



PRIVATE RI REPORT

2021 PILOT

Afore XXI Banorte

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities.

This **Private RI Report** is an export of your responses to the PRI Reporting Framework during the 2021 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish – to share with your stakeholders. The **Private RI Report** supports dialogue within your organisation, as well as with your clients, beneficiaries and other stakeholders if you chose to share it externally.

You will also receive a **Public RI Report**, which only includes responses to mandatory indicators and responses to voluntary indicators that you agreed to make public. Unlike this **Private RI Report**, the **Public RI Report** will be publicly available on the PRI website.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o Why does your organisation engage in responsible investment?
- o What is your organisation's overall approach to responsible investment?
- o What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?

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Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- o Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- o Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - o refinement of ESG analysis and incorporation
 - o stewardship activities with investees and/or with policy makers
 - o collaborative engagements
 - o attainment of responsible investment certifications and/or awards

During the reporting year, we made significant progress in incorporating ESG factors into the investment process, such as the contractual inclusion of ESG requirements for external managers and strengthening the exclusion lists of activities and sectors for all types of assets. We have also developed an internal platform as a means of communication with investees and to inform analyst teams and PMs of action plans or engagement activities. To further our initiatives in the inclusion of women on the Boards of Directors of investee companies, we joined the 30% Club initiative; Chapter Mexico. We also joined the Climate Action 100+ and TCFD initiatives to be part of climate action from the financial sector and contribute to the SDGs. On the local side, we headed the Responsible Investment Sub-committee of the Mexican Association of Afores, which seeks to promote best practices in the integration of ESG factors among agents of the industry. It is worth mentioning that during the reporting year, Afore XXI Banorte participated in various forums where we promoted the principles of responsible investment and our practices.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

During the current PRI reporting cycle, we identified areas of opportunity specifically in the Sustainability Outcomes and Fixed Income modules and in the areas of climate change risk management and risk management. We plan to form internal working groups to advance these areas of opportunity as well as seek training.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Gabriela Lizette Luna Zambrano

Position ESG Officer

Organisation's name Afore XXI Banorte

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Afore XXI Banorte in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Afore XXI Banorte's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(N) Other, please specify

Afore XXI Banorte has a structure of twenty-one Investment Societies for Retirement Funds (SIEFORES by its acronym in spanish), ten Siefiores corresponding to Target Date Funds (TDF´s) and eleven Siefiores are Private Pension Funds, both have the purpose to offer long-term investment and the best returns throughout the different stages of retirement savings. In this way, for the TDF´s the resources are invested in the SIEFORE according to the client's generation and for the Private Pension Funds the aim is to be aligned with the same investment philosophy and beliefs of Afore XXI Banorte. Most of the Private Pension Funds replicate the same structure of the TDF´s but in some cases we design a tailored made portfolio reflecting the client requirements.

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

- (A) Yes
 (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 51,053,559,679.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal 6.5%

(B) Listed equity – external 15.2%

(C) Fixed income – internal 67.6%

(D) Fixed income – external	1.2%
(E) Private equity – internal	0.0%
(F) Private equity – external	1.9%
(G) Real estate – internal	0.0%
(H) Real estate – external	1.6%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	3.4%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%
(P) Farmland – external	0.0%
(Q) Other – internal, please specify: Derivates and cash	2.6%
(R) Other – external, please specify:	0.0%
(S) Off-balance sheet – internal	0.0%
(T) Off-balance sheet – external	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure
(A) Segregated mandate(s)	36.0%	100.0%	100.0%	100.0%	100.0%
(B) Pooled fund(s) or pooled investment(s)	64.0%	0.0%	0.0%	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your listed equity assets.

	(A) Internal allocation	(B) External allocation – segregated	(C) External allocation – pooled
(1) Passive equity	15.0%	0.0%	91.0%
(2) Active – quantitative	0.0%	0.0%	0.0%
(3) Active – fundamental	55.0%	100.0%	9.0%
(4) Investment trusts (REITs and similar publicly quoted vehicles)	30.0%	0.0%	0.0%
(5) Other, please specify:	0.0%	0.0%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

	(A) Internal allocation	(B) External allocation – segregated
(1) Passive – SSA	0.0%	0.0%
(2) Passive – corporate	0.0%	0.0%
(3) Passive – securitised	0.0%	0.0%
(4) Active – SSA	73.28%	0.0%
(5) Active – corporate	26.62%	0.0%
(6) Active – securitised	0.1%	0.0%
(7) Private debt	0.0%	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 PE	CORE	OO 5, OO 5.1	N/A	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your private equity assets.

	(B) External allocation – segregated
(1) Venture capital	1.0%
(2) Growth capital	50.0%
(3) (Leveraged) buyout	31.0%

(4) Distressed, turnaround or special situations 4.0%

(5) Secondaries 6.0%

(6) Other, please specify:

■ Fund of funds 8.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 RE	CORE	OO 5, OO 5.1	N/A	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your real estate assets.

(B) External allocation – segregated

(1) Retail 22.0%

(2) Office 0.0%

(3) Industrial 31.0%

(4) Residential 6.0%

(5) Hotel 0.0%

(6) Lodging, leisure and recreation 0.0%

(7) Education 0.0%

(8) Technology/science 0.0%

(9) Healthcare 0.0%

(10) Mixed use 41.0%

(11) Other, please specify: 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 INF	CORE	OO 5, OO 5.1	N/A	PRIVATE	Asset breakdown	GENERAL

Provide a further breakdown of your infrastructure assets.

(B) External allocation – segregated

(1) Data infrastructure	0.0%
(2) Energy and water resources	0.0%
(3) Environmental services	0.0%
(4) Network utilities	0.0%
(5) Power generation (excl. renewables)	9.0%
(6) Renewable power	26.0%
(7) Social infrastructure	65.0%
(8) Transport	0.0%
(9) Other, please specify:	0.0%

ESG strategies

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PRIVATE	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone 0.0%

(B) Thematic alone 0.0%

(C) Integration alone 0.0%

(D) Screening and integration 0.0%

(E) Thematic and integration 0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 100.0%

(H) None 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PRIVATE	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only 5.0%

(B) Negative screening only 95.0%

(C) A combination of positive/best-in-class and negative screening 0.0%

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PRIVATE	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0.0%	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	0.0%	0.0%	0.0%
(D) Screening and integration	0.0%	0.0%	0.0%
(E) Thematic and integration	0.0%	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	100.0%	100.0%	0.0%
(H) None	0.0%	0.0%	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PRIVATE	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate
(A) Positive/best-in-class screening only	0.37%	4.48%
(B) Negative screening only	99.63%	95.52%
(C) A combination of positive/best-in-class and negative screening	0.0%	0.0%

Externally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 SAM	CORE	OO 5.2 LE, OO 5.2 FI	OO 6.1 SAM	PRIVATE	Externally managed assets	1

Which ESG incorporation strategy and/or combination of strategies apply to your externally managed active listed equity and fixed income?

	(1) Listed equity - external
(A) Screening alone	0.0%
(B) Thematic alone	0.0%
(C) Integration alone	0.0%
(D) Screening and integration	0.0%
(E) Thematic and integration	0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 100.0%

(H) None 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 SAM	CORE	OO 6 SAM	N/A	PRIVATE	Externally managed assets	1

What type of screening is applied to your externally managed active listed equity and fixed income?

(1) Listed equity - external

(A) Positive/best-in-class screening only 0.0%

(B) Negative screening only 100.0%

(C) A combination of positive/best-in-class and negative screening 0.0%

Externally managed assets

Captive relationships

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	OO 5	Multiple, see guidance	PUBLIC	Captive relationships	GENERAL

Does your organisation have a captive relationship with some or all of its external investment managers?

- (A) Yes
- (B) No

Investment consultants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	OO 5	SAM 1	PUBLIC	Investment consultants	GENERAL

Does your organisation engage investment consultants in the selection, appointment or monitoring of your external investment managers?

- (A) Yes
- (B) No

Stewardship

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised	(7) Private debt
(A) Through service providers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

	(1) Private equity	(2) Real estate	(3) Infrastructure
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct stewardship activities for this asset class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(D) Listed equity – investment trusts (REITs and similar publicly quoted vehicles)	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input type="radio"/>	<input checked="" type="radio"/>
(W) Other [as specified]	<input type="radio"/>	<input checked="" type="radio"/>

External manager selection

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager selection	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager selection. Your response should refer to the selection of the external managers who managed the relevant asset classes during the reporting year, regardless of when such selection took place.

	(1) ESG incorporated into external manager selection	(2) ESG not incorporated into external manager selection
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income – active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

External manager appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager appointment	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager appointment. Your response should refer to the appointment of the external managers who managed the relevant asset classes during the reporting year, regardless of when their appointment took place.

	(1) ESG incorporated into external manager appointment	(2) ESG not incorporated into external manager appointment
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income – active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

External manager monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager monitoring	1

For each externally managed asset class, select whether or not you incorporated ESG into external manager monitoring during the reporting year.

	(1) ESG incorporated into external manager monitoring	(2) ESG not incorporated into external manager monitoring
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity – active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income – active	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

	(1) Yes, report on the module	(2) No, opt out of reporting on the module
(A) Listed equity	<input checked="" type="radio"/>	<input type="radio"/>
(K) External manager selection, appointment and monitoring (SAM) – fixed income	<input checked="" type="radio"/>	<input type="radio"/>
(L) External manager selection, appointment and monitoring (SAM) – private equity	<input checked="" type="radio"/>	<input type="radio"/>
(M) External manager selection, appointment and monitoring (SAM) – real estate	<input checked="" type="radio"/>	<input type="radio"/>
(N) External manager selection, appointment and monitoring (SAM) – infrastructure	<input checked="" type="radio"/>	<input type="radio"/>

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

	(1) Yes, report on the module
ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>

(B) Fixed income – SSA	●
(C) Fixed income – corporate	●
(E) Fixed income – private debt	●
(J) External manager selection, appointment and monitoring (SAM) – listed equity	●

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PRIVATE	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	93.0%
(B) Listed equity – active	65.0%
(D) Fixed income – active	3.0%
(E) Private equity	20.0%
(F) Real estate	51.0%
(G) Infrastructure	44.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PRIVATE	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

(A) Listed equity 76.0%

(B) Fixed income 3.0%

(C) Private equity 16.0%

(D) Real estate 51.0%

(E) Infrastructure 44.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PRIVATE	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.12%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PRIVATE	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate	(4) Fixed income – securitised
(A) Developed	70.0%	0.0%	0.0%	0.0%
(B) Emerging	30.0%	100.0%	100.0%	100.0%
(C) Frontier	0.0%	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%	0.0%
	(5) Fixed income – private debt	(6) Private equity	(7) Real estate	(8) Infrastructure
(A) Developed	0.0%	0.0%	0.0%	0.0%
(B) Emerging	100.0%	100.0%	100.0%	100.0%
(C) Frontier	0.0%	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%	0.0%

Management by PRI signatories

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5	N/A	PRIVATE	Management by PRI signatories	GENERAL

What approximate percentage (+/-5%) of your externally managed assets are managed by PRI signatories?

55.0%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PRIVATE	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	100.0%
(B) Fixed income – corporate	100.0%
(C) Fixed income – securitised	100.0%
(D) Fixed income – private debt	100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20.1	CORE	OO 20	N/A	PRIVATE	Fixed income constraints	GENERAL

Describe the constraints to your fixed income assets.

Fixed income constraints

(A) Fixed income – SSA	Regulatory requirements, credit quality restrictions and currency constraints or similar
(B) Fixed income – corporate	Regulatory requirements, credit quality restrictions and currency constraints or similar
(C) Fixed income – securitised	Regulatory requirements, credit quality restrictions and currency constraints or similar
(D) Fixed income – private debt	Regulatory requirements

Context and explanation

ESG not incorporated

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2

Describe why you currently do not incorporate ESG into your assets and/or why you currently do not conduct stewardship.

Description

(E) Internally managed: Fixed income – securitised	We do not integrate ESG factors in the investment process of these assets, since they for the represents less than 10% of our AUMS
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(M) Internally managed: Other

In the process of assets such as derivatives and cash, we have not developed a methodology to integrate ESG factors due to their proportion in the portfolio.

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions

- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PRIVATE	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

PENDIENTE.

As a pension fund manager we have the commitment and responsibility to assure our beneficiaries of the proper asset management. That being said, we have different measures to ensure policies and processes are executed transparently and adequately. In order of hierarchy, the Investment Committee oversees that the investment constraints are followed in investment proposals for the decision-making, taking into account the responsible investment strategy, policies and the integration of ESG factors within. AXXIB has a second corporate organism focused on named Consultations forums that oversees the investment proposals and the investment strategy, before present it to members of the Investment Committee, considering ESG guidelines and policies. Hence, the next link in our ensurement process is the CIO, who seeks the closer alignment between the responsible investment and allocation strategy. Additionally, the CIO promotes among not-directly-related staff to know its way around the policies and responsible investment processes. Therefore, the ESG Officer, puts forward training programs and new implementations for the better functioning of the investment process regarding ESG and responsible investment practices. The Appointee also monitors the well implementation of the responsible investment strategy among Investment area and key employees from legal, risk management and comptroller departments. Moreover, the appointee reports the progress attained monthly to the CIO and the Investment Committee.

Along with, the ESG Analysts are set out the operative activities that were approved by the Investment Committee for the integration of ESG factors and Responsible Investment process set in the policies. Additionally, the compliance department collaborates with the oversight of the processes included in the policies, ensuring that those are indeed implemented in the day to day activities and processes. The comptroller verifies and collaborates along ESG activities, mainly to address properly the escalation measures established by Afore XXI Banorte.

