



GRUPO ELEKTRA

OPORTUNITY DRIVER

SUSTAINABILITY REPORT 2020

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Reading this Report

At Grupo Elektra we are committed to transparency towards all our stakeholders. Since 2012, we have been reporting our social, environmental, and economic (ESG) performance.

GRI 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-54, 102-56

In this report we continue to use the Standards of Global Reporting Initiative (GRI) and its industry supplement for the financial sector. This year, we have added the Standards of Sustainability Accounting Standards Board (SASB), for the financial industry, consumer goods, and transportation sectors in which we operate.

The information to be reported has been determined thanks to the materiality study update at a consolidated level and for each company: Banco Azteca, Tiendas Elektra, and Italika. Thus, we seek to respond to the expectations of the different stakeholders under the present context of COVID-19, in addition to considering the strategic vision of the business.

For more information on the materiality process and resulting issues: please refer to the Annex.

We collect the information in accordance with the relevant measurement techniques and standards in each case, with the participation of the teams from the different companies of the Group, led by the Sustainability area of Grupo Salinas.

For the second year we will be verifying this report with an external specialist.



How to identify the content:

- At the beginning of each section: reference to the contents of the GRI Standards and the metrics of the SASB Standards.
- Specific indexes in the Annex section of this report: GRI, SASB, and SDGs, as well as the 10 Global Compact Principles.

Key report highlights:

- It has been developed with the Exhaustive compliance option of the **Global Reporting Initiative (GRI)**, reference methodology for the communication of extra-financial performance. Additionally, we used the GRI Industry Supplement for Financial Services in response to Banco Azteca's results.
- We report the standards of **Sustainability Accounting Standards Board (SASB)**, for the following industries:
 - Financial Industry for Banco Azteca: *Commercial Banks; Consumer Finance; Asset Management & Custody Activities, Insurance*
 - Consumer Goods Industry for Tiendas Elektra: *E-Commerce; Multiline and Specialty Retailers Distributors*
 - Transportation Industry for Italika: *Automobiles*
- The methodology responds to the requirements for relevant information for investors on ESG aspects that affect the financial stability of the company.
- We continue to report on our contribution to the **Sustainable Development Goals (SDGs)**, global roadmap proposed by the UN to address major societal challenges.
- As subscribers to the **Global Compact**, as part of Grupo Salinas, we communicate our progress and ratify our commitment to its **10 Principles**.





COVID Response

For Grupo Elektra, 2020 was full of challenges due to the COVID-19 pandemic. Our goal was to maintain operations and service for customers while safeguarding their health and the health of our employees.

GRI 102-15



The transformation we've been preparing to leverage digital channels has made it easier to continue reaching our customers, since it is available at all times. Technology in internal processes also facilitated teleworking and team management in a digital and/or hybrid mode, based on the evolution of the health emergency. Convinced we are on the right path; we continue to invest to lead the evolution.

Grupo Salinas was recognized among the 30 companies with the greatest commitment during the pandemic, achieving number 27 in the Merco Index as a result of the efforts of the companies that belong to the Group.

Here below are the main actions and initiatives developed during the year.

Customers

We focus primarily on service continuity and customer experience, through omnichannel. Likewise, we provide financial support to our customers facing difficulties.

Financial support

- At Banco Azteca, we developed credit alternatives for thousands of families whose cash flow was affected, allowing them to finance or acquire durable products with a flexible payment plan. This allowed our clients and every member of their family to equip their homes and be able to work and study from home.





- We developed the “Aguántame más” and “Aguántame más” plans¹, consisting of giving deferred payment to customers affected by COVID-19, as well as to customers in geographical areas affected by natural disasters.
- Special attention was given to clients belonging to vulnerable groups, such as the elderly or those with health risks.
- In order to guarantee the transfers, we offered reinforced support through Línea Azteca and the Bank’s portal in each country.
- We developed the “Empresario Azteca” product to reactivate the economy and the survival of micro-businesses, benefiting more than 100,000 entrepreneurs with a portfolio of \$484 million pesos.
- A total of 23,436 COVID insurance policies were granted through the APP’s instant gifts. In the case of Afore Azteca, there was an increase in withdrawals due to unemployment, which is why we sought to streamline procedures and efficiently comply with the additional demand.
- Withdrawals in Afore Azteca due to unemployment and marriage increased 71.6% compared to 2019 due to COVID-19.
- As for Presta Prenda, we offered support and promotional products: Pay in 3 months, unlimit-

¹ Exclusive support programs for clients without late payments, allowing them to defer their loan payments for a period of four to eight weeks.

ed renewals, discount on late payments, discounts for those over 5 years.

- 90 branches carried out preventive closures or shortened opening hours as required by the authorities, with bonuses of \$2,572,634 pesos for those customers who were unable to make their credit installment on time.

Biosecurity

- At all Elektra’ stores and branches of Banco Azteca we implemented biosecurity protocols pursuant to the legal provisions and international best practices.
- They included the following measures to protect their customers and employees from exposure to COVID-19:
 - Mandatory use of face mask
 - 30% limit on total occupancy in branches
 - Disinfecting customers’ hands before entering the branch
 - Each branch promotes social distancing by requiring 1.5 meters between staff and customer, and between customers
 - Sanitation of shoes upon entering branches or corporate facilities
 - Body Temperature Measurement
 - Frequent cleaning and disinfection of high-touch surfaces
 - Creation of customer service protocols.
 - Supply of sanitizing and cleaning supplies.
 - Welcoming authority visits for review of preventive protocols.

- Operations management based on traffic light of each entity

Technological Innovation

- We strengthened our digital strategy for both Banco Azteca and Tiendas Elektra, ensuring accessibility to our products and services during contingency periods.
- For Tiendas Elektra, we have enhanced the e-commerce platform, bringing products in a timely manner to the homes of thousands of families.
- For Banco Azteca, the offer of digital services and products has helped our customers to carry out procedures such as checking balances, withdrawing funds, opening accounts, among others.

Medical Coverage

- Seguros Azteca designed the “COVID-19 Protection” insurance, which has a coverage of MXN\$10,000 in case of natural or accidental death, and also grants MXN\$500 pesos per day for hospitalization due to COVID-19 for up to 10 days.
 - Amount of policies in force: 18,670
- In addition, COVID-19 coverage was added to the “Vida Tranquilidad” and “Plan Médico” 8 products; both products are optional.
 - Amount of policies in force: 47,187

Employees

- The health of our employees has been and will continue being our priority. At Grupo Salinas, a Health Committee was created, focused on resolving and permanently analyzing the situation of employees in order to be able to take appropriate measures. This committee is made up by the heads of Human Capital, Welfare, Civil Protection teams, and a medical team. In addition, with the implementation of NOM-030-STPS in the Corporations, the Joint Commission for Safety and Hygiene was formed.
- We implemented the following health and safety initiatives for our employees:

Preventive measures

- We developed and applied strict biosecurity protocols in corporate and branch offices, as well as provided our more than 69 thousand employees with protective equipment such as mouth covers, masks and antibacterial gel.
- Strategic alliances were made with laboratories and hospitals to facilitate PCR and serological tests, both for employees and their families.
- In addition, Grupo Salinas implemented a permanent communication campaign for all companies and teams so that employees would have reliable information about the pandemic. Among the information documents and awareness-raising we can highlight the following:
 - Communication for employees in vulnerable conditions
 - Preventive Measures (Corporate)
 - “COVID-19 Guidelines” course. It covered the following topics: hand washing, psychological care committee, correct use of cleaning products, support of brigade members to supervise preventive measures. We trained 1,908 people, with a duration of the different sessions and groups of 29 hours.
 - COVID- 19 informative microsite
 - Frequently asked questions
 - Face Mask Recommended Use

Safeguarding Welfare

- We created the medical tool Salud GS, in order to offer 24/7 medical and psychological care to all our employees.
- Through “Socio Único”, we identified and followed up on vulnerable employees facing COVID 19; it gave a projection of: confirmed, recovered and deceased cases, in addition to identifying the dates of maximum contagion. Socio Único is the set of tools, surveys and censuses that allow us to monitor the state of the workforce; it includes Happy Index, Star Leader and Tell Me More Census.
- The “Conecta GPS” program was implemented, a new approach that allows work to be done with greater flexibility, agility and freedom to decide where, when and how to work without losing focus on results. It is worth noting that 2,420 employees currently work from home or have a staggered schedule at corporate sites.
- On the other hand, we implemented the “Aprende de los mejores” program, consisting of a series of talks on various topics, such as health, exercise, art, innovation, motivation, breastfeeding, among others. They are given via zoom and have the purpose of maintaining the balance and motivation of employees.
- Investment in digital and remote collaborative work tools for virtual meetings
 - 4,130 users with Zoom corporate license
 - 233 thousand meetings
 - 1 million 803 thousand attendees
 - 167 thousand hours in virtual meetings
 - 8 attendees on average per meeting



Letter to our readers

The year 2020 was full of global challenges, as a consequence of the pandemic caused by COVID-19. For Grupo Elektra, the objective was to promote operations and customer service, while safeguarding their health and that of our employees. With the continuity of our operation, accelerating the technological transformation that was already a strength of the Group, we seek to continue generating opportunities for suppliers, especially local SMEs, and value for our investors.

GRI 102-14, 102-15

In this way and aligned with our firm purpose of promoting inclusive prosperity through the solid creation of economic, social and environmental value, we continue to contribute to the well-being and progress of millions of families in Mexico, the United States and Central America.

