Directors. The results serve as reference points for the associate's development within the Group.

The hiring of associates is done respecting the principle of equal opportunity, in other words, free of bias and discriminatory practices. We retain our human talent with a combination of benefits, an excellent work environment, and by contributing to their personal and professional growth.

We have an internship program where we recruit university and high school students to complement their acquired knowledge, favoring the acquisition of skills that will prepare them for the undertaking of professional activities, strengthen their employability, in addition to fostering their entrepreneurial capabilities.

Regarding the development of the internship program, for 2021 we have a total of 5 interns and one school-age intern, who lent a hand in the Market Development and Marketing and Sustainability areas. The program complements their future insertion in the labor market.

Additionally, as part of our commitment to the empowerment of women, we support the Las Claras program of the Voces Vitales Foundation "My First Job", taking on two (2) teenage mothers for the Accounting and Finance area.



Health and Well-being

In 2021, Latinex provided continuity to its processes and operations, ensuring the cohesion, credibility and professionalism that characterizes us without neglecting the well-being of our associates. Our actions focused on the continuance of the pandemic-related security measures deployed such as remote work, biosecurity in all our facilities, and prevention, orientation and awareness campaigns intended to keep all our associates updated in the face of the health crisis. In the same manner, we provided general-health information capsules, health insurance benefits, and a vaccination campaign for the associates and the respective family members who supported our commitment.

Through remote work, 65% of the collaborators benefited, once again highlighting the agility and resilience of our workforce by making it possible to pursue our operations without interruptions. This required reinforcing our internal communication channels and providing training at different levels of the organization.

We promote a culture of prevention and self-care, through information campaigns that encourage the adoption of healthy habits and talks to update our associates on issues of well-being, physical and emotional health. These efforts are complemented with different processes intended to ensure health and safety in all our facilities:

- | Management of first-aid kits and fire extinguishers
- | Periodic maintenance of the fire-control system
- | Evacuation route mapping and drills
- | Emergency brigades

Environmental Performance

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

We promote best practices among our issuers and other stakeholders, working on two fronts:

By promoting thematic issues, including sustainable and/or green bonds, in which the capital obtained is used to reduce environmental impacts (eg, more eco-efficient technologies and the generation of energy from renewable sources).

By fostering transparency in the ESG performance of our issuers and, thereby, in the management of issues and the monitoring of their corresponding actions, including environmental practices.

In the context of our operations, we also work on initiatives to mitigate our impact on the environment. At the holding-company level, we monitor energy consumption and calculate our GHG emissions, taking advantage of technology to enhance efficiency. In addition, we work on measures to reduce the use of paper and make our employees aware of the importance of caring for the environment.

Carbon Footprint: Corporate Events

In 2019, we entered into an agreement with the company MÉXICO2 (Plataforma Mexicana de Carbono), a subsidiary of the Mexican Stock Exchange Group, for the purchase of certified emission reductions (CERs)² to mitigate the GHG impact of two large corporate Latinex events held that year with face-to-face attendance by participants, namely: the launch of the guide for the issuance of social, green, and sustainable negotiable securities, and the 2019 Investors Forum.

During 2020 and 2021, on account of the COVID-19 pandemic, no face-to-face events were held, only events in virtual mode. We expect to continue with this type of actions to reduce our carbon footprint as the holding of face-to-face events resumes.

Tons of CO2e compensated:



Project supported to carry out the compensation:

| Fresh Breeze | Forest Project in Chiapas, Nayarit, and Tabasco



² Each CER is equivalent to 1 ton of CO2, either reduced or not emitted into the atmosphere

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

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

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

In this regard, we are committed to developing an action plan to achieve carbon neutrality by 2050, which establishes ambitious and measurable goals for reducing greenhouse gas (GHG) emissions.

Among the actions called for to be included in this plan and that we will be implementing in our organization, are the following:

Carry out an **annual inventory** of greenhouse gas (GHG) emissions.



If necessary, offset **GHG emissions** that cannot be reduced.



Establish and implement mitigation measures aimed at reducing GHG emissions.



Monitor compliance with the goal, and supervise the stability of the achieved reductions.