Our credit risk models which consider ESG factors are embedded in the technological solution used to quantify and report market, liquidity, and credit risk. Therefore, any update in the credit risk metrics that considers ESG factors is reported and updated along our systems. The Risk Committee meets every month and is presented with the follow up of all the risk metric, including the credit risk metric on SSA securities which considers ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (B) Guidelines on environmental factors. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (C) Guidelines on social factors. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (D) Guidelines on governance factors. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (E) Approach to stewardship. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (F) Approach to sustainability outcomes. Add link(s):
<https://www.xxi-banorte.com/wp-content/uploads/2020/06/GestionCC.pdf>
- (G) Approach to exclusions. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):
<https://www.xxi-banorte.com/wp-content/uploads/2020/06/InvResponsable.pdf>; https://www.xxi-banorte.com/wp-content/uploads/2020/06/Lineam_RentaVarPropActiva.pdf; https://www.xxi-banorte.com/wp-content/uploads/2020/06/Lineam_Gestio%CC%81nMandatos.pdf; https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_RentaFija.pdf
- (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):
<https://www.xxi-banorte.com/wp-content/uploads/2020/06/Responsabilidad.pdf>; https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (K) Responsible investment governance structure. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf
- (L) Internal reporting and verification related to responsible investment. Add link(s):

https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf

(M) External reporting related to responsible investment. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf

(N) Managing conflicts of interest related to responsible investment. Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

97.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PRIVATE	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(A) Listed Equity	55.0%
(B) Fixed Income	99.97%
(C) Private Equity	100.0%
(D) Real Estate	100.0%
(E) Infrastructure	100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
- (E) Head of department, please specify department:
 - Investment department, ESG Officer
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(3) Investment committee	(5) Head of department [as specified]
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(6) Portfolio managers	(7) Investment analysts	(8) Dedicated responsible investment staff	(10) External managers or service providers
(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(F) Other objective related to responsible investment [as specified]

(G) No formal objectives for responsible investment exist for this role

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PRIVATE	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

The type of variable compensation in which the investment team participates is called "Performance Bonus". From 2020, the variable compensation of the Investment Department is modified to align incentives between shareholders, employees, and affiliates as well as attract and retain the best talent (human resources) in the area, considering a scheme that takes into account the short- and long-term (1 and 3-year) results of the Afore, and the RI outcomes designed (as we mentioned) to strengthen the stability of the area and teamwork and to be recognized as a professional pension manager and maintaining, or where appropriate, supporting the growth of the market share of the Afore. To obtain compliance per collaborator are considered the multiplication of 2 general indicators:

- IDO (Índice Desempeño Organizacional): It represents the level of compliance of the company's profit (after taxes). With more than 20% of non-compliance, the IDO is zero (less than 80% of the budgeted income). Exceeding 25% above budgeted income, the IDO remains at 1.25.
- IDI (Índice Desempeño Individual): It represents the level of fulfillment of the individual goals committed in the Performance Contract, evaluated in a range of 80% to 120% compliance. With more than 40% of non-compliance, the IDI is zero (less than 60% of the fulfillment of the contract objectives). With more than 20% above the targets, the IDI remains at 1.20. Aligned with short- and long-term (1 and 3-year) results, and RI outcomes. We do not believe that a single factor should be solely responsible for the success of our investment process, specifically regarding the Target Date Funds. Without a question having a sound and academically supported model is fundamental in setting the guidelines to achieve our long-term goals and to set discipline with the team.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees

(A) Objective for ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(3) Investment committee

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(5) Head of department

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(6) Portfolio managers

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(7) Investment analysts

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(D) Objective for ESG performance

(8) Dedicated responsible investment staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(10) External managers or service providers

(A) Objective for ESG incorporation in investment activities

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes

(3) for a minority of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PRIVATE	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity 100.0%

(B) Fixed income 99.97%

(C) Private equity 100.0%

(D) Real estate 100.0%

(E) Infrastructure 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PRIVATE	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Engagement is the process through which we exert our influence as stakeholders to encourage issuers or managers to change or improve ESG pillar management and/or disclosure. Our objective is to promote and permeate practices of integration and management of ESG factors and risks within the processes of the investee companies or portfolio projects and the increase of disclosure of information about relevant ESG issues, such as remuneration packages for directors or advisors, realistic targets for the reduction of carbon emissions, traceability of products and inputs, among others. Furthermore, we carried out during the reporting year, engagement activities through collaborative initiatives such as Climate Action, which seeks to establish dialogues with the most contaminating companies regarding carbon emissions with the aim to promote the reduction of their carbon footprint and transit to clean energy. The internal prioritisation criteria of AXXIB to carried out engagement activities includes as follow: 1) Exposure to the real estate sector. Our Sustainable Goals strategy requires follow-up and engagement activities for the compliance of its ESG metrics such as energy consumption, sustainable certifications, climate risk management, etc.; 2) Update of the Excluded Sectors and Activities List thresholds. 3) Controversy, i.e. an instance or ongoing situation in which the company's operations and/or products represent a negative reputational, environmental, social and/or corporate impact, among others. The Responsible Investment policy is approved by our Investment Committee and CIO, in addition to being audited by our Compliance department.

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 14	PLUS	Multiple, see guidance	N/A	PRIVATE	Stewardship policy implementation	2

How does your organisation ensure that its stewardship policy is implemented by external service providers? Please provide examples of the measures your organisation takes when selecting external providers, when designing engagement mandates and when monitoring the activities of external service providers.

Provide examples below:

(A) Measures taken when selecting external providers:

In accordance with our internal policies, for the selection of external providers, we carry out a due diligence process of different providers qualifying their experience, internal policies, efficiency, market recognition, etc.

(B) Measures taken when designing engagement mandates for external providers:

In the process of appointing our external managers, the legal area of the Afore plays a fundamental role, since together with the investment area, the requirements of the mandate are set out in a formal agreement. For AXXIB, it is important that all ESG requirements established in the RFP are addressed in the legal documentation. ESG clauses have been established in the designation process that can ensure that the Afore's commitment to responsible investment principles are met and/or respected. Through a feedback process, the Afore and the external manager agree on the legal documentation considering that the clauses can be negotiated and adapted to the particular circumstances.
(response continued in row below)

In most cases, this communication takes place between the external manager and the Afore's legal department in conjunction with the Afore's investment and ESG analysis managers. Currently, the Afore has already defined ESG clauses to be included in the IMAs. The clauses aim to clearly state the importance of ESG factors, these considerations are aligned with the six PRI Principles, the clauses are legally binding once they are incorporated into the IMA executed by both parties. Failure to comply with these clauses may affect the Afore's decision to renew or terminate the IMA, or reduce the assets managed by the mandate..

(C) Measures taken to monitor external providers' alignment with our organisation's stewardship policy:

Although we do not contractually include ESG criteria to be met by the supplier, we do ensure that the supplier complies and is an extension of our fiduciary duty. Although we do not contractually include ESG criteria to be met by the supplier, we do ensure that the supplier complies and is an extension of our fiduciary duty. In the case of our voting custodian, on a monthly basis our strategists document the votes taken in the period including whether AXXIB was represented by an internal or external proxy. in this way, we monitor that our custodian adheres to our policies, our fiduciary duty and the voting direction indicated.

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure
(A) Maximise the risk–return profile of individual investments	<input type="radio"/>				
(B) Maximise overall returns across the portfolio	<input type="radio"/>				
(C) Maximise overall value to beneficiaries/clients	<input checked="" type="radio"/>				
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	<input type="radio"/>				

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

	(1) Listed equity	(2) Fixed income	(3) Private equity	(4) Real estate	(5) Infrastructure
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input type="checkbox"/>				
(B) The materiality of ESG factors on financial and/or operational performance	<input type="checkbox"/>				
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>				
(D) The ESG rating of the entity	<input checked="" type="checkbox"/>				
(E) The adequacy of public disclosure on ESG factors/performance	<input checked="" type="checkbox"/>				
(F) Specific ESG factors based on input from clients	<input type="checkbox"/>				
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>				
(H) Other criteria to prioritise engagement targets, please specify:	<input type="checkbox"/>				
(I) We do not prioritise our engagement targets	<input type="checkbox"/>				

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PRIVATE	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff) 1

(B) External investment managers, third-party operators and/or external property managers (if applicable) 3

(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee) 5

(D) Informal or unstructured collaborations with peers 4

(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (ICI) or similar) 2

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation

- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PRIVATE	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

Since we have the honor to be the first pension fund in our local market to integrate ESG factors and exercise responsible investment practices, also we have the challenge to promote these activities among both investee companies and other investors (including asset managers). We are highly interested in the progress of the industry towards ESG factors, as a result, we are an active member of domestic organisms such as president of the Green Finance Advisory Committee (CCFV, for its Spanish acronyms), which seeks higher disclosure from companies of ESG factors; Collaborative member in the development of an information bank carried out by the Mexican Stock Exchange and, the most recent, president of the sub-committee of Responsible Investment of the Mexican pension funds Association (AMAFORE, for its Spanish acronyms) to improve and promote responsible investment practices within the members of the association.

Meanwhile, the local market is gaining force and experience in the matter, during 2020, Afore XXI Banorte participated in collaborative engagements with overseas and more experienced investors through the initiative Climate Action 100+. This not only allowed us to collaborate for the first time with leading investors in an engagement but also let us prove that our practices and process were adequate and to look up for insufficiencies in it. We are convinced and looking forward to carrying out more collaborative engagements with local and overseas investors.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PRIVATE	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

	(1) Listed equity	(2) Fixed income
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>	<input type="checkbox"/>

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We did not use any escalation measures during the reporting year. Please explain why below

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(1) Listed equity

(2) Fixed income

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report	<input type="checkbox"/>	<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input type="checkbox"/>	<input type="checkbox"/>

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PRIVATE	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

As we mentioned before, many roles across the organization collaborate on the implementation of policies and processes, stewardship included. Our aim objective for our broad ESG strategy, is to engage actively with the issuers or managers within our portfolio to set action plans or commitments regarding the main ESG risks and opportunities detected during the ESG analysis. The Investment Committee serves as the oversight organism for the decision-making of investment proposals, monitoring the investment strategy and the monitoring process of the portfolio as well, including the ESG analysis and engagement follow-ups and action plans. Our CIO shall approve proposals for the strengthening of the engagement approach and the integration of ESG issues in the investment process. Likewise, he/she shall supervise that this is carried out in the processes and by the corresponding members of the Investment Team, such as the Portfolio Manager and Investment Analysts. The ESG Officer and ESG Analysts are responsible for the planning and execution of ESG-related engagement activities through one-on-one pathways with the issuer or manager or, through larger-scale outreach such as meetings, follow-up communications, workshops, and webinars. Therefore, the ESG Analysts are also responsible for documenting and reporting progress and results to other analyst teams, the Portfolio Manager, the CIO, and the Investment Committee on monthly basis through Committee sessions or the AXXIB's ESG Platform. Additionally to the ESG Analysis and comments regarding an investment proposal, bi-annually the ESG Team develops a snapshot on the ESG performance of the portfolio with the highest and lowest-ranked issuers. In this way, we ensure every part of the Investment department is aware of engagement progress and the ESG status of issuers. Besides, the investment analysts are in charge of proxy voting matters, where either an internal proxy or a third-party proxy assists governance bodies' sessions of investee companies. In the case of internal proxies, due to they are aware of stewardship and ESG outcomes, the proxy can vote about responsible investment, ESG, and sustainability resolution proposals. The records regarding the sense of vote and thematic of resolutions are presented to the Investment Committee for its knowledge and consideration.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PRIVATE	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	a) Managing ESG risks/opportunities
(B) Example 2	b) Collaborative	a) Managing ESG risks/opportunities
(C) Example 3	a) Internally (or service provider) led	a) Managing ESG risks/opportunities
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	Responsible Investment practices	At the beginning of the reporting year, Afore XXI Banorte communicated to the manager “X” about the outcomes and observations on the ESG Analysis and their performance of the Sustainable Goals for the Real Estate sector. The main recommendation was about responsible investment practices and the perception of not being linked to the overall investment process. (response continued in row below)

As a result of a couple of consultations, the manager showed to Afore XXI Banorte their strategy to incorporate ESG issues and responsible investment practices into the investment process with the assistance of a third-party consultant. Along the year, we have detected that more managers and investee companies are approaching third-party consultants and similar service providers to enhances their strategy and ESG integration, to fulfill in the best way possible the Afore XXI Banorte's requirements..

(B) Example 2

Carbon emissions

Through the collaborative initiative Climate Action 100+, Afore XXI Banorte engaged with cement-making and building material company. Along with the two more investment managers, we held two meetings with the company over the reporting year. **(response continued in row below)**

The engagement priorities include Supporting the company's new 2030 greenhouse gas reduction goal; Suggesting that the company consider a more restrictive central scenario than the IEA's 2-Degree Scenario (2DS) in its target-setting process; Encouraging the company to disclose more to showcase this and provide more formulaic details on executive-linked pay on climate performance; Asking the company to disclose more information about their Scope 3 emissions and supply chain management; Advocating for the company to issue a standalone TCFD report..

(C) Example 3

Climate related disaster

After a hurricane hit zones of the states of Chiapas and Veracruz in November 2020, Afore XXI Banorte engaged with a manager with agricultural projects in the affected zone. AXXIB suggested a series of issues that could take as a reference to climate-related risk management. The manager pledged to develop guidelines regarding risk management during 2021. Due to the hurricane did not have an impact on the project, based on our controversies methodology, the event was classified as minor and not structural controversy.

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

(A) We participate in "sign-on" letters on ESG policy topics. Describe:

Afore XXI Banorte is an active member of the Green Finance Advisory Committee (CCFV, for its Spanish acronyms), which seeks higher disclosure from companies of ESG factors under TCFD and SASB standards. Through this Committee, we signed a public letter to issuers. Afore XXI Banorte also participated in the Climate Action 100+ initiative, where along with two more investors, engaged with a company regarding carbon emission issues during the reporting year.

(B) We respond to policy consultations on ESG policy topics. Describe:

(C) We provide technical input on ESG policy change. Describe:

(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:

Afore XXI Banorte is the president of the sub-committee of Responsible Investment of the Mexican pension funds Association (AMAFORE, for its Spanish acronyms) to improve and promote responsible investment practices within the members of the association and discuss the regulatory framework regarding ESG integration that the local pension funds regulator oversees in every managers' process.

