



SPECIAL SUSTAINABILITY REPORT

D E C E M B E R

2020



GLOBAL
BANK

Primero la gente

TABLE OF CONTENTS



Message from the President of the Board of Directors and the CEO 3

About this report 4

About Global Bank 5

- Corporate structure of the bank 6
- Global Bank's Profile 7
- Global Bank by the numbers 8
- Employees 9
- Business model 10
- Products 11



The path to responsible and sustainable banking 13

- Moving toward responsible banking 14
- Environmental and Social Risk Management System 15
- UNEP FI signatories 16
- Members of Sumarse 17
- Sustainable Finance Protocol 18
- Responsible banking 19
- Principles of Responsible Banking 20



Global Bank's Sustainability Strategy 21

- Alignment of strategy 22
- Mission and vision 23
- Identification of Material Issues 24
- Material Issues 25
- Central topics of interest and SDG 26
- Pillars of the Sustainability Strategy 27
- General Sustainability Policy 28
- Main commitments by Operating Pillar 29
- Internal Eco-efficiency 30
- Management of Environmental and Social Risks 31
- Sensitivity diagnosis 32

- Opportunities for Improvement of the ESRAS 33
- Environmental and social products and services 34
- Main commitments by transversal pillar 35
- Stakeholders – Mapping 36
- Stakeholders – Prioritized 38
- Dialogue channels with our stakeholders 39
- Clients and Users 40
- Providers 41
- Investment in the community 42
- Our employees 43
- Corporate governance 44
- Sustainability Commission 45
- Responsibilities of the Sustainability Commission 46



Implementation of the Sustainability Strategy at Global Bank 47

- Analysis of current activities of the bank 48
- Initiatives carried out by the bank 49
- Diagnostic of practices vs PRB 52
- Identification of positive and negative impacts of the portfolio 58
- Significant portfolio impacts 59
- Other initiatives carried out 60
- Training on sustainability issues 61
- Environmental awareness 64



Action Plan for Sustainability 2020-2024 66

- Principle Actions 2020-2021 67
- Initiatives 2021-2022 69
- Initiatives 2022-2023 71
- Initiatives 2023-2024 73



UNEP FI Self-Assessment Template 74

MESSAGE FROM THE BOARD OF DIRECTORS AND THE CEO

Dear friends:

We find ourselves in a radically different situation than the one we lived in a year ago. The year 2020 transformed us all, and made us more resilient and capable of change to face the great challenges of the future.

At Global Bank we understand that the evolution that the world economy is experiencing is unprecedented. The opening of markets, advances in information technology and communications, are changing the competitive environment of all companies around the world. This new framework of competition, which is constantly changing, has forced companies to work in a more innovative way and to assume more responsibility for both our society and the environment.

Having a sustainable business model is a commitment of Global Bank that starts with our Board of Directors and is part of the bank's DNA in all areas. Following this commitment, the bank has implemented a series of initiatives ranging from the implementation of the Environmental and Social Risk Management System, incorporation of related goals into our corporate framework, membership in international associations and protocols that promote sustainable development such as our participation in the United Nations Program for Environment Finance Initiative (UNEP FI), the signing of the Sustainable Finance Protocol of the Association of Banking in Panama, and our continuous work with the Sumarse organization that promotes Corporate Social Responsibility (CSR) in Panama.

In 2019, we reaffirmed our commitment to sustainability by becoming one of the founding signatories of the UNEP FI Principles for Responsible Banking, impacting all areas across the bank, thus enhancing and strengthening our strategy to achieve an increasingly sustainable business model. Through this commitment, we agree to strategically align our business with Sustainable Development Goals (SDG) and the Paris Agreement on climate change.

In this way, we are working to adapt to a new business environment, which requires

greater focus on compliance and adaptation. Our General Sustainability Policy incorporates a sustainable business model and establishes a progressive roadmap for process transformation towards responsible banking. This policy details the guidelines for sustainability strategies, focusing on our governance, environmental and social products and services, environmental and social risk management, the relationship with stakeholders and internal eco-efficiency.

Our commitment to this initiative starts with the Board of Directors, which created the Commission of Sustainability, chaired by one of its members, to promote a responsible banking agenda; review, propose and update the sustainability strategy and policy; develop and communicate an organizational culture of sustainability; propose strategies that include the financing of responsible businesses, relationships with stakeholders, eco-efficiency, technological innovation and good governance practices.

Actions like these are the ones that fill us with immense pride in knowing that our slogan "People First" is not only part of the DNA of our more than 1,700 employees, but also impacts each of our nearly 200,000 clients, who are the prime focus around how and why we make our decisions.

Through this special sustainability report, we want to publicize our strategic process based on a sustainable vision, with which we develop a model of financial services that, at the same time, implements innovative actions with a positive impact on our environment and society.

Today we know, more than ever, how determination and resilience are key to the achievement of a promising future, which is possible and which should be the legacy for future generations. We know the responsibility we have as members of society, and we reinforce our role because we are not mere spectators, but participants in building a more humane and sustainable society.

Jorge E. Vallarino M.
General Manager

Jorge Vallarino Strunz
Directive Board President

ABOUT THIS REPORT

This special report from Global Bank Corp. (Global Bank) and subsidiaries (hereinafter the “bank”) contains the actions, initiatives, results and progress in sustainability matters (economic, social and environmental); aligned to the Sustainable Business Strategy of the bank and within the framework of the implementation of Principles of Responsible Banking of UNEP FI.

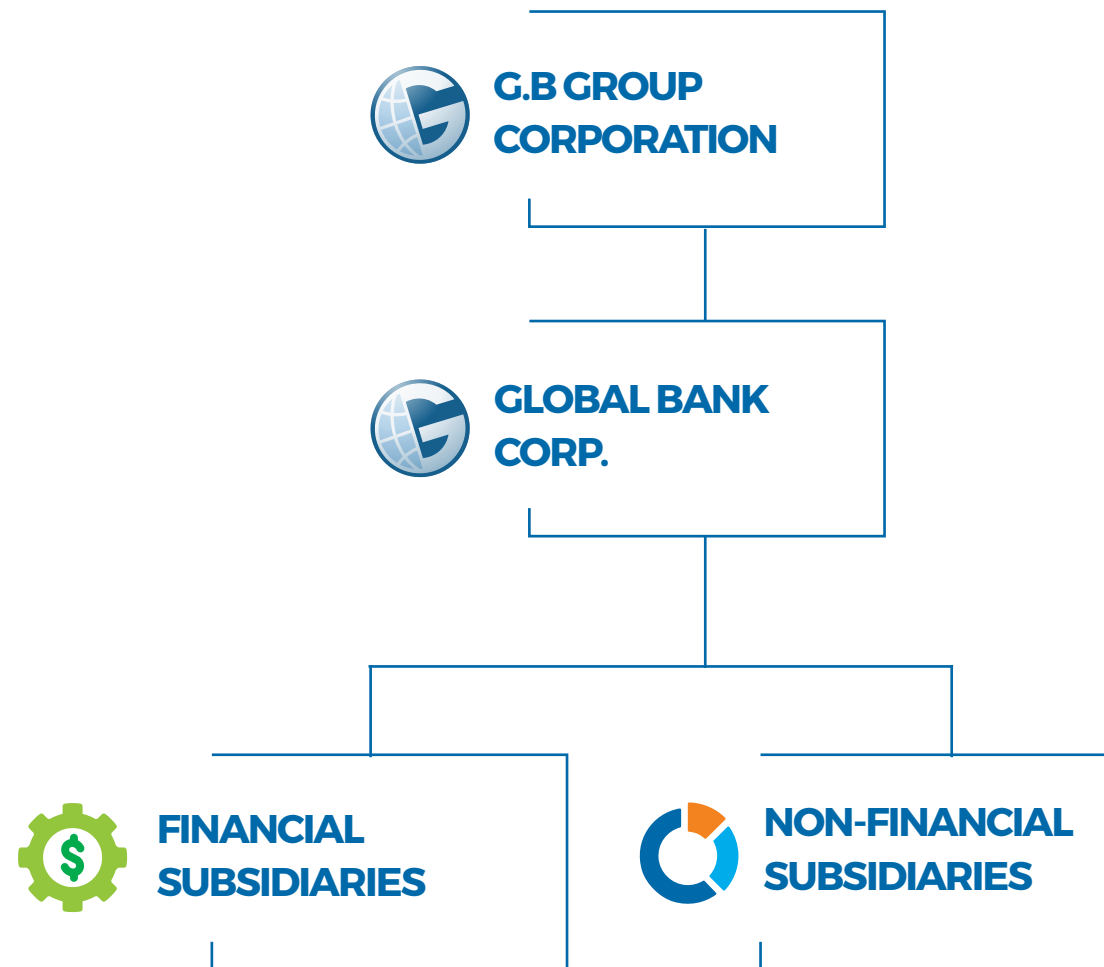
The information reported, covers the period of July 1, 2020 to December 31, 2020. Except for those related to the implementation of the Principles for Responsible Banking of UNEP FI, which include the actions carried out from the signature of the commitment on September 22, 2019 through December 31, 2020.



| ABOUT GLOBAL BANK



CORPORATE STRUCTURE OF THE BANK



In <https://www.globalbank.com.pa/es/globalbank/subsidiarias> you will find more detail on our business subsidiaries.



FINANCIAL SUBSIDIARIES

- Factor Global Inc.
- Global Financial Funds Corporation
- Global Capital Corporation
- Global Capital Investment Corporation
- Global Valores S.A.
- Global Bank Overseas
- Aseguradora Global S.A.
- Durale Holding, S.A.
- Progreso, S.A.
- Anverli Investments Corporation
- Banvivienda Assets
- Banvivienda Leasing & Factoring



PRINCIPAL ECONOMIC ACTIVITY

- Purchase of discounted invoices
- Trusts
- Corporate finance and financial advisory
- Purchase of discounted invoices
- Stock exchange
- Foreign banking
- Subscription and issuance of insurance policies
- Ownership and administration of real estate
- Administration of pension and severance funds
- Ownership and administration of real estate
- Asset management
- Financial leasing

GLOBAL BANK'S PROFILE

Global Bank is a private bank holding Panamanian capital with more than 25 years in operation which offers financial services and products as well as Personal, Commercial and Corporate Banking, Investment Banking, International Banking, Factoring, Trusts, Private Banking and Securities.

Our headquarters are located in Panama City, in Santa María Business District, and our building has been certified LEED Gold: Core & Shell.



We currently have a network of:



In International Banking, the loan portfolio is distributed mainly in the following countries: Guatemala, Costa Rica, Spain, Ecuador, Dominican Republic, El Salvador, Nicaragua, Honduras and Peru.

On our website, www.globalbank.com.pa, you can find the range of products and services offered to our clients, as well as the locations of our branches nationwide.



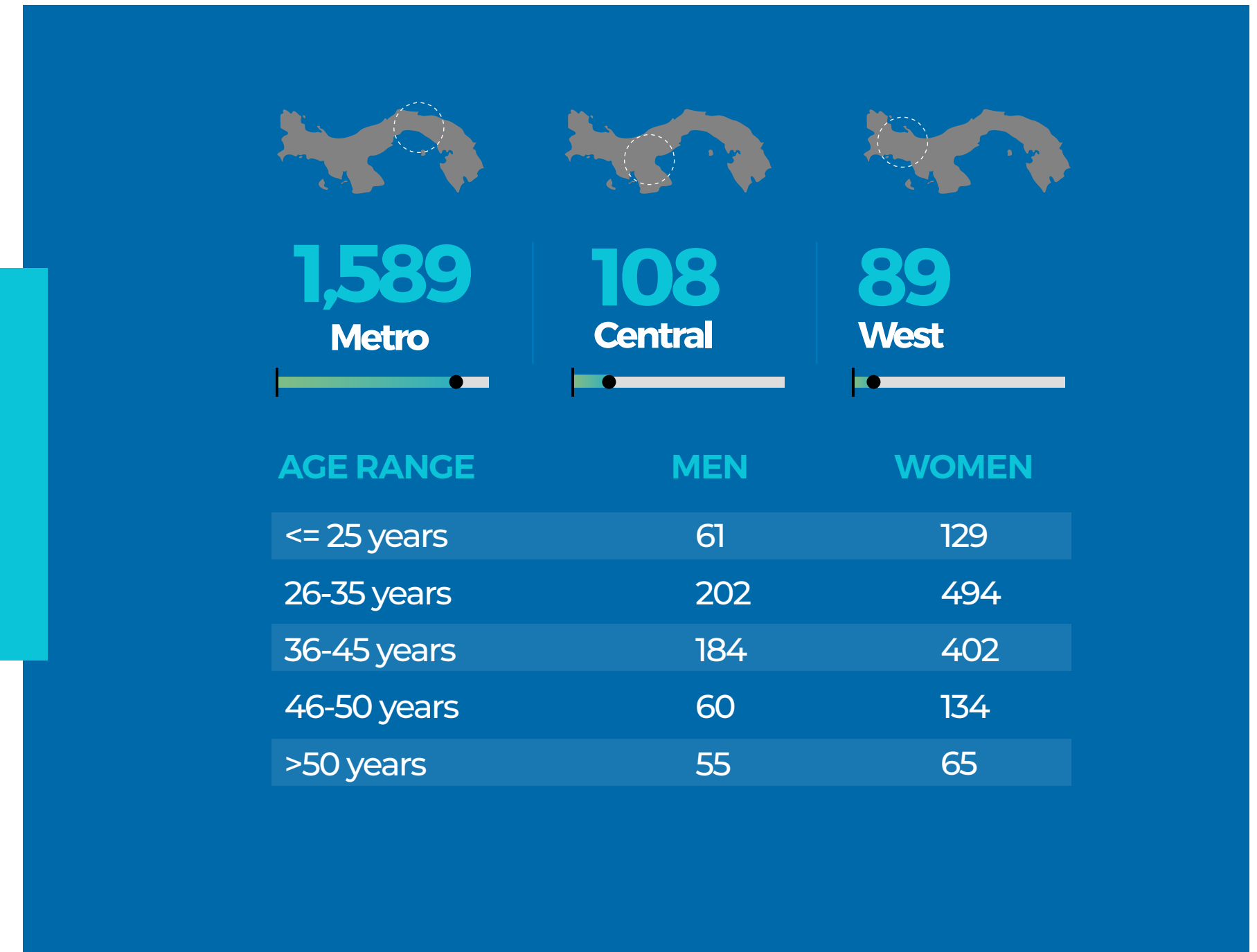
EMPLOYEES

We have 1,786 employees, each on a permanent contract basis and full-time hours.



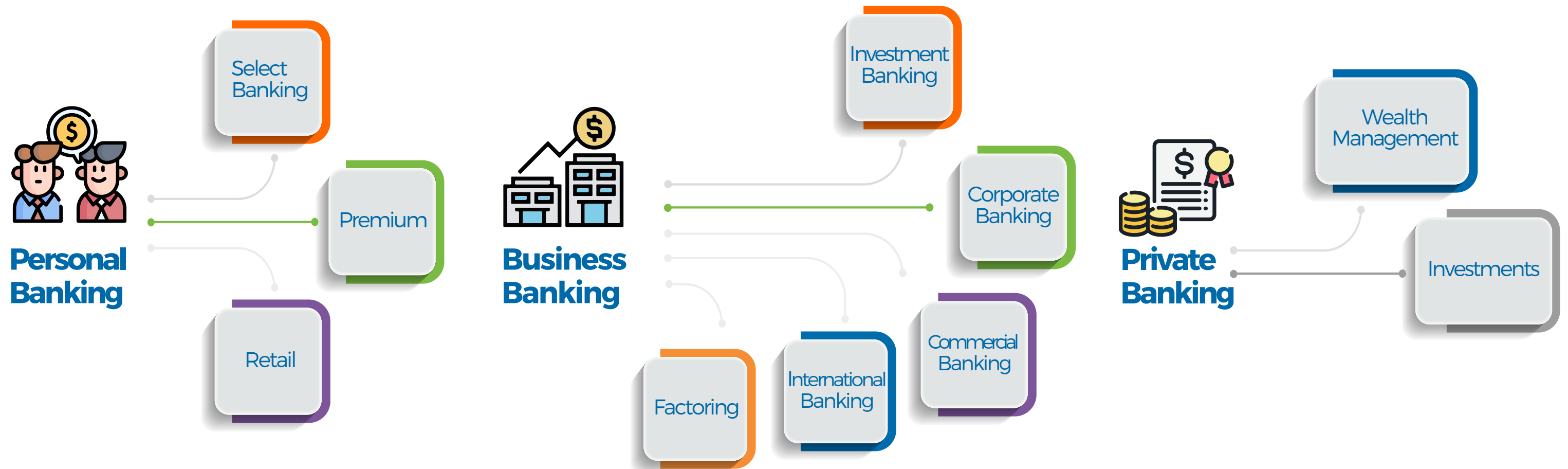
CATEGORY	MEN	WOMEN
Senior Management	10	4
Executives	23	31
Managers	52	138
Other Positions	477	1,051

* Employee data is generated by the Human Resources system.






