



Second report

Responsible Banking Principles

Banco Promerica 

Banco Promerica 

República Dominicana

Banpro 
Grupo Promerica

Nicaragua

St. Georges Bank 
Grupo Promerica

Islas Caimán
Panamá

Banco Promerica 

Guatemala
El Salvador
Honduras
Costa Rica

Produbanco 
Grupo Promerica

Ecuador

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Principle 1

Alignment

We align our business strategy so that it is coherent and contributes to people's needs and the sustainable development goals, the Paris climate agreement and relevant national and regional frameworks.

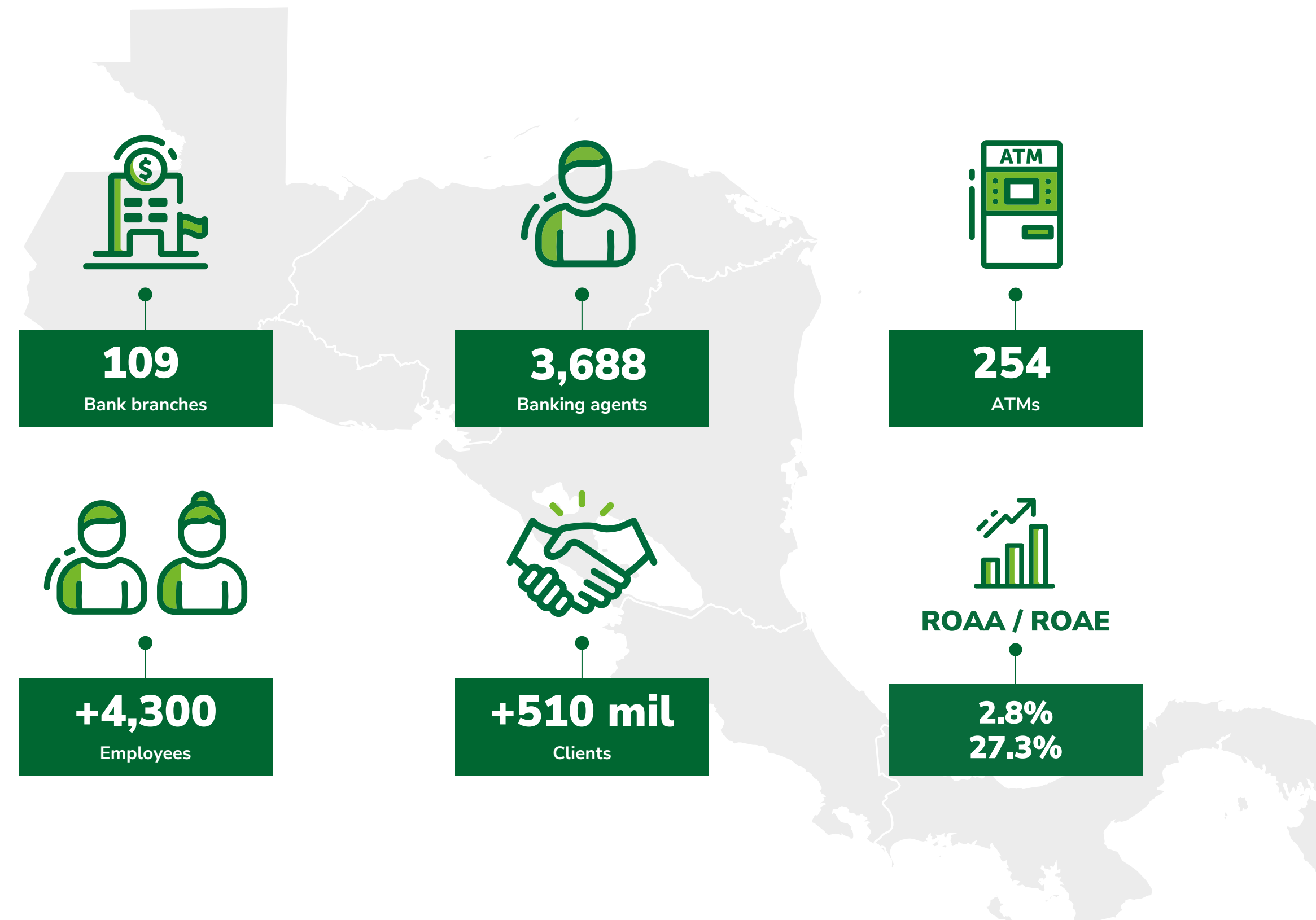


1.1. Business model

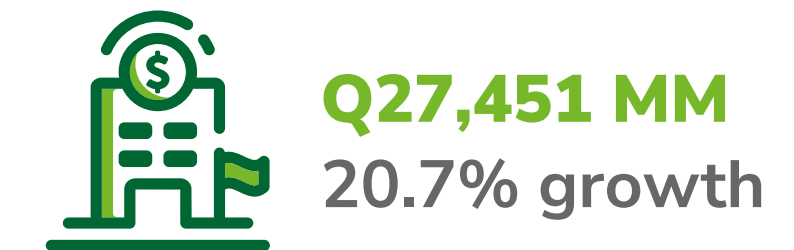
Describe (at a high level) your bank's business model, including the main customer segments served, the types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed in the main geographies in those in which your bank has operations or offers products and services.

Banco Promerica Guatemala, is part of the Group Promerica, which has more than 30 years in the financial system, in nine countries in Central America, South America and the Caribbean; with presence in Guatemala, El Salvador, Honduras,

Nicaragua, Costa Rica, Panama, Ecuador, Cayman Islands and the Dominican Republic, led by a multinational team of bankers, with extensive experience in the financial sector.



• Total assets



As of December 31, 2023, the total consolidated assets of the companies that make up the Group Promerica Financial showing growth 20.7% higher than December 2022 and higher than the average of the banking system, which was 8.6%.

• Loan portfolio



As of December 31, 2023, the Loan Portfolio of the Promerica Financial Group, increasing by 26.2% compared to the previous year and above 15% of the average growth shown by the country's banking institutions.

**We are the operator
Credit Card largest
in Guatemala.**

1.2. Strategy Alignment

Does your corporate strategy identify and reflect sustainability as a strategic priority(s) for your bank?

- Yes
- No

Describe how your bank has aligned and/or plans to align its strategy to be consistent with the **Sustainable Development Goals (SDG)**, the Paris Climate Agreement and relevant national and regional frameworks.

Banco Promerica plays a fundamental role as a financial intermediary committed to sustainability. Our strategy is aligned with the management of environmental, social and governance risks, promoting sustainable businesses through adapted financial solutions, the bank encourages the transition towards a low-carbon economy.

Sustainable Business

Products and services have been created to motivate our customers to contribute to sustainable development. credit lines to finance green projects through energy efficiency, renewable energy and climate change mitigation and adaptation. The bank is funded by Development Banks, investment funds interested in sustainable development. Additionally, a green account and green credit card have been created for those clients who want their resources to be invested in initiatives based on the pillars of Sustainable development (Environmental, Social and Economic.)

Social investment

The Bank maintains social investment programs within the organization aimed at fostering a culture of commitment and respect for communities on the part of collaborators. We support initiatives that promote inclusive economic growth and sustainable job creation, collaborating with associations dedicated to addressing pressing social challenges. In addition, we support projects that contribute to the conservation and restoration of the environment.

Reference:

We are passionately dedicated to promoting sustainability as the foundation of our mission. We strive to be agents of change, integrating sustainability into the core of Grupo Promerica's corporate culture and strategy.

Our values:

- Permanent empathy
- Entrepreneurs by nature
- Shared trust
- Common culture

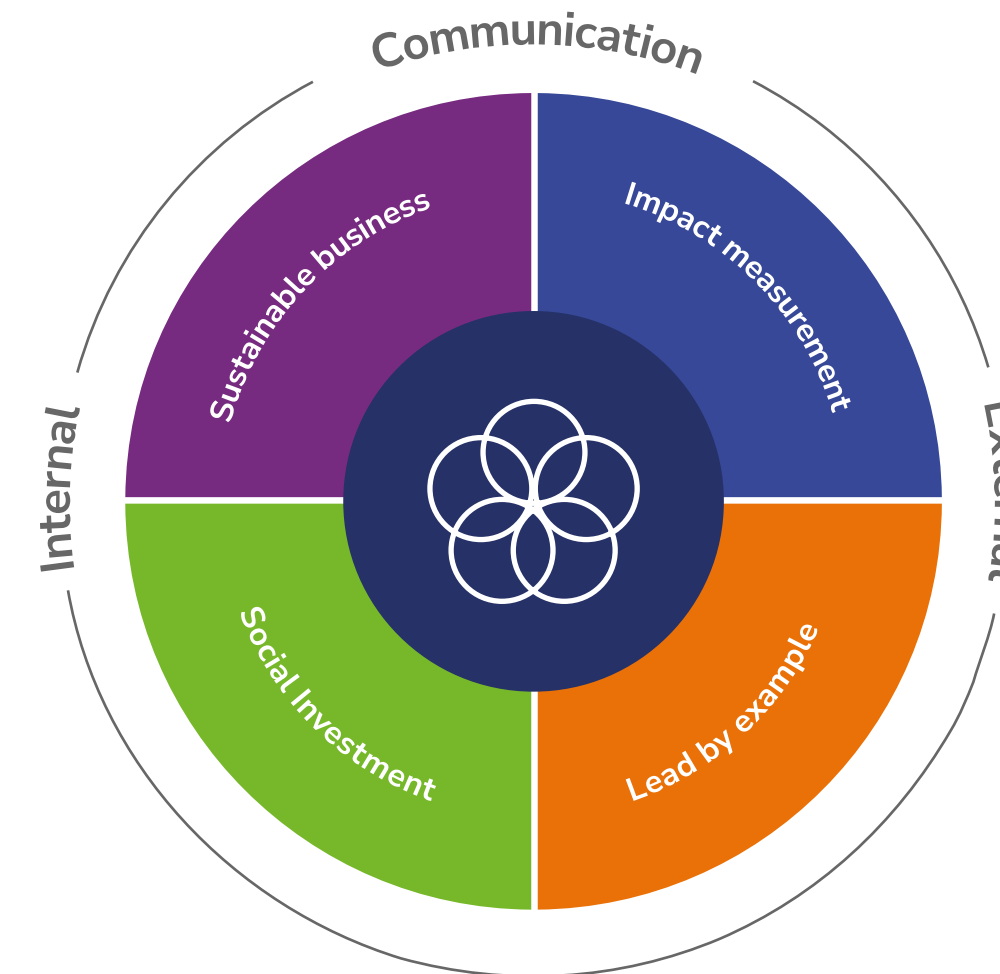
Impact Measurement

Implementation of the quantification and monitoring of the contribution to the SDGs on which we impact based on the three previous axes: Sustainable Business, Social Investment and Leading by Example. Having control of the funding sources and the uses of assigned funds.

Lead by example

The bank carries out actions that promote sustainability from internal and external operations. The organization's commitment is in line with the sustainable development objectives, as a base guide for the actions to be taken. It offers its customers sustainable products.

The Bank is in the process of implementing sustainable measures and practices internally and externally to advance in becoming a more sustainable bank.



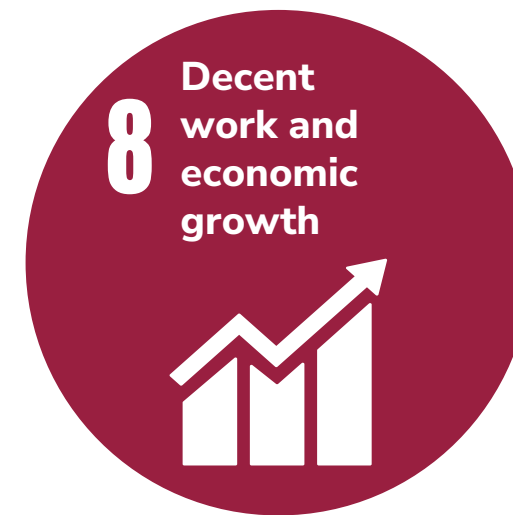
Environmental Risk Management, Social and Governance (ARAS-G)

Sustainable Development Goals aligned with Banco Promerica Guatemala

Establishing sustainable guidelines allows the bank to identify activities in which they can focus financing on projects that facilitate compliance with the **SDGs**.