(E) We proactively engage regulators and policymakers on other policy topics. Describe:

(F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

Our Investment Committee is the governing body with the highest authority to define and/or limit proposed changes or updates to AXXIB's responsible investment strategy and public stance. Every month, at the Investment Committee meeting, updates and follow-up on aspects such as participation in public forums, industry collaborative committees, and engagements with companies are presented, so our Directors and Officers related to the Investment department are aware of and supervise the updates. Besides, quarterly the Investment department presents to the Board the progress of the engagement activities and portfolio status regarding ESG issues.

(B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) **Yes, we have a policy(ies) in place. Describe your policy(ies):**

Afore XXI Banorte, being a leader in ESG in the local pension manager industry, has been a rapporteur and speaker on various ESG-related forums and committees. All our efforts to integrate ESG factors into the investment process and to adopt responsible investment practices are derived from the constant updating and strengthening of internal processes that reference international and prestigious organizations as PRI. Therefore, we consider and publicly mention it in events and presentations, that our responsible investment efforts derive from the Principles of Responsible Investment. For collaborations in Committees or working groups with industry members, we seek to make their efforts and goals, do not oppose the AXXIB Responsible Investment Strategy as well as in our engagements, mention that our efforts are aligned with the principles of PRI. For further information, consult: <https://www.xxi-banorte.com/asg>

○ (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

● (A) **Yes. Add link(s):**

https://www.xxi-banorte.com/wp-content/uploads/2020/06/ESG_Integ.pdf; <https://www.xxi-banorte.com/wp-content/uploads/2020/06/PosturaCC.pdf>

○ (B) No, we do not publicly disclose this policy(ies)

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

- (A) We publicly disclosed details of our policy engagement activities. Add link(s):
- (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):
- (C) **No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:**
 We consider it is highly important to conduct engagement activities for other reasons described throughout this document. We currently document and monitor our engagement activities internally. However, for privacy reasons of our investment strategy we cannot published our engagements activities.
- (D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

- (A) **Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:**
<https://www.xxi-banorte.com/wp-content/uploads/2020/06/PosturaCC.pdf>
- (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

<https://www.xxi-banorte.com/wp-content/uploads/2020/06/PosturaCC.pdf>
<https://www.xxi-banorte.com/asg/>

Afore XXI Banorte recognizes that climate change poses a considerable systemic risk to the global economy and society in general. As one of the largest retirement fund managers, we have both the responsibility and the opportunity to act and strengthen the global response to the threat of climate change, which is why we are the first Afore in Mexico to support the recommendations of the Task Force on Climate-related Disclosures (TCFD) committed to transparency in the management of climate change risks and opportunities, as well as to strengthen our sustainability track record and improve our ESG integration practices.

(B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

Our Investment Committee and Board are the governing bodies with the highest authority to define and/or limit proposed changes or updates to AXXIB's responsible investment strategy and Climate Change Management in the portfolio Policy. Every month, at the Investment Committee meeting, updates and follow-up on the climate change strategy and initiatives related to it, are presented, so our Directors and Officers related to the Investment area are aware of and supervise the updates and progress. The Risk Committee gathers at least once a month. This meeting is briefed about the levels and changes in risk metrics. The presented risk metrics cover credit risk metrics. Proprietary models are in place to measure credit risk for SSA securities, these models incorporate ESG factors, if the ESG valuation is below a minimum level then the result of the evaluation of the particular security under review may be deemed unacceptable, if so, no position on this security can be created or increased.

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

AXXIB has incorporated into its responsible investment strategy and publicly recognized, climate change as a threat for the companies and projects in the portfolio and, therefore, we have issued Climate Change Management in the portfolio Policy which contains our concern about the risks caused by climate change and the internal initiatives for the monitoring of the real estate portfolio with the aim to reduce the climate impact of our investments.

(E) By monitoring progress on climate-related metrics and targets. Specify:

AXXIB has incorporated into its responsible investment strategy and publicly recognized, climate change as a threat for the companies and projects in the portfolio and, therefore, we have issued Climate Change Management in the portfolio Policy which contains targets for the real estate portfolio approaching climate-related risks and reduction of carbon emissions (i.e. increase number of buildings certified under a sustainable label, development of policies that include climate-related risks, etc.). As part of the responsible investment process, is highly important to report to the Investment Committee the outcomes and progress of in-house projects, to this end, the ESG team is responsible for providing updates about the performance and results of the policies and the processes in them. Through reports about references and industry studies, graphs regarding the compliance of every company or manager involved in the in-house project and, defaults or updates of the policy, AXXIB ensures the monitoring process and improvement based on metrics and targets.

(F) **By defining the link between fiduciary duty and climate risks and opportunities. Specify:**

In line with our fiduciary duty, we seek to understand and manage the investment risks associated with climate change, ensuring that the managers of our investment assets are permeating and integrating sustainability considerations and implementation of climate change mitigation strategies into their practices and assets management. The above statement is publicly available in our Climate Change Management in the portfolio Policy.

(G) Other measures to exercise oversight, please specify:

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

(A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:

(B) Management implements the agreed-upon risk management measures. Specify:

(C) **Management monitors and reports on climate-related risks and opportunities. Specify:**

The ESG Officer is responsible for reporting the progress regarding ESG integration and responsible investment process attained monthly to the CIO and the Investment Committee. The reported information includes the progress of the targets set for the real estate portfolio approaching climate-related risks and reduction of carbon emissions (i.e. increase number of buildings certified under a sustainable label, development of policies that include climate-related risks, etc.). Moreover, the ESG Officer plans the monitoring strategy of the companies or managers in the portfolio depending on the risk exposure, sector, or geographical location of the investment. Based on our sustainable goals set for the real estate portfolio, on annually basis, we obtained from our external managers different indicators that show us the progress of climate change-related risks. These includes, thematic bonds, CKDs, and FIBRAS issuers.

(D) **Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

The ESG Officer puts forward training programs for the better implementation of the responsible investment process. AXXIB considers the training of the staff as a crucial tool for the state of the art processes, hence we not only record the training and hours of effective training, but the ESG Officer is always on the lookout for new training and certifications aligned with our strategy and objectives for the Investment team, especially for the ESG related staff. Furthermore, the ESG Officer is in charge of proposing new tools to the CIO or to the Investment Committee to improve the quality of ESG and climate change data available for the analysis teams and the development of new policies covering climate change initiatives.

(E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

(F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

(B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others.

(C) **Assets with exposure to direct physical climate risk. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others. Additionally, we have a geographic mapping of the investment assets of Infrastructure, Private Equity and Real Estate assets, so we can identify, according to the location, the risks to which that investment is exposed.

(D) **Assets with exposure to indirect physical climate risk. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others. Additionally, we have a geographic mapping of the investment assets of Infrastructure, Private Equity and Real Estate assets, so we can identify, according to the location, the risks to which that investment is exposed.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

(F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others.

(G) **Other climate-related risks and opportunities identified. Specify:**

AXXIB has a methodology for evaluating controversies, which has been highly useful in cases of issuers whose assets were impacted by a disaster or weather event. Together with the engagement process conducted with issuers, identifying the risks to which they are exposed strengthens our methodology.

(H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Other climate-related risks and opportunities identified [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(C) Assets with exposure to direct physical climate risk [as specified]

(D) Assets with exposure to indirect physical climate risk [as specified]

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

(B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others.

(C) **Assets with exposure to direct physical climate risk. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others. Additionally, we have a geographic mapping of the investment assets of Infrastructure, Private Equity and Real Estate assets, so we can identify, according to the location, the risks to which that investment is exposed.

(D) **Assets with exposure to indirect physical climate risk. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others. Additionally, we have a geographic mapping of the investment assets of Infrastructure, Private Equity and Real Estate assets, so we can identify, according to the location, the risks to which that investment is exposed.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

(F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

According to the latest Global Building and Construction Status Report 2020, published by the Global Alliance for Building and Construction (Global ABC) and the United Nations Environment Program (UNEP), the real estate sector is the largest and most important consumer (about 35%) of the world's energy and contributes up to 38% of annual greenhouse gas (GHG) emissions. For this reason, we have developed a framework of sustainable goals for this sector, such as reducing the carbon footprint by increasing the consumption of renewable energies, implementing energy efficiency measures and clean technologies, developing policies that include mitigation and adaptation strategies to climate change, property insurance with coverage for disasters or events resulting from climate change, among others.

(G) Other climate-related risks and opportunities identified, please specify:

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PRIVATE	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

As part of the credit risk assessment, ESG factors are taken under consideration for SSA securities. There are two specific elements taken under consideration related to the identification of climate-related risks. The first of these elements are in line with those identified by a credit risk agency's evaluation on ESG factors performed at the country level. The second element under consideration is the evolution of total pollution generated by local economies during a specific time frame. The Risk Committee gathers at least once a month, for every meeting of the Committee and for the consideration of any new investment proposal the credit risk metrics are updated with the latest available public information. If the update of our proprietary models results in a negative credit risk assessment for any SSA security the complete evaluation of the particular security under review may be deemed unacceptable, if so, no position on this security can be created or increased. In addition to the above, we identify in our portfolio those sustainable investments (by their classification at the asset level, business line or certifications) to measure the positive impact of our investments. In the specific case of thematic bonds, we have a selection and monitoring process to ensure that the assets destined for investment are used in accordance with the thematic measures stipulated in the bond; We currently have two bonds certified as Climate Bonds by the Climate Bonds organization, which stipulates guidelines for the follow-up and recertification of the vehicle in question. Another specific case within our equity portfolio is our participation in BlackRock's ESGMEX ETF, whose construction is based on ESG performance and the companies highlighted in it.

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario, specify:
- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PRIVATE	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:

From the effective date and the period of investment through a trustee, AXXIB and the trustee will engage in regular dialogue to promote ESG objectives. As part of the process of investing through mandates, AXXIB requests mandataries to report any developments in the portfolio that may materially affect compliance with the ESG considerations embodied in the six ERP Principles. The mandatee shall undertake to report the following follow-up disclosures: (i) Responsible investment policy Governance, (ii) Process developments, (iii) Alignment of the asset owner's responsible investment strategy as well as with the list of excluded sectors, (iv) ESG data, (v) ESG risk management, (vi) ESG risks and opportunities, (vii) Material incidents, (viii) Performance targets, (ix) Portfolio composition, (x) ESG mainstreaming, (xi) ESG performance and action plans, (xii) ESG monitoring and incident response, (xiii) Implementation and management activity, (xiv) Engagement, (xv) Voting, (xvi) Climate change (as recommended by the Task Force on Climate-related Financial Disclosures ("TCFD")).
- (E) TCFD reporting requirements on companies. Describe:

The recommendations set by TCFD are included in the questionnaires for managers of Infrastructure, Real Estate and Private Equity assets, as well as for fixed income and equity issuers. We seek to raise awareness and prepare portfolio managers and issuers to publicly recognize climate change as a risk, due to all the effects it generates, and thus commit to and develop climate adaptation strategies that are integrated into the factors to be overseen in corporate governance and operations.
- (F) Other risk management processes in place, please describe:

The proprietary credit risk models for the analysis of SSA securities incorporate ESG factors. For the analysis of sovereign and supranational debt securities the model focusses on social and governance features. The analysis performed for securities issued by local governments takes into consideration environmental factors in the form of amount of pollution delivered to the environment in a specific time frame.

(G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PRIVATE	Risk management	General

In which investment processes do you track and manage climate-related risks?

(A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:

AXXIB carries out engagement activities in case of controversies in which the issuer's operations and/or products represent a negative socio-environmental impact, such as events derived from climate change. Based on the geographic mapping of our investments, we can follow up on those issuers exposed to a disaster or risk from climate change.

(B) In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:

(C) In our external investment manager selection process. Describe:

(D) In our external investment manager monitoring process. Describe:

(E) In the asset class benchmark selection process. Describe:

(F) In our financial analysis process. Describe:

(G) Other investment process(es). Describe:

The proprietary credit risk models for the analysis of SSA securities incorporate ESG factors. For the analysis of sovereign and supranational debt securities the model focusses on social and governance features. The analysis performed for securities issued by local governments takes into consideration environmental factors in the form of the amount of pollution delivered to the environment in a specific time frame. The analysis previously described takes place prior the initial investment in the security. Depending on the result of the analysis an approval or denial of the investment proposal is delivered by the Risk Committee. After the investment is made, periodically an update of the whole analysis is performed, based on the results of this analysis the Risk Committee may forbid the increase of the exposure to the investment team and ask them to perform a rebalancing plan to comply with the credit risk limits.

(H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PRIVATE	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

- (A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:
- (B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:
- (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:
- (D) Executive remuneration is linked to climate-related KPIs. Describe:
- (E) Management remuneration is linked to climate-related KPIs. Describe:
- (F) **Climate risks are included in the enterprise risk management system. Describe:**

The proprietary credit risk models for the analysis of SSA securities incorporate ESG factors. For the analysis of sovereign and supranational debt securities, the model focuses on social and governance features. The analysis performed for securities issued by local governments takes into consideration environmental factors in the form of the amount of pollution delivered to the environment in a specific time frame. The analysis performed is embedded in the risk management systems. The credit risk team is responsible for the analysis before the investment and the update of the analysis after the investment is made. The analysis is performed into systems specifically designed to perform the credit risk analysis. Once analysis is finished or updated it is uploaded to the database of the risk management system and is visible to the investment team and compliance team inside the risk management department. The result of the analysis may limit or even deny specific investments if the internal credit risk assessment is below the approved level by the Risk Committee
- (G) Other methods for incorporating climate risks into overall risk management, please describe:
- (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PRIVATE	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) **Reducing exposure to assets with significant climate transition risks**
- (C) **Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes**
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:
- (F) No, we have not set any climate-related targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37.1	PLUS	ISP 37	N/A	PRIVATE	Metrics and targets	General

Provide more details about your climate change target(s).