We generate broad economic value by offering world-class merchandise and cutting-edge financial services, through both physical and digital channels, highlighting the growth of the latter. Through this we attend to the different needs of our clients.

In addition to this, the social value that we create at Grupo Elektra is also evident through our more than 70,000 employees, with increasing levels of job satisfaction and well-being.

From the company, we also decisively promote actions to improve the conditions of society, supporting programs such as Plantel Azteca, which provided secondary and high school education of technical excellence to more than 2,908 low-income students with outstanding academic performance, fully funded. It also highlights our contribution to the Caminos de la Libertad and Kybernus initiatives, which strengthen freedoms while seeking to create environments conducive to development and a better future.

Concerning environmental value, the company contributes with Un Nuevo Bosque—which in 17 years has allowed the planting of 7 million trees. Addi-

tionally, we promote the rational use of natural resources in our value chain and we use environmentally friendly energy. The company's renewable energy consumption currently represents 35% of the total required, and it is gradually seeking to increase this proportion.

We are convinced that Grupo Elektra is even more successful when aligned with the needs of the communities in which it operates. With this firm conviction, we seek to further boost the dynamism of our activities in the coming years and increasingly contribute to the well-being of millions of families, as well as to the protection of the environment.

We have established work priorities through specific sustainability strategies of each business, under our shared understanding of inclusive prosperity. In this manner, we attend to the material issues of the financial and commercial business.

The information presented in this Sustainability Report also reflects our commitment and goals with the 10 principles of the United Nations Global Compact, to which we are committed as part of Grupo Salinas, as well as with the 17 Sustainable Development Goals.

We appreciate the trust of our stakeholders in such a complex year, and we will continue working together for inclusive development that protects the environment.



Main numbers

(GRI 102-7)

Grupo Elektra

- **+ 7 thousand points** of contact
- **Presence in 6 countries:** Mexico, Guatemala, Honduras, Panama, Peru and the United States
- **+71 thousand** employees
- **40% of women** in the workforce
- **Investment** of more than \$ 35 million 800 thousand MXN in training and development programs
- **94%** of local supply

Tiendas Elektra

- **+ 1,200 contact points** in Mexico and LATAM
- **Sales increase** to 52,254 million pesos (+21%)
- **46% growth** in e-commerce
- **Together with Banco Azteca,** we granted MXN\$1,783 million in consumer financing of eco-efficient products from Tiendas Elektra.

Italika

- **Number 1** motorcycle brand in Mexico, 60% market share.
- **Increase in sales by 18%**
- **Launch of the Voltium line** of electric motorcycles.
- **Reach more than 4,700** people at road safety events

Banco Azteca

- **1,880 branches,** Mexico's largest network
- **20 million customers** in Mexico and 1.5 million in Latin America
- **+ 11.9 million** digital customers
- **+60 million** customers and users trained in financial education.
- **No.1** in personal loans (\$41,244 million pesos).



About us

At Grupo Elektra we offer financial services and specialized commerce through a group of leading companies in the market. We serve different needs, committed to quality and access, improving the living conditions of our customers.

GRI 102-1, 102-2, 102-4, 102-6, 102-7, FS6, FS13

We are part of **Grupo Salinas**, composed by different types of companies and created by entrepreneur Ricardo B. Salinas; it serves as a forum for management development and decision-making for the leaders of the companies that comprise it.

Grupo Salinas' strength has allowed Grupo Elektra and our companies to continue operating in the context of the difficulties caused by COVID, meeting the needs of our customers and being committed to our employees and suppliers. We maintained the solvency, liquidity, and supply capacity of each of Grupo Elektra's businesses.

Returning to the structure of Grupo Elektra, we establish synergies between the financial and commercial platform, highlighting credit possibilities. The businesses are detailed below:



ELEKTRA GROUP BUSINESS SEGMENTS

FINANCIAL	COMMERCIAL
<p>We bring financial services and products closer to those who are underserved by traditional banking. We offer the broadest geographical coverage in Mexico.</p> <p>Furthermore, we are the largest provider of short-term non-bank loans in the United States.</p> <p>It is comprised by:</p> <ul style="list-style-type: none"> Banco Azteca Seguros Azteca, Afore Azteca Punto Casa de Bolsa Purpose Financial 	<p>We serve millions of families in Mexico and Latin America by providing them with access to quality products and services that meet their needs. It includes our extensive network of stores and online sales, including home appliances, white goods, furniture, and computers, among others.</p> <p>We also facilitate mobility by offering motorcycles at affordable conditions.</p> <p>It is comprised by:</p> <ul style="list-style-type: none"> Tiendas Elektra Salinas y Rocha Italika

Discover more at grupoelektra.com.mx





Products and services

GRI 102-2, 102-6

We offer a wide range of products and services, in the financial and commercial segments, developed to meet the needs of our customers.

Below is a breakdown of the portfolio by business segment and company:

	COMPANY	PRODUCTS AND SERVICES		COMPANY	PRODUCTS AND SERVICES
COMMERCIAL BUSINESS	Tiendas Elektra	<ul style="list-style-type: none"> •Electronics •Appliances •Furniture •Automotive and hardware •Telephony •Computers •Mattresses •Entertainment •Money transfers •Extended guarantees 	FINANCIAL BUSINESS	Banco Azteca	<p>Company:</p> <ul style="list-style-type: none"> •Corporate loans •Company Account •Corporate Debit Card •Inter bank and International Transfers •Azteca Corporate Payroll •Payment to Third Parties •Referenced deposits •Card payment acceptance
	Salinas y Rocha	<ul style="list-style-type: none"> •Air time •E-Commerce 		Seguros Azteca (Insurance)	<ul style="list-style-type: none"> •Life and accident insurance: Vida-max, Accident and Migrant •Medical Insurance: COVID-19, Women and Heart Attack, Auto Insurance: Italika, Standardized basic and Cars.
	Italika	<ul style="list-style-type: none"> •Motorcycles •Accessories •Service 		Afore Azteca	<ul style="list-style-type: none"> •Retirement fund administrators
FINANCIAL BUSINESS	Banco Azteca	<p>People:</p> <ul style="list-style-type: none"> •Credits •Cards •Accounts •Investment •Money orders and transfers •Payments •Currencies •Mi Plata en Bóveda (My Money in Vault) •Correspondents •Digital savings and checks 		Presta Prenda (Loan Pledge)	<ul style="list-style-type: none"> •Loans secured by pledged gold and silver collateral
				Punto Casa de Bolsa (Brokerage)	<ul style="list-style-type: none"> •Promotion to individuals •Promotion to institutions •Investment Banking: Stock Certificates, Private Equity, and Financial Transactions
				Purpose Financial	<ul style="list-style-type: none"> •Short-term loans •Long-term loans •Unsecured loans •Credit Facilities

Banco Azteca Credit Portfolio

SASB FN-CB-000.A, FN-CB-000.B

Among our main contributions to social development is the provision of credit to individuals, facilitating access to underserved segments of the population, so that they can address their personal and professional projects. Thus, we improve the quality of life of families.

We provide complete information on the conditions of the products and support them to make use of them in the most beneficial conditions; it is completed with our financial education program.

The synergies between the financial and commercial business allow the population to have access to different products for their homes, mobility, etc.

During 2020, Banco Azteca grew 10% of the credit balance with respect to 2019, closing at 103,529 MDP.

Credit Portfolio

CREDIT PORTFOLIO		
YEARS	BAZ (MDP)	MARKET PARTICIPATION %
2018	80,436	1.53%
2019	93,253	1.73%
2020	103,529	1.95%

Nota: Cartera total de Banco Azteca

Portfolio breakdown

BAZ CREDIT PORTFOLIO (%)			
YEARS	COMMERCIAL	CONSUMPTION	HOUSING
2018	41%	58%	0.3%
2019	44%	56%	0.3%
2020	37%	62%	0.3%

Note: In 2020 microcredits to small businesses and entrepreneurs financing represented 4%



Presence

GRI 102-4, 102-10

Our successful business model, articulated in the financial and commercial segments, is present in different countries in the Americas. We have operations in Mexico, Guatemala, Honduras, Panama, Peru, and the United States, with more than 7 thousand points of contact through our Elektra, Salinas y Rocha stores, Banco Azteca, and Purpose Financial branches.



Note: During 2020 the sale of Banco Azteca del Peru takes place.





Inclusive Prosperity Sustainability Model

Introduction

Our business and operating model give life to Grupo Salinas' own purpose of inclusive prosperity. It is based on contributing to the development of the communities in which we operate and the quality of life of the people, respecting the environment, with profitable, inclusive and commercially successful solutions.

GRI 102-20, 102-26

During 2020, we worked on translating this purpose to the particularities of our businesses, considering the critical ESG issues resulting from the updated materiality analysis.

We developed the sustainability model for each of our companies, with the work priorities for the coming years². For Grupo Elektra, we propose an integrative model, which considers the particularities of each business (e.g. financial inclusion, road safety education) and the issues that are handled corporately (e.g. governance, social action).

Each area of the Model is made up of action lines that incorporate initiatives on which the different teams and companies are already working, and

² See details in the Sustainability Models Annex

INCLUSIVE PROSPERITY

Incorporates economic, environmental and social value

Economic

By managing the business and offering world-class goods and services at affordable conditions, together with creation of employment with the best labor practices.

Environmental

As part of our purpose, we seek to mitigate the environmental footprint of our customers, suppliers and Grupo Elektra operations through the implementation of green initiatives, products and credits.

