

CORPORATE SOCIAL RESPONSIBILITY POLICY



Corporate Social Responsibility (CSR) Policy

1. Objective

This policy aims to establish the philosophy of this organization in the field of corporate social responsibility (CSR) based on the principles that govern the CSR according to the United Nations Global Compact and the ISO 26000. This policy applies to Morgan & Morgan, MMG Bank, MMG Trust and all affiliated companies.

2. Scope and Responsibility

This policy applies to all partners, lawyers, executives, and members of this organization and is expected to be extended to the groups of interest within its Value Chain.

The Committee of CSR shall ensure the application of this policy and programs, under the supervision of the CRS Manager.

3. Background

CSR

The Inter-American Development Bank (IDB) defines CSR as a set of policies, practices, and programs that make up operations and activities in the framework of ethics, environmental conservation, promotion of development within the community, responsible marketing, promotion of health and safety at work, the promotion of human rights and transparency.

Since its founding, we have been committed to the welfare of society. In the year 2001 it formalizes its commitment to promoting CSR, signing the Global Pact of the United Nations. Since then, it involves all stakeholders of our value chain, as are the shareholders and investors, customers, employees, suppliers, partners, and society in general. In the year 2011, the organization adopts the international quality standard ISO 26000 which governs and guides the field of social responsibility and encourages the parties concerned to incorporate a socially responsible dynamic.

CSR creates a positive image with consumers, investors, employees, clients, and the community in general. In the same way, companies that adopt CSR achieve objectives that go beyond profit and that carry a positive social, economic, and environmental impact.

Areas of CSR and the ISO 26000

The ISO 26000 was adopted in the year 2011. It is an international standard of quality which covers seven key areas in various aspects of CSR on which companies must focus in order to contribute to sustainable development.



Taking into consideration these references, the organization has organized and defined the internal policies of CSR within the framework of the principles of the Global Compact of the United Nations and the recommendations of the ISO 26000, which will serve as a guide for the implementation and strategic planning of our social investment and accountability.

This involves implementing CSR as an essential part of our policies, our organizational culture and our strategies and operations; generating internal competencies in the field of CSR; developing internal and external communication on CSR and periodically reviewing these actions and practices related to CSR, through the self-assessment tool INDICARSE.

4. Sustainability Strategy

The organization makes significant investments in CSR each year, focusing its sustainability strategy on four pillars:

- **Corporate Standards:** "We are characterized by leadership based on values and principles"

- **Corporate Wellness:** "We seek the occupational and personal well-being of our collaborators"
- **Environment:** "We promote good environmental practices, always leaving a green footprint"
- **Community,** through Fundamorgan: "We promote access to justice and education as means to achieve a fairer society with a better quality of life."
- **Corporate Standards:**

All affiliated companies are governed by a strict code of professional ethics and the healthiest local and international business, legal and financial practices. Its employees are selected based on the highest standards of integrity, intellect, service, and ethics.

- **Corporate Wellness:**

Corporate wellness focuses on the quality of working life of the organization's more than 600 associates. On this front, our initiatives are unparalleled in our industry: Transmorgan is a free private transportation system for employees; Mini Morgan incorporates our associates' children into their parents' work, offering them cultural and educational activities during their summer and mid-year school breaks; the organization offers lactation rooms for mothers who require it; "Medimor" is a private clinic for our associates with a general practitioner on staff; a teleworking system, and other benefits such as private life and health insurance coverage; a private savings fund; continuous training and professional development at all levels of the organization, among others. We are also committed to fairness, being one of the first organizations to sign the Women's Empowerment Principles (WEPs), an initiative promoted by UN Women and the GPI, the Gender Parity Initiative.

The professional growth of our associates and their children is a strategic priority, for this purpose we invest in diverse educational programs, in addition to awarding more than 30 scholarships annually.

-**Environment:**

Morgan & Morgan, MMG Bank, and other affiliated companies offer their associates and clients a sustainable space with its "green" building, MMG Tower, as well as continuously participating in initiatives such as recycling, reforestation, and other ecological campaigns that reinforce our commitment in this matter.

Currently the organization has a "Zero Waste" Certification and Recycling Center. In addition, MMG Tower is one of the first ecological buildings in Panama, putting us in a select group worldwide. MMG Tower was designed to reduce energy consumption and adapt to Panama's environmental conditions. It is equipped with solar panels for energy generation and green roofs that capture 95% of the rainwater to be reused in the building.

- Community - Fundamorgan:

Through Fundamorgan, the organization promotes access to justice and education as means to achieve a fairer society with a better quality of life.

Access to Justice

In order to guarantee and promote access to justice as a human right, seeking a more just and equitable society, the organization focuses its efforts on:

- The Pro Bono Practice

In the year 2011, Morgan & Morgan subscribes to the Cyrus Vance Center's Declaration of the Americas, assuming the commitment to devote 20 hours of pro bono work per lawyer representing clients with limited economic resources as well as NGOs in judicial processes.

For more than 5 years, the British publication Latin Lawyer and the Cyrus R. Vance Center for International Justice have recognized Morgan & Morgan for several years as one of Latin America's "LEADING LIGHTS" for its Pro Bono Program. The selection is made from amongst the region's most important firms based on their institutionality, high standards, and participation of their lawyers.

- The Community Legal Assistance Program

It is a unique project among law firms and private companies of Panama. It aims to provide access to justice for people with limited economic resources within the Panamanian community. Specifically, it provides free legal services to people with incomes below USD 800.00 in cases of Domestic Violence and Family Law.

Since 2007, more than 3,000 legal processes have been undertaken and more than 10,000 people trained in Violence Prevention issues.

Aware of the other needs of low-income individuals, the organization has created synergies through alliances and agreements with other institutions in order to provide legal alternatives and advocacy, such as with government Institutions, private enterprise, the media, and civil society, including universities and international organizations.

The program's pillars are: legal advice, incidence and advocacy, awareness and prevention, and alliances.

Education:

Fundamorgan promotes education through the following initiatives:

- Promotion of Human Rights and Building Responsible Citizenship

Committed to the training of the country's youth, Fundamorgan, in collaboration of the Embassy of the United States of America in Panama, executes the Promotion of Human Rights and Building Responsible Citizenship program.

The objective of the program is to promote Human Rights in the youth population and to build a responsible citizenry, aware of its individual dignity, respect for others, and the community.

To date, more than 11,000 young people from vulnerable communities between the ages of 15 and 25 have been trained.

- Eduardo Morgan Alvarez Scholarship

It is awarded every year to low-income students of the Faculty of Law and Political Sciences of the National University with excellent academic records.

5. How does the organization integrate its sustainability strategy with the Sustainable Development Goals?

The organization is firmly committed to the principles of the Global Compact and therefore to the "Sustainable Development Goals", for we are convinced that achieving them is everyone's responsibility.

We specifically concentrate our efforts on the following objectives:

- Goal 4: Quality Education (Fundamorgan Education Program - Community Pillar)
- Goal 5: Gender Equality (Fundamorgan's Community Legal Assistance Program - Community Pillar)
- Goal 8: Decent Work and Economic Growth (Corporate Wellbeing Pillar)
- Goal 12 & 13: Responsible Production and Consumption, Climate Action (Environment Pillar)
- Goal 16: Peace, Justice, and Sound Institutions (Fundamorgan's Access to Justice - Corporate Standards Pillar)
- Goal 17: Partnerships

6. Related Actions and Expectations:

The organization:

- Develops strategies, objectives, and goals that reflect its commitment to CSR.
- Develops leaders committed to and held accountable for these principles
- Promotes an environment and develops a culture where you will be able to practice the principles of CSR, corporate welfare, and volunteer work.
- Promotes and recognizes in the performance evaluation the additional efforts being made by the partners in the field of CSR (pro bono, papers, volunteering, etc.).
- Promotes equality of opportunity for all partners, through development programs, training, rotations, scholarships, special projects, and other activities. A significant percentage of the vacancies and promotions are filled with internal staff, supporting the competitiveness and productivity for professional growth within the organization.

As part of the corporate culture and human resources, systems installed set out spaces for exchange, communication, and evaluation where parties identify areas of improvement and professional growth.

- Promotes corporate volunteering among the employees of all levels.
- Periodically, both the areas of internal audit as well as Organizational Development are reviewed and evaluated proposing changes that may be helpful.

Ethical Behavior

The Code of Ethics and Business Conduct lays down the rules and behaviors that guide the behavior of the members of this organization. The Code is accessible on the Intranet, for the information of all partners and is reviewed regularly.

The Code of Ethics and Conduct includes three major axes within and outside the organization:

I) Employees: There is a complaints system which involves a process of reporting and investigating allegations of suspected financial misconduct or fraudulent or ethical failures, and establishes the procedures for the investigation of such complaints. The corporate culture of this organization is transmitted to all the collaborators of the Group in countless opportunities, and especially through the induction. The document detailing the corporate culture is available on the Intranet.

All lawyers and executives of this organization aim to avoid any situation that may create a conflict of interest or a bad image for our company.

ii) Customers: We have policies and regulatory standards from the legal profession and the financial industry. We apply the rules of "Know Your Customer or Due Diligence" to combat money-laundering or irregular activities. With this, we comply with the legal regulations and avoid involvement in high-risk situations of reputation, legal or operational.

iii) Suppliers:

The policies defined in the Code of Ethics and Conduct, and in the procurement of services of this organization are applied for the selection of all providers. Every management area has the obligation to explain about the rules of mutual collaboration, "Ethical Guide to suppliers" to all suppliers we work with; the regulation manual will be delivered together with the service contract that is to be signed with each supplier.

Human Rights

a) Principles

Human Rights are the basic rights that every human is entitled to by virtue of being human. There are two broad categories of human rights:

- i. Civil and political rights, which include rights such as the right to life and liberty, equality before the law and freedom of expression.
- ii. Economic, social and cultural rights, which include the right to work, to food and the highest attainable standard of health, education and social security.

While it is known that most of the legislation in the field of human rights refers to the relationship between the State and the individuals, non-state organizations may influence the human rights of individuals and therefore have a responsibility to respect them.

b) Related Actions and Expectations

Under these provisions, the organization is firmly committed to respecting human rights:

- Implementing the Guide of conduct compliance, monitoring, due diligence, in order to prevent a negative impact on these rights, as a result of our own activities or those of our customers, suppliers, partners.
- Establishing means to assess the way in which existing activities and proposals could affect human rights.
- Integrating the guide of conduct in human rights across the enterprise.
- Implementing actions to address the negative impacts of our decisions and activities.

Labor Practices

a) Principles

The labor practices of an organization or company comprise all policies and practices relating to the work either done within, by or on behalf of the company, including subcontracted work. Therefore, these extend beyond the relationship of our company with our direct employees or with the responsibilities that we have at any of our workplaces.

b) Actions and Expectations related that Contribute to the Welfare and Quality of Working Life

This organization invests significantly in the implementation of policies geared towards generating equitable and non-discriminatory opportunities that improve the quality of life for all its partners. These benefits are described on the intranet page and are reported annually in the Progress Report of CSR that is sent to the Global Pact. Among the most important policies we can mention are the following:

We provide to all our workers, opportunities for career advancement, in a way that is both equitable and non-discriminatory.

c) Working Conditions and Social Protection

- We make sure that the working conditions comply with national laws and regulations and are consistent with applicable international labor standards.
- We respect, at the very least, the minimum requirements defined in the standards established by the ILO, such as: providing decent working conditions in term of wages, working hours, weekly rest, holidays, health and safety, maternity protection and conciliation of family and work life.
- As a general rule, this organization aims to be within the market's average salary range and when it comes to minimum wage it aims to pay slightly above it. We provide fair and competitive pay for work of equal and productive value.
- We pay wages directly to the workers involved, with only the restrictions or deductions that the law allows. We comply with any obligation relating to the social protection of staff members. We respect the right of employees to comply with the agreed working hours, according to the Panamanian law and provide weekly rest and paid annual leave.

- We respect the family responsibilities of workers, providing them with flexible working hours and according to what is established in the law. We compensate workers for overtime work in accordance with the law, and when they are asked to work extra hours we take into account the interests, safety and welfare of those involved.
- We have incorporated into our policies for acquiring the services of a third party, the policy that contracted or subcontracted work be done only by companies that are legally recognized and that assume the responsibilities of an employer who provides decent working conditions. We reject benefitting us, if it means ignoring unfair, exploitative or abusive labor practices from our partners, suppliers or sub-contractors. We make reasonable efforts to motivate those who are part of our value chain and sphere of influence to follow responsible labor practices.

d) Occupational Health and Safety

The occupational safety and health at work involve promoting and maintaining the highest degree of physical, mental and social well-being of workers and prevent damage to their health caused by adverse conditions. Health and safety issues concern equipment, processes, practices, and dangerous substances (chemical, physical or biological). In that sense, this organization is concerned with:

- Developing, implementing and maintaining a policy of occupational health and safety, as established by the Law. We analyze and control the health and safety arising from our activities. We record and investigate incidents and problems in the fields of health and safety, aiming to minimize or eliminate them.
- Respecting, promoting, and encouraging spaces for periods of breastfeeding, maternity and paternity leave, people with disabilities and young workers without experience, using student practices. Provides equal protection in health and safety for workers, part-time or temporary positions, as well as outsourced workers.
- Recognizing and respecting the rights of workers to:
 - a) Consult and be consulted freely about all aspects of health and safety issues related to their work. To participate in decisions and activities related to health, safety and nutrition, including the investigation of incidents and accidents.
 - b) Be free of retaliation threats for performing any of these actions.

Environmental Responsibility

a) Related Actions and Expectations

This organization is committed to environmental laws and regulations that promote the conservation of the environment. Therefore, we invest, encourage and sponsor various projects, programs and systems aimed at:

- Reducing the consumption of paper, toner, energy and water.
- Incorporating the best practices for recycling paper, cardboard, plastic containers, glass, batteries and waste of the technological equipment.
- Boosting Awareness Programs, learning about environmental problems and spreading good practices in the community.
- Promoting programs focusing on reducing the emission of carbon, such as carpooling and corporate transport.
- Obtaining and maintaining LEED Gold certification from the US Green Building Council.
- Participating actively in business associations that promote good environmental practices.

Fair Practices of Operation

a) Principle

This organization has an ethical principle to handle a corruption-free operation and absolute respect for the laws and regulatory standards. We encourage and aim to ensure that all parties involved in the value chain (customers, employees, suppliers) operate under the same ethical principles and adherence to the law. Through different channels, we share, educate and promote the best practices in CSR, Human Rights and the conservation of natural resources. In this sense, this organization adheres to the ISO 26000 influencing in the value chain, in order to prevent corruption and bribery, educating and sharing programs and initiatives.

b) Fair competition

With the purpose of promoting fair competition, this organization performs activities that are consistent with the laws and regulations in the field of competition and cooperates with the competent authorities. We support anti-monopoly and anti-dumping practices, as well as the public policies that encourage competition.

c) Property Rights

The right to own property is a human right, and this covers physical as well as intellectual property, and includes land and other physical assets, copyrights, patents, the appellation of origin, funds, moral rights and others.

This organization incorporates in its contracts, clauses that promote respect for the rights of the intellectual property based on the procurement of services and sales. We comply with the due diligence to ensure that our company is not involved in any activity that violates the property rights and we reject the misuse of counterfeit or pirate goods. In the same way, we respect the legal practice of fair payment for the property that we acquire or use.

Fair marketing practices

a) Principle

The marketing of unfair, incomplete, confusing or misleading information may result in consumers purchasing products and services that do not meet their needs; waste of money, resources and time, and can even be dangerous for the consumer or the environment. This has resulted in the loss of customer confidence and can affect our reputation.

The objective of the fair contractual processes is to protect the legitimate interests of both suppliers and consumers, mitigating the imbalances in the bargaining power of the parties.

b) Related Actions and Expectations

This organization is respectful of fair marketing practices and procurement of services and therefore:

- We avoid engaging in practices that are confusing, deceptive, fraudulent or unfair, including the omission of essential information.
- All of our contracts are written in language that is clear, legible and understandable. They do not include unfair contractual terms and provide clear information under the legal framework of the country where we operate.
- We do not use text, audio or images that perpetuate stereotypes about, for example, gender, religion, race, disability, or personal relationships.
- We are conscious of protecting the best interests of the vulnerable groups, including children, and not becoming involved in activities that may adversely affect their interests.

c) Customer Services, Resolution Support of Complaints and Disputes

We are aware of the importance of providing an excellent service to our customers, and this carries with it the responsibility to attend with diligence the resolution of complaints and disputes that at a given moment can occur after the acquisition of some of our services. The way we have always dealt with resolution of controversies that may arise with clients has been very personalized.

Actions and expectations regarding our clients:

- We take measures to address all complaints from our customers. They even have the option of cancelling their accounts when not satisfied.
- Each Unit of Service and Management is responsible for analyzing complaints and improving practices aimed at answering them. Therefore, each lawyer and executive officer of the company is responsible for providing good customer service. In the event of any complaint by a customer, they have sufficient training and autonomy to receive and route suggestions, opinions and claims relating to the services offered.
- Our consumers have the right to bring about any legal resources due to the dissatisfaction of any service provided. However, the latter has never happened because we have been diligent in searching for alternatives to dispute resolution and conflict.
- We have reliable policies that protect the privacy of the customers.
- The Department of Organizational Development ensures the quality of service that is given to internal or external customers, offering annual training programs and customer service campaigns with the purpose of keeping collaborators updated in these matters.
- We review our processes of customer service with the purpose of making them more efficient.
- We communicate the results of our efforts as a socially responsible company. We invite customers to become strategic allies of our CSR programs.

d) Protection and privacy of the consumers' data

We are respectful of the privacy and protection of consumer data because we understand that safeguarding your trust is a key element in maintaining the reputation and sustainability of our business group. We protect the right of consumers to privacy, limiting the type of information gathered with voluntary, informed consent, and the way in which that information is used and kept secure.

Active participation in the development and implementation of wellness programs for the community

a) Principle

is aware that all companies have a direct relationship with the communities in which they carry out their operations. A company cannot be successful in a community setting in which it has failed socially.

b) Related Actions and Expectations

To achieve this, this organization has made alliances, has shared and continues to share its best practices, promoting opportunities for exchange of knowledge, skills, resources, learning and collaboration.

- This organization provides opportunities for volunteers to develop and implement corporate volunteer programs, which allow them to become familiar with the social realities and priorities of the communities that surround us, as well as to develop leadership skills and teamwork.
- This organization promotes, through training programs of responsible citizenship, learning opportunities for vulnerable groups.
- This organization is an ally of the program Cinta Roja Empresarial, with the purpose of sensitizing and creating awareness on the threats and prevention of HIV/AIDS.
- This organization has created two nonprofit foundations, which are the executing arms of their social interest actions through, which they carry out a strong investment in CSR.

7. Conclusion

For this CSR policy to be implemented with effectiveness, as a key element of the strategy of sustainability, reputation and success of our business group, it is important that the leaders of the organization assume an individual responsibility to promote these actions and principles with the conviction that these are the only means to guarantee the life of our Group in perpetuity.

To accomplish this the operating procedures of their service areas should also be revised and adapted to ensure that they are consistent with the principles and key matters of CSR.