	(1) Absolute- or intensity-based	(2) The timeframe over which the target applies: Years [Enter a value between 1 and 100]
(B) Reducing exposure to assets with significant climate transition risks	(1) Absolute-Based	10
(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes	(1) Absolute-Based	10
	(3) Baseline year [between 1900–2020]	(4) Baseline amount
(B) Reducing exposure to assets with significant climate transition risks	2020	31%
(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes	2020	48%
	(5) Target date dd/mm/yyyy	(6) Target value/amount
(B) Reducing exposure to assets with significant climate transition risks	01/01/2030	50%
(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes	01/01/2030	50%
	(7) Interim targets or KPIs used to assess progress against the target	(8) Other details

(B) Reducing exposure to assets with significant climate transition risks	Number of managers with a strategy to manage and identify risks and opportunities for climate change.	The objectives described in this indicator are part of our strategy of sustainable goals for the real estate sector, which we started in 2020. AXXIB has identified this sector as a sector with high electricity demand (approximately 35% of the world's energy) and has therefore maintained engagement activities with the sector's managers and issuers in order to achieve these goals.
(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes	Buildings with environmental certifications and with insurance whose coverage includes events and risks arising from climate change	The objectives described in this indicator are part of our strategy of sustainable goals for the real estate sector, which we started in 2020. AXXIB has identified this sector as a sector with high electricity demand (approximately 35% of the world's energy) and has therefore maintained engagement activities with the sector's managers and issuers in order to achieve these goals.

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PRIVATE	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) Total carbon emissions
- (B) Carbon footprint
- (C) Carbon intensity
- (D) Weighted average carbon intensity
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) Other metrics, please specify:
 - We have identified the investments with intensive water usage, land use and natural resources, among others.
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PRIVATE	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(2) for the majority of our assets	Acknowledgment of the carbon emissions of the portfolio and define a investment strategy to reduce our carbon footprint
(B) Carbon footprint	(2) for the majority of our assets	Acknowledgment of the carbon emissions of the portfolio and define a investment strategy to reduce our carbon footprint
(H) Other metrics [as specified]	(2) for the majority of our assets	Acknowledgment of the water usage of the portfolio and define a investment strategy to reduce our waterprint
	(3) Metric unit	(4) Methodology
(A) Total carbon emissions	Tonnes of CO2 eq	We obtained this information through our Sustainable Indicators questionnaire.
(B) Carbon footprint	Tonnes of CO2 eq	We obtained this information through our Sustainable Indicators questionnaire.
(H) Other metrics [as specified]	m3	We obtained this information through our Sustainable Indicators questionnaire.
	(5) Disclosed value	
(A) Total carbon emissions	64460612	
(B) Carbon footprint	282122	

(H) Other metrics [as specified]

349,323,576.66

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PRIVATE	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
 - Impact InvestIng Market Map, PRI
- (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PRIVATE	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 - Impact Investing Market Map, PRI
- (H) Other framework/tool, please specify:
 - TCFD framework
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report

- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?

- (A) Investment and stewardship policy (3) Processes and related data assured

- (B) Manager selection, appointment and monitoring (3) Processes and related data assured

- (C) Listed equity (3) Processes and related data assured

- (D) Fixed income (3) Processes and related data assured

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 57	PLUS	ISP 52	N/A	PRIVATE	Confidence-building measures	6

Provide details about the internal audit process regarding the information provided in your PRI Transparency Report.

The comptroller's area is the auditor of the information reported to the PRI. The comptroller verifies the content of the ERP modules together with what is established and approved in the Investment Manual and by the Investment Committee.

Realiza un proceso de revision anual sobre cada una de las poilitcas establecidas de IR esto considera al area de Inversiones,riesgos y procesos; se genera un reporte al comite de auditoría y prácticas societarias.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

(A) Board and/or trustees (3) parts of the report

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (1) the entire report

(C) Investment committee (2) most of the report

(D) Other chief-level staff, please specify:
N/A (4) report not reviewed

(E) Head of department, please specify:
ESG Officer (1) the entire report

(F) Compliance/risk management team (1) the entire report

(G) Legal team (3) parts of the report

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(3) parts of the report

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 62	PLUS	ISP 52	N/A	PRIVATE	Confidence-building measures	6

Describe your organisation's approach to ensuring that your responsible investment processes are implemented as per your policies and guidelines. In your description please include the frequency of ensuring that your processes follow stated policies and include the choice of ESG fund audit, internal audit function and/or third-party external assurance.

AXXIB has different measures to ensure policies and processes are executed transparently and adequately. In order of hierarchy, the Investment Committee oversees that the investment constraints are followed in investment proposals for the decision-making, considering the responsible investment strategy, policies, and the integration of ESG factors within. AXXIB has a second corporate organism focused on named Consultation forum that oversees the investment proposals and the investment strategy, before presenting it to members of the Investment Committee, considering ESG guidelines and policies. Hence, the next link in our process is the CIO, who seeks the closer alignment between the responsible investment and allocation strategy. Additionally, the CIO promotes among not-directly-related staff to know its way around the policies and responsible investment processes.

Therefore, the ESG Officer, puts forward training programs and new implementations for the better functioning of the investment process regarding ESG and responsible investment practices. The Appointee also monitors the well implementation of the responsible investment strategy among Investment area and key employees from legal, risk management and comptroller departments. Moreover, the appointee reports the progress attained monthly to the CIO and the Investment Committee.

Along with, the ESG Analysts are set out the operative activities that were approved by the Investment Committee for the integration of ESG factors and Responsible Investment process set in the policies. Additionally, the compliance department collaborates with the oversight of the processes included in the policies, ensuring that those are indeed implemented in the day-to-day activities and processes. The comptroller verifies and collaborates along ESG activities, mainly to address properly the escalation measures established by Afore XXI Banorte.

Manager Selection, Appointment and Monitoring (SAM)

Selection

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 11	SAM 2.1	PUBLIC	Responsible investment policy	1, 4

During the reporting year, did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers? (If you did not select any external managers during the reporting year, refer to the last reporting year in which you did select external managers.)

	(1) Yes, only when selecting external managers of ESG/sustainability funds	(2) Yes, when selecting external managers of ESG/sustainability funds and mainstream funds (This option also applies to signatories who may not hold ESG/sustainability funds)	(3) We did not include compliance with our responsible investment policy as a pre-requisite when selecting external managers
(A) Listed equity (active)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity (passive)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income (active)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(F) Real estate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2.1	CORE	SAM 2	N/A	PUBLIC	Responsible investment policy	1,4

In what proportion of cases did your organisation include compliance with your responsible investment policy as a pre-requisite when selecting external managers?

(1) Listed equity (active)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

(2) Listed equity (passive)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

(3) Fixed income (active)

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

(5) Private equity

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

(6) Real estate

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

(7) Infrastructure

(B) When selecting external managers of ESG/sustainability funds and mainstream funds (1) in all cases

Research and screening

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 3	CORE	OO 11	N/A	PUBLIC	Research and screening	1

When selecting external managers, which aspects of their organisation do you, or the investment consultant acting on your behalf, assess against responsible investment criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) Firm culture	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
(B) Investment approach, objectives and philosophy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Investment policy or guidelines	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(D) Governance structure and management oversight, including diversity	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
(E) Investment strategy and fund structure	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Investment team competencies	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Other, please specify:	ESG methodology for evaluation of issuers/investment projects/ ESG systems involved/ Proxy Voting (1) for all of our externally managed AUM	NA (4) for none of our externally managed AUM

	(3) Fixed income (active)	(5) Private equity
(A) Firm culture	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) Investment approach, objectives and philosophy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Investment policy or guidelines	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(D) Governance structure and management oversight, including diversity	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(E) Investment strategy and fund structure	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Investment team competencies	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Other, please specify:	Vulnerability to Climate Change/ Environmental Impact of Financing/ ESG Risk Identification and Management, and Sustainable Corporations, among others (1) for all of our externally managed AUM	Vulnerability to Climate Change/ Environmental Impact of Financing/ ESG Risk Identification and Management, and Sustainable Corporations, among others (1) for all of our externally managed AUM
	(6) Real estate	(7) Infrastructure
(A) Firm culture	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) Investment approach, objectives and philosophy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Investment policy or guidelines	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(D) Governance structure and management oversight, including diversity	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

(E) Investment strategy and fund structure	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(F) Investment team competencies	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(G) Other, please specify:	Vulnerability to Climate Change/ Environmental Impact of Financing/ ESG Risk Identification and Management, and Sustainable Corporations, among others	Vulnerability to Climate Change/ Environmental Impact of Financing/ ESG Risk Identification and Management, and Sustainable Corporations, among others
	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 11	N/A	PUBLIC	Investment practices	1

Which responsible investment practices does your organisation, or the investment consultants acting on your behalf, require as part of your external manager selection criteria? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.) As part of the selection criteria, we require that external managers:

(1) Listed equity (active)

(2) Listed equity (passive)

(A) Incorporate material ESG factors in all of their investment analyses and decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(B) Incorporate their own responsible investment policy into their asset allocation decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(C) Have adequate resources and processes to analyse ESG factors	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(D) Incorporate material ESG factors throughout their portfolio construction	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(E) Engage with underlying portfolio assets to address ESG risks and opportunities	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Comply with their own exclusions policy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Embed ESG considerations in contractual documentation	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(H) Implement adequate disclosure and accountability mechanisms	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(I) Are willing to work in partnership with our organisation to develop their responsible investment approach	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(J) Track the positive and negative sustainability outcomes of their activities	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(K) Other, please specify:	<p>Reporting quarterly, semi-annual and annual basis</p> <p>(1) for all of our externally managed AUM</p>	<p>Reporting quarterly, semi-annual and annual basis</p> <p>(1) for all of our externally managed AUM</p>

	(3) Fixed income (active)	(5) Private equity
(A) Incorporate material ESG factors in all of their investment analyses and decisions	(2) for the majority of our externally managed AUM	(1) for all of our externally managed AUM
(B) Incorporate their own responsible investment policy into their asset allocation decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Have adequate resources and processes to analyse ESG factors	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(D) Incorporate material ESG factors throughout their portfolio construction	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(E) Engage with underlying portfolio assets to address ESG risks and opportunities	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(F) Comply with their own exclusions policy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(G) Embed ESG considerations in contractual documentation	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
(H) Implement adequate disclosure and accountability mechanisms	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

(I) Are willing to work in partnership with our organisation to develop their responsible investment approach	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(J) Track the positive and negative sustainability outcomes of their activities	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(K) Other, please specify:	<p>█ Follow up and report major controversies.</p> <p>(1) for all of our externally managed AUM</p>	<p>█ Follow up and report major controversies.</p> <p>(1) for all of our externally managed AUM</p>
	(6) Real estate	(7) Infrastructure
(A) Incorporate material ESG factors in all of their investment analyses and decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) Incorporate their own responsible investment policy into their asset allocation decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) Have adequate resources and processes to analyse ESG factors	(2) for the majority of our externally managed AUM	(2) for the majority of our externally managed AUM
(D) Incorporate material ESG factors throughout their portfolio construction	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(E) Engage with underlying portfolio assets to address ESG risks and opportunities	(1) for all of our externally managed AUM	(2) for the majority of our externally managed AUM

(F) Comply with their own exclusions policy (1) for all of our externally managed AUM (4) for none of our externally managed AUM

(G) Embed ESG considerations in contractual documentation (4) for none of our externally managed AUM (1) for all of our externally managed AUM

(H) Implement adequate disclosure and accountability mechanisms (1) for all of our externally managed AUM (1) for all of our externally managed AUM

(I) Are willing to work in partnership with our organisation to develop their responsible investment approach (1) for all of our externally managed AUM (1) for all of our externally managed AUM

(J) Track the positive and negative sustainability outcomes of their activities (1) for all of our externally managed AUM (1) for all of our externally managed AUM

(K) Other, please specify: Follow up and report major controversies. (1) for all of our externally managed AUM (1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	PLUS	OO 11	N/A	PRIVATE	Investment practices	1

Does your organisation, or the investment consultants acting on your behalf, expressly assess the following practices regarding derivatives and short positions as part of your manager selection process? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) We assess whether they apply ESG incorporation into derivatives, insurance instruments (such as CDS) and other synthetic exposures or positions (1) we do not allow this practice

(B) We assess how they apply their exclusion policies to short and derivative exposures (1) we do not allow this practice

(C) We assess whether their use of leverage is aligned with their responsible investment policy (1) we do not allow this practice

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 6	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship policies of investment managers during the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

(A) We assess the degree to which their stewardship policy aligns with ours (1) for all of our externally managed AUM

(B) We require that their stewardship policy prioritises systemic issues (1) for all of our externally managed AUM

(C) We require that their stewardship policy prioritises ESG factors beyond corporate governance (1) for all of our externally managed AUM

(D) We require that their stewardship policy allows for and encourages the use of a variety of stewardship tools (1) for all of our externally managed AUM

(E) We require that their stewardship policy allows for and encourages participation in collaborative initiatives (1) for all of our externally managed AUM

(F) We require that their stewardship policy includes adequate escalation strategies for instances where initial efforts are unsuccessful (1) for all of our externally managed AUM

(G) Other, please specify:

The interviews and meetings are a fundamental part of the assessment process and can provide additional insight into the asset manager's resources in terms of both traditional and ESG capabilities. They are an essential part of the overall condition assessment process and can provide additional insight into the asset manager's resources in terms of both traditional and ESG capabilities.