Although we recognize that compensating for GHG emissions is a tool to reduce the carbon footprint, as an organization we will prioritize the specific actions proposed and established to meet the reduction goal and thus progressively and continuously eliminate emission sources. These internal actions will be aligned with the objectives set out in the Paris Agreement.

Energy Management and GHG Emissions

Aligned with the outlined commitments and road map, in 2021 we carried out our first emissions inventory. The calculation comprised the activities of both subsidiaries during the prior year (2020).

GHG Emissions Inventory in 2020

Total Scope 1 and 2 Emissions			
Scope 1:		6.68	tons CO2 eq/year
Scope 2:		7.74	tons CO2 eq/year
Total		14.41	tons CO2 eq/year
Scope 1 Emissions by Source Type (t CO2 eq/year)			
Mobile sources	Fixed sources	Fugitive sources	Process sources
6.12	0.55	0.00	0.00

The emissions correspond to the consumption of combustible fuels and electricity sources:

Energy Consumption		2020
Electricity	Interconnected system (KWh)	50.898
Combustible fuels	Various (GJ)	183.05
Total	Combustible fuels and electricity (GJ)	183.23

Operating and Financial Results

(GRI 203-2, SASB FN-EX-000.A, FN-EX-000.B)

Main Operating Indicators

The soundness of our management and the strengths of our value proposition for customers have made our good results possible. The economic context, in the country as well as internationally, is still one of progressive, following the pandemic's impact on the economy.

We present our Subsidiaries' main results, in terms of the size of the operation and the achieved results.

Latin American Stock Exchange

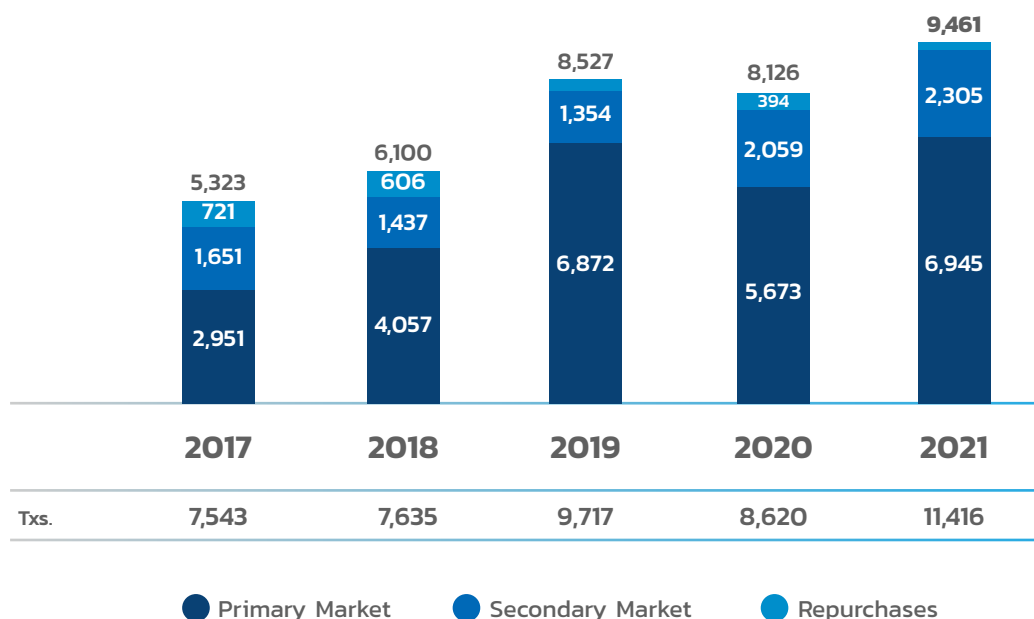
Trade Volume

In 2021, a trade volume of USD 9,461 MM was reached, which is 16.4% more than in 2020. Further, it surpassed the record achieved in 2019.

Aligned with historical records, 73.4% of the total volume consisted of primary market trades, with new corporate programs proving in 2021 to be the market's main driver. For its part, with a trade volume of USD2,305MM -- an increase of 11.9% in comparison with 2020 -- the secondary market exhibited superior dynamism in comparison with the prior year. This is largely attributable to the trading of Republic of Panama capital instruments and the associated management of the country's market liabilities.