Part of the responsibility as financial institution is to educate our clients, suppliers and collaborators about the correct use of products and services, in this way we will promote better habits and values. This involves human and professional development for growth by adding value to people.



As a bank we create solutions in our products and services, which in turn drive the transition towards a sustainable economy. mainly green credits, green account, Green Credit Card in line with the SDGs.

In this objective the Bank plays a more leading role, since it acts as an engine of economic growth.



We are part of the Principles for Responsible Banking with which we seek to align our financial strategy with the SDGs.

We are beginning to measure our emissions and incorporate initiatives where we adapt and mitigate climate change; promoted eco-innovation, digital transformation and a SARAS 3.0 system.



We focus on strengthening alliances to achieve common goals.

We collaborate with alliances with Related parties: mainly multilateral and development banks, investment funds to promote sustainable development. Through of strategic alliances, we seek to promote social investment and work together as associations to address environmental, social and economic challenges. Through strategic alliances we seek to promote the use of funds for the development of SMEs and green lines, through strategic alliances.

International Commitments acquired

Does your bank also reference any of the following sustainability reporting frameworks or regulatory requirements in its strategic priorities or policies for implementing them?

- United Nations Guiding Principles on Business and Human Rights.
- Fundamental Conventions of the Organization International Laboratories.
- United Nations Global Compact.
- United Nations Declaration on The rights of indigenous peoples.
- Any applicable regulatory reporting requirements on environmental risk assessments, for example on climate risk; I specified which ones.
- None of the above.

Due to its permanent commitment and with the objective of improving people's quality of life, Banco Promerica has committed to the Guatemala Global Compact, which is part of the largest sustainability initiative in the world.

With this, Banco Promerica continues to reaffirm its responsibility to align its strategy and culture with sustainability.





Principle 2

Impact and goal 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.



2.1. Impact Analysis

(Key Step 1)

Show that your bank has performed an analysis of your portfolio to identify your most significant areas of impact and determine priority areas for goal setting.

The impact analysis will be updated periodically and will meet the following requirements/elements (ad):

a) Scope:

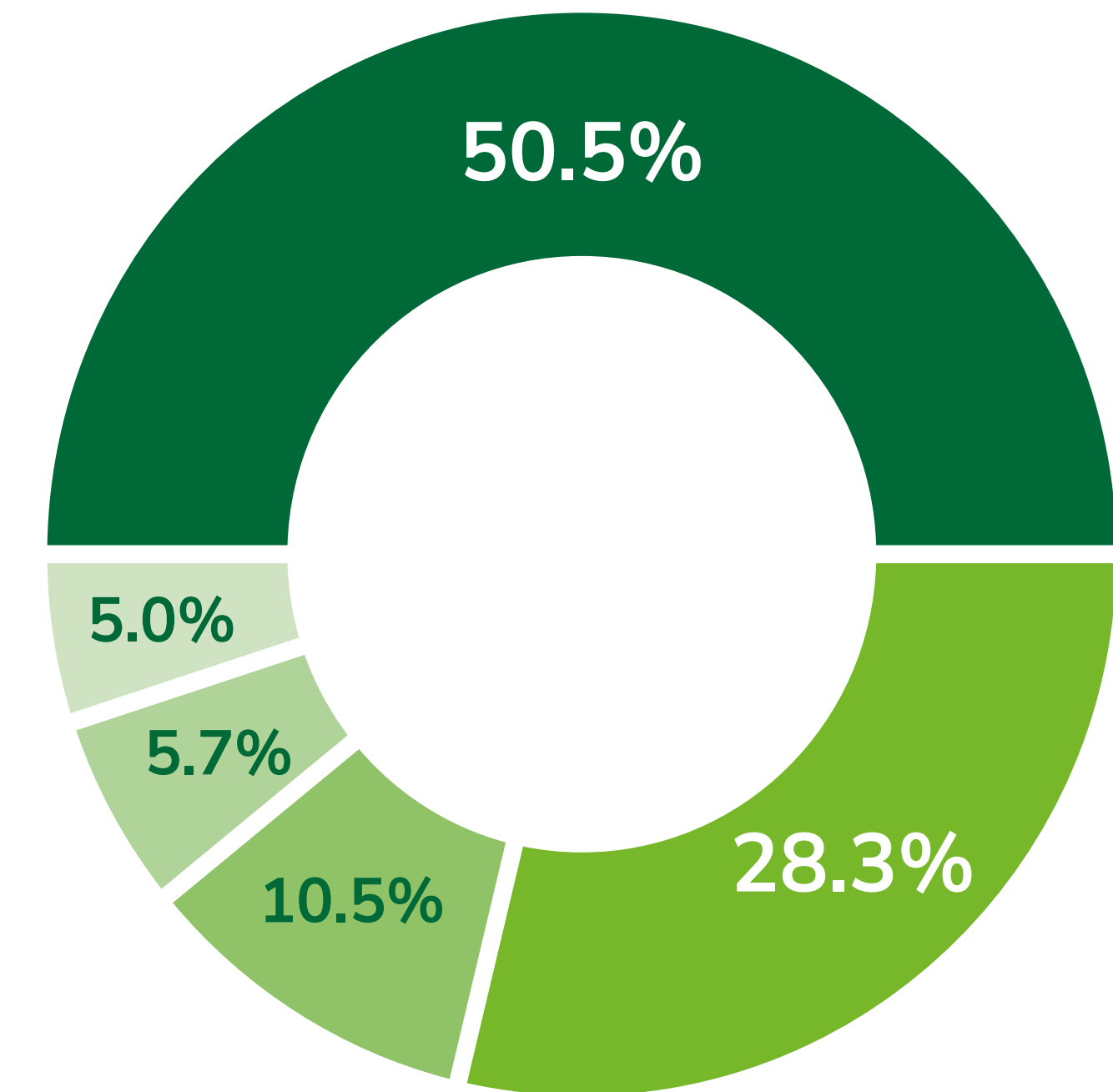
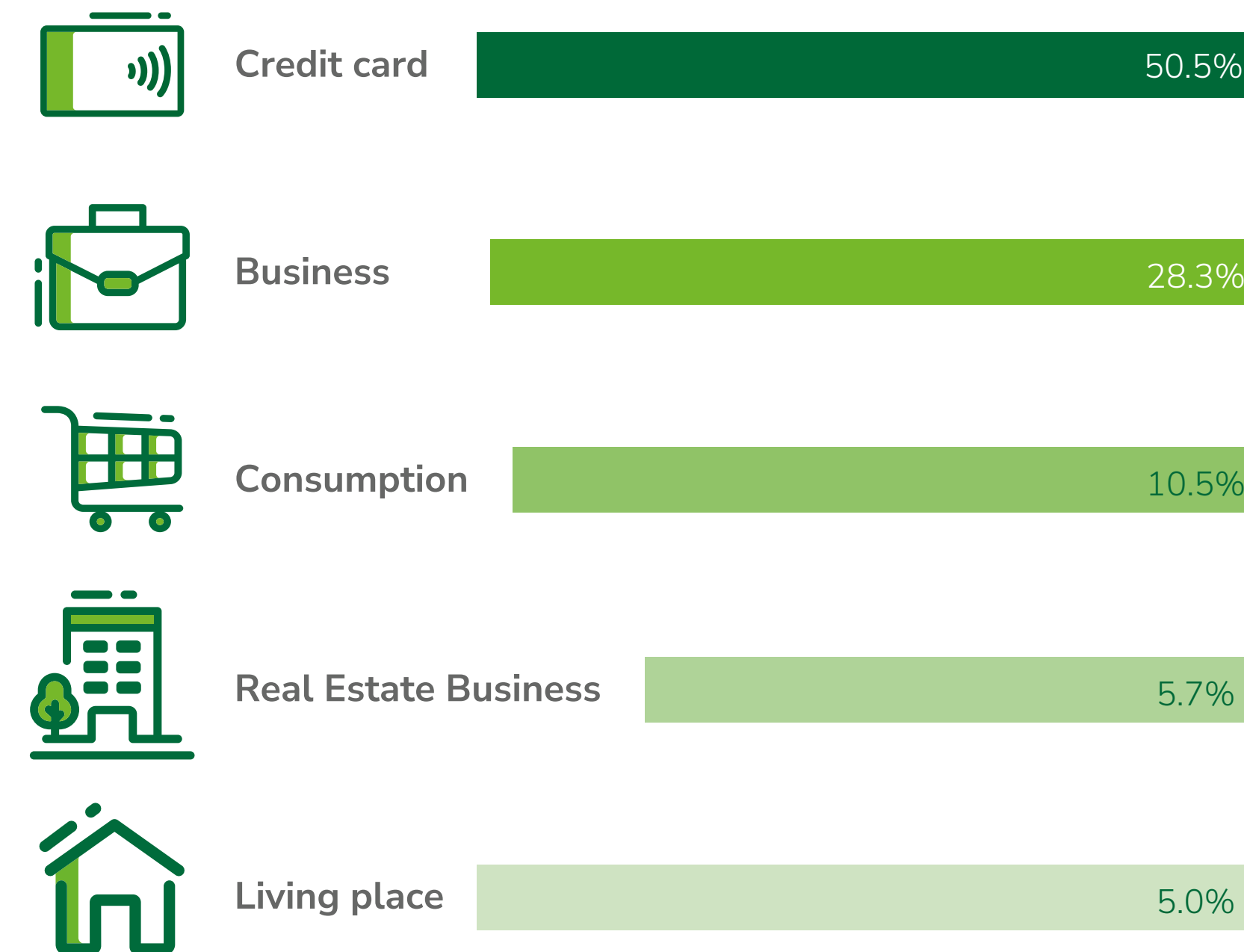
What is the scope of your bank's impact analysis?

Describe which parts of the bank's core business areas and which products/ services in the main geographies in which the bank operates (as described in 1.1)

have been considered in the impact analysis. Also describe which areas have not yet been included and why.

a. Scope

The impact analysis of Banco Promerica, SA was carried out on **100% of its Active Portfolio** at the end of December 23, which presented a balance of **Q21,054.4 MM**, which translates into an increase of 26.4% compared to the end of December 22 (**Q16,655.4 MM**), it is distributed in five segments:



When evaluating **100% of the Active Portfolio**, the geographical coverage that was considered for the impact analysis included the countries where Banco Promerica has portfolio placement, in this way it was possible to generate a comprehensive view of the positive and negative impacts, with the purpose of establishing objectives whose results contribute to the resolution of the identified priority needs.

b) Portfolio composition:

Has your bank considered the composition of your portfolio (in %) in the analysis?

Provide the proportional composition of your portfolio globally and by geography.