(1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 7	CORE	OO	N/A	PUBLIC	Stewardship	2

How does your organisation, or the investment consultants acting on your behalf, assess the stewardship practices of external managers as part of the selection process? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

(A) We assess whether they allocate sufficient resources to stewardship overall (1) for all of our externally managed AUM

(B) We assess whether they allocate sufficient resources for systemic stewardship (1) for all of our externally managed AUM

(C) We assess the degree of implementation of their stewardship policy (1) for all of our externally managed AUM

(D) We assess whether their investment team is involved in stewardship activities (1) for all of our externally managed AUM

(E) We assess whether stewardship actions and results are fed back into the investment process and decisions (1) for all of our externally managed AUM

(F) We assess whether they make full use of a variety of tools to advance their stewardship priorities (1) for all of our externally managed AUM

(G) We assess whether they deploy their escalation process to advance their stewardship priorities where initial efforts are unsuccessful (1) for all of our externally managed AUM

(H) We assess whether they participate in collaborative stewardship initiatives (1) for all of our externally managed AUM

(I) We assess whether they take an active role in their participation in collaborative stewardship initiatives (1) for all of our externally managed AUM

(J) Other, please specify:

We Review and agree the impact of ESG analysis on investment decisions.
 We review how ESG materiality is evaluated by the manager We review process for defining and communicating on ESG incidents We review and agree ESG reporting frequency and detail We review and

(1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	2

Which voting policies and practices does your organisation, or the investment consultants acting on your behalf, assess when selecting external managers? (Per asset class, indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(1) Listed equity (active)

(A) We assess whether voting rights would sit with us or with the external managers (1) for all of our externally managed AUM

(B) We assess the degree to which their (proxy) voting policy aligns with ours (1) for all of our externally managed AUM

(C) We assess whether their (proxy) voting track record demonstrates that they prioritise their stewardship priorities over other factors (e.g. maintaining access to the company) (1) for all of our externally managed AUM

(D) We assess whether their (proxy) voting track record is aligned with our stewardship approach and expectations, including whether it demonstrates the prioritisation of systemic issues

(1) for all of our externally managed AUM

(E) We assess whether they have a security lending and borrowing policy and, if so, whether it aligns with our expectations and policies regarding security lending

(4) for none of our externally managed AUM

(F) Other, please specify:

NA

(4) for none of our externally managed AUM

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 11	N/A	PRIVATE	Sustainability outcomes	1

How does your organisation, or the investment consultant acting on your behalf, assess external managers' approaches to their sustainability outcomes as part of your selection process? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) We assess their track records on advancing sustainability outcomes across their assets

(2) for the majority of our externally managed AUM

(B) We assess whether they have set targets for the sustainability outcomes of their activities or are willing to incorporate our own targets

(2) for the majority of our externally managed AUM

(C) We assess how they use key levers including asset allocation, engagement and stewardship activities to advance sustainability outcomes

(2) for the majority of our externally managed AUM

(D) We assess how well they report on their progress on sustainability outcomes across their assets (2) for the majority of our externally managed AUM

(E) Other, please specify:

Additionally, we assess whether they have concrete short- and long-term goals to contribute to international frameworks such as the Paris Agreement.

(2) for the majority of our externally managed AUM

Documentation and track record

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	CORE	OO 11	N/A	PUBLIC	Documentation and track record	1

As part of your selection process, which documents does your organisation, or the investment consultants acting on your behalf, review to gain confidence in external managers' responsible investment practices? (Indicate the proportion of your AUM to which each of these selection practices applies, regardless of when you selected your different external managers.)

(A) Standard client reporting, responsible investment reports or impact reports (1) for all of our externally managed AUM

(B) Responsible investment methodology and its influence on past investment decisions (1) for all of our externally managed AUM

(C) Historical voting and engagement activities with investees (4) for none of our externally managed AUM

(D) Historical engagement activities with policymakers (4) for none of our externally managed AUM

(E) Compliance manuals and portfolios to ensure universal construction rules are applied (e.g. exclusions, thematic, best-in-class definitions and thresholds) (1) for all of our externally managed AUM

(F) Controversies and incidence reports (1) for all of our externally managed AUM

(G) Code of conduct or codes of ethics (1) for all of our externally managed AUM

(H) Other, please specify:

NA

(4) for none of our externally managed AUM

Appointment

Pooled funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 12, OO 5.1, OO 15	N/A	PUBLIC	Pooled funds	4

How did your organisation, or the investment consultants acting on your behalf, include responsible investment requirements for pooled funds in your current contracts with external managers? (Indicate the proportion of your AUM invested in pooled funds to which each of these requirements applies, regardless of when you appointed your different external managers.)

(A) We amended or instituted side letters or equivalent legal documentation to include responsible investment requirements

(3) for a minority of our AUM invested in pooled funds

(B) We encouraged the external manager to include responsible investment requirements into the investment mandate, the investment management agreement or equivalent legal documentation

(3) for a minority of our AUM invested in pooled funds

Segregated mandates

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 13	CORE	OO 12, OO 5.1	N/A	PUBLIC	Segregated mandates	4

When setting up segregated mandates with external managers, which responsible investment clauses did your organisation, or the investment consultants acting on your behalf, include in your current contractual agreements? (Indicate the proportion of your AUM invested in segregated funds to which each of these requirements applies, regardless of when you appointed your different external managers.)

(A) The manager's commitment to follow our responsible investment strategy in the management of our assets

(1) for all of our AUM invested in segregated mandates

(B) The manager's commitment to incorporate material ESG factors into its investment and stewardship activities

(1) for all of our AUM invested in segregated mandates

(C) Exclusion list(s)	(1) for all of our AUM invested in segregated mandates
(D) Responsible investment communication and reporting obligations, including on stewardship activities and results	(1) for all of our AUM invested in segregated mandates
(E) Stewardship commitments in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action	(2) for the majority of our AUM invested in segregated mandates
(F) Where applicable, commitment to fulfil a clear policy on security lending aligned with our own security lending policy or with the ICGN Securities Lending Code of Best Practice	(4) for none of our AUM invested in segregated mandates
(G) Incentives and controls to ensure alignment of interests	(1) for all of our AUM invested in segregated mandates
(H) Commitments on climate-related disclosure in line with internationally recognised frameworks such as the TCFD	(2) for the majority of our AUM invested in segregated mandates
(I) If applicable, commitment to disclose against the EU Taxonomy	(1) for all of our AUM invested in segregated mandates
(J) Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights	(1) for all of our AUM invested in segregated mandates
(K) The manager's acknowledgement that their appointment was conditional on their fulfilment of their responsible investment obligations	(1) for all of our AUM invested in segregated mandates
(L) Other, please specify: <div style="border-left: 2px solid gray; padding-left: 10px; margin-left: 20px;"> <p>In the case of the Mandates, in addition to the above, we include in the clauses of the IMA: (i) Seek appropriate disclosure on ESG issues by the entities in which will be invest, (ii) promote acceptance and implementation of the principles within the investment industry, (iii) work together to enhance our effectiveness in implementing the principles, (iv) the Parties will each report on the activities and progress towards implementing the Principles (the "Principles").</p> </div>	(2) for the majority of our AUM invested in segregated mandates

Monitoring

Investment practices

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 14	CORE	OO 13	N/A	PUBLIC	Investment practices	1

During the reporting year, which aspects of your external manager's responsible investment practices did you, or your investment consultant acting on your behalf, monitor?

	(1) Listed equity (active)	(2) Listed equity (passive)
(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(C) We monitored their use of ESG data, benchmarks, tools and certifications	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(D) We monitored how ESG incorporation affected investment decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
(E) We monitored how ESG incorporation affected the fund's financial and ESG performance	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

(F) We monitored any changes in ESG risk management processes	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(G) We monitored their response to material ESG incidents	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(H) Other, please specify:	Afore XXI Banorte designed quarterly, half-yearly and annual questionnaires to monitor responsible investment information. (1) for all of our externally managed AUM	Afore XXI Banorte designed quarterly, half-yearly and annual questionnaires to monitor responsible investment information. (1) for all of our externally managed AUM
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(3) Fixed income (active)

(5) Private equity

(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(C) We monitored their use of ESG data, benchmarks, tools and certifications	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(D) We monitored how ESG incorporation affected investment decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(E) We monitored how ESG incorporation affected the fund's financial and ESG performance	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(F) We monitored any changes in ESG risk management processes	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(G) We monitored their response to material ESG incidents	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(H) Other, please specify:	Afore XXI Banorte annually monitors the responsible investment practices of our external managers as well as their sustainability indicators.	Afore XXI Banorte annually monitors the responsible investment practices of our external managers as well as their sustainability indicators.
	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM

(6) Real estate

(7) Infrastructure

(A) We monitored their alignment with our organisation's responsible investment strategy	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(B) We monitored any changes in their responsible investment-related policies, resourcing, oversight and responsibilities or investment processes	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(C) We monitored their use of ESG data, benchmarks, tools and certifications	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(D) We monitored how ESG incorporation affected investment decisions	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(E) We monitored how ESG incorporation affected the fund's financial and ESG performance	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(F) We monitored any changes in ESG risk management processes (1) for all of our externally managed AUM (1) for all of our externally managed AUM

(G) We monitored their response to material ESG incidents (1) for all of our externally managed AUM (1) for all of our externally managed AUM

(H) Other, please specify: Afore XXI Banorte annually monitors the responsible investment practices of our external managers as well as their sustainability indicators. (1) for all of our externally managed AUM Afore XXI Banorte annually monitors the responsible investment practices of our external managers as well as their sustainability indicators. (1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 13	N/A	PRIVATE	Investment practices	1

During the reporting year, which information did your organisation, or the investment consultants acting on your behalf, monitor for externally managed passive products?

(1) Listed equity (passive)

(A) For all ESG passive products, we monitored how the manager applied, reviewed and verified screening criteria ●

(B) For all ESG passive products, we monitored how the manager rebalanced the product as a result of changes in ESG rankings, ratings or indexes ●

(C) For all ESG passive products, we monitored whether they met the responsible investment claims made by their managers ●

(D) For all passive products, we monitored the managers' participation in industry initiatives to enhance responsible investment ●

(E) Other, please specify:



(F) We did not monitor passive products



Please specify for "(E) Other, please specify".

For all ESG passive products, we monitored that they carry out collaborative engagements with portfolio holdings in order to manage and we monitored that they provide a detailed record of material ESG incidents from the last reporting cycle.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	PLUS	OO 13	N/A	PRIVATE	Investment practices	1

Provide an example of a leading practice you adopted as part of your monitoring of your external managers' responsible investment practices in private equity, real estate and/ or infrastructure during the reporting year.

Please provide examples below:

(A) Private equity

We are the only Afore in Mexico that has an ESG process and internal methodology for this type of assets. We annually request sustainability indicators from external managers to record their carbon emissions, water consumption, electricity consumption, waste management, job creation, among others. In addition, we annually request information from makes a request to identify each of the projects or companies promoted from all the portfolios of our external managers to identify sectors, impact categories, types of assets, geographic location and the main risks to which they could be exposed in order to monitor them. We have designed a list of Excluded Sectors and investment restrictions and prohibitions for external infrastructure managers that is tailored to local characteristics.

(B) Real estate

We defined sustainable goals for our external real estate managers, aligned with Mexico's Nationally Determined Contributions (derived from the Paris agreement), our goal will be measured in 2 stages. The first stage by 2025 (with at least 20%) and the second stage by 2030 (with at least 50%) of the portfolio of external managers in the real estate sector, that have: 1) An implemented ESG policy, program, initiative or projects. 2) Buildings with environmental certifications. 3) The incorporation of clean technology and/or renewable energy to reduce the carbon footprint. 4) Strategies and processes to mitigate risks in the face of Climate Change events. 5) Coverage against climate change damages or green investments that help mitigate climate change. 6) Reporting, documentation of risks and/or opportunities related to ESG by the final decision-making body. 7) Within their risk analysis, take into account climate change and resulting events or the identification of areas vulnerable to climate change. **(response continued in row below)**

8) Engage with tenants: Conduct training on energy efficiency, water, as well as measuring the consumption of these. We currently have a 45% compliance rate with the sustainable goals of all our external managers. The monitoring of investments in Structured Instruments is performed annually or event-driven basis in the following circumstances: - Internal methodology update. - A controversy or catastrophe affecting ESG pillars, because of the company's operations, - Follow-up of previous ESG agreements. - Relevant event affecting the management of the Board of Directors. - Meetings of Holders - Voting Rights. We also hold follow-up meetings with most of our external managers to learn more about relevant issues and monitor their progress in ESG. All relevant issuer information is presented to our Investment Committee, as well as the agreements and action plans for each of the projects..

(C) Infrastructure

We are the only Afore in Mexico that has an ESG process and internal methodology for this type of assets. We annually request sustainability indicators from external managers to record their carbon emissions, water consumption, electricity consumption, waste management, job creation, among others. In addition, we annually request information from makes a request to identify each of the projects or companies promoted from all the portfolios of our external managers to identify sectors, impact categories, types of assets, geographic location and the main risks to which they could be exposed in order to monitor them. We have designed a list of Excluded Sectors and investment restrictions and prohibitions for external infrastructure managers that is tailored to local characteristics. The monitoring of investments in Structured Instruments is performed annually or event-driven basis in the following circumstances: - Internal methodology update. **(response continued in row below)**

- A controversy or catastrophe affecting ESG pillars, because of the company's operations, - Follow-up of previous ESG agreements. - Relevant event affecting the management of the Board of Directors. - Meetings of Holders - Voting Rights. We also hold follow-up meetings with most of our external managers to learn more about relevant issues and monitor their progress in ESG. All relevant issuer information is presented to our Investment Committee, as well as the agreements and action plans for each of the projects..

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	1, 2

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' stewardship activities?

(1) Listed equity (active)

(A) We monitored any changes in stewardship policies and processes

(1) for all of our externally managed AUM

(B) We monitored the degree of implementation of their stewardship policy (1) for all of our externally managed AUM

(C) We monitored their prioritisation of systemic issues (1) for all of our externally managed AUM

(D) We monitored their prioritisation of ESG factors beyond corporate governance (1) for all of our externally managed AUM

(E) We monitored their investment team's level of involvement in stewardship activities (1) for all of our externally managed AUM

(F) We monitored whether stewardship actions and results were fed back into the investment process and investment decisions (1) for all of our externally managed AUM

(G) We monitored whether they had made full use of a variety of stewardship tools to advance their stewardship priorities (1) for all of our externally managed AUM

(H) We monitored the deployment of their escalation process in cases where initial stewardship efforts were unsuccessful (1) for all of our externally managed AUM

(I) We monitored whether they had participated in collaborative stewardship initiatives (1) for all of our externally managed AUM

(J) We monitored the degree to which they had taken an active role in their participation in collaborative stewardship initiatives (1) for all of our externally managed AUM

(K) Other, please specify: NA (1) for all of our externally managed AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 18	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship	1, 2

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' (proxy) voting activities?