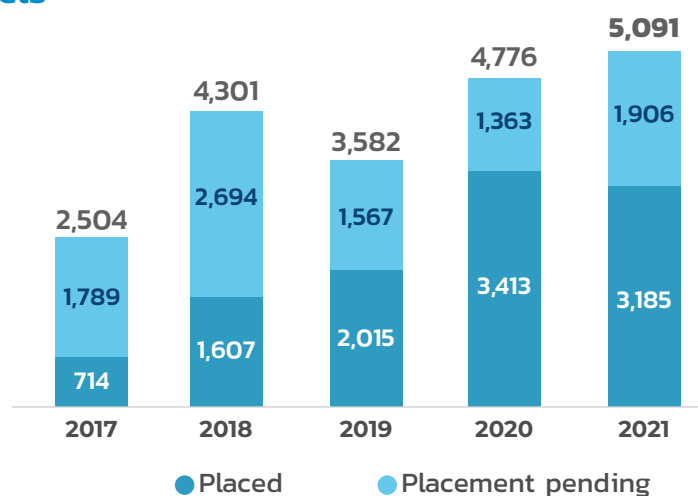
Additionally, in 2021 the number of transactions increased by 32.4% in comparison with 2020, a level that is attributable to the secondary market's higher transaction levels.

USD MM



Issuance Levels

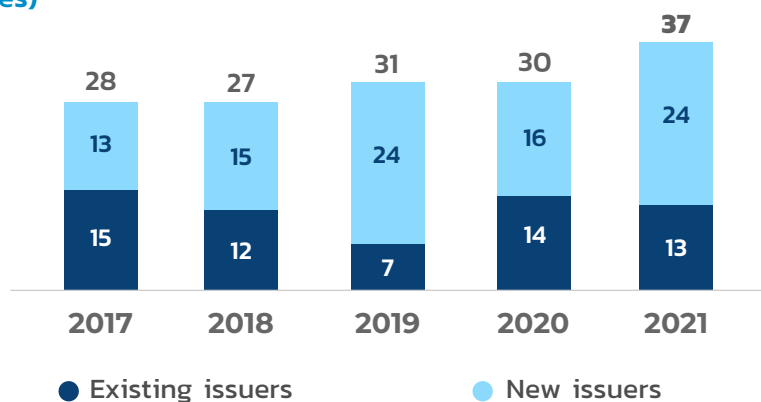
USD MM



In 2021 thirty-seven programs totaling USD5,091MM were listed, of which thirty-five, for an amount of USD3,185MM or 62.5% of the total, were placed in the primary market. Of the thirty-seven issuances, five were placed by foreign issuers: two from Ecuador, two from Costa Rica and one from Guatemala.

Breakdown of Issuances

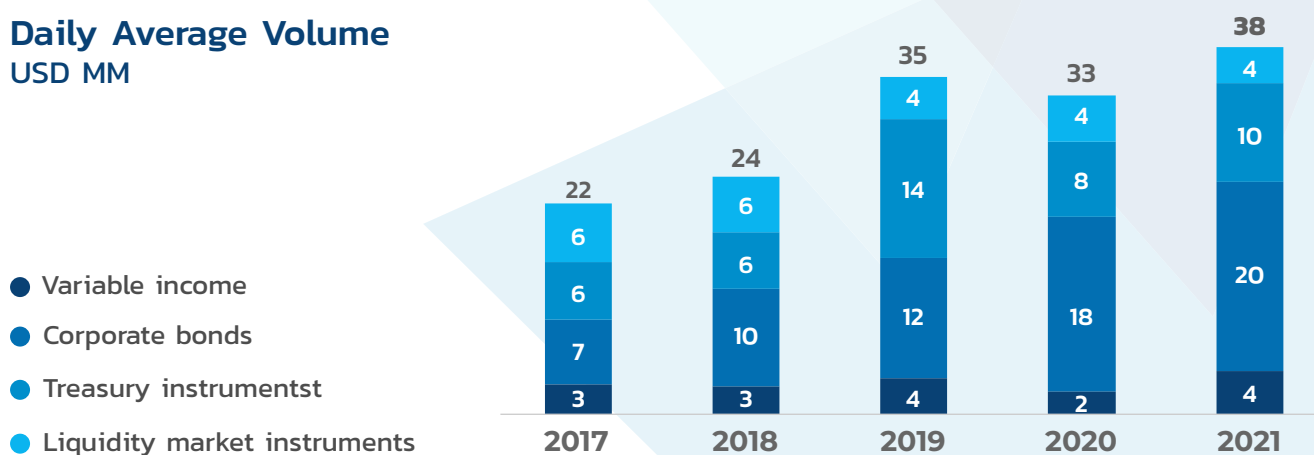
(By issuer types)