Social

We contribute to the development of communities through the promotion of inclusion, financial education, progress for entrepreneurs, as well as the consolidation of links with society.

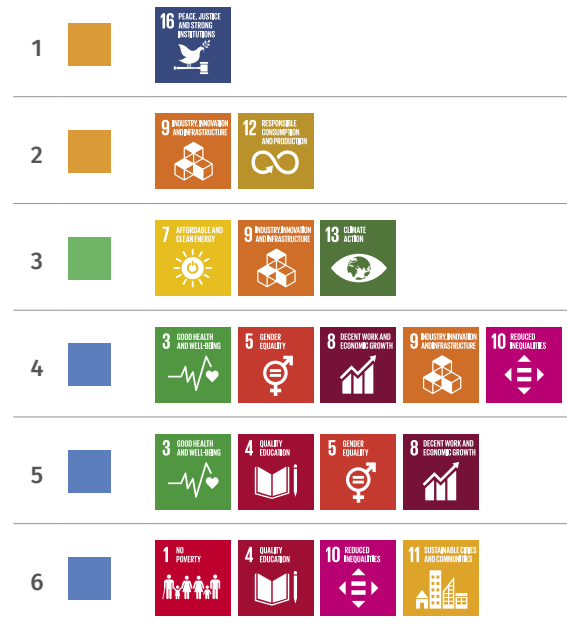
that will be adding new programs and actions to be incorporated in the coming years.

Therefore, we continue moving forward towards our commitment to the different stakeholders, maximizing our positive impacts and mitigating negative ones, seeking prosperity for all.

The Social Responsibility Committee of Grupo Elektra is responsible for monitoring and establishing the lines of action to be followed for each of the companies that make up the group.



Sustainability Model



Stakeholders

- CUSTOMERS
- AUTHORITIES
- EMPLOYEES
- COMPETITORS
- SUPPLIERS
- COMMUNITY
- INVESTORS

Action lines per area

1.1 Robust CG	3.2 Industrial operation efficiency	4.4 Road safety
1.2 Compliance management	3.3 Mobility: climate change	4.5 Customer accessibility (commercial)
1.3 Ethics and transparency	3.4 Circularity in commercial activity	4.6 Responsible consumption (commercial)
2.1 Industrial supply	4.1 Financial inclusion and development	5.1 Diversity and development
2.2 Commercial supply	4.2 Financial education and insurance culture	5.2 Safety, health and well-being
3.1 Climate transition in financial activity	4.3 Mobility: social development	6.1 Social investment and partnerships

Sustainable Financing

Our financial business seeks to provide adequate solutions for the savings and financing of an important part of the population in the region, neglected by traditional banking. We combine an extensive network of locations with access via digital channels. We also made progress in developing a culture of prevention and foresight, with our insurance and afore subsidiaries.

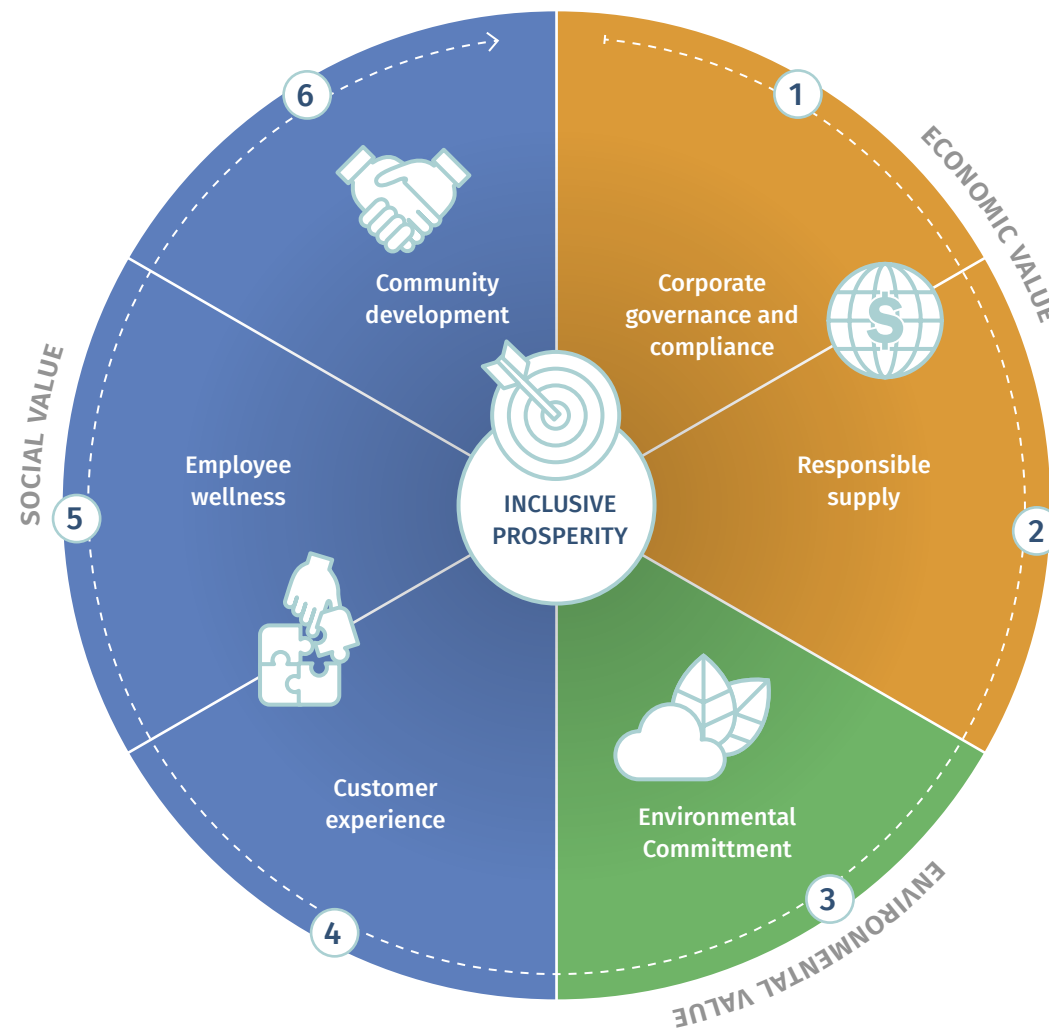
We understand that our activity is key to social development and environmental protection, including the transition to a low-carbon economy, and we are making progress in delivering a responsible banking strategy, which is based on our products and services, the incorporation of technology, the commitment of our employees and our clients' trust.

It is developed as part of Banco Azteca's Sustainability Model, as well as the Group's own Model.

Banco Azteca integrates more than 20 million customers into the formal financial system, most of them are part of the population neglected by traditional banking through products and services of simple use, offered digitally and in 1,880 branches within 793 municipalities, of which, in 150 we are the only financial institution.

Banco Azteca's digital strategy is essential to reach all households and continue to grow sustainably and profitably, with more than 11.9 million digital customers in 2020.

There were 1,577 million transactions made by Banco Azteca users from cell phones, while face-to-face transactions were 502 million, **with the migration to digital transactions was achieved in 2020**. We avoid the issuance of 709,650 tCO₂e by our customers.





Therefore, we have the following strategic lines:

SAVINGS PRODUCTS

Deposit and saving products	“Guardadito” is a savings account with which customers can have their money whenever they need it. No commissions for account management, or minimum balances needed.	13 million accounts that captured 47,664 million pesos
Inclusive credit	Easy and accessible solutions and credit granting: <ul style="list-style-type: none"> • Microcredit • My Azteca Business • Azteca Entrepreneur 	280 thousand beneficiaries of loans to entrepreneurs and owners of micro-businesses, \$ 3,321 million pesos from the loan portfolio. More than 100,000 beneficiaries My business Azteca, \$ 484 million of the loan portfolio. 3,000 beneficiaries , Entrepreneur Azteca, \$ 133 million from the loan portfolio.
Environmental criteria credit	Investment in green projects: development of renewable energies, energy efficiency. Consumer credit for products with energy efficiency standards. Green mobility: consumer credit for the purchase of bicycles and/or electric motorcycles (Voltium, by Italika).	\$ 2,750 million pesos of green loan portfolio (Banco Azteca) 5% of the loan portfolio is green (Banco Azteca) \$ 1,783 million pesos in consumer credit for eco-efficient products
Technology for access to financial services	Banco Azteca’s digital strategy, through online banking and the mobile app.	11.9 million active digital customers
Financial Education	Through the Learn and Grow Program, we promote financial education for society and our groups of influence.	60 million people benefited by the program

Commitments

Sustainable development

(102-12)

Grupo Salinas is committed to the main initiatives in favor of sustainability at a national and inter-

national level, to move forward with the business sector and other agents of change in addressing social and environmental challenges. It is strongly committed with the United Nations Global Agreement in application of its principles, regarding labor practices, human rights, environment and anti-corruption.

At Grupo Elektra we work to make progress in the implementation of these principles, with programs that guarantee respect for human rights, digital and financial inclusion, efficient use of resources and development of our employees, aspects that define our business model and strategy.

We also contribute to the achievement of the Sustainable Development Goals (SDGs), proposed by the United Nations to address the major challenges faced by society. Through our activities in the different companies of the Group, we have a strategic contribution mainly hinged around the products and services we provide.

Elektra Group Companies	Priority SDGs
Tiendas Elektra	1, 8, 10
Italika	11, 12, 13
Banco Azteca	1, 4, 8, 10

See Annex: Contribution to the Sustainable Development Goals (SDG). (page 86)

Also noteworthy is the activity of Fundación Azteca, the main social pillar of Grupo Salinas, through different alliances focused on improving the life conditions of present and future generations, especially through education.

See the Community Chapter. (page 65)

Human rights

GRI 412-1, 412-2,

We believe in respecting human rights, in our operations and through our relationships with our different stakeholders, including the value chain. We observe the UN Guiding Principles on Business, Human Rights and the OECD Guidelines for Multinational Enterprises.

We implement due diligence, having identified the main risks and working on prevention thereof. Our self-regulation particularly stands out, with strict guidelines, including the Code of Ethics and Conduct and the Human Rights Policy; all of them shall be observed and applied not only by managers and employees, but also by our suppliers, partners, commercial allies and contractors.

Likewise, we work on organizational culture, and train our employees to value diversity, respect and ethical guidelines.

It is worth mentioning that in order to identify that suppliers comply with these principles, they are evaluated through the Supplier Circle Certification process, which takes into consideration labor criteria and other social aspects (work environment, employee training, etc.).

We do not tolerate any conduct that violates the dignity and quality of life of our employees and people related to and/or involved in our activity. Child labor, forced labor, human trafficking, labor harassment, sexual exploitation, and discrimination are strictly prohibited.





2020 RECOGNITIONS

- Grupo Salinas is among the **Best companies to work in Mexico 2020 from OCC**.
- **MERCO recognizes the companies with the greatest commitment and social responsibility** during the pandemic, in which Grupo Salinas obtained the 27th position
- According to Universum Grupo Salinas is one of **“The companies where young Mexicans want to work in 2020”**.
- Grupo Salinas Centroamérica occupies the 15th position in the region within **“The Best Places to Work in Central America 2020”**.

- Grupo Elektra was recognized by Expansión magazine in the list of the **100 most responsible companies** (Place 43)
- Grupo Elektra obtained the **7th place in the ranking of the most important employer companies** in Mexico, by the magazine Mundo Ejecutivo
- **The Alliance for the Private Sector for Disaster Resilient Societies** (ARISE) recognizes Grupo Salinas for its campaign “The 12 steps to know what to do in an emergency”.
- For the second consecutive year, **Tiendas Elektra** has been recognized as one of the **best companies to work in Mexico**. In 2020 Tiendas Elektra is in the #14 place in the ranking within the category of companies with more than 5,000 employees.
- In 2020, **Italika obtained for the 6th year the distinction of Socially Responsible Company**, while Banco Azteca and Tiendas Elektra obtained it for the 4th consecutive year. In addition, it was the first

- year that Tiendas Elektra, Italika and Banco Azteca obtained the Social Inclusion Badge awarded by the Mexican Center for Philanthropy (CEMEFI).
- **Banco Azteca is the only financial institution rated with 5 stars** in the Financial Institutions Bureau of CONDUSEF, in terms of financial education.
- According to App Annie, one of the applications that has grown the most in the national market is Banco Azteca. **It is the app that leads the top 10 of the best evaluated finance apps in Mexico**.
- Banco Azteca occupies the sixth position among the financial institutions with the **best Corporate Responsibility and Governance in Mexico**, according to the ranking prepared by Merco (Corporate Reputation Business Monitor).

- **The most innovative companies in Mexico** of IT Masters Mag, Banco Azteca obtained the fourth position of this list
- Banco Azteca continues to prove to be a solid bank with the best products and services for its millions of customers. Proof of this is the award won at **Effie Awards Mexico 2020**, a contest that recognizes and raises the quality of effective advertising communication. The winning campaign was “Viernes de Quincena” by Nómima Azteca.
- In TheBanker’s (Financial Times) list of the best banks in the world, we grew +120%. **We are already the No. 1 Mexican bank in growth and liquidity**, the 4th most profitable and the 5th in operational efficiency.
- We are one of the **most valu-**

- able brands in Latin America** (BRANDZ TOP 50, 2020). We are in the 72st place among the most important companies in Mexico according to Expansión.
- **The 2o best rated bank** in trust, service, clear terms and conditions, digital service and financial advice (according to Forbes and Statista).





Corporate governance, ethics and compliance

Corporate governance

At Grupo Elektra we align our corporate governance with the best international practices and applicable legislation, seeking the progress of the company and our different stakeholders.

GRI 102-18, 102-19, 102-20, 103-2, 103-3

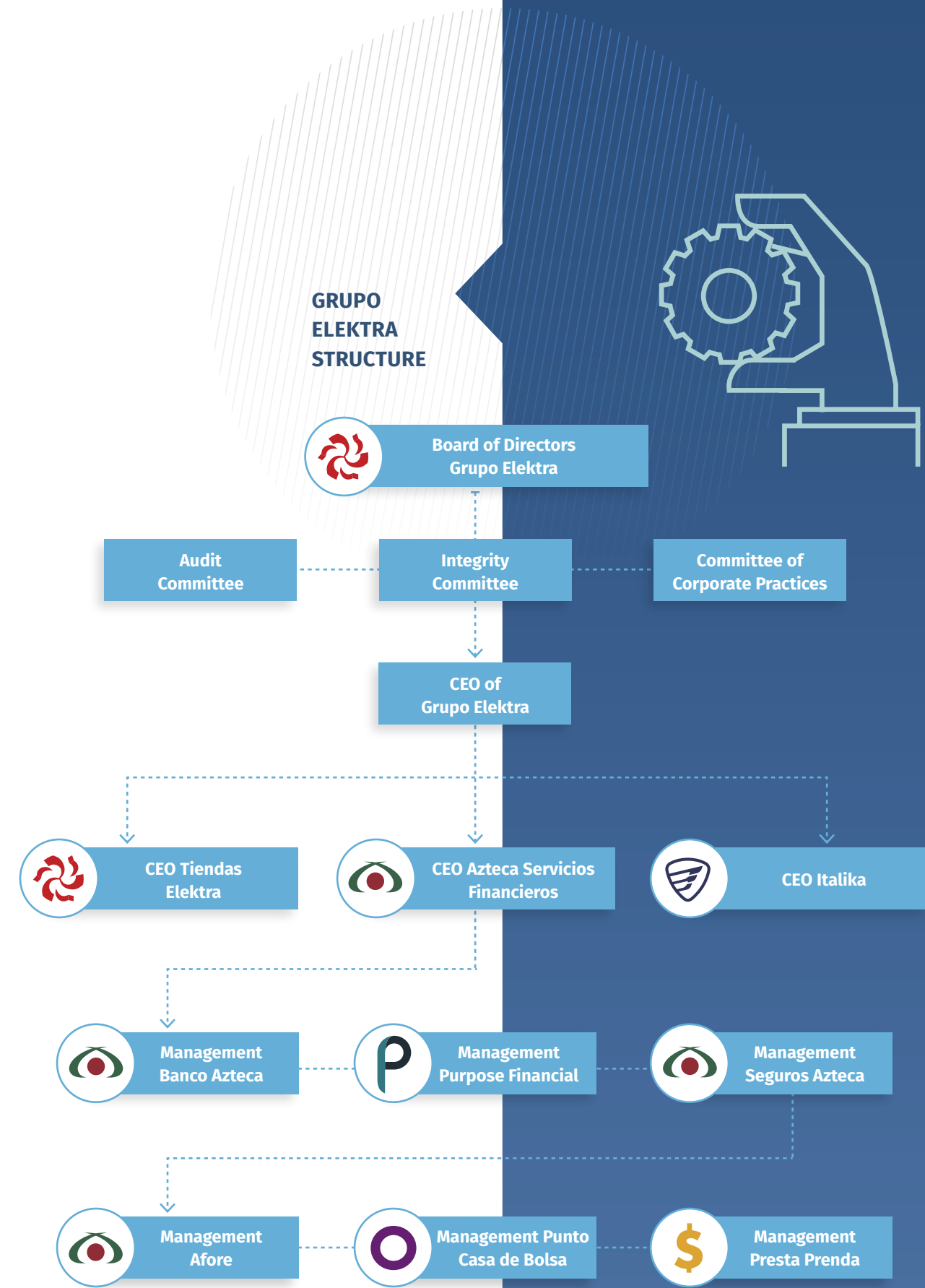
We perform with integrity, transparency and responsibility, evaluating ourselves under the recommendations issued for companies listed in Mexico³. We consolidate our regulations in this regard in the Corporate Governance Code, which structures internal decision-making and develops the principles established in the Company Bylaws.

General Shareholders' Meeting

It represents the interests of our shareholders, being responsible for appointing the members of the Board of Directors and the integration of the Committees, as well as approving the results of the company.

In addition, it is responsible for approving, modifying and resolving matters related to the report of the Board of Directors on the financial situation of the Group.

³ Our evaluation is available according to the Corporate Governance Principles and Best Practices Questionnaire (BMV): https://www.bmv.com.mx/docs-pub/cmpe/cmpe_1014436_2019_1.pdf



We safeguarding the rights of shareholders at all times, providing the necessary information and appropriate communication channels.

Board of Directors

(GRI 102-22, 102-23, 102-24, 102-26, 102-27, 102-28, 102-31)

Among the main functions of the Board of Directors is the definition of the Group’s strategy, as well as the approval of policies, guidelines, operations, appointments and strategic transactions.

