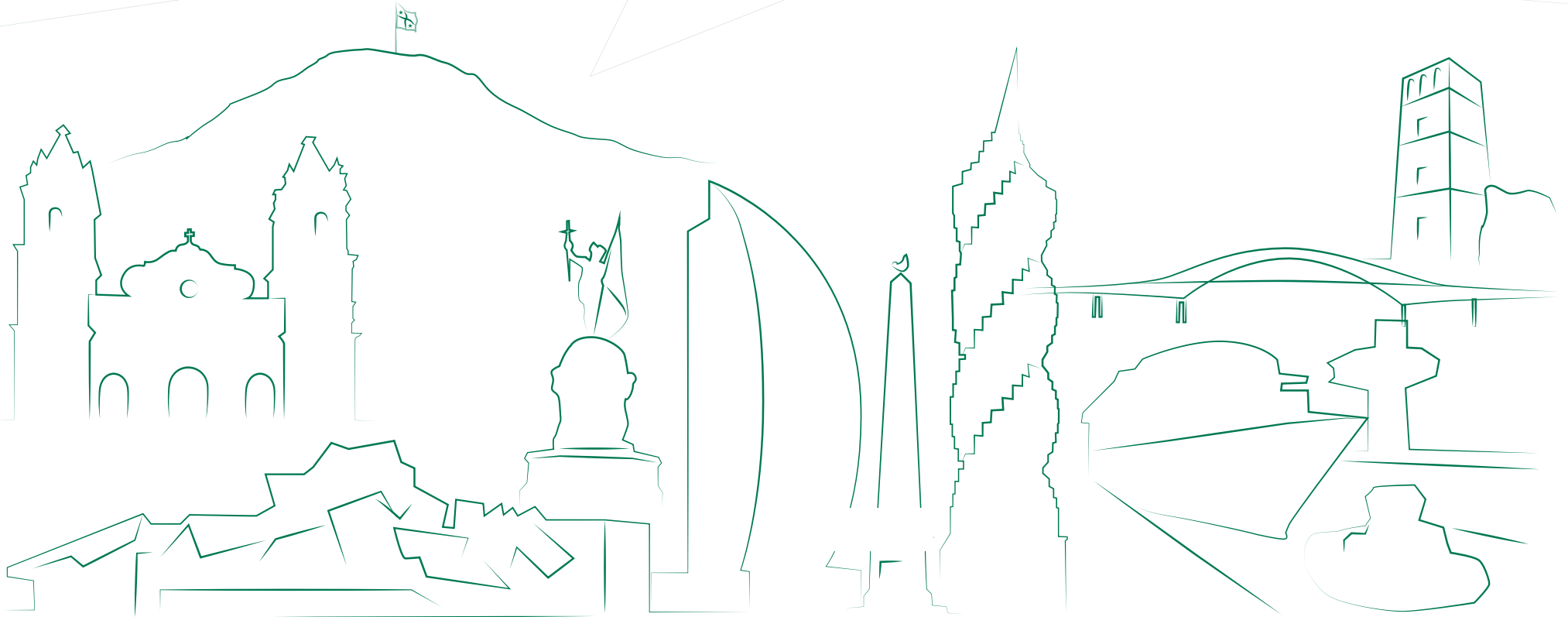




**Sustainability  
Report**  
Banesco  
(Panamá), S.A.

2018



# Message from our Executive President and CEO



**CARLOS ALBERTO ESCOTET**  
Executive President and CEO Banesco (Panamá), S.A.

## GRI 102 -14 STATEMENT FROM SENIOR DECISION-MAKER

On behalf of the Banesco team, I am pleased to share with our stakeholders the Sustainability Report 2018, in which we reaffirm Banesco's permanent purpose to put people at the center of our work. This human-centric vision requires creating the conditions for equality and inclusion, thereby materializing our commitment to sustainability.

We have aligned ourselves with the 2030 Agenda for Sustainable Development, specifically with the 17 Sustainable Development Goals (SDGs), focusing our management contribution to the economic, social and environmental development on 11 priority SDGs, even though the cross-section of the financial activity relates to each of the 17 SDGs.

In 2019, Panama City celebrates 500 years of its foundation, as well as being the Ibero-American Capital of Culture. These important occasions allow us to honor our commitment to build a country the way we know best: by contributing through words and actions to generate opportunities for the most disadvantaged sectors of the population, with financial and non-financial products that result in income generation and have a positive impact in their living conditions.

We believe in financial inclusion as one of the ways to help fight poverty and generate prosperity without exclusion. We continue with our Community Bank and Banesco Entrepreneurs, which facilitate access to financial services for the most vulnerable segments of the population, with positive individual effects that result in collective improvements.

We are a team that challenges itself and always looks to the future with optimism. Our strategies for the short, medium, and long term as a socially responsible institution, focus on striving to efficiently and ethically manage the business, strengthening governance and supporting initiatives that generate multiplier effects that can attack the root of the problems, contributing in a decisive way to the fight against poverty.

To achieve our commitment to sustainable development, we combine our human talent with the improvement of information and communication technologies. We invest in cultivating reliability, driving innovation and working with quality. Our Banesco citizens are vital to act responsibly and we conceive our team work as relationship networks, which with authentic efforts, can achieve an unbreakable commitment. We strive to improve the working conditions of our employees, since well-being at work has a decisive influence on organizational health and, consequently, on overall success.

With a focus on cooperation and success, we maintain alliances and partnerships with organizations, both public and private, to permanently promote constructive actions on social and environmental issues. Among those we can highlight:

- **Soccer Academy**
  - ▶ Roman Torres Initiative
- **Panama Banking Association**
  - ▶ Sustainability Committee and Sustainable Finance Protocol
- **National Association of Conservation (ANCON)**
  - ▶ "Alliance for the Million"
- **Micro, Small and Medium Enterprise Authority (AMPYME)**
  - ▶ Business Promotion Fund and the Seed Capital Program of AMPYME and our Capacity Building Program "Banesco Entrepreneurs".

- **Panama Canal Authority (ACP)**
  - ▶ Collective Impact Strategy of the Canal Basin
- **AVENT**
  - ▶ Lactation Room Banesco (Panamá), S.A.
- **American Chamber of Commerce and Industry of Panama (AMCHAM)**
  - ▶ Sustainability Committee
- **National Brewery**
  - ▶ Responsible Business Program
- **National Council for Development Agreement**
  - ▶ 2030 National Strategic Plan
- **Foundation for the Promotion of Educational Excellence**
  - ▶ Contest for Educational Excellence
- **FundeSteam** NGO for the promotion and development of education in Science, Technology, Engineering, Arts and Mathematics (STEAM)
  - ▶ Robotics Olympics
- **Municipality of Panama**
  - ▶ Cultural Program "Africa in America"
- **UNDP / INAC**, led by the National Institute for Culture (INAC), with the support of the United Nations Development Program (UNDP)
  - ▶ Network of Youth and Children's Orchestras and Choirs of Panama (LA RED)
- **The United Nations Environment Program**
  - ▶ Financing Initiative (UNEP FI)

In order to help create the adequate conditions for the well-being and quality of life for all citizens, we have channeled through the Banesco Participatory Budget, a series of collective impact actions promoted by grassroots organized communities, sports clubs, health centers, artistic initiatives and inclusive projects.

Since 2016 we have strengthened our culture and creative industries through support and participation. Among the actions carried out as part of the cultural activities, we can highlight the partnership with Open Arts PTY / Kernel Community to train cultural entrepreneurs; support for the Africa in America Festival; The Network of Youth and Children's Orchestras and Choirs of Panama, as well as the sponsorship of *Guataca* Nights, using music as a link and a platform for artists of all nationalities.

We have delved into the significant economic, environmental and social impact as it relates to finance, which is our core activity. For this reason, with the support of the German Development Agency (GDA), we have established an Environmental and Social Management System (ESMS) which will effectively integrate the identification, evaluation and management of environmental and social risks in the credit process of the bank's operations. The ESMS applies to all lines of business in the countries where the bank conducts its credit operations, and specifically to the small and medium banking enterprises (SME), as well as specialized and international banks.

We renew our commitment to the United Nations Global Compact, joining thousands of leading companies that worldwide have incorporated the 10 principles on issues related to human rights, labor practices, protection of the environment and the fight against corruption. We adhere to the UNEP FI network, a financial initiative of the United Nations Environment Program, and we signed the Sustainable Finance Protocol of Panama.



In terms of gender equality, we endorsed the Women's Empowerment Principles (WEPs) and participated in the program "Gender Equality Seal for Corporations" (SiGénero Panamá). We are deeply committed to these initiatives and do not see them as something additional in order to contribute to the gender equality component of the 2030 development agenda. Our staff is composed of 60% women, with higher representation at the executive, managerial and supervisory levels.

In the short term, we will continue with the implementation of actions that will allow us to achieve a better positioning of our financial products in key segments as a source of sustainable and profitable growth in the future. We will adapt to the reality of the country, being proactive and considering the projections of recognized institutions in relation to the overall economic landscape. We believe that the strategy required to be a sustainable organization is based on values and principles that involve arduous and permanent work with our collaborators, business and social partners, or any person or organization that is in our value chain.

Our tribute to Panama in these 500 years since its foundation is to continue setting challenging goals that generate actions to promote ethical business practices, strengthen governance structures, improve the well-being and quality of life of our clients, and the overall happiness of our staff. In addition, we seek to foster adequate conditions for equality, closer relationships with our social partners and allies by taking advantage of these networks to advance what we truly believe in: being people-centered, innovative, and with the talent and technology that enables prosperity.

**CARLOS ALBERTO ESCOTET**  
Executive President and CEO Banesco (Panamá), S.A.

## Main events and new developments in 2018

### GRI 102-10 SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN

We would like to highlight the following achievements:



We strengthened our innovative structure by creating the Executive Vice Presidency for Innovation, Transformation and Experience.



We established the Environmental and Social Management System (ESMS).



We were recognized by the American Chamber of Commerce and Industry of Panama (AmCham) with the Honorable Mention for Sustainable Leadership.



We became members of the Board of Directors of AmCham with our CEO (Carlos Alberto Escotet) and chaired the Sustainability Committee with Lucia Freitas, our General Manager for CSR.



We signed the Sustainable Finance protocol with the Banking Association of Panama.



We joined as members of the Board of Directors of the Corporate Governance Institute – Panama IGC, with our VP for Corporate Governance, Tanya Turner.

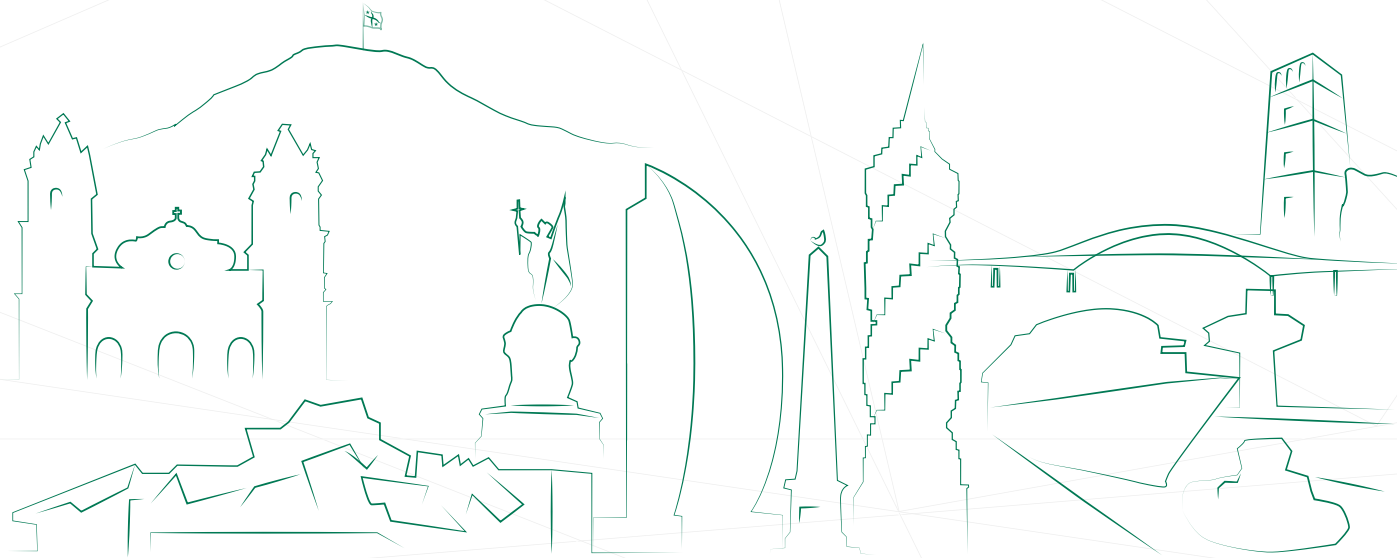


Fitch Ratings affirmed the investment grade rating of Banesco (Panamá), S.A. Long Term 'BBB (pan)', with Stable Perspective.



Fintech Americas presented its list of the 25 most innovative bankers in Latin America and the Caribbean for 2018. Our EVP for Means of Payment, Jaime Martinez, was recognized for his vision and leadership in promoting Banesco Panama --and the regional banking industry, to the Fintech era. The Award Ceremony took place on September 6th and 7th, 2018 in Miami, Florida.





## ABOUT THIS REPORT

### **GRI 102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

► The Financial Statements audited as of December 31, 2018 correspond to Banesco (Panamá), S.A.

### **GRI 102-48 RESTATEMENTS OF INFORMATION**

► There have been no changes in our organization that generate variations with respect to the previous report.

### **GRI 102-49 CHANGES IN REPORTING**

► The structure of the report has been aligned with the Sustainable Development Goals.

### **GRI 102-50 REPORTING PERIOD**

### **GRI 102-51 DATE OF MOST RECENT REPORT**

### **GRI 102-52 REPORTING CYCLE**

► This report covers from January 1 to December 31, 2018. The report is prepared annually, the last one being the year 2017.

### **GRI 102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT**

► The contact person for consultations in relation to the report or opinions on its content, is our Corporate Social Responsibility Manager, Lucía Freites: [lfreites@banesco.com](mailto:lfreites@banesco.com).

### **GRI 102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS**

► This report has been prepared in accordance with the Essential Sustainability Standards of the GRI (Global Reporting Initiative), as well as the GRI indicators of the Financial Services Sector Supplement.

### **GRI 102-55 CONTENT INDEX**

► The GRI content index is included at the end of the report.

### **GRI 102-56 EXTERNAL ASSURANCE**

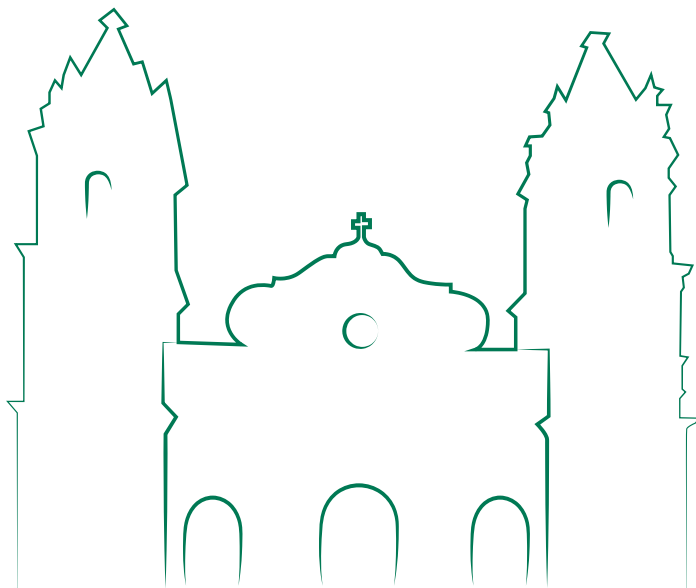
► This report has been verified by KPMG, with no conflicts of interest with other services. At the end of the report is the list of GRI verified contents and the communication disclosed as proof of this verification.

## TABLE OF CONTENTS





Organization Profile  
**Banesco**  
(Panamá), S.A.





# Organization Profile

## GRI 102-1 NAME OF THE ORGANIZATION

## GRI 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES

Our "Banesco" brand focuses on the banking business, securities placements and insurance. Our products and services are aimed at the segments of: People, Companies and International Banking. On our website [www.banesco.com.pa](http://www.banesco.com.pa) we keep detailed and updated information about our products and services.

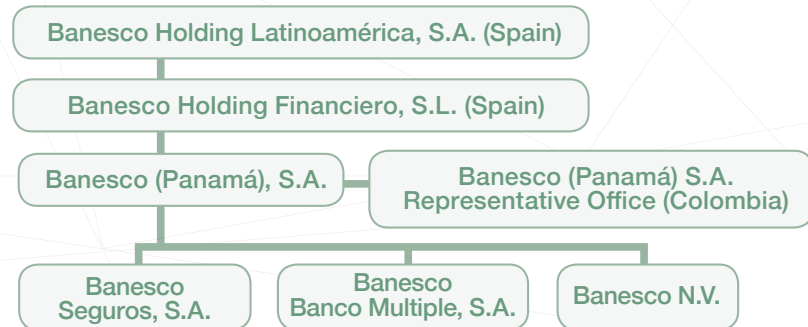
In Banesco (Panamá), S.A. we have an Exclusion List and we do not offer any prohibited service.

## GRI 102-3 LOCATION OF HEADQUARTERS

Our headquarters are located in Marbella, Calle Aquilino de la Guardia and Calle 47 Bella Vista, Banesco Tower, Panama City, Republic of Panama.

## GRI 102-5 OWNERSHIP AND LEGAL FORM

We are an autonomous, operational and legally constituted financial entity that competes in the Panamanian market and whose stock capital in its entirety is owned by Banesco Holding Latinoamérica S.A. We are part of Banesco Holding Financiero, SL, established and formed in Spain.



## GRI 102-4 LOCATION OF OPERATIONS

## GRI 102-6 MARKETS SERVED

The group operates under the Banesco brand in Venezuela, Panama, the Dominican Republic, the United States of America (Florida and Puerto Rico) and Curaçao. In Colombia, it has a Representative Office. In Spain, it operates under the ABANCA brand, with operations in five countries in Europe and four in the Americas: Germany, France, Portugal, United Kingdom, Switzerland, Brazil, Mexico, Panama and Venezuela.

In Panama, we have 22 branches: Headquarters, Albrook Mall, Altos de Panamá, Brisas del Golf, Calle 50, October 12, El Dorado, Metromall, Multiplaza, La Doña, Los Andes, Los Pueblos, Vía España, Westland Mall, La Chorrera, Coronado, Colón, Costa del Este, Chitré, David, Penonomé and Santiago. The types of clients and beneficiaries can be consulted on our website [www.banesco.com.pa](http://www.banesco.com.pa).



GRI 102-7 SCALE OF THE ORGANIZATION

Our financial results in 2018 were:

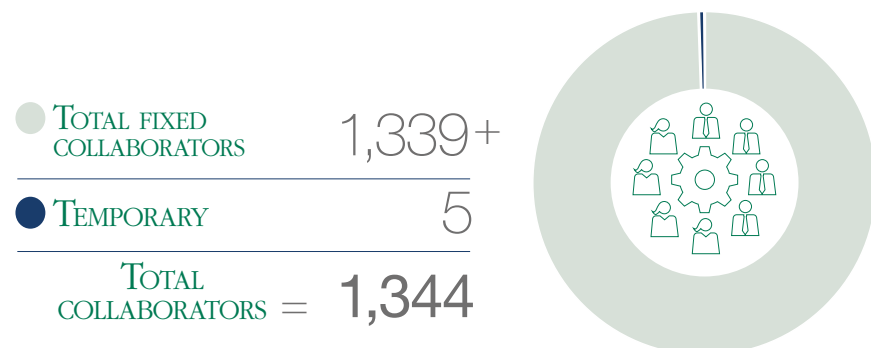


Note: Figures of the Audited Financial Statements, Banesco (Panamá), S.A. as of December 31, 2018.

For information with the breakdown required in the GRI Disclosure 102-7, including: assets, capital, costs and property, consult the Audited Financial Statements, Banesco (Panamá), S.A. as of December 31, 2018, on our website [www.banesco.com.pa](http://www.banesco.com.pa).

GRI 102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

Our payroll form is composed of 1,344 employees distributed as follows:



GRI 102-9 SUPPLY CHAIN

Our supply chain consists of 638 suppliers and contractors of which 378 have been hired in more than 3 opportunities. Its structure is simple, considering that the contracted products and services are basically complementary and support our activities. Its structure can be represented in the following graph:

Suppliers

- Infrastructure
- Payment Means
- Information Technology (IT)
- Marketing
- Travel
- Professional services

Products and services

- Deposits
- Loans
- Securities Placements

Customers Individuals

- (Panamanians and residents in the country), companies and international clients

## Our ethical culture and integrity

### GRI 102-16 VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR

**CODE OF ETHICS AND CONDUCT:** Our values, standards and norms of behavior are included in the 58 articles of the Code of Ethics and Conduct of the Banesco Citizen, available on our website [www.banesco.com.pa.](http://www.banesco.com.pa.), which as the guide for collaborators, business partners and other stakeholders. In order to promote the values and expected ethical behavior of the Banesco Citizens, every person when joining our institution receives the Code and training on its application.

► **Mission:** We are an organization of comprehensive financial services, dedicated to knowing our clients' needs and meeting them through relationships based on mutual trust, ease of access and excellence in service quality. We are leaders in the sectors of People and Commerce, combining tradition and innovation with the best of human talent and advanced technology. We are committed to maximizing profits for our shareholders and the well being of our community.

► **Vision:** The experience of the Banesco customer will mark how we make the difference in Panamanian banking. Our products and services, channels and processes, will make the customer the focus and for our people, this will be their reason of being. We accept the challenge to evolve in order to exceed their expectations, standing by and for them in a long-term, close relationship. Thus, we will succeed in standing, not only among the most valued banks but also, among the most solid and profitable ones. Here, serving is our passion.

► **Values:** It is integrated by the principles that govern our daily behavior:

▪ **Responsibility:** We respond to our obligations with accuracy and passion. We stand by our word. We use our time wisely. We give the best to everyone.

▪ **Quality:** We perform each obligation with utmost care. We aim to be the best. We strive to exceed expectations of those we interact with.

▪ **Reliability:** We tell the truth in every circumstance. We respond with honesty. We acknowledge our mistakes. We ask for help when it is necessary.

▪ **Innovation:** We are a visionary organization. We offer new solutions. We seek ideas and technologies that promote change.