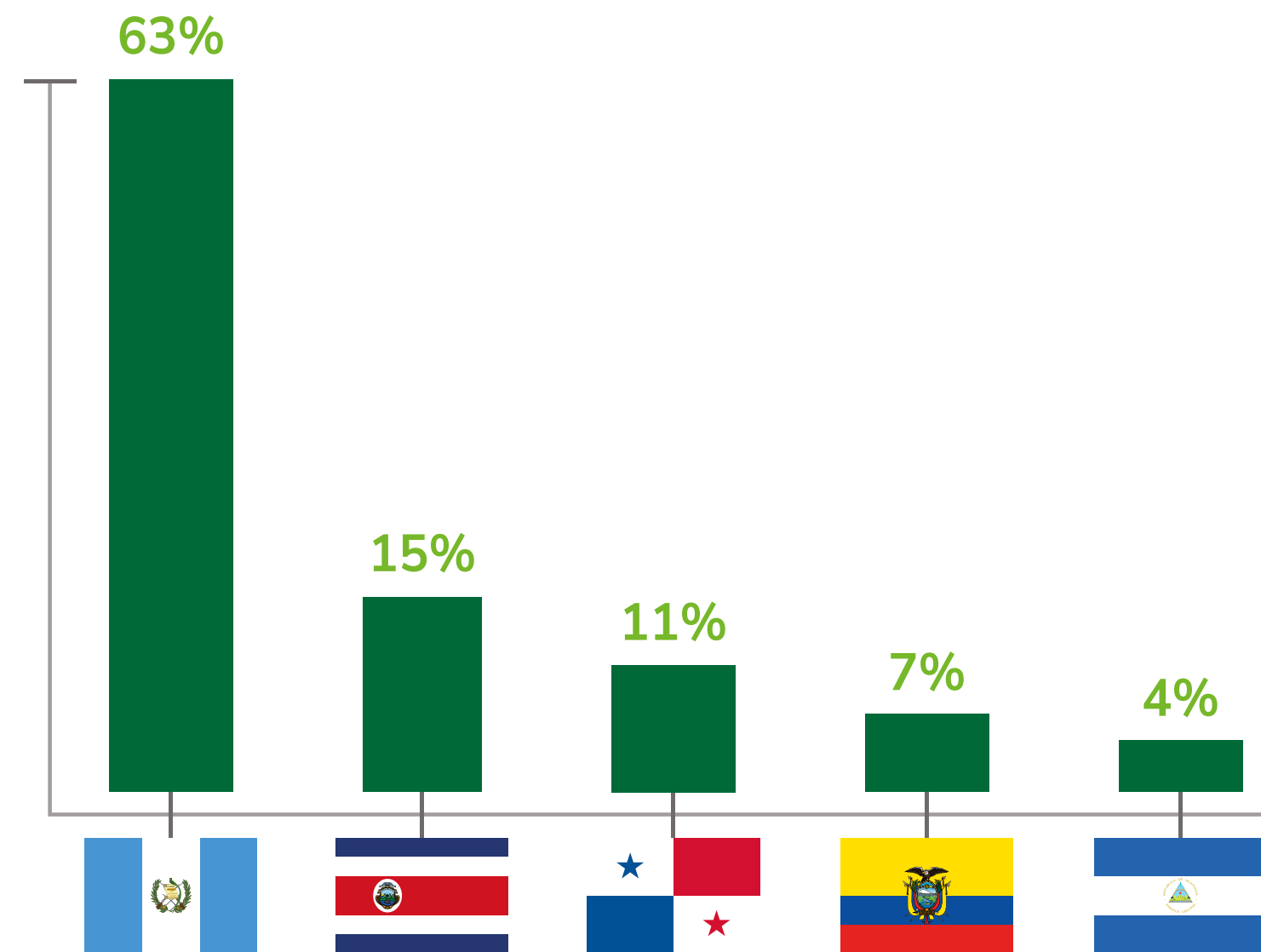
i. by sectors and industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/ or

ii. by products and services and by types of clients for consumer banking and retail banking portfolios.

iii. If your bank has taken another approach to determining the scale of the bank's exposure, explain this to show how you have considered where the main activities/ core businesses are located. of the bank in terms of industries or sectors.

b. Portfolio composition

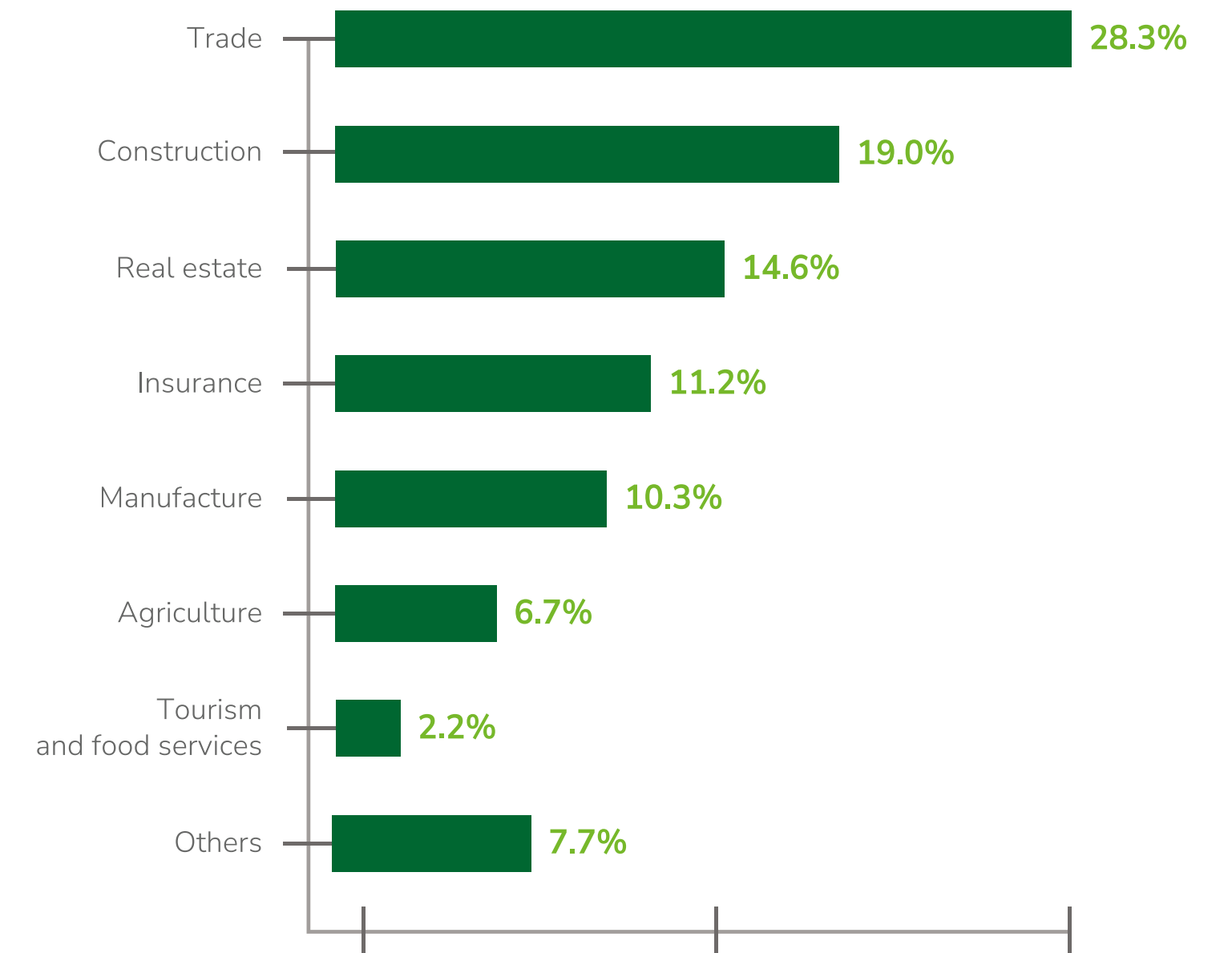
The **Corporate and Real Estate Business Portfolio** of Banco Promerica SA (Guatemala) is **geographically distributed** as follows:



Regarding the **Credit Card, Consumer and Housing Portfolio** which amounted to **Q10,625.3 MM, Q2,219.3 and Q1,058.8 MM** respectively at the close of December 23, **100% of these segments are located in Guatemala.**

i. Distribution of the Business Portfolio by Productive Sector

92% of the **Business Portfolio** is distributed in seven productive sectors, the top three of these being **Commerce, Real Estate Activities and Financial and Insurance Activities.**



b) Context:

What are the main challenges and priorities related to sustainable development in the main countries/ regions in which your bank and/or your clients operate?

Describe how you have been considered, including the stakeholders you have involved to help inform this element of the impact analysis. This step aims to put the impacts of your bank's portfolio in the context of society's needs.

c. Context

To detect the main challenges and common priorities of the countries under analysis, the Context Module template of the Impact Analysis Tool was used. The results obtained indicate that there are **4 aspects that present level 5 priority**, these being:

- Integrity and safety of people
- Availability, accessibility, affordability, quality of resources and services
- Socioeconomic convergence
- Biodiversity and healthy ecosystems

These four pillars include challenges such as: conflict resolution at both the political and criminal levels, modern slavery, child labor, guarantee of information privacy, access to resources to satisfy basic needs, unemployment and care for the environment.



d) Based on these first three elements of an impact analysis:

What areas of positive and negative impact has your bank identified?

What (at least two) significant impact areas did you prioritize to pursue your strategy ? of goal setting? (see 2)

Please disclose.

d. Impact Analysis

d .1) Business Portfolio and Real Estate Businesses

Based on the results obtained from the Institutional Banking template, it was detected that the Business Portfolio is **100% positively** aligned with three of the twelve priorities indicated in the Context Module, these being:



Health and security



Availability, accessibility, affordability and quality of resources and services



Economies healthy

With respect to negative impacts, opportunities for improvement are presented in the following priorities:



Integrity and security of the person



Stability climatic



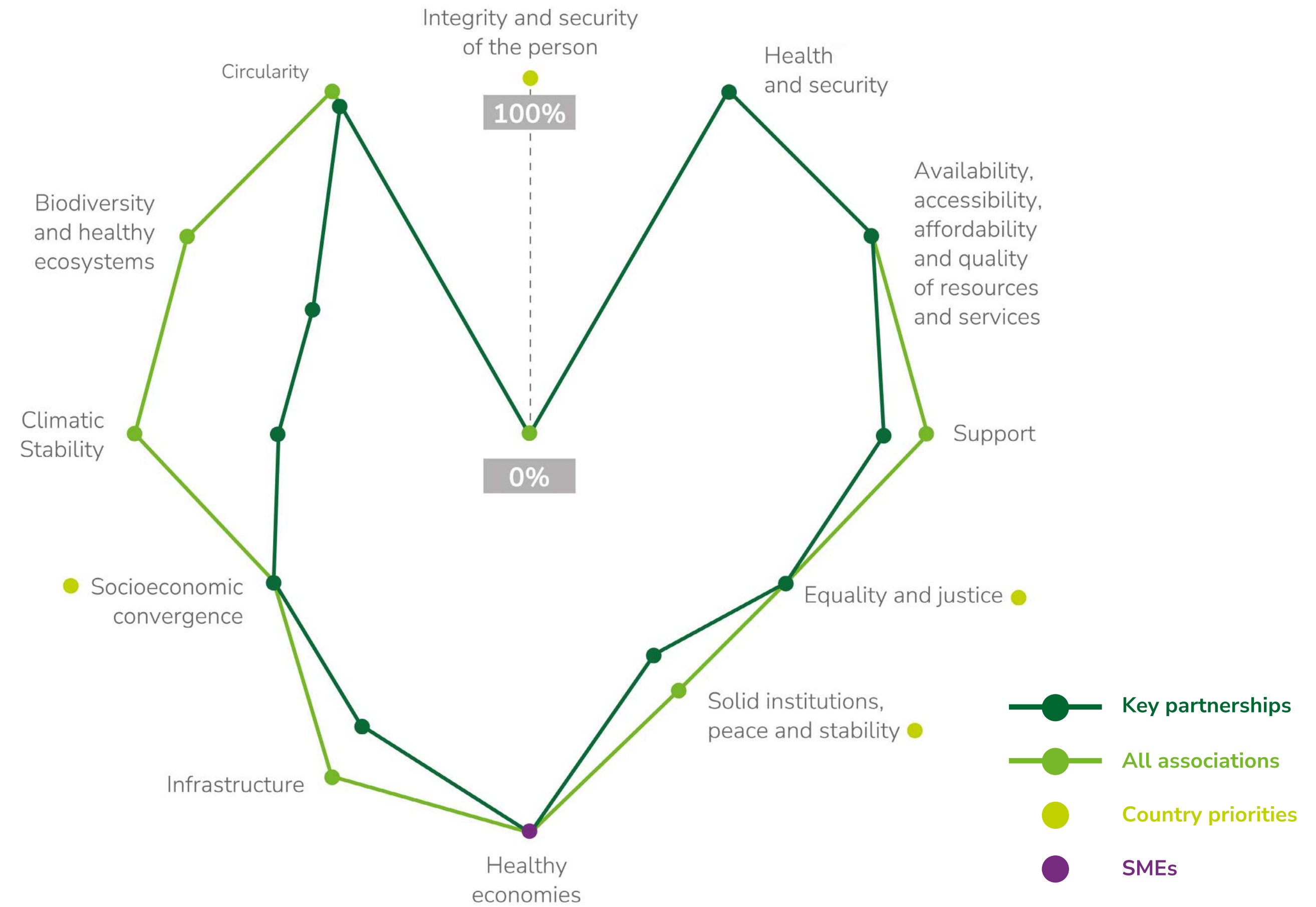
Biodiversity and healthy ecosystems



Circularity

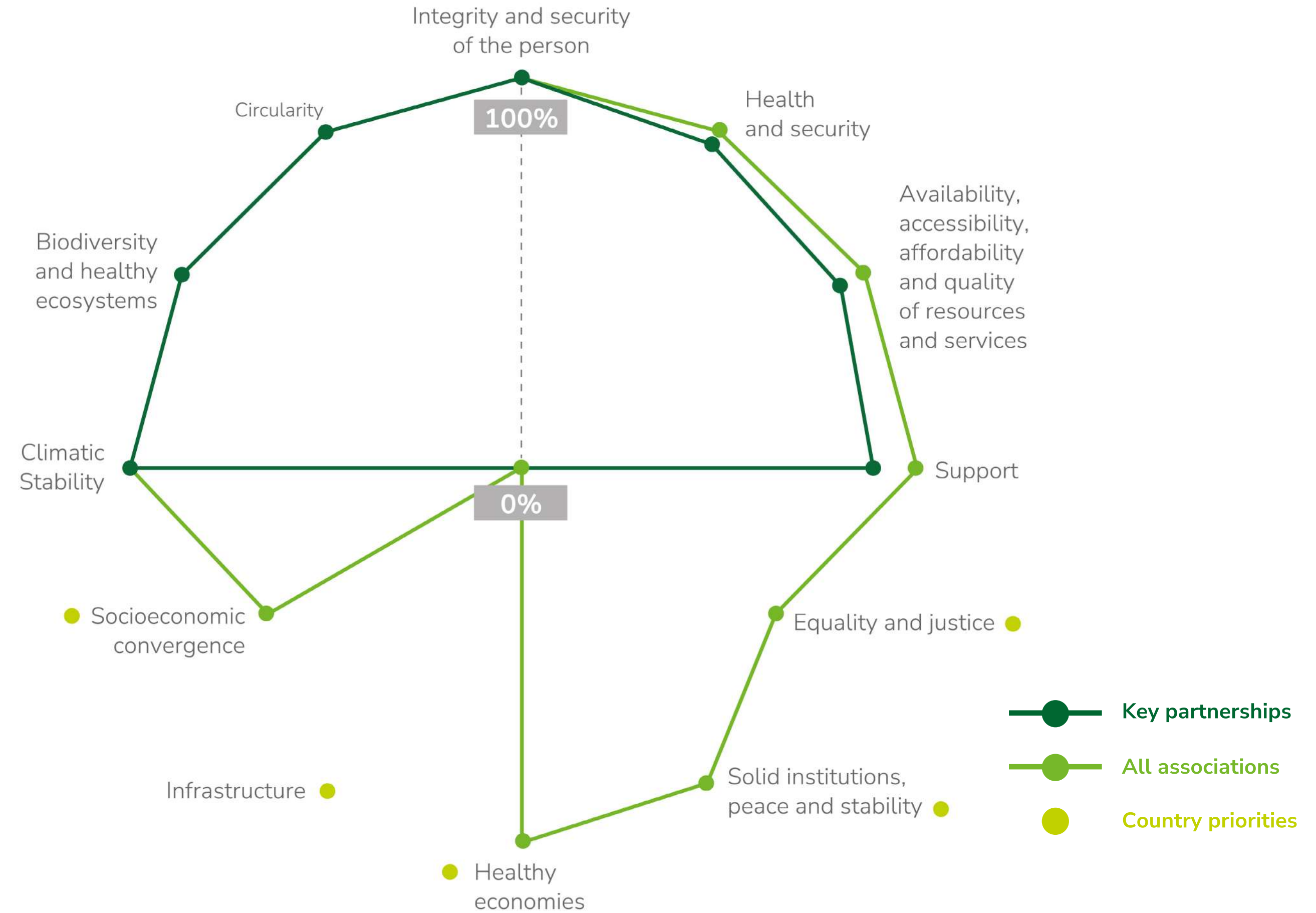


Positive Impacts Business Portfolio and Real Estate Businesses



Note: Points do not represent a value. They only show whether an impact area is a priority in countries/locations (the source of the information is the Context Module data).

Negative Impacts Business Portfolio and Real Estate Businesses



Note: Points do not represent a value. They only show whether an impact area is a priority in countries/locations (the source of the information is the Context Module data).

d.2) Credit Card, Consumer and Housing Portfolios

By using the Consumer Banking template to obtain the results of positive and negative impacts of the **Credit Card portfolio, Housing and Consumption**, it was determined that the country priority that is **100% positively impacted** is:



Availability, accessibility, affordability and quality of resources and services

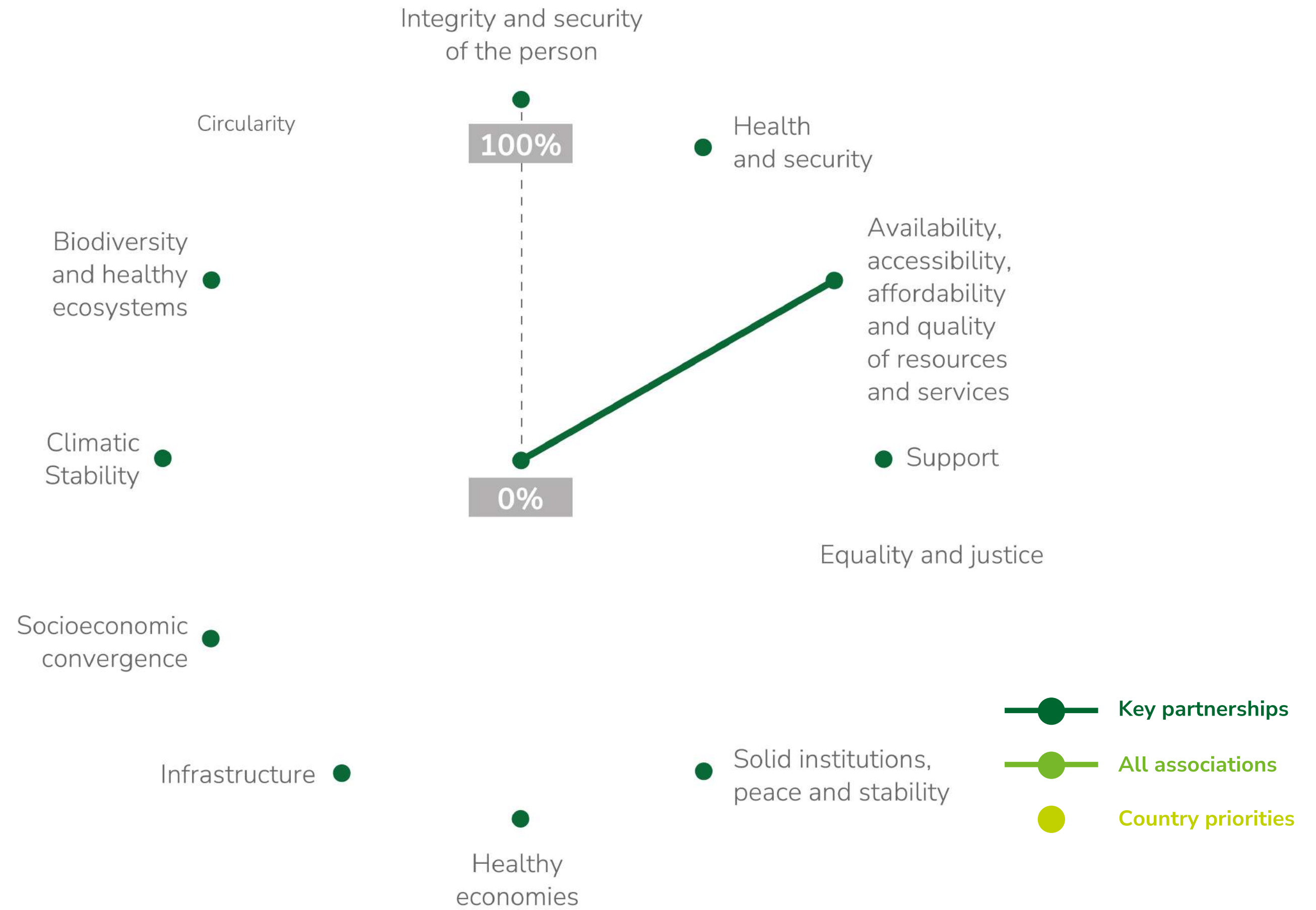
With respect to negative impacts, opportunities for improvement are presented in the following priorities:



Availability, accessibility, affordability and quality of resources and services

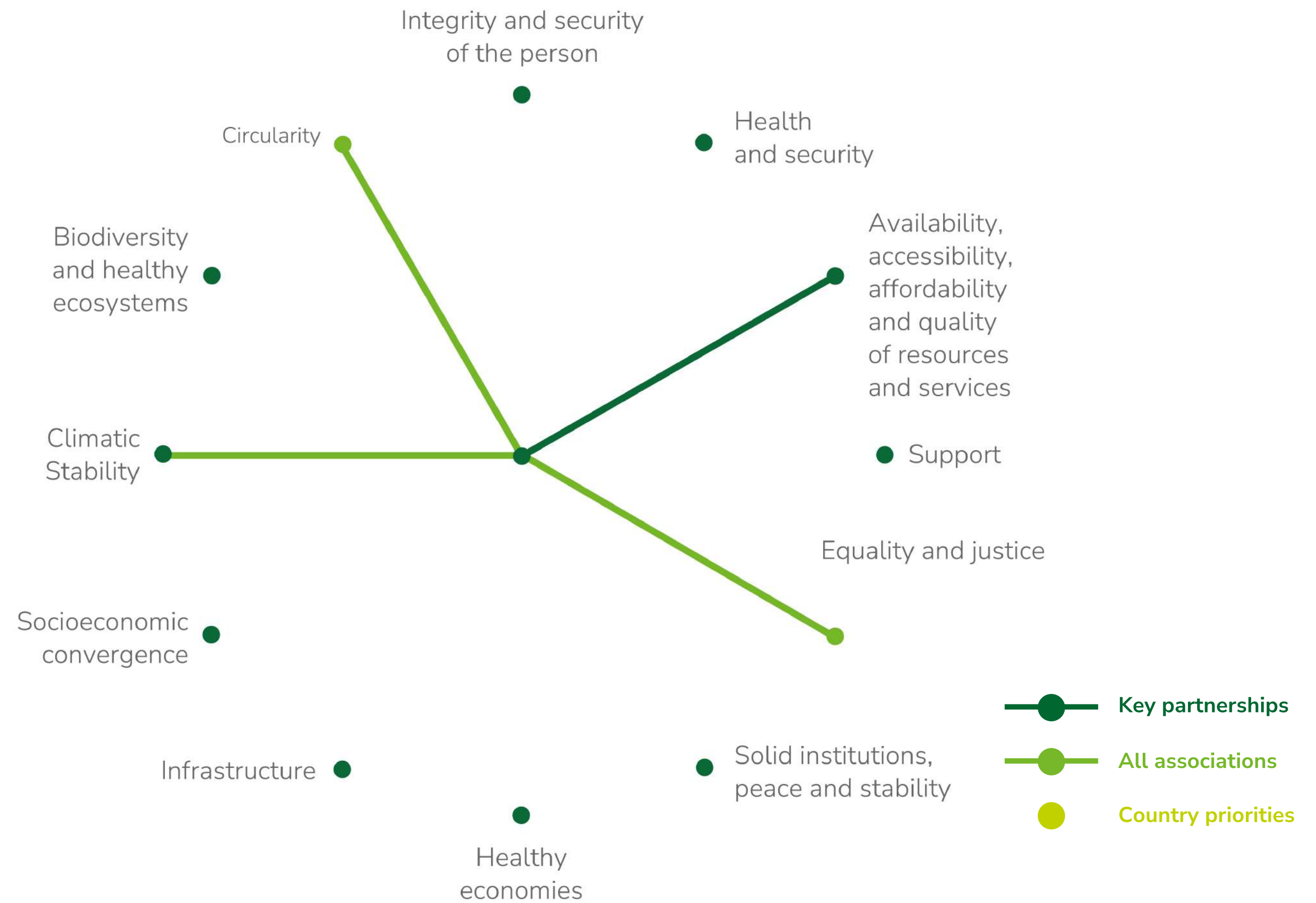


Positive Impacts Credit Card Portfolio, Consumption and Housing



Note: Points do not represent a value. They only show whether an impact area is a priority in countries/locations (the source of the information is the Context Module data).

Negative Impacts Credit Card Portfolio, Consumption and Housing



Note: Points do not represent a value. They only show whether an impact area is a priority in countries/locations (the source of the information is the Context Module data).



Banco Promerica has as a priority commitment to sustainability

We strive to be agents of change, sustainability is part of the institution's corporate culture and strategy, focusing on the pillars indicated in section 1.2 of this document.

