

ESG Executive Report 2022

*Detail of the contribution to the
Principles for Responsible Banking*



Links that generate value

ESG Executive Report 2022

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A Message from the CEO



Our **ESG Executive Report 2022** focuses on this year's main results regarding environmental, social, and corporate governance factors.

At Grupo Financiero Monex, we're committed to the success of our customers and positively impacting our different stakeholders.

We offer companies products and services to help them attain growth and development opportunities and efficiently operate in the markets. Our personalized proposal includes diversification, market specialization, technology, and our team's commitment.

As we know the financial sector's potential to make changes that will further the sustainable development of society, we actively contribute through our efforts and collaboration at the industry level.

The year 2022 was one of excellent sustainability progress. We're signatories to the Principles for Responsible Banking (PRB) coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI), and we've mapped out a course to our responsible banking objectives.

We implemented several initiatives to develop the ESG thematic bond market in Mexico, such as our participation in the placement of the Sustainable Sovereign Bond (BONDES G) as a member of a distribution organization in the local market.

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We promoted the development of sustainable finance through our active participation in the Green Finance Advisory Board (Consejo Consultivo de Finanzas Verdes, CCFV), as general directors in the Sustainability Committee of the Mexican Banking Association (Asociación de Bancos de México, ABM), and with the Sustainable Finance Committee (Comité de Finanzas Sostenibles) of the Financial Stability Board (Consejo de Estabilidad Financiera) of the Ministry of Finance and the Bank of Mexico.

Our Talent is one of our greatest strengths. Our commitment to diversity and inclusion has made us reach 44% female participation on the management team. We're still implementing development, growth, and well-being programs focused on a healthy lifestyle and a better family-work balance.

We're deeply committed to the community. Based on our CSR strategy, we've undertaken actions to positively impact different social causes, including promoting childhood education through scholarships and supporting the Mexican film industry through our Monex Foundation.

We comply with the highest standards of professional conduct and operate under the best corporate governance practices; therefore, our customers, shareholders, and other stakeholders trust us and are loyal.

At Monex, we'll keep working on our responsible banking vision and ESG strategy to help consolidate a more solid and sustainable financial sector in Mexico.

Mauricio Naranjo
CEO

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How to read this Report

(GRI 2-2, 2-3, 2-4, 2-5, 2-14)

At Monex, we are moving towards a customer-centric banking model, still building value for all our stakeholders, generating employment to support development, offering easy access to financial products and services, and promoting environmentally friendly practices.

Through this ESG Executive Report 2022, we share our social, environmental, and governance performance from January 1 to December 31, 2022. We are still consistent with our commitment to transparency; thus, we are issuing an ESG report for the second year.

It includes all our Financial Group operations in Mexico. As for our previous report (2021), there are no restatements of information.

We address material topics through double materiality—integration of social, environmental, and financial aspects—under international trends and using the related reference standards.

This report was supervised by the Cosustenta Working Group and validated by the areas involved. The information was gathered with the participation of different entities of the Group and under the relevant techniques and standards.

This report:

- Has been prepared under the Global Reporting Initiative (GRI) Standards. We also applied the GRI Financial Services Sector Supplement.
The GRI Standards respond to the social and environmental materiality and are intended for a broad public.
- Includes the Sustainability Accounting Standards Board (SASB) Standards for asset management and custody, commercial banks, and investment banking & brokerage activities.
SASB standards address financial materiality and respond to the information requirements, especially from investors.
- Also reports our contribution to the Sustainable Development Goals (SDGs)—a 2030 United Nations global roadmap to address society's significant challenges.
- Is our Global Compact Communication on Progress (CoP). We report on progress through the implementation of its 10 Principles.
- We communicate our progress regarding the Principles for Responsible Banking (PRB) coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI), which helps banks strategically align their business to the SDGs.

How to identify contents:

- On each chapter's cover is a reference to the SDGs.
- Also, each section starts with referencing the contents of the GRI Standards and the SASB parameters.
- At the end of the report, we share our SDG, Global Compact Principles, and RBP progress.
- Also, the GRI and SASB-specific indices are at the end of the report.

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1 Introduction to Monex

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2022

Profile

(GRI 2-1, 2-6)

Grupo Financiero Monex offers banking, fiduciary, brokerage, and foreign exchange services. It is part of Monex S.A.P.I., which includes Arrendadora Monex and its international subsidiaries in the United States, Europe, and Asia.

Monex México has a 37-year successful track record in providing financial services. It comprises three entities: Banco Monex, Monex Casa de Bolsa, and Monex Operadora de Fondos.

Its main business is foreign exchange and international payment services. Monex's model includes other specialized financial businesses resulting from its expansion and diversification strategy.

Our Mission and Purpose

Helping our customers achieve success with seamless, simple, global, and innovative financial solutions.

Our Vision

Being a leading institution in finance and international payments with seamless, global, and innovative solutions, working hand in hand with our customers to achieve their objectives.

Our Values

Customer Focus: We work hard to support our customers in achieving their goals.

Integrity: We are honest in everything we do.

Adaptability: We adapt well to changing conditions with innovative solutions.

Teamwork: We achieve more when we collaborate and work together.

Empowerment: We encourage our employees to develop their full potential.

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Main Products and Services

We have 31 offices throughout Mexico, and our headquarters are in Mexico City. We offer Business Banking, Private Banking, and Individuals' financial solutions.

Business Banking

- Foreign exchange and international payments
- Derivatives and risk solutions:
OTC derivatives
Structured derivatives
Investment: Structured Notes
- Cash management – Comprehensive treasury management
- Loans and international trade:
NAFIN productive chains
Commercial letters of credit
Stand-by letters of credit and guarantees
Documentary collection
Fixed asset loan
Digital loan
FIRA (Agricultural Trust Fund) loan
Simple loan
Factoring
Supplier factoring
Factoring without recourse
Electronic supplier factoring
Letter-of-credit system access
- Digital banking
Electronic FX platforms

- Arrendadora Monex
- Mutual funds
- Fiduciary Products:
Common representative
Issuers
Trustee
- Investments in the money market:
Private documents
Banking securities
Government securities
- Institutional savings:
Administration of funds and employees' savings
Pension plan

Private Banking

- Investment advice
- Fixed income
- Mutual funds
- Bond market
- Stock pledged loans
- Trustee
- Monex Trader
- Derivatives and structured notes

Individuals

- Multi-currency digital account (Monex One)

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ESG Strategy
(GRI 2-23, 2-24)

At Monex, our commitment to sustainability, CSR, and good governance (ESG) is firm and reflected in all our activities as a financial services provider, employer, and other relationships with our stakeholders.

As a result, we have developed a roadmap starting with identifying critical ESG issues specific to the markets of our operations and the type of activity we conduct. Based on such a roadmap, strategic priorities were established to be addressed through various initiatives.

As part of this strategy, we integrate our successful track record in the relationship with our employees, customers, and other stakeholders, gaining their trust.

At Monex, the first step of our roadmap was conducting a materiality analysis during the first quarter of 2022. To do this, we applied the concept of double materiality according to international trends:

- Impact Materiality. This dimension includes the different stakeholders and the
- Economic, social, and environmental terms.
- Financial Materiality. This dimension provides detailed information for investors and other capital providers based on ESG factors that could financially affect Monex's business condition, performance, and cash flows.

Strategic Priorities

Material topics are the basis for our ESG Strategy's development, reflected in the ESG Model. This model is articulated in focal points and lines of work to establish priorities and goals for its performance.

MONEX's ESG model aims to address risks and opportunities related to the above factors and promote responsible and sustainable business practices. The following aspects should be considered:

- The dimensions are related to the three ESG (Environmental, Social, and Governance) pillars.
- The focal points refer to the topics/main impacts expected within each ESG pillar dimension. The strategy's focal points contribute to certain SDGs identified in this analysis. Please refer to the **Contribution to the SDGs** Appendix for more information on this contribution.
- The lines of action describe how to address material topics/impacts. These lines comprise initiatives that are carried out thanks to the efforts of all our employees and stakeholders.

The Sustainable Risk and Opportunities Analysis Committee (COSUSTENTA) will coordinate the Strategy, monitoring progress and the leading indicators. Implementing this Strategy will imply a collective effort, and different areas will lead initiatives. For further information, please refer to the **Corporate Governance** chapter.

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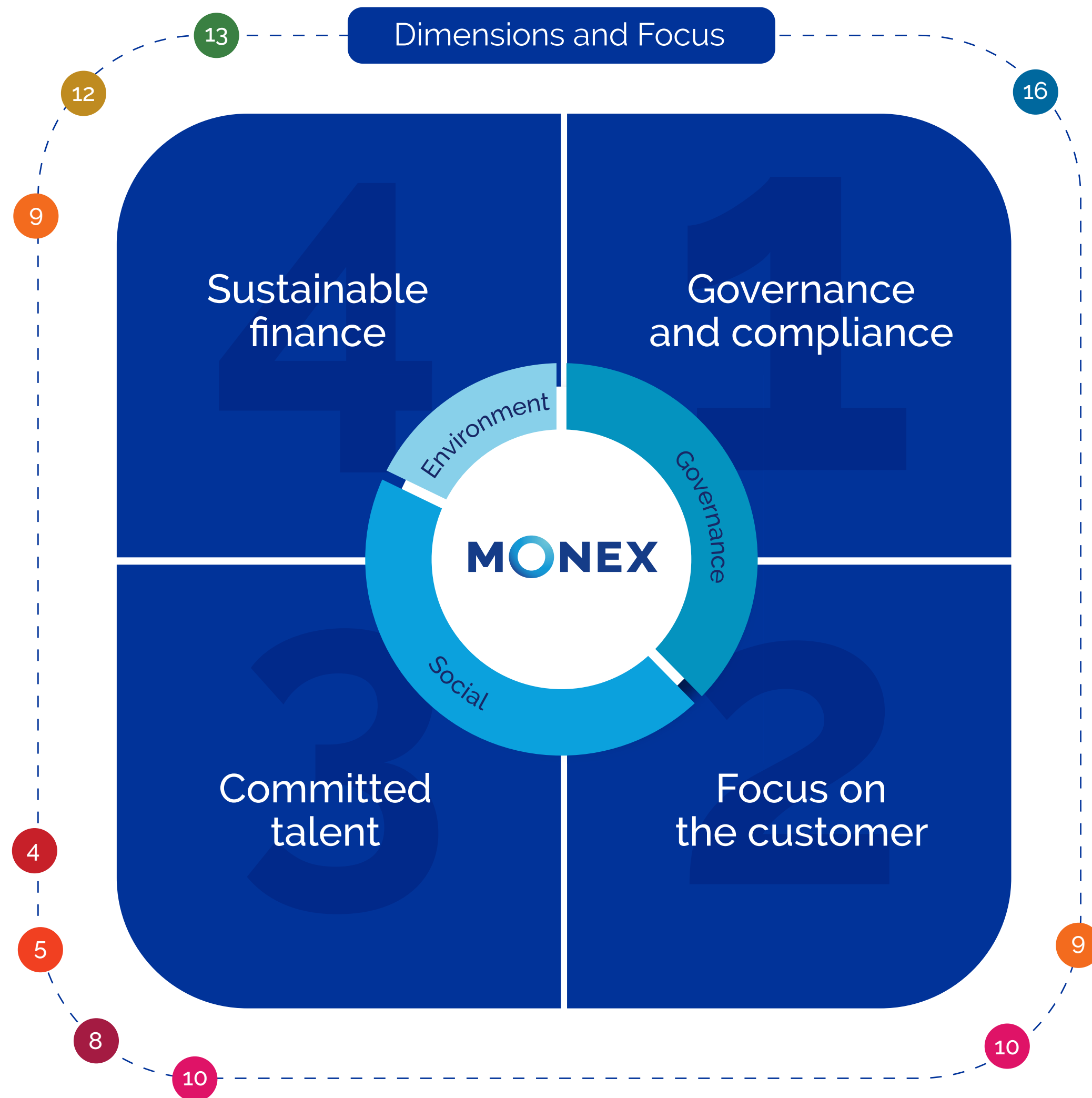
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ESG Strategy
(GRI 2-23, 2-24)

ESG
MODEL



Stakeholder

- Company customers
- Person customers
- Employees
- Investors and other capital suppliers
- Authorities
- Trade and other associations
- Competitors
- Suppliers
- Community

Lines of action

- 

1.1. Corporate Governance Structure
1.2. Culture of ethics and compliance
1.3. Information security
- 

2.1. Digital transformation
2.2. Culture of innovation
2.3. Transparency with the customer
- 

3.1. Attraction and retention of employees
3.2. Diversity of talent
3.3. Diversity and well-being of the employee
- 

4.1. Customer development
4.2. Promotion of green practices
4.3. Alliances for market development

PILLAR	FOCAL POINTS	OBJECTIVES BY FOCAL POINTS	MATERIAL TOPICS BY FOCAL POINTS
Corporate Governance	1. Ethics and Integrity	To strengthen internal decision-making and the incorporation of ESG criteria by ensuring the safeguarding of the company's assets and the trust of stakeholders, promoting ethical practices, a culture of compliance, and measures for data protection.	<ul style="list-style-type: none"> • Corporate Governance • Ethics and Anti-corruption • Regulatory Compliance • Cybersecurity • Disclosure and Transparency of Financial Information
Social	2. Focal Points on Customers	To promote transparency and trust among customers, whose development prevails through comprehensive financial solutions. Furthermore, to facilitate a service network that allows the customer to grow.	<ul style="list-style-type: none"> • Digital Transformation • Product Innovation • Customer Service • Selling Practices/Product Information
	3. Committed Talent	To deploy capacities in customers and society related to financial management. To maximize the potential of education as a means to reach financial inclusion.	<ul style="list-style-type: none"> • Employee Attraction and Retention • Diversity and Equal Opportunities • Employee Training and Development
Environmental	4. Sustainable Finance	To encourage the customers' best social and environmental practices, contributing to sustainable development through the provided services. Also, to manage risks and opportunities in ESG factors.	<ul style="list-style-type: none"> • Sustainable Finance • Financial Inclusion • Sustainable Investment • Own and Portfolio ESG Risks

Notes:
 *Systemic risk management and economic performance are cross-cutting topics to all focal points.
 **The above material topics include socio-environmental (impact) and financial materiality.