BUSINESS MODEL

At Global Bank we have a universal banking model to offer comprehensive solutions to our clients through our principal lines of business, which are: Personal Banking, Business Banking and Private Banking



PRODUCTS

TYPE OF BUSINESS	SEGMENT	SECTORS AND ACTIVITIES	PRODUCTS/SERVICES	COUNTRY
 <p>PERSONAL BANKING</p>	<p>Retail Banking Premium Banking Select Banking</p>	<p>Salaried individuals Non-salaried, independent individuals Retired Private company Government</p>	<p>Savings and checking accounts Fixed-term deposits Personal loans Residential home Loans Auto loans Pledge loans Credit cards</p>	<p>Panamá</p>
 <p>PRIVATE BANKING</p>	<p>Traditional wealth management Investments(>=\$1MM)</p>	<p>Individuals Legal entities Institutional Clients</p>	<p>Investment Accounts Savings account Checking accounts Fixed-term deposits Credit cards Pledge loans Loans with security guarantees</p>	<p>Panama (90%) International (10%)</p>

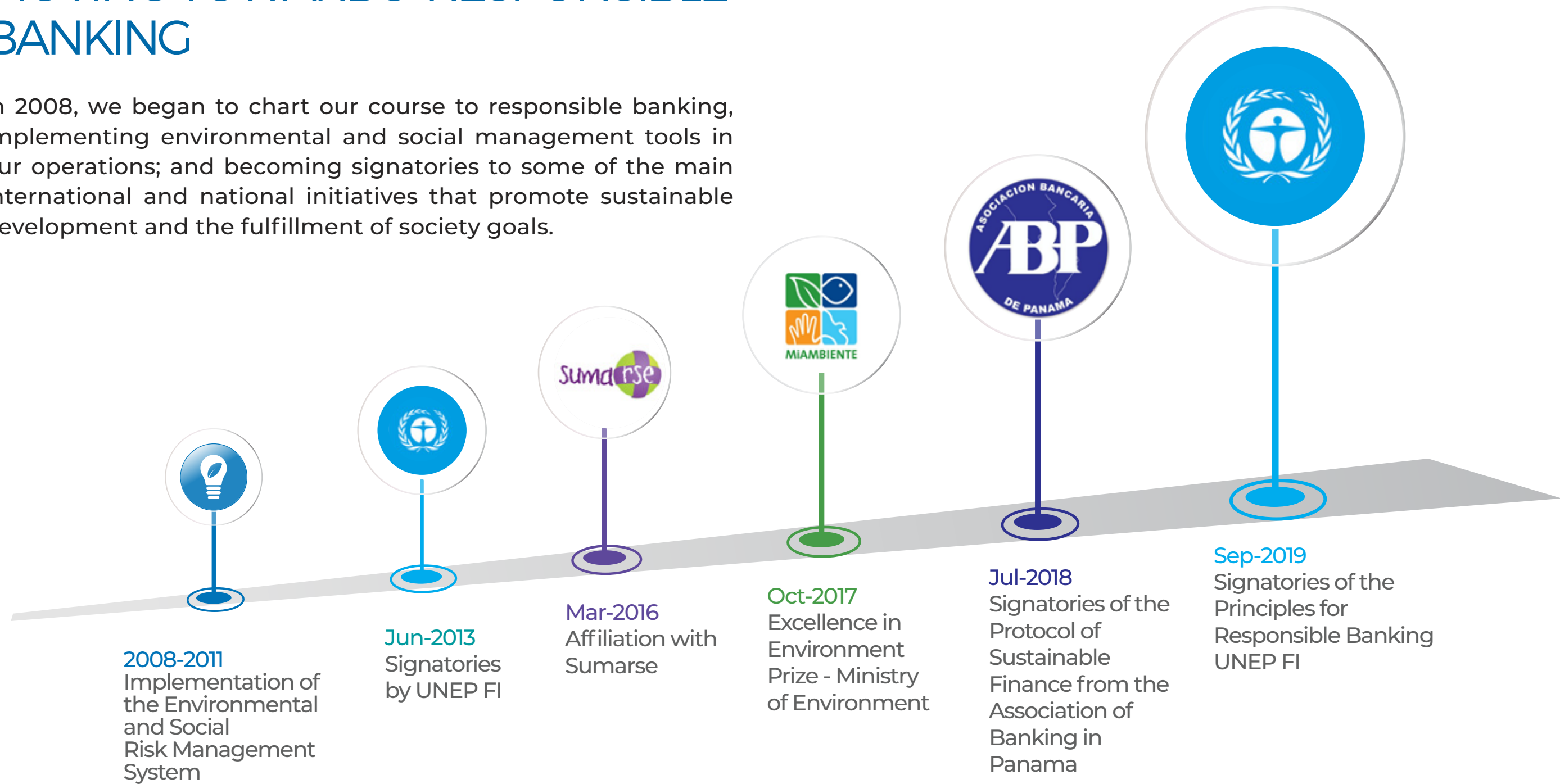
TYPE OF BUSINESS	SEGMENT	SECTORS AND ACTIVITIES	PRODUCTS/SERVICES	COUNTRY
 <p>BUSINESS BANKING</p>	Commercial Bank (Small and medium businesses)	Commercial Agricultural Industrial Construction Transport	Savings and checking accounts Fixed-term deposits Lines of credit and overdraft Loans Leasing Corporate credit cards	Panama
	Corporate Banking (Medium and large Business)	Commercial Construction Industrial Agro-industrial Telecommunications Logistics and Transportation Health Credit Organizations Energy	Savings and checking accounts Fixed-term deposits Cash management Loans Lines of credit and overdraft Leasing Corporate credit cards	Panama (95%) International (5%)
	Investment Banking (> \$ 20MM)	Commercial Construction Industrial Agro-industrial Telecommunications Logistics and Transportation Credit Organizations Energy	Structuring of loans and bonds corporate Mergers and acquisitions Financial advice	
	International Banking	Commercial Construction Industrial Agro-industrial Logistics and Transportation Credit Organizations Energy	Savings and checking accounts Fixed-term deposits Loans Credit lines Letters of credit	
	Factoring	Construction Industrial Agricultural Services Working capital	Discount of receivables Advance of working capital Advance lines	Panama

THE PATH TO RESPONSIBLE AND SUSTAINABLE BANKING



MOVING TOWARDS RESPONSIBLE BANKING

In 2008, we began to chart our course to responsible banking, implementing environmental and social management tools in our operations; and becoming signatories to some of the main international and national initiatives that promote sustainable development and the fulfillment of society goals.



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM

In October 2008, Global Bank made advancements in the design and implementation of an Environmental and Social Risk Management System that would allow identification, assessment and management for possible environmental and social risks related to activities financed by the bank. In conjunction with our commitment to and dictated by the Inter-American Development Bank; our employees received additional training in the Environmental Management Workshop for the Financial Sector.

In January 2009, an action plan was developed along with a work schedule for the implementation of the Environmental and Social Management System. After having executed the pilot plan, in October 2011, the start-up of the system began, which applied a classification to all pre- Corporate Banking credits as moderate or high risks, to loans with real estate guarantees whose values are equal to or greater than \$1 million, and those destined to finance activities that require an environmental impact study.



The policy of the Environmental and Social Risk Management System was formally published in August 2013, with the following objectives:

- Formalize the process, principles and controls for the evaluation of the environmental and social risk analysis.
- Reduce future risks of credit recovery, devaluation of guarantees and/or negative impact to corporate reputation due to environmental or social issues, affecting the image and /or development of the project or activity financed by the bank.
- Support our clients to start or improve environmental, social and labor practices.

Since 2011 we have conducted 2,783 credit revisions, which its environmental risks are classified in the following way

RISK	QUANTITY	%
HIGH	62	2.23 %
MODERATE	1,775	63.78 %
LOW	946	33.99 %
TOTAL	2,783	100 %

UNEP FI SIGNATORIES

In June 2013, we became part of the United Nations Environment Program Financial Initiative (UNEP FI), with the purpose of interacting and keeping us updated on the best international practices in matters of sustainable finance and social and environmental management.

We have participated in regional meetings, plenary global events (round tables) and webinars, which update UNEP FI members and instruct on next steps toward responsible banking. We have also made contributions for the development of new international programs.

UN 
**environment
programme**

**finance
initiative**

UNEP FI is a partnership between the United Nations Environment Program (UNEP) and the global financial sector, whose objective is to mobilize the financing of the sector private for sustainable development. UNEP FI works with more than 350 members between banks, insurers and investors; and more than 100 support institutions, with the purpose of helping create a financial sector that serves people and the planet, while generating positive impacts. The purpose is to inspire, inform and enable financial institutions to improve the quality of life of people, without compromising that of future generations. Being part of the United Nations, UNEP FI can support financial institutions to include sustainable finance options in its strategy and portfolio of products and services.

MEMBERS OF SUMARSE

After learning the results, from the study carried out by the market research company Ipsos on bank attributes, Global Bank made the decision to join Sumarse in 2016. In that same period we participated in the round table "Design of Corporate Social Responsibility (CSR) Strategy", and we performed the IndicaRSE diagnosis. The latter is a tool that allows us to evaluate ourselves, to know the status of our policies and practices in CSR, internally and externally, according to the seven subjects of the ISO 26000 Standard.

From there, we designed a strategic plan with initiatives related to social, economic and environmental areas. We implemented internal eco-efficiency measures (management of waste, use of renewable energy, energy efficiency), we improved labor practices, we incorporated financial support advice in philanthropic projects to gain a more sustainable focus, among others.

The update of the IndicaRSE diagnosis, which we carried out in 2020, has allowed us to establish ongoing action plans in our strategy through 2024.



Who is Sumarse?

Sumarse is the organization that promotes Corporate Social Responsibility (CSR) in Panama. It works collaboratively with more than 240 Panamanian organizations, to accelerate the transition to a sustainable world.

It is part of the United Nations Global Compact network, which is the largest business initiative in the world.

The United Nations Global Compact is an initiative whose purpose is to promote the incorporation of universally recognized values and principles, to the strategic vision and corporate practices of companies, and thereby promote greater Corporate Social Responsibility (CSR). Due to its number of participants, more than 12,000 in 160 countries, the United Nations Global Compact is the largest corporate sustainability initiative in the world.

SUSTAINABLE FINANCE PROTOCOL OF THE BANKING ASSOCIATION OF PANAMA

Global Bank has been a signatory of the Sustainable Finance Protocol of the Banking Association of Panama (BAP) since July 2018. Being a signatory of this protocol, Global Bank contributes to the construction of a sustainable finance strategy, which facilitates and encourages the implementation of best practices and international policies; that promote a balance between the economy, the environment and society in Panama. The components of the protocol, to which we are committed are:

GOVERNANCE



The bank's senior management have committed to promote the integration of these components within the organization. This commitment has been incorporated into our DNA, and has been communicated at all levels of the company. Our policies, processes and programs, promote environmental and social responsibility. A strategy driven by our leaders and that has been integrated into our way of doing business.

ENVIRONMENTAL AND SOCIAL RISKS



We have an internal analysis system to determine social and environmental risks, that has been incorporated into the evaluation and approval of credit operations. Additionally, we have developed policies, processes and procedures that allow categorization of environmental and social risks in project financing and other activities.

GREEN PRODUCTS



We create products oriented to financing projects that promote the sustainable use of resources, environmental protection and competitiveness of sustainable product sectors within the country, especially renewable energy and agriculture. Through these measures we contribute to the improvement of the quality of life of the population and positively impact the environment.

ECO-EFFICIENCY

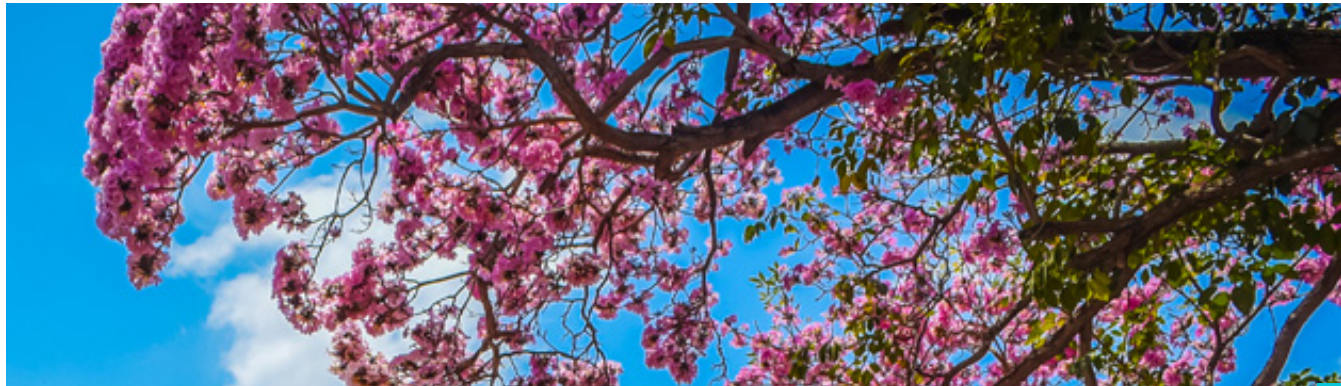


In our internal processes, we promote sustainable consumption of natural resources and the goods and services derived from them. Some of these initiatives are the use of renewable energy, waste management, saving resources and efficient buildings (LEED).

DISCLOSURE



We publish our adherence to protocol and its content, through different internal communication channels; to raise the awareness of our stakeholders around these policies and practices in sustainable finance issues.



RESPONSIBLE BANKING

Since September 2019, Global Bank has been a signatory founder of the Principles of Responsible Banking (PRB) of the United Nations Program, United Nations for the Environment Finance Initiative (UNEP FI). The purpose has been to give sustainable value to our long-term stakeholders.

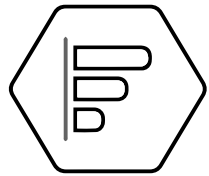
PRB provide the framework for a sustainable banking system, and help the industry to contribute positively in achieving the Sustainable Development Goals, and the provisions of the Paris Agreement on climate change.

At the bank we have been developing numerous initiatives for equality, eco-efficiency, environmental and social risk management, job creation and social investment; focused on responsible banking. With the implementation of the Principles of Responsible Banking (PRB) at Global Bank we are committed to:

- I. Have a sustainable business model strategically aligned in all areas of the bank; integrally incorporating the topics of economy, environment and society in all our operations, processes, products, services and relationships.
- II. Implement public objectives in order to increase the positive impacts and address the most relevant negative impacts of our society.
- III. Establish a progressive roadmap, directed toward a sustainable future.

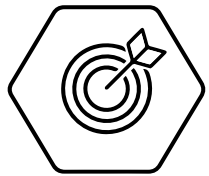
PRINCIPLES OF RESPONSIBLE BANKING

The Principles of Responsible Banking, to which we are signatories, are as follows



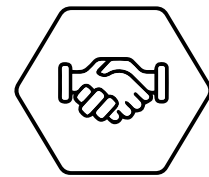
1. ALIGNMENT

We will align our business strategy to be consistent and contribute to the needs of individuals and the goals of society; as expressed in the Sustainable Development Goals, the Paris Agreement, and relevant regional and national frameworks.



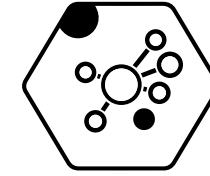
2. IMPACT AND TARGET SETTING

We will continually increase our positive impacts, while reducing negative impacts and managing risks to people and the environment, as a result of our activities, products and services. To this end, we will establish and we will post our goals, in areas where we can have the most significant impact.



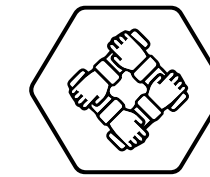
3. CLIENTS AND CUSTOMERS

We will work responsibly with our clients and users, to develop sustainable practices that enable activities with economic benefits that generate prosperity, for current and future generations.



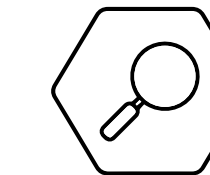
4. STAKEHOLDERS

We will consult, participate and associate, in a proactive and responsible manner, with relevant stakeholders or interest groups, to achieve the objectives of the company.



5. GOVERNANCE AND CULTURE

We will implement our commitment to these principles, through effective Governance systems and a culture of responsible banking.



6. TRANSPARENCY AND ACCOUNTABILITY

We will periodically review our individual and collective implementation of these principles, being transparent and responsible for our positive and negative impacts, and our contribution to the goals of society.

GLOBAL BANK'S SUSTAINABILITY STRATEGY



ALIGNMENT OF STRATEGY



We aligned the bank's strategy to include sustainability as the main driver of the group's actions:

- We constituted a governing body (Commission of Sustainability) in charge of sustainability issues.
- We created the General Sustainability Policy.
- We launched a new vision and mission.
- We included, to support our efforts, five Pillars of the Sustainability Strategy
- We identified the central topics of interest on which we will base our sustainability initiatives.
- We established the Sustainable Development Goals that guide our sustainability strategy.
- We determined the overall strategic sustainability goals.
- We developed the Sustainable Business Strategy with specific objectives and their respective indicators. An Action Plan was created through 2024 to implement sustainability issues.
- We developed a Social Investment Policy where we prioritize the impact on the SDGs identified in our sustainability strategy.

VISION AND MISSION

Renewing our mission and vision, including responsible banking in the bank's core DNA.



VISION

To be a solid, innovative and prestigious institution, that is managed with the highest standards of quality and professional ethics; always maintaining great responsibility in business banking development.

Offer clients financial products that are tailored to meet their particular needs.

Offer our employees opportunities for personal and professional growth and development.

Obtain an adequate return on equity for our shareholders.

To be a responsible bank and a resource in the region, which contributes to sustainable development of society.



MISSION

Offer financial services characterized by its high quality, and for providing quick responses to the diverse needs of customers.

Offer personalized attention, surpassing customer expectations, respecting the principles of confidentiality and integrity while guaranteeing the security and confidence that clients have deposited in our institution.

Support our stakeholders in achieving their objectives and to be more sustainable through our operations, products, services and relations; based on economic, social and environmental criteria established in the business strategy.

IDENTIFICATION OF MATERIAL ISSUES

IDENTIFICATION PROCESS

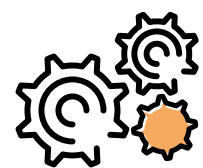
Global Bank established the sustainability strategy and manages stakeholder relationships based on material issues. To identify them, we carried out the following steps:

- Customer satisfaction surveys conducted by Ipsos, between May and July 2019.
- Customer satisfaction interviews conducted by Ipsos, between October and November 2019.
- Brand health study conducted by Kantar Mercaplan, between November and December 2019.
- List of activities carried out by the bank based on the 2019-2020 annual report. Verification of these activities with the SDGs that could be impacted.
- Assessment with the external consultant SITAWI Finance for Good, and delivery of the proposed Action Plan for the implementation of the PRB.
- Assessment of IndicaRSE of Sumarse.
- Analysis of positive and negative impacts of the bank's portfolio, using the tools provided by UNEP FI. Identification of impacts most significant to the organization.



MATERIAL ISSUES

After reviewing the results of the different actions carried out to identify material issues, we prioritized the most relevant. These issues were considered in the sustainability action plan of the bank. The main topics of interest are listed as follows:



MAIN TOPICS OF INTEREST FOR THE BANK

- Environmental and social products and services
- Internal eco-efficiency
- Relationship with stakeholders
- Governance and transparency
- Environmental and social management
- Digital transformation
- Employee health and safety
- Products that benefit and provide advancement for women
- Training and development of employees
- Customer satisfaction
- Investment in the community
- Cybersecurity and data protection



MAIN TOPICS OF INTEREST FOR CUSTOMERS

Personalized attention / speed of response
 Technological innovations to save time and avoid in-person, branch visits
 Products tailored to women's needs
 Competitive offers (costs) / ease of approval
 Resolution capabilities
 Competitive interest rates.
 Solid, stable and track record
 Accuracy of the information and advice provided
 Communication strategy that shows the advantages and benefits of products and services.
 Awareness and empathy with regard to issues that could affect those in middle socioeconomic levels

CENTRAL TOPICS OF INTEREST AND SUSTAINABLE DEVELOPMENT GOALS (SDG)

At Global Bank we have established two central topics of interest on which to focus our actions and positively impact sustainable development: climate change (mitigation or adaptation) and inclusive and sustainable social development. At the same time we have identified six Sustainable Development Goals (SDG), in which we can make a greater contribution, and we have incorporated them into our strategy.



PILLARS OF THE SUSTAINABILITY STRATEGY

We have developed a sustainable business model, with strategic alignment in all areas of the bank; fully incorporating economic, environmental and social issues in our operations, processes, products, services and relationships.

We established five Pillars of the Sustainability Strategy, which are divided into operational and transversal. These pillars support the strategy and the bank's sustainability policy.

Operating Pillars



Eco-efficiency



Management of environmental and social risks



Environmental and social products and services

Transversal Pillars:



Governance



Stakeholder Relationships

Objectives and institutional goals

Operational framework: Guiding principles and values

Operational pillars

Transversal pillars



GENERAL SUSTAINABILITY POLICY

Our General Sustainability Policy aligns strategically throughout all areas of the bank, incorporates a sustainable business model and establishes a progressive route to follow in the transformation process towards responsible banking.

The General Sustainability Policy details the strategic sustainability guidelines, the five pillars of the strategy (governance, environmental and social products and services, environmental and social risk management, internal eco-efficiency, relationships with stakeholders); as well as the commitments and responsible practices of each of these and the action approach of the organization on sustainability.

This approach will be based primarily on two central topics of interest (climate change and inclusive sustainable social development) and in six Sustainable Development goals (SDG): SDG 3 - Health and Well-being, SDG 4 - Quality Education, SDG 5 - Gender Equality, SDG 7 - Affordable and Clean Energy, SDG 12 - Responsible Consumption and Production, SDG 13 - Climate Action. Without the foregoing limiting the performance of the group and to contribute and positively impact other areas and SDG.

General objectives of the General Sustainability Policy

- I. Progressively incorporate sustainability into day-to-day business and activities in all areas of the bank.
- II. Align, in a structured way, the activities and initiatives of the bank, to sustainability issues.
- III. Establish a structured framework that allows us to strengthen all of our objectives from the bank's strategy.
- IV. Develop and promote products and services that support our customers in the transition to sustainable business models.
- V. Support our stakeholders to achieve their objectives of sustainability.
- VI. Support vulnerable groups with fewer opportunities.
- VII. Guarantee the responsible use of natural resources through better eco-efficiency practices and initiative.
- VIII. Inform, raise awareness, and train employees in matters of sustainability.
- IX. Guarantee transparency and inform management in sustainability matters in the bank.

MAIN COMMITMENTS BY OPERATING PILLAR

For each of the Pillars of the Sustainability Strategy we have established action plans to give continuity to those activities we already carry out, and to progressively implement new initiatives in coming years. Among the initiatives of the operational strategic pillars are the following:



INTERNAL ECO-EFFICIENCY

Self-generation

RENEWABLE ENERGY



	Jul. 2019 Dec. 2019	Jul. 2020 Dec. 2020
Number of branches with solar panels	7	8
Quantity of solar panels installed	1,371	1,511
Total annual kWh generated	225,459	251,163
Value saved in dollars	34,079.93	38,905.85
% saved	6	8
Reduction of CO2 emissions Eq (Kg)	151,034.92	168,524.53



WASTE MANAGEMENT



	Jul. 2019 Dec. 2019	Jul. 2020 Dec. 2020
Waste collected (kg)	108,260.00	40,850.00
Waste Recycled (kg)	1,819.60	1,721.39
Recycling by type of product (kg)		
Paper	1,819.60	1,292.29
Cardboard		255.83
Cans		44.00
Tetra pak		13.61
Newspaper		32.21
Plastic		83.46



SUSTAINABLE INFRASTRUCTURE



Number of LEED certified buildings:

3



Centennial Branch = LEED PLATINUM
 Santa María Building = LEED GOLD
 Chiriquí Global Plaza Branch = LEED SILVER

In the fiscal period from July 2019 to June 2020, **we had a 15% energy savings**

(which represents \$ 78,659.80). We managed to reduce CO2 eq emissions (carbon dioxide equivalent) by 348,579.84 kilograms, and generated 520,125 KWh.

In the fiscal period from July 2019 to June 2020

**We collected 158,113.16 kg of waste
 Of which, we recycled 4,431.78 kg**

MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS

Since 2011, Global Bank has implemented a System of Environmental and Social Risk Analysis (ESRAS), which assess the activities of our Business Banking clients (commercial, construction, agricultural, industrial, energy) to verify socio-environmental risk and mitigation measures

The risks are classified as:

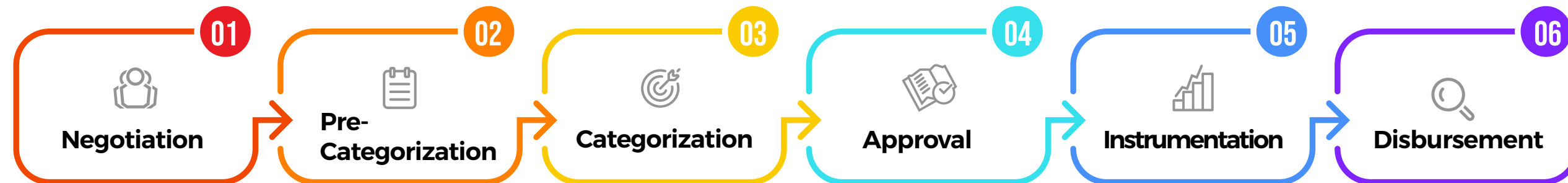
High: Activities, works or projects with indirect negative socio-environmental impacts.

(likely to affect third parties such as: local communities or adjacent owners), cumulative and / or synergies of quantitative and / or qualitative significance and that in addition could be wide-ranging and / or irreversible.

Moderate: Activities, works or projects with adverse socio-environmental impacts, limited and reversible, through easily applicable mitigation measures.

Low: Activities, works or projects that pose minimal or no adverse environmental and social risks and / or impacts.

CURRENT ESRAS METHODOLOGY: The social and environmental evaluation is within the credit approval process / granting of credit (Pre-categorization and categorization).



REVIEWED CASES BY CATEGORIZATION (JUL TO DEC-2020):

RISK	NUMBER	%
High	1	2.5
Moderate	31	77.5
Low	8	20.0
Total	40	100

REVIEWED CASES BY SECTOR (JUL TO DEC-2020)

RISK	NUMBER	%
Agricultural	4	10.0
Commercial	13	32.5
Construction	19	47.5
Industrial	4	10.0
Total	40	100

Since 2011 we have reviewed 2,783 cases.



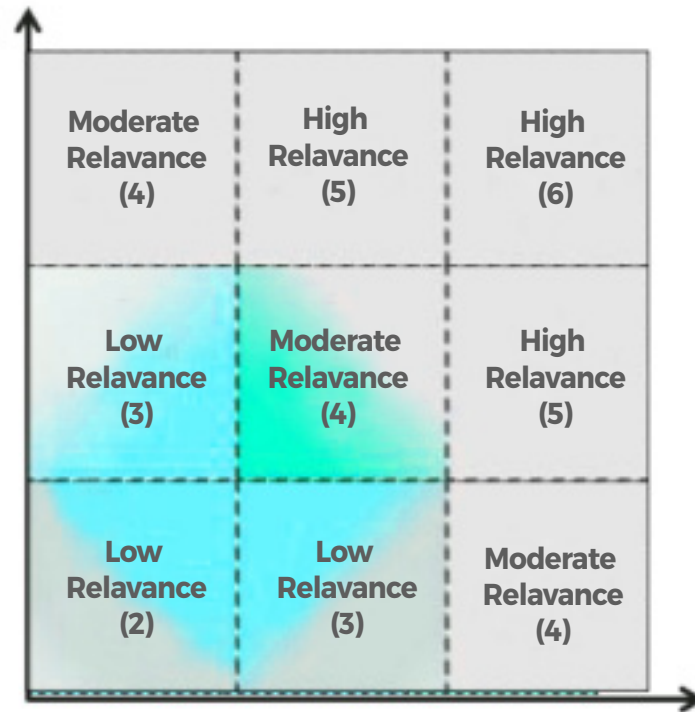
Through an assessment, carried out by SITAWI Finance for Good and sponsored by the Ecobusiness Fund, we received a status report of environmental and social sensitivity practices of the bank. The assessment consisted of an analysis of exposure to environmental and social risks and the bank's management practices, which was used to update our System of Environmental and Social Management.

As a result of the sensitivity analysis of the loan portfolio (of the Bank's Business Banking unit), under the principles of relevance and proportionality, it was determined that we are at a medium-low level risk.

Relevance principle: the level of socio-environmental risk of the economic sectors supported by the financial institution; as well as the contexts of legal certainty, fragility of biomes, and climate risks of the regions of action.

Proportionality principle: degree of exposure to socio-environmental risks of the institution's operations. That is, the types of products offered, volume and term of operations, and required guarantees.

Relevance:
Degree of E&S risk
Of operations of
the financial
institution



Proportionality:
Degree of exposure to E&S risks considering the
complexity of the institutions' financial operations

OPPORTUNITIES FOR IMPROVEMENT OF THE ESRAS

When analyzing the bank's management practices, as part of the environmental and social risk assessment process, and comparing them with international best practices, as the performance standards of the International Financial Corporation (IFC); the following improvement opportunities to our Environmental and Social Risk Analysis System (ESRAS) were identified:

- ✔ Modify our environmental categorization form, including territory issues such as threats to the climate and/or nature.
- ✔ Include topics such as: climate risk, gender equality, grievance mechanisms, stakeholder participation, emergency response.
- ✔ Update sectoral questionnaires, including issues of IFC Performance Standards.
- ✔ Include specific socio-environmental clauses for the management of the risks identified in the E&S assessment. Currently, general clauses are included.
- ✔ Add performance indicators for monitoring the ESMS, and include efficiency and effectiveness indicators.

PROPOSED ENVIRONMENTAL RISK CATEGORIZATION:



We plan to implement these improvements during the fiscal year 2021-2022, with the following schedule:

Activity	Month												
	1	2	3	4	5	6	7	8	9	10	11	12	
1 SIGAS design	█	█											
2 Policy development and tools		█	█										
3 Training				█									
4 Implementation of the pilot plan				█	█	█	█						
5 Evaluation of the pilot plan				█	█	█	█						
6 Adjustments to ESRAS						█		█					
7 Training								█					
8 Full implementation									█	█	█	█	
9 IT systems integration									█	█	█	█	

ENVIRONMENTAL AND SOCIAL PRODUCTS AND SERVICES

RENEWABLE ENERGY

Solar energy (photovoltaic systems)



2,525 solar panels
4 leasing

Amount disbursed: \$ 1.5 million

Hydroelectric power



9 Hydroelectric plants
6 loans

Amount disbursed: \$ 121.8 million

Biomass



Credit was granted for the purpose of adapting the client's facilities to use organic waste matter for energy generation.

Amount disbursed: \$ 30.2 million

LIVESTOCK / SUSTAINABLE AGRICULTURE

No deforestation



With the condition of not causing more deforestation, they were granted credit for:
Laser leveling machinery.
Modernization of livestock activities.
Restoration of plantations under agroforestry systems.

69 loans
Amount disbursed: \$12.8 millones

GENDER EQUALITY

Loans made especially to women



50.5% of the total accounts in the Personal Banking loan portfolio are held by women.

47.6% of the total balance of the Personal Banking loan portfolio is represented by women.

The most highly utilized products by women are mortgage and auto loans, credit cards and loans to retirees.

MAIN COMMITMENTS BY TRANSVERSAL PILLAR

Among the initiatives of the strategic transversal pillars are the following:



RELATIONSHIP WITH STAKEHOLDERS

- Promote women's leadership
- Training on sustainability issues
- Support for vulnerable sectors
- Attend to clients
- Strategic alliances to achieve E&S objectives
- Inclusion of sustainability clauses in contracts with suppliers
- Financial advice
- Volunteering for causes and organizations that align with our goals



GOVERNANCE

- Performance management and sustainability goals
- Improve accountability measures and transparency
- Implement reports under GRI standards
- Digital transformation
- Continuity with the Sustainability Strategy
- Continuous improvement in the practices of governance

STAKEHOLDERS – MAPPING

IDENTIFICATION PROCESS

Stakeholders are fundamental in the relationship of companies with regard to the internal environment and activities conducted, and are closely linked to their ability to achieve their goals and thrive in the long term; as such, we carry out an identification process of our stakeholders.

The identification of the bank's stakeholders was carried out according to level of interest and influence, through an assessment at the Sumarse "CSR Strategy Design", involving different areas of the company.