Similarly, it monitors the main risks to which the Group is exposed, based on the information provided by the Chief Executive Officer, the Risk Committee, the Audit Committee and the Comprehensive Risk Management Unit (UAIR).

Currently, the Board is made up of 10 members, professionals with proven experience, capacity and professional prestige, including aspects of risk management; all of them also have a Master Business Administration (MBA).

Three of the directors are independent, having proven that they can exercise their functions free of conflicts of interest, and without being subject to personal, patrimonial or economic interests in accordance with the restrictions indicated in art. 26 of the Securities Market Law.

They are appointed for one year, with the possibility of renewal. Currently, the average seniority of directors in the exercise of their functions is 19 years. All members are proprietors, and don’t exist the possibility of alternate directors.

NAME	STATUS	ADVISORS SINCE	COMMITTEES OF WHICH IT IS PART
Ricardo Benjamín Salinas Pliego	President; Patrimonial advisor	1993	
Hugo Salinas Price	Patrimonial advisor	1993	
Roberto Servitje Achutegui	Independent Advisor	2000	Audit, Corporate Practices
Héctor Marcelino Gómez Velasco y Sanromán	Independent Advisor	2010	Audit,
Gonzalo Brockmann García	Independent Advisor	2010	Audit, Corporate Practices
Luis Jorge Echarte Fernández	Related Advisor	2003	
Joaquin Arrangoiz Orvañanos	Related Advisor	2008	
Hugo Fernando Salinas Sada	Related Advisor	2017	
Guillermo Eduardo Salinas Pliego	Related Advisor	1993	Corporate practices
Pedro Padilla Longoria	Related Advisor	1993	

It should be noted that the selection of directors is based on the principles of equal opportunities of the Group, in addition to evaluating their experience, ability and professional prestige regardless of gender, race, religion, etc.

Having said this, the directors also have extensive experience in Risk Management.

There is no restriction of terms of office for the independent members of the council.

30% of the members of the Board of Directors of Grupo Elektra are independent, exceeding the minimum required by the applicable securities legislation, equivalent to 25%.

Decision Making

To ensure informed decision-making by the Board of Directors, each aspect or issue addressed therein is explained to each of the members, who may have the support of relevant managers, as well as

external auditors and experts to strengthen understanding the information received.

Every subject, matter or initiative will be voted on, taking into account the absolute majority of votes, present or represented.

The Board meetings have a periodicity at least quarterly. The General Director of Grupo Elektra also participates in the sessions, to address key decisions, risk management and monitor the progress of the objectives and goals.

The counselors’ average attendance at sessions in 2020 was 100%.

Board Evaluation

The performance of the Board of Directors is self-assessed by the directors themselves, in a process led by the Chairman of the Audit and Corporate Practices Committees, as well as the Shareholders’ Meeting. The latter is also in charge of presenting a report on

the operations and activities of the Council to the Assembly on an annual basis.

Committees

(GRI 102-19, 102 -20, 102-22)

For the proper execution of its functions, the Board is supported by three committees, which meet quarterly:

Audit Committee

It is made up of three independent directors and its functions are:

- Examine:
 - Internal financial control systems
 - Procedures for financial reporting
 - The activities and independence of the internal and external auditors
 - That the mechanisms established for the control of strategic risks are observed.
- Evaluate Grupo Elektra’s internal control policies and systems.
- Identify, analyze and evaluate the operations carried out between related parties.

NAME	MEMBER SINCE
Gonzalo Brockmann García - President	2010
Marcelino Gómez Velasco y Sanromán	2010
Roberto Servitje Achutegui	2010

Committee of Corporate Practices

It is made up of two independent directors and one related; their functions are:

- Know:
 - Grupo Elektra’s investment policies
 - The use of assets that make up your net worth.
- Ratify and review the capital investment budget, as well as monitor its use.
- Give their opinion on the performance and compensation of the relevant executives.

NAME	MEMBER SINCE
Gonzalo Brochmann García - President	2010
Roberto Servitje Achutegui	2010
Guillermo Salinas Pliego	2010

Integrity Committee

It is made up of three members, appointed by the Shareholders’ Meeting; For the exercise of its functions, it has the support of the General Director of Compliance in Anticorruption. Some of your responsibilities are:

- Prepare and review the Grupo Elektra Code of Ethics and Conduct, in order to keep it updated in conjunction with the relevant codes, policies and procedures.
- Design, structure, implement, execute and evaluate the Ethics, Integrity and Compliance Program (“PEIC” or “Integrity Program”).
- Verify that Grupo Elektra’s operations and businesses are conducted in an ethical, complete and transparent manner.

- Execute a training program in anti-corruption matters for managers and employees.
- Disseminate, control, monitor and audit the PEIC
- Address and resolve matters related to the Group’s Integrity Program, including any violation thereof, as well as investigate them and impose the corresponding sanctions.
- Monitor any modification to the legal or regulatory framework that impacts the Group’s Integrity Policy.
- Approve modifications and adjustments to the program itself..

NAME	MEMBER SINCE
Javier Arturo Ferrer – President	2020
Alberto Javier Bringas Gómez	2020
Norma Lorena Contreras Cordero	2020



Management Team

(GRI 102-18)

Directors, which is in charge of evaluating their performance.

We have a team with extensive experience in the areas under its responsibility in each case, as well as committed to the implementation of the strategic guidelines and the fulfillment of the objectives and goals.

At the Group, we value diversity, we ensure equal opportunities and professional development, and we believe in talent without labels. Progressively, we are advancing in the presence of women in middle and upper management. A woman already participates in the management team and the representation will grow with internal and external talent as more opportunities arise.

Each of the Group's companies also has a management team and management committees, to attend to decision-making in accordance with the evolution in the strategy of each one of them.



The composition of Grupo Elektra's management team in 2020 is shown below:

NAME	TITLE
Alejandro Valenzuela del Río	CEO of Banco Azteca
Fabrice Jack Deceliere Márquez	CEO of Red Única
Luis Niño de Rivera Lajous	Chairman of the Board of Directors of Banco Azteca
Adriana de la Puente Martínez de Castro	Director of Human Development, Communication and Integration of Grupo Elektra
Manuel González Palomo	Vice President of Systems
James A. Ovenden	CEO of Purpose Financial
Gabriel Alfonso Roqueñi Rello	Legal Director and Secretary not a member of the Board of Directors of Grupo Elektra
Mauro Aguirre Regis	Finance and Administration Director of Grupo Elektra
Alejandro Vargas Durán	Chairman of the Board of Directors of Banco Azteca
Eduardo Benigno Parra Ruiz	CEO of Afore Azteca
Christian J. Carstens Álvarez	Director of Seguros Azteca and Seguros Azteca Daños
Héctor Ovidio Romero Tovar	CEO of Punto Casa de Bolsa
Luis Fernando Gonzalez Gonzalez	CEO of Grupo Elektra
Manuel Gómez Palacio Pin	CEO Italika

Elektra Store Structure

It is divided into five Area Directions:

- Payment System
- Collection, Afore Azteca and Seguros Azteca
- Supply Network and Electronic Commerce
- Physical Network
- Digital Network

Likewise, there are four committees to guarantee the correct operation and management of the business: Members' Committee, Home Committee, Mobility Committee and Connectivity Committee.

The Executive Committee is responsible for the main decisions and periodically monitors the progress of the strategy and the main indicators of operation and results.

Structure of Italika

It is divided into six Area Directions:

- Business Address
- Operations
- Customer experience and brand
- Administration and Finance
- Human Resources
- Technology and Innovation

It also has three committees to guarantee the correct operation of the business: Budget, Product and Executive Committee.

The Executive Committee is responsible for the main decisions and periodically monitors the progress of the strategy and the main indicators of operation and results.

Structure of Banco Azteca

It is divided into five business units:

- Payments and Deposits
- Credit and Collect
- Digital banking
- Institutional and government banking
- Presta Prenda (Loan Pledge)

It also has seven committees to guarantee the correct operation of the business: Risk Management, Compensations, Investments, Transfer Prices, Regulations and Best Practices, Internal Audit and Integrity.

Banco Azteca’s Board of Directors is responsible for the main decisions and periodically monitors the progress of the strategy and the main operating and results indicators.

Remuneration of directors and management team of the Group

(GRI 102-35, 102-36, 102-37)

The directors receive remuneration for attending the sessions, approved by the Shareholders’ Meeting.

Regarding senior management, their remuneration is established by the Corporate Practices Committee, including the component. It is based on their performance and the Group’s results, financial stability and the achievement of strategic objectives. Their contribution to the results in each case also applies to the general management of each of the Group’s companies.

Conflict of Interest Prevention

(GRI 102-25)

Under our Code of Ethics, it is established that decision-making and execution of actions must always seek the greatest benefit for the company, leaving out relationships and personal benefits.

To comply with and monitor any conflict of interest situation, we have the Policy for Operations with Related Parties, which establishes the restrictions and approvals that must be had at the time of entering into any type of operation with the subsidiaries. It also establishes internal and external controls, as well as sanctions in case of non-compliance.

The Audit Committee is responsible for the knowledge and supervision of the operations carried out with related parties. It is responsible for independently evaluating if these are related to the business and if they are carried out under competitive terms, comparing them with those obtained in similar operations with an unrelated third party.

Likewise, the Corporate Practices Committee is in charge of reporting annually, if there was any concession by a member of the Board, manager, or person using their power of command and influence to obtain business opportunities in their favor or for the benefit of third parties.