(1) Listed equity (active)

(A) We monitored any changes in (proxy) voting policies and processes (1) for all of our externally managed AUM

(B) We monitored whether (proxy) voting decisions were consistent with the managers' stewardship priorities as stated in their policy (1) for all of our externally managed AUM

(C) We monitored whether their (proxy) voting decisions prioritised advancement of stewardship priorities over other factors (e.g. maintaining access to the company)

(1) for all of our externally managed AUM

(D) We monitored whether their (proxy) voting track record was aligned with our stewardship approach and expectations, including whether it demonstrated the prioritisation of progress on systemic issues

(1) for all of our externally managed AUM

(E) We monitored the application of their security lending policy (if applicable) and whether security lending affected voting

(1) for all of our externally managed AUM

(F) Other, please specify:

We monitored, by means of an annual questionnaire: Disclose any changes in policies or processes that have taken place in the reporting period for voting. Provide some specific results of proxy voting activities and decisions. Provide examples of the results of resolutions voted on in the reporting period. Provide the proportion of shares voted in the reporting period, among others

(1) for all of our externally managed AUM

Sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 19	PLUS	OO 13	N/A	PRIVATE	Sustainability outcomes	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, monitor your external managers' progress on sustainability outcomes?

- (A) We reviewed progress on the sustainability outcomes of their activities
- (B) We reviewed how they used asset allocation individually or in partnership with others to make progress on sustainability outcomes
- (C) We reviewed how they used individual or collaborative investee engagement, including voting, to make progress on sustainability outcomes
- (D) We reviewed how they used individual or collaborative systemic stewardship, including policy engagement, to make progress on sustainability outcomes
- (E) We reviewed how they contributed to public goods (such as research) or public discourse (such as media) or collaborated with other actors to track and communicate progress against global sustainability goals
- (F) Other, please specify:

Afore XXI Banorte monitors the progress of external managers on sustainability outcomes through the sustainability indicators compliance questionnaire and the monitoring of the percentage of compliance with our sustainability goals for the real estate sector. The way in which Afore XXI Banorte does this monitoring is also through periodic questionnaires, as well as follow-up and monitoring calls and meetings. In addition, we also monitor the main ESG controversies ex ante and ex post of our external managers

- (G) We did not review their progress on sustainability outcomes

Review

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 20	CORE	OO 13	N/A	PUBLIC	Review	1

During the reporting year, how often did your organisation, or the investment consultants acting on your behalf, require your external managers to report to you on their responsible investment practices?

(1) Listed equity (active)

(2) Listed equity (passive)

(A) Quarterly or more often

(1) for all of our externally managed AUM

(4) for none of our externally managed AUM

(B) Every six months

(1) for all of our externally managed AUM

(4) for none of our externally managed AUM

(C) Annually	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
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(D) Less than once a year	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
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(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)	(1) for all of our externally managed AUM	(4) for none of our externally managed AUM
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(3) Fixed income (active)

(5) Private equity

(A) Quarterly or more often	(2) for the majority of our externally managed AUM	(4) for none of our externally managed AUM
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(B) Every six months	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
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(C) Annually	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(D) Less than once a year	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
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(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(6) Real estate

(7) Infrastructure

(A) Quarterly or more often	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
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(B) Every six months	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
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(C) Annually	(1) for all of our externally managed AUM	(1) for all of our externally managed AUM
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(D) Less than once a year	(4) for none of our externally managed AUM	(4) for none of our externally managed AUM
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(E) On an ad hoc basis (e.g. whenever significant changes, incidents or ESG-linked events occur)

(1) for all of our externally managed AUM

(1) for all of our externally managed AUM

Verification

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 21	PLUS	OO 13	N/A	PRIVATE	Verification	1

During the reporting year, how did your organisation, or the investment consultants acting on your behalf, verify the information reported by external managers on their responsible investment practices?

(1) Listed equity (active)

(3) Fixed income (active)

(A) We required evidence of internal monitoring or compliance

(1) for all of our externally managed AUM

(4) for none of our externally managed AUM

(B) We required evidence of external monitoring or compliance

(1) for all of our externally managed AUM

(4) for none of our externally managed AUM

(C) We required that they had an independent ESG advisory board or committee

(2) for the majority of our externally managed AUM

(4) for none of our externally managed AUM

(D) We required verification by an external, independent auditor

(4) for none of our externally managed AUM

(4) for none of our externally managed AUM

(E) Other, please specify:

Through meetings, calls and information presentations. Based on the information reported by external managers, Afore XXI Banorte's ESG team performs an ESG analysis in which an ESG score is obtained, and in case of additional questions on any particular topic, direct communication is established with the managers

n/a

(4) for none of our externally managed AUM

(1) for all of our externally managed AUM

(5) Private equity

(6) Real estate

(A) We required evidence of internal monitoring or compliance

(1) for all of our externally managed AUM

(1) for all of our externally managed AUM

(B) We required evidence of external monitoring or compliance

(4) for none of our externally managed AUM

(4) for none of our externally managed AUM

(C) We required that they had an independent ESG advisory board or committee

(4) for none of our externally managed AUM

(4) for none of our externally managed AUM

(D) We required verification by an external, independent auditor

(4) for none of our externally managed AUM

(4) for none of our externally managed AUM

(E) Other, please specify:

Through meetings, calls and information presentations. Based on the information reported by external managers, Afore XXI Banorte's ESG team performs an ESG analysis in which an ESG score is obtained, and in case of additional questions on any particular topic, direct communication is established with the managers.

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(2) for the majority of our externally managed AUM

(2) for the majority of our externally managed AUM

(7) Infrastructure

(A) We required evidence of internal monitoring or

(1) for all of our externally managed AUM

(B) We required evidence of external monitoring or compliance (4) for none of our externally managed AUM

(C) We required that they had an independent ESG advisory board or committee (4) for none of our externally managed AUM

(D) We required verification by an external, independent auditor (4) for none of our externally managed AUM

(E) Other, please specify: Through meetings, calls and information presentations. Based on the information reported by external managers, Afore XXI Banorte's ESG team performs an ESG analysis in which an ESG score is obtained, and in case of additional questions on any particular topic, direct communication is established with the managers. (2) for the majority of our externally managed AUM

Engagement and escalation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 22	CORE	OO 13	N/A	PUBLIC	Engagement and escalation	1

Which actions does your organisation, or the investment consultants acting on your behalf, include in its formal escalation process to address concerns raised during monitoring?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(5) Private equity	(6) Real estate	(7) Infrastructure
(A) We notify the external manager about their placement on a watch list	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We engage the external manager's board or investment committee	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) We reduce exposure with the external manager until any non-conformances have been rectified	<input type="checkbox"/>					
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(D) We terminate the contract with the external manager if failings persist over a (notified) period of time and explain the reasons for the termination	<input type="checkbox"/>					
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(E) Other, please specify	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(F) Our organisation does not have a formal escalation process to address concerns raised by monitoring	<input type="checkbox"/>					
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Please specify for "(E) Other" above.

In the event of insufficient or inadequate reporting or results, or any violation of established policies, AXXIB has three actions and their respective measures that could be considered to improve the dialogue and mitigate non-compliance: 1) Opportunities for improvement. - Manage any risks and opportunities. - Improve ESG analysis and integration of ESG factors before investment, monitoring or throughout the investment period. - Improve incorporation of ESG factors and responsible management

Listed Equity (LE)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) Passive equity	(3) Active - Fundamental	(4) Investment Trusts (REITs and similar publicly quoted vehicles)
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We monitor long-term ESG trends for all assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) We monitor long-term ESG trends for the majority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We incorporate governance-related risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) We incorporate environmental and social risks into financial modelling and equity valuations

(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations

(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process

(E) We do not incorporate ESG risks into our financial modelling and equity valuations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1

In what proportion of cases do you incorporate the following material ESG risks into your financial modelling and equity valuation process?

(1) Passive Equity

(A) We incorporate governance-related risks into financial modelling and equity valuations (2) in the majority of cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (2) in the majority of cases

(3) Active - Fundamental

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

(4) Investment Trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate governance-related risks into financial modelling and equity valuations (1) in all cases

(B) We incorporate environmental and social risks into financial modelling and equity valuations (1) in all cases

Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) We incorporate information on current performance across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?

(1) Passive equity

(A) We incorporate information on current performance across a range of ESG metrics (2) in the majority of cases

(B) We incorporate information on historical performance across a range of ESG metrics (2) in the majority of cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (2) in the majority of cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (2) in the majority of cases

(3) Active – fundamental

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PRIVATE	ESG incorporation in portfolio construction	1

Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.

For Afore XXI Banorte, integrating ESG factors into the investment process at all stages and fully involving all members of the Investment area has become a short-term objective. Therefore, we identified that investment analysts, being the first contact with issuers, can inform and raise awareness promptly about our Responsible Investment strategy and the next steps in the investment process, including ESG analysis. With this in mind, we have provided investment analysts and strategists with a list of key elements to question or raise awareness with the issuer during initial approaches (if a member of the ESG team is not present). The aforementioned list contains the following elements: That the issuer is rated by an ESG rating agency (due to one of the latest provisions of the Mexican regulator of pension fund administrators for retirement savings, in 2022 we will not be able to invest in those companies that are not ranked by an expert rating agency of recognized international prestige), that it has accounting and carbon emissions reduction targets (especially if it is in the energy, materials and industrial sectors), that it has at least 30% of female directors on the Board of Directors (at the beginning of 2021, AXXIB adhered to the 30% Club investors initiative, whose objective is to promote among portfolio companies to have at least 30% of women on its Board of Directors), that it has environmental or social initiatives that remedy the impact of its line of business, that it has available public information relevant to ESG (Sustainability Reports, policies of protocols on environmental issues, Code of Ethics, etc.), and industry risks in the industry in which it operates.) and risks of the industry in which the issuer operates. With this list, we promote within the organization the implementation and greater participation in the Responsible Investment strategy. Furthermore, AXXIB developed the "ESG Platform" where issuers can access and answer the questionnaires requested by AXXIB and facilitate its work. In addition to ensuring data privacy and information that may become confidential from the companies, we collect the information resulting from the questionnaires to analyze it by company, by sector, and by type of asset. Besides, we carry out the registration of engagements and action plans of companies to improve their ESG score. This platform also allows us to share on time with our members of the Investment area the information that is relevant for decision making, awareness, or analysis.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases did ESG factors influence your portfolio construction?

(1) Passive equity

(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(3) Active – fundamental

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PRIVATE	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

Provide examples below:

- (A) Example 1: As part of Afore XXI Banorte's equity strategy, in 2021 we participated in the creation and later became investors in the iShares ESG MSCI Mexico ETF (ESGMEX). This fund is characterized by the sustainability criteria of the MSCI® methodology and encourages Mexican companies to adopt better environmental, social and corporate governance practices for their incorporation into similar vehicles in the future. Through analysis and comparisons of the ESG performance of the companies that would form this fund, AXXIB decided to become an investor.
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- (B) Example 2: 1
-

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) Other, please specify:
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?

	(1) Passive equity	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PRIVATE	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

Provide examples below:

(A) Example from your active listed equity:

Increase in Cost of Capital by increasing the risk premium. This, derived from the lack of clarity in the capital allocation strategy by the management team, which implied indebtedness and destruction of the company's value. The increase in the cost of capital implied a higher discount rate and a lower theoretical value (intrinsic value) of the company.

(B) Example from your passive listed equity:

Increase in Cost of Capital by increasing the risk premium. This, derived from the decision to issue capital without a value generation strategy, giving priority to increase the size of the company when the company's indebtedness was still very high; the management team was not focused on generating value for minority shareholders. The increase in the cost of capital implied a higher discount rate affecting the theoretical value (intrinsic value of the company)

Passive equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 10	N/A	PRIVATE	Passive equity	1

What percentage of your total passive listed equity assets utilise an ESG index or benchmark?

3.1%

Reporting/Disclosure

Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

	(1) for all of our listed equity assets subject to ESG screens	(2) for the majority of our listed equity assets subject to ESG screens	(3) for a minority of our listed equity assets subject to ESG screens	(4) for none of our assets subject to ESG screens
(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?

(1) Passive equity

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data 1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data 1) In all of our regular stakeholder reporting

(3) Active – fundamental

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data 1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data 1) In all of our regular stakeholder reporting

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation 1) In all of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

1) In all of our regular stakeholder reporting

Stewardship

Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

- (A) Yes, we have a publicly available (proxy) voting policy Add link(s):
https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_ejercicio.pdf
- (B) Yes, we have a (proxy) voting policy, but it is not publicly available
- (C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy

(4) 21–30%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

(A) Our policy includes voting guidelines on specific governance factors Describe:
https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_ejercicio.pdf

(B) Our policy includes voting guidelines on specific environmental factors Describe:
https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_ejercicio.pdf

(C) Our policy includes voting guidelines on specific social factors Describe:
https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_ejercicio.pdf

(D) Our policy is high-level and does not cover specific ESG factors Describe:

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 17	CORE	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

When you use external service providers to give voting recommendations, how do you ensure that those recommendations are consistent with your organisation's (proxy) voting policy?

(A) We review service providers' controversial and high-profile voting recommendations before voting is executed (1) in all cases

(B) Before voting is executed, we review service providers' voting recommendations where the application of our voting policy is unclear (1) in all cases

Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

- (A) We have a public policy to address voting in our securities lending programme. Add link(s):
- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme
- (E) Not applicable, we do not have a securities lending programme

Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

- (A) Yes, for >95% of (proxy) votes Link:
<https://www.xxi-banorte.com/asg>
- (B) Yes, for the majority of (proxy) votes Link:
- (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
- (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) **Within six months of the AGM/EGM**
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) **In cases where we voted against management recommendations or abstained, we did not communicate the rationale**
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) **In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly**
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23.1	CORE	LE 23	N/A	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly (5) >95%

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PRIVATE	Alignment & effectiveness	2

How are you contributing to the integrity of the end-to-end voting chain and confirmation process?