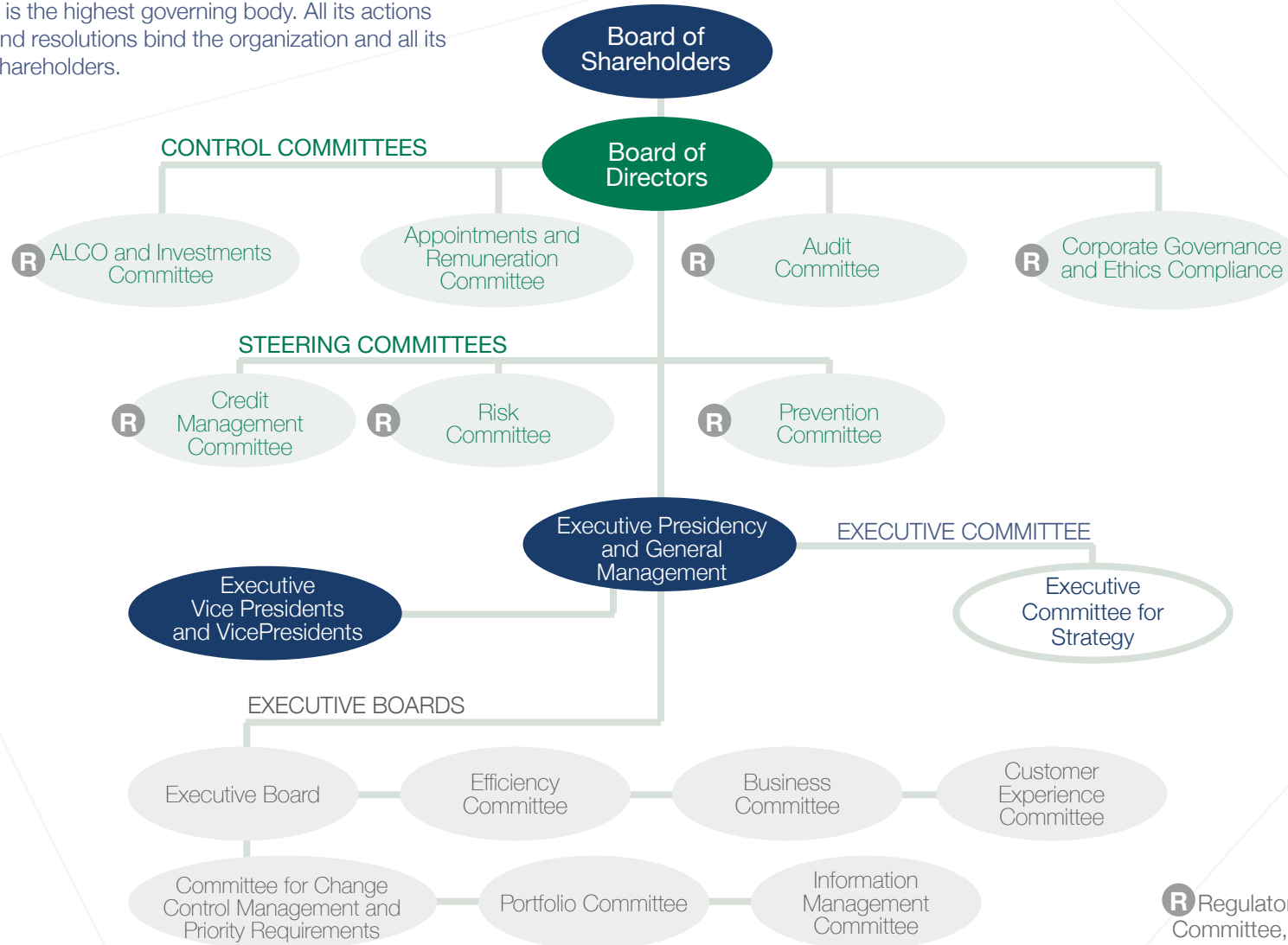
## Governance structure and corporate governance

### GRI 102-18 GOVERNANCE STRUCTURE

Considering the best international practices and in compliance with current regulations, Banesco (Panamá), S.A., maintains a Corporate Governance structure under standards of ethics, transparency and social responsibility. Its structure has different decision-making bodies that are responsible for regulatory matters, as well as economic, environmental and social issues. The performance of the Corporate Governance of the Board of Directors, the Committees, and the Board of Directors of Banesco (Panamá), S.A., are evaluated annually in accordance with the provisions of the Panamanian Superintendence of Banks.

## BOARD OF SHAREHOLDERS

It is the highest governing body. All its actions and resolutions bind the organization and all its shareholders.



**R** Regulatory Committee, required by banking regulations.

## BOARD OF DIRECTORS

Composed of members with extensive experience in the global and local market, they are appointed and approved by the Board of Shareholders:



**Miguel A. Marcano**  
Director and President



**Carlos A. Escotet**  
Director  
Executive President  
and CEO



**Juan C. Escotet**  
Director



**María J. Fernández**  
Director



**Alfredo Ramírez**  
Director



**Marco Fernández**  
Independent  
Director



**Francisco Conto**  
Independent  
Director



**Mario Oliva**  
Independent  
Director



**Emilio Durán**  
Independent  
Director

### DIGNITARIES

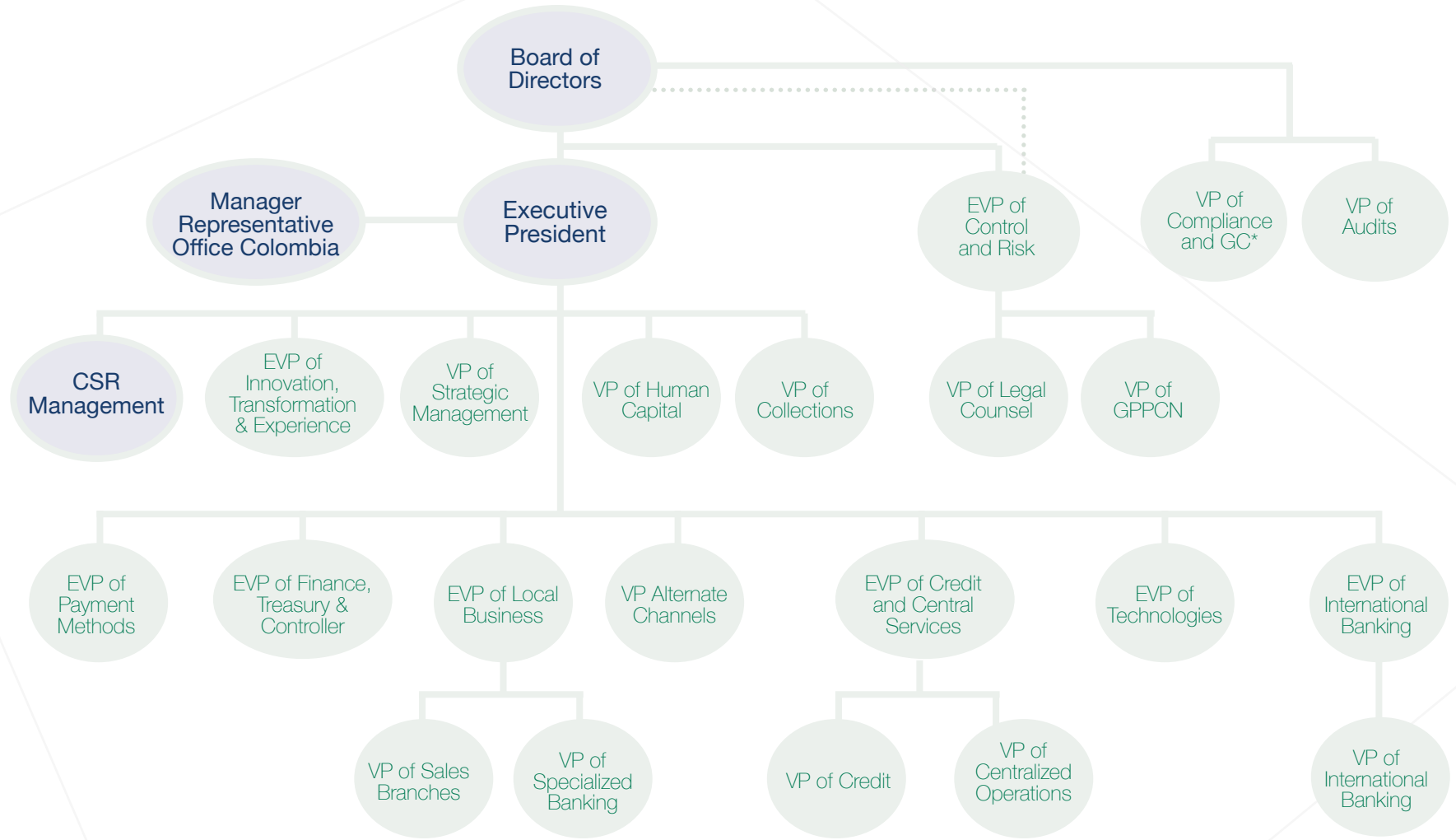
1. **Miguel A. Marcano** - President of the Board of Directors
2. **Mario Oliva** - Treasurer
3. **Amabel Vargas** – Secretary
4. **Mónica De León**– Under Secretary

### CHIEF EXECUTIVE

1. **Carlos A. Escotet**  
Executive President and CEO

The professional background of each member can be found on our web page.

## ORGANIZATIONAL STRUCTURE OF BANESCO (PANAMÁ), S.A.



..... EVP of Control and Risk  
Functional Report to Board of Directors through the Risk Committee

## STEERING COMMITTEES, EXECUTIVES COMMITTEES AND EXECUTIVE BOARD

Our Corporate Governance structure, defined and approved by the Board of Directors, integrates different structures of Control such as Steering Committees, Executive Committee and Executive Boards. The main functions related to decision making on economic, environmental and social issues are:

### CONTROL COMMITTEES

<b>ALCO and Investments</b>	Track the trend of assets, liabilities, cost of funds and margin, investment strategies, as well as the approval of new businesses, products, changes in rates, as well as managing the management of the investment portfolio, considering that investments made should be framed in the risk policies, respecting the limits approved by the Risk Committee and by this committee.
<b>Appointment and Remuneration</b>	Responsible for the review, validation and approval of the different processes of the Vice Presidency of Human Capital to ensure the adequate monitoring, analysis and evaluation of issues inherent to Human Capital processes, as well as their impact on employees.
<b>Corporate Governance and Ethics Compliance</b>	Attend and provide recommendations to the Board of Directors in aspects specific to the regulation of their competence, in order to ensure regulatory compliance and the existence of adequate corporate governance in the Organization. Among its main functions are: <ul style="list-style-type: none"> <li>• Implement and develop specific actions to ensure knowledge and dissemination of the Code of Ethics, as well as the approval of its update. Ensure strict compliance with the rules and procedures contained in the Code of Ethics, as well as advice and consultations on its application.</li> <li>• Approve the review and annual update of the Corporate Governance documentation (area policies, corporate policies, committee regulations, among others), as well as any other documentation that may be proposed.</li> </ul>
<b>Credit Management</b>	Evaluate and approve credit proposals aligned with the bank's business strategy; respecting good credit practices, credit and / or regulatory risk limits, fulfilling environmental and social aspects.
<b>Audit</b>	Confirm the correct management of the internal control system, compliance with processes and controls in the operational and business areas.
<b>Risk</b>	Guarantee the existence of a risk management system that includes objectives, policies, procedures, identification, measurement, assessment and monitoring of risks; to support the Board of Directors in the achievement of its strategic planning.
<b>Prevention</b>	Manage, identify, monitor and follow up with the compliance of regulations to prevent Money Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction.

### EXECUTIVE COMMITTEE

<b>Executive Committee for Strategy</b>	Learn about aspects of digital transformation, strategies for decision making, financial figures and all those topics that are of interest to the bank, and that have been entrusted to them by the Board of Directors and proposed for review by the Executive President.
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## EXECUTIVE BOARDS

<b>Executive Board</b>	Follow up on the goals and objectives proposed by the different areas of the bank, in order to achieve compliance with the strategic plans approved by the Board of Directors.
<b>Efficiency Committee</b>	Establish a framework to promote and strengthen the culture of profitability, monitor and improve efficiency, through follow up and analysis of expenses and income, as well as the approval and monitoring of business plans and value propositions.
<b>Business Committee</b>	Propose and / or recommend to the respective committee's actions related to resource mobilization and credit placement, responding to changes in the projected flow of the bank and the environment, to ensure that the bank meets adequate levels of liquidity and internal regulations.  Evaluate and analyze the bank's projected cash flow based on projections of credit placement and fund raising, ALM (Assets and Liabilities Management) and Liquidity Indicator.
<b>Portfolio Committee</b>	Decide based on the impact, the strategic objectives, and the bank's operations regarding the proposed changes to the current portfolio of initiatives, including strategic, survival, regulatory and tactical-operational initiatives.
<b>Information Management Committee</b>	Ensure compliance with the corporate vision, strategic guidelines and monitoring the information governance so that the policies, principles, processes and procedures regarding information management are fulfilled as a business asset.
<b>Customer Experience Committee</b>	Analyze and make strategic decisions related to the improvement of the Customer Service Experience in the different interactions with the bank.
<b>Committee for Change Control Management and Priority Requirements</b>	Approve or reject the implementation of changes, considering the organizational risk, the needs, and the technological impact related to the business.  Evaluate and assign priorities levels to the requirements that must be met by the technology infrastructure, establishing policies, strategies and procedures as well as the allocation of the necessary resources for the technology management.

## OUR CORPORATE SOCIAL RESPONSIBILITY

The management of Corporate Social Responsibility as the guarantor of one of the central components of the Vision of Banesco (Panamá), S.A. seeks to promote a culture that contributes to the creation of social, cultural, economic and environmental values in a sustainable way for collaborators, customers, shareholders, suppliers as well as in the communities where activities are carried out. The main areas where the social responsibility practices are implemented, are defined annually by the General Management / Executive Direction, and consist of: environment, culture, education and entrepreneurship.



## CORPORATE POLICIES

Among the Corporate Policies approved by the Board of Directors regarding sustainability, we highlight the following:

### Anti-corruption

Establish procedures that guide the bank's policies to prevent potential situations that may represent acts of corruption, both internal and external to the organization.



### Transparency

Establish guidelines based on the timely management of transparency in accordance with the best Corporate Governance practices.



### Social and Environmental Management

Ensure the sustainable performance of the bank, its subsidiaries, and its relations with interested parties, through the integration of environmental and social dimensions in its strategy, guaranteeing the incorporation of principles and guidelines (internal and external).



### Reputation Management

Establish guidelines for the Reputation Management of the bank and its subsidiaries under the highest standards of procedure (internally and externally), and in relation with its stakeholders, minimizing to the maximum the exposure to potential damages or compromising its reputation.



We have a Manual of Corporate Governance Banesco (Panamá), S.A. and Subsidiaries that contains the policies, principles and rules that outline the operation of the governing bodies of the bank.

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## Stakeholders

**GRI 102-42** IDENTIFYING AND SELECTING STAKEHOLDERS  
**GRI 102-41** COLLECTIVE BARGAINING AGREEMENTS

After conducting an analysis of the sector in Panama, the company identified and defined its stakeholders according to their level of participation and influence. The stakeholders and their key concerns have been identified by the CSR Management and validated with the bank's different departments:

SUSTAINABILITY REPORT 2018 · **Banesco** (PANAMÁ), S. A.

GRI 102-40 LIST OF STAKEHOLDER GROUPS	GRI 102-44 KEY TOPICS AND CONCERNS RAISED	GRI 102-43 APPROACH TO STAKEHOLDER ENGAGEMENT
STAKEHOLDERS	KEY CONCERNS	PARTICIPATION OF STAKEHOLDERS, COMMUNICATION CHANNELS AND FREQUENCY (*)
Shareholders	Sustainable profitability	<ul style="list-style-type: none"> <li>• Branches and offices, bank liaison personnel</li> <li>• Phone, intranet, web page, email</li> <li>• WhatsApp, online banking (BanescoOnline)</li> <li>• Reporting channels (internal and external)</li> <li>• Committees, Board meetings, meetings</li> <li>• Gatherings, forums, fairs and expo sales events</li> <li>• Customer surveys (annual)</li> <li>• Performance evaluation (annual)</li> <li>• Press, direct and indirect advertising</li> <li>• Social networks: Facebook, Twitter, Instagram, YouTube, LinkedIn</li> <li>• Reports (monthly, quarterly, annual)</li> <li>• Capacity building workshops, training, seminars</li> <li>• Blog Banesco "Contigo hoy" (<a href="http://www.contigohoy.com">www.contigohoy.com</a>)</li> <li>• 800-1300 toll-free hotline</li> <li>• E-mail address: <a href="mailto:sgas@banesco.com">sgas@banesco.com</a></li> <li>• Financial information (quarterly, annual)</li> <li>• Sustainability Report (annual)</li> </ul> <p>(*) The frequency is permanent, except in those cases that indicate specific periodicity in parentheses.</p>
Contributors	Well-being, quality of work life	
Customers	Quality of products and services.	
Banesco Entrepreneurs	Timely attention to inquiries, concerns, complaints or claims.	
Regulatory Entities/ Authorities	Legal or regulatory compliance	
Suppliers	Sustainable partnership	
Social Partners, NGOs		
Communities where we operate	Socially Responsible Management	
Society		

Currently we do not have collective bargaining agreements. According to the Constitution of the Republic of Panama, it is a right of Panamanian workers and citizens to belong to a labor union, and the government will ensure that the necessary conditions are met for its establishment and activities within the company. It is not an obligation for private companies in Panama to have a union. However, if the workers demand it, the Ministry of Labor has the responsibility

to admit this request and contact the bank to fulfill the due process.

In 2018, we launched "**Contigo hoy**" ([www.contigohoy.com](http://www.contigohoy.com)), a digital space that serves to communicate the social responsibility initiatives of different actors and social partners in their mission to build our country.

# Materiality Analysis

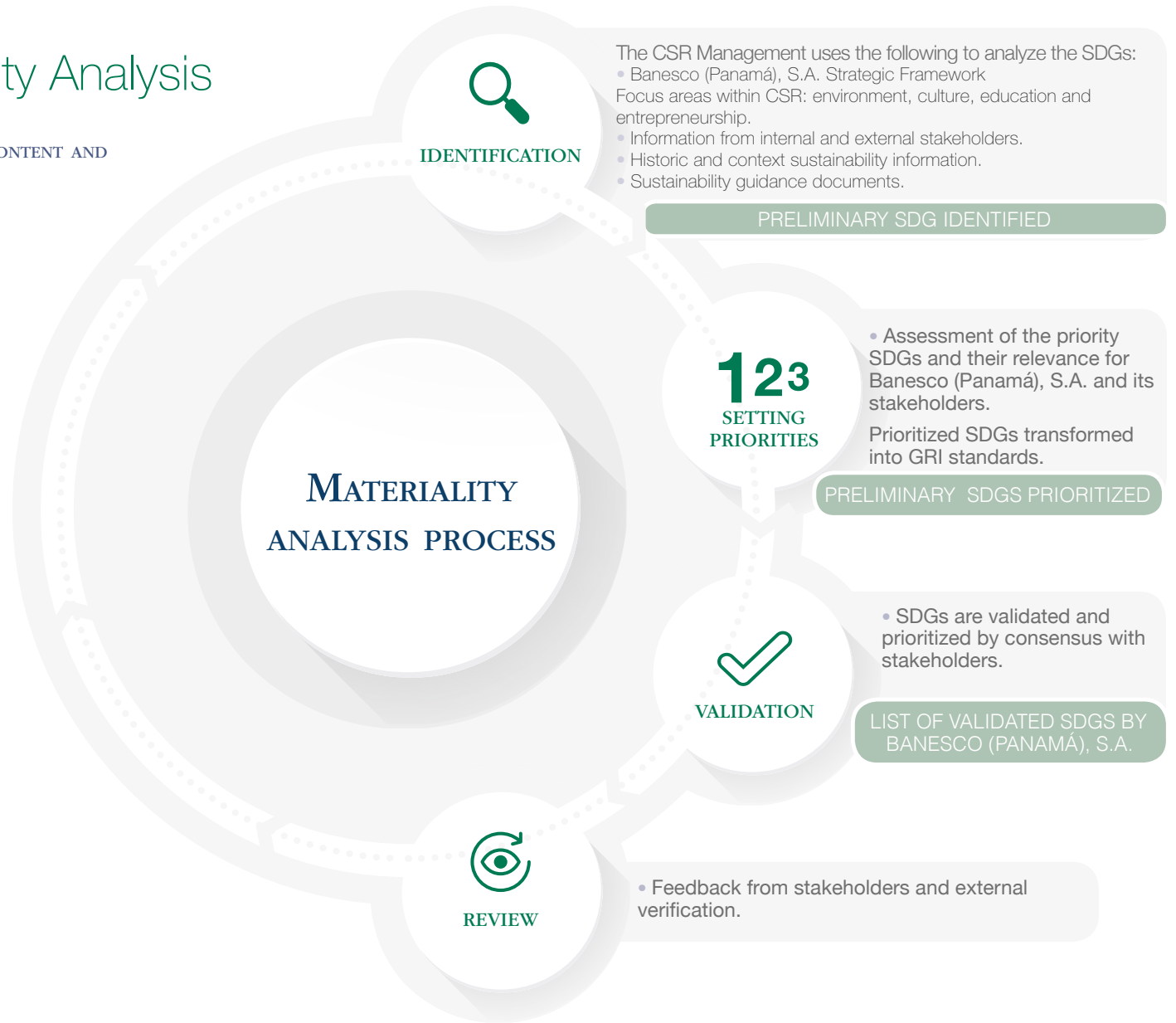
**GRI 102-46** DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

The materiality assessment focuses on analyzing the business and its impacts, paying attention on the most important issues for sustainable development. The CSR Management has guided the materiality analysis by identifying, prioritizing and validating the most relevant SDGs for Banesco (Panamá), S.A. and its stakeholders. This responsibility has been assigned considering its role in fostering a sustainable corporate culture within the bank that contributes to the creation of social, cultural, economic and environmental values for employees, customers, shareholders, suppliers and the communities where activities are carried out.

In order to define the contents and coverage of the report, the following steps took place:

**1. Identification**

The CSR Management defined a preliminary list of priority SDGs based on:



- A strategy using the areas of sustainability and targeted investment of the social responsibility of Banesco (Panamá) S.A. The investment priorities selected, target those social programs or initiatives in which Banesco maintains a focus, such as the environment, culture, education and entrepreneurship.
- Information collected from identified Stakeholders.
- Sustainable Development Goals 2015-2030, Country Vision 2030 of the National Strategic Plan.
- 2017 Sustainability Report and the Report with findings and recommendations from the 2017 KPMG Report Verification.

Reference was made to the ISO 26000: 2010 Social Responsibility Guide and other recognized instruments such as the SDG Compass, which serves as a guide to companies on how to align, measure and manage their strategies and contributions to the SDGs.

## 2. Setting Priorities

- In this process, the SDGs and their related issues are prioritized according to the strategic importance to the bank in terms of its mission, vision, values, policies, strategies, management system, and concern for its stakeholders stemming from their interests and perspectives.
- In 2018, greater relevance was given to issues related to the Environmental and Social Management System and to Gender Equality. Issues emphasized were creating wealth, productivity, welfare for the Banesco citizen, education, financial inclusion, and transparency and ethics in business.
- Information about the stakeholders: In order to identify their needs, different internal and external sources were analyzed such as: climate analysis, customer satisfaction survey results and market analysis. Regarding Banesco's social programs or initiatives, information was gathe-

red from meetings with allies and social partners, including Banesco's entrepreneurship programs and banking for the micro-entrepreneur.

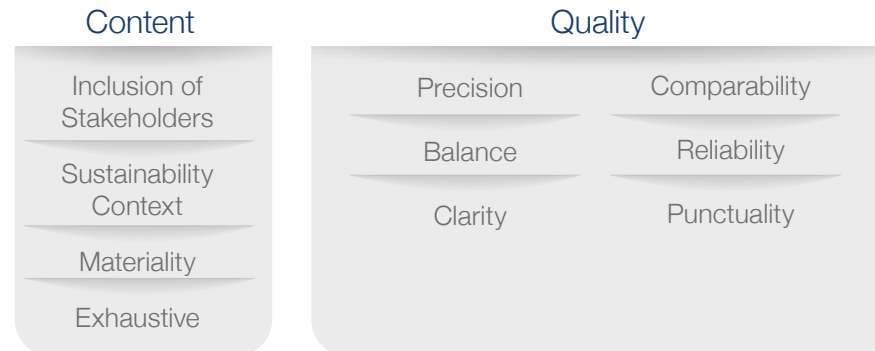
## 3. Validation

The prioritized topics included in the Report, as well as those in the management strategy, were validated by the Executive Committee and approved by the Executive President and CEO, and subsequently presented to the firm KPMG for external verification.

## 4. Revision

We received feedback from the different units and our stakeholders. Additionally, we made improvements resulting from the report findings and suggestions from the 2017 verification Report from KPMG.

The process used to develop the Report is based on the GRI principles for report preparation related to:



With the materiality analysis we are able to map our priorities, create linkages, and think of new ways of working where the SDGs can be incorporated into our activities on a permanent basis.

The result of the materiality analysis based on the SDGs, is presented in the following matrix:



## Management approach

- GRI 102-47 LIST OF MATERIAL TOPICS
- GRI 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY
- GRI 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS
- GRI 103-3 EVALUATION OF THE MANAGEMENT APPROACH

The following table presents the management approach or justification of the GRI material indicators, the SDGs and related Global Compact Principles. This relationship has been established using as a reference the SDG Compass on line tool <https://sdgcompass.org/business-indicators/> and other recognized sources, including Global Compact guidelines.

		GRI STANDARD	SDG	PRINCIPLES OF THE GLOBAL COMPACT	IMPORTANCE OF THE SUBJECT FOR BANESCO (PANAMÁ), S.A.	SHAREHOLDER	CONTRIBUTORS	CUSTOMERS	COMMUNITIES	SUPPLIERS	ENVIRONMENT	LINKAGE
ECONÓMICO	201 Economic performance	<b>201-1</b> Direct economic value generated and distributed.	1, 5, 8, 10	1, 2, 10	Profitability and stability are essential to build socially responsible economies. We contribute to the communities with a participatory budget model.	✓	✓	✓	✓	✓		
	FS Product Portfolio	<b>FS 6</b> Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	1, 2	1, 2	We promote social impact projects in the communities where we operate, linked to the areas of action of our CSR management and the material SDGs applicable to our business.	✓		✓	✓			Direct with our activities.

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	GRI STANDARD	SDG	PRINCIPLES OF THE GLOBAL COMPACT	IMPORTANCE OF THE SUBJECT FOR BANESCO (PANAMÁ), S.A.	SHAREHOLDER	CONTRIBUTORS	CUSTOMERS	COMMUNITIES	SUPPLIERS	ENVIRONMENT	LINKAGE
ECONOMIC	FS Community	FS13 Access points in low-populated or economically disadvantaged areas by type. FS14 Initiatives to improve access to financial services for disadvantaged people.	1	1, 2	We seek the financial inclusion of the non-banking sectors and in popular areas.	✓		✓	✓		Direct with our activities.
	202 Presence in the market	202-2 Proportion of senior management hired from the local community.	8	1,2,10	Hiring local staff contributes to the strengthening and development of the country.	✓	✓		✓		
	203 Indirect economic impacts	203-1 Infrastructure investments and services supported.	2,9	1,2,10	Supporting micro entrepreneurs through access to financial services, contributes to development.	✓		✓	✓		
	204 Acquisition practices	204-1 Proportion of spending on local suppliers.	8	1,2,10	The criteria for acquisitions must be aligned with our sustainability strategy.	✓			✓	✓	
	205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures. 205-3 Confirmed incidents of corruption and actions	16	10	We manage the risks associated with the prevention of corruption, bribery and money laundering to prevent our institution from being used, intentionally or not, for criminal purposes.	✓	✓	✓	✓		
ENVIRONMENTAL	302 Energy	302-1 Energy consumption within the organization.	12	7,8,9	The consumption of energy in our operations is significant due to the nature of the activities we carry out.	✓			✓		

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		GRI STANDARD	SDG	PRINCIPLES OF THE GLOBAL COMPACT	IMPORTANCE OF THE SUBJECT FOR BANESCO (PANAMÁ), S.A.	SHAREHOLDER	CONTRIBUTORS	CUSTOMERS	COMMUNITIES	SUPPLIERS	ENVIRONMENT	LINKAGE
ENVIRONMENTAL	303 Water	303-1 Interactions with water as a shared resource.	12	7,8,9	The savings in water consumption have been included as one of the key points to fulfill our commitment as a responsible company.	✓	✓				✓	Direct with our activities, and indirect through financing and associations.
	304 Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity.	12	7,8,9	Our ESMS contemplates the analysis of our financing in biodiversity.	✓	✓				✓	
	305 Emissions	305-1 Direct (Scope 1) GHG emissions.	13	7,8,9	In order to carry out the fight against climate change, it is our interest to measure the GHG emissions related to our energy consumption and fossil fuels.	✓	✓		✓		✓	
		305-2 Energy indirect (Scope 2) GHG emissions.	13	7,8,9		✓	✓		✓		✓	
	306 Effluents and waste	306-2 Waste by type and disposal method.	12	7,8,9	We encourage the adequate management (donations) of discarded computing equipment in good condition.	✓	✓		✓		✓	
	307 Environmental Compliance	307-1 Non-compliance with environmental laws and regulations.	12	7,8,9	As part of our Corporate Environmental and Social Management Policy, we ensure good performance in the management of the risks associated with these matters.	✓			✓		✓	
	308 Environmental compliance of suppliers	308-1 New suppliers that were screened using environmental criteria.	12	7,8,9	We expect our suppliers to respect the environmental legislation applicable to their activities, products or services, and that they follow best practices to operate in an environmentally and socially responsible manner.	✓	✓			✓	✓	



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SOCIAL	401 Employment	401-1 New employee hires and employee turnover. 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees. 401-3 Parental leave.	3,8	4	We value the generation of direct and indirect jobs with decent wages according to the national reality.	✓	✓					Direct with our activities.
	403 Health and Safety at Work	403-2 Hazard identification, risk assessment, and incident investigation.	3	1,2, 4	Human talent is the most valuable resource. We promote a culture of well-being focused on healthy lifestyles and an efficient management in occupational health and safety.	✓	✓			✓		
	FS Product Portfolio	FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	12	6								
	404 Capacity and development	404-1 Average hours of training per year per employee. 404-2 Programs for upgrading employee skills and transition assistance programs. 404-3 Percentage of employees receiving regular performance and career development reviews.	4,9	5	The education, training and capacity building of personnel is a key success factor.	✓	✓					

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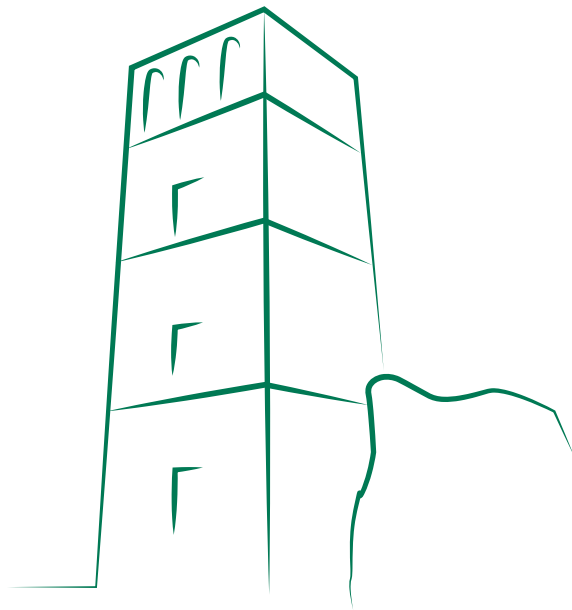
	GRI STANDARD	SDG	PRINCIPLES OF THE GLOBAL COMPACT	IMPORTANCE OF THE SUBJECT FOR BANESCO (PANAMÁ), S.A.	SHAREHOLDER	CONTRIBUTORS	CUSTOMERS	COMMUNITIES	SUPPLIERS	ENVIRONMENT	LINKAGE
SOCIAL	405 Diversity and equal opportunities	405-1 Diversity of governance bodies and employees.	5	6	We seek balance in terms of gender and age in the different levels of the organization.	✓	✓				Direct with our activities.
	406 Non discrimination	406-1 Incidents of discrimination and corrective actions taken.	5	6	Our ESMS for operations and finances includes the evaluation of human rights emphasizing in its exclusion list and in the evaluation criteria, the fundamental labor rights. We are signatories of the United Nations Global Compact, we have incorporated these principles into the bank's management model.	✓	✓	✓			Direct through our activities, and indirect through financing and associations.
	407 Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	12	3		✓	✓	✓		✓	
	408 Child labor	408-1 Operations and suppliers with significant risk of cases of child labor.	12	5		✓	✓	✓	✓	✓	
	409 Forced or compulsory labor	409-1 Operations and suppliers with significant risk of cases of child labor.	12	4		✓	✓	✓	✓	✓	
	411 Rights of indigenous peoples	411-1 Cases of violations of the rights of indigenous peoples.	12	1, 2							
	412 Evaluation of human rights	412-1 Operations that have been subject to human rights reviews or impact assessments.	13	1, 2		✓	✓	✓	✓	✓	

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SOCIAL	<b>413 Local communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs.	1, 4, 8, 10	1, 2	We contribute with initiatives and programs in environment, culture, education and entrepreneurship.	✓		✓			Indirect through financing and associations.
	<b>FS Labeling of Products and Services</b>	FS16 Initiatives to enhance financial literacy by type of beneficiary.	4, 8	1, 2, 10	Reliability is a value of Banesco Citizen.		✓	✓	✓		Direct with our activities.
	<b>418 Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	16	1, 2		✓	✓	✓			
	<b>419 Socioeconomic compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area.	16	1, 2, 10	Our management and decision-making model contemplate compliance with legal requirements, assumed obligations and ethical principles accepted voluntarily.	✓	✓	✓	✓		
	<b>FS Product Portfolio</b>	FS1 Policies with specific environmental and social components applied to business lines. FS2 Procedures for assessing and screening environmental and social risks in business lines. FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	3,12	1, 2, 10	The ESMS incorporates policies / procedures in social and environmental matters.	✓	✓	✓	✓		Direct with our activities, and indirect through financing and associations.

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GRI STANDARD		SDG	PRINCIPLES OF THE GLOBAL COMPACT	IMPORTANCE OF THE SUBJECT FOR BANESCO (PANAMÁ), S.A.	SHAREHOLDER	CONTRIBUTORS	CUSTOMERS	COMMUNITIES	SUPPLIERS	ENVIRONMENT	LINKAGE
SOCIAL	FS Product Portfolio	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	1	8	The ESMS incorporates policies / procedures in social and environmental matters.	✓	✓	✓	✓		Direct with our activities, and indirect through financing and associations.
	FS Audit	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	12	1, 2, 4, 5, 7, 10							
	FS Labeling of Products and Services	FS15 Policies for the fair design and sale of financial products and services.	16	1, 2, 10	We are attentive to promote our products and services and advice in a fair and reasonable way.	✓	✓	✓			



Our commitment to  
**Sustainable  
Development**  
aligned with the SDGs

# SUSTAINABLE DEVELOPMENT GOALS

Click below to learn more about our contribution to each SDG



# 1 Committed to ending poverty



**SDG 1** End poverty in all its forms throughout the world.

- Financial inclusion through our Community Banking

We are committed to generating opportunities for sectors of the population and small productive enterprises that do not benefit from banking products that could result in income generation and positively impact their living conditions.

## 1.1 Financial inclusion through our Community Banking

**GRI FS13** ACCESS POINTS IN LOW-POPULATED OR ECONOMICALLY DISADVANTAGED AREAS BY TYPE

**GRI FS14** INITIATIVES TO IMPROVE ACCESS TO FINANCIAL SERVICES FOR DISADVANTAGED PEOPLE



This intervention targets those sectors without banking and in local rural areas, expanding the opportunities of small business entrepreneurs who generate jobs while at the same time, boosting the country's economic growth. The commercial strategy of the Community Banking is to advise, direct, guide and accompany clients with its team of advisors, who are in charge of visiting and understanding their needs in order to give the proper requirements based on their business and in line with their products and services as they grow.

Among the main products and their characteristics offered by our Community Banking, we highlight:

- **Loans for Micro-entrepreneurs:** To acquire assets or working capital for the growth and development of their business.
- **Savings Account for Entrepreneurs:** For people who are starting their small business and micro-entrepreneurs who want to increase their money, earning interest on their balances.

▪ It is important to highlight that the Banesco Entrepreneurs program served as a platform to train the people that would later form the Community Bank.

The definition of segmentation and strategic sub-segments of the Community Banking was based on:

**Sizing of Microenterprises in Panama, including:**

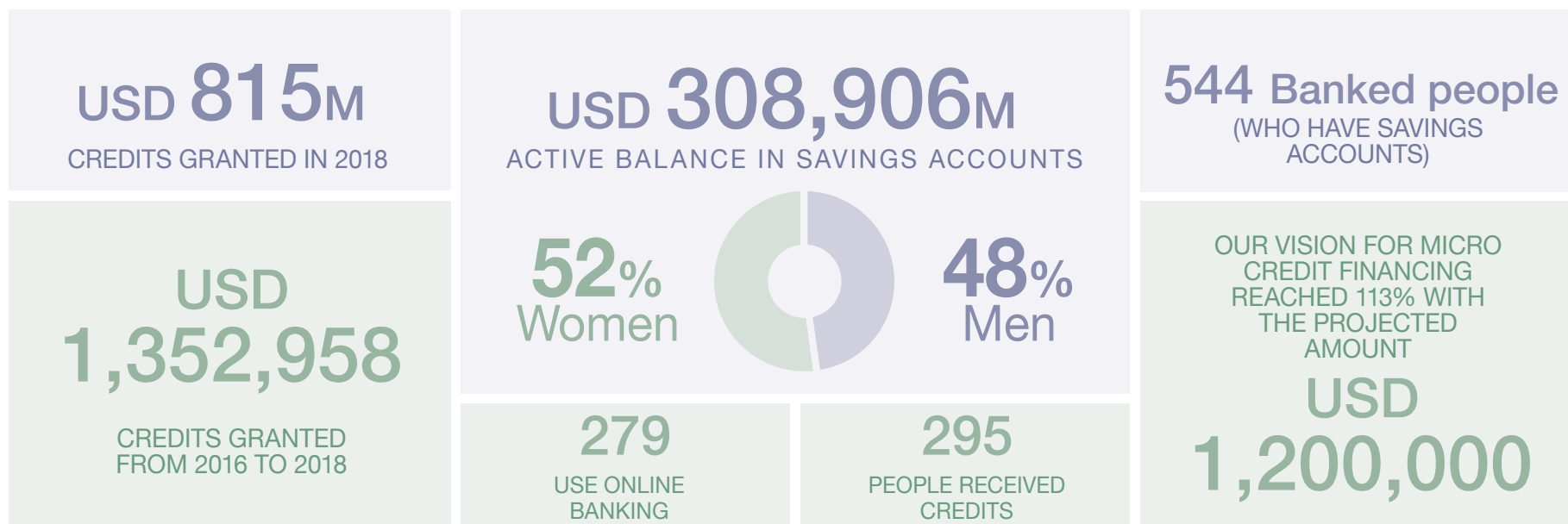
- Information and regulations of Association of Small and Medium Enterprises (AMPYME for its acronym in Spanish).

- Statistical data of the National Institute of Statistics and Census (INEC for its Acronym in Spanish) on areas of less population density.

- Data and survey on SMEs and the Informal sector of the National Competitiveness Center.

**Analysis of the sources of Financing for Microenterprises**

This segmentation was reviewed by the Risk Committee. The context information is constantly reviewed by recognized bodies. As a result of the performance of our Community Banking, we reached the following figures:





## THE AREAS SERVED BY COMMUNITY BANKING ADVISORS ARE THE FOLLOWING:

Panama City		Chorrera		Santiago	Chitré	David
24 Diciembre	Las Cumbres	Arraijan Cabecera	La Mitra	Atalaya	Ocú	Dolega
Alcalde Díaz	Las Mañanitas	Burunga	El Espino	San Antonio	La Arena	Dival
Bethania	Pedregal	Nuevo Chorrillo	Puerto Caimito	La Colorada	Monagrillo	Puerto Armuelle
Calidonia	Pueblo Nuevo	Vista Alegre	Cerro Silvestre	Los Algarrobos	Las tablas	Boquete
Chilibre	San Miguelito	Valle Hermoso	Capira	Cañazas	Villa de los Santos	Cerro Punta
Don Bosco	Tocumen	Centro de Chorrera	Bejuco	Montijo	Guararé	Pedregal
Juan Díaz	Rio Abajo	Guadalupe	Gorgona	Santa Fé	Agua Dulce	
		El Coco	Coronado	Soná	Divisas	
				San Francisco		

## 1.2 Investments in the community

**GRI 201-1** DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED  
**GRI 413-1** OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

Our investment in CSR includes contributions to charities or NGOs, funds that support community infrastructures and direct costs to social programs such as artistic and training events. In 2018, the total amount invested was USD920,623.

The criteria for the selection of foundations and organizations that benefit from CSR contemplate the analysis of their alignment with the investment areas approved by the General Management and the Executive Board. Currently, these are the following: environment, culture, education, entrepreneurship. Once there is evidence that the program / event / training / activity aligns with the CSR Management guidelines, it is submitted for the approvals and evaluation by the sponsorships and donations areas.

Among the initiatives and beneficiaries selected in 2018, are:

- Training through the Banesco Entrepreneurs Program
- Foundation for the Promotion of Educational Excellence

- Participation in events that promote innovation
- Support to the Global Entrepreneurship Week
- Participative Budget Banesco
- Responsible Business Program
- Signatories to the National Entrepreneurship Agreement

The whole operation has programs for the participation of local communities, impact evaluation as well as development programs.

## 1.3 Incentive for SMEs

**FS6** PERCENTAGE OF THE PORTFOLIO FOR BUSINESS LINES BY SPECIFIC REGION, SIZE (E.G. MICRO/SME/LARGE) AND BY SECTOR.

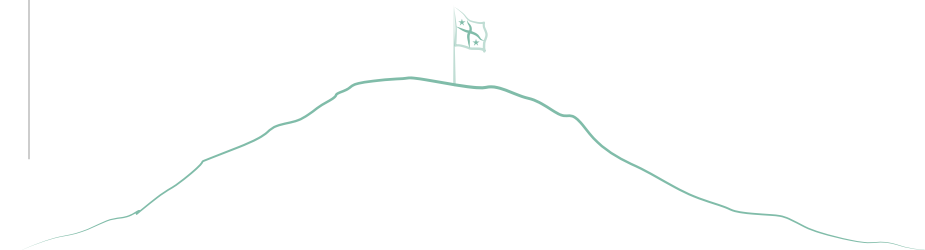
**FS8** MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC ENVIRONMENTAL BENEFIT FOR EACH BUSINESS LINE BROKEN DOWN BY PURPOSE.

The value of the SME portfolio as a percentage of the total, or as a total monetary value based on the assets included in the balance sheet is USD115,274,003.

With the German Development Agency (GDA), we have assumed the commitment to apply first level internationally-accepted standards to our own operations and those of our clients. To this end, we will continue to provide support related to the analysis of environmental and social risks of credits requested by SMEs in order to ensure that the operations financed by the bank, and the operational activities for their own operation, are environmentally and socially sustainable.

The portfolio is broken down as follows:

Assets	Balance 2018 USD	%
• Auto commercial	2,281,128	1.94%
• Commercial Equipment	985,946	0.86%
• Commercial mortgage	31,643,081	27.45%
• Credit line	78,590,000	68.18%
• SME Express	76,329	0.07%
• Overdrafts	1,697,519	1.47%
<b>Total</b>	<b>115,274,003</b>	<b>100 %</b>



# 2 Committed to ending hunger



**SDG 2 Zero Hunger.** The food and agriculture sector offer key solutions for development and is central for hunger and poverty eradication.

## 2.1 Promotion of agriculture

**GRI FS6** PERCENTAGE OF THE PORTFOLIO FOR BUSINESS LINES BY SPECIFIC REGION, SIZE (E.G. MICRO/SME/LARGE) AND BY SECTOR.



- Our participation in the agricultural sector is intended to accompany this primary sector not only in the financing of its activities, but also through back-up and supervision of the investment plans in which we carry out advisory work with our clients, supporting the national production and the promotion of direct and indirect jobs.

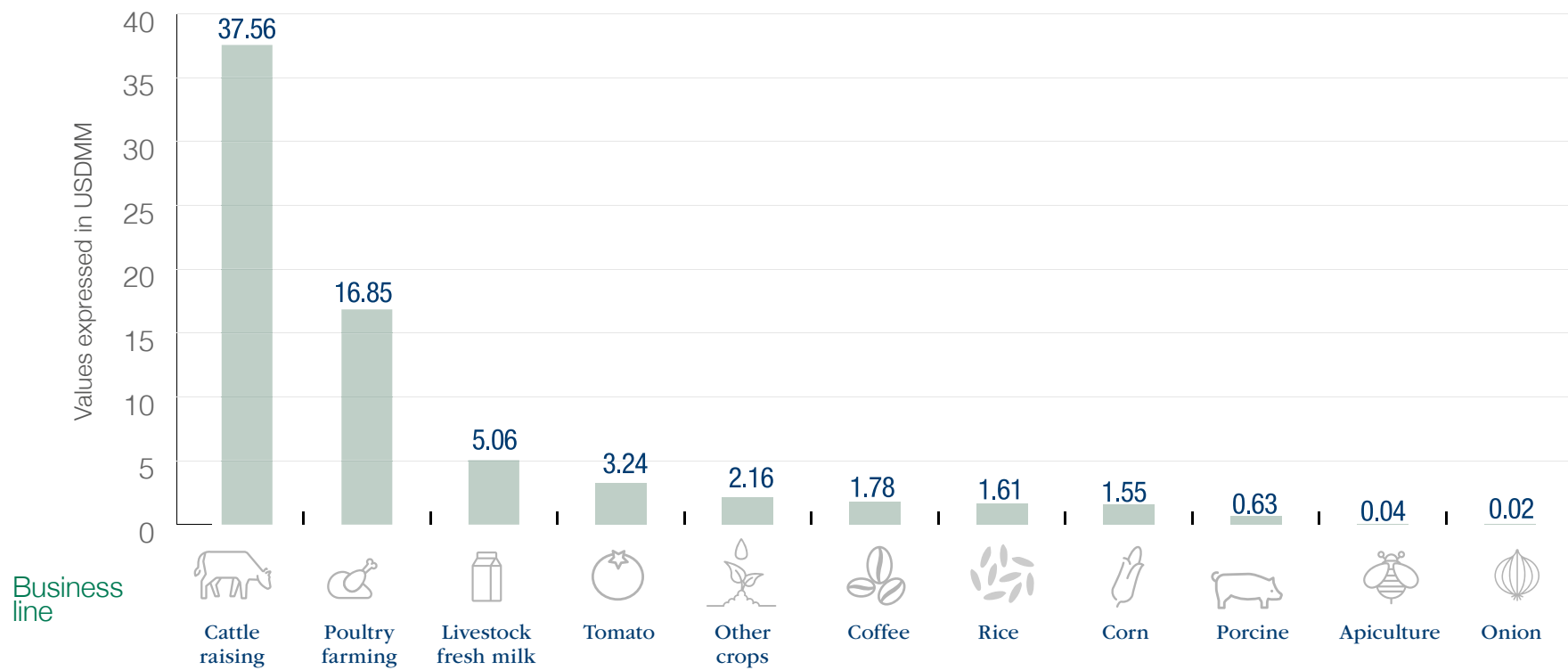
- From the point of view of processes and standards, we have the adequate technical support for the management of this economic sector, which requires specialized supervision that we manage through a specialized technical agricultural team. This management area has an adequate segregation of functions to

ensure that the process of selling the financial product is separated from the advice and supervision required by our clients.

The agricultural banking portfolio at the end of December 2018 showed a total balance of USD70,481,161, representing 1.68% of the total loan portfolio of Banesco (Panamá), S.A. This portfolio is divided into non-revolving lines for an amount of USD63,457,222 and rotating lines for USD7,023,940.

The Agricultural Banking segment is developed into 6 branches: David, Santiago, Chitré, Penonomé, La Chorrera y La Doña.

The value of the financing portfolio for each line of business as a percentage of the total, is indicated in the following graph:



These financings are subject to approvals, considering environmental and social criteria.

# 3 Committed to comprehensive health and well-being



**SDG 3** Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development.

- Wellness of our collaborators
  - Participation in welfare activities

## 3.1 Wellness of our collaborators

**GRI 401-2** — BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

Among the benefits provided to our employees we have life and health insurance the insurance covers 1,344 employees. In 2018, 90 employees have benefited with bonuses, financial support or emergency advance.

### 3.1.1 PARTICIPATION IN WELFARE ACTIVITIES

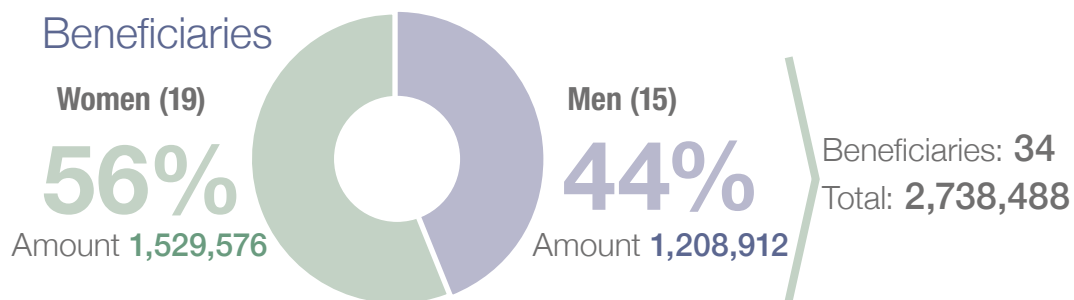
We carry out health, sports and recreational activities for our employees and their families:

	Activity	No. of participants
<b>Health and Safety at Work</b>	▪First aid course	11
	▪Medical clinic	1,513 people served
	▪Screening carried out with the company PALIG	2
<b>Deportivas</b>	▪Circuit City (8 races)	20 per race
	▪Children's Day	645
	▪Kilotón	38
	▪Women's Banking League	12
	▪Bowling League	60
	▪Internal Football League	144 12 teams (8 men's and 4 women's)

### 3.1.2 FACILITIES FOR ACQUISITION OF HOUSING WITH PREFERENTIAL INTEREST

**GRI FS7** MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT FOR EACH BUSINESS LINE BROKEN DOWN BY PURPOSE.

We have granted payment plans for the acquisition of the primary house with resources from the Mandatory Housing Savings Fund (FAOV for its Spanish acronym). In 2018, the beneficiaries were 34 employees broken down as follows:



### 3.1.3 MATERNITY AND PARENTAL LEAVE

**GRI 401-3** PARENTAL LEAVE

In 2018, 48 employees were granted their maternity leave as set forth by national legislation. In addition, in our efforts to promote gender equality, we continue to offer leave to our male employees, granting 5 days of paid parental leave.

### 3.1.4 FLEXIBLE HOURS AND TELECOMMUTING PROGRAMS

Our collaborators can fulfill their work day in flexible modalities subject to the requirements of their position profile. These working arrangements popularly known as *Flexitime and Telecommuting*, allow to distribute time efficiently and contribute to balancing work and family life. For 2018, the benefited employees include:



- 120 employees with flexible hours (94 women and 26 men), of which 22 joined this program in 2018.
- 38 employees with telecommuting (25 women and 13 men), of which 29 were incorporated in 2018.

### 3.1.5 BANESCO SUMMER CAMP

We offer a week full of adventures in the Banesco Summer Camp (Veranito Banesco, in Spanish) with the participation of 90 children and a total of 40 hours in this activity.

### 3.1.6 WELLNESS SPACE "EL PISO"

We have a complete floor named as "EL PISO" (THE FLOOR), a flexible space with a different concept where collaborators can gather during their work hours. There, they can take their computer to work and at the same time interact with others, enjoy the swing, play at a pool table, or it can be used for meetings and strategic sessions.

### 3.1.7 BREASTFEEDING ROOM

The breastfeeding room, planned with the help of AVENT experts, offers a space designed for the comfort, safety, privacy and considering the safety of breast milk. In 2018, eighteen 18 mothers benefited from the use of the breastfeeding room, doubling the number of mothers from 2017.

### 3.1.8 ACCIDENT REGISTRATION AND ANALYSIS

#### GRI 403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

During 2018, there were 2 accidents with casualties admitted due to professional risk (CSS). The two cases were analyzed to avoid recurrence.

## 3.2 Alliances and support in matters of health and integral well-being

#### GRI 102-12 EXTERNAL INITIATIVES

With our corporate volunteering we contribute with initiatives and projects that promote the development of a culture of health and well-being, focused on healthy lifestyles.



# 4 Committed to quality education



**SDG 4** Obtaining a quality education is the foundation to improving people's lives and sustainable development.

We believe there is no better condition for personal development, social mobility and guaranteed sustainability than education. Support for education is a priority that is present in each of the countries where we operate. We are committed to promoting learning opportunities taking into account core competencies and capabilities that favor social and economic inclusion in a sustainable way.

- Support for initiatives to benefit Panamanian education

## 4.1 Support for initiatives to benefit Panamanian education

### GRI 413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS

We sponsored the **Robotics Olympics 2018**. This event was organized by Fundesteam, a non-profit, non-governmental organization committed to the promotion and development of education in Science, Technology, Engineering, Arts and Mathematics (STEAM) that supports innovative educational programs for children and youths at a national level.





#### 4.1.1 INTERNSHIP PROGRAM

We developed a professional internship program for students in careers related to administration, banking and finance to provide a meaningful learning experience that facilitates entry into the work-force. In 2018, we received 14 practitioners: 4 from universities and 10 from high schools.

#### 4.1.2 FOUNDATION FOR THE PROMOTION OF EDUCATIONAL EXCELLENCE

We are partners of the Foundation for the Promotion of Educational Excellence (FPPE, for its Spanish acronym) to foster conditions for the continuous improvement of public education. This foundation is the creator of the Educational Excellence Competition. Our annual contribution for three consecutive years has been USD140,000.



#### 4.1.3 TRAINING THROUGH THE BANESCO ENTREPRENEURS PROGRAM

##### FS16 INITIATIVES TO ENHANCE FINANCIAL LITERACY BY TYPE OF BENEFICIARY.

In 2018, we added 86,200 hours of training, achieving the certification of 2,155 entrepreneurs. This free training program aims to contribute to the improve the productive capacity of their businesses as well as optimize their market competitiveness. It has a duration of 40 academic hours and contains 9 modules, which include among other topics:

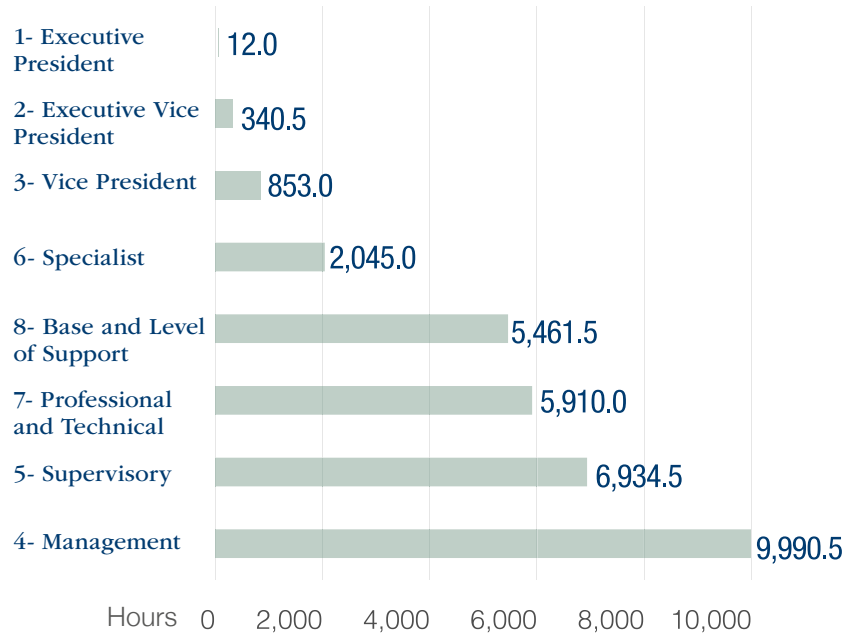
- Development of leadership skills
- Personal development
- Preparation of business plans and
- Control of income and expenses

## 4.2 Capacity building of our collaborators

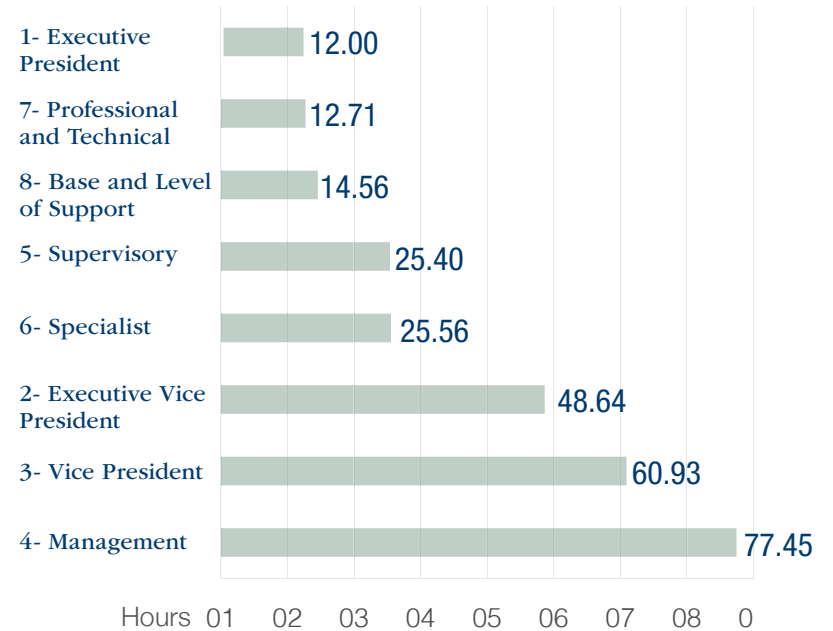
##### GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Vocational training represents an essential aspect of decent work and a means to ensure the productivity and competitiveness of companies. Considering the needs of each of the business areas and career plans of our employees, in 2018 our investment in training reached **USD377,022**. Below are the tables that summarize our performance by job category and subject:

Training hours by job category



Average training hours per job category



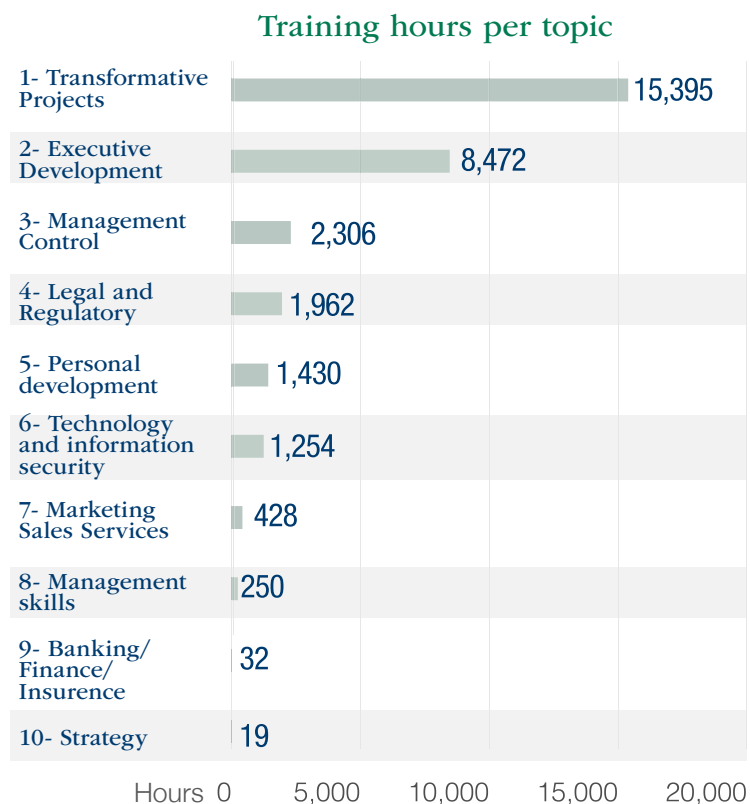
Total training hours  
**31,547**



Average training hours

- Per collaborator = 23.47
- Per female = 24.04
- Per male = 22.64

Approximately 90% of training hours are concentrated on the following topics: transformative projects, executive development, management and legal control, and regulatory.



#### 4.2.1 BANESCO CORPORATIVE UNIVERSITY

##### GRI 404-2 PROGRAMS TO IMPROVE EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

In partnership with the Santa Maria la Antigua University (USMA), we celebrated the fourth promotion of the Managers School program of the

Banesco Corporate University. 229 of our participants participated in this program with a total of 8,488 hours of training and an investment of USD 117,912.61 in the following modalities:

Type of training	Participants	Training hours
▪ Cinternal training	75	7,088
▪ Local seminars	5	104
▪ Seminars and local conferences	149	1,296
<b>Total</b>	<b>229</b>	<b>8,488</b>

#### 4.2.2 ADVANCED LEADERSHIP PROGRAM

During 2018, we carried out the Advanced Leadership Program executed by IESA, in which 75 employees participated for a total of 7,088 hours of training and an investment of USD73,611. The program covers the following modules:

Name of the module	Participants	Training hours	Investment
▪ High performance workshop	24	560	19,936.83
▪ Workshop on management competences 2018	51	6,528	53,674.37
<b>Total</b>	<b>75</b>	<b>7,088</b>	<b>73,611.20</b>

#### 4.2.3 PERFORMANCE EVALUATION

##### GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

We carried out the performance evaluation for the 2017 period to 1,145 employees, which encompasses 100% of active personnel with a minimum of three months within the organization. We have a variable remuneration program based on recognition schemes of our collaborators based on established goals.

# 5 Committed to gender equality



**SDG 5** Achieve gender equality and empower all women and girls.

Gender equality remains a fundamental challenge and we know that the achievement of this objective will definitely contribute to realize all the Objectives and Goals.

## 5.1 Diversity and equal opportunities

- Diversity and equal opportunities

**GRI 102-8** INFORMATION ON EMPLOYEES AND OTHER WORKERS  
**GRI 405-1** DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES  
**GRI-406-1** INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

The criteria used to determine the Initial salary for the employees is as follows:

- Cargo Rating MERCER
  - Descriptive Map of the title (description of position)
  - International Position Evaluation System (IPES)
- Market Analysis Criterion (MERCER, for its acronym in Spanish)

- Large Bank Market of Panama. No segmentation by geographical area

- Adjustment to minimum band P50 per IPE

- Annualized budget for the position

It is important to highlight that the salary analysis and salary comparison criteria are carried out in their entirety by position, functions, core competencies, and responsibilities with equal opportunities.

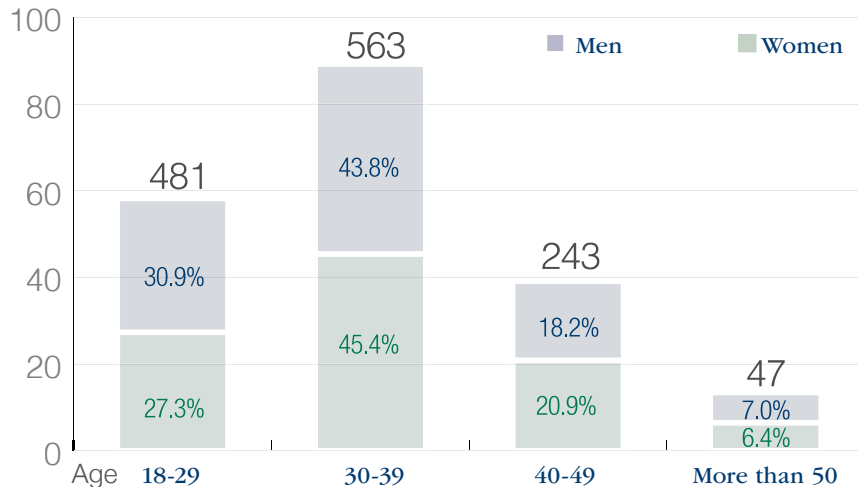
### Percentage of employees by sex

Our payroll form is composed of **1,344 employees** distributed as follows:

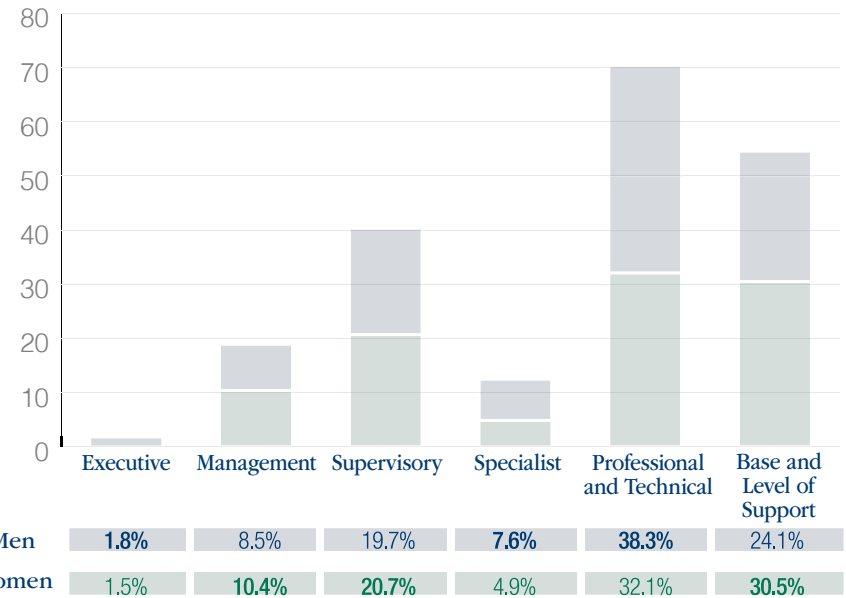


### Percentage of employees by sex and by age interval

We have a balanced sheet in terms of age and organizational level:



### Percentage of employees by sex and organizational level



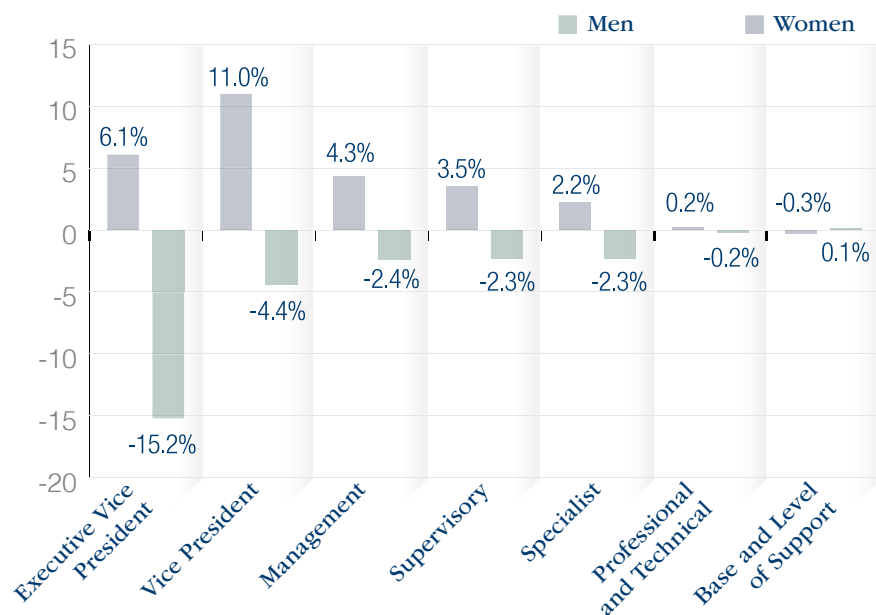
We strive to maintain equality between women and men, favoring conditions for women to access levels of decision or greater responsibility.

We carry out transparent processes of recruitment and selection of personnel, promoting equal opportunities for both women and men. Although there is a negative difference in the average salary of women with respect to the average in each organizational level, it relates to the competences associated to the assigned responsibilities.

During 2018, there have been no incidents or reported cases of discrimination in the bank nor in our supply chain.

Organizational Level	Salary difference between women vs. men	Nº
Executive vice-president	-20.0%	2
Vice President	-13.9%	10
Management	-6.4%	83
Supervisory	-5.4%	166
Specialist	-4.5%	39
Professional and Technical	-0.4%	257
Base and Level of Support	0.4%	244
Average:	-13.5%	801

The average salary difference by organizational level and gender



It is worth noting that even though the salary difference exists at an organizational level, in 14 of the 23 areas of the bank's activity, the average salary of women is higher than the average for their area:



## 5.2 Participation in the program "Gender Equality Seal for Corporations (Sí Género Panamá)"

Banesco is one of the ten (10) participating companies for the national certification program of the "Gender Equality Seal for Corporations (Sí Género Panamá)", led by the Ministry of Labor and Social Development with the support from the United Nations Development Program-UNDP, the National Institute for Women, and the Ministry of Commerce and Industry. This initiative seeks to create more equal conditions for men and women and to contribute to the achievement of the SDGs of the 2030 Panama agenda.

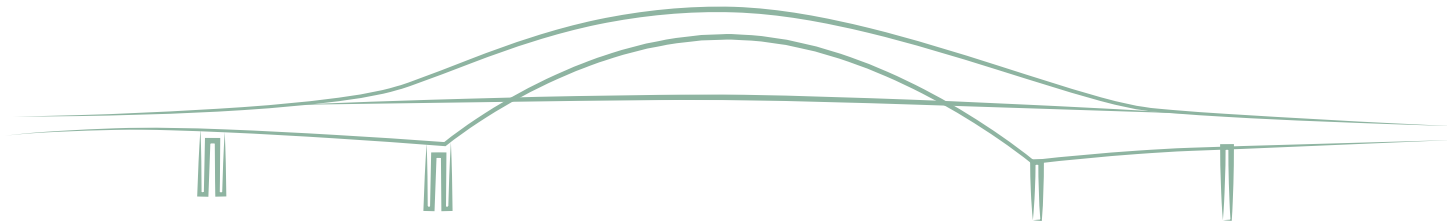
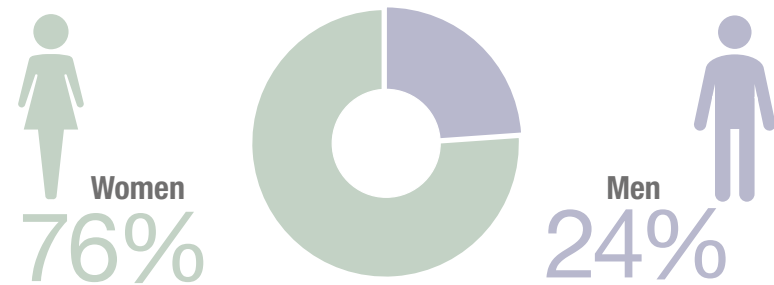
## 5.3 We endorse the Women's Empowerment Principles (WEPs)

In November 2018, within the framework of the forum "Gender Equality: Good Practices of the Business Sector in Panama", organized by SUMARSE and UN Women, we signed on to the Women's Empowerment Principles (WEP). This initiative, promoted by UN Women in partnership with the Global Compact, seeks to create development opportunities for women

within public and private companies, their participation in leadership and decision-making positions, equal remuneration for same work, and training opportunities, capacity building and continuous professional development.

## 5.4 Empowerment of women in Entrepreneurs Banesco

76% of those attending our Banesco Entrepreneurs Program are female, ratifying our commitment to SDG 5 on Gender Equality.



# 6

## Committed to clean water and sanitation



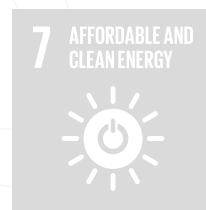
**SDG 6** Ensure access to water and sanitation for all.

While this SDG has not been included as a material issue, we are aware of the importance of contributing to its achievement to avoid actions that may hinder its compliance to ensure the availability and the sustainable management of water.

The ESMS contemplates the identification of environmental and social aspects applicable to financing, including water and sanitation systems. We have consolidated the information of the ESMS in SDG 12.

# 7

## Committed to affordable and clean energy



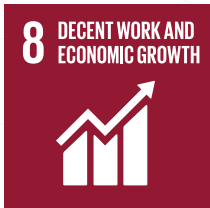
**SDG 7** Ensure access to affordable, reliable, sustainable and modern energy.

While this SDG has not been included as a material issue, we are aware of the importance of contributing to the achievement of this objective and avoiding actions that may go against compliance in order to guarantee access to affordable, reliable, sustainable and renewable modern energy for everyone.

The ESMS contemplates the identification of environmental and social aspects applicable in financing, includes aspects related to energy projects, taking as reference the guides on environment, health and safety of the World Bank Group / IFC. We have consolidated the information of the ESMS in SDG 12.



# 8 Committed to decent work and economic growth



**SDG 8** Promote inclusive and sustainable economic growth, employment and decent work for all.

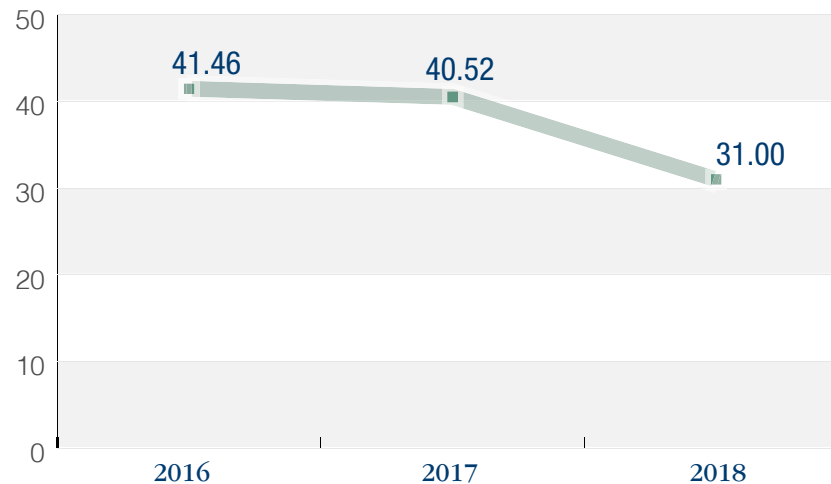
We maintain our commitment to contribute to the development of dynamic, sustainable and innovative economies, promoting employment and decent work for all.

## 8.1 Soundness and financial solvency <sup>1</sup>

### GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The following results stand out from our economic performance in 2018:

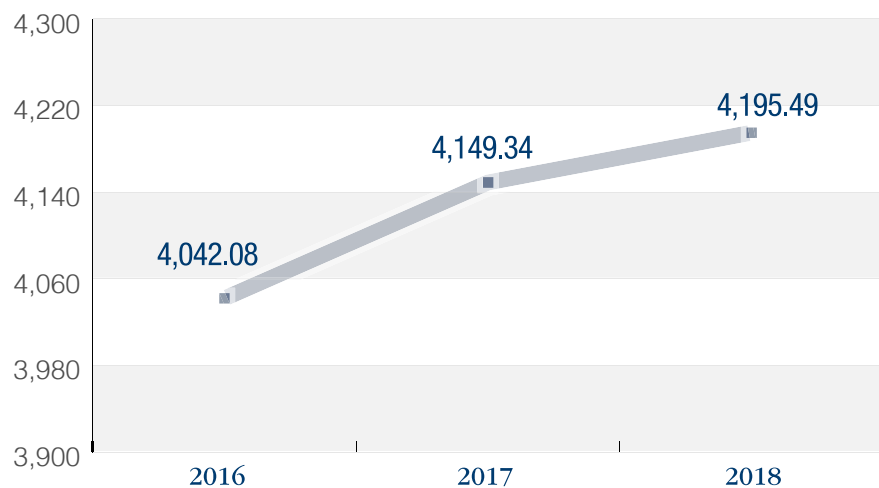
Net Profit (USDMM)



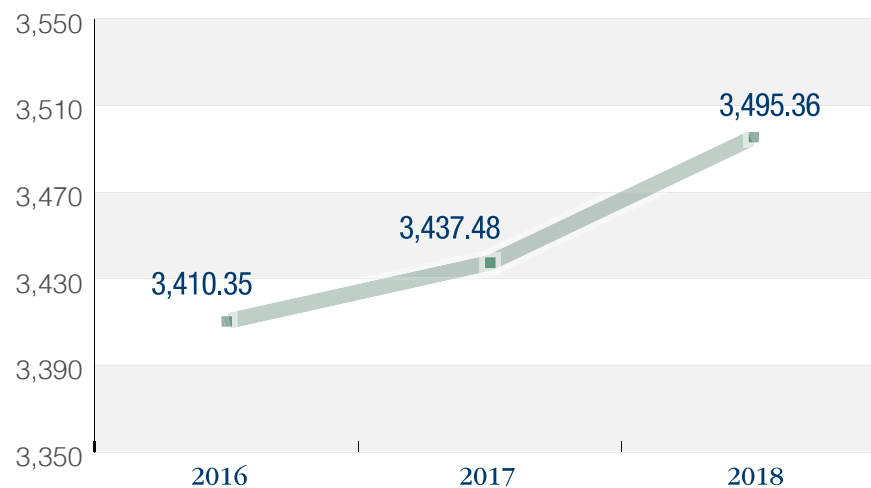
- Soundness and financial solvency

<sup>1</sup>Note: Figures of Audited Financial Statements of Banesco (Panamá), S.A. - comparative 2016, 2017 and 2018.

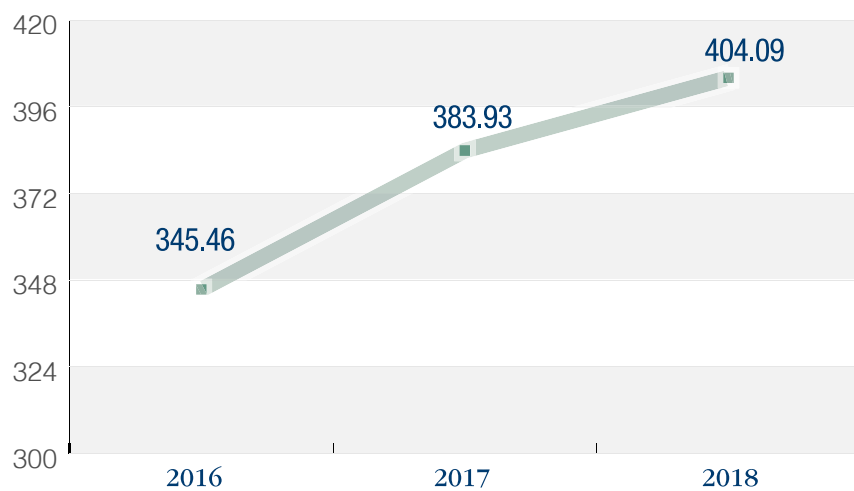
Total Assets (USDMM)



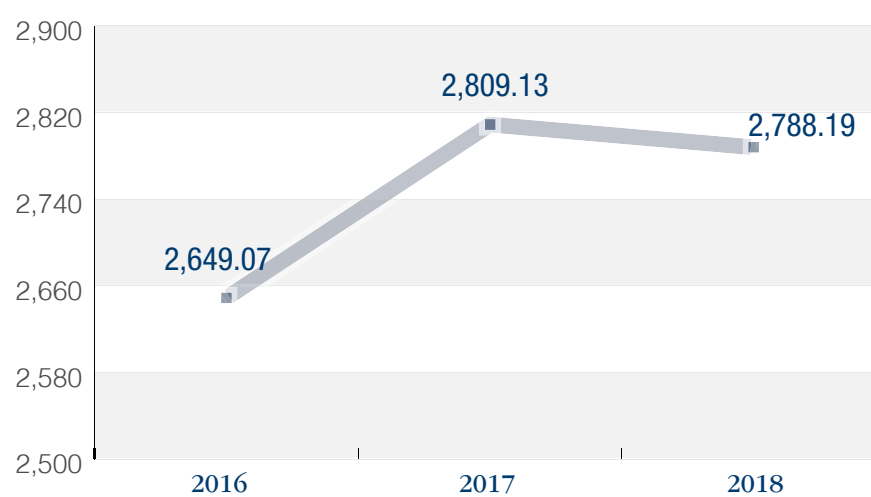
Customer Deposits (USDMM)



Wealth (USDMM)



Net Loans (USDMM)



Although in 2018 our net income was lower due to the implementation of a model for preventive monitoring of the loan portfolio, it was a year of challenging decisions that allowed us to improve metrics such as the solvency and efficiency margin, which are reflected in the high liquidity results (48%), efficiency (62%), net interest margin (3.54%), capital adequacy greater than 13%, recurrence (39.6%), which locate us above the average of our peers.

Qualifier	Qualification	Perspective
<b>FitchRatings</b>	BBB (PAN)	STABLE

Fitch Ratings notes that "Banesco shows an improvement in its capitalization metrics for the second year in a row, due to the moderate growth of loans and a lower distribution of dividends. The principal capital ratio of Fitch of 13.3% provides a good capacity to absorb losses and compares favorably with the majority of medium-sized banks in Panama." This was included in the report of June 22, 2018.

Our 2018 Financial Statements and qualification reports, as well as the full report of Fitch Ratings, can be consulted on our website: [www.banesco.com.pa](http://www.banesco.com.pa), and in Fitch Ratings website: [www.fitchratings.com](http://www.fitchratings.com).

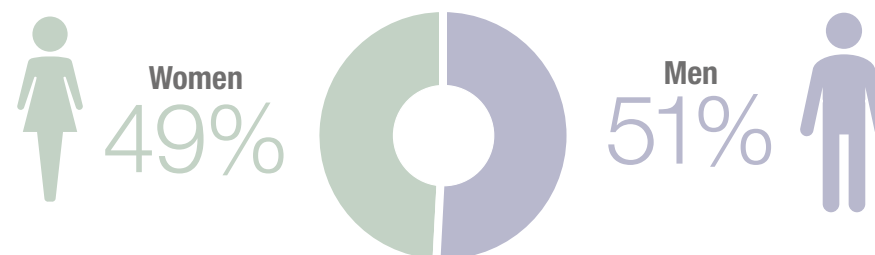
For information with the breakdown required in the GRI content, you can consult the Audited Financial Statements, Banesco (Panamá), SA as of December 31, 2018 on our website: [www.banesco.com.pa](http://www.banesco.com.pa).

## 8.2 Employment

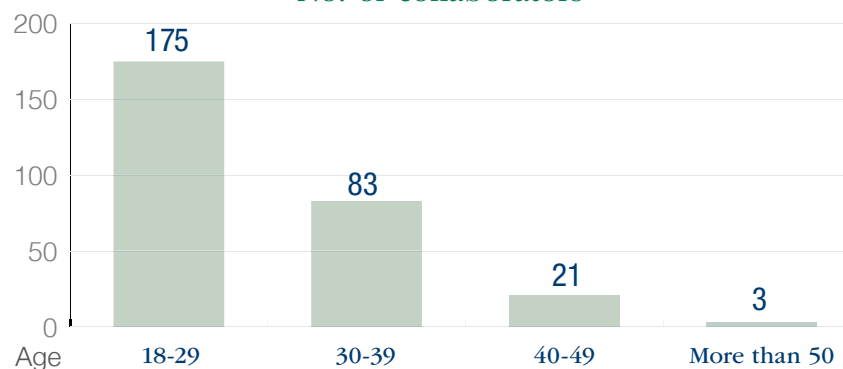
### GRI 401-1 NEW EMPLOYEE HIRING AND STAFF ROTATION

We respect the national legislation that regulates the minimum wage, we strive to provide competitive and fair remuneration, career development, health and safety in the activities that are carried out, and to promote a work environment that attracts new talent.

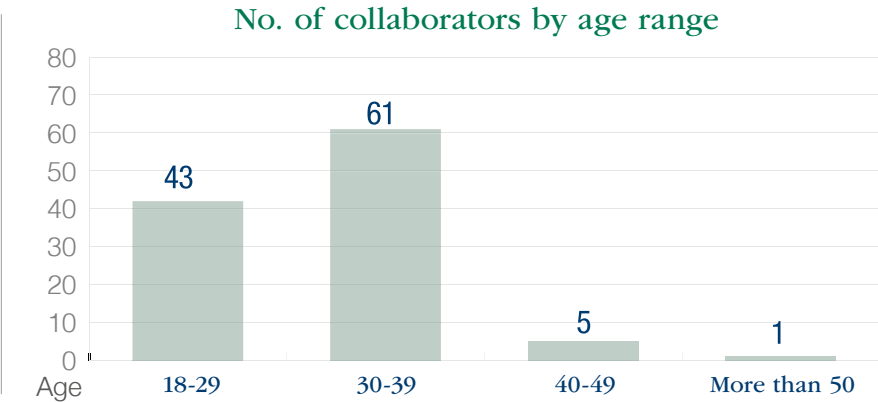
In 2018, we had a total of 282 incoming collaborators, distributed by sex and age range as follows:



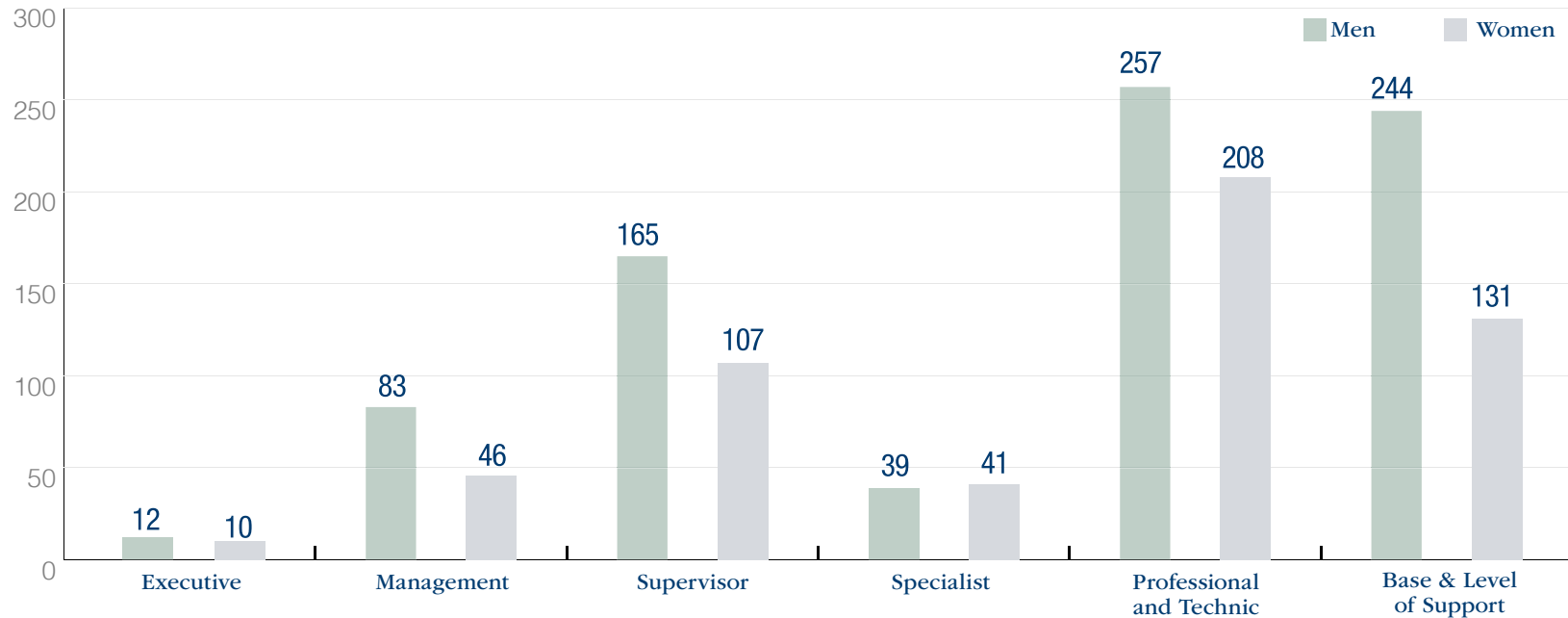
### No. of collaborators



In 2018, 110 collaborators left voluntarily, distributed by sex and age range as follows:



Number of people broken down by organizational level



### 8.2.1 INCLUSIVE EMPLOYMENT

In 2018 we certified 4 collaborators with physical disabilities. In accordance with our Diversity and Labor Inclusion Policy, the inclusion of people with disabilities is a pending subject and we will continue to incorporate personnel to our team to comply with Law 42 of 1999 that establishes equal opportunities for people with disabilities.

## 8.3 Promotion of the local economy

### 8.3.1 HIRING LOCAL STAFF

**GRI 202-2** PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

52% of the total staff that occupies executive positions are local.

### 8.3.2 HIRING LOCAL SUPPLIERS

**GRI 204-1** PROPORTION OF SPENDING ON LOCAL SUPPLIERS

Among the criteria that we have established in the relationship with our suppliers, a base contract for services and confidentiality is signed and included, covering the civil liability insurance policy, and payment of social security to its employees.

93% of our suppliers are local and 88% of the budgeted acquisitions are from the same source.

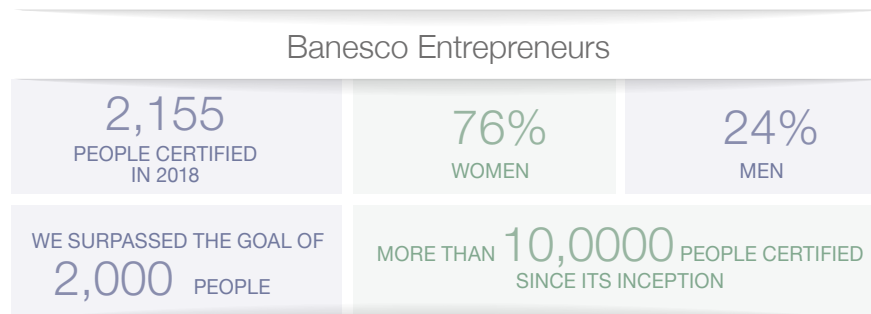
## 8.4 Promoting entrepreneurship

Banesco is the result of an entrepreneurial effort and as such, promoting an entrepreneurial culture is part of our DNA.

### 8.4.1 BANESCO ENTREPRENEURS

**GRI 413-1** OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS  
**FS16** INITIATIVES TO ENHANCE FINANCIAL LITERACY BY TYPE OF BENEFICIARY

The first large bet introduced by the CSR Management was the Banesco Entrepreneurs Program, which is now the hallmark that distinguishes our management. With the support of our Social Partners, who are the executing arm of this initiative, in 2018 we certified 2,155 entrepreneurs, adding 86,200 hours of training.

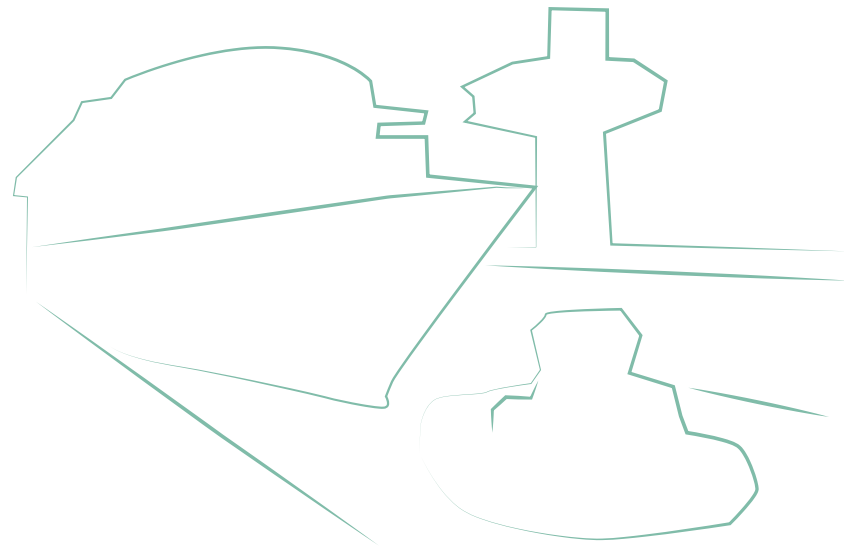


The Banesco Volunteering program has been an integral part of the Banesco Entrepreneurial Days, where they offer their skills and at the same time the collaborators relate to the educational component.

#### 8.4.2 ALLIANCES IN FAVOR OF ENTREPRENEURSHIP

Banesco is a signatory of **National Pact for Entrepreneurship**, participating along with other actors of the Ecosystem of Entrepreneurship in the country in the National Entrepreneurship Policy "*Panamá Emprende y Crece*", whose purpose is to stimulate through entrepreneurship, the growth of the national economy.

We are also a partner of the Micro and Small Business Authority (AMPYME, for its acronym in Spanish) for the 2016-2018 period and support the Global Entrepreneurship Week that takes place in November of each year.



# 9

## Committed to innovation, industry and infrastructure



**SDG 9** Build resilient infrastructure, promote sustainable industrialization and foster innovation.

- Digital transformation
- Improvements in the essential management of the business



### 9.1 Digital transformation

As an initiative of the Vice Presidency for Innovation, Transformation and Experience, in 2018 the Digital Transformation program was established; it seeks to change the experiences of our clients using agile methodologies and design thinking and service design to bring

customers products designed with them and for them in favor of a better experience. In addition, the creation of the Center of Excellence will allow the entire organization to intergrate agile work arrangements, which will make us more efficient in our daily duties.

### 9.2 Improvements in the essential management of the business

In order to have key information about the integral management of the business, we have advanced with:

- The implementation of a corporate tool for the analysis and visualization of the data as business standard that allows to connect the information, achieving synergies and vital conclusions.
- The update of more than 130 thousand clients through digital or face-to-face channels in a digital and sustainable way, without requiring the exchange or production of paper or printed documentation.

- The amendment of more than 1.4 million data through the use of inference and cross-validation algorithms used to feed the information from our clients in areas such as contact data, regulatory, labor and product data.

- The definition of the advanced analytics program with a survey of case studies that allow value input to the client, through the use of classification and predictive models, to develop solutions from the data.

## 9.3 Combining the power of artificial intelligence with human talent

**GRI 203-1** INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED  
**GRI 404-2** PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

The Vice Presidency of Innovation, Transformation and Experience is focused on strengthening marketing strategies to reach our clients and users with a holistic approach that involves contact through reliable digital platforms, improving the quality of the data, and orienting the institutional culture focused on the client with a human value. This strategy, proposed in the short and medium term, aims to strengthen online sales, customer prospection, brand engagement, as well as a customer digitalized index. Its implementation requires having the best talent motivated and engaged. To this end, we have implemented the HT platform (Human intelligence), which combines the power of artificial intelligence with the analysis of human talent, to get the best of our team through the analysis of organizational culture, including aligning the process of incorporating new employees with the "Talent FIT for recruitment "

Within this framework the Workshop by Carlos Osorio took place: *Training in innovation and qualitative methodologies focused on people.*

The creation of a multidisciplinary team has been key to carry out the cultural transformation of Banesco (Panamá), S.A., implementing agile methodologies to promote cultural transformation such as:

- **"Meet the Culture Cell":** A space designed to involve and listen to the leaders of the organization about the cultural needs and changes that we should keep as part of our culture and essence. In addition, it informs the bank leadership about the plans and scope of the Cultural Transformation of the bank and allows them to hear firsthand about their main concerns, habits, beliefs and rituals of their teams.

- A **Qualitative study through 7 focus groups** to understand and become aware of our declared and undeclared culture.
- **No-dress code:** Eliminate the dress code. Through a communication memo the collaborators were invited to come dressed in their own style and to become aware that their way of dressing sends a message to their interlocutor.
- **"Cool-tural" Coffee:** A space created to have the necessary conversations about the issues that generate greater anxiety and uncertainty among the collaborators, in an informal space outside the bank.
- **Banesco Glossary:** The creation of a glossary that allows us to understand the new terms and share concepts with all collaborators.





# 10 Committed with the reduction of inequalities



**SDG 10** Reduce inequality within and among countries.

We promote actions that contribute to the fight against inequality within and between countries as the key to breaking the poverty cycle and eradicate it in all its forms and dimensions.

## 10.1 Participatory Budget - Banesco Panama

- Participatory Budget - Banesco Panama

**GRI 413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS**



The Banesco participatory budget is a fund destined to be donated to projects whose purpose is the common well-being of a collective impact and scope, which results in the improvement of the quality of life of communities with indicators of social vulnerability.

In 2018, this initiative was carried out for the first time with the final participation of 19 organized groups. After visiting 23 groups in Panama Centro, Panamá Este, Panamá Oeste and Colón, the selection of the winning projects was made in a General Assembly on September 8 on the 20th floor of the Banesco Tower. The process followed established procedures, with a panel conformed by a representative of

Banesco, three special guests from international organizations, government and NGOs.

Out of a USD100,000 stock, seven projects were selected:

- FUNDESTEAM
- FUNDESEN
- Cooking and Donating Foundation
- FUNDADER (Care Mothers Program)
- Vision Foundation (Medical Center Veira Cisneros)

- Committee of Local Development of Paso Blanco # 1
- Seeds of Life Children's Dining Room (Open Skies Ministry)

The budget assigned to each project is non-refundable since it is considered a donation for the organization or group. In order to guarantee the proper use and generation of social impact in the use of said funds, these projects are subject to supervision, financial and social auditing by the representatives of the bank, *Sinergia 507* and the beneficiaries of the project.



VIDEOS

## *Presupuesto Participativo*

(PARTICIPATORY BUDGET)



# 11

## Committed to sustainable communities and cities



**SDG 11** Make cities inclusive, safe, resilient and sustainable.

While this SDG has not been included as a material issue, we are aware of the importance of contributing to the achievement of this objective and to achieve cities and human settlements that are more inclusive, safe, resilient and sustainable.

The ESMS contemplates the identification of environmental and social aspects applicable in financing, in addition to reviewing compliance with environmental and social norms and regulations, including waste management, among others. We have consolidated the information of the ESMS in SDG 12.



# 12

## Committed to an operation and sustainable consumption



**SDG 12** Ensure sustainable consumption and production patterns.

• Environmental and Social Management System ESMS

We are committed to generating actions that mitigate and minimize the negative impacts on society and the environment as a result of our activity. In this regard, we analyze the potential impact our financial activities may have on social and environmental aspects.

### 12.1 Environmental and Social Management System ESMS

**GRI FS1 POLICIES WITH SPECIFIC ENVIRONMENTAL AND SOCIAL COMPONENTS APPLIED TO BUSINESS LINES**

We have implemented the Environmental and Social Management System (ESMS) that establishes the Corporate Environmental and Social Management Policy prepared by the Vice Presidency for Compliance and Corporate Governance and approved by the Board of Directors in April 2018. The Corporate Environmental and Social Management Policy is public for our clients and all the bank's employees and is available on the Banesco website.

With the ESMS implementation, we contribute in a transversal manner with several Sustainable Development Goals:

**DIRECTLY**



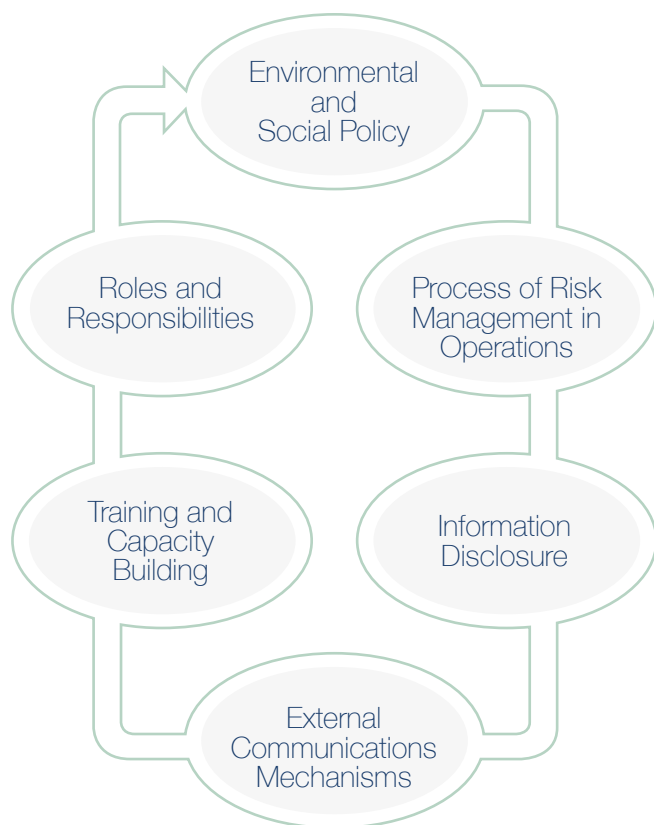
**INDIRECTLY**



Through the development and application of the ESMS, Banesco (Panamá), S.A. will effectively integrate the identification, evaluation and management of environmental and social risks in the credit process of the bank's operations. The ESMS applies to all lines of business and in the countries where the bank conducts its credit operations, and specifically referring to SME Banking, Specialized and International Banks.

The ESMS analyzes the risks of the activities according to its business scheme. It identifies those issues that may have an environmental and social impact in order to prevent and / or mitigate them, considering local regulations and international standards, as well as policies on management and prevention. The elements of the ESMS are as follows:

**BANESCO'S ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)**



**ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM**

ELEMENT	TOOLS	SCOPE
<ul style="list-style-type: none"> <li>• <b>Environmental and Social Policy</b></li> </ul>	Formalize our environmental and social commitment.	All countries where Banesco carries out its line of credit operations such as: SME Banking, businesses, corporate and international.
<ul style="list-style-type: none"> <li>• <b>Process of risk management in operations</b></li> </ul>	Procedures for: <ul style="list-style-type: none"> <li>• Analysis and evaluation</li> <li>• Categorization</li> <li>• Due diligence</li> <li>• Environmental and Social Action plan (if required)</li> <li>• Approval/rejection</li> <li>• Monitoring and follow-up.</li> </ul>	<ul style="list-style-type: none"> <li>• Meet the exclusion list criteria.</li> <li>• Apply the ESMS by sector: Category A, B, B+, C.</li> <li>• Share with the customer the ESMS.</li> <li>• All contracts signed with clients will include general environmental and social compliance clauses.</li> <li>• Use the model contracts.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Information disclosure</b></li> </ul>	<ul style="list-style-type: none"> <li>• Report to international banks.</li> <li>• Bank's annual report on sustainability issues.</li> <li>• Website <a href="http://www.banesco.com.pa">www.banesco.com.pa</a>.</li> <li>• Newsletter "Contigo Hoy".</li> </ul>	Banesco initiatives in relation to its ESMS.
<ul style="list-style-type: none"> <li>• <b>External communications mechanisms</b></li> </ul>	<ul style="list-style-type: none"> <li>• Free help line 800-1300</li> <li>• Email: <a href="mailto:sgas@banesco.com">sgas@banesco.com</a>.</li> </ul>	Suggestions, queries, claims or complaints related to projects financed by Banesco (Panamá), S.A.
<ul style="list-style-type: none"> <li>• <b>Training and Capacity Building</b></li> </ul>	<ul style="list-style-type: none"> <li>• Training and workshops</li> <li>• Audits</li> <li>• Performance indicators</li> </ul>	Implementation of the ESMS.
<ul style="list-style-type: none"> <li>• <b>Roles and Responsibilities</b></li> </ul>	Personnel with responsibilities and authorities in the ESMS.	

### 12.1.1 ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT

#### GRI FS2 PROCEDURES FOR THE EVALUATION AND CONTROL OF SOCIAL AND ENVIRONMENTAL RISKS IN BUSINESS LINES

The ESMS is a platform that provides policies, procedures, tools and internal capabilities to prevent potential adverse environmental and social impacts, or minimize them as much as possible, as well as stimulating positive impacts.

We have the Environmental and Social Risk Management System Manual, which includes the Corporate Environmental and Social Management Policy, the objectives, performance indicators and application benefits of the ESMS, the organizational functions and responsibilities, the description of the Risk process Environmental and Social, external and internal communications, training and competences, auditing and continuous improvement.

In the following chart, we describe the steps of the Environmental and Social Risk Assessment process for each type of risk:

STAGE	PASSAGE OF THE ESMS	C LOW RISK	B MEDIUM RISK	B+ MEDIUM HIGH RISK
Attention to the credit application	Share with the client the Corporate Social and Environmental Management Policy.	✓	✓	✓
	Confirm that the loan meets the criteria indicated in the Exclusion List.	✓	✓	✓
Credit analysis and evaluation	Confirm that the project to be financed corresponds to the category identified (A, B or C) and that the analysis of the Exclusion List has been applied to the evaluated financing.	✓	✓	✓
	Perform environmental and social due diligence.		✓	✓
	Validate the result of due diligence.		✓	✓
	Verify environmental and social permits.			✓
	Perform the reputational analysis.		✓	✓
	Include as covenant the Environmental and Social Action Plan (ESAP) if necessary.			✓
Credit approval	Present to the Credit Committee a summary of the result of the environmental and social due diligence, including the ESAP.	✓	✓	✓
Disbursement	Use the framework contracts with the general clause of compliance with environmental and social norms and regulations.	✓	✓	✓
	Validate if the credit has covenant A & S and make decisions about it.		✓	✓
Monitoring	Track covenants and make the decisions according to the analysis.		✓	✓

**GRI 407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK**

Several aspects are included for the ESMS risk categorization, including the respect of labor rights and working conditions, union relations, and health and occupational safety.

**12.1.2 ACTIVITIES NOT FINANCED BY THE BANK**

**GRI 304-2 SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY**

**GRI 412-1 OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS**

The ESMS establishes that activities that contemplate production, use, distribution, business or exchange that involves or contemplates activities that are within the following Exclusion List will not be carried out:

1. Forced labor or child labor.

- |   |   |
|---|---|
| 2. Activities or materials considered illegal under the laws or regulations of Panama or international conventions and agreements, or subject to international eliminations or prohibitions, such as: | <ul style="list-style-type: none"> <li>a. Substances that deplete the ozone layer, PCBs (polychlorinated biphenyls) and other pharmaceutical products, pesticides / herbicides or specific hazardous chemicals;</li> <li>b. Wildlife or products regulated by the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or</li> <li>c. Unsustainable fishing methods (e.g: fishing with gusts of wind and fishing with driftnets in the marine environment using networks of more than 2.5 km in length).</li> </ul> |
|---|---|

3. Cross-border trade in waste and waste products, unless it complies with the Basel Convention and the underlying regulations.

- 
4. Destruction of areas of high conservation value.
- 
5. Radioactive materials and asbestos fibers without limits.
- 
6. Pornography and / or prostitution.
- 
7. Racist and / or anti-democratic media.
- 
8. In the event that one of the following products forms a substantial part of the commercial activities financed mainly by a project:
- |  |
|--|
| a. Alcoholic drinks                          |
| b. Tobacco                                   |
| c. Weapons and ammunition                    |
| d. Betting, casinos and equivalent companies |
- 
9. Commercial felling operations for use in primary tropical moist forests.
- 
10. Production or trade of timber or other forest products other than sustainable managed forests.
- 
11. Production or activities that affect the lands that Indigenous Peoples own, or claim under adjudication, without the full and documented consent of such peoples.
- 

The bank's environmental and social management process will also ensure compliance with IFC's Performance Standards, which establish the requirements to prevent and minimize the risks and impacts in cases of violations of the rights of indigenous peoples.

**GRI 307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

Based on the commitment to document the Corporate Policy and the Manual of the Environmental and Social Management System, the associated process ensures compliance with:

- National legislation on environmental and social issues
- The Fundamental Labor Agreements of the International Labor Organization (ILO), ratified by Panama

- The IFC Performance Standards, in the aspects that are relevant to the banking sector

During the year 2018, no fines or sanctions were reported in relation to the environment. No breaches of laws or regulations related to environmental aspects have been identified either

#### **GRI 102-11 PRECAUTIONARY PRINCIPLE OR APPROACH**

The Principle or Approach of Caution is integrated in our ESMS to avoid the negative impacts for the health and the environment. Our management seeks to ensure that throughout the credit process, when identifying a risk of serious or irreversible damage to health or the environment, the lack of absolute scientific certainty is not used to postpone the adoption of effective measures.

#### **GRI FS4 PROCESS(ES) FOR IMPROVING STAFF COMPETENCY TO IMPLEMENT THE ENVIRONMENTAL AND SOCIAL POLICIES AND PROCEDURES AS APPLIED TO BUSINESS LINES**

Based on the necessary competencies, the bank performs an annual training program in environmental and social management for those responsible of the ESMS implementation. An intensive and periodic training plan has been established with the purpose of informing about all the elements that make up the ESMS, ensuring knowledge about the Environmental and Social Risks to which the bank could be exposed.

The annual training program is coordinated by the area of the ESMS and Human Resources and approved by the bank's top management.

Within the basic contents of the training program are:

- National legislation on environmental, social, cultural, labor and health and safety aspects in the sectors relevant to the financial institution, as well as international standards including IFC's Performance Standards on Environmental and Social Sustainability.
- The application of the bank's ESMS, including roles and responsibilities, as well as the procedures for each element of the ESMS, the understanding of

the corporate environmental and social policy, the use of the exclusion list and the application of associated controls.

For January 2019, the first training on the ESMS, is planned, where all the areas that are involved in the process will participate. The environmental and social specialist of the bank together with the external consultant of the Environmental Resources Management (ERM) will be responsible for this training.

#### **GRI FS9 COVERAGE AND FREQUENCY OF AUDITS TO ASSESS IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL POLICIES AND RISK ASSESSMENT PROCEDURES**

As part of the monitoring of the ESMS there is a program that includes internal and external audit processes, allowing the system to be adjusted as necessary. This program will be carried out annually with the objective of identifying non-compliances and areas for improvement in its implementation.

The audit covers the application of the ESMS, the registration and documentation of the processes, and the evaluation of projects in the organization's portfolio. When a breach of the ESMS is identified, the bank establishes corrective measures to amend the breach. In the case of default for a specific project, the bank notifies the client of the corrective actions that must be applied and carries out the follow-up to ensure its implementation.

## 12.2 Operation and responsible consumption

### 12.2.1 ENERGY CONSUMPTION IN OUR FACILITIES

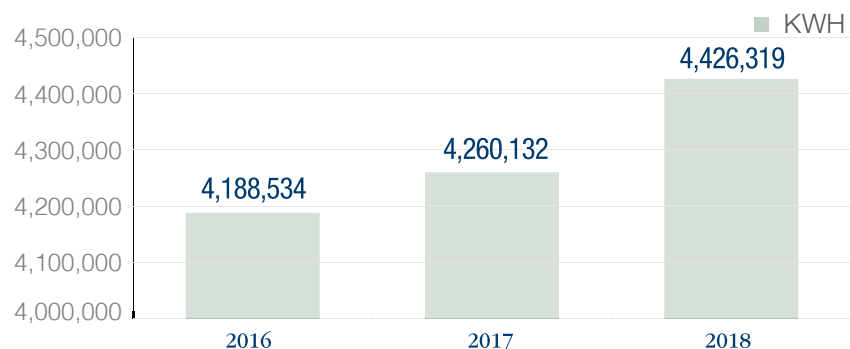
#### **GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION**

We promote among our collaborators, the development of good practices in their area of work, through the rational use of electric energy as well as resources such as paper and water.

We monitor the consumption of electricity and maintain an energy saving campaign.



In 2018, energy consumption increased by 4% compared to 2017, as indicated in the graph.



We attribute this increase to:

- Usage of "EL PISO", a meeting and entertainment space that serves the 900 employees of the Banesco tower
- Implementation of transformative projects that require testing, training and related activities.
- Longer working days due to the transition of our accounting system to SAP (S / 4 HANA), as well as the requirements of the Vice-Presidency of Technology (27th floor).
- Increased consumption from the equipment of the Vice Presidency of Management of Loss Prevention and Business Continuity (GP-PCN, for its acronym in Spanish), which ensures Information Security and Payment Methods.

The consumption of fuels (gasoline and diesel) correspond to vehicles and the electric plants that generate electricity when there are shortages within the network. Other types of fuel are not consumed (for example, natural gas in offices) and the size of the vehicle fleet is very limited. In 2018, there was a consumption of 9,320 liters of gasoline.

## 12.2.2 WATER CONSUMPTION IN OUR FACILITIES

### GRI 303-1 WATER EXTRACTION BY SOURCE

The consumption of water in 2018 was 15,214 m3, with the exception of six branches in which the cost of water consumption is included in the maintenance of the branch. The savings in water consumption have been included as one of the key points to fulfill our commitment as a responsible company. Due to the nature of the processes, the water consumed in the bank is for cleaning, dining rooms and bathrooms. In this regard, in 2018 we began to establish the baseline on the consumption of this resource, which allows us to verify if the measures implemented and to be implemented are effective.

## 12.2.3 DONATION OF DISEMBODIED COMPUTERS

### GRI 306-2 WASTE BY TYPE AND METHOD OF DISPOSAL

We are constantly updating our computer equipment, so those disposed of in good condition were donated to NGOs for social purposes. In 2018, 66 equipments were distributed as follows:

- 40 complete computer desktops for the Republic of India School
- 20 complete desktops for FUNDSTREAM
- 6 laptops with travel charger for Foundation for Educational Excellence

## 12.3 Partners and alliances in matters of environmental and social risk

### 12.3.1 GERMAN DEVELOPMENT AGENCY (GDA)

The German Development Agency (GDA) has been key in the development of the ESMS, the adoption of the Environmental and Social Management Policy, and the creation of the Environmental and Social Management System Manual

(ESMSM), whose implementation will start in 2019. Also, in collaboration with the GDA, a specialist in Environmental and Social Risk was hired.

### 12.3.2 UNEP FI FINANCIAL INITIATIVE OF THE UNITED NATIONS ENVIRONMENT PROGRAM

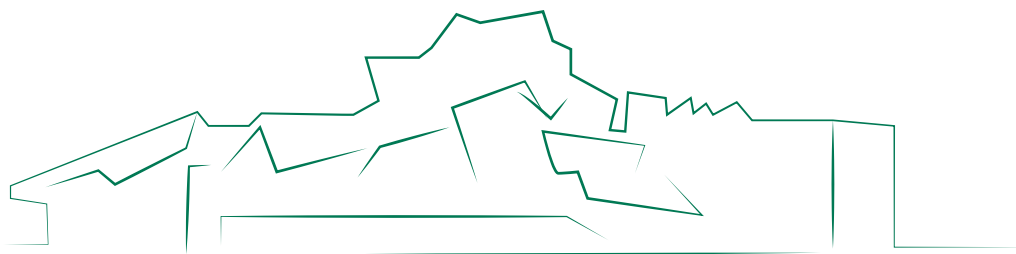
We adhere to the UNEP FI network, a financial initiative of the United Nations Environment Program and the global financial sector, which aims to involve the financial sector in the transition towards sustainable development, to:

- Understand and integrate better environmental, social and governance practices in decision making in order to expand the impact of sustainable financing.

- Promote transparency and public disclosure of sustainability issues and ensure sustainability in financial regulations.

### 12.3.3 SUSTAINABLE FINANCE PROTOCOL OF PANAMA

In July we signed the "Sustainable Finance Protocol of Panama" promoted by the Sustainability Commission of the Banking Association of Panama, in which we recognize that sustainable development is an important factor for the financial sector and that there is a need to incorporate policies, processes, practices and sustainability standards both in the financing of our activities, within the organization and in our value chain.



# 13 Committed to climate action



**SDG 13** Take urgent action to combat climate change and its impacts.

- Environmental and Social Management System
- GHG emissions

Environmental conservation is one of the pillars of the Corporate Social Responsibility strategy framed within the Sustainable Development Goals of the United Nations.

## 13.1 Environmental and Social Management System

**GRI 413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS**

The ESMS contemplates the identification of environmental and social aspects applicable to financing, including water and sanitation systems. Among the exclusions to apply for financing are activities or materials considered illegal under the laws or regulations of Panama or international conventions and agreements;

those subject to international eliminations or prohibitions, such as substances that deplete the ozone layer, PCBs (polychlorinated biphenyls), and other pharmaceutical products, pesticides / herbicides or specific hazardous chemicals. We have consolidated the information of the ESMS in SDG 12.

## 13.2 GHG Emissions

**GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)**  
**GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS**

In relation to CO2 emissions, taking into account the energy consumption indicated in section 12.2.1, the CO2 emissions of Scopes 1 and 2 are reflected in the following chart:

GHG EMISSIONS	Unity	2018
SCOPE EMISSIONS 1	tCO2eq	20
SCOPE EMISSIONS 2	tCO2eq	1,421
<b>TOTAL</b>		<b>1,441</b>

The GHG emissions were calculated using the fuel emission factors updated up to 2018 from the UK Department for Environment, Food & Rural Affairs (DEFRA), as well as the emission factors from the electricity generated by the International Energy Agency for Panama (2018 edition).

## 13.3 Evaluation of suppliers with environmental criteria

### GRI 308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

We share with our suppliers the values, principles and behaviors established in our Code of Ethics and Conduct, ensuring that they are aligned with our commitment not to generate significant environmental impacts. We expect our suppliers to respect the environmental legislation applicable to their activity, products or services and that they have practices that allow them to operate in an environmentally and socially responsible manner, preventing negative impacts and reducing risks to the environment.

The Contracts contain clauses where the supplier acknowledges and accepts that the bank may, at any time, request the documentation it deems convenient and necessary in order to verify compliance by the supplier regarding the appropriate regulations to protect the environment that are applicable, depending on the service they are asked for, and with certifications and / or source of the inputs.

## 13.4 Support for external environmental initiatives

### GRI 102-12 EXTERNAL INITIATIVES

#### 13.4.1 SUPPORT TO THE "ALLIANCE FOR THE MILLION HECTARES" PROGRAM

As partners of the National Association for the Conservation of Nature (ANCON, for its acronym in Spanish) since 2016, we signed the Alliance for the Million Hectares, which our annual contribution has been USD3,000 for three consecutive years.

#### 13.4.2 VOLUNTEERING BANESCO SUPPORTING ACTIONS IN FAVOR OF THE ENVIRONMENT

We carry out corporate volunteering actions in favor of the environment such as planting trees in the Panama Canal Basin and cleaning beaches.



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# 14

Committed to marine life



**SDG 14** Conserve and sustainably use the oceans, seas and marine resources.

While this SDG has not been included as a material issue, we are aware of the importance of contributing to the achievement of this objective and avoiding actions that may go against compliance, seeking to conserve and sustainably use the oceans, seas and marine resources.

The ESMS contemplates the identification of environmental and social aspects applicable to financing. We have consolidated the information of the ESMS in SDG 12.

# 15

Committed to the life of terrestrial ecosystems



**SDG 15** Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

## GRI 304-2 SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

While this SDG has not been included as a material issue, we are aware of the importance of contributing to the achievement of this objective and avoiding actions that may go against compliance, seeking to conserve and sustainably use the oceans, seas and marine resources.

Due to the nature of our operations, significant impacts to biodiversity can be generated through financing. In this sense, the ESMS contemplates the identification of environmental and social aspects applicable in financing, with special emphasis on the conservation of biodiversity and natural resources. We have consolidated the information of the ESMS in SDG 12. Among the list of exclusions and risk analysis, factors such as scale, location, sensitivity and magnitude of the impacts of a project must be considered.

# 16 Committed to peace, justice and being a solid institution



**ODS 16** Promote just, peaceful and inclusive societies.

The 2030 Agenda recognizes the need to build peaceful, just and inclusive societies that provide equal access to justice and are based on respect for human rights (including the right to development). Also in an effective rule of law, good governance at all levels, and with effective and transparent institutions that are accountable.

## 16.1 Transparency and responsibility

• Transparency and responsibility

The Corporate Anti corruption policy establishes guidelines for internal and external situations to the organization that may represent acts of corruption, as well as managing the prevention of these. We have defined for each types of risk inherent to the exercise of our financial activity, policies and global limits included in the internal management manuals, as well as outlining delegations and attributions whose objective is to streamline decision making of the Risk Committee, the Integral Risk Management Unit (AIR) and the Risk Unit.

### GRI 205-2 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

During the months of January to March of 2018, tours were made to the 22 Branches, including the Specialized and International Banking and the Sales Force. 301 employees were trained face-to-face to reinforce the knowledge and application of the bank's main policies and procedures in the area of Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction. Likewise, all employees completed the regulatory training.

**GRI 205-3** CONFIRMED CASES OF CORRUPTION AND MEASURES TAKEN

All cases received for alleged breach of the Code of Ethics and policies are addressed and evaluated. In 2018, there were no reports of corruption.

**GRI 419-1** NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

We follow the provisions of the Superintendence of Banks of the Republic of Panama (SBP) and the Superintendence of the Securities Market of the Republic of Panama (SMV). In the published Financial Statements, detailed information on the types of Risk is included.

## 16.2 Fight against money laundering and financing of terrorism

As part of our commitment in the fight against money laundering and financing of terrorism, we are governed by the Code of Ethics and Conduct of the Banesco Citizen. We promote among our collaborators the need to:

Obtain all the necessary information from our clients

- Maintain a proactive attitude in crime prevention



- Identify and timely report any suspicious activity



We have guidelines approved by the Board of Directors in 2018 on topics such as: Corporate Anti-corruption Policy, Transparency Policy and Corporate Policy Reputation Management, which were aligned to the needs of the Organization in compliance with regulatory requirements and best practices to prevent our institution is used, intentionally or not, for criminal purposes.

We adopt the necessary measures to prevent operations and / or transactions from being carried out with funds or funds from activities related to the crimes of Money Laundering (BC), Financing of Terrorism (FT) or Financing of the Proliferation of Weapons of Mass Destruction (FPADM), for which we have corporate policies, manuals and due diligence procedures and other requirements.

Our structure ensures the correct application of the policies and regulations that govern this matter, also considering the risk levels of our clients, their geographical location, activity, profession, products or services, among others. They are composed of the Compliance and Corporate Governance Committee, the Vice Presidency for Compliance and Corporate Governance.

We have established an annual training plan in order to keep all staff informed and updated on internal policy issues, procedures, internal controls to prevent the improper use of our services, as well as the various criminal modalities used for money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction.

We have the following channels to deal with any complaint received:

**Customers**

- 282-2999 toll-free hotline
- [etica\\_pa@banesco.com](mailto:etica_pa@banesco.com)
- [buzondeingresosextraordinarios\\_pa@banesco.com](mailto:buzondeingresosextraordinarios_pa@banesco.com)

**Collaborators**

- **Internal mail:** Direct line
- **Voicemail:** Direct line
- **BMailbox on the intranet**



## 16.3 Attention of requests and resolution of claims

### GRI FS15 DESCRIPTION OF POLICIES FOR THE CORRECT DESIGN AND OFFER OF FINANCIAL PRODUCTS AND SERVICES

We have the Policy "Manage claims and customer requirements". The attention of claims and its requirements are fundamental to ensure their adequate attention, as well as being an input of feedback for the improvement of our processes to plan, design and develop financial products in a responsible manner.

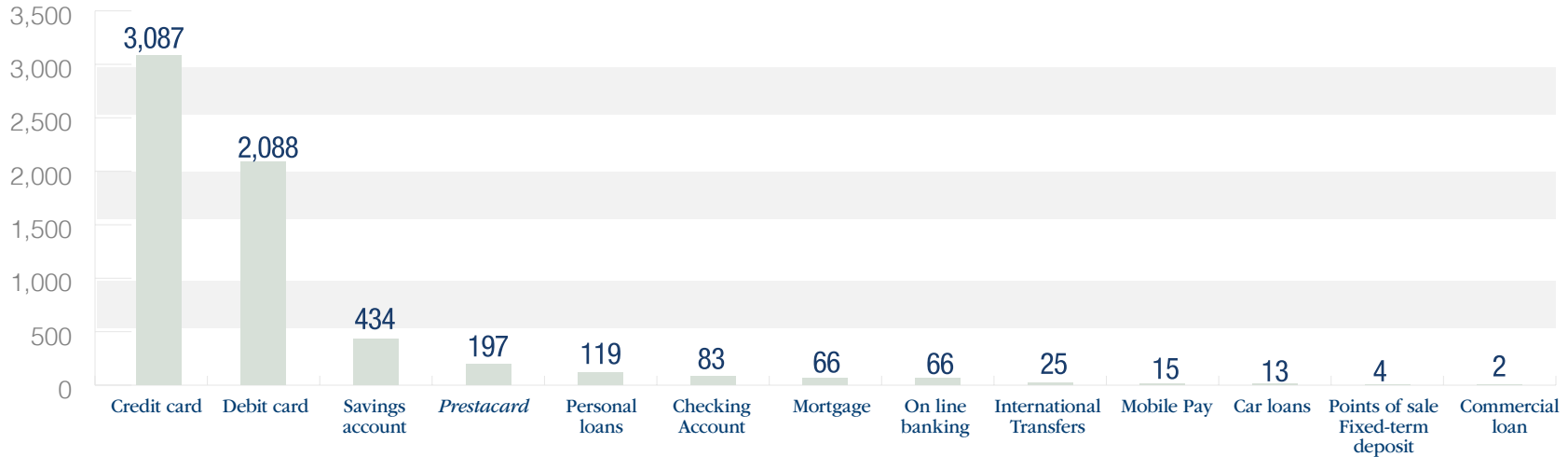
We have a case management model that seeks the resolution during the first initial contact, thus reducing response times. Enabling this model is done through the case management tool that allows the entry and registration of each customer interaction from the different contact channels, some of the cases will be resolution and immediate closure (consultations and complaints) and others will be escalation (requests and claims). Additionally, through this tool you can check the service history, follow up and see the traceability of cases from any contact channel, from the request to the final response.

TO CHANNEL AND TRACK YOUR REQUESTS, QUERIES OR CLAIMS CLIENTS HAVE THE FOLLOWING CHANNELS:



### 16.3.1 CLAIMS, ANALYZED AND RESOLVED DURING THE PERIOD

During 2018, we received 6,199 claims where 83% correspond to credit and debit cards; the highest percentage of claims are related to disagreements with annuity / membership fee and investigation of fraudulent card transactions in transit.



## 16.4 Information security, confidentiality

### GRI 418-1 SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

Protecting and preserving the confidentiality, integrity and availability of our clients' data and operations is a cross-cutting point of the Code of Ethics and Conduct and a fundamental part of our Privacy Policy. It contemplates the use of information collected only to analyze the traffic in its electronic banking services while adapting its contents to the needs of these, sending

information of products and services offered to which the user chooses or not, to receive them in the future. It also prohibits sharing information, user options in electronic banking, and to modify the information provided. We issue alerts to raise awareness about the safe use of our products and services and to avoid possible forms of financial fraud.

## 16.5 Strengthen national institutions through International cooperation to prevent violence

In the construction of peaceful and inclusive societies for Sustainable Development, contributing to the creation of a culture of peace is essential. For this reason, for Banesco it is important to support an initiative such as the Network of Youth and Children's Orchestras and Choirs of Panama (known as *La Red* in Spanish).

The surprising thing about music is that it does not understand any reasoning, neither by class, time or age. José Antonio Abreu, director and founder of *El Sistema* (The System) in Venezuela, defined this branch of art as "the invisible language"; one that touches without touching, that moves the deepest fiber of its being, from its deepest foundation up to its highest peak. This is the basic idea for social transformation through the Network of Orchestras and Choirs: in the ability that music has, to raise and uplift the human spirit, harmonizing each person's interior and connecting it to the natural balance of things.

This is how an important and very positive social change for the nations starts; with the development of a new generation focused on the enriching

aspects of music, leaving no room in their minds for vices or violence. In addition to the spiritual aspect, it is also vital to understand how beneficial the example of organization of orchestras can be for children or young people. The Network of Youth and Children's Orchestras and Choirs offers its students three essential programs for anyone with aspirations to music: The Orchestra Program, the Choir Program and the Musical Initiation Program.

This initiative is led by the National Institute for Culture (INAC for its acronym in Spanish), with the support of the United Nations Development Program (UNDP) and it aims to promote classical music learning opportunities for children and youth in low income areas, fostering teamwork, and generating a culture of peace. For the third consecutive year, we are providing support to *La Red* with an annual contribution of USD50,000.



# 17

## Committed to partnerships to achieve the objectives



**SDG 17** Revitalize the global partnership for sustainable development.

To achieve our sustainability objectives, we have established alliances and partnerships with public and private organizations that implement our Social Responsibility actions, which are the pillar of our Strategic Planning 2016-2018.

- Our alliances

### 17.1 Our alliances

GRI 102-12 EXTERNAL INITIATIVES  
GRI 102-13 MEMBERSHIP OF ASSOCIATIONS

Below we describe the partnerships, alliances and active initiatives in 2018:

Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
1	2018	Soccer Academy	Roman Torres Initiative	It promotes sports activities, with the commitment of those beneficiaries to improve their qualifications, helping to reduce school desertion.	We support through a USD20,000 sponsorship.
2	2018	Panama Banking Association	Sustainability Committee	They establish mechanisms to build and strengthen a sustainable finance strategy.	We participate as members.
3	2018		Sustainable Finance Protocol	This Protocol consists of five components: Governance, Environmental and Social Risks, Green Products, Eco-efficiency, and Disclosure.	We signed the "Sustainable Finance Protocol".

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Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
4	2018	National Association of Conservation (ANCON, for its Spanish acronym)	NGO dedicated to the promotion of projects for conservation and for the mitigation of the effects of climate change effects.		We are active partners of this NGO.
5	2018		JMJ/ANCON	Support for World Youth Day	We support the definition of waste collection logistics for WYD.
6	2016		"Alliance for the Million"	Project oriented to reforest one million hectares in the next 20 years.	We join this initiative with the commitment to reforest in a period of five years one hectare in the Camino de Cruces National Park (approximately one thousand seedlings of native species per hectare).
7	2016	Micro, Small and Medium Enterprise Authority (AMPYME)	Business Promotion Fund and the Seed Capital Program of AMPYME and our Capacity Building Program "Banesco Entrepreneurs".		We subscribe a cooperation alliance, as well as we are signatories to the National Entrepreneurship Agreement. We join the Project of the National Entrepreneurship Policy.
8	2016		National Council of Entrepreneurship of the Republic of Panama.	Support the tactical and operational work carried out by the entrepreneur ecosystem in Panama, in order to achieve a concrete, specific, attainable and measurable work plan with a 2020 vision, focused on the real needs of the business.	We are part of the 41 organizations that make up the ecosystem for entrepreneurship in Panama.

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Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
9	2017	Panama Canal Authority ACP	<b>Collective Impact Strategy of the Canal Basin</b>	Join efforts and resources to generate impact and shared results in the area of influence of the Panama Canal Basin and other areas of the country.	We support with our CSR programs.
10	2016	AVENT	<b>Breastfeeding room Banesco (Panamá), S.A.</b>	Company specialized in products for babies from birth to the first years of childhood.	We maintain an agreement with AVENT, who supports us in the operation of the breastfeeding room.
11	2015	American Chamber of Commerce and Industry of Panama (AMCHAM)	<b>Sustainability Committee</b>	Promote sustainable business practices.	We participate actively through our CEO as a member of the AMCHAM Board of Directors and chair the Sustainability Committee with the CSR Manager.
12	2017	National Brewery	<b>Responsible Business Program</b>	Contribute to the development of entrepreneurs and owners of small business premises through training and its possible banking.	We created a program to train 1,000 clients within the framework of the Responsible Business Program of the National Brewery, under the umbrella of the Banesco Entrepreneurs Program.
13	2016	National Council for Development Agreement	<b>2030 National Strategic Plan</b>	Contribute to transform Panama into a more democratic, equitable, prosperous, dynamic, and regionally more balanced society in its development.	Align our social responsibility actions with national priorities for the achievement of the SDGs in the year 2030.
14	2017	<b>DEG Deutsche Investitions und Entwicklungsgesellschaft (DEG)</b>		The DEG seeks to promote the development of the private sector in developing and transition countries, to achieve sustainable growth and to improve people's lives in a lasting manner.	Establish and implement the ESMS of Banesco (Panamá), S.A.
15	2018	ENSA, Electric Distribution Company	<b>Training for Entrepreneurs</b>	Train people from less developed areas.	We trained the people of Colon with the Training for Entrepreneurs program.

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Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
16	2010	Latin American Federation of Banks (FELABAN, for its Spanish acronym)		Lead the Latin American banking community in the incorporation of best practices, by identifying the critical issues of the sector, supported by an innovative and efficient management.	We are members of this institution.
17	2016	Latin American Federation of Banks (FELABAN, for its Spanish acronym)	Regional meetings from the Latin American Committee for Education and Financial Inclusion of FELABAN.	Promote and facilitate contact and understanding of the financial sector.	We have participated in these meetings since 2016. In 2018, the meeting was held in Panama as host country.
18	2017	Foundation for the Promotion of Educational Excellence	Contest for Educational Excellence	It is an initiative that seeks to create a quality education, highlighting educational excellence in schools, fostering the culture of evaluation and improving the performance of teachers.	We are allies looking to create conditions for the continuous improvement of public education. Our annual contribution for three consecutive years has been USD140,000.
19	2018	FundeSteam	Robotics Olympics	NGO committed to the promotion and development of education in Science, Engineering, Arts and Mathematics (STEAM), aimed at children and young people in the country, through the support of innovative educational programs for the financial inclusion and education of FELABAN.	We sponsored the 2018 Robotics Olympics, an event organized by Fundesteam.
20	2016	"Tocando Madera" Foundation	Nights of Guataca	To strengthen ties of culture and friendship, through music.	Banesco is a permanent sponsor of monthly meetings where Panamanian and Venezuelan artists come together to give us a wide repertoire. In 2018, we had 2071 spectators in the 12 sessions of the year.  To date, we have sponsored 27 editions with a participation of more than 4,000 attendees.  Our annual contribution is USD42,000.

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Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
21	2018	Mitradel/PNUD	<b>Participation in the program "Gender Equality Seal for Corporations (SiGénero Panamá)"</b>	Promote the entry of more women into the labor market and improve the quality of their employment, with tools that contribute to the closing of differences in gender, in companies and institutions.	We are one of the ten companies participating for the national certification program.
22	2016	Municipality of Panama	<b>Cultural Program "Africa in America"</b>	Activity organized during the month of May "Month of the Black Ethnicity". They pay tribute to the values of the afro descendent and highlight their qualities.	We are sponsors with an annual contribution of USD20,000. In 2018, the festival attended an audience of more than 16,000 people in 30 days of event, both in Panama City, and in surrounding areas.
23	2018	UN Women / Global Compact	<b>Principles of Empowerment of Women WEPs</b>	Initiative that proposes the creation of development opportunities for women within public and private companies, their participation in leadership and decision making.	We signed the subscription in November 2018 to adhere and implement these principles in our management.
24	2017	United Nations, UN	<b>United Nations Global Compact</b>	Initiative that seeks the implementation of 10 principles in the field of Human Rights, Labor Practices, Environment and Anti-corruption.	We incorporated the Ten Principles of the United Nations Global Compact and report progress annually through our Sustainability Report.
25	2018	Board of the National Theater		Administer, guard, protect preserves the National Theater.	We participate as a member of the Board of Directors that will be activated in 2019. Our annual contribution is USD50,000.
26	2017	UNDP / INAC	<b>Network of Youth and Children's Orchestras and Choirs of Panama (LA RED)</b>	Its purpose is to promote classic musical learning opportunities for children and young people who live in popular neighborhoods; fostering teamwork and generating a culture of peace.	We promote actions to strengthen and provide sustainability strategies. We support this Network with an annual sponsorship of USD50,000.



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Nº	START	ALLY	INITIATIVE	WHAT DO THEY DO?	WHAT DO WE DO TOGETHER?
27	2014	SUMARSE	<b>Facilitate the incorporation of social responsibility and the principles of the Global Compact among our members for the construction of a more just and sustainable society.</b>		We join efforts to achieve a collective impact that makes the development of Panama more sustainable.
28	2018	The United Nations Environment Program	<b>Financing Initiative (UNEP FI)</b>	<p>UN Environment Financial Initiative. UNEP FI is an alliance between UN Environment and the global financial sector, with the objectives of involving the financial sector in the transition towards sustainable development.</p> <p>It is a network of more than 200 financial institutions, including banks, insurers and investors, from 51 countries.</p>	We join the UNEP FI network to expand and share knowledge and experiences among the different actors, segments and institutions of the sector.
29	2016	Foundation for the integral development of women and the family (FUNDADER, for its Spanish acronym)	<b>Social Partners of the Banesco Entrepreneurs Program</b>	NGO that seeks to contribute to the human development of the vulnerable population, through programs and projects with integral training and values that provide knowledge, life skills and opportunities to face social inequalities, the strengthening of the family unit and the development from the country.	They are our allies and executing arm to facilitate the Banesco Entrepreneurs program throughout the Panamanian territory, establishing direct contact with the beneficiaries of the program and grassroots community organizations.
30	2016	Solidarity and Development Foundation of Panama (FUSODEP, for its acronym in Spanish)	<b>Social Partners of the Banesco Entrepreneurs Program</b>	It works to bring human and solidarity opportunities and solutions to vulnerable populations in the Province of Veraguas and the Gnohe-Buglé Region.	They are our allies and executing arm to facilitate the Banesco Entrepreneurs program throughout the Panamanian territory, establishing direct contact with the beneficiaries of the program and grassroots community organizations.
31	2015	University Institute of Management and Technology (IUGT)	<b>Social Partners of the Banesco Entrepreneurs Program</b>	Extension education training center with updating and training programs for companies and communities.	They are our allies and executing arm to facilitate the Banesco Entrepreneurs program throughout the Panamanian territory, establishing direct contact with the beneficiaries of the program and grassroots community organizations.

### 17.1.1 OUR CORPORATE VOLUNTEERING

Volunteering Banesco is our best promoter of the alliances that we have established since 2015. In our corporate volunteering, we promote among our collaborators the culture of solidarity and cooperation. In 2018, we have 167 people in our volunteering (116 women and 51 men) and 1,021 volunteer hours distributed in activities such as:

Activity	Hours per activity
85 gifts, 85 smiles	200
Blood bank	78
<i>El Librotón</i>	170
Educational Excellence	15
Banesco Entrepreneurs	167
Innovation Forum	52
Bolivar Home (Hogar Bolívar)	105
Beach cleaning	210
Participative Budget Banesco	24
<b>TOTAL</b>	<b>1,021</b>



### 17.1.2 OTHER AFFILIATIONS OR ASSOCIATIONS


#### GRI 102-13 MEMBERSHIP OF ASSOCIATIONS

Banesco (Panamá), S.A. maintains an active participation in different associations and organizations that reinforce its management in various areas of interest:

 **ASOCIACIÓN BANCARIA DE PANAMÁ** ABP – Panama Banking Association – ABP (for its Spanish acronym)

 **ACAMS®** Advancing Financial Crime Professionals Worldwide - ACAMS

 **ALARYS** Latin American Risk Management Foundation-ALARYS (for its Spanish acronym)

 **FIBAF** FLORIDA INTERNATIONAL BANKERS ASSOCIATION Florida International Bankers Association - Fiba

 **ICC** ICC Panama International Chamber of Commerce – The world business organization

 **IGCP** CORPORATE GOVERNANCE INSTITUTE – PANAMA - IGCP

As signatory of the Global Compact we adopt as our own the ten principles in its 4 central concepts:



#### HUMAN RIGHTS

**PRINCIPLE 1:** we support and respect the protection of internationally proclaimed human rights.

**PRINCIPLE 2:** we ensure that they are not complicit in human rights abuses.



#### ENVIRONMENT

**PRINCIPLE 7:** we maintain that businesses should support a precautionary approach to environmental challenges.

**PRINCIPLE 8:** we undertake initiatives to promote greater environmental responsibility.

**PRINCIPLE 9:** we encourage the development and diffusion of environmentally friendly technologies.



#### LABOR PRACTICES

**PRINCIPLE 3:** we uphold the freedom of association and the effective recognition of the right to collective bargaining.

**PRINCIPLE 4:** we uphold the elimination of all forms of forced and compulsory labor.

**PRINCIPLE 5:** we support the effective abolition of child labour.

**PRINCIPLE 6:** we support the elimination of discrimination in respect of employment and occupation.



#### ANTI-CORRUPTION

**PRINCIPLE 10:** we fight against corruption in all its forms, including extortion and bribery.

The ten principles of the UN Global Compact derive from the Declaration of Human Rights, the Declaration of the World Trade Organization, the Rio Declaration on the Environment and Development and; the United Nations Convention against Corruption.

## CONTENT INDEX

### CONTENIDO 102-55 GRI CONTENT INDEX

DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. Nº	ANSWER	EXTERNAL VERIFICATION	
GRI 102: 2016 General Disclosures	Organizational Profile	102-1	Name of the organization		9	✓
		102-2	Activities, brands, products, and services		9	✓
		102-3	Location of headquarters		9	✓
		102-4	Location of operations		9	✓
		102-5	Ownership and legal form		9	✓
		102-6	Markets served		9	✓
		102-7	Scale of the organization		10	✓
		102-8	Information on employees and other workers	5	10	✓
		102-9	Supply chain		10	✓
		102-10	Significant changes to the organization and its supply chain		5	✓
		102-11	Precautionary Principle or approach	12	64	✓
		102-12	External initiatives	17	39, 68, 76	✓
		102-13	Membership of associations	17	76, 82	✓
	Strategy and Analysis	102-14	Statement from senior decision-maker		2	✓
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	16	11	✓	
Governance	102-18	Governance structure	16	11	✓	

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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. N°	ANSWER	EXTERNAL VERIFICATION
GRI 102: 2016 General Disclosures	Stakeholder Engagement	102-40	List of stakeholder groups	18	✓
		102-41	Collective bargaining agreements	17	✓
		102-42	Identifying and selecting stakeholders	17	✓
		102-43	Approach to stakeholder engagement	18	✓
		102-44	Key topics and concerns raised	18	✓
	Report Profile	102-45	Entities included in the consolidated financial statements	6	✓
		102-46	Defining report content and topic Boundaries	19	✓
		102-47	List of material topics	22	✓
		102-48	Restatements of information	6	✓
		102-49	Changes in reporting	6	✓
		102-50	Reporting period	6	✓
		102-51	Date of most recent report	6	✓
		102-52	Reporting cycle	6	✓
		102-53	Contact point for questions regarding the report	6	✓
		102-54	Claims of reporting in accordance with the GRI Standards	6	✓
		102-55	GRI content index	6	✓
		102-56	External assurance	6	✓

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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. Nº	ANSWER	EXTERNAL VERIFICATION
GRI 103: 2016 Management Approach (For all material topics)	103-1	Explanation of the material topic and its Boundary		22	✓
	103-2	The management approach and its components		22	✓
	103-3	Evaluation of the management approach		22	✓
GRI 201: 2016 Economic Performance	201-1	Direct economic value generated and distributed	1, 5, 8, 10	33, 49	The information is not available with the required detail, it will be assessed for future exercises. ✓
GRI 202: 2016 Market Presence	202-2	Proportion of senior management hired from the local community	8	53	✓
GRI 203: 2016 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	9	56	✓
GRI 204: 2016 Procurement Practices	204-1	Proportion of spending on local suppliers	8	53	✓
GGRI 205: 2016 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	16	71	✓
	205-3	Confirmed incidents of corruption and actions taken	16	72	✓
GRI 302: 2016 Energy	302-1	Energy consumption within the organization	12	64	✓
GRI 303: 2016 Water and Effluents	303-1	Interactions with water as a shared resource	12		✓
GRI 304: 2016 Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	12, 15	63, 70	No information is available with the required detail, it will be assessed for future exercises. ✓

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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. N°	ANSWER	EXTERNAL VERIFICATION	
GRI 305: 2016 Emissions	305-1	Direct (Scope 1) GHG emissions	13	67	✓	
	305-2	Energy indirect (Scope 2) GHG emissions	13	67	✓	
GRI 306: 2016 Effluents and Waste	306-2	Waste by type and disposal method	13	65	Not quantified	✓
GRI 307: 2016 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	12	63		✓
GRI 308: 2016 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	13	68	Criteria exists, but the number of new supplier is not quantified	✓
GRI 401: 2016 Employment	401-1	New employee hires and employee turnover	8	51		✓
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3	37, 56		✓
	401-3	Parental leave	3	38	The information is not available with the required detail, it will be assessed for future exercises.	✓
GRI 403: 2016 Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	3	39	The information is not available with the required detail, it will be assessed for future exercises.	✓

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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. N°	ANSWER	EXTERNAL VERIFICATION
GRI 404: 2016 Training and Education	404-1	Average hours of training per year per employee	4	41	✓
	404-2	Programs for upgrading employee skills and transition assistance programs	4, 9	43, 56	✓
	404-3	Percentage of employees receiving regular performance and career development reviews	4	43	✓
GRI 405: 2016 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	5	44	✓
GRI-406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5	44	✓
GRI 407: 2016 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	12	63	Contracts with suppliers include clauses with these criteria, but have not yet been applied ✓
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	13	63	✓
GRI 413: 2016 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	1, 4, 8, 10	53	✓
GRI 418: 2016 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	74	✓
GRI 419: 2016 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	16	72	✓



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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. N°	ANSWER	EXTERNAL VERIFICATION	
Product Portfolio	FS1	Policies with specific environmental and social components applied to business lines	12	60		✓
	FS2	Procedures for assessing and screening environmental and social risks in business lines	12	62		✓
	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	12	64		✓
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	1, 2	34	The information is not available with the required detail, it will be assessed for future exercises.	✓
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	3	38		✓
	FS8	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	1	34	The information is not available with the required detail, it will be assessed for future exercises.	✓

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DISCLOSURES (TITLE AND NUMBER)		SDG	PAGE. N°	ANSWER	EXTERNAL VERIFICATION
Audit	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	12	64		✓
Community	FS13 Access points in low-populated or economically disadvantaged areas by type.	1	31		✓
	FS14 Initiatives to improve access to financial services for disadvantaged people.	1	31		✓
Product and service labeling	FS15 Policies for the fair design and sale of financial products and services.	16	73		✓
	FS16 Initiatives to enhance financial literacy by type of beneficiary.	4,8	53		✓





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### Nuestras responsabilidades

Nuestra responsabilidad es revisar la información concerniente a los Contenidos incluidos en el Informe Anual y reportar sobre ello en la forma de una conclusión independiente de seguridad limitada con base en la evidencia obtenida. Realizamos nuestro trabajo con base en la Norma Internacional sobre Trabajos de Aseguramiento (ISAE) 3000, “Trabajos de Aseguramiento Distintos a Auditorías o Revisiones de Información Financiera Histórica”, emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (International Auditing and Assurance Standards Board), dicha norma requiere que planeemos y realicemos nuestros procedimientos para obtener un nivel de seguridad o fiabilidad limitada respecto a sí, con base en nuestro trabajo y la evidencia obtenida, nada llamó nuestra atención que nos lleve a creer que los Contenidos incluidos en el Informe Anual por el periodo comprendido del 01 de enero al 31 de diciembre de 2018, no están preparados en todos los aspectos materiales, de conformidad con los criterios establecidos en la Norma *AccountAbility Principles 2018 (AA1000AP, 2018)* y de conformidad con los Estándares del *Global Reporting Initiative (GRI)*.

KPMG (la “Firma”) aplica la Norma Internacional sobre Control de Calidad 1 y, por consiguiente, mantiene un sistema integral de control de calidad, incluyendo políticas y procedimientos documentados sobre el cumplimiento de requisitos éticos, normas profesionales y requerimientos legales y regulatorios aplicables.

Hemos cumplido con los requerimientos de independencia y demás requisitos éticos del Código de Ética para Contadores Profesionales emitido por el Consejo de Normas Internacionales de Ética para Contadores, que se basa en los principios fundamentales de integridad, objetividad, competencia profesional y debido cuidado, confidencialidad y comportamiento profesional.

Los procedimientos seleccionados dependen de nuestro entendimiento y experiencia en los Contenidos presentados en el Informe Anual y otras circunstancias del trabajo, y nuestra consideración de las áreas en las que es probable que surjan errores materiales.

Al obtener un entendimiento de los Contenidos incluidos en el Informe Anual, y otras circunstancias del trabajo, hemos considerado el proceso utilizado para preparar los Contenidos, con la finalidad de diseñar procedimientos de aseguramiento que sean adecuados en las circunstancias, más no con la finalidad de expresar una conclusión en cuanto a la efectividad del control interno de Banesco sobre la preparación de los Contenidos incluidos en el Informe Anual.

Nuestro trabajo también incluye la evaluación de lo apropiado del asunto principal, la idoneidad de los criterios utilizados por Banesco en la preparación de los Contenidos, evaluando lo apropiado de los métodos, políticas y procedimientos, y modelos utilizados.

(Continúa)



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Los procedimientos aplicados en un trabajo de seguridad limitada difieren en naturaleza, oportunidad y alcance que en un trabajo de seguridad razonable. Por consiguiente, el nivel de aseguramiento que se obtiene en un trabajo de seguridad limitada es significativamente menor que el aseguramiento que se habría obtenido en caso de efectuar un trabajo de seguridad razonable.

### Propósito de Nuestro Reporte

De acuerdo con los términos de nuestro trabajo, este informe de aseguramiento ha sido preparado para Banesco, con el propósito de asistir a la Dirección en determinar si los parámetros y contenidos de sostenibilidad objeto de aseguramiento limitado están preparados y presentados de acuerdo con los estándares GRI para la elaboración de Reportes de Sostenibilidad de Global Reporting Initiative.

### Criterios

Los criterios sobre los cuales se ha evaluado la preparación de los Contenidos se refieren a los requerimientos establecidos en la Norma *AccountAbility Principles 2018 (AA1000AP, 2018)* y de conformidad con los Estándares del *Global Reporting Initiative (GRI)*.

### Conclusión

Nuestra conclusión ha sido formada con base a y está sujeta a lo que se detalla en este informe.

Consideramos que la evidencia que hemos obtenido proporciona una base suficiente y adecuada para nuestra conclusión.

Basados en nuestra revisión y la evidencia obtenida, no tuvimos conocimiento de situación alguna que nos haga pensar que los Contenidos que se detallan en el Anexo A adjunto al presente informe de aseguramiento, preparados por la Gerencia de Responsabilidad Social Empresarial de Banesco e incluidos en el Informe Anual de Banesco por el periodo comprendido del 01 de enero al 31 de diciembre de 2018, no están preparados en todos los aspectos materiales, de conformidad con los criterios establecidos en la Norma *AccountAbility Principles 2018 (AA1000AP, 2018)* y de conformidad con los Estándares del *Global Reporting Initiative (GRI)*.

### Restricción de uso de nuestro informe

Nuestro informe no debe ser considerado como adecuado para usarse ni considerarse por cualquiera de las partes que deseen adquirir derechos frente a nosotros distintos de la Gerencia de Responsabilidad Social Empresarial de Banesco para ningún propósito o bajo cualquier otro contexto. Cualquier parte distinta de la Gerencia de Responsabilidad Social Empresarial de Banesco que obtenga acceso a nuestro informe o una copia del mismo y elija basarse en nuestro informe (o en cualquier parte de él) lo hará bajo su propio riesgo.

(Continúa)



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En la medida en que lo permita la ley, no aceptamos ni asumimos ninguna responsabilidad y negamos cualquier responsabilidad de nuestro trabajo a cualquier parte que no sea Banesco por este informe independiente de seguridad limitada o por las conclusiones a las que hemos llegado.

En otro documento, proporcionaremos a la Administración de Banesco un informe interno que contiene nuestros hallazgos y áreas de mejora.

Nuestro informe es emitido para Banesco, sobre el entendimiento que este informe no debe ser copiado, ni hacer referencia a él o divulgado en su totalidad o en partes sin nuestro previo consentimiento por escrito.

Atentamente,

Panamá, República de Panamá  
29 de abril de 2019



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**Anexo A**

Descripción de los Contenidos objeto del trabajo de seguridad limitada:

GRI Standard	Contenido	Descripción
Contenidos Generales	102-1	Nombre de la organización
	102-2	Actividades, marcas, productos y servicios
	102-3	Ubicación de la sede
	102-4	Ubicación de las operaciones
	102-5	Propiedad y forma jurídica
	102-6	Mercados servidos
	102-7	Tamaño de la organización
	102-8	Información sobre empleados y otros trabajadores
	102-9	Cadena de suministro
	102-10	Cambios significativos en la organización y su cadena de suministro
	102-11	Principio o enfoque de precaución
	102-12	Iniciativas externas
	102-13	Afiliación a asociaciones
	102-14	Declaración de altos ejecutivos responsables de la toma de decisiones
	102-16	Valores, principios, estándares y normas de conducta
	102-18	Estructura de gobernanza
	102-40	Lista de grupos de interés
	102-41	Acuerdos de negociación colectiva
	102-42	Identificación y selección de grupos de interés
	102-43	Enfoque para la participación de los grupos de interés
	102-44	Temas y preocupaciones clave mencionados
	102-45	Entidades incluidas en los estados financieros consolidados
	102-46	Definición de los contenidos de los informes y las coberturas del tema
	102-47	Lista de temas materiales
	102-48	Reexpresión de la información
	102-49	Cambios en la elaboración de informes
102-50	Periodo objeto del informe	
102-51	Fecha del último informe	
102-52	Ciclo de elaboración de informes	
102-53	Punto de contacto para preguntas sobre el informe	
102-54	Declaración de elaboración del informe de conformidad con los Estándares GRI	
102-55	Índice de contenidos GRI	
102-56	Verificación externa	



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Asuntos Materiales		
Desempeño Económico		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 201 Desempeño Económico 2016	201-1	Valor económico directo generado y distribuido
Presencia de Mercado		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
	202-2	Proporción de altos ejecutivos contratados de la comunidad local
Impactos Económicos Indirectos		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 203 Impactos Económicos Indirectos 2016	203-1	Inversiones en infraestructuras y servicios apoyados
Prácticas de Adquisición		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 204 Prácticas de Adquisición 2016	204-1	Proporción de gastos en proveedores locales
Anticorrupción		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 205 Anticorrupción 2016	205-2	Comunicación y formación sobre políticas y procedimientos anticorrupción
	205-3	Casos de corrupción confirmados y medidas tomadas
Energía		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes



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	103-3	Evaluación del enfoque de gestión
GRI 302 Energía 2016	302-1	Consumo energético dentro de la organización
Agua		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 303 Agua 2016	303-1	Extracción de agua por fuente
Biodiversidad		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 304 Biodiversidad 2016	304-2	Impactos significativos de las actividades, los productos y los servicios en la biodiversidad
Emisiones		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 305 Emisiones 2016	305-1	Emisiones directas de GEI (alcance 1)
	305-2	Emisiones indirectas de GEI al generar energía (alcance 2)
Efuentes y Residuos		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 306 Efuentes y Residuos 2016	306-2	Residuos por tipo y método de eliminación
Cumplimiento Ambiental		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 307 Cumplimiento Ambiental 2016	307-1	Incumplimiento de la legislación y normativa ambiental
Cumplimiento Ambiental de Proveedores		
	103-1	Explicación del tema material y su cobertura



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GRI 103 Enfoque de Gestión	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 308 Evaluación Ambiental de Proveedores 2016	308-1	Nuevos proveedores que han pasado filtros de evaluación y selección de acuerdo con los criterios ambientales
<b>Empleo</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 401 Empleo 2016	401-1	Nuevas contrataciones de empleados y rotación de personal
	401-2	Beneficios para los empleados a tiempo completo que no se dan a los empleados a tiempo parcial o temporales
	401-3	Permiso parental
<b>Salud y Seguridad en el Trabajo</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 403 Relación Salud y Seguridad en el Trabajo 2016	403-2	Tipos de accidentes y tasas de frecuencia de accidentes, enfermedades profesionales, días perdidos, absentismo y número de muertes por accidente laboral o enfermedad profesional
<b>Formación y Desarrollo</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 404 Formación y Enseñanza 2016	404-1	Media de horas de formación al año por empleado
	404-2	Programas para mejorar las aptitudes de los empleados y programas de ayuda a la transición
	404-3	Porcentaje de empleados que reciben evaluaciones periódicas del desempeño y desarrollo profesional
<b>Diversidad e Igualdad de Oportunidades</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 405 Diversidad e Igual de Oportunidades 2016	405-1	Diversidad en órganos de gobierno y empleados



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<b>No discriminación</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 406 No Discriminación 2016	406-1	Casos de discriminación y acciones correctivas emprendidas
<b>Libertad de Asociación y Negociación Colectiva</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 407 Libertad de Asociación y Negociación Colectiva 2016	407-1	Operaciones y proveedores cuyo derecho a la libertad de asociación y negociación colectiva podría estar en riesgo
<b>Evaluación de Derechos Humanos</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 412 Evaluación de Derechos Humanos 2016	412-1	Operaciones sometidas a revisiones o evaluaciones de impacto sobre los derechos humanos
<b>Comunidades Locales</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 413 Comunidades Locales 2016	413-1	Operaciones con participación de la comunidad local, evaluaciones del impacto y programas de desarrollo
<b>Privacidad del Cliente</b>		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 418 Privacidad del Cliente 2016	418-1	Reclamaciones fundamentadas relativas a violaciones de la privacidad del cliente y pérdida de datos del cliente



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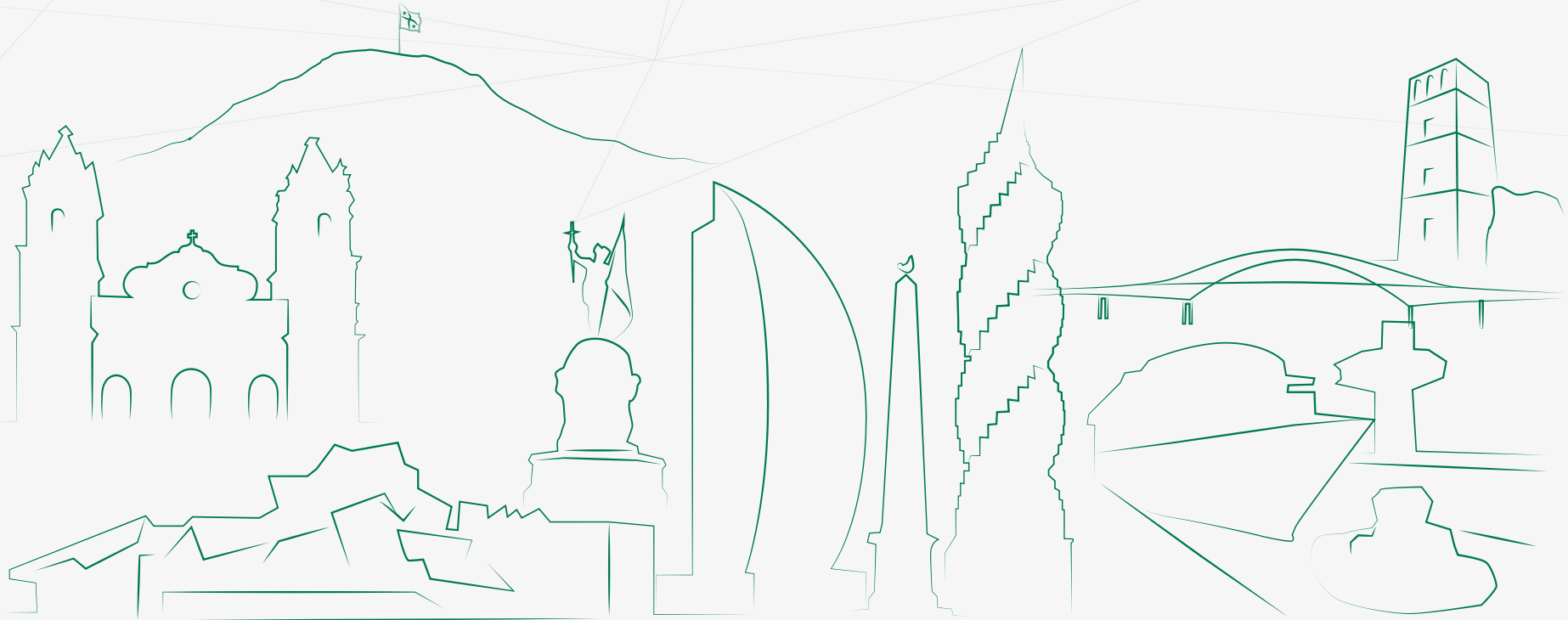
Cumplimiento Socioeconómico		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
GRI 419 Cumplimiento Socio - económico 2016	419-1	Incumplimiento de las leyes y normativas en los ámbitos social y económico
Cartera de Producto		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
Suplemento Sectorial para Servicios Financieros 2013	FS1	Políticas con aspectos medioambientales y sociales específicos aplicadas a las líneas de negocios
	FS2	Procedimientos para la evaluación y el control de riesgos sociales y medioambientales en las líneas de negocio
	FS4	Proceso(s) para mejorar la competencia de los empleados para implementar las políticas y procedimientos medioambientales y sociales aplicados a las líneas de negocio
	FS6	Porcentaje de la cartera para las líneas de negocio según la región, la dimensión (ej.: microempresas/PYMES/grandes) y el sector de actividad
	FS7	Valor monetario de los productos y servicios diseñados para proporcionar un beneficio social específico para cada línea de negocio desglosado según su propósito
	FS8	Valor monetario de los productos y servicios diseñados para proporcionar un beneficio medioambiental específico para cada línea de negocio desglosado según su propósito
Auditoría		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
Suplemento Sectorial para Servicios Financieros 2013	FS9	Cobertura y frecuencia de auditorías para evaluar la implementación de las políticas medioambientales y sociales y los procedimientos de evaluación de riesgos.
Comunidad		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
Suplemento Sectorial para Servicios Financieros 2013	FS13	Puntos de acceso por tipo en áreas de escasa densidad de población o desfavorecidas económicamente
	FS14	Iniciativas para mejorar el acceso a los servicios financieros a personas desfavorecidas



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Etiquetado de Productos y Servicios		
GRI 103 Enfoque de Gestión	103-1	Explicación del tema material y su cobertura
	103-2	El enfoque de gestión y sus componentes
	103-3	Evaluación del enfoque de gestión
Suplemento Sectorial para Servicios Financieros 2013	FS15	Descripción de políticas para el correcto diseño y oferta y productos financieros
	FS16	Iniciativas para mejorar la alfabetización y educación financiera según el tipo de beneficiario





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- **Banesco (Panamá), S.A.** [www.banesco.com.pa](http://www.banesco.com.pa)  
[www.contigohoy.com](http://www.contigohoy.com)
- **Global Compact** [www.globalcompact.com](http://www.globalcompact.com)
- **Global Reporting Initiative** [www.globalreporting.org](http://www.globalreporting.org)