Banco Promerica seeks to mainstream sustainability within our strategic plan to **become an agent of change** in building **more responsible banking**.

As part of its strategy to advance the integration of sustainability, Banco Promerica seeks to finance sustainable investment projects that seek to protect and conserve the environment, as well as mitigate environmental impacts, guaranteeing balance in economic growth. environmental care and social well-being. divides its sustainable financing objectives into two priority areas;

- **Social**
- **Green**

• **Social Financing**

Financing for MSMEs and people in economically vulnerable conditions.

• **Green Financing**

Work is being done on a new classification of credits based on indicators to measure efficiency; they are served through the Green Credit Lines.

e. For these (min. two priority impact areas):

Performance Measurement: Has your bank identified which sectors and industries, as well as types of clients funded or invested in, are causing the strongest actual positive or negative impacts? Describe how you evaluated their performance, using appropriate indicators related to significant impact areas that apply to your bank's context.

When determining priority areas for goal setting among your most significant impact areas, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or indirect indicators of social, economic and environmental impacts. resulting from the bank's activities and supply of products and services. If you have identified climate and/or health and financial inclusion as your most significant impact areas, please also see the corresponding indicators in the Annex.

If your bank has adopted another approach to assessing the intensity of impact resulting from the bank's activities and provision of products and services, please describe it.

The outcome of this step will also provide the baseline (including indicators) that you can use to set goals in two areas of most significant impact.

Self-assessment summary:

Which of the following impact analysis components has your bank completed to identify the areas where your bank has its most significant (potential) positive and negative impacts?

• **Scope:**

Yes In progress No

• **Portfolio composition:**

Yes In progress No

• **Context:**

Yes In progress No

• **Performance measurement:**

Yes In progress No

What most significant areas of impact have you identified for your bank, as a result of the impact analysis?

- Social Financing
- Green Financing

How recent is the data used and disclosed in the impact analysis?

- Up to 6 months before publication
- Up to 12 months before publication
- Up to 18 months before publication
- More than 18 months before publication

Open text field to describe possible challenges, aspects not covered by the above, etc.: (optional)

- Lack of involvement at the country level.
- Lack of knowledge on the part of the target audience about the benefits of implementing green technologies.

2.2. Goal Setting

a. Alignment

Using the Institutional Banking template, in the section of determining the most significant areas of impact, the priority of **Healthy Economies** under the theme of flourishing MSMEs, contributes to the SDGs: 1, 8 and 9.

b. Baseline

The baseline to evaluate the performance of the Financing priority area Social, will be from the Closing of December 23, under the indicator:

- Balance of the MSME Portfolio.

c. SMART goal

Increase the balance of **MSMEs** from the cut-off of Dec 23 (**Q828.2 MM**) to the cut-off of Dec 24 by **22.8%**.

Show that your bank has established and published a minimum of two objectives that address at least two different areas of most significant impact you identified in your impact analysis.

The objectives must be Specific, Measurable (qualitative or quantitative), Attainable, Relevant and Time-bound (SMART).

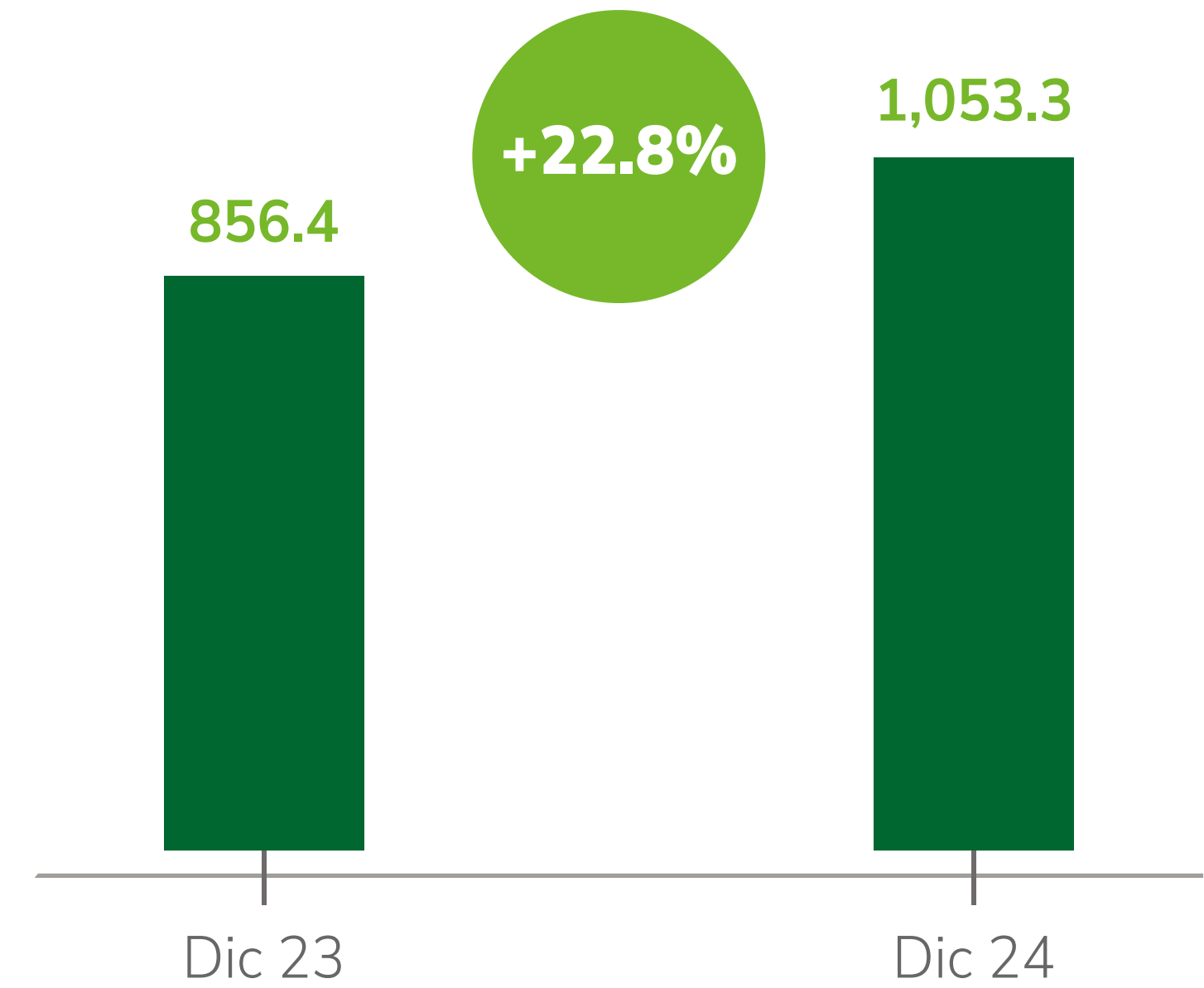
Disclose the following elements of goal setting (ad), for each goal separately:

a) Alignment:

What international, regional or national policy frameworks for aligning your bank's portfolio have you identified as relevant?

Show that the selected indicators and goals are linked to and drive alignment and greater contribution to the appropriate Sustainable Development Goals, the goals of the Paris Agreement and other relevant international, national or regional frameworks.

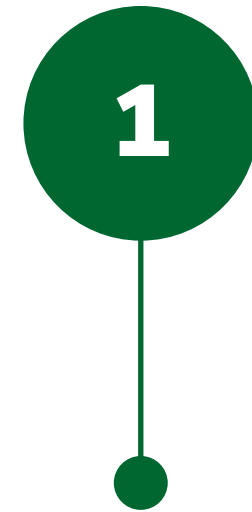
Can be based on context elements of 2.1.



Figures in MM of Q

2.2. Goal Setting

d. Action Plan for SMART goals



Internal education and training

Implement education and training programs for the bank's internal staff, with a focus on identifying green and social financing opportunities, and thus being able to understand the specific needs of MSMEs and the vulnerable population.

This would include training sessions on the benefits of sustainability, evaluation criteria for green projects and how to adapt existing financial products to meet the needs of these segments.



Personalized advice

Offer personalized advice to MSMEs and vulnerable populations to help them understand the benefits of green financing, identify viable projects and access financial resources.

We would work on creating tools and guides to help clients navigate the green and social financing application process.



Awareness and promotion campaigns

Launch awareness and promotion campaigns aimed at the green segment and MSMEs, highlighting the economic and environmental benefits of sustainable projects and how the bank can support them in their initiatives.

These campaigns could include seminars, networking events, educational materials, and testimonials from successful clients.

b) Baseline:

Have you determined a baseline for the selected indicators and assessed the current level of alignment? Indicate the indicators used, as well as the year of the baseline.

Maybe based on performance measurement performed in 2.1 to determine the baseline for your objective.

c) SMART objectives (including key performance indicators (KPIs):

Disclose objectives for your first and second most significant impact areas, if they already exist (as well as other impact areas, if they exist). What KPI are you using to monitor progress toward achieving the goal? Please disclose.

d) Action plan:

What actions, including milestones, have you defined to meet your stated objectives? Please describe.

Also demonstrate that your bank has analyzed and recognized significant (potential) indirect impacts of the established objectives within the impact area or in other impact areas and that it has established relevant actions to avoid, mitigate or offset potential negative impacts.

Implementation and monitoring of objectives

The established baseline is as of December 23, therefore, throughout 2024, action plans will be monitored and evaluated to **meet the established SMART objectives.**



2.3. Implementation and monitoring of objectives

(Key Step 2)

For each objective separately:

Demonstrate that your bank has implemented the actions you had previously defined to meet the established objective.

Report on your bank's progress since the last report towards achieving each of the stated objectives and the impact your progress had, using the indicators and KPIs to monitor progress that you have defined in 2.2.

Or, in case of changes to implementation plans (relevant only for the second and subsequent reports): describe the potential changes (changes in priority impact areas, changes in indicators, acceleration/revision of objectives, introduction of new milestones or action plan reviews) and explain why those changes have become necessary.

Self-assessment summary:

Based on the results obtained in the Impact Analysis Tool, Banco Promerica established two most significant areas of impact: Social and Green Financing, identified the alignment of impact with the SDGs, established figures for the end of December 2023 as a baseline, set two intelligent objectives and the action plan that will be monitored during 2024.

	... first most significant area of impact: ... Social Financing	... second most significant area of impact: ... Green Financing
Alignment	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Baseline	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Goals smart	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No
Plan of action	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> In progress <input type="radio"/> No



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.



3.1. Engagement with the client

are currently working on our **Double Materiality Analysis** with the support of the impact fund eco.business Fund and the consulting firm Valora.

• Financial

For SASB, materiality reflects ESG (Environmental, Social and Governance) factors that could have a reasonable probability of affecting the financial condition, operating performance and cash flows within companies.

It is a materiality that responds to the concerns of investors.

• Of impacts

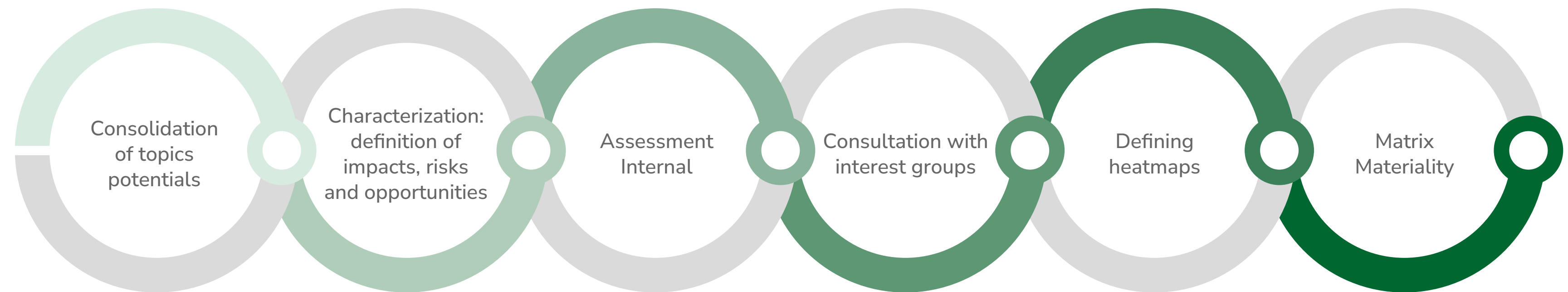
For GRI, materiality reflects the most significant impacts of the company to the outside: on the economy, the environment and people; These impacts can have positive or negative consequences for the company (in operations, reputation, financially).