AXXIB, in accordance with our internal policies, in some cases assigns a third party to exercise the voting direction according to our instruction or decision, which are executed in accordance with Afore's internal guidelines, it is worth mentioning that it is the Investment Area's responsibility to analyze the corporate resolutions submitted to the consideration of the General Shareholders' Meeting and make a decision as to the direction of the vote in relation to such resolutions. According to our internal process, only the resolutions of the issuers' meetings that do not meet the materiality criteria (participation of more than 10% of the company's capital, materiality issues such as corporate governance structure, issues that impact the company's valuation) will be assigned to the external proxy to represent AXXIB. For more details, please visit: https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_ejercicio.pdf

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion	<input type="radio"/>	<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) SSA	(2) Corporate
(A) The investment process incorporates material governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon	<input type="checkbox"/>	<input type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations	<input type="checkbox"/>	<input type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input type="checkbox"/>	<input type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input type="checkbox"/>	<input type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

Last year (2020) the risk committee approved modifications to our internal credit risk metrics. These metrics are used to make an independent credit risk assessment of our fixed income positions. These credit risk metrics were enhanced to incorporate ESG factors. The ESG factors compute as a component of the overall independent credit risk metric for our fixed income positions, mainly SSA) The ESG metrics used to evaluate sovereign credit risk are based on the S&P ESG Risk Atlas. This tool provides a relative overview of ESG issues such as exposure to natural disasters, government, sectors such as Oil & Gas, Materials and Mining, Agribusiness, among others. In addition to this, different countries are evaluated in terms of the strength of their institutions, efforts made by the government to strengthen Corporate Governance, government soundness, regulatory framework and tax structure. This assessment encompasses the ESG factors considered and takes values in a range from 1 to 6; 1 is the highest score and 6 is the worst possible score.

The integration of the ESG assessment is integrated to the ECA under the following logic: if the ESG assessment of the rated sovereign entity is lower than that of Mexico at the time of its review, then it will be reduced by one level of Credit Quality relative to its initial level, otherwise it will not be penalized.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	(1) for all of our assets
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(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

(2) Corporate

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(2) Corporate

(A) We incorporate it into the forecast of cash flow, revenues and profitability

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (2) in the majority of cases

(2) Corporate

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (2) in the majority of cases

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PRIVATE	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your fixed income valuation or portfolio construction and describe how that affected the returns of those assets.

Example:

(A) Example from your active management strategies:

When making investment decisions on thematic bonds, Afore XXI Banorte analyzes the corresponding spread level according to the rating, format and term of the issue, which is compared against the issuer's curve or its peers, to determine the appropriate level for acquiring thematic bonds. Once the potential bonds to be acquired are selected, the ESG team together with the strategists review the minimum selection elements considered in the Responsible Investment Policy for Thematic Bonds and perform the internal evaluation of the bond's quality impact and disclosure of information, in which a score is obtained that will define if additional questions are asked to the issuer, in case it is considered as an investment proposal. Once the ESG team gives its analysis to the strategist the issue is presented to the Investment Committee along with the fundamental financial analysis.

This overall process ensures that the thematic bonds selected are aligned with the spread level analysis and our responsible investment policies

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process

(E) Other expressions of conviction, please specify below:

(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(1) SSA

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	PLUS	OO 10	N/A	PRIVATE	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active fixed income.

Please provide examples below:

(A) Example 1:

Adjustments are made to the weightings of companies, sectors, in our portfolio to mitigate ESG risk exposures and avoid breaching ESG risk limits and other risk limits. Afore XXI Banorte has a list of excluded sectors for Fixed Income, for which the following are to be considered as excluded sectors lists of potential investments to rule issuers, or specific securities, in or out of contention for investment, based on the Afore's preferences, values or ethics. If a company has a sector or activity excluded from our list, we begin the process of portfolio recomposition, divestment or non-investment as the process applies.

(B) Example 2:

Adjustments are made to the weightings of companies, countries, in our portfolio to mitigate ESG risk exposures and avoid breaching ESG risk limits and other risk limits. When the ESG analysis is performed, the main industry and country risks are identified, and if these risks are significant, they are contrasted with the general analysis and in certain cases, there is the possibility of not investing as the ESG risks identified could be significant. , particularly in the case of SSA assets

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(1) SSA	(2) Corporate
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input checked="" type="radio"/>

ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

	(1) SSA	(2) Corporate
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input type="checkbox"/>	<input type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input type="checkbox"/>	<input type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(B) We differentiate ESG risks by sector	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input type="checkbox"/>	<input type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews that incorporate ESG risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

(1) SSA

(2) Corporate

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate
(A) We take into account current risks	<input type="checkbox"/>	<input type="checkbox"/>
(B) We take into account medium-term risks	<input type="checkbox"/>	<input type="checkbox"/>
(C) We take into account long-term risks	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate
(A) We monitor long-term ESG trends for all of our assets	<input type="radio"/>	<input type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>

Examples of leading practice

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	PLUS	OO 10	N/A	PRIVATE	Examples of leading practice	1 to 6

Describe any leading responsible investment practices that you have adopted for some or all of your fixed income assets.

Description per fixed income asset type:

(A) SSA

For Sovereigns, Supranational and Agencies (SSA) fixed income securities we have a proprietary model to assess the credit risk at issuer level. This methodology allows us to estimate the probability of default of the issuer taking under consideration a given set of relevant variables. **(response continued in row below)**

Once the probabilities are estimated for every issuer these are classified by the level of its probability of default.

After this process is completed, an adjustment to the classifications is done by integrating an ESG evaluation at issuer level.

This ESG adjustment is executed by using a third-party ESG evaluation at issuer level. The evaluation takes under consideration, several variables, some of these are: (i) the strength of the institutions, (ii) undertaken efforts to promote corporate governance and (iii) the law enforcement.

As a result of this evaluation the adjustment to the initial classifications is as follows: for any given issuer with an ESG evaluation lower than the benchmark it will be downrated one notch from its original classification.

The evaluation is updated every two months and for any given issuer below the threshold no positions can be hold within the managed portfolios..

(B) Corporate

Through the integration of the ESG factors, we identify risks and opportunities for each type of industry and asset subject to investment, through a quantitative and qualitative model that analyses the commitment of companies to sustainable principles and their low incidence in controversies that mainly affect corporate governance and their reputation. The model uses a rating scale from AAA to CCC depending on the result of the evaluation of each of the issuers.

These commitments are based on the three fundamental pillars for a company to be sustainable in the long term: environmental, social development and corporate governance. **(response continued in row below)**

Within the analysis of these three factors, the following topics are considered: climate change, natural resources, pollution and waste, environmental opportunities, human capital, product liability or offered service, opposition to those interested in the company, social opportunities, government and corporate behaviour with this, we promote our fiduciary responsibility to incorporate the ESG factors into long-term investments and we also encourage greater disclosure of ESG information with the approach we have with the different assets that are the subject of investment, in addition to the above, the internal evaluation is complemented by the risk analysis of the company's management, industry risks and international industry trends..

Thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	PLUS	OO 6 FI	FI 18.1	PRIVATE	Thematic bonds	1

What proportion of your total thematic investments are labelled green bonds, social bonds and/or sustainability bonds by the issuers in accordance with the four ICMA Social/Green Bond Principles?

Proportion out of total thematic fixed income investments:

(A) Proportion of green/SDG bonds linked to environmental goals 64.0%

(B) Proportion of social/SDG bonds linked to social goals 0.0%

(C) Proportion of sustainability/SDG bonds (i.e. combination of green and social bonds linked to multiple SDG categories) 36.0%

(D) None of the above 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18.1	PLUS	FI 18	N/A	PRIVATE	Thematic bonds	3

What proportion of your social, green and/or sustainability labelled bonds has been subject to an independent review arranged by the issuer?

(A) Second-party opinion (5) >75%

(B) Third-party assurance (5) >75%

(C) Green bond rating (5) >75%

(D) Climate Bonds Certification according to the Climate Bonds Standard (3) 11–50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 19	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1

How do you determine which non-labelled thematic bonds to invest in?

- (A) By reviewing the bond's use of proceeds
- (B) By reviewing companies' ESG targets
- (C) By reviewing companies' progress towards achieving ESG targets
- (D) **We do not invest in non-labelled thematic bonds**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 20	CORE	OO 6 FI	N/A	PUBLIC	Thematic bonds	1, 2, 6

What action do you take in the majority of cases where proceeds of a thematic bond issuer are not allocated to the original plan?

- (A) **We engage with the issuer**
- (B) **We alert regulators**
- (C) **We alert thematic bond certification agencies**
- (D) We sell the security
- (E) We publicly disclose the breach
- (F) **We blacklist the issuer**
- (G) **Other action, please specify:**

we do not have an investment where the proceeds of a thematic bond is not allocated vs to the original plan, however, we have a special policy for thematic bonds which mentions the following:

When the issuers do not disburse the income of the bonds as described in the investment prospectus, in the first instance, we will contact the third-party assurance or initiative's Approved Verifiers that developed the Report Review, and after with the bond issuer. Research will be conducted on the causes, they will receive a call of attention and will have to justify the disbursements, in case of not attending the request they will not be considered for future reinvestments, the issuer shall be added to a blacklist, we will give notice, as well, to the thematic bond certification agencies. Our responsibility as the largest Afore in the country is to strengthen the reporting process for these issues as well as the thematic Bond Reference Frameworks in Mexico.

- (H) We do not take any specific actions when proceeds from bond issuers are not allocated in accordance with the original plan

Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_RentaFija.pdf

(1) for all of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

https://www.xxi-banorte.com/wp-content/uploads/2020/06/Politica_RentaFija.pdf

(1) for all of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(4) for none of our assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate	(4) Private debt
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22.1	PLUS	FI 22	N/A	PRIVATE	Engaging with issuers/borrowers	2

Describe your approach to engagement.

Engagement approach per fixed income asset type or general description for all your fixed income engagement:

(A) Description of engagement approach for all of our fixed income

The commitment with the companies consists of a constructive dialogue to discuss how they manage the business risks and opportunities associated with sustainability challenges to maximize the value of the investments. We use two approaches to make our commitment:

1. Commitment of value which seeks a proactive approach focused on the ability of companies to create value, concentrating long-term actions on the risks and opportunities that shareholders face.

In this case, an example of how we have done this engagement with companies that can issue debt is through our joining the Climate Action 100+ initiative in 2020. This is an investor-led initiative to ensure that the world's largest corporate emitters of greenhouse gases take the necessary actions to address climate change. **(response continued in row below)**

We are currently active participants in the working groups of two companies, mainly Cemex and Grupo Mexico. 2.

Corrective commitment which focuses on companies that severely violate the Principles of the United Nations Global Compact. This commitment results in the intention to exclude a company from the investment universe of Afore XXI Banorte by the Policy of Exclusion of Sectors and Activities approved by the investment committee.

This policy is designed to provide a commitment guide to any investment prospectus in which Afore XXI Banorte initiates or maintains a business relationship.

In general, our engagement policy considers

Individual/Internal staff engagements, Service provider engagements and Quality of transparency on ESG.

We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer and affecting the entire industry or region that the issuer belongs to..

(C) Description of engagement approach for our SSA fixed income

Afore XXI Banorte, we prioritize our engagement activity based on the following criteria: 1) Size of holdings: We select the largest holdings that pose the greatest potential risk to portfolio performance. 2) Credit quality of the issuer: We select those issuers with less balance sheet flexibility, because are typically less able to absorb an unexpected deterioration in their businesses due to material ESG risks. 3) Specific markets and/or sectors: In Afore XXI Banorte we seek engage over ESG issues that are most material for the specific market and/or sector therefore, we are based on frameworks such as the Engagement Guide for Asset Owners and Asset Managers from the Sustainability Accounting Standards Board (SASB) this guide allows us to focus engagement discussions on sustainability-related trends and uncertainties. 4) Specific ESG themes: We focus on issues that represent the greatest value at risk or potential impact across all issuers and sectors.

(D) Description of engagement approach for our corporate fixed income

The monitoring of investments in fixed-income assets is carried out only by AXXIB's internal personnel under the following framework - Exposure of the company to a high-risk materiality issue, - Involvement of the company in a sector or activity excluded by the Afore, or by the Afore, - Area of opportunity to carry out engagement activities with the company and with the company, - Alert from the external rating agency notifying changes in the weighting of any of the company's ESG factors. - Change in the disclosure indicator through Bloomberg. Afore XXI Banorte, we prioritize our engagement activity based on the following criteria: 1) Size of holdings: We select the largest holdings that pose the greatest potential risk to portfolio performance. **(response continued in row below)**

2) Credit quality of the issuer: We select those issuers with less balance sheet flexibility, because are typically less able to absorb an unexpected deterioration in their businesses due to material ESG risks. 3) Specific markets and/or sectors: In Afore XXI Banorte we seek to engage over ESG issues that are most material for the specific market and/or sector therefore, we are based on frameworks such as the Engagement Guide for Asset Owners and Asset Managers from the Sustainability Accounting Standards Board (SASB) this guide allows us to focus engagement discussions on sustainability-related trends and uncertainties. 4) Specific ESG themes: We focus on issues that represent the greatest value at risk or potential impact across all issuers and sectors. **(response continued in row below)**

Once the specific entities and sectors have been identified, the engagement options are presented to the Investment Committee to define which companies will be prioritized for engagement, as the strategies being used to address them. AXXIB believes that collaborative engagement with other investors is more successful. To efficiently integrate ESG data into traditional financial analysis, AXXIB along with several institutional investors expressed our consensus through the Consejo Consultivo de Finanzas Verdes (CCFV) to request listed companies to disclose their Environmental, Social and Corporate Governance (ESG) information in a standardized and consistent manner, considering the recommendations of the TCFD and the Sustainability Accounting Standards Board (SASB) standards..

(E) Description of engagement approach for our private debt fixed income N/A

Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media
- (I) NGOs, think tanks and academics
- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

Sustainability Outcomes (SO)

Set targets on sustainability outcomes

Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PRIVATE	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

- (A) Yes
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PRIVATE	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

Sustainability outcomes

(A) Sustainability Outcome #1	Buildings with environmental certifications
(B) Sustainability Outcome #2	Decrease of carbon emissions
(C) Sustainability Outcome #3	Decrease water consumption and water saving
(D) Sustainability Outcome #4	Women inclusion in board
(E) Sustainability Outcome #5	Strategies to asses climate-related risks
(F) Sustainability Outcome #6	Property insurances with climate events coverage

Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PRIVATE	Target-setting process	1

Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.

(A) Sustainability Outcome #1: (2) One target

(B) Sustainability Outcome #2: (2) One target

(C) Sustainability Outcome #3: (2) One target

(D) Sustainability Outcome #4: (2) One target

(E) Sustainability Outcome #5: (2) One target

(F) Sustainability Outcome #6: (2) One target

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PRIVATE	Target-setting process	1

For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.