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Focal Points on Responsible Banking

In 2020, we adhered to the Principles for Responsible Banking (PRB) coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI). These principles are an innovative framework to align our commercial strategy with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change for the benefit of society.

As part of our commitment, we completed the PRB Self-Assessment template, which **can be fully consulted in this report**.

To identify our portfolio's negative and positive impacts, we use the UNEP FI's Portfolio Impact Analysis Tool for Banks. According to this analysis, we defined our priorities and determined the main topics/areas of final impact:

- Foreign exchange and international payments
- Corporate credit portfolio

Based on the most significant impact areas of the portfolio—foreign exchange (FX) & international payments and corporate credit—a series of commitments were established, aligned with different Sustainable Development Goals (SDGs).

Please refer to the **Portfolio Risk Analysis Appendix** for further information on impact maps and the process description.

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2 Economic performance

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2. Economic performance

(GRI 201-1, 201-4, 415-1)

We have extensive experience in the financial sector and have resiliently adapted to a constantly changing environment. Thanks to our operational excellence and innovation focus, we have positioned as one of the leading financial institutions in Mexico.

Relevant Financial Data

The Mexican banking sector has faced several conditions and events that have affected its performance but has remained solid and resilient. This has been reflected in Monex's good results in this term.

ITEM	2022	2021	2020
Total income from operations*	606.42*	463.75**	409.82**
Earnings before income taxes	200.34	112.16	64.29
Net Income	149.39	85.25	44.98
Basic earnings per common share	0.23	0.16	0.08
Depreciation of furniture and equipment and amortization of intangible assets	42.98	25.62	24.29
Total assets	11.15 billions	9.44 billions	7.80 billions
Total stockholders' equity	744.42	638.52	555.68
Cash dividends declared per share	0.13	0.0066	0.0066

Figures in millions of USD except: in "basic earnings per common share" and "cash dividends declared per share" expressed in USD.

*"Total revenue from the operation in 2022" is calculated as follows: Financial margin adjusted for credit risks + Commissions and fees charged – Commissions and fees paid + Brokerage income + Other income from the operation.

**Total revenue from the operation in 2021 and 2020 is calculated as follows: Financial margin – Preventive estimate for credit risks + Commissions and fees charged – Commissions and fees paid + Brokerage income + Operating lease income + Equity in income of non-consolidated and associated subsidiaries + Income from services + Other income (expenses) of the operation (net).

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2. Economic performance (GRI 201-1, 201-4, 415-1)



Segment Information

In 2022, the operating segment with the most considerable equity in the net income of Monex, S.A.P.I. was Foreign Exchange, whose net income grew 74.0% or USD\$30.96 million in 2022 (YoY), ranging from USD\$41.85 million in 2021 to USD\$72.82 million in 2022. The equity of the Foreign Exchange segment in Monex's most considerable net income was 48.7%.

The Credit and Deposits operating segment posted a net income of USD\$31.63 million in the year ended December 31, 2022, representing a growth of 106.0% or USD\$16.28 million vs. 2021. The Credit and Deposits net income represented 21.2% of the controlling interest in the net income of Monex, S.A.B. in 2022.

The net income of the Fiduciary Services segment amounted to USD\$5.49 million, equivalent to a growth of 33.8% or USD\$1.38 million (YoY). Fiduciary Services had a 3.7% equity in the controlling interest of Monex, S.A.P.I.'s net income in 2022.

The Derivatives operating segment posted a net income of USD\$14.73 million, an increase of 697.2% or USD\$12.89 million record vs. 2021. The net income of the Derivatives segment is equivalent to 9.9% of the controlling interest in the net income of Monex, S.A.P.I. as of December 31, 2022.

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3 Governance and Compliance

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Corporate Governance

(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Corporate governance at Grupo Financiero Monex complies with the current regulations and best national and international practices and recommendations. Our corporate governance is based on our bylaws' structure to ensure compliance with our strategic objectives and create value for our shareholders and other stakeholders.

Our Board of Directors—hand in hand with the CEO—manages the Financial Group. It comprises eight regular members and their respective alternate members, of which there are three independent directors. There is also a Vice Chairman, a Secretary, and an Alternate Secretary—these last two persons are not part of the Board.

Each year, the members of the Board are appointed or ratified at the General Annual Ordinary Shareholders' Meeting. The shareholders or group of shareholders representing 10% of the capital stock have the right to appoint a member of the Board and their respective alternate member.

The members of the Board of Directors serve for one year and remain in office while the people appointed to replace them take office. The Board meets on a quarterly basis and an ad-hoc basis when necessary.

Board of Directors

The Board of Directors (MONEX, SAPI) comprises eight regular members, of which three are independent directors (43%, a percentage above the required). There are alternate members.

The members are appointed or ratified annually at the General Ordinary Shareholders' Meeting.

The Board of Directors comprises 69% men and 31% women.

Through the General Ordinary Shareholders' Meeting held on October 17, 2022, the integration and ratification of the Board of Directors was approved:

Regular Members

- Héctor Pío Lagos Dondé **(Chairperson)**
- Georgina Teresita Lagos Dondé
- Francisco Lorenzo Lagos Dondé
- Mauricio Naranjo González (Vice-Chairperson)**
- Moisés Tiktin Nickin

Regular Independent Members

- David Aarón Margolin Schabes
- Hernando Carlos Luis Sabau García
- Anthony McCarthy Sandland

Alternate Members

- Ana Isabel Lagos Vogt
- Julia Inés Lagos Vogt
- Jorge Hierro Molina
- Patricia García Gutiérrez

Secretary*

- Jacobo Guadalupe Martínez Flores
- Alternate Secretary*
- Erik Alberto García Tapia
- *Not part of the Board*

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Corporate Governance

(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Board Committees

A resolution of the Board of Directors determines the appointment of the members of the Committees. Such collegiate bodies are made up of at least three members. However, the presence of the majority of its members is required so that they can make decisions by majority vote. The Board of Directors elects the Chairperson of the Committees and has the casting vote.

Audit and Corporate Practices Committee

This Committee's primary function is to prepare our annual reports and submit them to the Board of Directors for approval. It also supervises that the financial and accounting information is recorded following the financial reporting standards and legal provisions applicable. This committee meets quarterly and is composed as follows:

3. Governance and Compliance

CHAIRPERSON

David Aarón Margolin Schabes

Member

Jorge Jesús Galicia Romero

Member

Hernando Carlos Luis Sabau García

Member

SECRETARY

Jacobo Guadalupe Martínez Flores

Corporate Legal Director

ALTERNATE SECRETARY

Erik Alberto García Tapia

Corporate Legal Deputy Director

Gabriela Solórzano Espejel

Legal Contract Manager

Guest:

José Luis Orozco Ruiz

Director of Internal Audit

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(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Risk Management Committee

The main objective of the Risk Management Committee is to manage the risks to which the Bank is exposed and monitor that transactions conform to the comprehensive risk management's objectives, guidelines, and policies, as well as to the global risk exposure limits approved by the Bank's Board of Directors, at the proposal of the aforementioned Committee. This committee meets monthly and is composed as follows:

3. Governance and Compliance



Committee Members:

Chairperson:

Mauricio Naranjo González
General Business Director

Moisés Tiktin Nickin
Member and CEO

David Aarón Margolin Schabes
Independent Member

Hernando Carlos Luis Sabau García
Alternate Member

Carlos Humberto Castro Gaytán
Risk Executive Director

Grocio Salomón Soldevilla Canales
Corporate Director of Risk Management

José Luis Orozco Ruiz
Internal Audit Director

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(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Remuneration Committee

The objective of the Remuneration Committee is to assist the Board of Directors in preparing standards and policies related to the management and assessment of the remuneration plans that form our remuneration system and promulgate the criteria and policies of the remuneration plan of some of our employees.

The Remuneration Committee implements and maintains the remuneration system, reporting its operation to the Board of Directors twice a year. It also proposes remuneration policies and procedures, recommends employees or staff to be included in the remuneration system, and submits exceptional cases and circumstances to the Board of Directors for approval.

The Remuneration Committee meets quarterly and is composed as follows:

3. Governance and Compliance



Committee Members:

Committee Chairperson

Jorge Jesús Galicia Romero
Regular/independent member

Héctor Pío Lagos Dondé
Regular member

Mauricio Naranjo González
General Business Director and regular member

Grocio Soldevilla Canales
Corporate Director of Risk Management

Patricia García Gutiérrez
Deputy Director of Staff and Corporate Affairs

Alfredo Gershberg Figot
CFO and Strategic Transformation Director

José Luis Orozco Ruiz
Internal Audit Director

Committee Secretary
Jacobo G. Martínez Flores

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(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Communication and Control Committee

The Communication and Control Committee's objective is to enact and monitor compliance with the minimum measures and procedures that the entities must establish to prevent and detect acts, omissions, or operations that could anyhow promote, assist, or cooperate with the commission of crimes (such as terrorism, international terrorism, and operations with resources of illicit origin) covered by the Federal Criminal Code.

Regular Members:

Mauricio Naranjo González
Member and General Business Director

Jorge Hierro Molina
Member and Deputy Director of Operations and Finance

Moisés Tiktin Nickin
Member and Director of International Business, Private Banking, and Fiduciary Services

Marco Antonio Montiel Velázquez
Comptroller and MLP Director (Compliance Officer)

América Alejandra Ferreyra Rivera
MLP Deputy Director

Jacobo Guadalupe Martínez Flores
Director Corporativo Jurídico Corporate Legal Director

Gilberto Salazar Salazar
Executive Director of Corporate Business

Mauricio Robles Señkowski
Regional Business Director of Metropolitan Business Banking

José Luis Orozco Ruiz
Internal Audit Director

Committee Secretary
Erik Alberto García Tapia
Corporate Legal Deputy Director

Alternate Members:

Tomas Noriega Noriega
Executive Director of Markets and Treasury

Rodrigo Arturo Gómez Lavanderos
COO

Antonio Nava Tamez
Executive Director of Institutional Private Banking and Equity Consulting

Denisse Patricia López Toriz
Comptroller Deputy Director

Nashely Uriza Ortiz
MLP Monitoring Manager

Gerardo Tinoco Álvarez
Litigation Deputy Director

José Manuel Chig Valenzuela
Regional Director of Northern Business Banking

Jesús Rodrigo Mata Paredes
Regional Director of Southern Business Banking

Felipe de Jesús Chichil Martínez
Internal Audit Deputy Director

Committee Alternate Secretary
Fernando Sotelo Chaparro
Corporate Legal Deputy Manager

3. Governance and Compliance



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(GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 405-1)

Sustainable Risk and Opportunities Analysis Committee (COSUSTENTA)

COSUSTENTA was created in 2021 to analyze and apply international and national trends and standards regarding social, environmental, and corporate governance (ESG) risks. It also develops the internal capacity to identify and manage ESG risks in Monex's loan portfolio and securities investments, defines and monitors the ESG risk management strategy, coordinates decision-making in other areas of the company, promotes a sustainability roadmap based on determining critical ESG topics, and optimize extra-financial reporting by providing transparent ESG information. Georgina Teresita Lagos Dondé chairs the committee.

In addition, we have created other board committees:

- Audit Committee (Banco Monex and Casa de Bolsa).
- Credit Committee (Banco Monex), which meets at least once a month.
- Financial Product Analysis Committee (Banco Monex and Casa de Bolsa). The Committee's ordinary sessions are held on a quarterly basis and an ad-hoc basis when called by its Chairperson or Secretary.

Training

At Monex, we know that prioritized ESG efforts, addressed through our Strategy initiatives, require the participation of all our employees. Therefore, we have implemented articulated actions, which have proven successful thanks to our leaders' involvement and the interest of the different teams that make up Monex.

We have also implemented actions to disseminate information and raise awareness through digital materials and presentations for all our employees, managers, and the Board of Directors to highlight the importance of ESG factors, long-term sustainability, and the relationship with the different stakeholders, which have proven to be successful thanks to the involvement of our leaders and the interest of the different teams that make up Monex.

The monitoring of our Strategy's initiatives is reported to the Board of Directors.

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Organizational Chart

3. Governance and Compliance



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Compensation System

In accordance with the standards established by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores - CNBV), we have developed a **Compensation System** based on clearly defined criteria to comply with the Regulatory Framework and with the following aspects:

- Specifies the responsibilities of the corporate bodies implementing compensation schemes.
- Establishes policies and procedures that regulate the ordinary and extraordinary compensation of people subject to the Compensation System consistent with reasonable risk-taking.
- Permanently reviews payment policies and procedures and makes necessary adjustments regarding risks that may threaten the institutions' liquidity, solvency, stability, and reputation.

To achieve this, we have a Remuneration Committee that exercises independent judgment. Its decisions are based on assessing the risks assumed by Banco Monex and Monex Casa de Bolsa. Other responsibilities are informing the Board of Directors about the operation status of the Remuneration System, reviewing the assessment methodology, and sanctioning the payment of variable compensation in each case.

The Corporate Practices and Audit Committee is responsible, among other things, for proposing comprehensive compensation packages for the CEO and other relevant managers.

By agreement adopted by the General Ordinary Shareholders' Meeting of Monex, Monex, S.A.B. de C.V., held on October 17, 2022, it was resolved to empower the Chairperson of the Board of Directors to determine, if applicable, the compensation and their payment method for the members of the Board, and their respective alternate members, for being part of the Board of Directors and, if applicable, for being a member and/or chairing the different committees. Also, it was recorded that the other people appointed as Regular and Alternate Members, Secretary and Alternate Secretary waived their right to receive any compensation for the performance of their positions.

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Ethics and Anti-corruption

(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3) (SASB FN-IB-510b.4, FN-CB-510A.2; FN-AC-510A.2; FN-IB-510A.2, FN-CB-510A.1; FN-AC-510A.1; FN-IB-510A.1)

At Monex, our ethical commitment is based on healthy market practices and compliance with the highest standards of professional conduct to promote our customers and stakeholders' trust and peace of mind. We comply with all current regulations and standards and have internal policies, procedures, and codes for our daily actions.

We have implemented a **Code of Ethics and Conduct** that—from an ethical point of view—is intended to be a simple and practical tool to guide the decision-making of Monex staff.

This code is based on ethical commitment, applicable law, loyalty to Monex, business professionalism, and respect for internationally recognized human rights. It applies to all members of our institution, and new staff becomes familiar with it from the moment of induction. This code also applies to our shareholders, directors, customers, managers, employees, suppliers, and stakeholders.

Within the current period, our company has neither filed corruption cases nor received sanctions for anti-competitive practices.

15,330 hours of training have been completed.

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(GRI 2-15, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3) (SASB FN-IB-510b.4, FN-CB-510A.2; FN-AC-510A.2; FN-IB-510A.2, FN-CB-510A.1; FN-AC-510A.1; FN-IB-510A.1)

Training

We constantly train our employees to promote a culture of ethics and legality within the organization.

Training 2022	Number of Trained Employees	Total Number of Training Hours
Ethics	1,738	3,476
Anti-Corruption	2,039	4,078
Money Laundering	1,944	7,776

Whistleblowing Channel

At Monex, we have implemented several ways to guarantee compliance with our Code of Ethics, such as our whistleblowing channel, "Ethics Line." This channel provides our customers, suppliers, and employees with a safe and confidential way to inform us about any potential breach of our Code of Ethics or any other conduct that may imply inappropriate, illegal, or questionable practices.

We have implemented three whistleblowing methods:

- a) Toll-free phone call: 800 54 66 639.
- b) Website: <https://tulineatetica.kpmg.com.mx/LineaEtica/monex>
- c) Personalized email: lineaeticamonex@kpmg.com.mx

This whistleblowing channel proves our commitment to transparency, integrity, and accountability in all our operations, ensuring that any reports are appropriately investigated and dealt with accordingly.

Sanctions

The Executive Committee of Grupo Financiero Monex is responsible for imposing administrative sanctions resulting from violations of the Code of Ethics and Conduct and internal disciplinary action policies.

Violation of the Code of Ethics and Conduct will lead—depending on the severity of the case—to the following sanctions:

- Written warning
- Administrative report
- Temporary suspension from office or activities
- Termination of the employment or service agreement

The above sanctions will be without prejudice to the administrative, civil, or criminal responsibilities that may apply.

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Regulatory Compliance

At Monex, we work in strict compliance with our codes, policies, procedures, and current legislation:

- Money Laundering Prevention
- Information Security
- Compliance
- Code of Conduct in Foreign Exchange Transactions

In 2022, no cases were filed regarding using privileged information or unfair competition.

Cybersecurity

(GRI 418-1) (SASB FN-CB-230a.1, FN-CB-230a.2)

In recent years, risks of cyberattacks and security breaches in the financial system have increased. At Monex, we are aware of this situation and have implemented policies, controls, systems, and procedures to assess, manage, and identify potential risks and detect abnormal behavior that could violate the security of the implemented systems. The above complies with the Bank of Mexico (Banco de México) and CNBV regulations and consistently implements the best practices and technologies available to protect information.

We constantly strengthen our security technologies with digital web certificates, secure websites, communication protocols with data encryption methods, intrusion detection systems, and AI tools for threat protection via email and penetration tests, among other factors.

We have implemented an Information Security Master Plan aligned with our Institution's business strategy that defines and prioritizes information security projects to reduce exposure to technological risks and prevent information security incidents.

For several years now, we have obtained the ISO/IEC 27001 certification mainly to set strategies to adequately protect information related to Grupo Financiero Monex, its customers, employees, and other stakeholders against any risk caused by natural or human agents. This international certification in information security sets best practices, is renewed annually, and is granted by the DNV, an internationally accredited registrar and classification society, which has been granted accreditation by the United Kingdom Accreditation Service (UKAS).

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Cybersecurity

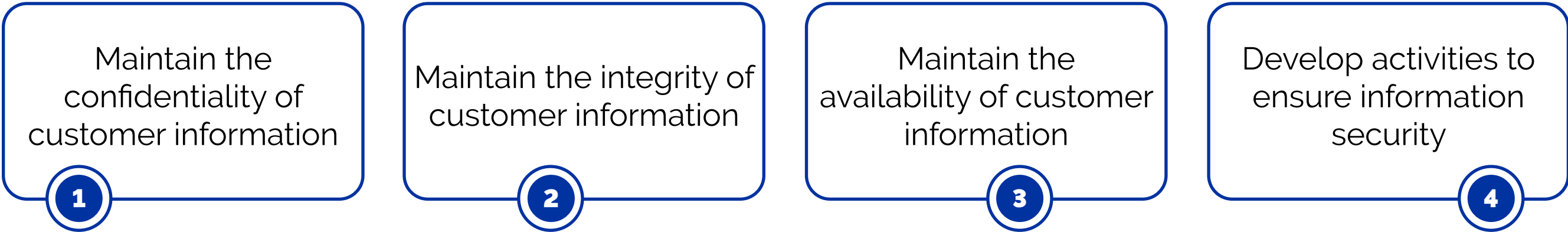
(GRI 418-1) (SASB FN-CB-230a.1, FN-CB-230a.2)

Information Security Policy

We have a policy consisting specifically of implementing a formal methodology that identifies and manages existing risks to our customers' information by determining appropriate strategies and support for the continued preservation of confidentiality, integrity, and availability of information.

Such policy is aligned with our philosophy, the spirit of continuous improvement, and compliance with applicable laws and regulations, which is applied to our employees and stakeholders.

Information security objectives:



In 2022, two information security cases were reported, and a case of fraud against a customer was presented before Monex's Specialized Unit (UNE).

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4 Focal Points on Customers

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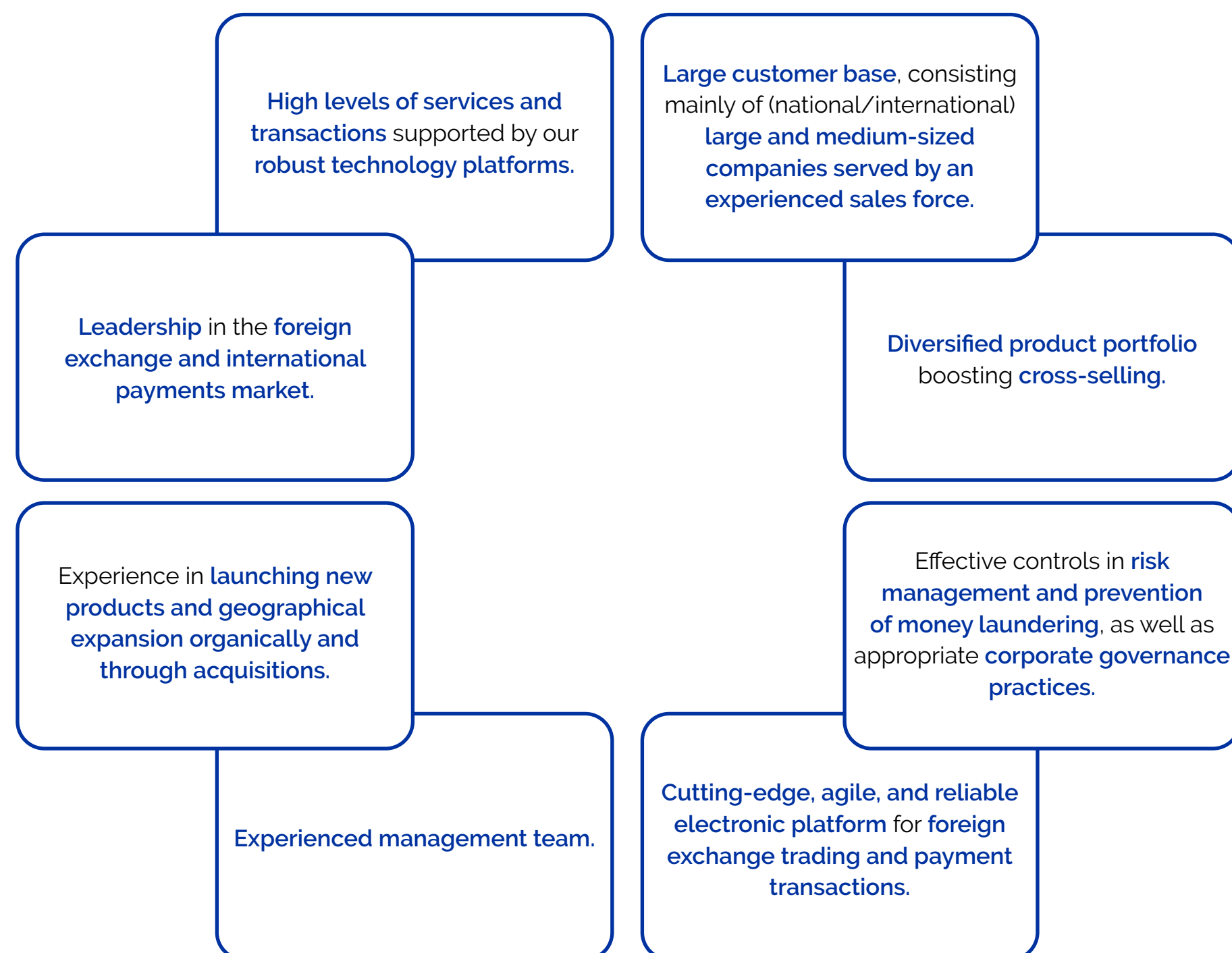
4. Focal Points on Customers

(SASB FN-AC-270a.3)

Our main objective is to become the leading provider of financial products and services for customers with international operations and establish lasting relationships. At Monex, we provide personalized attention to our customers, taking advantage of the extensive experience of our sales team. Therefore, we offer our customers a wide range of specialized products and services that meet their banking and international payment needs.

We serve over 66,000 customers, including large and medium-sized foreign trade companies.

The following are some of our competitive advantages highlights:



Thanks to these highlights in the market, we have attracted a portfolio of frequent customers whose continuous demand provides revenue and a solid base for our growth.

We have increased and diversified our customer base and improved our sources of revenue by incorporating new banking and non-banking products and services into our portfolio. We have leveraged our foreign exchange trading and international payments business to offer foreign exchange forwards and risk management (derivatives) solutions, as well as traditional banking and fiduciary, domestic and foreign stock brokerage, and financial asset management and leasing services.

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Customer Service

As for customer service channels, we have a call center and an online platform. Our customers can use our call center to conduct currency trading transactions, make payments, wire transfers, and bank investments.

We offer a multi-currency digital account through our online platform for customers to conduct currency trading transactions, make online payments, and open accounts in MXN, USD, EUR, and four other currencies. Our customers can earn interest from these accounts.

Through these service channels, we provide our customers with flexible and convenient options to conduct financial transactions through our call center or online platform. At Monex, we constantly strive to offer innovative solutions that adapt to the needs of our customers and provide them with the best possible experience.



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Digital Transformation

Our success is mainly due to our business model, which is based on efficiency in payment processing, customer service, and long-term customer relationships. Our specialized team provides quality personalized service supported by a solid platform of technological systems.

This specialized team has built a reputation for offering efficient and quality services. Our efficient and reliable currency trading and payment services have been recognized.

We have made significant and constant investments to improve our payment processing platform's speed, efficiency, and profitability. We have also developed new foreign exchange trading services and wire transfer solutions. Most of our software is developed in-house and supported by cutting-edge technologies. However, we also use third-party applications to offer innovative solutions adapted to the needs of our customers.

For example, our multi-currency digital account allows customers to conduct currency trading, SPEI, SPID, and SWIFT wire transfers, obtain rates of return (in MXN and USD), and maintain balances in different currencies.

Thanks to our technological systems and payment processing platforms, we have stood out from our competitors and offer superior service. This optimizes the operational efficiency of our business and ensures confidentiality, integrity, availability, and compliance with anti-money laundering policies.

In 2022, we improved the efficiency of our daily operations through virtual tools. We updated our online application system to speed up filling and response times for our representatives and customers. We link the lease application with online quotes to meet the asset needs of our end customers.

Our digital currency platforms strengthen the relationship with our customers, benefiting from personalized advice and our executives' analysis and experience. They conduct their transactions through a state-of-the-art technological tool featuring all the security standards to ensure the best experience.

4. Focal Points on Customers



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Digital Banking

Today, we offer our customers two digital currency trading platforms. These two platforms' digital channels are on our website and mobile app.

One of our platforms is Monex ULTRA II, mainly aimed at companies with specialized treasuries managing high operating volumes and seeking competitive prices. This platform allows real-time trading of the six main currencies: USD, JPY, CHF, GBP, EUR, and CAD. The final trading price is obtained from the best offer available by the counterparties with whom the transaction is agreed, and hedging is carried out with the client simultaneously. It is currently available 24 hours a day (Sunday to Friday).

The other platform is *Compra Venta de Divisas* (Foreign Exchange Trading), aimed at individuals and companies with low or medium trading and low transaction volumes. It is available on our banking portal and mobile app.

Cash Management in Monex Digital Banking

All Cash Management solutions operate through Monex Digital Banking, which consists of our website and mobile app (Monex Móvil). Through these applications, our customers check balances, make movements, obtain receipts, make term investments, exchange transactions, and make payments and wire transfers from digital accounts. Digital Banking offers innovative services with remote access from anywhere.

We aim to ensure all our customers have access to Monex Digital Banking. A significant objective of our digital strategy is that most of our customers may achieve self-management through our digital channels.

Today, our strategy is focused on maintaining our positioning in the foreign exchange market, keeping lines of operation with recognized global banks, and seeking constant partnerships. These partnerships have allowed us to position ourselves in a prominent place, especially regarding foreign banks, giving us access to exclusive technological tools.

We are constantly improving our processes to provide an agile and innovative service, strengthening our security and reducing operational risk for the benefit of our customers. We seek continuous improvement and alignment among our various digital channels and strategic partnerships, maximizing and making profitable our commercial relationships with the digital products and services available throughout the financial group. Innovation is vital for our DNA and to create a better value for the financial group in all our activities.

| By the end of the year, nearly 60% of Monex USA transactions were made online.

As part of our 2023 business strategy, and given the global environmental conditions, we will keep developing our new digital platforms to provide a more agile and efficient service in current and new market segments, attracting new investments and creating operational efficiencies. We will strive to make our operation more efficient by seeking segmentation strategies to provide personalized customer service.

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5 Committed Talent

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5. Committed Talent

(GRI 2-7, 2-30, 401-1, 401-2, 401-3, 405-1)

Monex's human capital is the cornerstone of its growth. Therefore, our primary objectives are attracting, retaining, and developing the best talent. We also encourage teamwork to meet the goals of our business.

Workforce and Diversity

In 2022, our workforce consisted of 2,030 employees, of which approximately 3.9% were temporary employees and 20.4% were unionized employees.

We have entered into a collective bargaining agreement with an active union -*Sindicato Nacional de Trabajadores de Instituciones Financieras, Bancarias, Organizaciones y Actividades Auxiliares de Crédito, Empleados de Oficinas, Similares y Conexos de la República Mexicana (SINATIFBANC)*.

48.22% of our workforce are women
20% of our employees are unionized

Staff breakdown by sex and age group (2022)

	Under 30		30-50 years		Over 50 years		TOTAL	
	W	M	W	M	W	M	W	M
Director	0	0	5	31	11	40	16	71
Assistant Director	0	0	7	22	8	28	15	50
Manager/Assistant Manager	2	2	76	93	24	33	102	128
Coordinator/Supervisor	1	3	50	41	13	22	64	66
Analyst	151	155	476	404	103	75	730	634
Assistant	26	17	24	53	2	32	52	102
TOTAL	180	177	638	644	161	230	979	1,051

We are committed to diversity and inclusion. Our approach is based on equity, respect, and plurality of ideas. At Monex, we do not make any distinction when hiring staff, regardless of race, gender, age, color, religion, political opinion, social status, or ethnic origin. All candidates are equally treated and have the same opportunities during the hiring process.

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Attraction and Retention

We constantly strengthen our talent attraction and development strategy. Our talent management process is solid and competitive. It is based on the sector requirements, new technologies, and the solid culture of our company. We promote a balance between our employees' work and family life to achieve comprehensive development, conducting practices that promote respect for people's dignity and labor rights.

We are still hiring staff in line with the Company's growth opportunities and to open new positions. This year, 396 employees have been hired.

Hires, Terminations, and Turnover Breakdown

	2020	2021	2022
Hires	167	247	396
Voluntary and involuntary terminations	255	328	268
Turnover rate (%)	11.13	15.79	11.4
Resignation rate (%)	4.58	7.04	6.7

Benefits

At Grupo Monex, we promote initiatives that foster a balanced work environment, encouraging a balance among our employees' personal, work, and family life. Our goal is to create an environment where our employees can fully grow and develop in their professional and personal lives, maintaining a healthy balance between their work responsibilities and family commitments.

Our employees have a competitive compensation package, development and growth opportunities, and well-being programs that promote a healthy lifestyle and a better relationship between family and work. We promote teams based on respect, openness, and innovation.

To ensure the comprehensive well-being of our employees, we are committed to implementing policies and programs that support a balance between their lives, work, and family.

19 years with the CSR Certification (Distintivo ESR).

The Great Place to Work Institute has recognized us as one of the Best Companies to Work for in Mexico.

15th place in the ranking of 500-5,000 employee companies as one of the Best Companies to Work for in the Financial Services and Insurance Sector for 19 consecutive years.

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Training and Career Development
(GRI 404-1, 404-2)

We approach staff training holistically, with training programs tailored to the specific needs of each employee and department. Employees' technical and professional skills are improved through a collaborative and practical methodology, promoting their development and growth within the organization.

The increasingly digital and online training programs have promoted the development of our employees. They respond to the detection of training needs and our interest in promoting the growth of our team.

Training 2022

Trained Employees	No. of Attendees		Total No. of Hours		No. of Hours per Participant
	W	M	W	M	
Operating (analysts, consultants)	514	533	33,865	35,099	66
Tactical (coordinating assistant managers)	58	46	3,794	3,036	66
Executive (managers, specialists)	86	73	5,692	4,838	66
Strategic (directors - assistant directors)	86	43	5,692	2,846	66
	1,440		94,861		66

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Health and Safety

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7)

The health and safety of our employees is our priority, and we manage it effectively. We have implemented wellness policies, training, monitoring, communication, and promotion to build a safe and healthy work environment conducive to our employees' personal and professional development.

Through the Creating Wellness Program (Programa Creando Bienestar), we have established a comprehensive health strategy for our employees. Our main objective is to promote health and prevent diseases by adopting healthy lifestyles. We have appointed a wellness advisor to the Creating Wellness Program to strengthen this strategy.

Throughout the year, we organized several campaigns aligned with the pillars of our Wellbeing Program: "Activándonos," "Descansando," "Nutriéndonos," and "Cuidándonos," to encourage employees to lead an active life, get adequate rest, eat healthily, and take care of their general wellness.

We have developed a portal within Monex's internal intranet where all employees can access a wide range of health resources, such as videos, information spots, and instructional materials. We also promote initiatives via email, such as webinars, infographics, health surveys, and health campaigns.

We have developed programs and activities that promote our employees' health and well-being:

Health Promotion and Health Risk Prevention

We have developed health promotion and health risk prevention initiatives that include different actions and services for the well-being of employees. Some of these initiatives are:

- Medical Service: We have a medical service for any health needs of our employees.
- Health Risk Surveys: We conduct surveys to identify potential health risks of our employees and take preventive measures.
- Emotional Well-being: We have organized activities and provided resources to support employees' mental and emotional well-being.
- Vaccination Campaigns: We conduct vaccination campaigns to prevent diseases and protect our employees' health.
- Breast and Prostate Cancer: We conduct breast and prostate cancer awareness and early detection campaigns to promote health and prevent diseases.
- Laboratory Tests: We offer our employees laboratory tests to monitor their health and detect potential problems early.
- Health Webinars: We organize disease prevention and health care webinars to provide our employees with tools and knowledge to stay healthy.
- Ergonomic Risks: We implement measures and training to prevent ergonomic risks in the workplace to ensure our employees' health and well-being.
- Mental Health: We promote mental health through programs and resources that support our employees' emotional well-being.

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Promotion of Healthy Habits and Physical Activity

We implement activities to promote healthy habits and physical activity, including a variety of sports options: The Banking Games (Juegos Bancarios), the Izzi Kardias Race, the London Marathon, the Escucha a Fondo Race, the Lawyers Race, and the virtual fitness classes. These activities encourage participants to stay active, have healthy habits, and enjoy a physically active life.

Employee Assistance Program (PAE)

The Employee Assistance Program (PAE, in Spanish) supports employees and their families on medical, nutritional, legal, veterinary, psychological, and financial issues. This program provides resources and services that help employees face situations and challenges related to the above issues.

It includes webinars for employees and their families, with information and guidance on different topics of interest to improve their well-being.

The PAE also contributes to implementing and complying with the Official Mexican Standard (NOM) 035. We identify and address situations that may harm employees' mental and emotional health through the detection of psychosocial risk factors and severe traumatic events (STEs).

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6 Sustainable Finance

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6. Sustainable Finance (FS7, FS16) (SASB FN-CB-240a.2)

At Monex, we promote responsible and sustainable financial development based on ESG factors. We actively participate in Mexico's development of the green and sustainable finance market through initiatives already integrated into our sustainable business model.

ESG Bond Market

In 2022, we participated in the placement of the Sustainable Sovereign Bond (BONDESG) as a member of the distribution organization in the new bond local market, a mandate granted by the Ministry of Finance and Public Credit (SHCP, in Spanish) and the Bank of Mexico. We successfully participated in these placements—1st and 2nd place, depending on the amount assigned. The total amount placed in the two transactions in which we participated was USD\$1.28 billion, of which we achieved an allocation of USD\$541 million—nearly 40% of the distribution.

Another of the Group's initiatives to develop Mexico's ESG thematic bond market is our pricing active participation in

the secondary market, especially in BONDESG government securities. We provide daily trading prices to the five brokerage companies operating in the local market. These prices are an essential benchmark and contribute to the valuation of these instruments. Regarding operated volume, our BONDESG Market Making activity was USD\$177 million.

We include labeled bonds in the trading portfolios provided that they offer an attractive return. At the end of 2022, our proprietary holding of ESG Bonds amounted to USD\$570 million, equivalent to 10.5% of the total portfolio value (a net asset value of USD\$5.45 billion) in local currency.



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Social Products and Services

We facilitate SMEs' access to financial products and services. We have opened new digital channels for granting loans.

PRODUCT / SERVICE	VALUE (USD)	REPRESENTATIVE PERCENTAGE VS. TOTAL PORTFOLIO
Legal entities and individuals with business activity, net sales, or annual net income of less than 14 million UDIS.	358,853,709	22.96%

We have bank loans and loans from other institutions. Such loans involve funding from productive chains, NAFIN digital loans, and financial lines for Mexico's agricultural, rural, and fishing sectors (FIRA).

We have interbank loan transactions and lines of credit mainly used for short-term funding and call money market.

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Partnerships

We actively participate in trade forums promoting the ESG market development, primarily through the two seats Monex represents in the Green Finance Advisory Board (*Consejo Consultivo de Finanzas Verdes*, CCFV). We coordinate this forum's education, governance, capital mobilization, and public policy working groups. We are still promoting and participating in national and international large-scale sustainable finance panel discussions.

In 2022, we participated in over 50 CCFV meetings, i.e., more than 100 hours in the ESG market development.

As active members of the Mexican Banking Association (*Asociación de Bancos de México*, ABM), in 2022, we led a mission to the United Kingdom. With the president of this association, we visited more than 15 institutions that are leaders in the ESG field.

This mission was part of the 2022 agenda of the joint work performed by the Mexican Board of Sustainable Finance (formerly the CCFV) with the ABM, the TCFD-Mexico Consortium under the UK PACT program of the British Embassy in Mexico.

We witnessed the degree of progress in managing financial risks from climate change that banks and insurance companies have attained, including the main characteristics of their climate project—"Climate Biennial Exploratory Scenario."

With our active participation in the CCFV as general members, the ABM's Sustainability Committee, and the Sustainable Finance Committee of the SHCP and Banxico Financial Stability Board, among other bodies, our purpose is to promote the development of sustainable finance and the incorporation of ESG factors in the development of products and services, including loans and investment.

As a financial institution, we are committed to the Sustainable Development Goals (SDGs) proposed by the United Nations in the 2030 Agenda through a banking model that promotes economic and social development while protecting the environment.

Since 2020, this commitment has been strengthened by adopting the Principles for Responsible Banking (PRB) coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI).

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We have implemented specific programs to improve financial education for different beneficiaries:

PROGRAM	DESCRIPTION	BENEFICIARIES
Trade Financial Education Programs (<i>Programas gremiales de educación financiera</i>)	Online financial courses for our employees to develop skills to assess options and make the best financial decisions.	Monex employees
National Financial Education Week	Virtual education activities (games, videos, and talks) to promote and raise awareness among the population of the importance of having basic financial capabilities to manage and make the best use of the resources available. This program is aimed at children and high school and college students.	Children and high school/college students

In 2022, Monex organized a virtual summer course for our employees' children. This course aimed to encourage children and adolescents to gain knowledge of personal finance through recreational activities. The participants learned about savings, credit, investment, spending, inclusion, cybersecurity, and sustainability. The course was attended by 104 children (ages 6–17) whose parents were working at either the headquarters or the office branches.

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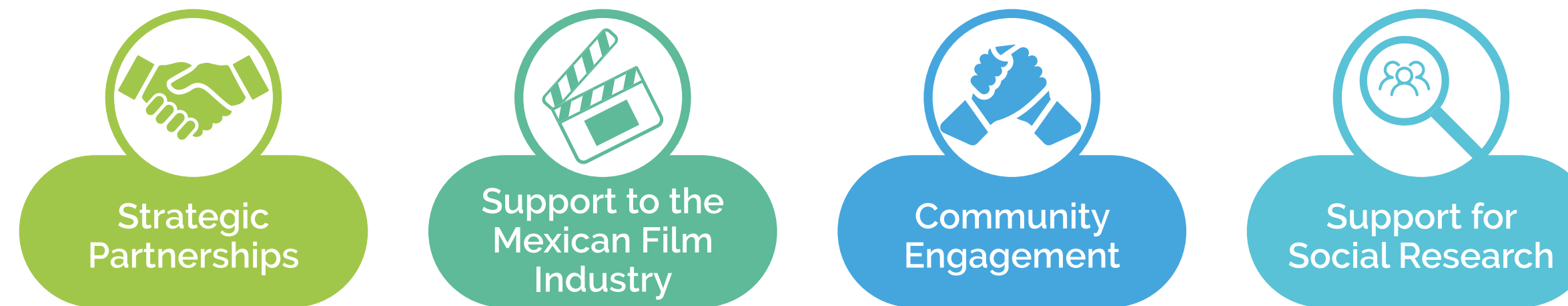
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7. Social Action

(FS7, FS16) (SASB FN-CB-240a.2)

At Monex, we are committed to creating value for all our stakeholders. To achieve this, we have established a CSR strategy based on the following axes:



Strategic Partnerships

(GRI 2-28)

We work hand in hand with NGOs to create a more significant positive impact on communities through various causes.

- 1 **Productive community projects**
We support productive community projects that may cause a comprehensive change in the quality of life of its inhabitants.
- 2 **Education Support**
We support children and young students with scholarships and comprehensive services through the Bécalos program and donations to Fundación Quiera.
- 3 **Donations in Kind**
We support NGOs with donations of furniture and computers as we constantly renew our technology.

Support to the Mexican Film Industry

We support the Mexican film industry through our Monex Foundation. We launch an annual film project call for financial support. This initiative boosts and promotes the Mexican film industry and, thus, Mexico's cultural and economic development. For 11 years, through Eficine and Efitatro incentives, Monex has supported 22 projects amounting to USD\$4.77 million. In 2022, Monex supported two film projects called "The Reserve" (*La reserva*) and "Mexico City" (*Ciudad de México*).

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Community Engagement

“Humanistas en México: Mirar hacia adentro” (Humanists in Mexico: Looking Inward)

Through the “Humanistas en México: Mirar hacia adentro” project, we show some post-pandemic reflections and learnings. We aim to share these positive ideas with our customers and friends through social media. We focus on humanism-related topics that nourish, inspire, and innovate. The idea of this project was to have a different narrative approach through social and educational content in line with Monex’s institutional beliefs and values.

To achieve this, we produced a series of 3-5 minute videos where prominent exponents talk about simple and basic concepts of humanism clearly and fascinatingly. These concepts relate to the importance of reading, inclusion, literary creativity, conversation, willingness to learn, happiness, personal testimony, dialogue, and meeting. At the end of 2022, two seasons and 46 chapters were produced, with a total of 17.28 million views on social media.

Supporting A.R. Pro Cycling Monex

The AR Monex Pro Cycling Team comprises some of the best young representatives of Mexican cycling. This initiative promotes Mexican athletes for the most essential circuits in the world.

Monex aims to support and promote cycling in Mexico to reach its maximum potential internationally and create a cycling talent incubator. Since 2020, Monex has supported this initiative by sponsoring the cycling team.

The Tour de L’avenir (France), the San Luigi Grand Prix (Veneto, Italy; Men Elite category), and the Giro di Puglia are some of the most important races in which the team has participated.

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Awards and Recognitions

Our actions have been recognized with several certifications and awards. These recognitions testify to our commitment and dedication to offering quality and excellent services to our customers. Some of such recognitions are:

	<ul style="list-style-type: none"> • CSR Certification (<i>Distintivo Empresa Socialmente Responsable (ESR)</i>) for 19 consecutive years • 1% social Investment Badge • Social Inclusion Badge
	<p>Socially Healthy Organization Certificate (<i>Distintivo Organización Responsablemente Saludable</i>) - Received for eight years in the Culture Category, which assesses habits changes on the physical and emotional wellness of employees</p>
	<ul style="list-style-type: none"> • The Best Places to Work in Mexico Recognition for 19 consecutive years by Great Place to Work • 15th place among the 500-5,000 employee companies category
	<ul style="list-style-type: none"> • Commitment to the Principles of the UN Global Compact • We have supported the 10 Principles since 2005
<p>Addiction-Free Company Certificate (<i>Distintivo de Empresa Libre de Adicciones</i>)</p>	<p>A certificate proving Monex's 21 years as a company free of drug use.</p>

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Appendix I: ESG Management Information

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Stakeholder Engagement

At Monex, we aim to create value for all our stakeholders through our relationship with them and their participation in our activity. Our stakeholders include all people and entities that may be affected by our operations, and that may influence our business.

Therefore, we have conducted an internal analysis to identify and prioritize stakeholders. We have defined a relationship plan setting the frequency and appropriate communication channels to maintain a close and effective dialogue with them.

The value proposition, commitment, and primary communication channels with our stakeholders are:

STAKEHOLDER	VALUE PROPOSITION	COMMITMENTS	COMMUNICATION CHANNELS
Employees	Achieving a comprehensive development of our employees by promoting a balance between work and family. We conduct practices setting an environment with principles of respect for people's dignity and labor rights.	Offering competitive and fair salaries and benefits based on job responsibilities and performance. Be aware of the employee's well-being, health, and quality of life. Comprehensive training through skills development, technical training, and ethical values. Avoid any discrimination with evident respect for human dignity. Achieve long-term service and loyalty from employees.	Work environment survey Internal communication Whistleblowing and confidential channels Performance evaluations Website Social media
Customers	Providing customers with the best service to promote their development, meeting their needs effectively and efficiently.	Protecting and contributing to the development of customer assets through an efficient and value-added service. Honesty and transparency with customers, including marketing and operation service. Total customer satisfaction.	Website Executive Report 2022 Social media In-person channels Satisfaction surveys Communication channels Call center Whistleblowing and confidential channels

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Stakeholder Engagement

STAKEHOLDER	VALUE PROPOSITION	COMMITMENTS	COMMUNICATION CHANNELS
Shareholders, investors, and other capital suppliers	Boosting our customers' investment return through prudent management and a consolidated business model, always with comprehensive transparency in decision-making and business results.	<p>Delivering reliable and timely information on business development.</p> <p>Governing the company efficiently, consistently, ethically, and transparently.</p> <p>Adhering to transparent and honest corporate governance practices.</p> <p>Developing a professional administration with a long-term vision</p>	<p>BMV Annual Report</p> <p>Executive Report 2022</p> <p>Website</p> <p>In-person channels</p> <p>Board of Directors Meeting</p> <p>Presentations and results</p>
Suppliers	Offering trusting relationships, where both parties benefit from transparent and fair conditions, and always ensuring transparency.	<p>Developing selection processes with free competition in a transparent and honest environment.</p> <p>Meeting mutually established commitments to build a relationship of trust and loyalty.</p>	<p>Executive Report 2022</p> <p>In-person channels</p> <p>Satisfaction surveys</p> <p>Whistleblowing and confidential channels</p> <p>Telephone and traditional communication channels</p>
Authorities and regulatory bodies	Ensuring compliance with the applicable regulations.	<p>Strictly complying with laws and regulations.</p> <p>Being proactive in collaboration with authorities and regulatory bodies.</p>	<p>Website</p> <p>BMV Annual Report</p> <p>Executive Report 2022</p> <p>Social media</p> <p>In-person channels</p> <p>Association committees</p>
Competitors and trade associations	Operating under fair and ethical business relationships.	<p>Exercising ethical relationships of respect and transparency with competitors.</p> <p>Collaborating in strengthening the financial system through trade initiatives.</p> <p>Participating in partnerships and working together to promote sustainable finance.</p>	<p>Website</p> <p>Executive Report 2022</p> <p>Social media</p> <p>Communication channels</p>
Community	Contributing to the development of the community through initiatives that meet their primary needs and improve their quality of life.	<p>Supporting the development of communities through in-kind and financial donations to different foundations, in an effort made by Fundación Monex.</p> <p>Encouraging the participation of employees in social and environmental actions.</p>	<p>Company's website</p> <p>CSR web section</p> <p>Executive Report 2022</p> <p>Social media</p> <p>Communication channels</p> <p>Fundación Monex's own channels</p>

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Materiality Analysis

In 2022, we conducted a materiality analysis through the concept of double materiality under international trends:

- Impact Materiality. All stakeholders are considered, and the most significant impacts of Monex's business abroad are identified economically, socially, and environmentally.
- Financial Materiality. This dimension provides detailed information for investors and other capital providers based on ESG factors that could financially affect Monex's business condition, performance, and cash flows.

Process for Impact Materiality

We prepared the impact materiality analysis based on the Global Reporting Initiative (GRI) recommendations:

- First, we identified potentially relevant topics and analyzed the main sector risks and opportunities, critical topics assessed by international rating agencies, frequently asked questions by investors and analysts in 2021, and press coverage of the company.
- Then, the topics were prioritized by our primary stakeholders. Through surveys and interviews, we consulted employees, suppliers, main shareholders, and trade and financial-related organizations. For customers of different businesses, we consulted Monex's customer relations teams.
- For prioritization, we also interviewed key directors and managers of the Group and our business lines (subsidiaries) to provide their strategic perspectives.
- The integration of our main stakeholders and top management's perspective allowed us to determine the material topics (impact materiality).
- Finally, the material topics underwent an internal validation process by senior management.

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Materiality Analysis

The impact of material topics has allowed us to determine the Sustainable Development Goals (SDGs) to which we strategically contribute.

MATERIAL TOPIC	SDG	MATERIAL TOPIC	SDG
Ethics and anticorruption		Product innovation	
Corporate governance		Financial inclusion	
Digital transformation	 	Disclosure and transparency of financial information	
Regulatory compliance		Diversity and equal opportunities	
Economic performance	 	Cybersecurity	
Customer service		Sustainable investment	
Attraction and retention of employees		Own and Portfolio ESG Risks	
Training and development of employees	 		

Financial Materiality Process

- The Sustainability Accounting Standards Board (SASB)—an international benchmark for ESG information for investors—has determined, through a global analysis and consultation process, a list of material topics by industry on which it has based its standards.
- At Monex, we decided to apply the topics that SASB established for the industries in which we operate, specifically in the financial sector: Commercial Banking, Asset Management, and Investment Banking and Brokerage. Therefore, we can ensure appropriate management of the risks and opportunities arising from these material topics and contribute to improving our ESG performance.

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Portfolio Risk Analysis

Impact Identification and Sizing—Introduction

The Responsible Banking Principles (RBP) demand the identification of positive and negative impacts of our portfolio. At Monex, as detailed below, we have used the tools offered by UNEP FI, especially the most appropriate ones for the products included in our portfolio.

UNEP FI has established the potential impact areas under its Impact Radar initiative (see image).

Organizational Scope: In this exercise, we incorporated the currency exchange and international payments (41.7%) and credit portfolio (6.1%) segments, reaching 48% of Monex's total portfolio.

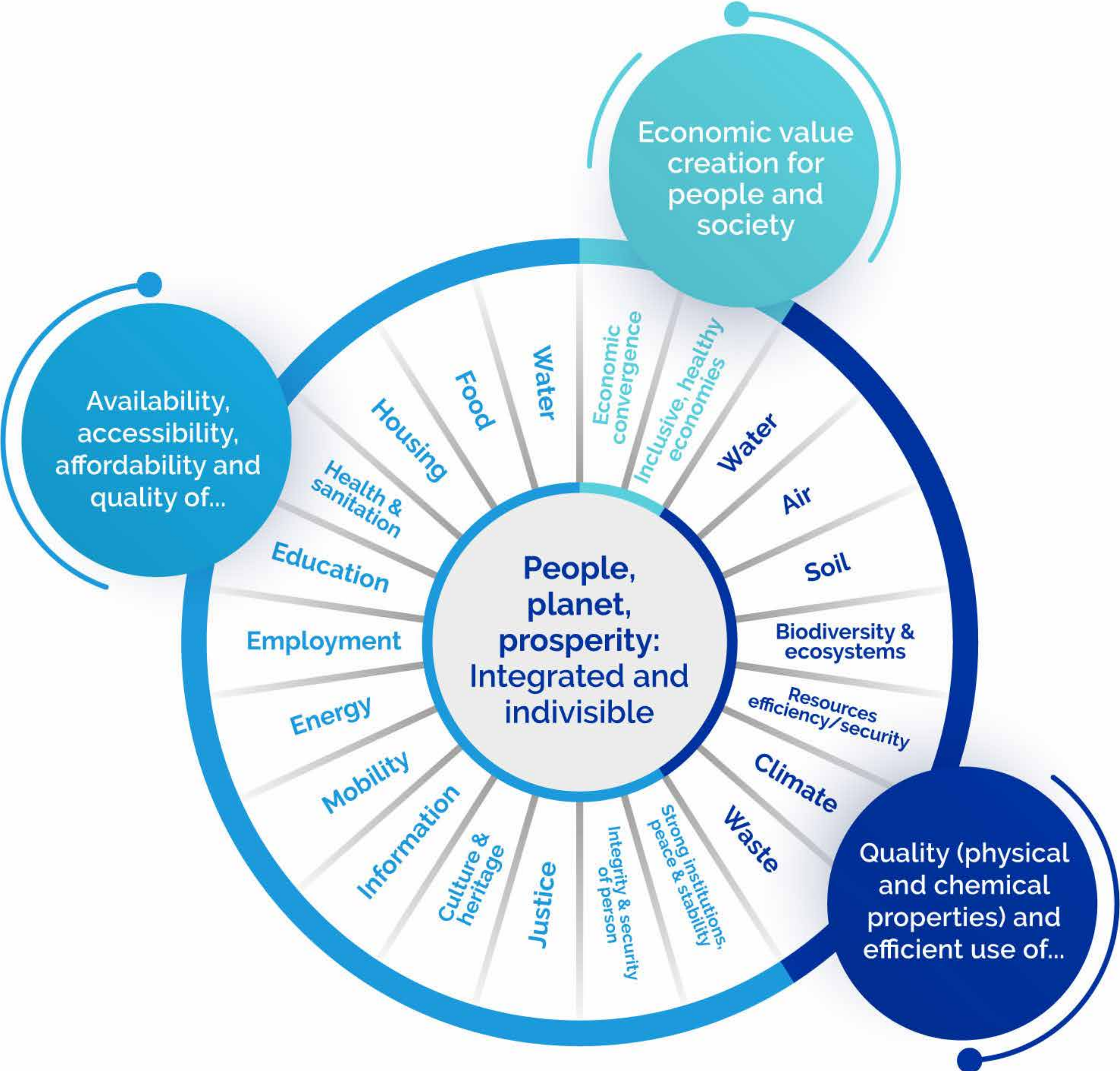
- Consequently, we used the following tools: 1) Investment Portfolio Impact Analysis Tool for currency exchange and international payments, and 2) Portfolio Impact Analysis Tool for Banks for credit.

Geographic Scope: Mexico. We excluded international transactions from the scope.

Types of Business: Business Banking, Trading | Execution.

Scale of Exposure: All sectors and industries of both businesses.

Context and Significance: The tool provides Monex's portfolio's economic, social, and environmental impact areas. It also provides a criticality rating for each impact area by country.



Source: Adapted from The Impact Radar (UNEP FI, 2018).

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Portfolio Risk Analysis

List of material topics:

18 MATERIAL TOPICS		
TYPE	N	ISSUE
Both	24	Ethics and anticorruption
Impact	19	Corporate governance
Impact	6	Digital transformation
Impact	3	Regulatory compliance
Impact	10	Economic performance
Impact	5	Customer service
Impact	26	Attraction and retention of employees
Impact	27	Training and development of employees
Impact	7	Product innovation
Impact	21	Disclosure and transparency of financial information
Both	8	Financial inclusion
Both	13	Cybersecurity
Impact	2	Sustainable investment
Both	16	Own and Portfolio ESG Risks
Financial	28	Diversity and equal opportunities
Financial	1	Sustainable financing
Financial	14	Systemic risk management
Financial	9	Selling practices/product information

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Portfolio Risk Analysis

Impact Identification and Sizing—Results

Principal Impact Areas – Currency Exchange and International Payments

Since Monex is the national leader in the payments and international exchange business, we included all our currency exchange business in this analysis.

Using the classification proposed by the tool, the services were classified as follows: individual foreign exchange (3%); remittances (direct or through transfer companies) (1%); SMEs (e.g., import/export activities) (24%); large companies (e.g., import/export activities, return of benefits or dividends) (38%); institutional investors (pension funds and insurance companies) (13%); government (1%); other companies (17%).

Below, we explain the relationship between our activity and the areas of potential impact. This theoretical framework and our management will allow us to extend the positive impacts and decrease, mitigate, or directly eliminate negative ones.

TYPE OF IMPACT	SIGNIFICANCE	IMPACT AREA	TYPE OF IMPACT	SIGNIFICANCE	IMPACT AREA
Positive	1	Economic convergence	Negative	1	Economic convergence
	2	Inclusive & healthy economies		2	Inclusive & healthy economies
	3	Employment		3	Strong institutions
	4	Strong institutions			

The principal impact areas of international payments and changes are:

The mobilization of capital through the foreign exchange market **can positively contribute to:**

- Stimulate the local economy in Mexico (primary market), distributed to the population through salaries, local supply agreements, etc.
- Provide economic stability to companies to develop more robust corporate governance and focus on the medium to long term.

The mobilization of capital through the foreign exchange market **can negatively contribute to:**

- Create inequalities if not acting responsibly in exercising the different beneficiary companies (indirect impact of Monex).
- Represent risks and impacts associated with capital flows on ethics, local taxes, and the inappropriate use of resources. In that regard, Monex strictly applies "Know Your Client" policies.

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Portfolio Risk Analysis

Principal Impact Areas – Corporate Credit Portfolio

All the credit portfolio was integrated with the following sectors (listed from highest to lowest proportion): Other Financial Services, except for Insurance and Pension Fund Activities (17%), Real Estate Housing Development (14%), Industrial Real Estate Development (8%), Trusts and Similar Financial Entities (7%), among others.

We present below an explanation of the relationship between our type of activity and the impact areas.

This theoretical framework and our management will allow us to extend the positive impacts and decrease, mitigate, or directly eliminate negative ones.

The principal impact areas of the credit portfolio are the following:

TYPE OF IMPACT	SIGNIFICANCE	IMPACT AREA	TYPE OF IMPACT	SIGNIFICANCE	IMPACT AREA
Positive	1	Economic convergence	Negative	1	Strong institutions
	2	Inclusive & healthy economies		2	Resource efficiency/security
	3	Mobility		3	Waste
	4	Cultural heritage		4	Water availability
	5	Housing		5	Cultural heritage
	6	Strong institutions			

Corporate credit, by the main sectors to which it is directed, **may positively contribute to:**

- Financial activities that facilitate the availability of resources for companies and citizens, contributing more to their governance.
- Availability of infrastructure by third parties and impact on mobility, tourism, and culture.
- Housing development.

Corporate credit, by the main sectors to which it is directed, **may negatively contribute to:**

- Risk due to the type of sectors exposed to poor ethical practices; to this end, Monex has controls in place.
- Risk of dynamic financial activities that contribute to other resource-intensive and waste-generating activities. Real estate developments and infrastructure, including cultural heritage, could also be affected. There is an analysis methodology to limit such risks.

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Portfolio Risk Analysis

Commitments and Targets

Based on the most significant impact areas of the portfolio - foreign exchange (FX) & international payments and corporate credit - a series of commitments were established, aligned with different Sustainable Development Goals (SDGs).

First Target:

Related Impact Areas: Economic convergence; Inclusive and healthy economies; Employment.

Commitment: Contribute to creating employment by supporting companies with profits of up to USD\$13.35 million in sales ^[1] in the wholesale, retail, and manufacturing sectors.

The sectors have been determined by those in the Group's portfolio that contribute the most to Mexico's employment, according to the *National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía (INEGI))*.

Business Targets:

- Growth in cross-selling from FX/credit payments in those sectors.
- Growth of FX transactions/payments in those sectors.
- Credit growth in these sectors.

Related SDGs: 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), and 10 (Reduced Inequalities).

[1] Based on Monex's internal classification of company segments; includes companies with relationships through any commercial channel.

Second Target:

Related Impact Areas: Inclusive and healthy economies; Efficiency/security of resources.

Commitment: Contribute to the ecoefficiency of the customers' business operation.

Business Targets:

- Increase debt purchase with ESG (environmental, social, and governance) criteria for its distribution to customers in the secondary market—facilitate customers' understanding of the funding opportunities based on the performance with high ESG standards.
- Provide financing for environmentally responsible practices (e.g., generation with renewable energies, energy efficiency).
- Obtain ESG-linked funding: explore the issuance of green and/or sustainable bonds and any other financing mechanism of this type.

Related SDGs: 7 (Affordable and Clean Energy), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production), and 13 (Climate Action).

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Appendix II: Environmental Management

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Appendix II: Environmental Management

Considering the significant challenge climate change poses, financial institutions must manage our direct environmental footprint while promoting sustainable finance. For this reason, at Monex, we are developing various projects to reduce the environmental impact of our activities.

We are constantly exploring opportunities to implement eco-friendly practices in our operations, whether by adopting cleaner technologies, reducing our carbon footprint, or promoting environmental education.

At Monex, we conduct a Carbon Footprint Measurement annually to identify areas of opportunity to reduce, mitigate, or offset our emissions and their environmental impact. The latest report recorded 1,304 tons of CO2 equivalent (TCO2e).

This measurement provides a clear picture of our emissions and helps us establish goals and strategies to minimize our environmental impact. According to the results, we implement actions and projects to reduce our carbon emissions and contribute to the fight against climate change.

Our commitment goes beyond measurement—we constantly look for opportunities to implement more sustainable practices in our operations. The above implies the adoption of more efficient technologies, promoting sustainable mobility, proper waste management, and optimizing energy and water use.

| We emitted 1,304 tons of CO2 equivalent (TCO2e).

| We collected 98 kg (216 lb) of used batteries.

We identify areas for improvement and implement measures to reduce our emissions and contribute to protecting the environment. We are committed to being agents of change and promoting a culture of sustainability regarding all our activities.

We have implemented volunteer programs mainly addressed to Mexico's tree planting and protection of underwater life in partnership with different organizations, such as Bosque Urbano, el Proyecto Evolución Ambiental Colectivo Profesional, and Fundación Yépez, with the following results:

| 2,600 trees were planted and maintained.

| Protection of 121 sea turtle clutches and 11,000 turtle eggs saved.



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Appendix III: Our Contribution to the Sustainable Development Goals (SDGs)

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Appendix III: Our Contribution to the Sustainable Development Goals (SDGs)

One of our priorities is to maximize our contribution to the United Nations Sustainable Development Goals (SDGs). We are committed to addressing society's most important challenges through our business model. This model is based on a sustainable and shared value-creation approach.

Considering our type of business, operations, and stakeholders, we have identified our most impacted strategic SDGs. To determine such strategic SDGs, we have analyzed our material topics, assessed our work environment, and considered the needs and expectations of our community.

Correlation of Material Topics and SDGs

MATERIAL TOPIC	SDG	MATERIAL TOPIC	SDG
Ethics and anticorruption		Product innovation	
Corporate governance		Financial inclusion	
Digital transformation	 	Disclosure and transparency of financial information	
Regulatory compliance		Diversity and equal opportunities	
Economic performance		Cybersecurity	
Customer service		Sustainable investment	
Attraction and retention of employees		Own and Portfolio ESG Risks	
Training and development of employees	 		

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Contribution to SDGs table

The following table highlights our contribution, which is reported throughout the report.

SDG	MATERIAL TOPIC	CONTRIBUTION	INDICATORS 2022
<p>1 No Poverty</p>	<ul style="list-style-type: none"> Financial Inclusion 	<p>We promote a more inclusive financial system and allow more people to fully participate in the economy by providing access to financial services, supporting entrepreneurs and SMEs, and adopting innovative financial technologies.</p>	<p>USD\$358.85 million granted to legal entities and individuals with business activity, with net sales or annual net income of less than 14 million UDIS. 22.96% representative of the total portfolio.</p>
<p>4 Quality Education</p>	<ul style="list-style-type: none"> Employee Training and Development 	<p>We develop specific employee training programs. These programs are essential to improving employees' performance and contributing to the business's success.</p>	<p>1,440 employees trained during 2022 in different courses. 66 hours of annual average training per employee. 384 new employees trained in MLP-TF.</p>
<p>5 Gender Equality</p>	<ul style="list-style-type: none"> Diversity and Equal Opportunities 	<p>We promote the inclusion of women by implementing various initiatives and programs that promote gender equality and the active participation of women in the financial sector.</p>	<p>48% of our workforce are women. 44% of our management staff are women. 31% of our Board of Directors are women.</p>
<p>8 Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> Employee Attraction and Retention Diversity and Equal Opportunities Employee Training and Development 	<p>We promote job stability and access to different benefits, contributing to our employees' well-being and always fostering equal opportunities. We provide technical training, reflected in the best talent and competitive employees, thus encouraging their development.</p>	<p>2,864 employees in the workforce. 20.4% are in a trade union. 396 new hires.</p>

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Contribution to SDGs table

SDG	MATERIAL TOPIC	CONTRIBUTION	INDICATORS 2022
<p>9 Industry, Innovation, and Infrastructure</p>	<ul style="list-style-type: none"> Digital Transformation Product Innovation Financial Inclusion Cybersecurity Sustainable Investment 	<p>We have implemented different digital tools and strategies to improve our financial services. For example, our multi-currency digital account allows customers to conduct currency trading, SPEI, SPID, and SWIFT wire transfers.</p> <p>We offer our customers two digital currency trading platforms: Monex ULTRA II and Compra Venta de Divisas (Foreign Exchange Trading).</p> <p>All Cash Management solutions operate through Monex Digital Banking, which consists of our website and mobile app (Monex Móvil).</p> <p>We implement initiatives to develop the ESG thematic bond market in Mexico, such as our participation in the placement of the Sustainable Sovereign Bond (BONDES G).</p>	<p>Nearly 60% of Monex USA transactions were made online.</p> <p>Our proprietary holding of ESG Bonds amounted to USD\$569.70 million, equivalent to 10.5% of the total portfolio value.</p>
<p>10 Reduction of Inequalities</p>	<ul style="list-style-type: none"> Financial Inclusion Digital Transformation 	<p>We support vulnerable groups, such as entrepreneurs and SMEs, giving them access to funding.</p> <p>We have bank loans and loans from other institutions that involve funding from productive chains and NAFIN digital credit, as well as financial lines for Mexico's agricultural, rural, and fishing sectors (FIRA).</p> <p>(complementary to SDG 1)</p>	<p>USD\$358.85 million granted to legal entities and individuals with business activity, with net sales or annual net income of less than 14 million UDIS, 22.96% representative of the total portfolio.</p>
<p>12 Responsible Consumption and Production</p>	<ul style="list-style-type: none"> Cybersecurity Sustainable Investment 	<p>We manage cybersecurity by implementing technical measures, staff training, and periodic assessments to ensure data and system protection against cyber threats.</p>	<p>0 (zero) complaints related to customers' personal data breaches.</p> <p>Our proprietary holding of ESG Bonds amounted to USD\$570 million, equivalent to 10.5% of the total portfolio value.</p>

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Contribution to SDGs table

SDG	MATERIAL TOPIC	CONTRIBUTION	INDICATORS 2022
<p>13 Climate Action</p>	<ul style="list-style-type: none"> • Cybersecurity • Sustainable Investment 	<p>We provide funding for environmentally friendly practices, allowing us to contribute to sustainable development and promote environmental protection.</p>	<p>Our proprietary holding of ESG Bonds amounted to USD\$570 million, equivalent to 10.5% of the total portfolio value.</p>
<p>16 Peace, Justice, and Strong Institutions</p>	<ul style="list-style-type: none"> • Cybersecurity • Sustainable Investment • Ethics and Anti-corruption • Regulatory Compliance • Corporate Governance • Disclosure and Transparency of Financial Information 	<p>We provide funding for environmentally friendly practices, allowing us to contribute to sustainable development and promote environmental protection.</p> <p>We have a Code of Ethics and Conduct that—along with other complementary policies—is a self-regulation guide for our employees. All of our employees are required to comply with such policies. We provide training to prevent potential risks and strengthen our organizational culture of ethics.</p> <p>We implement the best practices in corporate governance.</p>	<p>Our proprietary holding of ESG Bonds amounted to USD\$570 million, equivalent to 10.5% of the total portfolio value.</p> <p>In 2022, we trained 384 new employees in MLP-TF.</p> <p>0 (zero) cases of corruption or sanctions for anti-competitive practices.</p> <p>In 2022, no cases were filed regarding using privileged information or unfair competition.</p> <p>43% of our Board of Directors are independent members.</p> <p>31% of our Board of Directors are women.</p>

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Appendix IV: PRB Self-Assessment Template

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Appendix IV: PRB Self-Assessment Template

Grupo Financiero Monex (hereinafter Monex) is a signatory of the Principles of Responsible Banking (PRB), promoted by different leading international institutions and coordinated by the United Nations Environment Programme Finance Initiative (UNEP FI).

Below are the main developments made in 2022:

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.

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<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 across the main geographies in which your bank operates or provides products and services.</p>	<p>Through its subsidiaries, Monex S.A.B. de C.V. offers customers high-quality and specialized financial and payment products in Mexico and abroad.</p> <p>With headquarters in Mexico City, Monex is present in Mexico, the United States, Canada, the United Kingdom, Spain, the Netherlands, Luxembourg, and Singapore.</p> <p>Grupo Financiero Monex is integrated by three entities: Banco Monex, Monex Casa de Bolsa, and Monex Operadora de Fondos. Its business model specializes in foreign exchange and international payment services. It also includes other specialized financial businesses that are the result of the expansion and diversification strategy, such as Derivatives, Corporate Credit, Digital Accounts, Leasing, Electronic Banking and Cash Management, Investments and Fiduciary, as well as Private Banking (Capital Markets, Investment Funds, International Investments).</p>	<p>Monex Annual Report 2022</p>
<p>1.2 Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>For the design of the Sustainability Strategy in 2022, Monex's double (impact and financial) materiality methodology was determined.</p> <p>For the impact materiality, inquiries were made to a selection of stakeholders, and the strategic view of top-level managers was obtained. Considering both perspectives, previously identified topics were prioritized through bibliographic research on sector priorities, the activity context, pre-existing advising sessions with stakeholders, and the interests of international investors and rating agencies. This process complies with the Global Reporting Initiative (GRI) standards.</p> <p>For the financial materiality, topics the Sustainable Accounting Standards Board (SASB) pointed out were considered.</p> <p>The related Sustainable Development Goals (SDGs) were based on Monex's impact material topics. Monex is focused on these. The ESG priorities defined in the materiality analysis were the basis for developing the Sustainability Strategy.</p> <p>Since 2020, Monex created the Sustainable Risk and Opportunities Analysis Committee (COSUSTENTA, for its acronym in Spanish) to analyze sustainable and ESG finance sectoral, national, and international trends and the reaction of financial systems. This Committee also drives and monitors the progress of the Sustainability Strategy.</p> <p>In 2022, Monex also integrated all relevant business and support areas in defining the initiatives that will support the group's ESG Strategy. Therefore, Monex has broadened the strategy and captured it in a Scorecard in 2023.</p>	<p>Monex Annual Report 2022</p>

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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.

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<p>2.1 Impact Analysis: Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting:</p> <p>a) Scope: b) Portfolio Composition: c) Context:</p> <p>Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target-setting strategy?</p> <p>Please disclose:</p> <p>d) Performance Measurement</p>	<p>To analyze the positive and negative impacts of the portfolio, Monex considered the UNEP FI recommendations. Thus, in 2022, the Investment Portfolio Impact Analysis Tool was used to analyze the foreign exchange and international payment business and the Portfolio Impact Analysis Tool for the credit portfolio analysis. We decided to have this scope in the impact analysis because both businesses represent the Group's main activity. In the future, the scope will be broadened, aligning the taxonomy of such business lines with the guidelines of the impact analysis tool.</p> <p>Organizational Scope: the foreign exchange & international payment business and the corporate credit business account for 48% of Monex's portfolio value. All sectors and industries were considered for both businesses.</p> <p>Geographical Scope: Mexico. We excluded international transactions from the scope.</p> <p>Portfolio Composition: The Group's portfolio comprises Foreign Exchange, Corporate Credit, Digital Accounts, Leasing, Electronic Banking and Cash Management, Investments and Fiduciary, and Private Banking (Capital Markets, Investment Funds, International Investments). This analysis considered the Corporate Credit and Foreign Currency businesses—i.e., 48% of the Group's total portfolio. For both businesses, all industries and sectors were considered.</p> <p>As for foreign exchange and international payment services, the manufacturing and wholesale trade businesses correspond to the sector with the highest percentage in the portfolio.</p> <p>As for other services, in the case of corporate credit, the sector with the highest percentage in the portfolio is also manufacturing.</p> <p>Context and Relevance: the country's criticality for Mexico (according to the UNEP FI tools) was integrated with the impact of the businesses resulting from the tools.</p> <p>Impact Areas: The tools identified the principal areas of impact of the portfolio according to the UNEP FI classification. The obtained prioritization score was added to a classification of the criticality of each topic in Mexico.</p> <p>As a result, for the FX and international payments portfolio, four principal areas of positive impact were determined (Economic Convergence, Inclusive and healthy economies, Employment, and Strong Institutions), and three principal areas of negative impact (Economic convergence, inclusive and healthy economies, and Strong institutions).</p> <p>On the other hand, 12 primary areas of positive impact were identified for the credit portfolio (Efficiency/security of resources, Mobility, Fuel, Cultural heritage, Inclusive and healthy economies, Economic convergence, Climate, Health and Sanitation, Housing, Strong Institutions, Information, and Water Availability) and eight main areas of negative impact (Efficiency/security of resources, Waste, Strong Institutions, Water availability, Cultural Heritage, Climate, Integrity and safety of the person, and Health and Sanitation).</p> <p>The nomenclature of the areas of impact corresponds to that set by the UNEP FI.</p> <p>Performance Measurement: Through portfolio composition and revenue contribution as inputs to the Portfolio Impact Analysis Tool and the Investment Portfolio Impact Analysis Tool, we identified the sectors and industries with the strongest potential positive and negative impacts on our entire portfolio.</p> <p>The two targets that Monex designed (Target Setting 2.2) to make a positive impact and mitigate potential negative impacts were set for the sectors identified above.</p> <p>Once targets are set, we will continuously monitor the performance and impact of such sectors and industries.</p>	<p>Description in this self-assessment template.</p>

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Principle 2: Impact and Target Setting

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT
<p>2.2 Target Setting Show that your bank has set and published a minimum of two targets addressing at least two areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant, and Time-bound (SMART). Please disclose the following elements of target setting (a-d) for each target separately:</p> <ul style="list-style-type: none"> A) Alignment B) Baseline C) SMART Targets D) Action Plan 	<p>Two commitments were set to address the most significant impact areas by net positive or negative contribution, aligned with different Sustainable Development Goals (SDGs).</p> <p>First Target: Related Impact Areas: Economic convergence; Inclusive and healthy economies; Employment. Commitment: Contribute to the creation of employment by supporting the economic development of companies with profits of up to USD\$13.35 million of annual sales in the wholesale, retail, and manufacturing sectors. The sectors have been identified by those in the Group's portfolio that contribute the most to Mexico's employment, according to the National Institute of Statistics and Geography (<i>Instituto Nacional de Estadística y Geografía (INEGI)</i>).</p> <p>Business Targets:</p> <ul style="list-style-type: none"> • Growth in cross-selling from FX/payments to other products in those sectors. • Growth of FX transactions/payments in those sectors. • Credit growth in those sectors. <p>The Sustainable Development Goals related to this target are: 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), and 10 (Reduced Inequalities).</p> <p>Second Target: Related Impact Areas: Inclusive and healthy economies; Efficiency/security of resources. Commitment: Contribute to the ecoefficiency of the customers' business operation.</p> <p>Business Targets:</p> <ul style="list-style-type: none"> • Increase the acquisition of debt based on ESG (environmental, social, and governance) criteria for its distribution to customers in the secondary market. • Facilitate customers' understanding of the funding opportunities based on the performance with high ESG standards. • Provide financing associated with environmentally responsible practices (e.g., generation with renewable energies and energy efficiency). • Obtain ESG-linked funding: explore the issuance of green and/or sustainable bonds, as well as any other financing mechanism of this type. <p>The Sustainable Development Goals related to this target are: 7 (Affordable and Clean Energy), 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production), and 13 (Climate Action).</p> <p>We are currently working on determining quantitative indicators for two of the seven business targets identified in Section 2.2.a. The action, plan, and milestones should be ready in April 2024.</p>

IN DETAIL
 Description in this self-assessment template.

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Principle 2: Impact and Target Setting

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<p>2.3 Target Implementation and Monitoring</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined above.</p>	<p>Throughout this year, the business areas have focused on the growth of the credit and ESG businesses, which address our two main targets described above. However, Monex will set the best quantitative indicators to be disclosed in the following self-assessment, which now are requirements as it will be Monex's third year since its commitment to PRB.</p>	<p>ESG Monex Executive Report 2022</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>3.1 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. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.</p>	<p>In 2020, Monex created the COSUSTENTA Committee, which integrates ESG factors into the business model. It also promotes and coordinates the Sustainability Strategy, whose design was completed in Q3 2023.</p> <p>On the other hand, Monex's Code of Ethics reflects the main guidelines for the company's relationship with its stakeholders—employees, customers, shareholders, suppliers, counterparties, environment, community, and competitors.</p> <p>The ESG Report 2022 will account for the main initiatives conducted by Monex based on the following:</p> <ul style="list-style-type: none"> • The results obtained through the UNEP FI impact analysis tools. Different strategic areas of the bank were consulted to collect the necessary information for the tool, the setting of qualitative targets, and our current quantitative indicator task. • The Sustainability Strategy, which was based on the materiality analysis. Different stakeholders and bank areas were consulted for both processes. 	<p>ESG Monex Executive Report 2022 Code of Ethics</p>
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Principle 3: Clients and Customers

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<p>3.2 Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on sustainable products developed in terms of value, existing products and services, and which SDGs or impact areas you are striving to make a positive impact on.</p>	<p>The bank has participated in issuing ESG-linked government securities and increased its participation in them. The bank will launch a digital loan approval for SMEs to support growth in this segment.</p>	<p>ESG Monex Executive Report 2022</p>

Principle 4: Stakeholders

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

<p>4.1 Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated, or partnered with for the purpose of implementing the 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>Different bank areas were consulted to determine the impact areas through the UNEP FI tools.</p> <p>The Responsible Banking priorities will be integrated into the Sustainability Strategy based on the materiality analysis. For this analysis, an external consultation was conducted with stakeholders—shareholders, employees, suppliers, authorities, and other sectoral benchmarking. The customer perspective was put forward through the vision of Monex's Customer Service department.</p> <p>Monex maintains regular communication with its stakeholders, offering them specialized channels and platforms.</p> <p>Monex actively participates in national bank partnerships and collaborates with authorities to implement ESG initiatives.</p>	<p>ESG Monex Executive Report 2022</p>
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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.

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<p>5.1 <i>Please describe</i> 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 the effective implementation of the Principles.</p>	<p>The COSUSTENTA committee promotes the implementation and monitoring of the Sustainability Strategy's progress. It is also a resolution forum where ESG risks and opportunities are defined during the execution of initiatives.</p> <p>As for the execution of the Sustainability Strategy initiatives, responsibilities have been assigned among the different areas of the Group that have the most significant impact, knowledge, and/or experience in this matter. The relevant business and support areas will be responsible for banking initiatives.</p> <p>In 2023, the strategy scorecard will be completed. Such a scorecard includes the incorporation of the PRB targets.</p>	<p>ESG Monex Executive Report 2022</p>
<p>5.2 <i>Describe</i> the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, inclusion in remuneration structures and performance management, and leadership communication, amongst others).</p>	<p>The sustainability progress in the different ESG (environmental, social, and governance) factors will be communicated through established corporate communication channels, such as the internal sustainability microsite and specialized training programs.</p> <p>We began with the first one-hour training (2023) for risk areas (ESG journey, what is ESG, climate risks, implications of climate risk analysis in portfolios, Monex ESG progress, review of climate risk metrics and scenarios for the credit portfolio, and regulatory issues).</p>	<p>ESG Monex Executive Report 2022</p>
<p>5.3 <i>Please describe</i> what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	<p>Today, Monex is working to address these risks through two main lines of action:</p> <p>1) Including ESG topics in credit analysis: Monex is analyzing the implementation of tools, such as HARAS, for assessing environmental and social topics in the new portfolio loans.</p> <p>2) Identifying the current ESG performance of the portfolio: Monex is currently identifying the ESG Score metrics for its bank and corporate bond portfolios through the Refinitiv methodology.</p>	<p>ESG Monex Executive Report 2022</p>

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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.

REQUIREMENT	RESPONSE AND SELF-ASSESSMENT	IN DETAIL
<p>6.1 Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p>	<p>So far, this information has not been audited.</p>	<p>Description in this self-assessment template.</p>
<p>6.2 Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p>	<p>Starting in 2022, Monex will reply to SASB standards in its ESG Executive Report, setting the target that next year (2024), it will also be replying to GRI standards.</p>	<p>ESG Monex Executive Report 2022</p>
<p>6.3 What are the next steps your bank will undertake in the next 12 month-reporting period (particularly on impact analysis, target setting, and governance structure for implementing the PRB)?</p>	<p>These are the following steps:</p> <ul style="list-style-type: none"> • Target setting • Quantitative target setting • Impact analysis • Expanding the scope of the relevant products and geographies • Implementing the Sustainability Strategy scorecard, including over 30 metrics 	<p>Description in this self-assessment template</p>

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Appendix V: ESG Glossary

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Appendix V: ESG Glossary

ESG	The ESG (environmental, social, and corporate governance) criteria are tools investors use to measure a company's non-financial factors and analyze how it manages issues unrelated to its business activity.
ESG Bonds	Allocating capital to an investment vehicle to generate a financial return and positively impact the environment or society.
CCFV	The Green Finance Advisory Board (Consejo Consultivo de Finanzas Verdes, CCFV) is a representative body of the Mexican financial sector to promote funding for investment projects and assets that generate environmental and social benefits through capacity building, the development of financial vehicles, and recommendations and proposals to promote sustainable development goals (SDGs).
GHG Emissions	Greenhouse Gases (GHG) are gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit infrared radiation, causing the greenhouse effect.
Sustainable Finance	They entail that ESG factors are considered in the investment decision-making process.
SDGs	The Sustainable Development Goals are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. In 2015, all United Nations Member States approved 17 Goals as part of the 2030 Agenda for Sustainable Development. This Agenda establishes a plan to achieve the Goals in 15 years.
PRB	The Principles for Responsible Banking are voluntary standards promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) to support banks in aligning their business strategy with the Sustainable Development Goals (SDGs) and the Paris Climate Change Agreement.
UNEP FI	UNEP FI or the United Nations Environment Programme Finance Initiative is a partnership between the United Nations and the global financial sector. UNEP FI has partnered with financial institutions worldwide to identify and promote links between sustainable development and financial topics.
COSUSTENTA Committee	A Monex committee in charge of ESG initiatives, now structured under a 2025 Strategy based on a double (impact and financial) materiality methodology.

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ANEXO V: Glosario de términos ASG

Material Topics	These topics represent the most significant economic, environmental, and human impact of an organization, including impacts on human rights. They are identified and assessed to determine their relevance and impact on the company and its stakeholders. Material topics should be appropriately managed and, in some cases, reported because they are essential for a comprehensive sustainability strategy.
Materiality	Identification and assessment of ESG factors with a significant impact on the profitability of a company and its stakeholders.
GRI	The GRI (Global Reporting Initiative) standards are sustainability reporting guidelines for organizations to transparently and consistently communicate their sustainability performance.
SASB	The SASB (Sustainability Accounting Standards Board) standards are specific guidelines for organizations to report ESG factors materially significant to their industry. They represent an international ESG information benchmark for investors.
SDGs	The Sustainable Development Goals (SDGs) are a collection of 17 goals adopted by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. These goals are a universal call to action to end poverty, protect the planet, and ensure that by 2030, all people will enjoy peace and prosperity.
TCFD	The Task Force on Climate-related Financial Disclosures (TCFD) is a group that promotes climate-related financial disclosure through recommendations for organizations to report climate-related risks and opportunities more effectively.
Global Compact	The Global Compact is a United Nations corporate sustainability initiative. It is the largest corporate sustainability initiative. Its main objective is to promote responsible and sustainable business practices.
Green Finance Advisory Committee (Comité Consultivo de Finanzas Verdes)	It promotes the funding of sustainable projects and activities from an environmental and social point of view.

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Appendix VI: GRI and SASB Content Index

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UNIVERSAL STANDARDS				
Series	Content	GRI Description	Omissions	Page/Answer
GRI 1: Foundation 2021				
GRI 2: General Disclosures 2021				
The organization and its reporting practices	GRI 2-1	Organizational details		
	GRI 2-2	Entities included in the organization's sustainability reporting		
	GRI 2-3	Reporting period, frequency and contact point		
	GRI 2-4	Restatements of information		
	GRI 2-5	External assurance		
Activities and workers	GRI 2-6	Activities, value chain and other business relationships		
	GRI 2-7	Employees		
	GRI 2-8	Workers who are not employees		
Governance	GRI 2-9	Governance structure and composition		
	GRI 2-10	Nomination and selection of the highest governance body		
	GRI 2-11	Chair of the highest governance body		
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts		
	GRI 2-13	Delegation of responsibility for managing impacts		
	GRI 2-14	Role of the highest governance body in sustainability reporting		
	GRI 2-15	Conflicts of interest		
	GRI 2-16	Communication of critical concerns		
	GRI 2-17	Collective knowledge of the highest governance body		
	GRI 2-18	Evaluation of the performance of the highest governance body		
	GRI 2-19	Remuneration policies		
Strategy, policies and practices	GRI 2-20	Process to determine remuneration		
	GRI 2-21	Annual total compensation ratio	Not available	
	GRI 2-22	Statement on sustainable development strategy		
	GRI 2-23	Policy commitments		
	GRI 2-24	Embedding policy commitments		
	GRI 2-25	Processes to remediate negative impacts		
	GRI 2-26	Mechanisms for seeking advice and raising concerns		
	GRI 2-27	Compliance with laws and regulations		
	GRI 2-28	Membership associations		
	Stakeholder engagement	GRI 2-29	Approach to stakeholder engagement	
GRI 2-30		Collective bargaining agreements		
GRI 3: Material Topics 2021				
	GRI 3-1	Process to determine material topics		
	GRI 3-2	List of material topics		
	GRI 3-3	Management of material topics		It is presented transversally throughout the report, as the management information on the different material topics is exposed.

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Appendix VI: GRI Specific Topics

Material topics	GRI Standard	GRI Content	Description	Omission	Page/Answer	Comments
Economic performance	GRI 3: Material Topics 2021	GRI 3-3	Material topics management			
		201-1	Direct economic value generated and distributed	Not available		
	GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Not available		
		201-3	Defined benefit plan obligations and other retirement plans	Not available		
		201-4	Financial assistance received from government			
	Financial services sector supplement	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.			
Corporate Governance	GRI 3: Material topics 2021	GRI 3-2	Material topics management			
Ethics and anti-corruption	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
		205-1	Operations assessed for risks related to corruption			
	GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures			
		205-3	Confirmed incidents of corruption and actions taken			
	GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			
Regulatory compliance	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
Financial Inclusion	Financial services sector supplement	GRI 3-3	Material topics management			
		F57	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose			
		FS 13	Access points in low-populated or economically disadvantaged areas by type	Does not apply		Does not apply
		FS 14	Initiatives to improve access to financial services for disadvantaged people	Does not apply		Does not apply
		FS 15	Policies for the fair design and sale of financial products and services			
		FS 16	Initiatives to enhance financial literacy by type of beneficiary	Not available		
Own and Portfolio ESG Risks	Financial services sector supplement	GRI 3-3	Material topics management			
		FS2	Procedures for assessing and screening environmental and social risks in business lines.			
		FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions			
		FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities			
		FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.			
		FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.			
		FS11	Percentage of assets subject to positive and negative environmental or social screening.			
Sustainable Investment	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
		FS1	Policies with specific environmental and social components applied to business lines			
	Financial services sector supplement	FS4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business			
		FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose			

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Appendix VI: GRI Specific Topics

Material topics	GRI Standard	GRI Content	Description	Omission	Page/Answer	Comments
Sustainable Finance	GRI 3: Material Topics 2021 Financial services sector supplement	GRI 3-3	Material topics management			
		FS1	Policies with specific environmental and social components applied to business lines			
		FS4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business			
		FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose			
Systemic Risk Management	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
Training and Education	GRI 3: Material topics 2021 GRI 404: Training and Education	GRI 3-3	Material topics management			
		404-1	Average hours of training per year per employee			
		404-2	Programs for upgrading employee skills and transition assistance programs			
		404-3	Percentage of employees receiving regular performance and career development reviews			
Attraction and retention of employees	GRI 3: Material topics 2021 GRI 401: Employment 2016	GRI 3-3	Material topics management			
		401-1	New employee hires and employee turnover			
		401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees			
	GRI 403: Occupational Health and safety 2018	401-3	Parental leave		Not available	
		403-5	Worker training on occupational health and safety			
		403-6	Promotion of worker health			
		403-9	Work-related injuries		Not available	
		403-10	Work-related ill health			
Diversity and Equal Opportunities	GRI 3: Material topics 2021 GRI 405: Diversity and equal opportunity 2016 GRI 406: Non discrimination 2016	GRI 3-3	Material topics management			
		405-1	Diversity of governance bodies and employees			
		405-2	Ratio of basic salary and remuneration of women to men		Not available	
Product innovation	GRI 3: Material topics 2021	406-1	Incidents of discrimination and corrective actions taken		Not available	
		GRI 3-3	Material topics management			
		GRI 3-3	Material topics management			
Disclosure and transparency of financial information	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
		GRI 3-3	Material topics management			
		GRI 3-3	Material topics management			
		GRI 3-3	Material topics management			
Selling practices / Product information	GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling			
		417-2	Incidents of non-compliance concerning product and service information and labeling			
		417-3	Incidents of non-compliance concerning marketing communications			
Customer service	GRI 3: Material topics 2021 GRI 416: Customer health and safety 2016 GRI 418: Customer privacy 2016	GRI 3-3	Material topics management			
		416-1	Assessment of the health and safety impacts of product and service categories			
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			
Digital transformation	GRI 3: Material topics 2021	GRI 3-3	Material topics management			
Cybersecurity	GRI 3: Material topics 2021	GRI: 3-4	Material topics management			
		GRI: 3-4	Material topics management			

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Appendix

Appendix VI: SASB Specific Topics

Sector	Topic	Code	Description	Page	Omission	
Investing Banking and Brokerage	Activity Metrics	FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions		Not available	
	Activity Metrics	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector			
	Activity Metrics	FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products		Not available	
	Employee diversity and inclusion	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees			
	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisor	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry			
		FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry		Not available	
		FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities		Not available	
	Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations			
		FN-IB-410a.3	Descripción de las políticas y los procedimientos de denuncia de irregularidades.			
	Professional integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumerinitiated complaints, private civil litigations, or other regulatory proceedings			Not available
		FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party			Not available
		FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care			
		FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care			
	Systemic Risk Management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category			Not available
	Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)			Not available
		FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied			Not available
		FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities			Not available
Commercial Banks	Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business			
	Activity Metrics	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate			
	Data Security	FN-CB-230a.1	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected			
		FN-CB-230a.2	Description of approach to identifying and addressing data security risks			
	Generation of financial capacity and inclusion	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development			
		FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development			
		FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customer			Not available
		FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers			Not available
	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry			
		FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis			Not available
	Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations			
		FN-CB-510a.2	Description of whistleblower policies and procedures			
	Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category			Not available
FN-CB-550a.2		Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities			Not available	

Appendix VI: SASB Specific Topics

Sector	Topic	Code	Description	Page	Omission	
Asset Management and Custody Activities	Activity Metrics	FN-AC-000.A	(1) Total de activos registrados y (2) total de activos gestionados no registrados (AUM).		Not available	
	Activity Metrics	FN-AC-000.B	Total de activos bajo custodia y supervisión.		Not available	
	Transparent information & fair advice for customers		FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings		Not available
			FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers		
			FN-AC-270a.3	Description of approach to informing customers about products and services		
	Employee, diversity & inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) nonexecutive management, (3) professionals and (4) all other employees			
	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory		FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing and (3) screening		
			FN-AC-410a.2	2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies		Not available
			FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures		Not available
	Business Ethics		FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations		
			FN-AC-510a.2	Description of whistleblower policies and procedures		
	Systemic Risk Management		FN-AC-550a.1	Percentage of openend fund assets under management by category of liquidity classification.		
			FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management		Not available
			FN-AC-550a.3	Total exposure to securities financing transactions		Not available
			FN-AC-550a.4	Net exposure to written credit derivatives		Not available



If you wish to receive more information and/or make any queries related to this report,
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ESG Executive Report 2022

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