Daily Averages Data:

Daily Average Volume

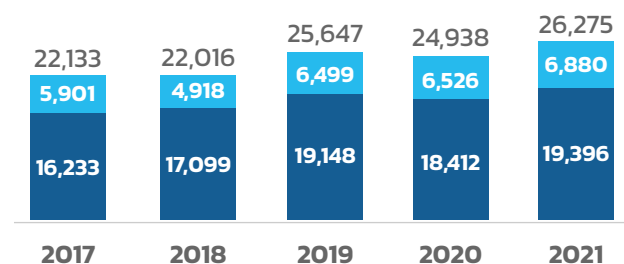
USD MM



Latin American Stock Exchange

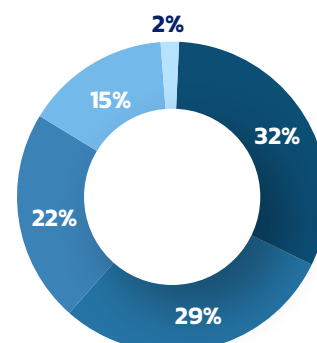
Custody Volumes

(USD MM)



- In Custody
- In iLink

By Instrument



- Fixed Income
- Government
- Variable Income
- Funds
- Other

Markets Integration

The 1,796 transactions executed with a volume of USD 409 MM serve as encouragement for Latinex to continue pursuing the integration of AMERCA. In this regard, it is worth noting that in 2021 the first transaction between Panama and Guatemala was carried out.

Trade Volume

USD MM



Agreggate:

409 MM volumen
1,796 transactions

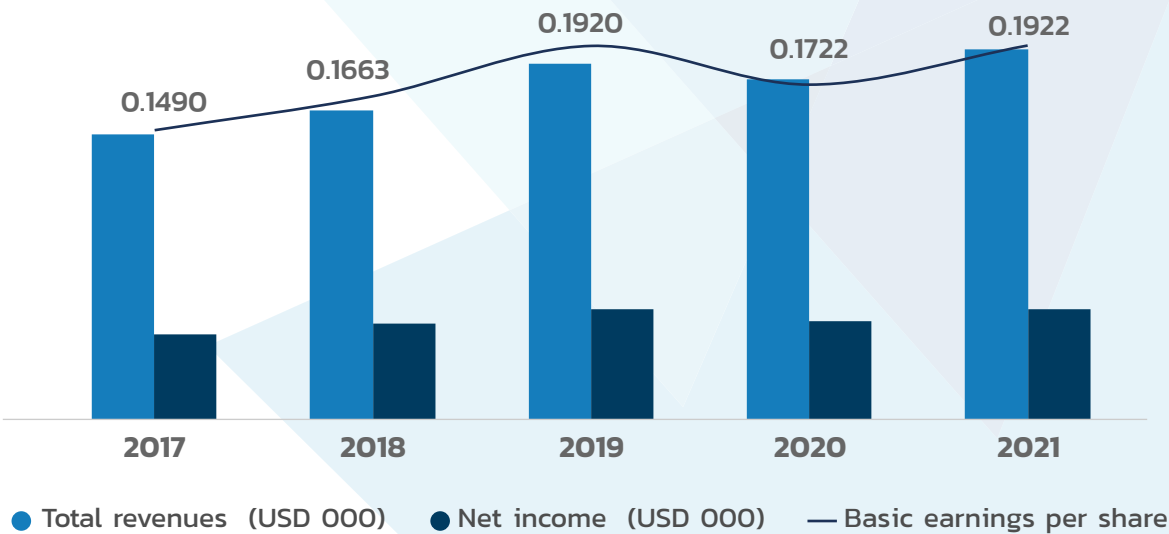
- Remote Operators
- Correspondent Agreements

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

Latinex Holdings

In 2021 Latinex Holdings generated total revenues of USD 9.5 MM, an increase of 8.8% over 2020. This in turn led to a net profit for the year of USD 2.8 MM; that is, an increase of 11.6% over 2020.