Ethics and compliance

Ethics, Integrity and Compliance Program

(GRI 102-16, 103-2, 103-3, 205-1, 415-1) (SASB FN-CB-510a.2, FN-AC-510a.2)

At Grupo Elektra, we base our operations on the highest ethical and transparency standards, with solid internal regulation and an organizational culture of integrity. It is also part of the Grupo Salinas philosophy, whose Code of Ethics we serve.

We also have Grupo Elektra’s own Code of Ethics and Conduct, which addresses the particularities of our businesses. It applies to our employees, but also to those who act on behalf of or on behalf of the Group, such as suppliers, contractors, agents and other business partners.

These guidelines are part of the Ethics, Integrity and Compliance Program (PEIC), which integrates the normative and organic elements necessary to manage, supervise, control, evaluate and continuously improve our practices, in accordance with our commitment to “Zero Tolerance to Bribery and Corruption”. It is based on a risk identification and evaluation process, from which the action plan is established⁵.

In addition to the Code of Ethics and Conduct, also as part of the PEIC we highlight the following policies, which strengthen the implementation of the program:

⁵ More information on this in the Risk Management chapter.



- Human Rights Policy
- Anticorruption and Integrity Policy
- Internal Fraud Prevention Policy
- Free Competition
- Personal Data Protection

The Integrity Committee is in charge of keeping the different codes and policies up to date. Together with other specific functions that we are going to detail, it supervises the application of the PEIC, presenting to the Board of Directors an annual report on the state of operation and functioning of the same.

Under our values and principles, at Grupo Elektra we do not support any political party or participate in political processes

Culture and training

GRI 205-2

As a fundamental part of the PEIC, we strengthen the culture of integrity in the Group, based on the example of our managers and team leaders. It is completed with different initiatives to sensitize our employees; It should be noted that 100% of the staff is aware of Grupo Elektra’s Code of Ethics and Conduct.

We also develop training to ensure good performance, prevention and mitigation of the risks of corruption and other effects on ethics.

FORMATION

Subject	Number of employees trained	Total hours of training
Ethical issues and Code of Ethics	46,134	42,831
Anti-corruption	19,417	74,224
Fraud and bribing	48,993	48,993
Money Laundering	48,993	48,993
Human Rights	26,963	42,887
Personal Data Protection	52,893	58,480



Management keys

GRI 102-16, 205-3,206-1

Human Rights

We promote a culture of respect for Human Rights, rejecting all types of behaviors that violate the dignity and quality of life of the people involved in our operations: child labor, forced labor, workplace harassment, violence, human trafficking and any type of discrimination.

Anti-corruption and integrity

Since 2019, together with other companies in the business sector, Grupo Elektra has added an anti-corruption framework to its operation, with the aim of supporting the federal government in combating this crime, establishing as a corporate commitment the “Ethical Conduct in Business and Zero Tolerance to Bribery and Corruption”.

To ensure the implementation of our Anti-Corruption Policy, each year we train the employees of each of Grupo Elektra’s subsidiaries, including different topics on the prevention of corruption and bribery.

For Banco Azteca, we are also subject to the Guide for the Prevention and Detection of Operations with Resources of Illicit Origin in the Financial System Derived from Acts of Corruption, established by the National Banking and Securities Commission.

Donations and sponsorships

In addition to the Donations and Sponsorship Policy, we have various processes that guarantee the request, approval and granting of resources in a legitimate way and without risk of any conflict of corruption or bribery.

Free Competition

In compliance with the Federal Economic Competition Law of Mexico and in accordance with our Code of Ethics and Conduct, participation in agreements that seek to violate, incline or restrict free competition and market competition, that is, in conducts is prohibited. absolute monopolies.

We also have an area specialized in economic competition, which aims to avoid any type of monopolistic action and at the same time responds and provides information to the economic competition authorities;

Internal fraud prevention

All Group employees have the obligation to prevent and avoid any act that induces deception or abuse of trust in order to obtain their own benefit.

Prevention of money laundering and terrorist financing

Within the Code of Ethics and Conduct of Grupo Elektra, any person involved in the development of activities of the Group and its companies is prohibited from acting on their behalf and participating in any act that may constitute the crime of money laundering, terrorist financing or other financial illicit.

Derived from the importance of this issue for Banco Azteca, it has the Regulations and Best Practices Committee, a collegiate body that performs the functions of the Communication and Control Committee, made up of five members, who have been appointed by the Board of Directors.

Protection of personal data⁶

In the Group we have the Personal Data Security Management System (SGSDP), which is made up of 5 mandatory internal policies for all employees.

1. Privacy policy and personal data security management system
2. Manual of attention to the request of ARCO rights.
3. Exclusion list management manual.
4. INAI Requirements Manual.
5. Manual of referrals and transfers of personal data

Likewise, at the Salinas Group level, there is a transversal management that is the Information Security Office (DSI) whose objective is to make decisions that guarantee the security of the information of the users of financial services, and comply with the standards of the industry, as well as current regulations.

⁶ More information in the Clients chapter.

Monitoring and response

(GRI 102-17, 102-33, 102-34, 205-3, 206-1, 419-1) (SASB FN-CB-510a.1, FN-CB-510a.2, FN-AC-510a.1, FN-AC-510a.2)

In the event of any breach of the Code of Ethics and Conduct or applicable legislation, we require it to be brought to the attention of the Integrity Committee or, where appropriate, the Compliance Department.

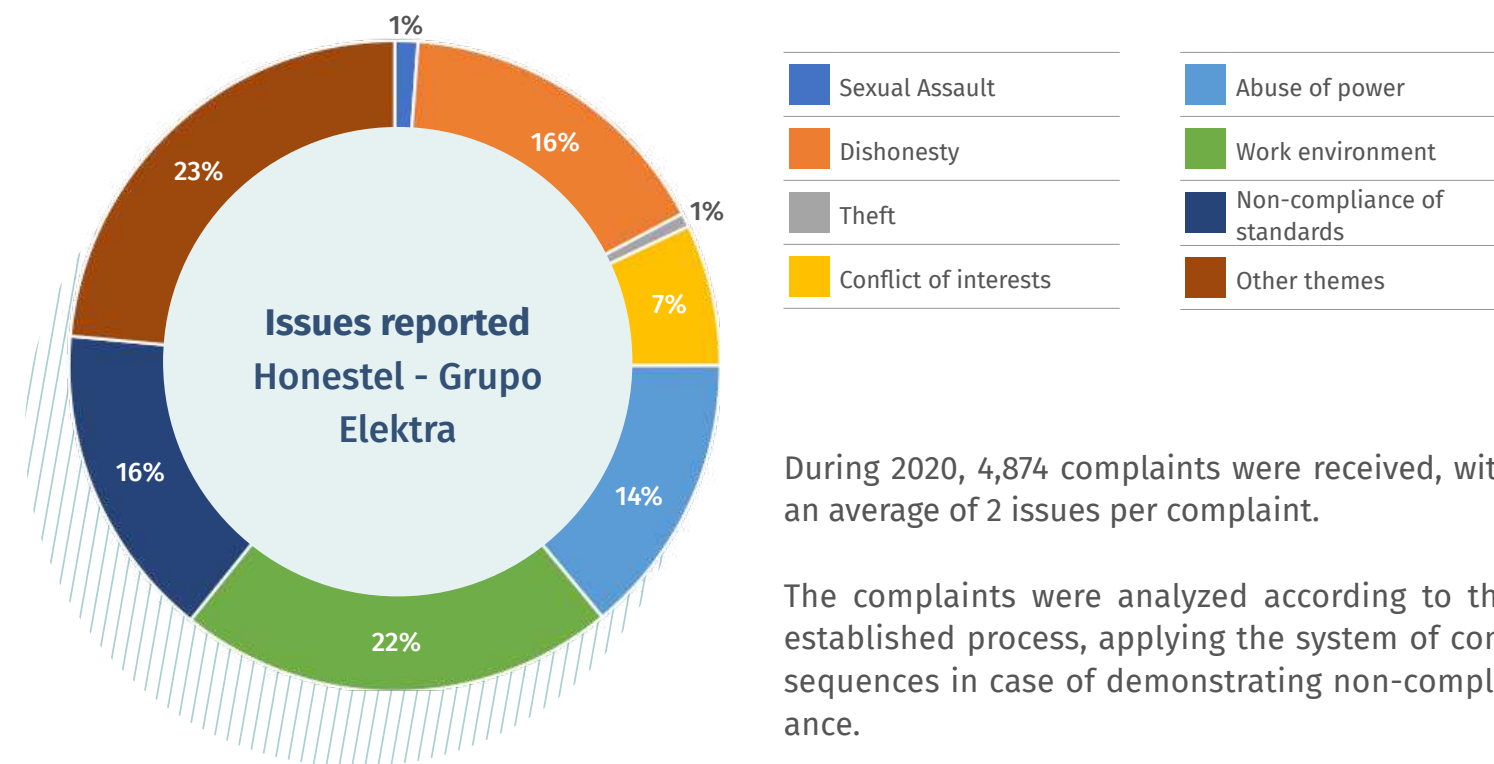
For this, we make available to our employees and other stakeholders involved, the Honestel complaint line, confidential and guarantee for the parties. It includes the following channels:

- contactanos@honestel.com.mx
- www.honestel.com.mx
- Written to the Integrity Committee
- Adicionalmente estamos en el desarrollo y construcción de la herramienta Honestel de anticorrupción.

