



Principles for  
Responsible Banking

# Responsible Banking Progress Statement for PRB Signatories

2025 BANCO MONEX S.A. INSTITUCION DE BANCA  
MULTIPLE, MONEX GRUPO FINANCIERO



## **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.**

### **Business model**

Describe (high-level) your bank's business model, including the main business lines, 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. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

#### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages: 6 - 11)

[2024 Financial Report](#) (page 5)

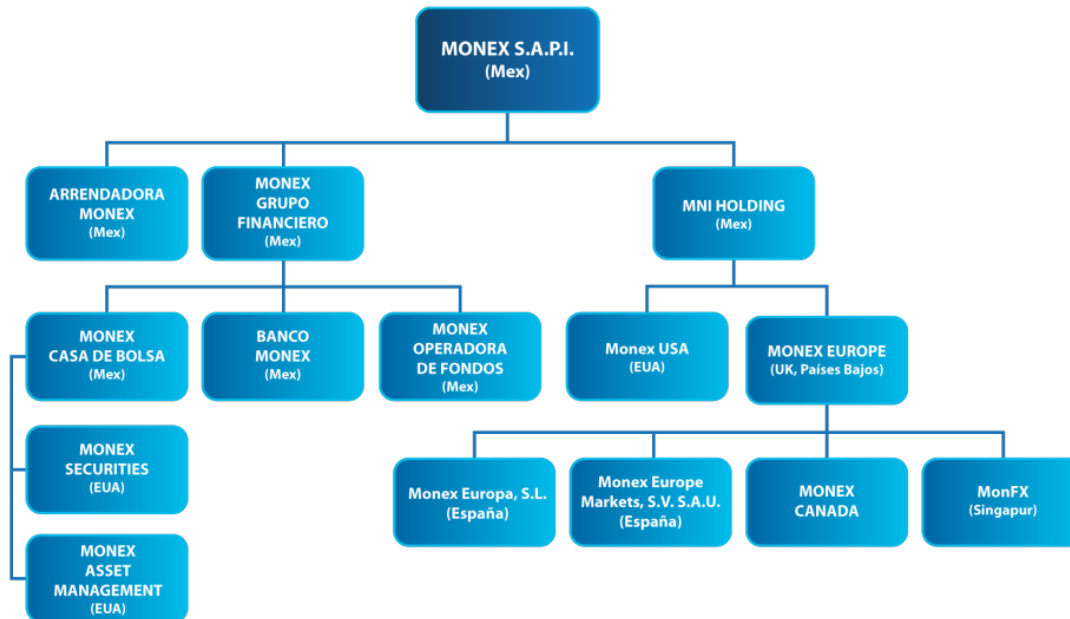
#### *Response:*

Monex, S.A.P.I. (hereinafter, Monex) is a holding company, whose main subsidiaries are Monex Grupo Financiero, which in turn includes Monex Casa de Bolsa, Banco Monex, and Monex Operadora de Fondos; MNI Holding, which consists of Monex Europe and Monex USA, and Arrendadora Monex.

Monex is headquartered in Mexico City and has over 39 years of experience in the financial services market. Primarily focused on providing foreign exchange, international payment services, traditional banking products, securities brokerage services and trading for corporate clients.

The main subsidiary is Grupo Financiero Monex, which focuses on providing corporate customers and individuals with foreign currency purchase-sales and payment services, traditional banking services, trust services, risk management solutions (derivatives), stock exchange brokerage, and private consultancy services.

## Corporate structure



## Products and services for Corporate Banking, Private Banking, and for Individuals

COMMERCIAL BANKING	COMMERCIAL BANKING	PRIVATE BANKING
<ul style="list-style-type: none"> <li>Foreign exchange and international payments</li> <li>Derivatives solutions for risks:               <ul style="list-style-type: none"> <li>OTC derivatives</li> <li>Exchange rate derivatives</li> <li>Interest rate derivatives</li> <li>Investment: Structured financial instruments</li> </ul> </li> <li>Cash management               <ul style="list-style-type: none"> <li>Comprehensive treasury management</li> </ul> </li> <li>Credit and foreign trade:               <ul style="list-style-type: none"> <li>Digital Financing</li> <li>NAFIN production chains</li> <li>Commercial letters of credit</li> <li>Stand by letters of credit and guarantees</li> <li>Documentary collection</li> <li>Long-term loans</li> <li>Digital loans</li> <li>FIRA loans</li> <li>Simple loans</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Factoring               <ul style="list-style-type: none"> <li>Factoring payment to suppliers</li> <li>Factoring without recourse</li> <li>Electronic supplier factoring</li> <li>Letter of credit system access</li> </ul> </li> <li>Digital banking               <ul style="list-style-type: none"> <li>FX Electronic platforms</li> </ul> </li> <li>Arrendadora Monex</li> <li>Mutual funds</li> <li>Fiduciary products:               <ul style="list-style-type: none"> <li>Common representative issuers</li> </ul> </li> <li>Investments in money markets:               <ul style="list-style-type: none"> <li>Private documents</li> <li>Bank securities</li> <li>Government instruments</li> </ul> </li> <li>Institutional savings:               <ul style="list-style-type: none"> <li>Funds and employee savings management</li> <li>Pension plans</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Investment advice</li> <li>Fixed income</li> <li>Mutual funds</li> <li>Bond market</li> <li>Loans with pledge of securities</li> <li>Trusteeship</li> <li>Monex Trader</li> <li>Derivatives and structured financial instruments</li> </ul>
		INDIVIDUALS
		<ul style="list-style-type: none"> <li>Multi-currency digital account (Monex One)</li> </ul>

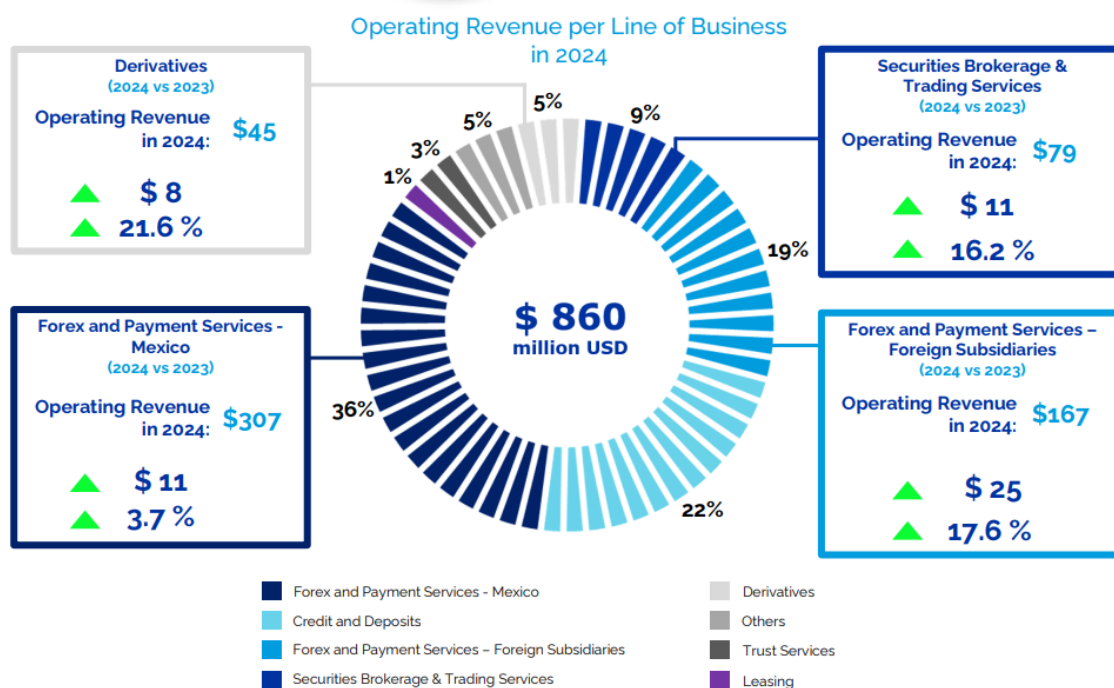
Monex has a global presence in Mexico, the USA, Europe, and Asia.

## Global presence



The business model specializes in foreign exchange and international payment services. In addition, it also includes other businesses as a result of the expansion and diversification strategy, which are: Derivatives, Business Credit, Digital Accounts, Leasing, Electronic Banking and Cash Management, Investments and Trustee. Equally, Monex offers services for Private Banking, such as Stock Market, Investment Funds, and International Investments.

## Operating Revenue per Line of Business



## Strategy alignment

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 other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages: 17 – 24, 63)

[2022 Materiality analysis](#)

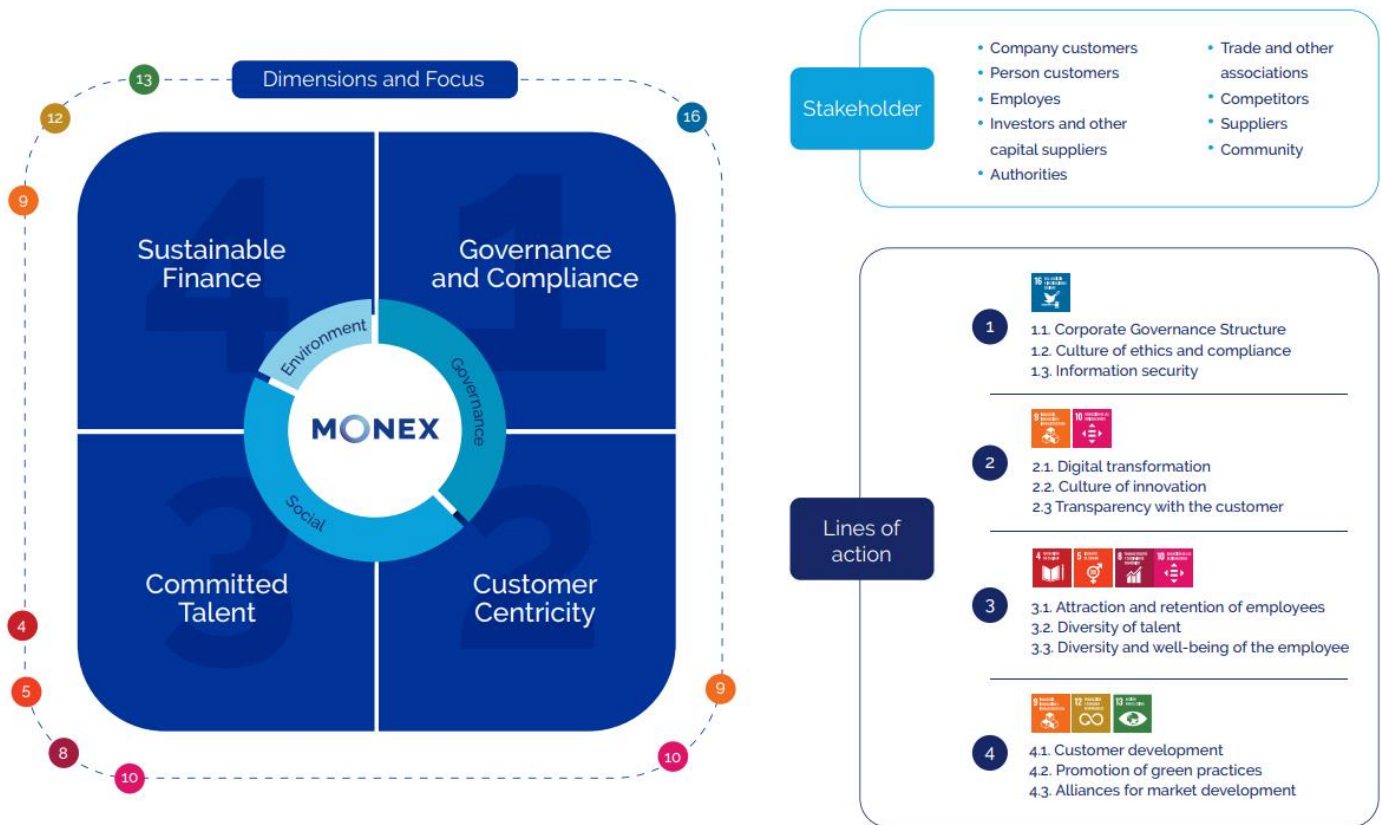
### *Response:*

The Environmental, Social, and Governance (ESG) Strategy is coordinated by COSUSTENTA (Risk Analysis and Sustainable Opportunities Committee) which supervises progress and the principal indicators. Its specific objectives are to develop inhouse capabilities in identifying and managing ESG-related risks for our credit portfolio and our securities investments; define and track the ESG risk strategy established by Monex; coordinate decision-making processes in other areas of the Company; establish a sustainable roadmap through the identification of urgent ESG issues; and optimize the delivery of transparent information. The Committee meets quarterly; it is headed by Georgina Teresita Lagos Dondé, and integrated by the CEO, a multidisciplinary group of top management and an independent director.

The ESG Strategy was developed working in double materiality study, impact and financial, conducted in 2022. Thereby resulting in an initial roadmap for our ESG Strategy with the priorities established for our commitment to sustainability. To view the results of the double materiality study, see document 2022 materiality analysis.

The ESG Strategy also contemplates an ESG Model including four core focuses: Governance and Compliance, Client Focus, Committed Talent and Sustainable Finance; working on lines establishing priorities and goals that address business risks and opportunities, and promoting responsible and sustainable corporate practices.

## ESG Model



## ESG focused strategy GRI 3-1, 3-2, 3-3



**Notes:**

- Systemic risk management and economic performance remain as cross-sectional subjects in all approaches
- All material subjects presented include financial and socio-environmental (impact) materiality



## Contributing to the SDGs

SDG	MATERIAL SUBJECT	CONTRIBUTION	2024 INDICATORS
<b>1</b> No Poverty 	<ul style="list-style-type: none"> <li>Financial inclusion.</li> </ul>	<p>Through access to financial services, support for entrepreneurs and SMEs, and the adoption of innovative financial technologies, a more inclusive financial system is promoted and more people are provided with the opportunity to fully participate in the economy.</p>	<p>\$516.613 billion pesos granted to entities and self-employed individuals with sales or annual net income less than 14 million Investment Units.</p> <p>Representing 30% of the total portfolio.</p>
<b>4</b> Quality Education 	<ul style="list-style-type: none"> <li>Employee training and development.</li> </ul>	<p>There are specific training programs designed for our employees, which are integrated into the educational offerings. These programs are key to improving their performance and contributing to the success of the business.</p>	<p>2,234 employees received training in different subjects during 2024.</p> <p>134,000 hours of training.</p> <p>An average of 81.7 hours of training per employee.</p>
<b>5</b> Gender Equality 	<ul style="list-style-type: none"> <li>Diversity and equal opportunities.</li> </ul>	<p>The inclusion of women is promoted through various initiatives and programs that encourage gender equality and their active participation in the financial sector.</p>	<p>49% of headcount are women.</p> <p>35% of management staff are women.</p> <p>31% of the Board of Directors for MONEX S.A.P.I. are women.</p>
<b>8</b> Decent Work and Economic Growth 	<ul style="list-style-type: none"> <li>Employee attraction and retention.</li> <li>Diversity and equal opportunities.</li> <li>Employee training and development.</li> </ul>	<p>Employment stability and access to various benefits are fostered to contribute to the well-being of our employees, always prioritizing equal opportunities. Additionally, technical training is provided to ensure we have the best talent and competitive employees, thereby fostering their development.</p>	<p>509 new hires.</p> <p>10.6% are unionized.</p>
<b>9</b> Industry, Innovation, and Infrastructure 	<ul style="list-style-type: none"> <li>Digital transformation.</li> <li>Product innovation.</li> <li>Financial inclusion.</li> <li>Cybersecurity.</li> <li>Sustainable investment.</li> </ul>	<p>Various strategies and digital tools have been implemented to enhance our financial services. An example of this is our digital multi-currency account, which allows our customers to perform foreign currency transactions and transfers via SPEI, SPID, and SWIFT.</p> <p>Two electronic platforms are available for our customers for foreign currency transactions: Monex ULTRA II and Foreign Currency Transactions.</p> <p>All Cash Management solutions operate through Banca Digital Monex, which includes our web portal and the mobile app "Monex Móvil".</p> <p>There are existing initiatives to develop the thematic ESG bond market in Mexico, such as our participation in the issuance of the Sustainable Sovereign Bond (BONDESG).</p>	<p>Approximately 53% of the operations were money exchange and international payments.</p> <p>Our proprietary holdings of ESG Bonds amounted to \$26,036 billion pesos, equivalent to 22% of the total portfolio value.</p>
<b>10</b> Reduction of Inequalities 	<ul style="list-style-type: none"> <li>Financial inclusion.</li> <li>Digital transformation.</li> </ul>	<p>Access to financing is provided for more vulnerable groups, such as entrepreneurs and SME business owners.</p> <p>Bank loans and financing are offered from other organizations, which include funding for production chains and NAFIN digital credit, as well as credit lines for Mexico's agricultural, rural, and fishing sectors (FIRA). (complementary to SDG 1).</p>	<p>\$16.613 billion pesos were granted to legal entities and self-employed individuals with annual net sales or income below 14 million Investment Units.</p> <p>Representing 30% of the total portfolio.</p>
<b>12</b> Responsible Consumption and Production 	<ul style="list-style-type: none"> <li>Cybersecurity.</li> <li>Sustainable investment.</li> </ul>	<p>Cybersecurity is managed through the implementation of technical measures, staff training, and periodic evaluations to ensure the protection of data and systems against cyber threats.</p>	<p>Four cases related to information security were reported.</p>
<b>13</b> Climate Action 	<ul style="list-style-type: none"> <li>Cybersecurity.</li> <li>Sustainable investment.</li> </ul>	<p>Financing associated with environmentally friendly practices is provided, which allows us to contribute to sustainable development and to promote environmental protection.</p>	<p>Our proprietary holdings of ESG Bonds amounted to \$26,036 billion pesos, equivalent to 22% of the total portfolio value.</p>
<b>16</b> Peace, Justice, and Strong Institutions 	<ul style="list-style-type: none"> <li>Ethics and anticorruption.</li> <li>Regulatory compliance.</li> <li>Corporate Governance.</li> <li>Dissemination and transparency of financial information.</li> </ul>	<p>We have a Code of Ethics and Conduct that, along with other complementary policies, serves as a self-regulation guide for our employees. All our employees are required to comply with these policies. Additionally, training is provided to prevent potential risks and strengthen our organizational culture of ethics.</p>	<p>2,264 employees trained in AML/CFT matters.</p> <p>0 (zero) cases of corruption or sanctions for antitrade practices.</p> <p>0 (zero) cases of insider trading or unfair competition were reported.</p>

## BONDESG (Sustainable Sovereign Bond)

In 2022, Monex began involvement in placements of BONDESG as a member of the distribution union in the local market linked to the SDGs (Sustainable Development Goals). This is a mandate from the SHCP (Secretary of the Treasury) and the Bank of Mexico as part of the Strategy for Sustainable Financing Mobilization. Three placements were made in 2024, in the total amount of over \$68.0 billion pesos. Also, more than \$23.3 billion pesos were added in sustainable bonds from Banobras and Bancomext, thereby achieving an accrued amount of \$91.3 billion pesos. Consequently, Monex was able to participate in 89% of SHCP issuances, (in seven of eight public placements) thus positioning the Company as a leader amongst global and local ESG financing Institution holding a second place for a consecutive year distributing this new asset class in pesos.

Based on the material impact issues identified, the related Sustainable Development Goals (SDGs) were determined, The ESG priorities defined in the materiality assessment served as the basis for the development of the ESG Strategy.

Monex-Mexico is involved in the following adhesions, recognitions and participations:

	<p><b>21st consecutive year</b> - Best Place to Work Recognition in Mexico</p> <ul style="list-style-type: none"> <li>• <b>2nd place</b> - The Best Place to Work Financial Services and Insurance sectors</li> <li>• <b>6th place</b> - The Best Place to Work, for 500 to 5,000 employees</li> <li>• <b>18th place</b> - The Best Place to Work, for women</li> </ul>		<p>UN Global Compact, <b>since 2005</b>.</p>
	<p><b>20th consecutive year</b> - Socially Responsible Enterprises, awarded by Cemefi.</p>		<p><b>10th consecutive year</b> - Workplace Wellness Award (OSR).</p>
		<p>Addiction-Free Company award.</p>	<p><b>23rd consecutive year</b> awarded by the Secretary of Labor and Social Services.</p>

In 2024, Monex signed the High Level Commitment to Integrity and Against Corruption by the Mexico Network of the Global Compact.

Furthermore, an active participation in the following alliances:

- Sustainability and Social Responsibility Committees of the Mexican Banking Association (ABM, for its initials in Spanish), monitor the regulations that will impact the different industries and thus identify and manage impacts in a timely manner.
- Monex holds the only two independent board member seats on the General Council of the Mexican Board of Sustainable Finance, (CMFS, its initials in Spanish).
- Sustainable Finance Committee of the Mexican Association of Stock Market Institutions (AMIB, its initials in Spanish).



- Working group of Capital mobilization of the Sustainable Finance Committee, an auxiliary Committee of the Mexican Financial Stability Board (CESF, its initials in Spanish).

These forums oversee banking compliance regulations, laws and standards in the financial sector, identify and manage impacts in a timely manner, as well as coordinate working groups on education, governance, capital mobilization, and public policy, while also maintaining involvement in driving large scale national and international guidelines for sustainable finance and financial inclusion.

To support the implementation of the ESG Strategy, Monex has developed a Sustainability Policy with the objective of building a common understanding of Monex on the main ESG issues and establishing guidelines to integrate the best sustainability practices into their decision-making, culture and business model. It is required that the policy is considered by all employees in decision-making, both internally and in relation to external stakeholder relations. This policy will be available by 2026 and will include transversal commitments regarding such as:

- Raising awareness of sustainability issues among our stakeholders.
- Ensuring alignment and comprehension with major international guidelines about the evolution of environmental and social credit risks to mitigate potential impacts and encourage responsible practices among clients.
- Engaging all stakeholders in the execution of their sustainability initiatives.
- Providing stakeholders with access information regarding their ESG (Environmental, Social, and Governance) performance through various channels.
- All stakeholders will continue to be consulted and included in the decision-making processes and implementation of initiatives regarding sustainability.

## **Principle 2: Impact & Target Setting**

### **Impact Analysis**

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target- setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector, as part of its initial or ongoing impact analysis.

#### *Links & references:*

[2023 Monex PRB Self-assessment](#) (pages from 3 - 11)

[2024 Monex PRB Self-assessment](#) (pages from 5 - 15)

#### *Response:*

In order to analyze the positive and negative impacts of the portfolio, Monex considered the recommendations of UNEP-FI. Consequently, in 2022, the Investment Portfolio Impact Analysis Tool was used to analyze Monex's Foreign Exchange and International Payments Business, while the Portfolio Impact Analysis Tool was used to analyze the Credit Portfolio.

The geographical scope of the exercise includes Mexico, since the analysis applies to national operation of Monex Grupo Financiero.

Regarding the organizational scope of the analysis, the segments of foreign exchange and international payments (41.7%) and the credit portfolio (6.1%) were taken into account. Together, they represent 48% of the total value of Monex's income. For both segments, all sectors and industries were considered. This scope was chosen for the impact analysis because both segments represent the primary activities of the Group.

The rest of the income is derived from: international currencies, derivatives, traditional banking, capital investments, funds, and fiduciary services. In the medium term, Monex plans to review the portfolio impact analysis to determine the feasibility of expanding or deepening its scope.

The portfolio impact analysis covers both the foreign exchange and international payments segment (41.7% of total portfolio) and the corporate credit segment (6.1% of total portfolio). For both business segments, all industries and sectors that are within them were considered. The portfolio composition used in the impact analysis for each segment is described below:

The context is the challenges and priorities related to sustainable development are described in the ESG Model, which was developed based on a double materiality analysis (impact and financial). The identification of priority topics for the organization arises from the analysis of sectoral risks and opportunities in the region, topics evaluated by international rating agencies, and FAQs from investors and analysts. These topics were prioritized by Monex's stakeholders.

The priority topics for Monex related to sustainable development are:

- Corporate governance	- Product innovation
- Digital transformation	- Disclosure and transparency of financial information
- Regulatory compliance	- Financial inclusion
- Economic performance	- Cybersecurity
- Customer service	- Sustainable investment
- Attraction and retention of employees	- Internal and portfolio ESG risks
- Training and development of employees	- Diversity and equal opportunities

These priority issues were complemented by the impact analysis resulting from the UNEP-FI tools, to ensure the integration of main challenges and priorities of Mexico.

The tools yielded the main impact areas of the portfolio, according to the UNEP-FI classification. The scores obtained for prioritization were integrated with a classification of the criticality of each topic in Mexico.

The following list is in order of significance, with 1 being the most significant impact area:

#### Foreign Exchange and international payments portfolio

Positive impact areas	Negative impacts areas
1. Economic Convergence	1. Economic Convergence
2. Inclusive and Healthy Economies	2. Inclusive and Healthy Economies
3. Employment	3. Strong institutions
4. Strong Institutions	

## Business Credit

Positive impact areas	Negative impacts areas
Efficiency/security of resources	Efficiency/security of resources
Mobility	Waste
Food	Strong institutions
Cultural heritage	Availability of water
Inclusive and healthy economies	Cultural heritage
Economic convergence	Climate
Climate	Integrity and safety of the person
Health and sanitation	Health and Sanitation
Housing	
Strong institutions	
Information	
Availability of water	

The main significant impact areas that Monex has prioritized for the target setting strategy are: Financial Health and Inclusion (Economic Convergence; Inclusive and Healthy Economies; Employment) and Resource Efficiency.

By using portfolio composition and income contribution as inputs to the Portfolio Impact Analysis Tool and the Investment Portfolio Impact Analysis Tool Monex was able to identify the sectors & industries that cause the strongest potential positive and negative impacts across the portfolio.

### **Foreign Exchange and international payments portfolio**

Monex has identified the opportunity to promote innovative financial solutions for small and medium-sized enterprises (SMEs) within the Foreign Exchange and international payments portfolio to facilitate and increase their market access. In this sense, one of Monex's main goals is to increase the amount of financing granted to SMEs through digital solutions, mentoring, among other initiatives reflected in Monex's ESG Strategy.

### **Business Credit**

Monex has identified the sectors that contribute most significantly to its corporate credit portfolio: manufacturing and wholesale trade companies. In line with its ESG Model, Monex has also launched various initiatives to identify the sectors with the greatest impact in terms of ESG risks. These initiatives include, but are not limited to:

- Environmental and Social Risk Management System (SARAS) analyses - using the SARAS methodology provided by ABM, the portfolio is evaluated quarterly and categorized into three risk levels based on the relevant industry. As of February 2025, Monex's portfolio consists of 4.39% in high risk, 30.47% in medium risk, and 65.14% in low ESG risk. Results and findings are reported in each COSUSTENTA session.
- Measuring the carbon footprint of the portfolio.
- Allocating resources with an ESG impact.

Monex has created two targets concerning these key impact areas to promote positive effects and reduce potential negative effects for the identified sectors or segments.

## **Targets, Target Implementation, and Action Plans/Transition plans**

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector (2024).

### *Links & references:*

[2023 Monex PRB Self-assessment](#) (pages from 3 to 11)

[2024 Monex PRB Self-assessment](#) (pages from 5 to 15)

### *Response:*

In 2024, Monex made an adjustment in the wording of the targets aligned with the Sustainable Development Goals (SDGs) established to address the most significant impact areas based on net positive or negative contributions:

### **Foreign Exchange and international payments portfolio**

**Target 1:** Increase the granting of credit to SMEs from the Foreign Exchange and international payments portfolio by 206% (+ 3,000 million pesos) by 2027, compared to the base year 2022, supporting their financial situation and the economy of these sectors.

**Baseline:** The focus of this portfolio objective is to increase financing to SMEs. The baseline of the objective is 2022, when Monex had a portfolio of loans to SMEs of approximately 979 million pesos. Monex has a strategic plan to expand this portfolio in the coming years.

**Impact areas addressed:** Economic Convergence; Inclusive and Healthy Economies; Employment.

**Contribution to ESG Model:** This target contributes to two focuses: i) Customer focus and ii) Sustainable finance, specifically with the material themes of digital transformation, product innovation and supporting customer growth.

**Contribution to SDGs:** The SDGs related to this target are: 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructures).



The following actions are planned to achieve the objective:

- Significantly expand reach to SME customers by developing a new digital channel for this sector.
- Offer digitally focused mentoring for customers.
- Regularly monitor the metrics set in relation to the objective.
- Designate individuals responsible for implementing each initiative.

	Indicators	Progress
1	Amount of cross-selling from FX/payments to other products for SMEs in the wholesale trade, retail trade, services and manufacturing sectors	\$1,913 million pesos, which represents an increase of 27% compared to the end of the previous year 2023 (1,500 million pesos) in 2024
2	Amount of FX transactions/payments from SMEs in the wholesale trade, retail trade, services and manufacturing sectors.	\$30 billion dollars in 2024
3	Number of clients accessing the exclusive website for SMEs and the different contents provided.	180 SME clients, representing an aggregate amount of \$220 million pesos as of 2Q2025
4	Number of clients trained in digital mentoring.	All clients who access the digital platform receive personalized guidance and support from Monex, aimed at enabling them to independently navigate and complete the credit application process.

## Business Credit

**Target 2:** Channel resources with ESG criteria for the granting of credit that promotes resource efficiency to clients of the Corporate Credit portfolio starting in 2025.

Baseline: The focus of this portfolio's objective is to increase financing with environmental impact, especially with a focus on the efficient use of resources. The year 2022 serves as the baseline for this objective, when Monex strengthened and participated in alliances to promote sustainable financing and identified opportunities to evaluate the ESG risk sensitivity of the portfolio. This assessment will enable the identification of targeted financing opportunities.

Impact areas addressed: Resource Efficiency; Inclusive and healthy economies. The target and associated initiatives focus mainly on Efficiency/Security of Resources.

Contribution to Monex ESG Model: The target contributes to the Sustainable Finance focus, specifically with the material topics of sustainable financing, and internal and portfolio ESG risks.

Contribution to SDGs: The SDGs related to this objective are: 7 (Affordable and clean energy), 9 (Industry, innovation and infrastructures), 12 (Responsible production and consumption) and 13 (Climate action).

	Indicators	Progress
1	Total value of the loan evaluated using the Environmental and Social Risk Management System (SARAS) in MXN.	\$44,957 million pesos, the scope was different types of credit loans, such as: corporate, SMEs, Financial Institutions in 2024
2	Number of clients evaluated using SARAS.	2,379 clients in 2024
3	Number of programs in which Monex participates to channel resources in the form of loans with a focus on resource efficiency.	To be reported in 2026
4	Total value of loans with a focus on resource efficiency placed (MXN).	To be reported in 2026
5	Number of clients benefiting from the loans.	To be reported in 2026

The following actions are planned to achieve the objective:

- Increase the acquisition of debt with ESG criteria for distribution to clients in the secondary and primary markets through participation in ESG bonds and other similar instruments.
- Facilitate clients' understanding of the funding opportunities provided by high ESG standards through the implementation of the SARAS methodology to identify and analyze the environmental and social risks and opportunities of the portfolio.
- Provide financing related to environmentally friendly practices (e.g., renewable energy generation, energy efficiency).
- Obtain ESG-linked funding: explore the issuance of green and/or sustainable bonds, as well as any other financing mechanisms of this nature.

## **Principle 3: Clients & Customers**

### **Client and Customer engagement**

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 the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

#### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages 36 - 41, 56 - 61)

[Code of Ethics](#)

#### *Response:*

Client Focus is one of the four dimensions highlighting the ESG Model recognition of the importance of promoting and offering sustainable practices amongst their clients. This axis has the objective of promoting a relationship of transparency and trust with the client, where the development of the client prevails through comprehensive financial solutions. This objective was established following the identification of the following 4 material topics: Digital transformation, Product innovation, Customer service and Sales practices/product information and has established various initiatives, objectives, actions and indicators under the axis of Client Focus and related to promoting sustainability amongst clients.

Some relevant objectives include:

- Advance in the use of technology to operate processes, including data analytics, which provides greater efficiency in the use of resources.
- Promote continuous improvement in all processes of the financial group, to meet customer expectations in terms of quality.
- Promote the consideration of social and environmental impacts in product and service innovation.

In terms of policies, Monex's Code of Ethics details the main guidelines for the relationship between the company and its stakeholders, which include: employees, customers, shareholders, suppliers, counterparties, the environment, the community, and competitors.

Additionally, the COSUSTENTA Committee oversees the promoting and coordinating the ESG Strategy amongst both internal and external stakeholders. It is also important to note that an integral step of the design of this Strategy was the materiality analysis, which included a thorough stakeholder engagement and consultation exercise to bring awareness of the ESG issues related to the bank's operations and take on board their opinions regarding prioritization of those issues. In 2023, Monex received a series of ABM

training sessions on SARAS and analyzed the environmental and social risks of its portfolio using SARAS methodology proposed by the ABM.

Some of the other policies, actions and initiatives which Monex has implemented to encourage sustainable practices and enable sustainable economic activities amongst customers include:

- Continual digital transformation, including the increase of online services via their online platform and call center.
- Monex's advances in initiatives in the Communication on Progress Reports (COP) regarding their subscription to the UN Global Compact are integrated into the annual ESG report, facilitating the communication and dissemination of information for customers and other stakeholders.
- The promotion and expansion of sustainable finance initiatives.

Additionally, Monex has plans to integrate ESG criteria into the bank's digital onboarding and credit approval for SMEs customers.

## **Business opportunities**

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 your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,\* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

\* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

*Links & references:*

[2024 Monex Executive Annual Report](#) (pages 51 - 55)

*Response:*

Monex is committed to promoting responsible and sustainable financial development and inclusion, taking ESG aspects into account. We maintain an active participation in the development of the green and sustainable finance market in Mexico through initiatives integrated into the sustainable business model.

### **ESG bonds market**

During 2024, Monex consolidated its participation in the development of green and sustainable finances for our country, which is accomplished with several initiatives that differentiate our business model, as opposed to our competitors. In 2024, our Group received three mandates from the SHCP to become part of the BONDESG Distribution Syndicate. Participation in peso placement of sovereign bonds makes us a benchmark in banking, able to place \$68.0 billion pesos, thus maintaining second position in terms of total distributed amount (a total accrued sum of \$151.0 billion pesos) in keeping with other banks. Another of

our ESG initiatives is to include sovereign bonds in fixed-income portfolios, which by the close of 2024 represented holdings of \$26.016 billion pesos -equivalent to 22% of the total portfolio value of \$118.46 billion pesos.

Monex reiterates its commitment to the development of the thematic bonds market in Mexico. Monex is currently one of the few institutions that is part of the price-based secondary market, especially as pertains to BONDESG government securities. Each day, the five brokers are provided with liquidity and purchase-sale prices, reference levels which assist in the valuation of these instruments. The Market Making volume operated in this activity for BONDESG was \$107.718 billion pesos, equivalent to slightly more than 72% of the outstanding amount for BONDESG during this period.

Another noteworthy action during this period was that Monex was mandated by BANOBRAS (National Bank of Public Projects and Services) to participate for the first time in the placement of CEBURES (Long-Term Stock Certificates), under the position of transaction leader for the first sovereign bond with a gender perspective from said institution, while participating with other banks and achieving the placement of \$23.3 billion pesos.

### **Products and services with ESG criteria**

Monex began an investment fund initiative for clients to facilitate the allocation of capital in accordance with ESG performance requirements, taking into account our vision of business risks and/or values. In Monex specifically seeks to increase financing with a focus on resource efficiency, alignment with the Principle 2, second target.

### **SMEs products and solutions**

Monex is also preparing to launch a digital credit approval for SMEs which will support growth in this segment, with plans to incorporate Social and Environmental practices and investment criteria. As part of the ESG Model, axis of Sustainable Finance, Monex's believe in the potential of finance to contribute to the Sustainable Development Goals (SDG) is stated. We have established the following commitments and guidelines related to the promotion and development of sustainable products or similar:

- Alignment with the main international references regarding the evolution of environmental and social credit risks, in order to prevent possible impacts and promote responsible practices in clients.
- Advance with the financial market in the development of products with positive social and/or environmental impacts, already conceived with that approach, always in line with our business segments and the opportunities they provide.
- Actively participate in the development of sustainable finance in Mexico, participating in the main organizations, alliances, and initiatives.
- Channeling of resources made available by the government, in the form of loans and other financial support such as guarantees, that have positive social and/or environmental impacts (this initiative remains in development).



Looking to continually increase our participation in the development of the sustainable finance market, Monex has participated, through the Green Finance Advisory Council, in the prosperity program for the development of the Mexican green and sustainable market of the United Kingdom embassy in Mexico, the UN Financial Centers for Sustainability and the Green Finance Taskforce of the United Kingdom.

Monex has also financed some local infrastructures related to clean energy, as well as the SME sector with a positive ESG impact.

### **Financial Education**

Monex acknowledges that financial education is a responsibility and is fundamental so people may achieve greater economic stability and well-being. In 2024, the National Financial Education Week supported by CONDUSEF with the theme “The Road to Financial Well-Being” to help Mexicans understand the importance of controlling their finances and enhancing their financial soundness; and how to manage and best leverage the available resources. Some of the activities were Remote and in-person conferences that facilitate a better understanding of personal finances and different investment portfolios.

### **Climate Change**

With regards to climate risks, Monex has also established plans to measure climate-related risks and opportunities in the portfolio following TCFD recommendations, in order to facilitate decision-making regarding the resource allocation. Meanwhile, Monex has measured the corporate carbon footprint and aims to continue to identify opportunities that will allow us to reduce the company’s carbon footprint.

## **Principle 4: Stakeholders**

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

### **Stakeholder identification and consultation**

Describe which stakeholders (or groups/types of stakeholders) your bank has 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 the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

#### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages 20 – 21)

#### *Response:*

Monex aims to create value for all their stakeholders, and thus places great importance on maintaining strong relationships and maximizing participation in the bank's activities and decision-making processes. To ensure this commitment, Monex has carried out an internal analysis to identify and prioritize stakeholders. When identifying stakeholders, Monex has taken into consideration all the people and entities who might be impacted by our operations and/or influence our business. To complement this, we have defined a linkage plan that establishes the frequency and appropriate communication channels to maintain a close and effective dialogue with each stakeholder group. The value proposition, commitment and main communication channels with each stakeholder group are identified by Monex are as follows:

- Employees
- Customers
- Shareholders, investors and other capital suppliers
- Authorities and regulatory bodies
- Suppliers
- Competitors and trade associations
- Community.

With regards to implementing the PRB, as well as identifying and improving the bank's impacts, Monex has ensured the continuous involvement of stakeholders. In 2023, an exercise was carried out with a third-party consultant to align the material topics identified for the ESG Strategy, ensuring each PRB is covered and addressed through the strategy and its initiatives.

Stakeholder consultation played a key role in the completion of the materiality analysis and therefore the development of the ESG strategy.

For the materiality analysis, first a series of priority topics were identified using sources such as the ABM Sustainability Protocol, GRI's materiality guidelines, and the Principles of Responsible Banking and Investment of UNEP-FI for sector specific topics, as well as FAQs from investors and analysts.

Following the guidelines established by the Global Reporting Initiative (GRI) standard, a thorough bibliographic consultation with collaborators, suppliers, main shareholders and trade organizations and organizations related to the financial sector was then carried out on these pre-defined topics via surveys and interviews, and consequently the topics were prioritized. Additionally, client perspectives were gathered through feedback from those responsible for serving clients at Monex, while internal strategic perspectives were gathered through interviews with the main directors of the Group. It was through this integration of the perspective of priority stakeholders and our senior management which allowed Monex to determine their material topics (impact materiality).

For financial materiality, the topics indicated by the Sustainability Accounting Standards Board (SASB) standards for the industries in which they operate were considered, with support from FTSE and S&P guidelines.

Similarly, to determine the impact areas using the UNEP-FI tools, various areas of the bank were consulted to provide the necessary information.

## **Principle 5: Governance & Culture**

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

### **Governance Structure for Implementation of the Principles**

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

*Links & references:*

[2024 Executive Annual Report](#) (page 3 - 4, 31)

*Response:*

After signing the PRB in 2020, Monex committed to integrating sustainability as a key element of our business strategy. This involves a shift towards responsible financial practices and fostering a more sustainable industry. The COSUSTENTA Committee, which oversees the ESG Strategy, acts as a forum for addressing and defining ESG risks and opportunities that arise during the implementation of initiatives. It also provides a platform to evaluate the execution of the PRB, particularly focusing on advancements in targets and KPIs.

COSUSTENTA is integrated by the CEO, an Independent Director, and a multidisciplinary group of top management from various areas of the bank, including Risk, Treasury and Markets, Products, Corporate Banking, Business Banking, Private Banking, Finance and Strategic Transformation, Personnel and Corporate Affairs, and Legal. Some members of COSUSTENTA from the Sustainability, Risk, and Markets areas, referred to as the 'Working Group,' meet biweekly to manage all initiatives and issues arising during the quarter.

For the implementation of specific ESG Strategy initiatives, CONSUSTENTA has assigned responsibilities in collaboration with executive management to different areas of the Group that possess significant influence, knowledge, and/or experience in these matters. All initiatives related to responsible banking will be directly managed by the relevant business and support areas, under the oversight of CONSUSTENTA and, when required, executive management. The progress of the initiatives within the ESG Strategy, including the PRB progress, is regularly reported for alignment to the Board of Directors.

### **Promoting a culture of responsible banking**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams,

inclusion in remuneration structures and performance management and leadership communication, amongst others).

*Links & references:*

[2024 Monex Executive Annual Report](#) (pages: 29, 47, 56 – 61)

*Response:*

In order to foster a culture of responsible banking amongst employees, Monex has aligned their business operations with the ESG Strategy and employs various communication methods to promote sustainability overall and share essential information about implementing the strategy.

Monex has established a series of coordinated actions to communicate information and raise awareness about ESG matters generally and specific sustainability within the different areas and services of the bank. This includes the dissemination of information through established corporate communication channels such as the internal sustainability microsite and specialized training programs, as well as ESG newsletters and other electronically available material. Monex also recognizes the importance of capacity building amongst all employees concerning responsible banking and broader sustainability challenges.

As part of our Sustainability strategy, we seek to promote ESG issues to strengthen the capabilities and knowledge of our employees.

In 2025, top management received training sessions on the core aspects of Sustainable Finances, SARAS, and Taxonomies by a consulting firm, to learn about the tools being developed in sustainable finance at the national and international levels in the financial sector.

In 2024, there were industry training programs by ABM focused on Gender Equality, Sustainable Finance, and ESG Criteria, with over 2,300 employees trained to raise awareness of inclusive leadership with an emphasis on gender, to accelerate the transition to sustainable finance, and to enhance the sustainable credit portfolio.

Monex is currently assessing the feasibility of adopting the Women's Empowerment Principles (WEPs).

Monex has a Compensation Committee, which is responsible for implementing and maintaining the remuneration system. This includes proposing remuneration policies and procedures, recommending collaborators or personnel to be included in the remuneration system and bringing special cases and circumstances to the attention of the Board of Directors for approval. Currently, there are no specific remuneration practices linked to sustainability, Monex plans to evaluate how to integrate sustainability objectives with remuneration practices in the moving forward.



Moreover, as part of their Corporate Social Responsibility initiatives, Monex is involved in initiatives that focus on social and environment based on the following pillars:

- Community development,
- Education,
- Sports – Support for Cycling,
- Mexican movie industry,
- Social research
- Volunteering
- Reforestation and marine life protection efforts
- Measurement of carbon footprint of our operations

For more details, see the Chapter Corporate Social Responsibility, Executive Annual Report 2024.

## **Risk and due diligence processes and policies**

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, 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 your bank has in place to oversee these risks.

### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages: 31, 66 – 69)

### *Response:*

The COSUSTENTA committee serves as a top management forum for resolving issues related to the identification of ESG risks and opportunities that arise during the implementation of initiatives. It was established to examine and apply relevant international, national, and sector-specific trends and standards concerning ESG financing and risks. Its responsibilities include building internal capabilities to identify and manage ESG risks within Monex's credit portfolio and investment securities, as well as establishing and overseeing a strategy for managing these risks.

Furthermore, the Sustainability Policy will be in line with key international standards that address the progression of environmental and social credit risks to mitigate potential impacts and encourage responsible practices among clients.

Currently, Monex has evaluated the environmental and social risks in our portfolio using the ABM SARAS methodology, which allows Monex to determine the percentage distribution of the portfolio across different risk levels: High, Medium, and Low.

In 2022, during the financial materiality assessment, Monex took into account the topics specified by the Sustainability Accounting Standards Board (SASB) relevant to its operating industries. This approach aids in effectively managing the risks and opportunities linked to these important topics and contributes to enhancing ESG performance.

## **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. The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report.

### *Links & references:*

[2024 Monex Executive Annual Report](#) (pages: 3, 66 – 69)

### *Response:*

The 2024 Executive Annual Report is voluntarily reported:

- Global Reporting Initiative (GRI), which responds to socio environmental and governance impact materiality.
- Sustainability Accounting Standards Board (SASB) for the financial sector with asset management and safekeeping activities; for commercial and investment banking; and for brokerage services.
- SDGs (Sustainable Development Goals) adopted by the United Nations. We report on our contribution to achieving these goals, to address the great challenges faced by societies everywhere.
- The UN Global Compact serves as CoP (Communication on Progress) and provides continuity to the implementation of the ten guiding Principles. For more details, see the following link [UNGC COP Viewer](#)
- Responsible Banking Principles of the UNEP FI, to strategically align the banking sector with the SDGs.

In 2024, Monex signed the High Level Commitment to Integrity and Against Corruption by the Mexico Network of the Global Compact.

This Report has not been reviewed by third-party assurance.