It is a materiality that responds to the broad set of interest groups.

• Double Materiality Process

Materiality analysis is a process in stages that first determines the impact materiality and integrates the financial one.

An analysis is being carried out based on a methodological scheme based on the Global Reporting Initiative (GRI) that connects impacts with material topics and principles established by the Sustainability Accounting Standards Board (SASB), which connects risks and opportunities with material topics.



Does your bank have a customer engagement policy or process to encourage sustainable practices?

- Yes
- In progress
- No

Does your bank have a policy for the sectors where you have identified the greatest (potential) negative impacts?

- Yes
- In progress
- No

Describe how your bank has worked and/or plans to work with its customers to encourage sustainable practices and enable sustainable economic activities). Should include information on relevant policies, planned/implemented actions to support customer transition, selected indicators on customer engagement and, where possible, impacts achieved.

3.2. Business opportunities

Describe what strategic business opportunities in relation to increasing positive impacts and reducing negative impacts your bank has identified and/or how you have worked on them in the reporting period.

Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a percentage of your portfolio, and in which SDGs or impact areas you are striving to make a positive impact (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Banco Promerica in order to provide a service more than what its clients expect, in addition to the attention to resolve any concern physically through its **109 agencies**, it has various social networks, with the Telephone Service Center and a permanent attention service through its application.

Through its YouTube channel, it disseminates videos of the **La Bóveda Verde** program, with financial education content, and also provides details of the operation of the bank's products and services.

To increase positive impacts and reduce negative impacts, Banco Promerica has with the Green Credits product, with which it serves the following segments:

- Energy efficiency
- Renewable energy
- Resource efficiency
- Sustainability Certifications
- Efficient Agricultural Technology
- Green Capital

In addition to this, within green credits we have **Sustainable Real Estate Credits:**

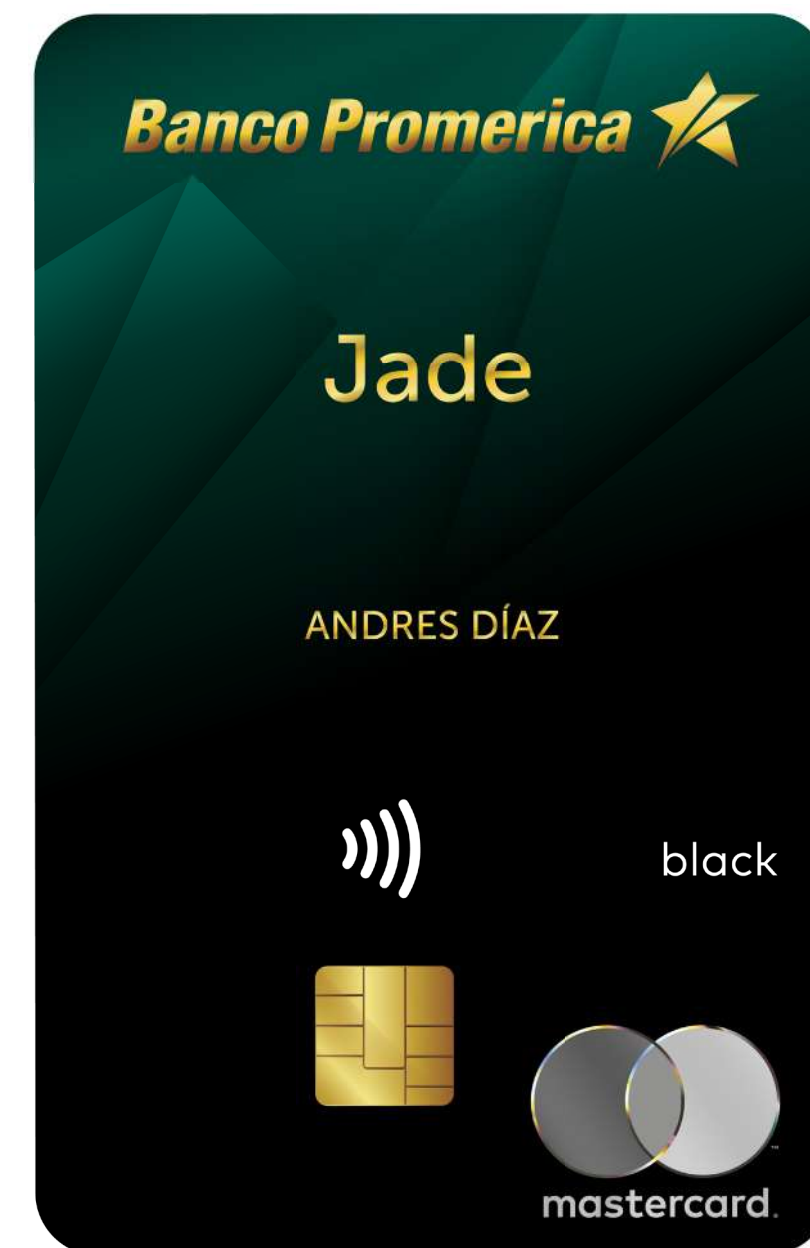
- **Sustainable construction:** applicable to certified projects.
- **Sustainable Housing:** applicable to housing from a sustainable project.

Work is being done on a taxonomy that allows establishing indicators to evaluate the performance of the different segments served through the **Green Portfolio.**



In the Credit Card segment, the **Jade Card** accumulates **Promerica Green Points** with which Banco Promerica donates funds to support initiatives that promote inclusive economic growth and the creation of sustainable employment, collaborating with associations dedicated to addressing pressing social challenges. In addition, we support projects that contribute to the conservation and restoration of the environment.

Likewise, all the cards that Banco Promerica offers have multiple benefits, such as discounts in supermarkets, pharmacies and multiple stores, so customers can save while satisfying their basic needs and, thanks to the multiple loyalty programs, purchase products that improve their quality of life.



Accumulate
**Promerica Points
Green**

Banco Promerica also generates commercial opportunities through relationships with its different national and international creditors, including:

- BlueOrchard
- IDB
- FMO
- Bladex
- SDR
- PROPARCO
- ECOBUSINESS FUND
- GLOBAL CLIMATE
- Norfund
- responsAbility
- MultiConcept Fund Management



Principle 4

Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.



4.1. Identification and consultation of interested parties

Identified Interest Groups

During 2023, Banco Promerica carried out its first analysis of identification and prioritization of interest groups with the support of the impact fund eco.business Fund and the consulting firm Valora.

It was done through 3 stages.

- List of Groups and Subgroups of interest
- Prioritization
- Stakeholder Matrix

Interest groups with double materiality refer to those who are interested both in the financial aspects and in the social and environmental aspects of an organization. Addressing the needs and interests of these interest groups is essential for long-term sustainability.

The process of identifying and prioritizing stakeholders as a bank involves recognizing and classifying the various actors that have an interest or impact on the operations and performance of the financial institution.

In this case, the results indicate that **six main groups** of interest have been identified:

- Board of directors
- Shareholders and Investors
- Other capital providers
- Collaborators and officials
- Competing suppliers
- Customer

Additionally, **four additional subgroups** were identified that also have a significant impact on the bank's operations:

- State, authorities and regulatory entities
- Associations and chambers
- Community
- Media



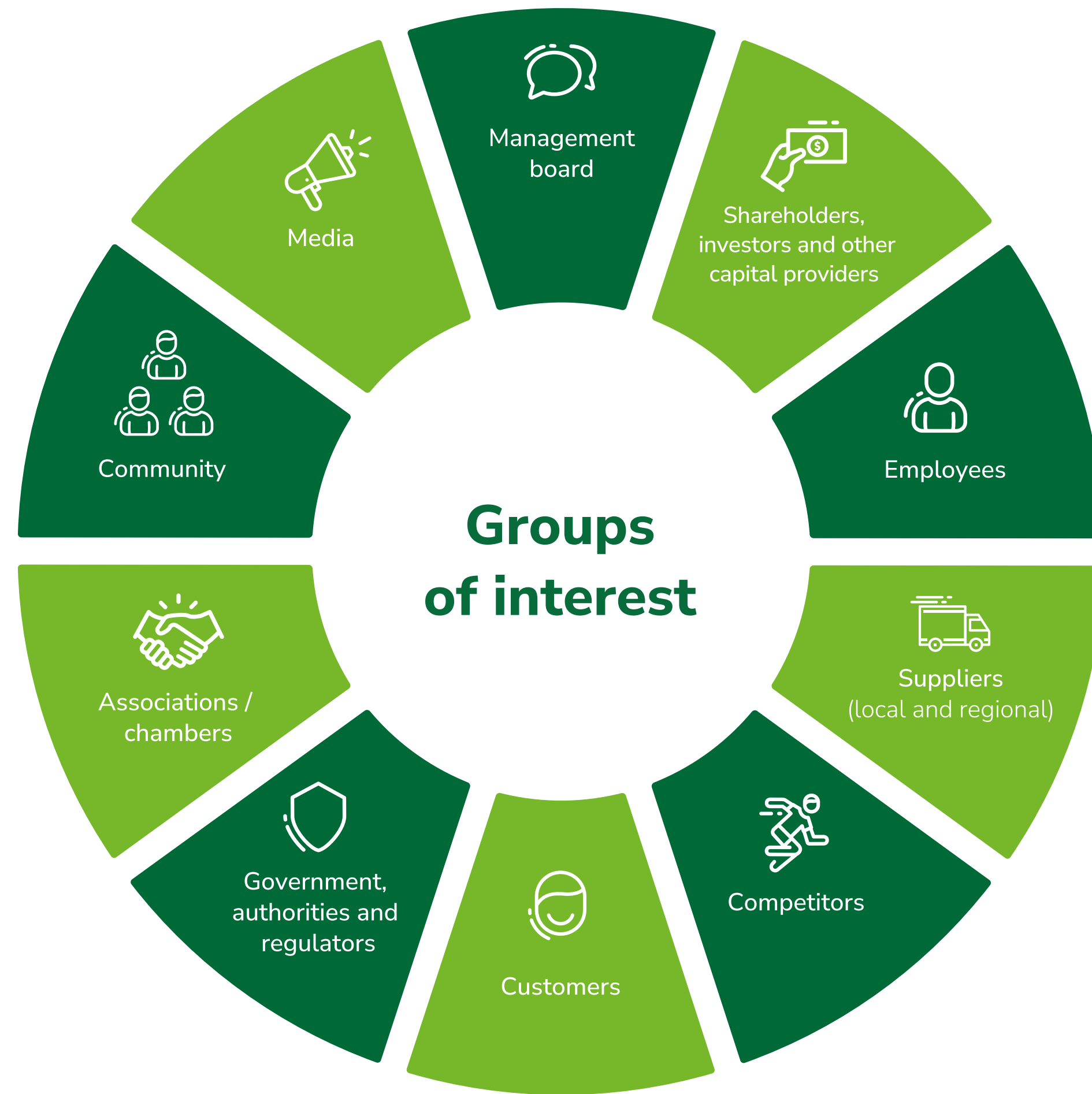
Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) that you have identified as relevant in relation to the impact analysis and goal setting process?

- Yes
- In progress
- No

Describe which interested parties (or groups/ types of stakeholders) have identified, consulted, engaged, collaborated or partnered for the purpose of implementing the Principles and improving the impacts of their bank.

This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/ results achieved and how these were incorporated into the action planning process.

4.1. Stakeholder identification and consultation



Having our interest groups identified and prioritized allows us to analyze and visualize how they interact with each other and with us within the community in which we operate.

In this way we can identify and understand the needs, concerns and expectations of interested parties that are relevant to our organization.



Principle 5

Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.



5.1. Governance Structure for Implementation of the Principles

Governance Structure

We have the best Government practices Corporate stipulated by a Board of Directors that is made up of professionals with extensive banking and business experience who have been duly qualified by the Superintendency of Banks in accordance with local regulations.

We have a Code of Ethics and Conduct that aims to promote a culture based on ethical and moral values, having an internal impact on directors, officers and collaborators and is governed by an ethics committee that is responsible for ensuring compliance.

The sustainable growth of the Bank has been thanks to the good and strategic decisions that have arisen from the Board of Directors.

For this purpose, the Bank has the following **Executive Committees:**

- Business Committee
- Management Committee
- Ethics Committee
- ALCO Assets and Liabilities Committee (for its acronym in English)

And the following **control bodies:**

- Compliance Committee
- Risk Committee
- Audit Committee

Where members of the Board of Directors who do not

have managerial activities within the Institution actively participate.

Likewise, Banco Promerica manages its risks in accordance with business experience, the guidelines of local regulations issued by the Superintendency of Banks and the best practices that support the trust of depositors.

Likewise, it has an internal control structure that starts with the front-line customer service officials, the support officials and finally the control officials who ensure proper compliance with the entity's policies and procedures.

Internal control:

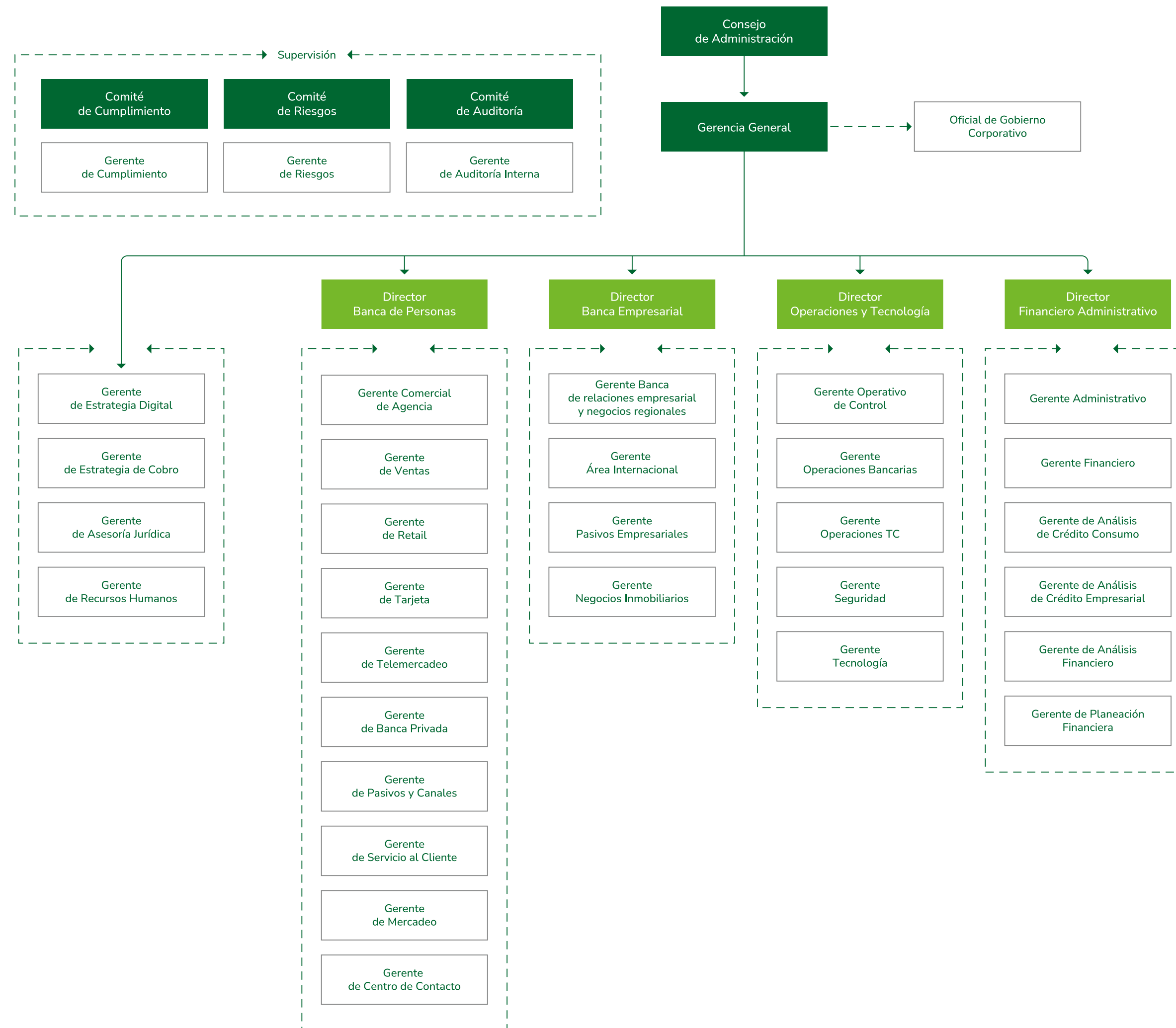
- Internal audit
- Compliance and Risk Management
- Legal Advice and Government Official Corporate
- Administrative Compliance Unit

Does your bank have a governance system that incorporates PRB?

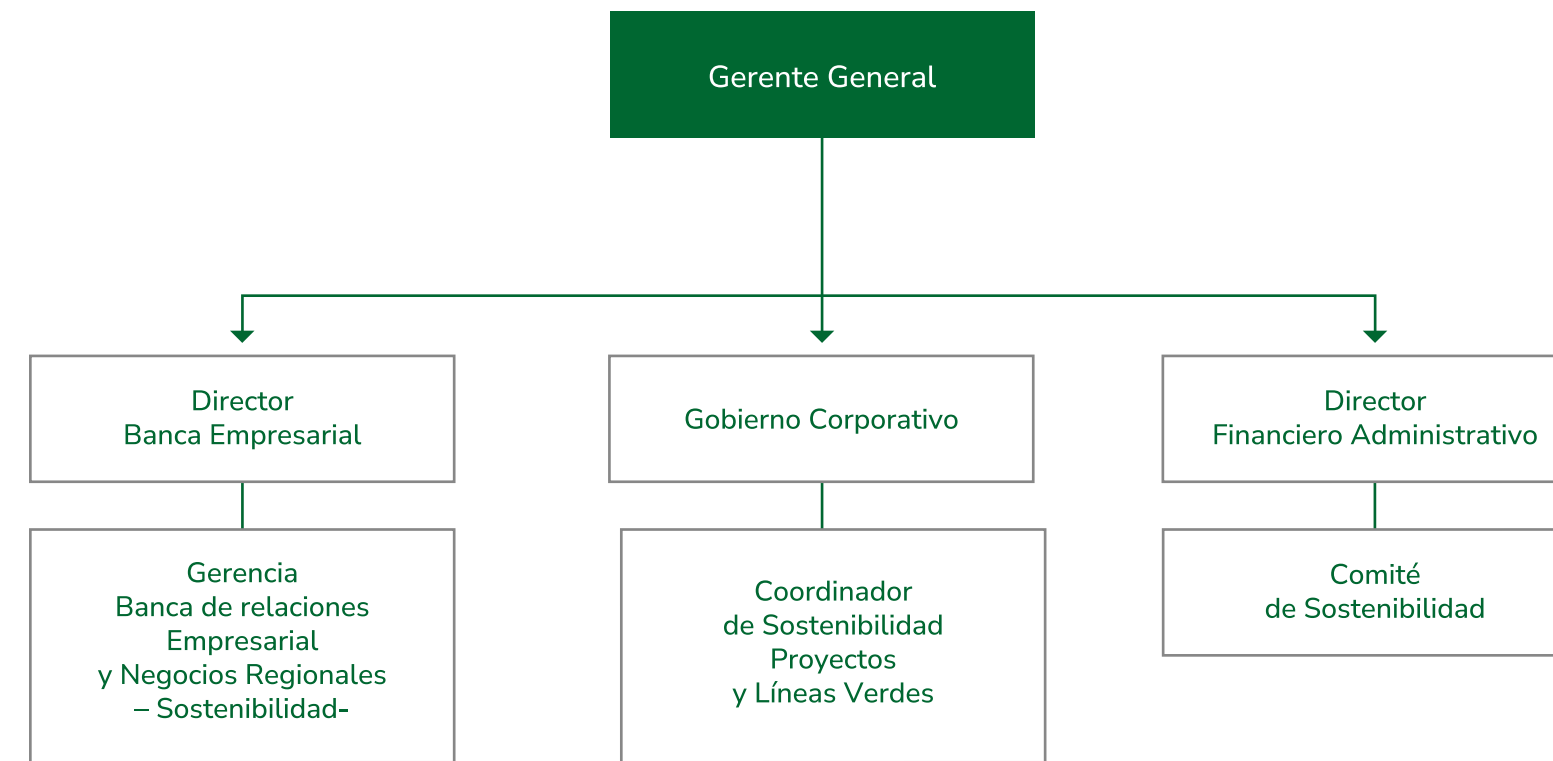
- Yes
 In progress
 No

Describe the relevant governance structures, policies and procedures that your bank has in place or plans to implement to manage significant positive and (potential) negative impacts and support the effective implementation of the Principles.


Organizational structure of Banco Promerica



Mainstreaming Sustainability in Guatemala



 <p>Strategic</p>	<p>Sustainability Sustainability Leader and Coordinator of Sustainability Projects and Green Lines</p>	<p>SARAS Business Credit Analysis Manager and portfolio management and Coordinator Socio-environmental Risk</p>	<p>Green Lines Business Relationship Banking Manager and Regional Businesses with support from the Sustainability Coordinator of Projects and Green Lines</p>
	<p>Entrepreneurial Business Director of Business Banking and their managers</p>	<p>Correspondents and Multilaterals Financial planning manager and coordinators</p>	<p>Social and Environmental Risks Manager of business credit analysis and portfolio administration and Risk Coordinator Socio-environmental</p>

 <p>Internal</p>	<p>Corporate governance Legal Manager</p>	<p>Administrative Administrative Financial Director</p>	<p>Talent and Culture Human Resources</p>	<p>Purchasing and Suppliers Administrative manager</p>
	<p>Digital Transformation Digital Strategy Manager</p>	<p>Marketing and visualization Marketing Manager</p>	<p>Big Data Business Intelligence and Financial planning</p>	<p>Inversión Social – RSE Human Resources, Marketing and Sustainability</p>

5.2. Promotion of a responsible banking culture

Describe your bank's initiatives and measures to foster a culture of responsible banking among its employees (e.g. capacity building, e-learning, sustainability training for customer-facing roles, inclusion in remuneration structures and performance management and leadership communication, among others).

Banco Promerica is an institution that generates value among its collaborators, we seek to contribute to a cultural transformation that promotes human and labor rights, creating safe work environments, where employee well-being translates into happiness, job satisfaction, personal development and a balanced life.

In 2023, more than **150 thousand accumulated hours of learning and training** were provided on topics such as human rights, sustainability, health and safety, culture and leadership, as well as compliance, among other areas of technical knowledge. We focus on ensuring a safe, equitable and respectful work environment for all employees. This involves offering adequate compensation, working conditions optimal and promote collaboration and learning continuous. In addition, it focuses on promoting inclusion, gender equality and protecting the physical health of employees. Through these initiatives, the bank seeks to **create an environment where values are promoted and where all employees can grow and prosper professionally.**



5.3. Due diligence policies and processes

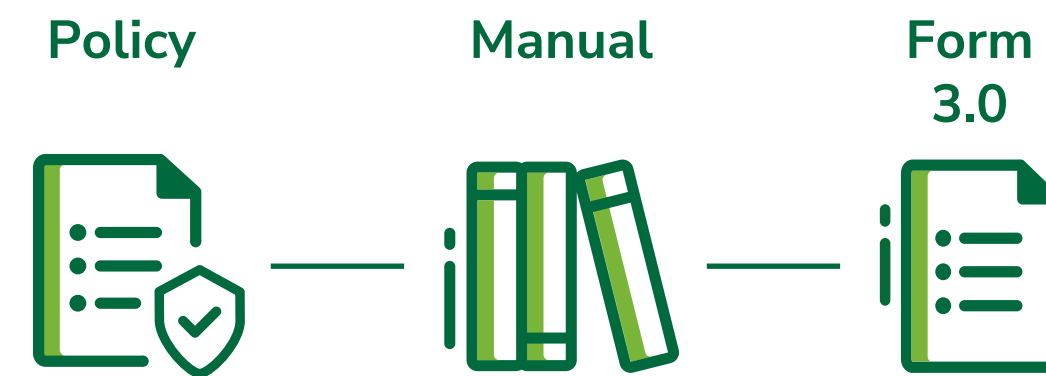
Does your bank have policies that address environmental and social risks within your portfolio?

Please describe.

Describe what due diligence processes you have set up at your bank to identify and manage the environmental and social risks associated with your portfolio.

This may include aspects such as identifying significant or notable risks, mitigating environmental and social risks and defining action plans, monitoring and reporting on risks and any existing grievance mechanisms, as well as structures of government that it has to supervise these risks.

The **Environmental and Social Risk Management System (SARAS 3.0)** consists of 3 elements that establish the framework of action that integrates the Bank.



Currently, we are in a process of improving our management instruments related to SARAS 3.0, including the policy and manuals.

- **Politics:**

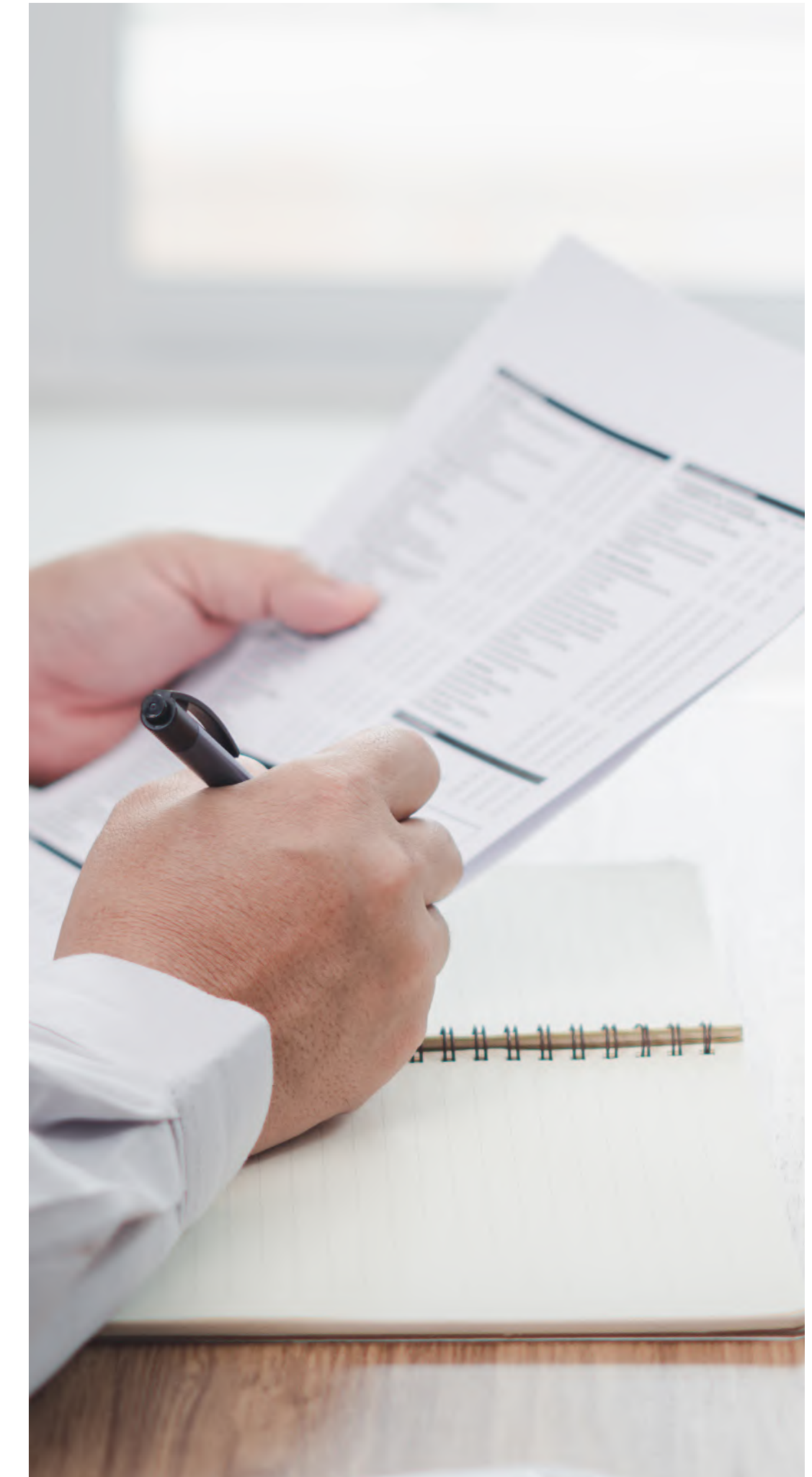
Its objective is to identify the Environmental and Social risks that the activities have and projects, both of the current portfolio and of potential clients, in order to safeguard the quality of the credit portfolio, and determine the possible impact that different incidents or disasters may generate, if they occur, in terms of the non-payment of your debt, damage to the Bank's guarantees and reputation.

We have implemented the new **SARAS Form 3.0**, through a training process to all the collaborators involved, including business executives and business credit analysts. However, the application of a previous version of the Form and other management instruments have been implemented for several years, also contemplating a list of activities that are excluded.

The SARAS is present in all stages of the business credit process, and applies to the productive activities of its clients and projects, for which the credits are requested, when these are equal to or greater than \$250,000.00 for any amount of credit, the verification of non-profile activities (exclusion list).

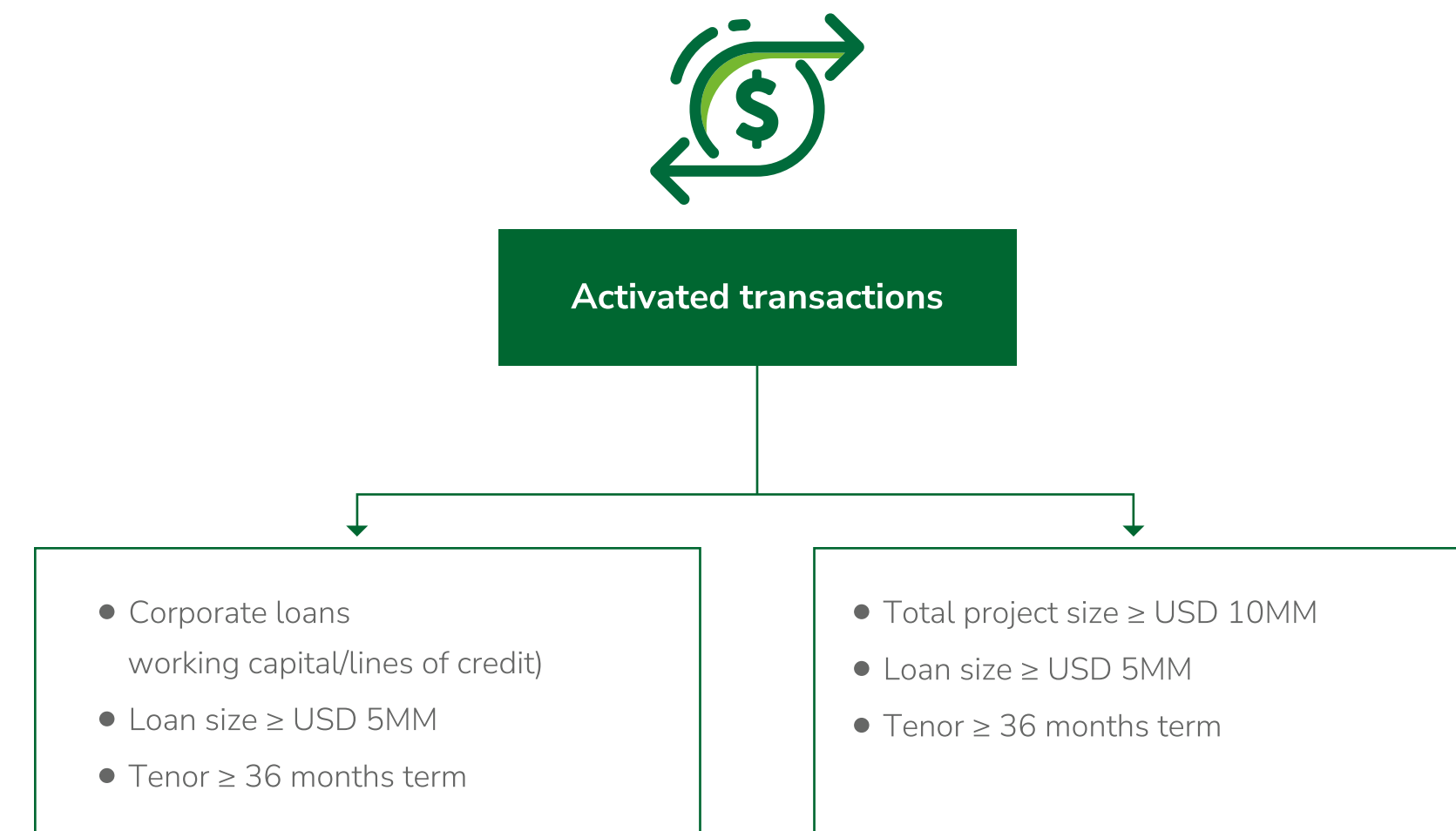
- **The SARAS 3.0 form:**

It allows credits to be classified into High (A), Medium (B) and Low (C) Risk, as well as the classification of Due Diligence into High, Medium or Basic.



Principles of Responsible Banking - Principle 5 - Government and culture

On the other hand, operations that may correspond to an Activated Transaction are being considered:



Depending on these criteria, two new classification categories emerge:

- Transactions Activated with application of Performance Standards IFC 1-2 and
- Transactions Activated with application of IFC Performance Standards 1-8.

Self-assessment summary:

Does the CEO or other C-suite officials regularly monitor the implementation of the Principles throughout the bank's governance system?

Yes In progress No

Does the governance system include structures to oversee PRB implementation (e.g. does it include impact analysis and goal setting, actions to achieve these goals, and corrective action processes in case goals/milestones are not met or are detected? unexpected negative impacts)?

Yes In progress No

Does your bank have measures to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No



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.



We are working on a double materiality analysis and thus obtain a matrix based on a methodological scheme based on:



Global Reporting Initiative (GRI), in its latest update of No GRI 3, which connects impacts with material issues.



Principles established by the **Sustainability Accounting Standards Board (SASB)**, which connect risks and opportunities with material issues.

It is being carried out in a 5-step process:

1. Consolidation of themes
2. Definition
3. Assessment
4. Consultations to GGII
5. Review of double materiality seen in section 4.1.



Is this information publicly disclosed about your PRB commitments have you been insured by an independent insurer?

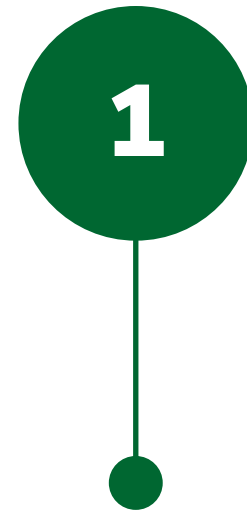
- Yes
- Partially
- No

Does your bank disclose sustainability information in any of the standards and frameworks listed below?

- GRI
- SASB
- CDP
- FRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other:

Next steps

During 2024 we will work on:



Impact Measurement

- Calculation of the ecological footprint (carbon footprint and water footprint) as inputs for the environmental policy of Banco Promerica.
- We will have a saras 3.0 environmental and social risk management system policy and we will already have an E&S risk management system.
- Double materiality.



Social investment

- We will work with different organizations that promote sustainable development, in the environmental, social and economic areas.
- We are committed to building communities strong and developed.



Sustainable Business

- We will work on a Communication and promotion strategy for our green lines.
- We will work to evaluate the current level of alignment of the products with the most significant areas of impact and thus determine the baseline of work.

6.2 What are the next steps your bank will undertake in the next 12-month reporting period (particularly in the impact analysis, goal setting and governance structure to implement the PRB)?

Please describe briefly.



What challenges have you prioritized addressing when implementing the Responsible Banking Principles? Choose what you consider to be the top three challenges your bank has prioritized addressing over the past 12 months. Creation of an internal awareness and culture that involves the different areas that directly affect the principlest.

- Incorporate PRB oversight into governance
- Gain or maintain momentum in the bank
- Getting started: where to start and what to focus on at the beginning
- Conducting an impact analysis
- Evaluation of negative environmental and social impacts
- Choosing the appropriate performance measurement methodology(ies)
- Goal Setting
- Customer engagement
- Stakeholder participation
- Data availability
- Data quality
- Access to resources
- Reports
- Sure
- Prioritize actions internally
- Other

Banco Promerica 