	Target name	Target description
(A1) Sustainability Outcome #1: (Target 1)	Green buildings	Increase the number of issuers with projects or assets with green building certification

(B1) Sustainability Outcome #2: (Target 1)	Carbon Emissions	Monitor the major emitters with the highest carbon emissions. Increase disclosure practices among issuers on carbon emissions, reduction targets, strategies to reduce carbon emissions, etc.
(C1) Sustainability Outcome #3: (Target 1)	Water	Decrease water consumption of the portfolio
(D1) Sustainability Outcome #4: (Target 1)	Women Inclusion	Encourage broadcasters and administrators to reach 30% participation of women
(E1) Sustainability Outcome #5: (Target 1)	TCFD 1: Climate Strategy	Include the evaluation of risks derived from climate change and its opportunities
(F1) Sustainability Outcome #6: (Target 1)	TCFD 2: Climate Strategy	Encouraging managers to have insurance coverage for climate change damages
	KPIs/metrics	Target deadline: Year
(A1) Sustainability Outcome #1: (Target 1)	Number of issuers with projects or assets with green building certification	2030
(B1) Sustainability Outcome #2: (Target 1)	Tonnes of CO2 eq	2030
(C1) Sustainability Outcome #3: (Target 1)	m3	2030
(D1) Sustainability Outcome #4: (Target 1)	Percentage of women in Boards	2030
(E1) Sustainability Outcome #5: (Target 1)	Percentage of issuers that counts with a Climate Strategy	2030
(F1) Sustainability Outcome #6: (Target 1)	Percentage of asset under coverage	2030
Coverage: % of assets under management		

(A1) Sustainability Outcome #1: (Target 1)	3
(B1) Sustainability Outcome #2: (Target 1)	10
(C1) Sustainability Outcome #3: (Target 1)	4
(D1) Sustainability Outcome #4: (Target 1)	37
(E1) Sustainability Outcome #5: (Target 1)	8
(F1) Sustainability Outcome #6: (Target 1)	8

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PRIVATE	Target-setting process	1

Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.

Global goals/references

(A1) Sustainability Outcome #1: (Target 1)	SDG targets
(B1) Sustainability Outcome #2: (Target 1)	SDG targets
(C1) Sustainability Outcome #3: (Target 1)	SDG targets
(D1) Sustainability Outcome #4: (Target 1)	Women’s Empowerment Principles, 30% Club
(E1) Sustainability Outcome #5: (Target 1)	SDG targets
(F1) Sustainability Outcome #6: (Target 1)	SDG targets

Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PRIVATE	Tracking progress	1

Does your organisation track intermediate performance and progress against your sustainability outcomes targets?

(A1) Sustainability Outcome #1: (Target 1) (1) Yes

(B1) Sustainability Outcome #2: (Target 1) (1) Yes

(C1) Sustainability Outcome #3: (Target 1) (1) Yes

(D1) Sustainability Outcome #4: (Target 1) (1) Yes

(E1) Sustainability Outcome #5: (Target 1) (1) Yes

(F1) Sustainability Outcome #6: (Target 1) (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PRIVATE	Tracking progress	1

How does your organisation track intermediate performance and progress against your sustainability outcomes targets?

Please describe below:

(A1) Sustainability Outcome #1: (Target 1) Annually, we send our external managers and issuers a questionnaire on the compliance of sustainable goals for the real estate sector, where they report their progress in this goal.

(B1) Sustainability Outcome #2: (Target 1) Annually, we send our managers a sustainability indicators questionnaire where they report their most recent KPIs

(C1) Sustainability Outcome #3: (Target 1) Annually, we send our managers a sustainability indicators questionnaire where they report their most recent KPIs

(D1) Sustainability Outcome #4: (Target 1)

Annually, we send our managers a sustainability indicators questionnaire where they report their most recent KPIs

(E1) Sustainability Outcome #5: (Target 1)

Annually, we send our managers an ESG compliance questionnaire where they report the composition of their Board. We also use information from our ESG data provider.

(F1) Sustainability Outcome #6: (Target 1)

Annually, we send our managers a questionnaire on the compliance of sustainable goals for the real estate sector, where they report their progress in this goal. In addition to the ESG compliance questionnaire where they report their progress in TCFD.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.2	PLUS	SO 5	N/A	PRIVATE	Tracking progress	1

Describe any qualitative or quantitative progress achieved during the reporting year against your sustainability outcomes targets.

(2) Quantitative progress

(A1) Sustainability Outcome #1: (Target 1)

56% of our Real Estate portfolio has sustainable projects or buildings. Growth was 30% over the baseline.

(B1) Sustainability Outcome #2: (Target 1)

2020, 41% of the portfolio represents the 10 companies with the highest amount of carbon emissions.

(C1) Sustainability Outcome #3: (Target 1)

2020, that 40% of the internally selected stations have programs to reduce water consumption in specific operations.

(D1) Sustainability Outcome #4: (Target 1)

2020, Equity portfolio 14% 2020, 2020, Structured portfolios 18%.

(E1) Sustainability Outcome #5: (Target 1)

31% of our equity and structured portfolio has climate change strategies. Growth was 22% with respect to the baseline.

(F1) Sustainability Outcome #6: (Target 1)

48% of our equity, structured and fiber portfolios have some coverage against impairment. Growth was 22% over the baseline.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 3.1	SO 6.1	PRIVATE	Tracking progress	2

Despite your organisation's efforts to make progress on your sustainability outcomes, there may be stakeholders who have been negatively affected by your organisation's activities. For each of your sustainability outcomes, indicate whether your organisation ensures that stakeholders who have been negatively affected are able to seek an effective remedy.

(A) Sustainability Outcome #1: (2) No

(B) Sustainability Outcome #2: (1) Yes

(C) Sustainability Outcome #3: (1) Yes

(D) Sustainability Outcome #4: (2) No

(E) Sustainability Outcome #5: (2) No

(F) Sustainability Outcome #6: (2) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6.1	PLUS	SO 6	N/A	PRIVATE	Tracking progress	2

How does your organisation ensure that stakeholders negatively affected by your activities are able to seek an effective remedy?

Please describe below:

(B) Sustainability Outcome #2:

Our objective is to increase carbon disclosure practices among emitters, emission reduction targets, strategies to reduce carbon emissions, etc., in order to increase the number of companies that disclose information on carbon emissions.

(C) Sustainability Outcome #3:

We encourage issuers and managers to implement strategies to reduce water use in their production processes of goods and services and supply chain, as well as in wastewater discharge or water treatment alternatives. We seek to establish action plans with recommendations for engagement activities.

Investors’ individual and collective actions shape outcomes

Levers for shaping outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	SO 3.1	SO 7.1 - SO 22,	PRIVATE	Levers for shaping outcomes	1, 2, 5

Which levers did your organisation or service providers/external investment managers acting on your behalf use to make progress on your sustainability outcomes during the reporting year?

	(1) Individually	(2) With other investors or stakeholders
(A) Asset allocation	<input type="checkbox"/>	<input type="checkbox"/>
(B) Investee engagement including voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Systemic stewardship including policy engagement	<input type="checkbox"/>	<input type="checkbox"/>
(D) None of the above	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7.1	PLUS	SO 7	N/A	PRIVATE	Levers for shaping outcomes	1, 2, 5

Considering all the levers you indicated in the previous question, indicate the overall budget you allocated specifically to shaping sustainability outcomes in the reporting year. This indicator refers to the budget dedicated exclusively to shaping sustainability outcomes. Please refer to the Explanatory notes for detailed guidance to determine what to include in the budget figure.

(B) Investee engagement including voting US\$ 100,000.00

Investee engagement including voting

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 7	N/A	PRIVATE	Investee engagement including voting	2

During the reporting year, how did your organisation or service providers/external investment managers acting on your behalf engage with investees specifically to make progress on your sustainability outcomes? This indicator refers to the engagement activities dedicated exclusively to shaping sustainability outcomes.

(1) Sustainability Outcome #1:	(2) Sustainability Outcome #2:	(3) Sustainability Outcome #3:	(4) Sustainability Outcome #4:	(5) Sustainability Outcome #5:	(6) Sustainability Outcome #6:
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(A) At shareholder meetings, we voted in favour of all resolutions or proposals that advanced our sustainability outcomes and voted against all those that undermined them

<input type="checkbox"/>					
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(C) We used our positions on investee boards and board committees to advance our sustainability outcomes

(D) We negotiated with and monitored the stewardship actions of suppliers in the investment chain

(E) Where necessary, we resorted to litigation

(F) Other, please specify:

Workshops on our Climate Change Stance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 7	N/A	PRIVATE	Investee engagement including voting	2

What is your organisation's approach to engaging with investees as a means to make progress on your sustainability outcomes? Please discuss the reasons why you have chosen any specific engagement tools to make progress on each of your sustainability outcomes. Please also explain how you combine different engagement tools to advance each sustainability outcome.

Please describe below:

(A) Sustainability Outcome #1:

Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through our ESG Platform, meetings, workshops and during the monitoring process with investees

(B) Sustainability Outcome #2: Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through or ESG Platform, meetings, workshops and during the monitoring process with investees

(C) Sustainability Outcome #3: Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through or ESG Platform, meetings, workshops and during the monitoring process with investees

(D) Sustainability Outcome #4: Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through or ESG Platform, meetings, workshops and during the monitoring process with investees

(E) Sustainability Outcome #5: Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through or ESG Platform, meetings, workshops and during the monitoring process with investees

(F) Sustainability Outcome #6: Our engagement objective is to encourage our investments to adopt best practices in the integration of ESG factors and, in the case of our sustainability outcomes strategy, to align issuers and external managers with our efforts towards international goals such as the SDGs or the Paris Agreement. We carry out engagements through or ESG Platform, meetings, workshops and during the monitoring process with investees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 7	N/A	PRIVATE	Investee engagement including voting	2

Please provide at least one example of how your organisation's individual engagement with investees, either directly or via service providers/external investment managers acting on your behalf, helped make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

Example 1

(A) Sustainability Outcome #1:

We engage with the managers of real estate instruments to present our sustainable goals and period of compliance. This meeting is convened annually by our CIO and has the purpose of communicating and committing the managers to the tangible results of these goals.

(B) Sustainability Outcome #2:

Through our reporting requirements, we encourage issuers and external managers to measure and disclose information about energy consumption, carbon emission reduction targets, carbon intensity, alternative energy sources to reduce energy consumption from fossil fuel sources, etc. This allows us to monitor and calculate the carbon footprint of the portfolio as well as to conduct engagement activities with those issuers or managers that decrease their carbon emissions year after year.

(C) Sustainability Outcome #3:

Through our reporting requirements, we encourage issuers and managers to measure and disclose information about water consumption, water use reduction targets, water intensity, alternative water sources and treatment, etc. We also seek to monitor those issuers and managers with exposure to high water stress sectors and develop action plans to reduce the risks associated with the industry.

(D) Sustainability Outcome #4:

Through our reporting requirements, we encourage to issuers and managers, to disclose information about the composition of the Board of Directors, percentages of women's participation in management positions and in the workforce, as well as gender equity or diversity guidelines or policies. In the development of action plans with issuers and managers, we have promoted the inclusion of women on the Boards of Directors and that their participation is at least 30%.

(E) Sustainability Outcome #5: We engage with the managers of real estate instruments to present our sustainable goals and period of compliance. This meeting is convened annually by our CIO and has the purpose of communicating and committing the managers to the tangible results of these goals.

(F) Sustainability Outcome #6: We engage with the managers of real estate instruments to present our sustainable goals and period of compliance. This meeting is convened annually by our CIO and has the purpose of communicating and committing the managers to the tangible results of these goals.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 14	PLUS	SO 7	N/A	PRIVATE	Investee engagement including voting	2, 5

During the reporting year, in which collaborative initiatives focused on engaging with investees did your organisation or service providers/external investment managers acting on your behalf participate to make progress on your sustainability outcomes?

Please describe below:

(A) Sustainability Outcome #1: Green Finance Advisory Council (CCFV for its acronym in English)

(B) Sustainability Outcome #2: Climate Action 100+

(C) Sustainability Outcome #3: This engagement activity did not take place collectively during the reporting year.

(D) Sustainability Outcome #4: 30% Club; Chapter Mexico

(E) Sustainability Outcome #5: Green Finance Advisory Council (CCFV for its acronym in English)

(F) Sustainability Outcome #6: Green Finance Advisory Council (CCFV for its acronym in English)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 15	PLUS	SO 7	N/A	PRIVATE	Investee engagement including voting	2

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

- (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16	PLUS	SO 7	SO 16.1	PRIVATE	Investee engagement including voting	2

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes?

- | | |
|---|----------------------------|
| (A) By leading coordination efforts | (3) in a minority of cases |
| (B) By providing financial support | (4) in no cases |
| (C) By providing pro bono advice | (4) in no cases |
| (D) By providing pro bono research | (3) in a minority of cases |
| (E) By providing pro bono training | (4) in no cases |
| (F) By providing administrative support | (4) in no cases |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 16.1	PLUS	SO 16	N/A	PRIVATE	Investee engagement including voting	2

Please provide details of how you contributed to collaborative initiatives to engage with investees in order to make progress on your sustainability outcomes.

Provide describe below:

(A) By leading coordination efforts

ccfv, ca, subcomité coordinar esfuerzos

(D) By providing pro bono research

We were invited by CFA Institute to develop a case study to educate investors on what climate change and its economic impacts are, best practices in analysis and where to find information to integrate climate change into the investment process.

Global stakeholders collaborate to achieve outcomes

Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PRIVATE	Tracking progress against global goals	4

Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?

(A) Yes. Please describe:

We are aligned with the TCFD framework, Climate Action 100+ and the sub-committee of Responsible Investment of the Mexican Association of Afores, which promote achieving global objectives and including them in our investment processes.

(B) No. Please describe why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PRIVATE	Tracking progress against global goals	4

Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?

(A) Yes. Please describe:

We are aligned with the TCFD framework, Climate Action 100+ and the Sub Committee of Responsible Investment of the Mexican Association of Afores, which promote achieving global objectives and including them in our investment processes.

(B) No. Please describe why not: