Banco Latinoamericano de Comercio Exterior, S.A.
Long-Term Policies

Banco Latinoamericano de Comercio Exterior, S.A. (BLADEX) Long-Term Policies

Principle 1: Stakeholders

INTRODUCTION

The Bank's mission is to provide financial solutions of excellence to financial institutions, companies and investors doing business in Latin America, supporting trade and regional integration.[1]

With more than four decades serving the region, Bladex is the result of the collective vision of businessmen and local leaders who set out to facilitate and strengthen the commercial connection of all Latin America with the support of Central Banks and other governmental entities from 23 countries of the Region as founding shareholders.[2]

1. Long-Term Stakeholder Policy

Through our core values of integrity, commitment, excellence, respect, and humility we strive to serve present and future in Latin America.[3] We are committed to people, the planet and prosperity in LatAm.[4] We are dedicated to representing and promoting an organizational culture with defined values, regard for human rights, business transparency responsibly and sustainably for our employees, clients, and stakeholders.[5]

The Bank recognizes that strong governance, environmental stewardship, and social responsibility are critical to building long-term business success. The Bank aims to make a positive impact in the communities in which it operates, embedded social and environmental considerations in its business and investment decisions, provide a supportive and inclusive workplace environment, and act in an environmentally conscious ways.[6] Bladex fosters long-term relationships with clients, and over the years it has developed a reputation for excellence when responding to its clients' needs.[7]

Sustainability Approach

The Bank is committed to sustainable business practices and has implemented oversight and processes throughout its operations to effectively manage Environmental, Social, and Governance (ESG) matters relevant to its business over time. Through Bladex's commitment to our clients, employees, and the communities in which we operate, we recognize the role of appropriately managing the ESG matters from our banking activities and operations to the sustainable development of the region.[8]

[1] Bladex Annual Report 2023 pg. 27. Note "of excellence" added from Bladex Website: Mission
[2] https://www.bladex.com/en/home
[3] Bladex Sustainability Policy pg. 3
[4] https://www.bladex.com/en/about-us#block-e233c758-3ddc-47c0-b3aa-77d52683f24e
[5] Bladex Sustainability Policy pg. 3
[6] Bladex Annual Report 2023 pg. 29
[7] Bladex Annual Report 2023 pg. 27.
[8] Bladex Sustainability Policy pg. 3

As an overseer of risk and a steward of long-term shareholder value, the Bank's Board has the ultimate responsibility for the oversight of ESG-related risks and opportunities that impact the Bank's business.[9] The Bank maintains its corporate responsibility efforts by conducting a formal ESG materiality assessment to identify the issues that represent the most significant opportunities and risks for the Bank.[10] ESG strategy, policies, and reporting are managed by an ESG Working Group, chaired by the Bank's CEO as the executive sponsor. The working group consists of cross departmental leaders in the Bank's organization. [11]

Employees

The Bank considers human capital the backbone for all its business activities and, as such, employees' well-being is the basis for meeting the Bank's objectives.[12] We are united by the set of values that define Bladex: Commitment, Humbleness, Excellence, Respect and Integrity; and our interest in driving the region forward by innovating and generating a positive impact on our markets and the communities we serve.[13] The Bank's human capital strategy is underpinned by an unwavering engagement to its values. The Bank takes a holistic approach that evaluates the full employee experience, from recruitment, selection and onboarding, to benefits, training and professional development, engagement and volunteering.[14] We provide training and development opportunities,[15] and we have positioned Bladex as an attractive company for employees to build a career.[16]

The health and well-being of our team is an organizational priority for Bladex. This is why we have a wide-ranging Benefits Program focused on employees, aligned with their life goals (credit facilities, insurance, educational assistance, among others).[17]

The Bank employees' performance evaluation has two components: a corporate performance, measured through the Bank's net income, and an individual performance, measured by the employee's contribution to the Bank's objectives, which together determine employees' variable compensation.[18] Benefits include opportunity for employees to become shareholders[19] facilitated through special awards and the salary advance program for the purchase of shares[20]. Equity compensation in the form of restricted stock units that are subject to further time-based vesting is a significant component of the compensation. We believe that our compensation programs, with their balance of short-term incentives (including cash bonus awards) and long-term incentives (including equity awards that vest between 3 and 4 years) rewards sustained performance that is aligned with long-term shareholder interest.

[9] Bladex Annual Report 2023 pg. 30
[10] Bladex Sustainability Report 2022 pg. 4
[11] Bladex Annual Report 2023 pg. 30
[12] Bladex Annual Report 2023 pg. 31
[13] https://www.bladex.com/en/culture#block-df8e6bfc-ff60-48e6-aeb2-9f0996ede189
[14] Bladex Annual Report 2023 pg. 31
[15] https://www.bladex.com/en/culture#block-df8e6bfc-ff60-48e6-aeb2-9f0996ede189
[16] Bladex Annual Report 2023 pg. 31
[17] https://www.bladex.com/en/culture#block-df8e6bfc-ff60-48e6-aeb2-9f0996ede189
[18] Bladex Annual Report 2023 pg. 31
[19] Bladex Sustainability Report 2022 pg. 23
[20] Bladex Sustainability Report 2022 pg. 23

In all activities we carry out in Human Development, we make sure to put the employee at the center, making leaders aware of the importance of well-being and empathetic leadership of their teams in order to achieve business objectives.[21]

Environment

Environmental stewardship and social responsibility are fundamental to building long-term business success.[22] It is our immediate responsibility to protect the environment and to lead by example, so that future generations can experience and witness the same beauty and opportunity we have all experienced.[23]

Bladex applies responsible consumption practices internally within the organization and in the marketplace. To this end,[24] the Bank has determined not to finance certain operations due their potential negative impact on the environment. These include production of or trade of ozone depleting substances, trade in wildlife or wildlife products, commercial logging operations or equipment, and production on pesticides and herbicides subject to international restrictions or bans.[25] The Bank's operational footprint is relatively small; however, the Bank still takes initiatives to reduce the negative environmental impact in areas where it operates.

Bladex also promotes the efficient use of natural resources and recycling among others. Accordingly, to our Supplier´s Code of Ethics and Conduct[26] for Suppliers is designed to outline the fundamental principles that should guide Bladex's suppliers in their business conduct. Through this document, suppliers are expected to understand the ethical standards required in all business dealings with Bladex, and they are encouraged to apply these principles across their entire value chains. This includes their customers, business partners, and other suppliers involved directly or indirectly in their operations.

Climate Change and GHG Emissions: The Bank analyzes the carbon emissions of our operations, and our exposure to climate-related risks and opportunities arising from our financing activities.[27]

Community

Bladex reasserts its commitment to the development and social welfare of Latin America, through initiatives that seek to generate opportunities for improvement, progress and a better quality of life.[28] We contribute to the sustainable development of Latin America, promoting foreign trade and regional integration.[29]

We positively impact the community and the environment through the leadership of our volunteers who donate their time and talent, with the goal of enhancing our contribution to sustainable development in Latin America and the Caribbean.[30] Fundación Crece Latinoamérica – Gonzalo Menéndez Duque (the "Foundation") is the

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[21] Bladex Sustainability Report 2022 pg. 22
[22] Bladex Sustainability Report 2022 pg. 6
[23] Bladex Sustainability Report 2022, pg. 2
[24] Bladex Sustainability Report 2022 pg. 15
[25] Bladex Annual Report 2023 pg. 33
[26] Bladex Supplier's Code of Ethics and Conduct pg. 8
[27] Bladex Sustainability Policy pg. 4
[28] Bladex Sustainability Report 2022 pg. 4
[29] Bladex Sustainability Report 2022 pg. 8
[30] https://www.bladex.com/en/sustainability#block-85e81400-b475-4765-b0e6-e85d427016e2

Bank´s strategic social investment vehicle that contributes to sustainable development in the Region at the community level.[31]

Diversity, Equity and Inclusion

Having a multicultural work environment is one of the Bank's main strengths which facilitates business management across the Region.[32] The presence of different nationalities and cultures among our employees enhances the Bank's brand and makes it an attractive employer for talent acquisition.[33]

The Bank's goal is to have all employees, regardless of their race, ethnicity, religion, age, gender, national origin, or other characteristics, feel valued, respected and accepted for their unique characteristics and contributions to Bladex.[34] At Bladex we consciously and constantly co-create an environment where gender equality, diversity and inclusion are lived at all levels as cornerstones of our work culture.[35] and as part of its long-term strategy, the Bank shall endeavor to continue reporting data related thereto as well as to its employees' gender and nationality breakdown.

The Bank has in place a Diversity, Equity and Inclusion Policy (the "Diversity Policy") defining roles and responsibilities aiming to promote in all the Bank's operations an environment of respect and protection that recognizes the value of diversity. The Diversity Policy recognizes meritocracy as the key component driving the professional development of each employee within the Bank.[36]

Diversity is among the factors considered by the Board's Nomination, Compensation and Operations Committee when evaluating candidates for positions on the Bank's Board of Directors. The Nomination, Compensation and Operations Committee generally views and values diversity from the perspective of professional and life experiences and recognizes that diversity in professional and life experiences may include considerations of gender, race, national origin or other characteristics that can contribute to the Bank's strategic vision and mission[37]

Principle 2: Strategy

2. Long-Term Strategy Policy

As a specialized multinational bank with a strong and historic commitment to Latin America, the Bank possesses extensive knowledge of business practices, risk and regulatory environments, accumulated over forty years of doing business throughout the entire Region.[38] We strive to serve present and future Latin America[39]. Bladex's long-term strategy focuses on promoting economic integration and growth across Latin America by leveraging its unique positioning as a regional multinational bank. The Bank is committed to optimizing its asset portfolio while maintaining robust financial performance, as evidenced by its sustained profitability and asset growth. This

[31] Bladex Annual Report 2023 pg. 32
[32] Bladex Annual Report 2023 pg. 32
[33] Bladex Annual Report 2023 pg. 32
[34] Bladex Annual Report 2023 pg. 101
[35] https://www.bladex.com/en/culture#block-df8e6bfc-ff60-48e6-aeb2-9f0996ede189
[36] Bladex Annual Report 2023 pg. 32
[37] Bladex Annual Report 2023 pg. 31
[38] Bladex Annual Report 2023 pg. 27
[39] Bladex Sustainability Policy pg. 3

approach positions Bladex to drive regional trade finance and provide tailored financial solutions, ensuring lasting value for its stakeholders.

The Bank's Board of Directors and management use a five-year strategic planning period. A compensation plan for the Bank's management with key performance indicators linked to the results of the strategic plan and a variable individual compensation linked to the success of the projects related thereto, are concrete steps that the Bank has taken which aim to ensure the successful implementation of the medium-term Strategic Plan. Management believes that its ongoing implementation will improve the profitability of the Bank's business while ensuring that the Bank remains faithful to its mission of promoting foreign trade and regional integration in a sustainable way, without changing the Bank's business model.[40]

At Bladex we maintain the practice of holding team meetings after each Board of Directors meeting, in which the CEO communicates the progress of the strategic plan, shares relevant information with all employees and answers their questions live. These meetings and integration activities strengthen the involvement and commitment of our employees to the company's plans.[41]

Principle 3: Compensation

3. Long-Term Compensation Policy

The Board works to ensure that the design of the Bank's executive officers' compensation program is focused on long-term shareholder value creation and emphasizes pay for performance.[42] Our management team is rewarded by a variable compensation program that is clearly aligned with the long-term goals of our shareholders.[43]

In addition, the Board of Directors has adopted share ownership guidelines for directors and executive officers that enable the Bank to meet its objective of aligning directors and executives' interests with those of the shareholders.[44]

Principle 4: Governance

A policy explaining the engagement of the company's board of directors in the company's long-term focus, including discussion of whether the board and/or which board committee(s), if any, have explicit oversight of and responsibility for long-term strategy and success metrics.

4. Long-Term Board Policy

Bladex's Board of Directors and management team work closely together, sharing a long-term vision aligned with the Bank's mission to promote foreign trade and economic integration across Latin America. The Board provides rigorous oversight and sets key strategic guidelines, while the management team is responsible for

[40] Bladex Annual Report 2023 pg. 33
[41] Bladex Sustainability Report 2022 pg. 23
[42] Bladex Annual Report 2023 pg. 93/94
[43] Chairman of the Board Message to Shareholders 2024
[44] Bladex Annual Report 2023 pg. 96

executing a five-year plan focused on optimizing operational efficiency, diversifying products, and expanding the client base. This collaboration is evident in the implementation of technological enhancements, commercial portfolio growth, and credit risk diversification, supporting the Bank's long-term sustainability and growth. [45]

The Nomination, Compensation and Operations Committee works to ensure that the design of the Bank's executive officers' compensation program is focused on long-term shareholder value creation and emphasizes pay for performance,[46] including a compensation plan for the Bank's management with key performance indicators linked to the results of the plan.

As a monitor of risk and steward of long-term shareholder value, the Board recognizes its ultimate responsibility to oversee the sustainability risks and opportunities that may affect our business.[47]
With respect to Environmental, Social And Governance (ESG) issues, on which the Bank's sustainability is based, the Board provides that the Anti-money Laundering, Compliance and Sustainability Committee shall be in charge of overseeing these initiatives and the work carried out by Management towards the development, implementation and maintenance of a sustainability program for the Bank, reporting to the Board on a regular basis and coordinating with other Board Committees in charge of certain aspects related to social and environmental issues.[48]

Principle 5: Investors

5. Long-Term Shareholder Policy

Bladex's shareholders include central banks, state-owned banks and entities representing 23 Latin American countries, as well as commercial banks and financial institutions, and institutional and retail investors through its public listing[49].

Bladex is committed to aligning its long-term vision with sustained profitability and the interests of long-term shareholders. By electing to list on the LTSE, we reaffirm our dedication to fostering deep relationships with long-term, sustainability-focused investors. We believe that delivering consistent returns is a natural outcome of our strategic focus on expanding our commercial portfolio, maintaining strong asset quality, and optimizing operational efficiency. Leveraging LTSE tools to track long-term investor trends ensures that we attract appropriately aligned capital, supporting our long-term strategy and driving value creation for both our shareholders and the broader Bladex community.

[45] Bladex Annual Report 2023 pg. 33
[46] Bladex Annual Report 2023 pg. 93/94
[47] https://www.bladex.com/en/governance#block-928527cc-3099-4a1a-b1c0-f97cf0bd9621
[48] Bladex Annual Report 2023 pg. 99
[49] https://www.bladex.com/en/investors#block-cbba69ef-0d92-4281-87b2-85807e395c1f FAQ section