

BOLSA MEXICANA DE VALORES



Our Priorities *(Materiality Analysis)*

La Bolsa de *México*
bmv.com.mx

Defining our ESG Priorities

We identify our priorities in terms of business sustainability that cause a greater impact inside and outside the BMV Group through a materiality analysis. This considers 3 aspects: 1. Sector trends, 2. Consultation of stakeholder expectations (risks) and 3. BMV Group priorities.

This analysis highlights 31 issues that allow us to assess our priorities in environmental, social, and governance terms to continue generating value, minimize our risks, and strengthen our institutional strategy.

In 2020, the review and approval of this analysis was carried out through the Deputy General Directorate of Administration, Finance and Sustainability to be integrated into the strategy of the BMV Group, which is defined based on the issues with the greatest impact on the strategy of the business and relevance to stakeholders. Annually, the review of the materiality analysis as well as the progress and future objectives of this strategy are presented to the Sustainability Committee. Following the best practices, the Materiality Analysis is conducted every two-three years aligned with the Sustainability strategy.

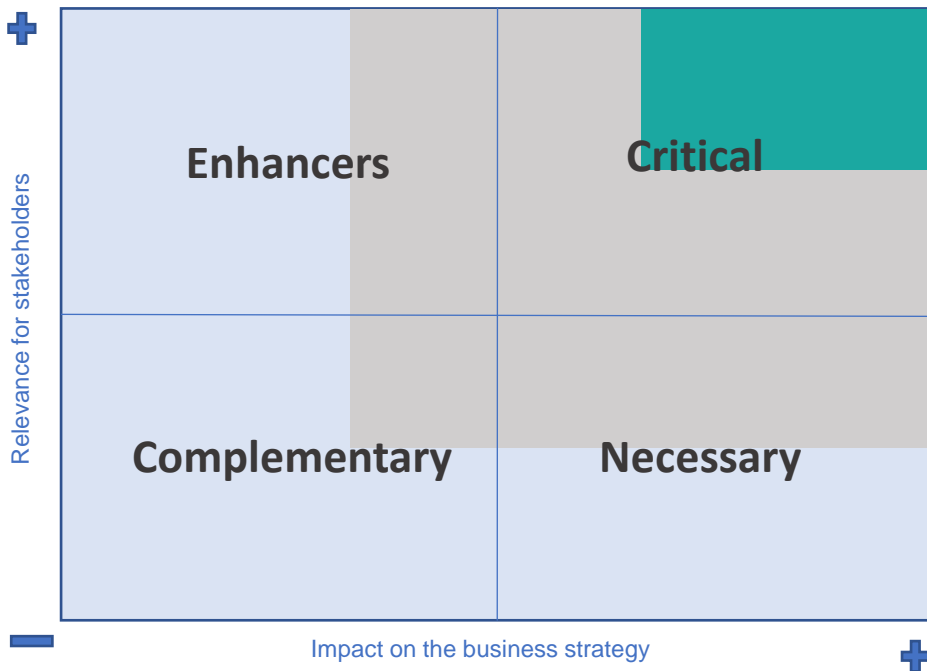


Committed to putting our sustainability strategy into action, in 2024 we will strengthen the identification of our ESG priorities through a Double Materiality analysis.

Materiality topics




- Critical:** Topics of high maturity in the sector that, in addition, are a priority for all interest groups (medium-high risk). These are issues which leading organizations in the sector are already managing, thus, making a difference from an ESG perspective, compared to the competition.
- Necessary:** Topics of low-medium maturity in the sector but of medium-high priority for the group of interest groups (medium-high risk). They are non-financial risks that it is advisable to attend to because they begin to be the focus of attention for stakeholders and, to that extent, they contribute to satisfying and fulfilling their expectations.
- Enhancers:** Topics of medium-high maturity in the sector but of low-medium priority for interest groups (low-medium risk). These are issues that the organizations that integrate them into their management are aligning themselves with good ESG practices, meeting the expectations of some interest groups and generating value, albeit limited.
- Complementary:** Topics of low-medium maturity and low-medium risk that are part of the ESG practices demanded by few interest groups. They usually contribute little to the business strategy. However, it is suggested to have them mapped because they can change the level of priority according to the modifications and adaptations of the context

Level of attention



The level of attention is indicated by three colors in the matrix, where dark green corresponds to topics that are suggested to be addressed by the General Directorate, gray are topics to be managed by Deputy General Directorates and light blue, the corresponding topics serve at the management level.

This assessment was based on the principle of double materiality, and involved our stakeholders, such as collaborators, clients, authorities, investors and senior management through surveys and interviews

-  Chief Executive Officer
-  Managing Directors
-  Directors



If you wish to know more detail about our ESG indicators, follow this link:
bmv.com.mx/docs-pub/informeAnual/AnnualReport_2022.pdf

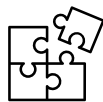
Derived from the materiality analysis, our Sustainability strategy was consolidated, which is aligned with the mission of our business and the material issues identified.

Our 8-dimensional Model has allowed us to separate our environmental, social and governance approach in a timely manner, which guides business decisions and allows us to add value to our stakeholders, elevates investment practices and sets the tone for the development of financial markets in Mexico.

Through our offer of products and services, we intend to be a benchmark in customer experience, as well as develop the ESG market through the implementation of new financial instruments, backed by a solid governance infrastructure.

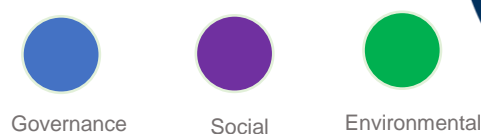
Each dimension of the strategy has indicators, which are monitored monthly, quarterly or annually, depending on their nature.

Additionally, many executive directors of BMV Group has ESG objectives linked to their individual performance review. These objectives are aligned with our Sustainability Strategy. This individual performance is a component of the variable compensation our employees receive annually.



The material topics relevant to our business are thoroughly analyzed under BMV Group's risk management process and integrated into BMV Group's risk governance

Material Topics - Critical



These are topics that have a high maturity in the sector and, in addition, the stakeholders consider that it should be a priority for Grupo BMV to attend to them. For these issues, we considered necessary to establish indicators and targets for the period 2020-2023.

On the other hand, one of the conclusions derived from the materiality analysis evaluated the positive and negative impact that Critical issues can have on stakeholders. Due to the nature of these issues and the maturity level of BMV Group, most of the topics have a positive impact in our stakeholders.

Material issue	Description	Strategy	Indicators 2020 - 2025
Structure and Corporate Governance Practices	We play a key role in fostering and promoting corporate governance in listed companies. Since we are at the center of the financial markets, we can set the course of the Best Governance Practices, including governance structures, policies, guidelines and so on.	Strengthen the independence and diversity of our Corporate Governance structure, and reporting transparently on our guidelines and metrics, aligning with international best practices.	<ul style="list-style-type: none"> Independence of Board Members Women on Board of Directors Members in additional Boards
Differentiated products offer	An upward trend of ESG products, since investment funds and other actors are demanding companies receiving capital comply with specific ESG standards.	We create markets and products that support the scaling-up of sustainable finance in Mexico. In all our business units we set targets to attend the requirements of the market (Pre-trade, Capital Formation and Post-Trade)	<ul style="list-style-type: none"> Increase of ESG long term vs total long term debt – Goal: < simple average of last 3 years Customer Service levels – Goal: < simple average of last 3 years # of Listed companies with sustainability reports
Ethics and Accountability	Policies and best practices ensure that decision-making complies with ethical standards; and that they are accountable to stakeholders that are impacted by these decisions	We keep track of the adherence of our stakeholders to our Code of Ethics and Conduct by keeping track of violations to the Code, complaints, consulting, requests attended, among others	<p>There are two KPIs related to Ethics and Accountability</p> <ul style="list-style-type: none"> # of violations of the Code of Ethics (decrease) % of attention to violations of the Code (decrease). <ul style="list-style-type: none"> Continuous communication and transparency with stakeholders regarding the disclosure of best practices
Strategic Alliances	Alliances with various actors can strengthen the business, reputation and/or brand by building impact in strategic trends of the sector	We work with our peers towards the adoption of global standards for sustainable strategies, enabling us to learn about the latest sustainability trends and align our strategy to continue providing value for our stakeholders	<ul style="list-style-type: none"> # of ESG initiatives derived from national and international alliances We are part of various ESG initiatives and national and international alliances
Management & Dialogue w/ stakeholders	Involvement in sustainability reporting and dialogue with stakeholders guiding the market towards the best practices	Creation and dissemination of communication strategy with Interest Groups encouraging sustainability compliance	<ul style="list-style-type: none"> Oversee that our reporting is based on ESG international standards criteria

Material Topics - Critical



Governance



Social



Environmental

Material issue	Description	Strategy	Indicators 2020 - 2023
Sustainability Strategy business model	A comprehensive strategy allowing us to separate our environmental, social and governance approach in a timely manner	Guides business decisions and allows us to add value to our stakeholders, elevates investment practices and sets the tone for the development of financial markets in Mexico.	<ul style="list-style-type: none"> • Progress in action plan of sustainability strategy of the Group
Technological adaptation and cyber security	Guarantee that technological platforms and systems are in line with the latest generation to ensure efficiency and provide benefits to our clients	Keep our Services and systems updated, reducing errors and guaranteeing efficiency	<ul style="list-style-type: none"> • Indicators of availability of our systems and completed projects related to our technological systems
ESG Market development	As a stock Exchange, we boost markets towards sustainable best practices	We enhance capabilities of the market by promoting our ESG products and services and constantly innovating our offer	<ul style="list-style-type: none"> • # of companies' participants in the Sustainable Accompaniment Program • Increase of ESG labeled bonds creation and promotion • % of ESG long term debt
Talent attraction and retention	Mechanisms to promote attractive work conditions above the competition, motivating retention and creating a sense of belonging	The comprehensive development of our workforce also represents the development and evolution of the Group.	<ul style="list-style-type: none"> • Indicators of our 4 pillar strategy of wellbeing • # of Talent attraction campaigns • Indicators of occupational health & safety (NOM-035, organizational climate, etc)

Material Topics - Critical



Governance



Social



Environmental

Material issue	Description	Strategy	Indicators 2020 - 2023
Process certification	Mechanisms that ensure the correct implementation of business processes and operational processes.	Seek internal process enhancement by identifying opportunities and developing innovating technological projects	<ul style="list-style-type: none"> # of Certifications our processes have achieved
Communication with stakeholders	Publish information on the communication strategy and the means of interaction (mailboxes, mail, hotlines, meetings, others) with these groups.	Building mechanisms to assure constant and fluid communication with each of our stakeholders through a wide range of means of interaction	<ul style="list-style-type: none"> # of growth and impact of our social media # of request received and attended through hotlines
Diversity and gender equality	Mechanisms to promote diversity and equity within the organization, at all levels	Strengthen our governance to build an inclusive community within and outside the organization and generating initiatives and training to respect and promote equality	<ul style="list-style-type: none"> # of initiatives in Diversity & Inclusion and their internal and external impact
ESG Products and Services	Creation of innovative instruments and services with ESG characteristics to attract issuers and promote best practices	Through our products and services offering, we aim to be a benchmark for customer experience, as well as develop the ESG market through the implementation of new financial instruments backed by a solid governance infrastructure.	Participation of issuers to build ESG capabilities: <ul style="list-style-type: none"> Sustainable Accompaniment Program # companies with ESG reporting ESG products: <ul style="list-style-type: none"> % of ESG long term debt # of ESG projects financed through labelled bonds

Material Issues

Necessary

Non-financial risks that must be addressed, since they are beginning to be present in the focus of attention of interest groups

- ESG Risk Management
- Alignment towards 2030 Agenda (SDG)
- Personal data protection mechanisms
- Waste, water and electricity Management
- Rights and participation of minority shareholders
- Training and development

Enhancers

They are a trend among organizations in the sector and, in this sense, they are attended to in a formal, systematic and institutionalized manner through a department, an area or a committee

- Financial and stock market training
- Dissemination of ESG best practices
- Energy management and CO2 emissions reporting
- Overview of ESG best practices in the value chain
- Innovation and process enhancement
- Health and security in the workplace

Complementary

Issues considered to be best practices initiatives beneficial to the reputation of the company

- ESG Information reporting
- Human Rights
- Pay gaps compensation
- Economic impact in local communities measurement
- Fiscal strategy dissemination
- Environmental compensation practices

The fact that these issues are considered high-medium risk does not mean that the organization is not taking them into account; On the contrary, it means that the stakeholders find that the organization has excelled in these areas and want this pattern to continue and improve, or else, they perceive that other organizations of the sector are beginning to manage these issues and expect that Grupo BMV isn't left out of this trend

Most relevant issues for stakeholders

Shareholders

- Corporate Governance
- ESG Investment promotion
- Ethics and regulatory compliance

Regulators

- Ethics and regulatory compliance
- Corporate Governance
- Measure, evaluation and reporting of customer service

Employees

- Improvement and innovation of processes
- Technology enhancements
- Training and professional development

Suppliers

- Corporate Governance
- Strategic Alliances
- Ethics and regulatory compliance

Media

- ESG investment promotion
- Adopt evaluation measures in financial performance and ESG
- Strategic Alliances

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