The Company closed out 2021 with total assets of USD 16.1 MM and shareholders' equity of USD 14.6 MM, providing a return on assets (ROA) of 17.6% and a return on equity (ROE) of 19.4%. For its part, paid-in capital was comprised of 14,756,375 duly issued and outstanding shares, thereby providing a net profit per share of USD 0.1922.



Profitability Indicators



2017	2018	2019	2020	2021	
18.3%	19.7%	21.0%	18.6%	19.4%	ROE
16.8%	17.8%	19.1%	16.6%	17.6%	ROA
44.4%	47.0%	46.8%	44.9%	45.9%	EBITDA Margin

Distributed Economic Value

(GRI 201-1, 201-4)

At Latinex Holdings we remain focused on generating value for each of our stakeholders, distributing income among the different items according to the identity of each one.

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

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

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

	2021	2020	Δ 21-20 (%)	2019
Revenues (Generated Economic Value, GEV)	9,518,814	8,752,461	8.8	9,149,117
Costs and Expenses (Distributed Economic Value, DEV)	8,311,260	8,116,566	2.4	7,940,838
Operating Costs and Expenses	2,274,318	2,179,830	4.3	2,228,146
Payroll and other benefits (to associates)	2,214,235	2,058,145	7.6	2,154,570
Payments to capital providers (does not take share purchases and sales into account)	1,960,301	2,261,886	-13.3	1,960,301
Payments to the government (taxes and contributions)	1,205,552	1,035,884	16.4	1,116,562
Investments in infrastructure and technology	638,699	548,764	16.4	460,298
Donations (community)	18,155	32,057	-43.4	20,960
Retained (GEV – DEV)	1,207,553.80	635,895.00	89.9	1,208,278.80

Annex I: Community Initiatives



Corporate Volunteering and Community Support

Corporate volunteering is an initiative that allows associates to be incorporated into the implementation of the Company's sustainability strategy, through direct involvement in the development of initiatives for the benefit of communities, and towards advancement in the process of social, environmental, and economic transformation.

Actions Carried Out in 2021

| Friends of the Child with Leukemia and Cancer Foundation (Fanlyc)

For more than 20 years, Fanlyc has carried out the RELAY FOR LIFE race, an awareness activity to promote the committed participation of the community to face childhood cancer in our country.

| Transition to Life Foundation

Economic support to the foundation for direct investment in the Transition to Life project, which benefits approximately 25 young people who are about to leave shelters, providing training on various topics, vocational guidance, mentoring, psychological support, among others.

| Calicanto Foundation

Economic support to the foundation for direct investment in the development of the CAPTA program educational technology platform, which will allow them to include more beneficiaries per course, to increase the impact for the empowerment and comprehensive training of women in situations of social vulnerability.

It should be noted that Latinex has been supporting this foundation for more than four years, directly impacting 12 beneficiaries and 40 indirect beneficiaries, generating social capital for the human development of the beneficiary communities.

Donations



| Movimiento Todo Panamá

Due to the Covid-19 pandemic, in 2020 we donated B/.15,000 to the Movimiento Todo Panamá; an apolitical citizens, civic and trade-union movement that seeks, in a coordinated, disinterested and supportive manner, to articulate, facilitate and implement a comprehensive multi-sectoral and multidimensional plan, in response to the consequences generated by the COVID-19 pandemic, mobilizing the community, the private sector and other sectors of society in the implementation of actions to stop contagion and provide social support.

| Teletón del Club Activo 20-30

The Teletón 20-30 is Panama's largest fundraising event. It has been held for more than 39 years.

Latinex has been supporting this event for several years, and in 2021 donated the sum of B/.2,000, intended to provide support to vulnerable communities in terms of food, education and health, through medical tours and technical assistance.

Annex II: Progress Report

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

Human Rights

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

Due to the nature of our activity, the relationship with human rights is particularly relevant on account of aspects such as equality and non-discrimination towards and among our workforce, in the relationship with suppliers, and in respect of ethical performance and transparency in relation to exchange seat holders, participants, issuers, and investors, as well as in terms of the protection of information. Corruption, in any of its forms, increases social and economic inequalities due to market distortions.

To prevent risks, we have policies that directly or indirectly seek respect for human rights, such as our Code of Ethics and Conduct and the Internal Work Regulations, and we also train our employees. In like manner, we also aim for prompt responses when faced with possible situations, making available the ethical guidelines and the monitoring of our teams.

Contribution to the UN Sustainable Development Goals (SDGs)

We contribute to the Sustainable Development Goals (SDGs), which make up the 2030 Agenda proposed by the United Nations to address the great challenges of our society. We focus on those most closely linked to our activities, where we can make the greatest impact.

ODS Metas

	4.3, 4.4	<ul style="list-style-type: none"> • Securities Market Education Program • Training program for our workforce • Ring the Bell for Financial Education 	<ul style="list-style-type: none"> • More than 1,250 participants in the Securities Market Education Program • 250 training hours during the year for the entire staff
	5.5	<ul style="list-style-type: none"> • Committed to the Women's Empowerment Principles (WEPIs) • Participation in the Gender Equality Initiative, promoted by the Ministry of Social Development • Organization of the Ring the Bell for Gender Equality events; digital media and corporate social media networks content uploads 	<ul style="list-style-type: none"> • 61% of the group's total number of employees are women • General Manager positions of the subsidiaries held by women • Messages in digital media and in corporate social media networks
	8.2, 8.8, 8.10	<ul style="list-style-type: none"> • Employment security for our employees, with professional development opportunities 	<ul style="list-style-type: none"> • 100% of associates with indefinite employment contracts
	9.2, 9.3, 9.4	<ul style="list-style-type: none"> • Investment in technology • Development of options to enhance client contact, thanks to technology • Improvements to allow for portfolio diversification and to offer products to SMEs 	<ul style="list-style-type: none"> • Operation of the NASDAQ Matching Engine electronic trading system • Latinex mobile app
	10.2, 10.5	<ul style="list-style-type: none"> • Opportunities for raising capital for companies, to allocate to operational investments and/or their operation, facilitating the generation of employment, economic and social development, of supply chains, etc. • Contribution to the level of trust in the country to also attract investment • Social bond issues • Social action programs, community initiatives and support for foundations 	<ul style="list-style-type: none"> • Operational transaction indicators (see chapter) • USD 18,155 in social investments and community support
	12.6	<ul style="list-style-type: none"> • Encouraging issuers to develop and/or reinforce transparency on their performance in respect of the ESG factors • Development of their own reports • Fostering and facilitating the issuance of thematic bonds 	<ul style="list-style-type: none"> • Guide for the Voluntary Reporting and Disclosure of the Environmental, Social and Corporate Governance (ESG) Factor impacts • First Latinex Holdings Sustainability Report, applying GRI and SASB standards • Guidelines for the Issuance of Social, Green and Sustainable Securities
	13	<ul style="list-style-type: none"> • Promotion of thematic issues, including green bonds • Climate commitments, emissions reduction, and carbon neutrality • Calculation of the carbon footprint 	<ul style="list-style-type: none"> • More than USD 550MM in thematic issues since 2019 (green and sustainable) • Adherence to The Top 50 Carbon-Neutral Organizations and Reduce your Corporate-Carbon Footprint declaration
	16.5, 16.6	<ul style="list-style-type: none"> • Internal self-regulation framework: Code of Ethics and complementary policies • Cybersecurity management: internal regulation, monitoring and systems testing, organizational culture 	<ul style="list-style-type: none"> • 100% of our workforce know and accept our Code of Ethics • Absence of incidents on account of customer-data leaks
	17.16, 17.17	<ul style="list-style-type: none"> • Participation in different private-sector ESG initiatives and/or with the participation of the authorities (e.g., Sustainable Finance Working Group) • Membership in associations that promote sustainability (e.g., Sumarse) • Active participation promoting sustainable development in our trade union organizations (e.g., FIAB) 	<ul style="list-style-type: none"> • Presented through the report

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

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

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

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

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

Principles	Initiatives	Additional Information
Principle 1: The exchanges will work to educate trading ecosystem participants about the importance of sustainability issues.	<ul style="list-style-type: none"> Guidelines for the Issuance of Social, Green and Sustainable Securities, and complementary training upon its launch (2019). Celebration of thematic bell rings: for Gender Equality and for Financial Education. Workshops/webinars held after the launch of the Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance (ESG) factors with topics on sustainability (GRI standards, SASB, TCFD recommendations, Principles of the UN Global Compact and PRI, among others). 	Page: 17
Principle 2: Exchanges will promote greater availability of ESG information relevant to investors and useful for decision-making.	<ul style="list-style-type: none"> Guide for the Voluntary Reporting and Disclosure of Environmental, Social and Corporate Governance (ESG) Factors, and complementary training upon its launch (2021). Leadership by example, first ESG report applying the GRI and SASB Standards. 	Pages: 34 and 33
Principle 3: Exchanges will actively engage with stakeholders to advance the sustainable finance agenda.	<ul style="list-style-type: none"> Member of the Sustainable Finance Working Group of Panama. Participation in the Sustainability Committee of the Ibero-American Federation of Stock Exchanges (FIAB). Support for the UN United Nations Sustainable Stock Market Initiative (SSE), as participants in various advisory groups on sustainability issues. 	Page: 18
Principle 4: 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"> Development of options for environmental, social and/or sustainable thematic bonds. Issuance of the first green and sustainable bonds. 	Page: 12
Principle 5: Exchanges will establish effective internal governance and operational policies and processes to support their sustainability efforts.	<ul style="list-style-type: none"> Corporate governance structure in accordance with the best international practices. Operational policies in respect of different ESG aspects: e.g., information privacy. Code of Ethics and Conduct. Formation of the Permanent Sustainability and CSR Committee of Latinex Holdings. The ESG Strategy is under construction, based on the dual financial and impact materiality determined in 2021-22. 	Pages: 23, 26 and 32

Annex III: Reporting Standards

GRI Index

Universal Standards		
Disclosure name	Disclosure number	Page
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices	GRI 2-1	8
	GRI 2-2	3,6
	GRI 2-3	3
	GRI 2-4	3
	GRI 2-5	3
Activities and workers	GRI 2-6	10, 13
	GRI 2-7	40
	GRI 2-8	-
Governance	GRI 2-9	26
	GRI 2-10	26 and 27
	GRI 2-11	27 and 27
	GRI 2-12	15
	GRI 2-13	15, 16
	GRI 2-14	3
	GRI 2-15	31
	GRI 2-16*	-
	GRI 2-17	26 and 27
	GRI 2-18	27 and 27
	GRI 2-19	28 and 27
	GRI 2-20	27 and 42
	GRI 2-21*	-
Strategy, policies, and practices	GRI 2-22	6
	GRI 2-23	16
	GRI 2-24	16, 31 and 53
	GRI 2-25	31 and 53
	GRI 2-26	31 and 53
	GRI 2-27	31
	GRI 2-28	16 and 55
Stakeholder engagement	GRI 2-29	19
	GRI 2-30	40
	GRI 2-31	-
	GRI 2-32	-
GRI 3: Material topics 2021		
	GRI 3-1	23 and 24
	GRI 3-2	24 and 24
	GRI 3-3	

Presented throughout the report for each material topic.

Omission:

* Confidential, on account of internal company guidelines

Annex III: Reporting Standards

GRI Index

Material Topic	GRI Standard	GRI Content	Page
Cybersecurity	GRI 3: Material topics 2021 GRI 418: Customer privacy 2016	GRI 3-3 418-1	23 and 24 38
Regulatory compliance	GRI 3: Material topics 2021 GRI 206: Anti-competitive Behavior 2016	GRI 3-3 206-1	23 and 24 31
Market development	GRI 3: Material topics 2021 GRI 203: Indirect economic impacts 2016	GRI 3-3 203-1 / 203-2	23 and 24 36 / 46
Diversity and equality of opportunities	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and equal opportunity 2016 GRI 406: Non-discrimination 2016	GRI 3-3 401-1 / 401-2 / 401-3* 404-1 / 404-2 / 404-3 405-1 / 405-2* 406-1	23 and 24 40 / 42 / 40 42 / - / 42 40 / - 31
Financial information disclosure and transparency	GRI 3: Material topics 2021	GRI 3-3	23 and 24
Financial education	GRI 3: Material topics 2021	GRI 3-4	35
Ethics and corruption	GRI 3: Material topics 2021 GRI 205: Anticorruption 2016	GRI 3-3 205-1 / 205-2 / 205-3	23 and 24 31 / 31 / 31
Management of operating risks	GRI 3: Material topics 2021	GRI 3-3	23 and 24
Corporate governance	GRI 3: Material topics 2021	GRI 3-3	24 and 24
Brand positioning	GRI 3: Material topics 2021 GRI 201: Economic performance 2016	GRI 3-3 201-1 / 201-2** / 201-3* / 201-4	25 and 24 51 / - / 40 / 51
Issuer service	GRI 3: Material topics 2021 GRI 416: Customer health and safety 2016 GRI 417: Marketing and labeling 2016	GRI 3-3 416-1 / 416-2 417-1 / 417-2 / 417-3	23 and 24 - / 31 - / 31 / 31
Relationship with the authorities	GRI 3: Material topics 2021 GRI 415: Public policy 2016	GRI 3-3 415-1	23 and 24 31
Relationship with investors	GRI 3: Material topics 2021	GRI 3-3	23 and 24
Digital transformation	GRI 3: Material topics 2021	GRI 3-3	23 and 24
Sustainable investment products	GRI 3: Material topics 2021	GRI 3-3	13, 33

Omissions:

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

** Not available, at the group level the design of a climate action road map is being worked on.

The information on energy and emissions is presented in a complementary manner due to the participation in the Authority's initiatives to reduce the carbon footprint of companies; they are not linked to material issues and therefore are not codified according to the GRI Standards.

In the case of occupational health and safety information, it is presented due to the ongoing contingency context on account of the pandemic, although the topic was not material as part of the analysis; therefore, it is not coded according to the GRI Standards.

Annex III: Reporting Standards

SASB Parameters Index

SASB Standards: Security & Commodity Exchanges and Basic Products 2018

SASB Topic	Code	Topic Description	Unit of Measure	Page
Activity Metrics				
Activity metric	FN-EX-000.A	Average daily number of trades executed, by product or asset class	Number	47
Activity metric	FN-EX-000.B	Average daily volume traded, by product or asset class	Reporting currency	48
Accounting Metrics				
Promoting Transparent & Efficient Capital Markets	FN-EX-410a.1	1.1 Number of halts related to public release of information 1.2 Average duration of halts related to public release of information and 1.3 Number of pauses related to volatility 1.4 Duration of the pauses related to volatility	Number, minutes	39
	FN-EX-410a.2*	Percentage of trades generated from automated trading systems	Percentage (%)	36
	FN-EX-410a.3	Description of alert policy regarding timing and nature of public release of information	n/a	39
	FN-EX-410a.4	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and corporate governance (ESG) information	n/a	33
Managing conflicts of interest	FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency	31
	FN-EX-510a.2	Discussion of processes for identifying and assessing conflicts of interest	n/a	31
Managing business continuity and technological risks	FN-EX-550a.1	"1.1 Number of significant market disruptions" "1.2 Duration of downtime of the important market disruptions"	Number, hours (h)	39
	FN-EX-550a.2	2.1 Number of data breaches 2.2 Percentage involving personally identifiable information (PII) 2.3 Number of customers affected	Number, percentage (%)	38
	FN-EX-550a.3	Description of efforts to prevent technology errors, security breaches, and market disruptions	Communication currency	39

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



Contact

sostenibilidad@latinexgroup.com

Address: Ave. Federico Boyd & 49 street

Building: PH Latinex

Panama, Rep. of Panama

Telephone: +507 269-1966

Latin American Stock Exchange | www.latinexbolsa.com

Latin American Central Securities Depository | www.latinexcentral.com

     @LatinexBolsa

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