CRITERIA FOR IDENTIFICATION

- People with whom the company has legal, financial or operational responsibilities.
- People who are likely to influence the performance of the company.
- People or groups affected positively or negatively, by the company operations

High Level of Interest or Influence

01

- Employees
- Customers
- Shareholders
- Directors
- Regulatory entities
- Ministry of Health
- Ministry of Labor and Labor Development



Moderate Level of Interest or Influence

02

- Community
- Employee's families
- Competitor companies
- Media
- Providers
- Government
- Banking Association
- ACODECO
- Insurance companies



Low Level of Interest or Influence

03

- NGO
- Contractors
- Channels
- Distributors
- Thought Leaders
- Religious organizations
- Foundations
- Political parties
- Other Unions
- Other government leaders
- Future generations



STAKEHOLDERS – MAPPING

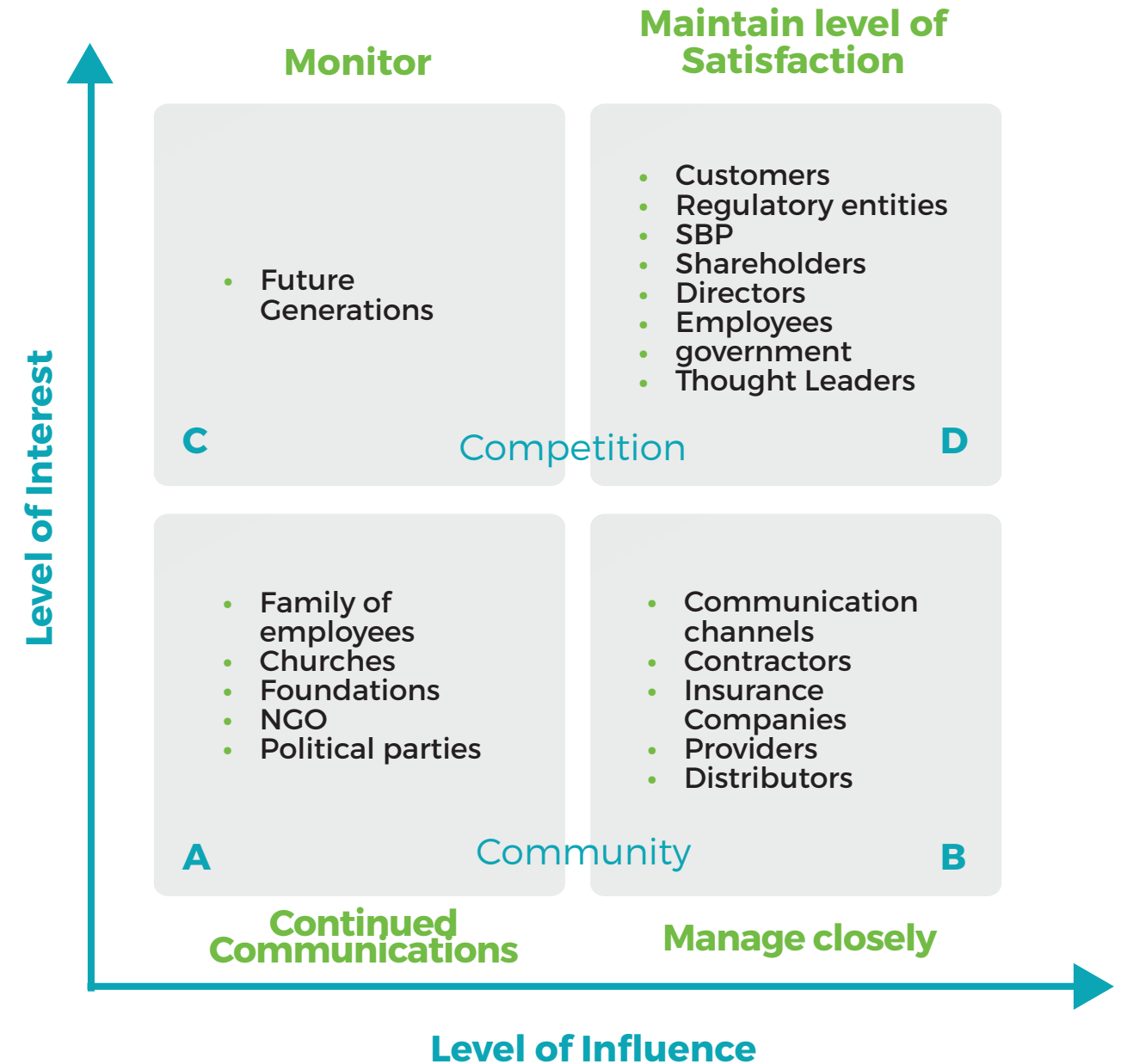
Global Bank has identified our primary stakeholders, with the objective of offering them better care, according to their individual and specific needs.

Stakeholders include those who have invested in the organization (as shareholders and employees), as well as those who have other relationships with the bank (other workers who are not employees, suppliers, vulnerable groups or individuals, local communities, NGOs and regulatory bodies, civil society organizations, among others).

First: We carry out the identification of stakeholders according to their level of influence and relevance for the organization.

Second: We carry out its categorization, according to their level of interest and level of influence. For this analysis we use the relevant variables, influence and proximity. This allows us to identify which stakeholders we must keep satisfied, and which stakeholder, according to their influence, we must monitor or keep informed.

Third: Once identified, we elaborate the matrix, separating the groups between the four axes. This helps to prioritize, facilitate decision making and focus on improvement issues for the organization and stakeholders.



STAKEHOLDER PRIORITIZATION









PRIORITIZATION PROCESS

The Sustainability Strategy focuses on initiatives that impact our main stakeholders, namely:



DIALOGUE CHANNELS WITH OUR STAKEHOLDERS

Each stakeholder receives communication through a different channel. In this way we seek to maintain a close, long-term and open relationship with each sector and achieve a better understanding of their needs, through participation and feedback of these groups.

Group	Channels of Communication	Area of Responsibility	Frequency
 Employees	Intranet Email Signs in common areas Global Ethics Line	Human Resources / Marketing	Permanent Periodic Permanent Permanent
 Clients	Branch offices Online banking / App Toll Free 800-0006 Website (www.globalbank.com.pa) E-mail Social media Satisfaction survey Brand Health Survey Online Appointments	Business Channels Channels Channels Business Marketing Quality Marketing Business / Channels	Extended schedule Extended schedule Extended schedule Permanent Office hours Permanent Annual Annual Office hours
 Shareholders	Shareholder meeting Annual report (Financial and Non-Financial) Quarterly financial information Website (www.globalbank.com.pa) Newspapers	General Management Finance / Marketing Finance Channels General Management	Yearly Yearly Quarterly Permanent Yearly
 Directors	Board meetings Email Website (www.globalbank.com.pa) Shared folder for Directors	General Management General Management / Board Committee Channels General Management / Board Committees	Every 2 weeks Periodic Permanent Permanent
 Regulatory Bodies and Government	On-site inspections Meetings Releases Website (www.globalbank.com.pa)	Governance and Compliance Channels	Annual Periodic Periodic Permanent
 Providers	Email Meetings On-site visits Website (www.globalbank.com.pa)	Administrative Channels	Periodic Permanent Periodic Permanent
 Community	Social media Website (www.globalbank.com.pa) Communities Visits	Marketing Channels Social responsibility	Permanent Permanent Periodic
 Multilateral Entities and Associations	Meetings Phone calls On-site visits Website (www.globalbank.com.pa)	Investment Banking / Treasury Business Business / HR / Marketing Channels	Periodic Periodic Periodic Permanent

CLIENTS AND USERS

FINANCIAL ADVISORY PROGRAM

We maintain our commitment to guide our clients and users toward good management of their personal finances. We have achieved this through our Financial Advisory Program, whose objective is to provide access to banking information, through professional advice, to better instruct individuals on how to maintain excellent financial habits, focused on saving.

TRAINING AND AWARENESS

TYPE OF TRAINING	# OF PARTICIPANTS
Financial Advisory Training for companies	27
Training in Financial Relief for clients	244
Webinar aimed at bank clients	57

Since November 2020 we have started to publish informational materials on our social networks which we call "Global Tips", with helpful financial tips for raising people's awareness of the importance of good financial management. The Global Tips are also sent weekly to bank clients, reaching about 159,042 people.

FINANCIAL ADVISORY - WEBSITE

In November 2020 we launched the Financial Advisory program on our website that is aimed at the general public with content that covers topics such as Global Tips, Financial Relief and Finance for everyone.

SECTION BY TYPE OF ADVICE	NUMBER OF VISITS
Financial Advisory	4,801
Global Tips	618
Financial Relief	2,071
Finance for All	813
TOTAL	8,303

#	SUBJECTS COVERED ON WEBSITE	NUMBER OF PARTICIPANTS
1	Learn more about FECl	108
2	Financial advice during difficult times	338
3	Developing the habit of saving	43
4	Good credit card management	119
5	The power of savings	83
6	Stages of financial life	130
7	Glossary of financial terms	55
8	Credit history	89
9	The best way to keep a personal budget	95
10	What you should know when buying a home	95
11	Managing debt	129
12	See challenges as opportunities for growth	113
13	Recommendations for managing your personal finances	120

PROVIDERS

The bank hires providers according to services needed by area. Each provider must comply with the Know Your Provider Policy.

The main services where providers are required are:

- Computing
- Security
- Files and systems
- Transport of valuables
- Call centers
- Messenger service
- Operational teams
- Printing of documents and forms
- Legal and governmental
- Installation / maintenance
- Rentals
- Doctors
- Workshop services
- Advertising and marketing
- Recruitment of third parties
- Training
- Translations
- Consulting
- Portfolio management
- Construction projects
- Remodeling
- Development of plans
- Among others

TOTAL PAYMENTS TO PROVIDORS

\$21 millions

NUMBER

800 approximately
279 with formal contracts
95% local.

ACCORDING TO LEVEL OF RISK

5 High Risk Contracts
58 Moderate Risk Contracts
216 Low Risk Contracts



INVESTMENT IN THE COMMUNITY

At Global Bank we are committed to our stakeholders, that is why during the first half of the fiscal year, particularly in light of the COVID-19 pandemic, we supported various foundations that work directly with the community.

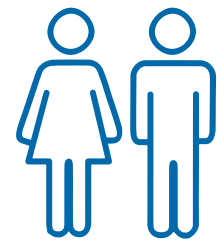
During this period we continued to support more than 20 non-profit organizations, whose programs focus on the education, nutrition and health of vulnerable groups.

We also help the “Movimiento Todo Panamá”, that through the Chamber of Commerce, Industries and Agriculture of Panama, provides home assistance to people affected by COVID-19; and whose objectives are to reduce the number of positive cases that progress to hospitalization, and prevent the overcrowding of hospitals and clinics.

Additionally, we reinforced our support for the Foundation “Jesús Luz de Oportunidades”, which has helped vulnerable communities in our country with over 3 million meals served. Our donations, by service area, were distributed in the following areas:



OUR EMPLOYEES



69% of our employees are women.

Of the total number of bank employees, 9.7% are women in managerial, executive and top management roles.

Of the managerial, executive and senior bank management, 67% are occupied by women.

TRAINING

Topics taught	130
Total hours of training	10,839
Hours of virtual training	7,637
In-house training hours	5,750
External training hours	5,089
Participations	6,579

CATEGORY OF TOPICS TAUGHT

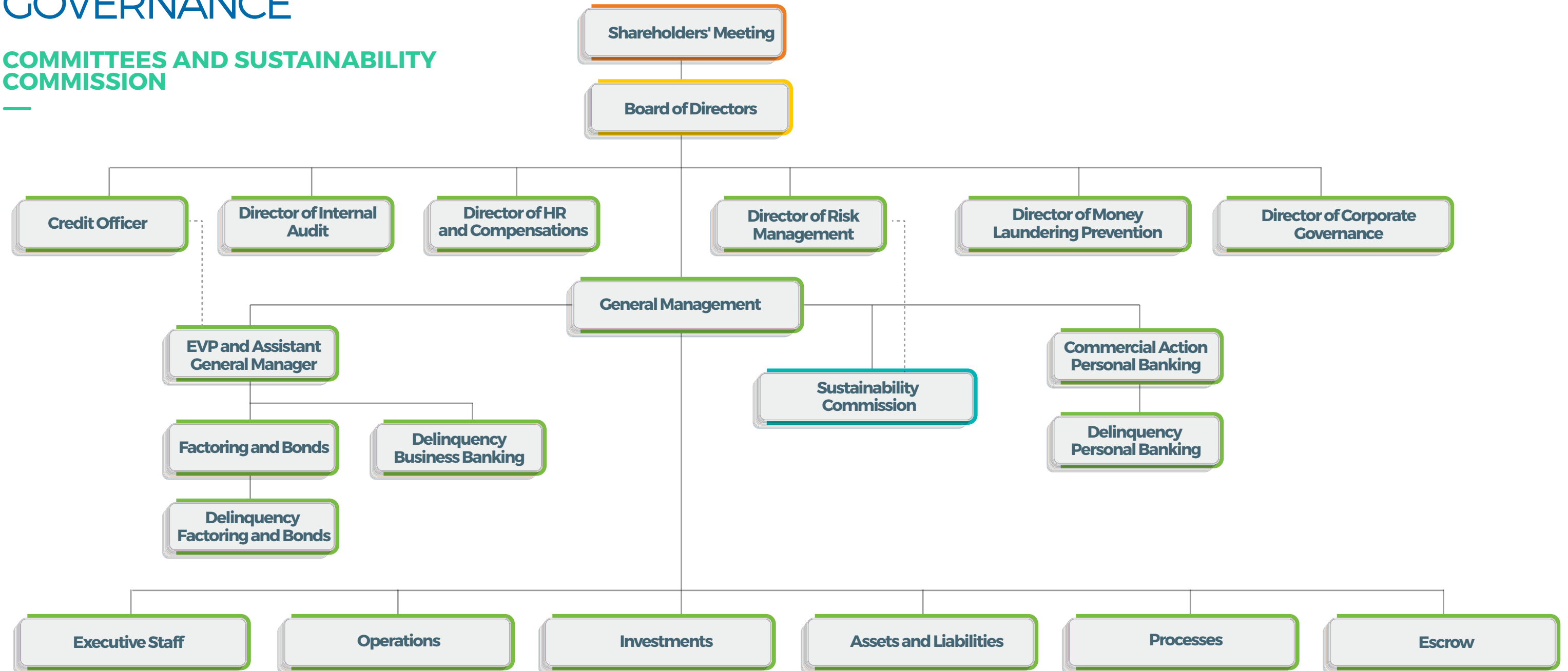
- Business and sales
- Professional development
- Overall development
- Leadership
- Legal framework and compliance
- Risk
- Technology
- Sustainability

Steps carried out for the benefit of employees on health and wellness issues

- Access to the SEMM application for telemedicine services for employees and their insured families to attend to any health concerns. Delivery of wellness kit in COVID-19 cases.
- Psychological Support Line to assist employees.
- The SISO e-mail was implemented to answer questions from employees about the pandemic, and to report potential COVID-19 cases as well as to receive guidance.
- Self-quarantine and contact tracing were instituted for those employees who presented symptoms, or had direct contact with persons who tested positive for COVID-19.
- Alcohol-based gel dispensers were installed in the buildings, branches and areas of high pedestrian traffic.
- Masks were given to all staff, as well as face shields to the employees and their family members who travel by public transport.
- Acrylic panels were placed between desks and customer service areas.
- The daily cleaning regimen was expanded with additional cleaning products and a biweekly deep cleaning program was implemented in the main buildings.
- Constant communication with employees on prevention and health issues.
- E-learning trainings were designed to reinforce the rules of coexistence and the protection and hygiene measures in the face of the pandemic.
- Teleworking was enabled for employees over 60 years of age and / or for those with underlying health conditions.
- Flexible hours were established to comply with the distancing measures recommended, to protect the health of employees.
- The use of technological tools was put into practice, so that employees can work remotely.
- Business related travel and / or transfers into or out of the country were suspended to control the transmission of COVID-19
- Administration of PCR tests in private laboratories to detect possible positive cases of COVID-19, in order to reduce response times.

GLOBAL BANK CORPORATE GOVERNANCE

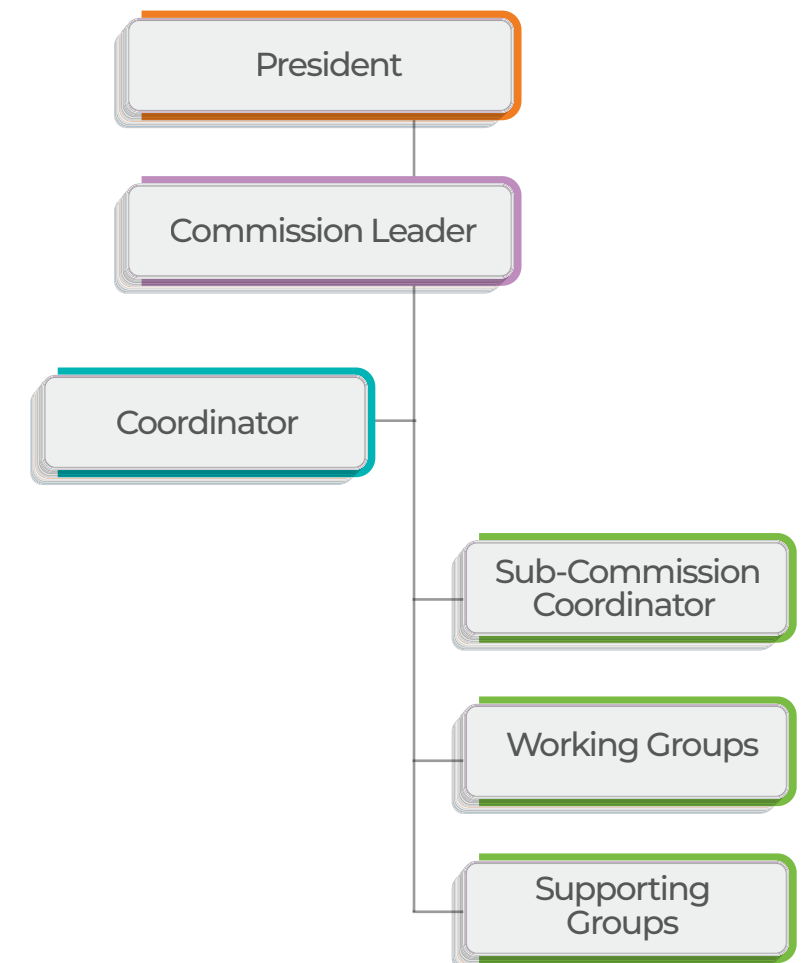
COMMITTEES AND SUSTAINABILITY COMMISSION



SUSTAINABILITY COMMISSION

The Sustainability Commission is made up of:

- ✓ One member of the Board of Directors, who is appointed to the commission and will serve as the president.
- ✓ One member of senior management appointed by the CEO, approved by the Board of Directors, who serves as the Commission Leader.
- ✓ One member of the Credit Administration area (Environmental), who serves as Coordinator of the commission.
- ✓ One or two members from each of the following business areas, as a working group: Credit Administration, Risk, Marketing, Human Resources, Administration, Projects and Processes
- ✓ One or two members of each of the following areas, as a support group: Finance, Treasury, Legal, Operations, Technology, Audit, Global Insurer, Progreso.
- ✓ The Coordinating Subcommittee is in charge of aiding the Commission in the achievement of its objectives. It will be made up of: Four or five members of any of the following areas: Administration of Credit (Environmental), Marketing, Human Resources, Administration, Projects and Processes, Risk, areas of Business



RESPONSIBILITIES OF THE SUSTAINABILITY COMMISSION

The main responsibilities of the Sustainability Commission are:

1. Develop, define and communicate the organizational sustainability culture, within corporate strategy; encompassing the mission, vision and manner of working.
2. Propose sustainability strategies to the CEO and the Board of Directors that include the financing of responsible businesses, relationships with stakeholders, eco-efficiency practices, technological innovation and good governance. Give guidance on these strategies and communicate the results.
3. Coordinate and promote the responsible banking agenda.
4. Periodically review the sustainability strategy and policy, and propose its modification and updating to the Risk Management Committee and the Board of Directors.
5. Actively listen to stakeholders and use the material results of the analysis to identify opportunities in the business environment for continued contributions to inclusive and sustainable growth.
6. Ensure that there are adequate and effective control processes, and that the risks and opportunities, related to sustainability and responsibility, are identified and managed.
7. Assist in the implementation of the Bank's Sustainability Strategy and the Principles of Responsible Banking.



IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK



ANALYSIS OF CURRENT BANK ACTIVITIES

We carried out an analysis of the activities and initiatives completed by the bank during the 2019-2020 period, to ascertain the strategic pillars of the Sustainable Development Goals (SDG) that have been impacted. This gave us a reference to the most relevant topics that would guide our initiatives, to contribute in a more efficient way in creating value within our society. As a result, we established six SDGs to focus our initiatives.

STRATEGIC PILLAR	NUMBER OF INITIATIVES COMPLETED	SDG
ECO-EFFICIENCY	4	7, 12, 13, 17
E&S RISK MANAGEMENT	3	13, 17
GOVERNANCE	6	3, 9, 12, 17
E&S PRODUCTS AND SERVICES	5	5, 7, 13
RELACIÓN CON PARTES INTERESADAS	21	2, 3, 4, 6, 12, 15

(Shown in green are the SDGs on which the bank has decided to focus)



INITIATIVES CARRIED OUT BY THE BANK

STRATEGIC PILLAR

INITIATIVE COMPLETED

SDG

ECO-EFFICIENCY

Waste management in some branches: Reuse – Recycle
 LEED Certification (GOLD - Santa María, SILVER - Chiriquí Global Plaza Branch and PLATINUM - Centennial Branch)
 Use of solar panels in 8 branches (15% energy savings)
 “Renuevo Panama” and the “Red Ecologica”

7, 12, 13, 17

MANAGEMENT OF E&S RISK

Environmental and Social Risk Analysis System
 UNEP FI - United Nations Environment Program Financial Initiative
 Sustainable Finance Protocol – ABP

13, 17

GOVERNANCE

Employee brigade members
 Employee health program
 Digital transformation
 Training on sustainability issues
 Principles of Responsible Banking
 “Sumarse” members

3, 9, 12, 17

E&S PRODUCTS AND SERVICES

Development of financial products geared toward women
 Financing of hydroelectric projects
 Biomass project financing
 Solar panel financing
 Financing livestock and sustainable agriculture

5, 7, 13



INITIATIVES CARRIED OUT BY THE BANK

STRATEGIC PILLAR

INITIATIVES COMPLETED

SDG

RELATIONSHIPS WITH STAKEHOLDERS

- Construction and supplying dining facilities for families in vulnerable areas
- “Pro-Niños del Darién” Foundation
- “Casa Esperanza” (Hope House)
- Hands-Only Lifesaving Training (Using CPR – cardiopulmonary resuscitation and AED external automatic defibrillator)
- Training in industrial safety and occupational health
- Employee health program
- Psychological assistance service
- Psoriasis Foundation
- Social investment - Institutions supporting vulnerable populations
- Personal finance training for employees
- Green Banking Academy (Renewable Energy Training)
- Technical assistance training
- Foundation for the Promotion of Educational Excellence
- One Computer per Child (“Asociación Pro-Niñez Panameña”)
- “Ensenar por Panama” (Teach for Panama)
- Customer training (forums, conferences and discussions)
- Financial advisory program
- Water conservation project
- Satisfaction survey
- Know Your Provider Policy
- Penny to Penny Campaign

2,3,4,12,15



INITIATIVES BY PILLAR AND SDG

SDGs impacted (*Shown in green are the SDGs on which the bank has decided to focus)

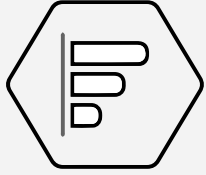
STRATEGIC PILLAR	SUSTAINABLE DEVELOPMENT GOALS (SDG)	# OF INITIATIVES COMPLETED
RELATIONSHIP WITH STAKEHOLDERS	2 – Zero Hunger	3
RELATIONSHIP WITH STAKEHOLDERS, GOVERNANCE	3 – Health and Wellness	7
RELATIONSHIP WITH STAKEHOLDER	4 – Quality education	8
E&S PRODUCTS AND SERVICES	5 – Gender Equality	1
RELATIONSHIP WITH STAKEHOLDERS	6 – Clean Water and Sanitation	1
E&S PRODUCTS AND SERVICES, ECO-EFFICIENCY	7 – Affordable Energy and no Pollution	5
GOVERNANCE	9 – Industry, Innovation & Infrastructure	1
E&S PRODUCTS AND SERVICES, ECO-EFFICIENCY	12 – Responsible Production and Consumption	4
E&S RISK MANAGEMENT, ECO-EFFICIENCY	13 - Climate Action	3
RELATIONSHIP WITH STAKEHOLDERS	17 – Partnerships for the Goals	4



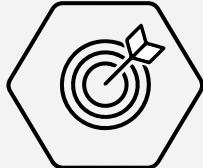
DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

Through an assessment sponsored by the Ecobusiness Fund, the findings of which were used to determine the degree of the bank's attainment of best practices, with respect to the implementation of the Principles of Responsible Banking. The assessment was carried out by SITAWI Finances for Good, from March 2020 to December 2020, and culminated with the delivery of the final reviewed and prioritized action plan.


As of September 2020, after obtaining the results of the assessment, measures began to be implemented to close gaps in the progress toward the PRB. In addition, the action plan for PRB through 2024 was established. Here are the opportunities for improvements found in the diagnosis, the actions carried out during 2020, and the actions to be carried out until 2024:

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>ALIGNMENT</p>	<p>GAPS CLOSED Establish a general sustainability strategy that comprehensively integrates all areas of the bank and includes: relevant national and international milestones, the Sustainable Development Goals, the Paris Agreement, and the needs of stakeholders.</p> <p>IMPROVEMENT OPPORTUNITIES Include climate issues in the strategy. Establish impact indicators.</p>	<p>Review all existing sustainability actions at the institutional level, identify the main areas involved, and align them to the SDGs.</p> <p>Established a unique sustainability strategy whose main pillars are eco-efficiency, environmental and social (E&S) risk management, E&S products and services, relationship with stakeholders and governance; which was formalized through the General Sustainability Policy.</p> <p>Verified the document of Nationally Determined Contributions (NDCs) of Panama, to work our commercial strategy in-line with the national strategy; to contribute to mitigation and adaptation of change climate and with the objectives of society.</p>	<p>Evaluate incorporating aspects related to climate as a strategic action area according to the recommendations of the Task Force on Climate-related Financial Disclosures(TCFD).</p> <p>Define the methodology to establish the impact indicators of the strategy.</p> <p>Evaluate financial goals and indicators, performance and impact; and update the strategy.</p>

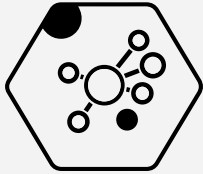
DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>IMPACT AND TARGET SETTING</p>	<p>GAPS CLOSED Make an analysis of Environmental, Social and Governance (ESG) practices. Establish SMART objectives, measures and indicators to achieve the objectives, and implement the key performance indicators (KPIs). Environmental and social issues must be included in annual training programs, as well as the disclosure and distribution of the company's policy manuals.</p> <p>IMPROVEMENT OPPORTUNITIES Consider climatic aspects in the definition of objectives. Establish processes to monitor and review progress in relation to the objectives. Measure the carbon footprint. Incorporate into the bank's ESRAS as well as the IFC Performance Standards. Develop an ESRAS database to follow up on evolving customer E&S issues and taking action.</p>	<p>A diagnosis was made and an action plan was established thru 2024 to include progressive sustainability in the bank's strategy and different areas.</p> <p>We carried out the impact analysis of the portfolio, identified where we could increase our positive impact, and where we can minimize the negative impact.</p> <p>A diagnosis was carried out where opportunities for improvements were identified and a plan of action for the Environmental and Social Risk Analysis System (ESRAS) was finalized.</p> <p>We set two general goals with different milestones and indicators. We developed and began to implement a plan of training, which includes sustainability issues.</p>	<p>Continue to set specific goals for the milestones identified, with their respective indicators.</p> <p>Update the Environmental and Social Risk Management Policy.</p> <p>Implement the improvements identified in the ESRAS.</p> <p>Define indicators, measure, communicate and monitor the bank's carbon footprint.</p> <p>Carry out the measurement of the internal initiatives to reduce the use of water and other resources.</p> <p>Measure the company's carbon footprint.</p>

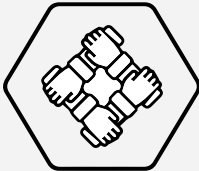
DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>CLIENTS AND CUSTOMERS</p>	<p>GAPS CLOSED Evaluate opportunities to develop green products and services, according to the needs of the clients that align with the bank's sustainability strategy.</p> <p>IMPROVEMENT OPPORTUNITIES Develop and provide E&S products and services.</p>	<p>Mapped and identified opportunities for sustainable financing.</p> <p>Mapped the current portfolio and identified financing, that are in line with sustainability issues.</p> <p>Granted external financing credits to women. These goals are included in the action plan thru 2024.</p>	<p>Develop financial products and services for women (including educational insurance).</p> <p>Construction of the financing strategy: (i) educational (university) for vulnerable groups, (ii) solar panels and more efficient equipment; and (iii) for equipment or systems for the efficient use of water and other resources.</p> <p>Create a financial education program addressed to all stakeholders. Raise awareness to potential clients regarding: (i) energy efficiency and renewable energies, (ii) adaptation measures in the agricultural and livestock sector, such as drip irrigation systems or building biodigesters (biodegradable plants).</p> <p>Establish a strategy for providing retirement funds and funds for future education.</p>

DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>STAKEHOLDERS</p>	<p>GAPS CLOSED Develop policies where the participation of related groups, or alliances, provide synergetic outcomes.</p> <p>IMPROVEMENT OPPORTUNITIES Regarding the monitoring of existing alliances, provide clearer feedback processes, as well as the participation of the bank and the impacts resulting from activities completed together.</p> <p>Include environmental and social issues in the supplier policy that will generate greater value in terms of sustainability.</p>	<p>We developed the Social Investment Policy, in which we defined which vulnerable groups would benefit from social investment initiatives.</p> <p>We carried out a mapping and identification of the stakeholders, by updating the IndicaRSE assessment.</p> <p>Within the General Sustainability Policy, we included the bank's commitments to each of its main stakeholders.</p>	<p>Organize and communicate the findings, in each one of the (external) committees or meetings, from initiatives where the bank is a member.</p> <p>Map social investment education initiatives with NGOs that can be supported.</p> <p>Establish a procedure to identify strategic alliances that contribute to the achievement of the sustainability objectives of the Bank.</p> <p>Reinforce the Know Your Provider Policy, including sustainability issues in the contracts.</p> <p>Monitor existing partnerships and identify those that offer benefits for the bank.</p> <p>Implement the financial-need scholarship program for children of employees or suppliers.</p>

DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>GOVERNANCE AND CULTURE</p>	<p>GAPS CLOSED Assigned clear and specific roles and responsibilities from the highest leadership level of the Board of Directors throughout all functions of the bank, with respect to the sustainability agenda of Global Bank; and provide the appropriate resources to run it. We also conducted training on E&S issues.</p> <p>IMPROVEMENT OPPORTUNITIES Assign a specific and specialized team of experts in sustainability. Provide the proper allocation of resources. Continue with training on environmental, social and economic issues, as well as factors relevant in context to the bank, such as: climate change, deforestation, pollution, biodiversity, human rights, and gender equality.</p>	<p>We informed the Board of Directors of the results of the diagnosis on the bank's practices, compared to the PRB.</p> <p>We created the Sustainability Commission, whose president is a member of the Board of Directors, and whose lead commissioner is a member of the senior management.</p> <p>The Board of Directors approved the sustainability guidelines strategy of the bank, and the action to implement the PRB.</p> <p>We developed and made known to all staff, the Regulations of the Sustainability Commission, including the roles and responsibilities of members.</p> <p>We established a training plan for employees, regarding sustainability, and we began implementation of the plan (training was done in two sessions: one for the sustainability commission and another to all staff).</p>	<p>Identify initiatives that foster leadership in women (employees).</p> <p>Establish environmental goals in the branches such as: increased recycling, saving energy, water conservation, saving paper, among others.</p> <p>Update and apply incentive structures to the employees, considering the objectives of sustainability.</p> <p>Monitor and show the progress of assigned initiatives, to promote the theme of sustainability, objectives and incentives.</p> <p>Follow up on training, set annual goals and targets for sustainability.</p>

DIAGNOSTIC OF BANK PRACTICES VS PRINCIPLES OF RESPONSIBLE BANKING

INITIAL STEPS	OPPORTUNITIES FOR IMPROVEMENTS AND CLOSING GAPS	ACTIONS TAKEN TO CLOSE GAPS DURING 2020	NEXT ACTIONS TO BE DEVELOPED DURING 2021-2024
 <p>TRANSPARENCY AND ACCOUNTABILITY</p>	<p>GAPS CLOSED Present an implementation plan beginning with first steps through completion and follow-up (clarifying progress, challenges, responsible, etc.). Annually publish, in a transparent and balanced way, the positive and negative impacts of the bank. In addition, provide clarity on the risks, objectives and progress being made in terms of sustainability.</p> <p>IMPROVEMENT OPPORTUNITIES Carry out sustainability reports under international standards, like the GRI. Communicate periodically to employees about advances in sustainability issues.</p>	<p>We developed an action plan to implement the PRB until 2024.</p> <p>We created the Sustainability Commission that, among its objectives, is to ensure and supervise the implementation of the PRB.</p> <p>We communicated, to all staff, that the following documents can be found on the bank's intranet: General Sustainability Policy, Social Investment Policy and Regulations of the Sustainability Commission.</p> <p>We established a newsletter to communicate progress in sustainability matters carried out by the bank.</p> <p>With this report we present our formal, transparent publication of positive and negative impacts from the bank; as well as the objectives and progress in sustainability terms.</p>	<p>Incorporate GRI indicators in the Sustainability Report</p> <p>Perform internal communications every six months on the findings regarding sustainability.</p> <p>Establish opportunities for improvement of indicators.</p>

IDENTIFICATION OF POSITIVE AND NEGATIVES IMPACTS OF THE PORTFOLIO

METHODOLOGY

To perform the impact analysis of the bank's portfolio, we use the "Portfolio Impact Analysis Tool" from UNEP FI; consisting of an input-output workflow of data, that helps determine the most significant impact areas of the financial institution.

SCOPE OF ANALYSIS

The scope of the analysis is as follows:

Geography: Due to the low percentage of the international portfolio (4.8%) we made the analysis considering only Panama.

Type of Business: The analysis focused on our main lines of business. That consists of: Personal Banking (Consumer) and Business Banking (Commercial / Corporate).

Exposure scale: We consider the main sectors and industries for which we provide financing. Exposure from technology funded will be included when we expand our impact analysis.

Context and relevance: The values for Panama from the "Country Need Scores" section of the tool were verified and the impact updated.

Scale and intensity / importance of the impact: After carrying out the analysis, and meeting with the appropriate related personnel, based on the results obtained by the tool, the positive impacts to be reinforced and the negative impacts to minimize resulted in the creation and sale of portfolio products. No indicators were included for the time being.

Customer type: Customer income data from the bank's database were used.



SIGNIFICANT IMPACTS OF THE PORTFOLIO

The most significant impacts identified by the bank are the following:

Consumer (Personal) Banking

In Personal Banking, 42% of clients have personal loans, 14% have home loans and 12% have auto loans. This access to credit has a positive impact societally through the acquisition of homes and the mobility of people.

However, if the cars and homes financed do not have eco-efficient systems, they promote the generation of carbon emissions carbon dioxide (CO₂) that affect the environment.

POSITIVE IMPACTS

- Inclusive and healthy economy
- Housing
- Mobility

NEGATIVE IMPACTS

- Climate
- Resources efficiency and security

Commercial (Business) Banking

In Business Banking, 25% of the portfolio is to finance construction projects, 13% for real estate activities, 9% for livestock, 3% for agriculture, among other activities. These activities have a positive impact on job creation; the livestock and agriculture contribute to the production and cultivation of food, and the construction of houses and residential buildings promote housing solutions for Panamanian families.

However, we recognize that construction generates large amounts of waste; and that agricultural activity has a negative impact in the environment such as: the generation of greenhouse gases, soil degradation, and the loss of ecosystems and biodiversity.

We have developed an action plan for the following three years, to create environmental and socially favorable products and services that help in the mitigate negative impacts and reinforce positive ones.

POSITIVE IMPACTS

- Employment
- Food
- Housing
- Mobility

NEGATIVE IMPACTS

- Climate
- Resource efficiency and security
- Soil degradation
- Waste
- Biodiversity and ecosystems

OTHER INITIATIVES CARRIED OUT



PANAMA NDC REVIEW

We have reviewed the Nationally Determined Contributions (NDCs) of Panama, updated in December 2020, and continue to work our commercial strategy to be in-line with the national objectives; and contribute to the mitigation of climate change and adaptation with the objectives of the society in mind. We found the areas in which we can contribute through our products, services and operations are: energy, sustainable agriculture / livestock, sustainable infrastructure and circular economy.

BRAND STUDIES AND CUSTOMER SATISFACTION

On an annual basis we carry out different studies with internal and external clients, in order to identify opportunities for improvement, or creation of new products and services that fit their needs.



TRAININGS ON SUSTAINABILITY ISSUES

 **1,648**
Participants

SEMINARS AND COURSES

We have trained our employees on sustainability issues.

DATE	TOPIC	DURATION	PRESENTED BY
AUG-2020	Innovations for the increased sustainability of livestock systems (ISG)	2:15 hours	Finance In Motion Ecobusiness / CATIE
AUG-2020	DERSE (Design of the Corporate Social Responsibility Strategy)	38 hours	Sumarse - Karla Mola
AUG-2020	Good practices for sustainable milk production in the tropics: the dairy module case of CATIE	2:45 hours	Finance In Motion Ecobusiness/CATIE
SEP-2020	Financial and economic analysis of coffee, cocoa and livestock production activities plus forestry	2:30 hours	Finance In Motion Ecobusiness/CATIE
SEP-2020	, Seminar with CATIE on the contribution of watershed management to agricultural activities	2:30 hours	Finance In Motion Ecobusiness/CATIE
SEP-2020 A OCT-2020	Course: Climate change and TCFD, risks and opportunities for the banking sector	30 hours	UNEP FI
OCT-2020	Seminar with CATIE "Circular economy in local governments	2:00 hours	Finance In Motion Ecobusiness/CATIE
OCT-2020 A NOV-2020	Course: Analysis of Environmental and Social Risks (AESR)	30 hours	UNEP FI
DEC-2020	Interpretation of the ISO 26000 Rules	9 hours	Sumarse
DEC-2020	What is CSR and the core issues?	20 minutes	Human Resources / Marketing

TRAINING ON SUSTAINABILITY ISSUES

WEBINARS

 **66
Webinar
Participants**

DATE	TOPIC	DURATION	PRESENTED BY
AUG-2020	International webinar "Communication to Stakeholders in the Digital Era"	1 hour	"Instituto de Auditores Internos" - Chile
AUG-2020	Trends in sustainable investment and green financial products	1:15 hour	UNEP FI
SEP-2020	Webinar II: Responsible investment strategies	1:00 hour	UNEP FI
SEP-2020	Initiatives that promote the integration of Environmental, Social and Governance (ESG) aspects in financial operations	1:30 hour	WWF Mesoamerica, IFC, UNEP FI and CentraRSE
SEP-2020	Webinar III: ESG Financial Instruments. Responsible Investment	1:00 hour	UNEP FI
SEP-2020	Webinar-Dialogue on the implementation of the Principles of Responsible Banking - Impact analysis	1:30 hour	UNEP FI
SEP-2020	Webinar III: ESG Financial Instruments. Responsible Investment	1:00 hour	UNEP FI
SEP-2020	Dialogues on the impacts of the US taxonomy in LATAM	1:30 hour	UNEP FI
SEP-2020	Webinar IV: Sustainable Development Goals (SDG) Bonds	1:00 hour	UNEP FI

TRAINING ON SUSTAINABILITY ISSUES

WEBINARS

DATE	TOPIC	DURATION	PRESENTED BY
SEP-2020	Dialogue on the implementation of the Principles of Responsible Banking	1:30 hour	UNEP FI
OCT-2020	Webinar: Defining "Green". Development of taxonomies	1:30 hour	BID / UNEP FI
OCT-2020	How to save the environment through sustainable investment and resilience in the face of the environmental crisis	1:30 hour	Global Compact
OCT-2020	Integration of ESG factors in the banking sector in Latin America	1:40 hour	UNEP FI
OCT-2020	Energy and water efficiency in LEED buildings	1:00 hour	CAPAC
NOV-2020	Webinar: Climate change and TCFD for the Spanish financial sector	1:15 hour	UNEP FI y FINRESP
NOV-2020	WEBINAR 1: Basic concepts on climate change and the financial system	2:00 hours	UNEP FI y FINRESP
NOV-2020	, WEBINAR 2: Climate change and TCFD - Risks and opportunities for the banking sector in Ibero-America	2:00 hours	UNEP FI y FINRESP
DEC-2020	WEBINAR 3: Climate change and TCFD - Risks and opportunities for the banking sector in Ibero-America	2:00 hours	UNEP FI y FINRESP

ENVIRONMENTAL AWARENESS

In our social networks (Instagram, Twitter, Facebook) every month we publish, and on national and international days of environmental awareness, messages promoting the preservation and responsible use of natural resources, thus creating awareness in our community.


9th of September, International Agriculture Day   



 Global Bank  @Globalbankpa

Hoy rendimos homenaje a todas aquellas personas que dedican su vida al cultivo de la tierra con la finalidad de producir alimentos de la mejor calidad para el consumo. #GlobalBank


5:17 p. m. · 9 sept. 2020 · Twitter for iPhone

4th of October, International Animal Day  



 globalbankpa  · Following Panama City, Panama

 globalbankpa  Panamá, un paraíso tropical, con una diversidad fascinante de recursos naturales, es cuna de muchas especies animales exóticas. Está en cada uno de nosotros proteger y salvaguardar la vida de estas especies para mantener nuestro ecosistema. #DiaMundialDeLosAnimales

World Habitat Day  



 Global Bank Panamá  está en Ciudad de Panamá.

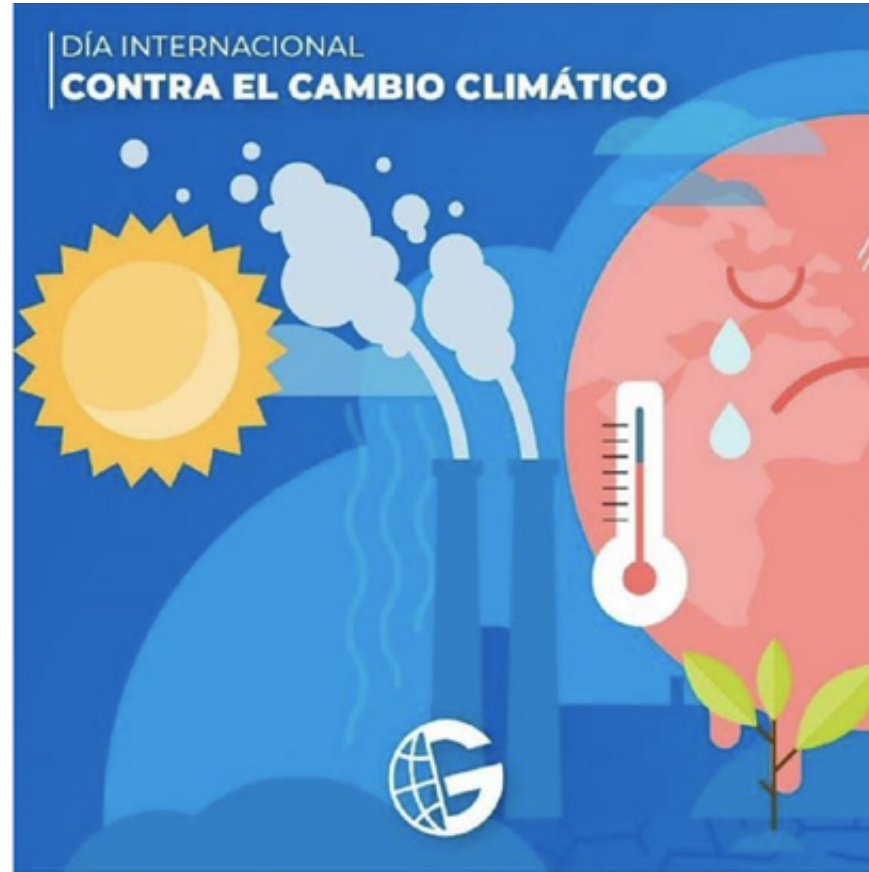
5 de octubre de 2020 · 

Cuidar de nuestro hábitat y ecosistema es hoy más que nunca una responsabilidad de todos. Recuerda: REUSAR, RECICLAR, REDUCIR Y RECUPERAR.

Solo así podemos garantizar un espacio sano para generaciones futuras. #DiaMundialDelHabitat

ENVIRONMENTAL AWARENESS

International Day Against Climate Change



globalbankpa • Seguir
Panama City, Panama

globalbankpa • Si el clima cambia ¿por qué nosotros no? Un pequeño aporte puede tener resultados increíbles en la lucha de todos contra el cambio climático. Es por ello, que estamos comprometidos en la implementación de medidas concretas en la gestión de residuos, en el desarrollo de infraestructuras más sostenibles, en la promoción de energías más amigables con el medio ambiente y con iniciativas de gestión ambiental.

Soil, an indispensable resource



globalbankpa • Seguir
Panama City, Panama

globalbankpa • Hoy, en el Día Mundial del Suelo, apostamos más que nunca por la sostenibilidad durante el aprovechamiento de la tierra en pro de garantizar la biodiversidad y el bienestar humano. #GlobalBank conjuntamente con Eco Business se ha preocupado por el monitoreo de las actividades agrícolas, evitando la deforestación y disponiendo correctamente de los desechos.

Defending Human Rights
How can we help?



globalbankpa • Seguir

globalbankpa • Centremos nuestra lucha de los Derechos Humanos en la situación que estamos viviendo y en la necesidad de construir un mejor mañana. Hoy reafirmamos la importancia de estos derechos para conseguir el mundo que queremos. #DiaDeLosDerechosHumanos #GlobalBank

ACTION PLAN FOR SUSTAINABILITY 2020-2024

We developed an action plan to be implemented in the next four fiscal years in the bank. The strategy contains the initiatives in which we can contribute by our transformation towards a more responsible bank.

The Sustainability Commission will monitor compliance of the strategy, and recommend the changes necessary for the achievement of objectives. In addition, it will give continuity to the action plan, to set new medium and long-term goals that ensure our constant contribution to sustainable development and to the fulfillment of our objectives for society.



PRINCIPLE ACTIONS 2020-2021

STRATEGIC PILLAR	ACTIONS	PROGRESS	PRB
GOVERNANCE	Mapping and review of the initiatives carried out by the bank, and verification of the impact on the SDGs / Paris Agreement.	● ● ● ● ●	1
GOVERNANCE	Carry out an assessment and establish an action plan by 2024, to progressively include sustainability in all areas of the bank's strategy.	● ● ● ● ●	1,2
GOVERNANCE	Create the Sustainability Commission, assign roles and responsibilities.	● ● ● ● ●	5
GOVERNANCE	Preparation and approval of the General Sustainability Policy of the organization, establishing a unique sustainability strategy whose main pillars are: eco-efficiency, E&S risk management, E&S products and services, relationship with stakeholders, governance.	● ● ● ● ●	1
GOVERNANCE	Establish SMART objectives within the Sustainable Business Strategy.	● ● ● ● ●	2
GOVERNANCE	Establish a training plan for employees and directors, aligned with sustainability.	● ● ● ● ●	5
GOVERNANCE	Establish a bulletin where the progress made by the bank in matters of sustainability is communicated.	● ● ● ● ●	6
GOVERNANCE	Mapping the GRI indicators that will be progressively incorporated into the Sustainability Report.	● ● ● ● ●	6

● ● ● ● ● To start ● ● ● ● ● Complete

PRINCIPLE ACTIONS 2020-2021

STRATEGIC PILLAR	ACTIONS	PROGRESS	PRB
E&S PRODUCTS AND SERVICES	Carry out the impact analysis of the portfolio of the bank. Identify where we can increase our positive impact and where we can minimize negative impact.	●●●●●	2
E&S PRODUCTS AND SERVICES	Carry out a mapping and identification of sustainable financing opportunities.	●●●●●	3
E&S PRODUCTS AND SERVICES	Map the current portfolio and identify financing that is in-line with sustainability issues.	●●●●●	3
E&S PRODUCTS AND SERVICES	Offer financing to women for the purchase of homes and for the development of companies in the hands of women entrepreneurs.	●●●●●	3
E&S RISK MANAGEMENT	Make an assessment, identify opportunities for improvement and establish an action plan for the current Environmental and Social Risk Analysis System (ESRAS).	●●●●●	2
E&S RISK MANAGEMENT	Update and approval of the Environmental and Social Risk Management Policy.	●●●●●	2
ECO-EFFICIENCY	The Action Plan was established and the training and process mapping for the digital transformation project began.	●●●●●	5
ECO-EFFICIENCY	Inclusion of a new branch with solar panels.	●●●●●	5
RELATIONSHIP WITH STAKEHOLDERS	Develop the Social Investment Policy and define the vulnerable groups that will benefit from social investment initiatives.	●●●●●	4
RELATIONSHIP WITH STAKEHOLDERS	Mapping and identification of stakeholders.	●●●●●	4

●●●●● To start ●●●●● Complete

INITIATIVES PROJECTED FOR 2021-2022

STRATEGIC PILLAR	ACTIONS	PRB
GOVERNANCE	Continue with the implementation of the training plan for employees and directors, aligned with sustainability. During the year, five training sessions will be given, and bimonthly micro-sessions will be published.	5
GOVERNANCE	Publish a monthly informational newsletter to communicate progress in sustainability matters completed in the bank to all employees.	6
E&S PRODUCTS AND SERVICES	Allocate \$10 million for financing renewable energy: solar panels, biomass, wind, hydro, among others.	3
E&S PRODUCTS AND SERVICES	Map current clients who could potentially acquire loans for sustainable agricultural projects (livestock or agriculture), which use sustainable production methods and efficient equipment; as well as raising awareness of these products to the same client group.	3
E&S PRODUCTS AND SERVICES	Develop products and services that benefit women: "Proyecto Mujer". This initiative includes educational insurance to guarantee future educational opportunities.	3
E&S RISK MANAGEMENT	Implement the improvements identified in the ESRAS diagnosis, in accordance with the approved action plan.	2
ECO-EFFICIENCY	Expand the program for the use of clean energy in the bank's facilities.	5

INITIATIVES PROJECTED FOR 2021-2022

STRATEGIC PILLAR	ACTIONS	PRB
ECO-EFFICIENCY	Promote and develop, within the bank, a culture of recycling; through virtual training and placement of signs and containers for this purpose.	5
ECO-EFFICIENCY	Develop a comprehensive policy of operational eco-efficiency in all our branches. Establish a pilot program with the list of initiatives and branches or buildings, to promote energy, water and paper savings, among others.	5
ECO-EFFICIENCY	Evaluar metodología para medir la huella de carbono del banco.	2
ECO-EFFICIENCY	Evaluate methodology for measuring carbon footprint of the bank.	5
RELATIONSHIP WITH STAKEHOLDERS	Carry out analysis to identify key stakeholders. Review current query tools or develop new ones (if required) for each stakeholder, and include economic, social and environmental issues.	4
RELATIONSHIP WITH STAKEHOLDERS	Continue with the program for financial education for all stakeholders.	4
RELATIONSHIP WITH STAKEHOLDERS	Review policy and contacts for all providers and list which clauses that should be included around sustainability and ethics.	4

INITIATIVES PROJECTED FOR 2022-2023

STRATEGIC PILLAR	ACTIONS	PRB
GOVERNANCE	Identify initiatives that promote leadership in women (employees).	5
GOVERNANCE	Establish performance management structures and sustainability objectives, at different levels of the organization.	5
GOVERNANCE	Define the methodology and include impact indicators in the strategy.	5
GOVERNANCE	Ensure the availability of information for the 2022-2023 Sustainability Report, based on the GRI standard.	6
E&S PRODUCTS AND SERVICES	Design loan products that include energy-efficient components for homes	3
E&S PRODUCTS AND SERVICES	Grant sustainable agricultural loans (livestock or agriculture), using sustainable production methods	3
E&S PRODUCTS AND SERVICES	Provide products and services that benefit women: "Proyecto Mujer". Include educational insurance to guarantee future educational opportunities.	3
E&S PRODUCTS AND SERVICES	Evaluate and develop products that promote sustainability such as: operational efficiency, circular economy, sustainable infrastructure.	3
E&S PRODUCTS AND SERVICES	Constructing of the financing strategy for equipment or systems for the efficient use of water and other resources.	3
E&S PRODUCTS AND SERVICES	Review examples of green products from other banks, to analyze the possibility of including new products.	3
E&S PRODUCTS AND SERVICES	Construction of the educational financing strategy for vulnerable groups.	3,4

INITIATIVES PROJECTED FOR 2022-2023

STRATEGIC PILLAR	ACTIONS	PRB
E&S RISK MANAGEMENT	Evaluate and develop a methodology for measuring the portfolio's carbon footprint.	2
ECO-EFFICIENCY	Establish goals for branches that include the recycling program.	5
ECO-EFFICIENCY	Establish goals within the branches and buildings, to save energy, water, and paper, among others.	5
ECO-EFFICIENCY	Train employees and establish a methodology to measure the bank's carbon footprint.	2
ECO-EFFICIENCY	Continue implementing the action plan for digitization and digital transformation projects.	5
STAKEHOLDERS	Installation of chargers for electric cars in the branches.	4
STAKEHOLDERS	Establish a procedure to identify strategic alliances that contribute to the achievement of the bank's sustainability objectives.	4
STAKEHOLDERS	Develop a supplier satisfaction survey / study methodology that will later on be included in the results of the materiality analysis.	4
STAKEHOLDERS	Awareness of potential clients regarding adaptation measures in the agricultural and livestock sector such as: drip irrigation systems or construction of biodigesters.	4
STAKEHOLDERS	Reinforce the Know Your Supplier Policy and contracts, including sustainability issues. (As ESG clauses for suppliers)	4
STAKEHOLDERS	Scholarships for the children of our employees and/or suppliers based on financial need.	4
STAKEHOLDERS	Map Corporate Social Responsibility initiatives with Education NGOs, which can be supported by Global Bank.	4

INITIATIVES PROJECTED FOR 2023-2024

STRATEGIC PILLAR	ACTIONS	PRB
GOVERNANCE	Evaluate financial, performance and impact goals and indicators; and update the sustainability strategy. Establish opportunities for improvement of the indicators, based on the comparison of previous reports.	1
GOVERNANCE	Establish a remuneration and incentive structure, according to performance management and the achievement of sustainability objectives.	5
E&S PRODUCTS AND SERVICES	Finance products that promote sustainability such as: operational efficiency, circular economy, sustainable infrastructure, equipment or systems for the efficient use of water and other resources.	3
E&S PRODUCTS AND SERVICES	Finance loans that include energy efficiency components for homes.	3
E&S PRODUCTS AND SERVICES	Green vehicle financing: purchase of electric or hybrid vehicles.	3
E&S PRODUCTS AND SERVICES	Financing for education of vulnerable (low-income) groups.	3.4
E&S RISK MANAGEMENT	Measurement of the portfolio's carbon footprint.	2
E&S RISK MANAGEMENT	Incorporate climate-related issues as an area of strategic action, according to the recommendations of the TCFD (starting with pilot plan for a segment of the portfolio).	1
ECO-EFFICIENCY	Renew the internal fleet of vehicles, with ecological cars. At least one per year.	2
ECO-EFFICIENCY	Measure the bank's carbon footprint.	2

SELF-ASSESSMENT TEMPLATE UNEP FI



REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Global Bank is a private bank that operates mainly in Panama. We have 39 branches throughout the country. We offer financial products and services in the business areas of Personal and Private Banking, Wealth Management, and Business Banking.</p> <p>For Personal Banking, our services include personal loans, retiree loans, residential mortgages, auto loans and credit cards.</p> <p>In Business Banking we have a variety of products that are adapted to the needs of our customers, such as: lines of credit and overdrafts, short and long-term loans, leasing, factoring, corporate credit cards, syndicated loans, among others. The main sectors we serve are: commercial, construction, agricultural, industrial, energy and transportation.</p> <p>For wealth management we design strategies specifically to preserve and increase the assets of our customers. These strategies facilitate the protection of assets and transfer of these to future generations.</p> <p>In addition, our clients can count on deposit products such as checking accounts, savings accounts, cash management and fixed-term deposits.</p>	<p>See section: <u>ABOUT GLOBAL BANK</u></p> <p>Pages # 5 to 12</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>At Global Bank, several years ago, we started on the path towards responsible banking. In 2008, through training received from the Inter-American Development Bank, we began to develop an action plan to include analysis of environmental and social risks within the credit approval process in Business Banking. Through continued process development, we created procedures, policies, forms, review checklists, and then implemented a pilot plan. In October 2011 we formally launched the Environmental and Social Management System which is applicable to all activities financed by the Bank's companies.</p> <p>In June 2013 we joined as signatories of the United Nations Environment Program Financial Initiative (UNEP FI).</p> <p>In 2016, based on the results of a study of bank attributes carried out by the Ipsos company, we made the decision to join Sumarse, an organization that promotes the integration of Corporate Social Responsibility (CSR) as a business strategy within companies in Panama. In that same year, we participated in the round table "Design Strategy for CSR" where the most relevant work groups of the bank were mapped with their categorization, according to their level of interest and influence. In addition the IndicaRSE diagnosis was carried out for the first time. A self-assessment tool that provides information to organizations on the status of their policies and practices in CSR internally and externally. The results obtained gave us an X-ray of how the bank was doing, according to the seven subjects of ISO 26000, and where we should focus. Following participation in the round table with Sumarse, a strategic plan was designed to focus initiatives related to social, economic and environmental areas. As an example of this strategy, internal eco-efficiency measures (waste management, renewable energy use, energy efficiency), improved labor practices, incorporating financial advice in philanthropic projects to obtain a more sustainable approach, as well as preparing organizational CSR reports based on the ISO 26000 Standard, among others were incorporated.</p>	<p>See section: <u>THE PATH TO RESPONSIBLE AND SUSTAINABLE BANKING</u></p> <p>Pages # 13 to 20</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
	<p>In October 2017, the Ministry of the Environment awarded us the Environmental Excellence prize in recognition of good practices in environmental management due to the implementation of the Environmental and Social Risk System.</p> <p>In July 2018, we signed the Sustainable Finance Protocol of the Banking Association of Panama and in September 2019, we become founding signatories of the Principles for Responsible Banking (PRB) of UNEP FI.</p> <p>To implement the PRB, we began at the end 2019, starting with the preliminary gaps and needs analysis, through the form provided by UNEP FI, with which we identified how we measured with respect to commitments acquired with the PRB.</p> <p>Another important step in this process was the assessment carried out from March to June 2020 for SITAWI Finance for Good, on the diagnosis of the bank's practices and our position vis-à-vis the implementation of the PRB. Later, they gave us an action plan that we worked on together through December 2020.</p>	<p>See section: <u>THE PATH TO RESPONSIBLE AND SUSTAINABLE BANKING</u></p> <p>Pages # 13 to 20</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
	<p>Parallel to the consulting process, we reviewed our main initiatives carried out during fiscal year 2019-2020 to focus on those that add more value and positive impact.</p> <p>In 2020 we updated the IndicaRSE analysis to identify the current position of the bank against the ISO 26000 standard, our main stakeholders, the value chain and opportunities for improvement.</p> <p>We reviewed the Nationally Determined Contributions (NDCs) of Panama, among other instruments and frameworks relevant to the country, to bring our commercial strategy in line with the national strategy, to contribute to mitigation of climate change and to the objectives of society. We found that the areas in which we can contribute through our products, services and operations are: energy, sustainable agriculture /livestock, sustainable infrastructure and circular economy.</p> <p>We carried out an impact analysis of the bank's portfolio to understand where we should intensify actions. In addition, we verified and identified current portfolio products that contribute to sustainability.</p>	<p>See section: GLOBAL BANK'S SUSTAINABILITY STRATEGY Pages # 21 to 28</p> <p>See section: IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK Pages # 47 to 65</p> <p>For the Sustainable Business Strategy, see section: ACTION PLAN FOR SUSTAINABILITY 2020-2024 Pages # 66 to 73</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>		
	<p>With the results of the previously mentioned initiatives, we developed a sustainability policy applicable to the entire banking group, to align our sustainability strategy with the Sustainable Development Goals (SDG) and the Paris Climate Agreement.</p> <p>We have established two central themes of interest to focus our actions on to positively impact sustainable development: climate change and inclusive and sustainable social development. We have also identified six Sustainable Development Goals (SDG) in which we can make a greater contributions, and we have incorporated them into our strategy. These SDGs are: 3, 4, 5, 7, 12 and 13.</p> <p>We developed the Sustainable Business Strategy that consists of a four year action plan, from the end of 2020 until June 2024. In this action plan we established specific initiatives to create sustainable value for our stakeholders, framed in our five strategic pillars: governance, environmental products and social services, environmental and social risk management, eco-efficiency and relationships with stakeholders.</p>	<p>See section: <u>GLOBAL BANK'S SUSTAINABILITY STRATEGY</u> Pages # 21 to 28</p> <p>See section: <u>IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK</u> Pages # 47 to 65</p> <p>For the Sustainable Business Strategy, see section: <u>ACTION PLAN FOR SUSTAINABILITY 2020-2024</u> Pages # 66 to 73</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 2: Impact and Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>		
<p>2.1 Impact Analysis:</p> <p>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) Scope: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) Scale of Exposure: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) Context & Relevance: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p>	<p>The bank used the tool provided by UNEP FI, to carry out the analysis of positive and negative impacts from the portfolio of the bank. We analyzed the business lines of both the Personal Banking and Business Banking areas.</p> <p>The scope was limited to the country of Panama. Considering the challenges and most relevant priorities of the country, the data was updated inside the tool. At the moment, this analysis does not include, within the exposure scale, the impact indicators of the portfolio or the financed technologies.</p> <p>For Personal Banking, the following products were analyzed (the percentages are based on the number of clients): Checking accounts (1%), savings accounts (56%), fixed-time deposits (3%), home loans (14%), car loans (12%), personal loans (42%) (this includes the retiree segment).</p> <p>For Business Banking some of the activities included in the analysis are the following (the percentages are based on the balance of the Business Banking portfolio): Construction of buildings / houses (25%), real estate (13%), livestock (9%), retail trade (6%), agriculture (3%), among others.</p>	<p>See: <u>IDENTIFICATION OF POSITIVE AND NEGATIVES IMPACTS OF THE PORTFOLIO</u> Pg. 58</p> <p>See: <u>SIGNIFICANT IMPACTS OF THE PORTFOLIO</u> Pg. 59</p> <p>See: <u>DIAGNOSTIC OF PRACTICES VS PRB</u> Pg. 52 – 57</p> <p>See: <u>IDENTIFICATION OF MATERIAL ISSUES</u> Pg. 24 - 25</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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	<p>After completing the data, we reviewed the main impacts positive and negative results from the analysis, and we prioritize the most significant to impact, to include them within our Strategy of Sustainable Business. We find that among the positive impacts the most significant are: employment, food, housing and mobility. We recognize that negative impacts include: climate, efficiency and security of resources, soil, waste, biodiversity and eco-systems.</p> <p>In addition, we use other methods, including external and internal sources, to identify impacts of our operations, products and services; the most relevant of which we consider in our strategy to promote responsible banking. Within the external sources are brand studies and annual satisfaction interviews with our clients. Within the internal sources are the results of an external assessment that identified the areas where the bank should focus, to contribute to the SDGs and Paris Agreement; and the IndicaRSE diagnosis that identifies the position of the bank, regarding the matters of the ISO 26000 standard.</p> <p>The diagnosis carried out by SITAWI Finance for Good, consisted of a gap analysis in order to define the maturity level of the bank in relation to the Principles for Responsible Banking, and concluded with the development of an action plan to close the gaps found.</p>	<p>See: <u>IDENTIFICATION OF POSITIVE AND NEGATIVES IMPACTS OF THE PORTFOLIO</u> Pg. 58</p> <p>See: <u>SIGNIFICANT IMPACTS OF THE PORTFOLIO</u> Pg. 59</p> <p>See: <u>DIAGNOSTIC OF PRACTICES VS PRB</u> Pg. 52 – 57</p> <p>See: <u>IDENTIFICATION OF MATERIAL ISSUES</u> Pg. 24 - 25</p>

SELF-ASSESSMENT TEMPLATE

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 2: Impact and Target Setting
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>d) Scale and intensity/salience of impact: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d)</p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<p>One of the greatest impacts identified was the climate and environment (biodiversity and land use), through the loans to the construction and agricultural sectors. For which, within the action plan includes the creation of green products in livestock and agriculture, with the use of sustainable production methods without deforestation, and sustainable infrastructure.</p> <p>The bank has already started financing photovoltaic energies, and as a result of this analysis an annual increase in renewable energy financing is being included within the action plan.</p> <p>The negative impact on the efficient use of resources could be mitigated with the financing of clean production equipment and circular economy methods. However, we are still evaluating the green products that we could introduce to reduce this impact. In our action plan for 2022-2023 we have planned to develop these types of products and start granting these financing options in the period 2023-2024.</p> <p>The most significant positive impacts are employment, food, housing and an inclusive economy. For the economy inclusion, the bank will finance housing for women and SMEs in women. In this initiative, the bank already has a financing agreement with an international financial institution.</p>	<p>See: SIGNIFICANT IMPACTS OF THE PORTFOLIO Pg 59</p> <p>See: DIAGNOSTIC OF PRACTICES VS PRB Pg. 52 – 57</p> <p>See: SUSTAINABLE ACTION PLAN 2020 - 2024 Pg. 66 – 73</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

The bank carried out the impact analysis of the Personal Banking portfolio and the Business / Corporate Banking loan portfolio. We have identified where we are going to focus our strategy of E&S products, to minimize negative impacts and reinforce positive impacts.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 2: Impact and Target Setting
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.2 Target Setting

Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.

Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.

Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.

We have established two general strategic objectives on which we have based the specific objectives, considering the areas of most significant impact of the bank and the NDC of Panama.

Strategic objective 1: Reduction of greenhouse gas emissions (GHG), through the financing of projects and sustainable sectors. Positively impact the energy sectors, mobility, agriculture and sustainable infrastructure; setting an annual increase in the amount to be disbursed for these products. Relating mainly to SDG 7 - Affordable energy and no pollution, SDG 12 - Responsible Consumption and Production, and SDG 13 - Climate action.

To meet this objective we have established specific actions. One of which is the following:

- Allocate \$10 million to finance renewable energy projects, during fiscal year 2021-2022. Among the KPIs to measure are: number of sustainable projects financed, number of loans granted, amount disbursed, and percentage of increase achieved.

See: **MAIN COMMITMENTS BY OPERATIONAL PILLAR**
 Page # 29 to 34

See section: **GLOBAL BANK’S SUSTAINABILITY STRATEGY**
 Pages # 21 to 28

See: **ACTION PLAN FOR SUSTAINABILITY 2020-2024**
 Pages # 66 to 73

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 2: Impact and Target Setting
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

	<p>Strategic objective 2: Develop products and services that promote a better quality of life in vulnerable sectors, especially in matters of health, quality education and gender equality. Relating mainly to SDG 3 - Health and well-being, SDG 4 - Quality education and SDG 5 - Gender equality.</p> <p>To meet this objective we have established specific actions. One of which is the following:</p> <ul style="list-style-type: none"> • Allocate \$90 million to finance women's home loans and SMEs until 2022. The KPIs to be measured: number of women benefiting from grants, amount granted per each product, number of loans granted. <p>Additionally, we have a Social Investment Policy that establishes the guidelines for the main focus of Bank performance on these issues.</p> <p>The other actions are listed in this report in the section ACTION PLAN FOR SUSTAINABILITY 2020-2024.</p>	<p>See: MAIN COMMITMENTS BY OPERATIONAL PILLAR Page # 29 to 34</p> <p>See section: GLOBAL BANK'S SUSTAINABILITY STRATEGY Pages # 21 to 28</p> <p>See: ACTION PLAN FOR SUSTAINABILITY 2020-2024 Pages # 66 to 73</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

The bank has general and specific objectives to implement in the next three years, compiled in the Sustainable Business Strategy which the goals, baselines and KPIs are established to measure. The group's performance will be focused mainly on impacting the six Sustainable Development Goals (SDG).

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 2: Impact and Target Setting
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

<p>23. Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>To meet the strategic objectives outlined, we have established milestones that are detailed in the Sustainable Business Strategy, which lists the actions to be developed through June 2024. This strategy implementation began at the end of 2020. We have also been working with different areas of the bank, to establish specific goals, the baselines and KPIs to be achieved.</p> <p>The Sustainability Commission will be responsible for monitoring the progress of this Action Plan and evaluate its fulfillment.</p> <p>One of the milestones established for fiscal year 2021-2022 is to map current customers, who would potentially have the need to acquire sustainable agricultural loans (livestock or agriculture), using sustainable production methods and efficient teams; and make them aware of our current initiatives. The established indicators to be measured are: Quantity of mapped clients and number of initiatives presented to customers. For fiscal year 2022-2023 the milestones will be established, as a target percentage increase in these products to be financed, measuring the percentage reached, the amount and the number of loans granted.</p> <p>To achieve this objective we are working with the business area of to identify potential customers, and establish the number of clients and initiatives to present.</p>	<p>Sustainable Business Strategy, section: <u>ACTION PLAN FOR SUSTAINABILITY 2020-2024</u> Pages # 66 to 73</p> <p>See: <u>SUSTAINABILITY COMMISSION</u> Pages # 45 to 46</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

The bank has an Action Plan approved by the Board of Directors that establishes milestones, goals and KPIs to be measured. There is a work schedule and a mechanism to monitor compliance of the same, through the Sustainability Commission.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 2: Impact and Target Setting
 We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.4 Progress on Implementing Targets
 For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)

We have recently set targets to meet in the fiscal year 2021-2022, and other initiatives to be implemented through 2024.

In the next report we will communicate the progress in implementation of some of the objectives, such as offering credits to women.

The bank first established where it was with relation to the commitments acquired with the RBPs, then built the corporate governance structure, developed the strategic sustainability guidelines, began to train employees in sustainability matters and has been working on the Sustainable Business Strategy. Through this process, we have laid out first goals to be achieved in the route to responsible banking.

Detail of the aforementioned can be found in this report in the sections: **GLOBAL BANK'S SUSTAINABILITY STRATEGY and IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK.**

The actions carried out and in progress are listed in the section **ACTION PLAN FOR SUSTAINABILITY 2020-2024**, in this report.

ACTION PLAN FOR SUSTAINABILITY 2020-2024
 Pages # 66 to 73

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets.

The bank has carried out different actions and initiatives for the implementation of the RBPs, and is developing the goals and indicators to be measured. This document complies with the first public report within 18 months of being a signatory.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>PRINCIPLE 3: CLIENTS AND CUSTOMERS We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programs and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>The bank maintains various communication channels with our clients. We constantly train our employees in customer service and fair operating practices. Every year we carry out different external client surveys to identify opportunities for improvements or new products and services that fit their needs. In addition, we have different policies that regulate group activities. Some examples of which are as follows:</p> <ul style="list-style-type: none"> • General Sustainability Policy: Within the established objectives we work toward, developing and promoting products and services that support our clients in the transition towards sustainable business models. Within the commitments we have: <ul style="list-style-type: none"> • Working with clients in the achievement of their objectives of sustainability. • Raise awareness and train customers in the development of best practices and sustainable production methods • Environmental and Social Management Policy: establishes the guidelines for the analysis of environmental risks and of the activities of our Business Banking clients, as well as addressing mitigation measures. • Know Your Customer Policy: provides the regulatory framework to promote sound banking practices and establish the actions of the employees, to know the identity and activities of our clients, helping to avoid risks that the services offered are used to legitimize funds that are proceeds of illicit activities. 	<p>See: <u>DIALOGUE CHANNELS WITH OUR STAKEHOLDERS</u> Pages # 39</p> <p><u>GENERAL SUSTAINABILITY POLICY</u> Refer to the website, Sustainability section</p>

SELF-ASSESSMENT TEMPLATE

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>PRINCIPLE 3: CLIENTS AND CUSTOMERS We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>		
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>The bank has financed renewable energy activities (9 hydroelectric plants and 2,525 solar panels), as well as sustainable livestock (69 sustainable agricultural credits have been granted to clients with the condition of not causing deforestation).</p> <p>Among the objectives for the following years are, the increase in the portfolio of environmental and social products and services; and its progressive implementation in the next years (2021-2024).</p> <p>For fiscal year 2021-2022 the bank plans to establish within its goals:</p> <ul style="list-style-type: none"> • Train and promote awareness of clients on sustainable livestock and agriculture • Train business employees on specific topics, referring to green products so that they can offer them to and work with customers as they transition to more sustainable options. 	<p>See: <u>ENVIRONMENTAL AND SOCIAL PRODUCTS AND SERVICES</u> Pages # 34</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>PRINCIPLE 4: STAKEHOLDERS We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>The bank is a member of local and international initiatives that promote sustainable development and best practices, such as: United Nations Program for the Environment Finance Initiative (UNEP FI), Protocol of Sustainable Finance of the Banking Association of Panama (BAP), Principles of Responsible Banking of UNEP FI, Sumarse.</p> <p>Through the Sumarse round table, the bank's stakeholders were identified and prioritized according to the level of interest and influence in sustainability matters.</p> <p>Through varied communication channels we listen to our stakeholders, resolve their concerns and identify opportunities to support them in their interests, ultimately impacting them positively.</p> <p>Within the organization's plans we aim to support vulnerable stakeholder groups, through the development of initiatives that are socially inclusive and sustainable, with an established action plan included in the General Sustainability Policy and the Social Investment Policy. Additional for fiscal year 2021-2022 we will establish, review and update the supplier policy and contracts, which will include environmental and social issues.</p> <p>We are committed to lending to and financing for organizations and investors who are in compliance with our goals and guidelines on environmental, social and governance issues. We regularly participate in assessments carried out by different organizations regarding sustainability.</p>	<p>See: MAIN COMMITMENTS BY TRANSVERSAL PILLAR Pages # 35 to 46</p> <p>SOCIAL INVESTMENT POLICY Refer to the website, Sustainability section</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>The bank set up a Sustainability Commission that reports to the CEO and the Risk Steering Committee, and this in turn to the Board of Directors.</p> <p>The Sustainability Commission is made up of a member Director of the Board of Directors who chairs it, a member of senior management who is the lead commissioner, a member of the environmental analysis area the bank who is the coordinator, and two members from different areas of the bank that make up work and support groups.</p> <p>In addition, the following documents have been developed:</p> <ul style="list-style-type: none"> • Regulations of the Sustainability Commission: The roles and responsibilities of the members are established as well as the objectives of the commission and the governance structure. • General Sustainability Policy: Establishes the commitment of the bank to implement public objectives to increase positive impacts and address the most relevant negative impacts on our society; and integrally incorporate the economic, environmental and social topics in our operations, processes, products, services and relationships. Strategically align all areas of the bank to incorporate a sustainable business model and establish a progressive roadmap, in the process of transformation towards responsible banking. 	<p>See: CORPORATE GOVERNANCE Pages # 44 to 46</p> <p>GENERAL SUSTAINABILITY POLICY Refer to the website, Sustainability section</p> <p>REGULATION OF THE COMMISSION OF SUSTAINABILITY Refer to the website, Sustainability section</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>		
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>We developed a training plan to establish a culture of sustainability, and the required capabilities to become a more responsible bank.</p> <p>Among the training sessions already given are:</p> <ul style="list-style-type: none"> • ISO 26000 Standard: to the members of the Sustainability Commission • What is CSR and its main themes: all staff and Board Directive <p>Before the fiscal year close on June 2021, we have planned to increase awareness among all staff and the Board of Directors, through continued education on the following topics: Introduction to the SDGs, sustainable development, climate change and greenhouse gases.</p> <p>Among the initiatives to be developed, established in the Action Plan, is the creation of performance management structures for employees, considering the sustainability objectives.</p> <p>For fiscal year 2021-2022 one of the goals is to train staff on recycling and sustainable finance issues.</p> <p>We also plan to hold events with employees to raise awareness of volunteering.</p>	<p>See: <u>TRAININGS ON SUSTAINABILITY ISSUES</u></p> <p>Pages # 61 to 63</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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Principle 5: Governance & Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>The governance structure is detailed in section 5.1.</p> <p>The Sustainability Commission's main objectives are:</p> <ul style="list-style-type: none"> a. Assist the CEO, the Risk Management Committee and the Board of Directors, in compliance with the strategy and sustainability policy from the bank. b. Supervise the implementation of the Principles for Responsible Banking of UNEP FI in the stipulated time. c. Develop the bank's sustainability strategy and monitor its continuity through the years, driven by international best practices <p>The sustainability policy is periodically reviewed at a minimum of every three years.</p> <p>The Action Plan establishes the review of the results and the update of the sustainability strategy.</p>	<p>See: CORPORATE GOVERNANCE Pages # 44 to 46</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The bank has established a defined governance structure for the development of responsible banking and for the implementation of the PRB, by creating the Sustainability Commission with its respective roles and responsibilities. The next step is to define the incentives, compensation and performance management of the sustainability goals.

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p>	<p>Since September 2019, after signing the Principles for Responsible Banking (PRB), we have developed and executed multiple actions as part of its implementation. Throughout this Extraordinary Report on Sustainability, each of these actions has been detailed. Through an assessment carried out by SITAWI Finance for Good (sponsored by the Ecobusiness Fund), we identified the gaps in the bank policies and practices at the end of 2019, and later a diagnosis of the bank's maturity before the implementation of the PRB. As a result, for each of the principles, opportunities for improvement and actions were concretely identified to close the gaps. In addition, we worked on an action plan to gradually but progressively, develop the initiatives proposed in each principle between 2020 and 2024.</p> <p>In parallel, during 2020 we carried out: (i) an analysis of the activities carried out by the bank to align them with the Sustainable Development Goals and the Paris Agreement, (ii) revision of the Nationally Determined Contributions (NDCs) of Panama, among with other instruments and relevant country frameworks to establish where we could make a greater contribution to the fulfillment of the country's climate commitments, (iii) an analysis to identify the positive and negative impacts of the bank portfolio and the most significant ones on which to base our strategy, (iv) IndicaRSE diagnosis, according to the subjects of the ISO 26000 standard, and (v) an environmental and social practices sensitivity diagnosis of the bank, which consisted of an analysis of exposure to environmental and social risks and of management practices, to update our Environmental and social Management System.</p>	<p>See: <u>IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK</u> Pages # 47 to 65</p> <p>See: <u>ACTION PLAN FOR SUSTAINABILITY 2020-2024</u> Pages # 66 to 73</p> <p>See: <u>SUSTAINABILITY COMMISSION</u> Pages # 45 to 46</p> <p>See: <u>DIAGNOSTIC OF PRACTICES VS PRB</u> Pages # 52 to 57</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
<p>PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>		
	<p>As a result of the diagnosis of maturity of practices, in September 2020, we created the Sustainability Commission with a member of the Board of Directors as President and a member of senior management as Lead Commissioner. The commission has, as part of its general objectives: (i) developed the sustainability strategy of the bank and monitored its continuity over the years, inspired by international best practices, (ii) developed and communicated a culture of organizational sustainability, within the corporate strategy, (iii) supervised and ensured the implementation of the Principles of Responsible Banking UNEP FI in the stipulated time.</p> <p>Taking into account the different analyses and diagnoses performed, we developed the General Sustainability Policy that frames the strategic guidelines for responsible banking, and is aligned with all areas of the bank.</p>	<p>See: <u>IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK</u> Pages # 47 to 65</p> <p>See: <u>ACTION PLAN FOR SUSTAINABILITY 2020-2024</u> Pages # 66 to 73</p> <p>See: <u>SUSTAINABILITY COMMISSION</u> Pages # 45 to 46</p> <p>See: <u>DIAGNOSTIC OF PRACTICES VS PRB</u> Pages # 52 to 57</p>

REPORTING AND SELF-ASSESSMENT REQUIREMENTS	HIGH LEVEL SUMMARY OF THE BANK'S RESPONSE	REFERENCE(S)/ LINK(S) TO BANK'S FULL RESPONSE/ RELEVANT INFORMATION
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PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY
 We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Progress on Implementing the Principles for Responsible Banking

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

In the preparation of this report we have taken into account various elements from international reporting standards, such as the Global Reporting Initiative (GRI), gradually incorporating these elements into our reports, as required, to complete the core disclosure option of the GRI standard as of June 2023; as well as the requirements to consider the actions taken by the bank in the framework of the PRB, and its action plans to implement the Principles of Responsible Banking.

We are members of UNEP FI, which is one of the main international initiatives promoting the global agenda for sustainable development and responsible banking. Additional, we are founding signatory members of the PRB promoted by the United Nations. At the local level we are signatories of the Protocol for Sustainable Finance and of Sumarse.

We are working on our **ACTION PLAN FOR SUSTAINABILITY 2020-2024**, for which we have considered the opportunities for improvement for each of the PRB.

On pages 52 to 57, **DIAGNOSTIC OF PRACTICES VS PRB**, from this report will be able to observe, for each of the principles, the gaps overcome and the next steps to follow.

See: **IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY AT GLOBAL BANK**
 Pages # 47 to 65

See: **ACTION PLAN FOR SUSTAINABILITY 2020-2024**
 Pages # 66 to 73

See: **DIAGNOSTIC OF PRACTICES VS PRB**
 Pages # 52 to 57

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking.

With this report we present the bank's commitments in matters of sustainability and the path towards responsible banking, as well as the progress made in the implementation of the Principles for Responsible Banking. The bank will also progressively incorporate elements of the standard GRI into its sustainability reports to be even more transparent in its annual reports.

SPECIAL SUSTAINABILITY REPORT 2020



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