The complaints received are incorporated into an internal process by the intelligence area and the investigation team proceeds to act. The Integrity Committee is in charge of resolving cases and applying the consequences system, including those detected by the control system and internal audits.

The consequences system considers different sanctions depending on the degree of the offense committed, including a call for attention or private warning, opening of an administrative act, termination of the employment or contractual relationship, criminal complaint or any other that the Integrity Committee determines based on the sanctions catalog.

Issues reported	Tiendas Elektra	Italika	Banco Azteca	Grupo Elektra
Sexual Assault	25	3	81	109
Dishonesty	224	17	1,279	1,520
Theft	21	0	44	65
Conflict of interests	115	27	523	665
Abuse of power	172	28	1,126	1,326
Work environment	269	51	1,736	2,056
Non-compliance of standards	242	32	1,210	1,484
Other themes	294	47	1,881	2,222



During 2020, 4,874 complaints were received, with an average of 2 issues per complaint.

The complaints were analyzed according to the established process, applying the system of consequences in case of demonstrating non-compliance.

During 2020 we did not have any fine or sanction from authorities for corruption and/or anticompetitive practices, thanks to the aforementioned efforts. We also did not receive significant sanctions for any other issue.



Risk Management

Comprehensive Management

At Grupo Elektra we regularly identify risks for the different companies and businesses, thus addressing changes in the operation and the environment. We propose preventive and mitigation measures, which include operational and organizational culture actions.

GRI 102-11, 102-15, 102-29, 102-30, 102-31, 103-2, 103-3, 205-1

Our employees are key in responding to the risks that correspond to their activities, be they business, operational or support. They are supported by risk control and management teams, which define the measures, facilitate their implementation and monitor the evolution of risks. The review of the effectiveness and compliance of the risk management system corresponds to internal audit.

The nature of the businesses carried out in the Group is very diverse, and the risk management structure addresses the particularities of each case. Risk governance involves the Board of Directors of each subsidiary and of the Group, which establishes the general guidelines and the risk appetite to achieve the strategic objectives.

In the financial business, evaluation and management is especially exhaustive by its nature. The specific Board of Directors of Banco Azteca sets the exposure limits for each type of risk, which also assesses whether they are met. They guarantee the consistency of the assessment of capital adequacy



with the desired risk profile, as well as the levels of capitalization and liquidity, with respect to its objectives and strategic plans.

Likewise, senior management evaluates the goals related to risk management in the different areas (Risks, Information Security, Legal, Operations, etc.), which are part of the performance evaluation of the personnel in charge.

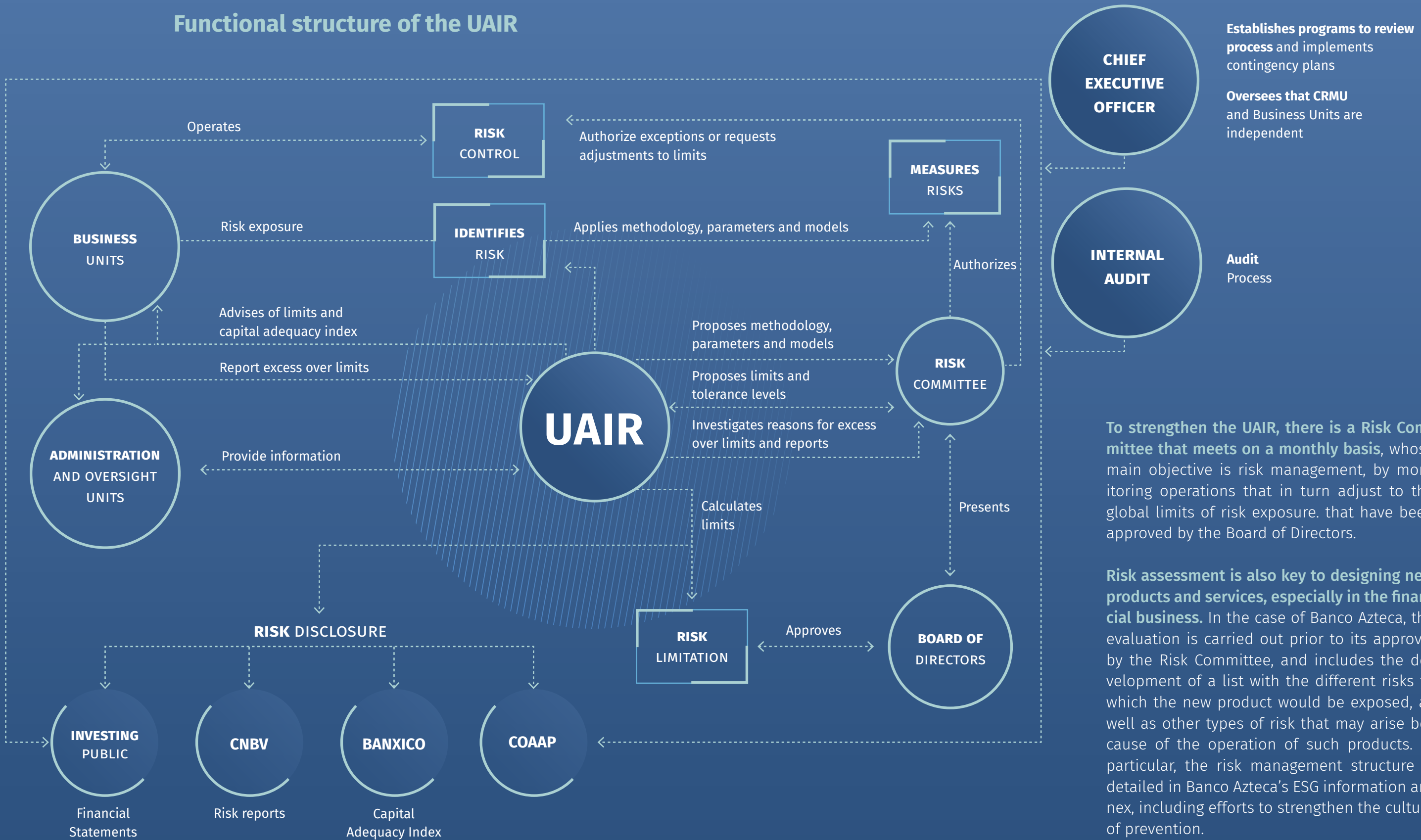
In the case of Banco Azteca, it has the Comprehensive Risk Management Unit (UAIR), which is key for the identification, measurement, surveillance and control of risks to which the Bank is exposed.

UAIR Mission:
*To be a strategic partner of the business, supporting it to meet its goals, ensuring and **maximizing the profitability of the shareholders' capital and preserving the investments and savings of our clients**, complying with the legal and regulatory framework of Comprehensive Risk Management*





Functional structure of the UAIR





Main risks identified:

Below, we present the main risks for our operation at the Group level. Throughout the report we give an account of how we manage them.

RISKS	DESCRIPTION	REFERENCE /S
Cybersecurity	External attacks on the information systems of our companies, as well as on the platforms of operation with clients, including those of banking and electronic commerce.	Subcap. Cybersecurity (page.32)
Data privacy	Consider the exposure of information systems, including our servers, payment gateways, etc. Likewise, it integrates the risks of bad practices in the management of information by employees, which may lead to information leaks or unethical and responsible behavior; It also involves generating a culture of protection of personal data in the handling of data by the clients themselves to avoid and prevent fraud. In addition, it considers the misuse for abusive sales practices, affecting the client and that may conflict with the regulations for the defense of consumer interests.	Subcap. Cybersecurity (page.32) Subcap. Information management (page.33)
Climate change	It refers to risks due to impacts of climate change on the continuity of the operation, inventory availability, on the value of assets, among others. For the financial business, it refers to possible risks in the recovery of the portfolio/delinquencies that affect the profitability and permanence of the business.	Subcap. Climate change risks and opportunities (page.27) Annex ESG Banco Azteca
Corruption	Risk of bribery, fraud, money laundering, among other practices, that violate the honesty and transparency of employees and compromise the company's assets.	Subcap. Ethics and compliance (page.20)

After exposing the risks by cause of origin, we present the classification by type of impact:

RISKS	DESCRIPTION	DETAIL	REFERENCES
Financial	It includes the market, credit and liquidity risks of our financial business. •Credit: non-payment of clients, late payments. •Liquidity: shortage of funds to meet our obligations •Market: volatility in the exchange rate; decrease in the value of the loan and investment portfolio due to changes in the variables that determine it (eg interest rate).	These risks are especially related to the activity of Banco Azteca. In our subsidiary, we have a robust internal risk assessment model for credit origination. Regarding the calculation of reserves, its model has been proposed in accordance with the IFRS9 standard and is approved by the CNBV. Risks due to volatility in exchange rates were mitigated through position strategies of derivative financial instruments that hedge the risk open to the exchange rate. For the changes in rates, associated with the government's monetary policy, it was sought to have a portfolio with positions in the money market at a fixed rate with longer terms, without greatly increasing the total duration of the portfolio.	Annex ESG Banco Azteca
Operating	Risks that hinder the activity, in technological aspects, human capital, system failures, etc.	Human Capital Management Cybersecurity for the integrity of the systems and information of clients and employees Inventory guarantee through the provisioning strategy and supplier selection. Business continuity plan (BCP)	Cap. Employees (page.38) Subcap. Cybersecurity (page.32) Cap. Suppliers (pág.36) Annex ESG BAZ (BCP)
Legal	Changes in the applicable regulation, sanctions for non-compliance with the legislation, revocation of authorizations and/or permits, etc.	Strong culture of compliance. Ethics, Integrity and Compliance Program (PEIC): 1) Internal self-regulation (policies, codes), 2) Complaint mechanisms, 3) Updating of risk identification and response measures	Subcap. Ethics and compliance (page.20)
Reputational	Effects on the trust of our stakeholders, the value of the different brands, negative prescription of the Group and/or our companies, etc.	Employee commitment and training and climate measures. Compliance culture and PEIC. Close relationship with the different interest groups.	Cap. Employees (page.38) Subcap. Ethics and compliance (page.20) Annex: Dialogue with Stakeholders (page.72)



In the case of Banco Azteca, we also present the emerging risks identified:

COVID-19, increase in delinquencies and new capital requirements

With the pandemic, Banco Azteca faced an increase in non performing loans (NPL) between the months of March and June; increase in expected loss and reserve and capital adjustments under the new economic crisis environment.

To mitigate the risks of new capital requirements and an increase in non-performing loans, the following actions were generated:

Preventive actions:

- The methodology for calculating additional reserves was designed and sent for approved by the CNBV, which includes trend scenarios and an autoregressive component that allowed to reflect the crisis situation not captured by the expected loss.
- Based on the methodology of additional reserves, reserves close to \$ 1,000 million pesos were created in order to face the volatility derived from the COVID-19 crisis.
- More detailed fol-

low-ups of early delinquency indicators called (Ever +) were implemented in order to have a greater detail of the deterioration of the new credit crops.

- Limits for the granting of commercial loans were proposed and implemented, based on the counterpart analysis and capitalization levels of the institution.

Corrective actions:

- New collection and restructuring programs were successfully implemented to support clients in deferring their payments, restructuring their debt, and halting the observed increase in delinquencies. “Aguantame” and “Aguantame más” programs consisting of granting payment extensions to clients affected by COVID19, as well as to clients in geographic areas affected by natural disasters.

Fraud

Faced with the state of emergency due to the pandemic, the number of digital operations increased, generating a greater number of transaction requests, which can be the subject of fraud, be it phishing attempts, identity theft by email, online scams and kidnapping. of data. These events represent a high risk not only for clients, but also for financial institutions.

As a result, the amount of card fraud increased by about 94% to reach a total of 64 million pesos in 2020.

The mitigation of this risk represented for Banco Azteca in 2020 the investment in staff training, the payment of the insurance policy to cover related external events and the purchase of technological fraud prevention tools, allocating more than \$131 MM MXN, In addition we executed the following actions in the operation:

Preventive

- Redesign of secure commerce strategies for customer authentication.
- New strategy for issuing clarifications.
- New transactional limits in operations.
- Updating of software versions in ATMs.
- Review of fraud prevention monitoring processes.
- Operational risk indicators according to the number of transactions, fraudulent amounts and counterfeit bills.
- The institution’s Technological Risks inventory was surveyed.

Corrective

- Camera controls for checking ATM manipulation.
- Implementation of a new platform for the prevention of fraud from the issuer in real time.
- Customer abuse controls in clarifications.
- Updating of the operational reconciliation process.
- End-to-end ATM monitoring model update.
- Improvements in Technological Risk Indicators





Climate change risks and opportunities

GRI 201-2, SASB TR-AU-410a.3

Climate change translates into different risks for our companies and operations, which we have incorporated into our business continuity plans to prepare for possible contingencies. We integrate into these plans the protocols developed in the different geographical areas for extreme events such as hurricanes and storms.

Commercial business

Associated with the activity of Elektra and Italika Stores, the risks of climate change are exposed especially due to the impacts of extreme weather events on supply routes and therefore on the availability of inventories, as well as in the operation of our internal logistics and stores.

On the other hand, there are opportunities associated with an activity that respects the environment and the growing sensitivity of society in this regard:

- Request by customers for more energy efficient equipment, which may provide opportunities for differentiation in the catalog. At Tiendas Elektra, we are making progress in developing the eco-efficient product offer, including our own brand products.
- Preference for more sustainable mobility options, even as a result of regulatory restrictions on the circulation of fossil fuel vehicles. At Italika we already have the first models of Voltium electric bicycles, scooters and motorcycles.

Financial business

Climate change poses risks to financial stability if it is not managed properly or if the size of climate-related losses materially increases; on the other hand, the evolution of business and customer needs also throws up opportunities.

In the case of Banco Azteca, we have made an identification in line with the recommendations and nomenclature of the Task Force on Climate Related Financial Disclosure (TCFD) for all business units. These efforts complement the subscription by Banco Azteca and Afore Azteca, of the Request to Public Issuers Regarding Disclosure of Environmental, Social and Corporate Governance Information, issued by a broad set of institutional investors in Mexico in 2020.

We believe that as a financial institution we have a responsibility to contribute to mitigating and adapting to climate change through the investments we make and we join the global efforts to achieve the objectives of the Paris Agreement.

PORTFOLIO CREDIT	Risks	Opportunities
	<ul style="list-style-type: none"> • Late payments due to operational discontinuity, project delays, etc., that affect clients' ability to pay. Includes the incidence of extreme weather events in areas of special exposure. • Loss of value of assets financed by investment and legislative trends on energy and high-carbon business models. • Effects on the Bank's reputation by financed projects and/or clients that carry out controversial activities and/or may be questioned due to the growing scrutiny and public sensitivity regarding the increase in global temperature. 	<ul style="list-style-type: none"> • Development in the market of financing options with preferential rates for projects with environmental benefits, which generate a new segment of competition • Recovery capacity and/or new credit in industries with high consumption of energy or other resources such as (carbon, water, etc.) due to the transition to a lower carbon economy.
	INVESTMENT	Opportunities
	<ul style="list-style-type: none"> • Portfolio exposure, low risk since most correspond to high liquidity and low risk government instruments 	<ul style="list-style-type: none"> • Investment market growth and diversification of options, hand in hand with the development of sustainable finance instruments such as impact investments, green products, institutional/public and corporate bonds associated with environmental and/or social objectives. • At Afore Azteca, we are already working on a roadmap to comply with the regulatory requirement in Mexico for the inclusion of ESG criteria in the investment strategy of the Siefos. In 2020 we established the commitments, which will be transferred to specific investment criteria and will be integrated into the current evaluation system.
OPERATION	Risks	Opportunities
	<ul style="list-style-type: none"> • Material damage or losses caused to its physical infrastructure and assets due to natural phenomena (Multiple Business Policy). • The company has insurance and provision reserves for catastrophic risks, which consist of coverage for earthquakes and / or volcanic eruptions; hurricane and other hydrometeorological risks 	<ul style="list-style-type: none"> • Cost savings due to the implementation of energy efficiency measures, aimed at mitigating GHG emissions.

The climate change risks and opportunities of Banco Azteca, for its different businesses, are expanded upon in the Banco Azteca ESG Annex.



Customers

Introduction

At Grupo Elektra we put the customer at the center, offering solutions that contribute to improving their quality of life, through commercial and financial business. We especially promote opportunities that reduce inequalities. For this we have specialized teams, attentive to different needs and committed to a culture of service.

GRI 103-2, 103-3

Our different companies develop a complementary value proposition, which allows us to offer comprehensive solutions to customers, enhancing the positive impacts that we generate as a Group⁷.

For each of the businesses, we continue to establish ourselves as the top of mind of our clients. The quality of the products, the service, the innovation, and other aspects of the value proposition, allow us this recognition.

Banco Azteca

It offers financial products and services focused on those sectors with lower incomes, which may have difficulties with the use of banks. We complement this proposal with the attention of other segments and the development of credit for companies.

⁷ The detail of the operational and financial indicators is presented in the chapter on Economic performance.



We facilitate savings for our clients, and access to credit with responsible use, being very transparent regarding the conditions, advising on the use, and developing financial education programs with a broader scope.

We have cutting-edge technology and a series of digital channels, which guarantee the highest quality in the customer experience and facilitate access. Likewise, we are the bank in Mexico with the largest geographic coverage through ATMs, branches and correspondents.

During May 2020, the Mexican government announced a microenterprise loan program to help small entrepreneurs overcome the COVID-19 crisis. Banco Azteca was designated as one of the three banks that is distributing the money to one million beneficiaries of the program.

With 1,880 branches, Banco Azteca has the largest network in Mexico.

*We have already reached **200 million clients** in Mexico and 1.5 million in Latin America.*





Tiendas Elektra

It has a wide variety of quality products and services for families, at affordable prices and with the ease of credit options from Banco Azteca.

The network of distribution centers and stores allows us to reach homes in extended hours, a strategy that we complement with the development of e-commerce, with a strong investment. Thanks to online sales, we facilitate access to purchases and receipt of the product either in store or at home; It is also allowing us to reach new clients of different segments and ages.

*Tiendas Elektra sales increased to 52,254 million pesos, **21% more than in 2019.***

*The growth of e-commerce was **even higher, 46%.***

Italika

GRI 103-2, 103-2

It strives to provide design, efficiency and quality in each of the motorcycles. We have a great variety to offer the best means of transport that meets the needs of customers.

We provide a safe and efficient means of transport, which facilitates autonomy for our clients and employment opportunities. It is an alternative for mobility in the face of daily congestion in large cities and the deficit in public transport, optimizing travel times.

In addition, given the growth of the home delivery service in a pandemic (delivery), it has become a livelihood for many families affected in formal employment. In 2020, according to the Financiero, applications such as Uber Eats, Didi Food and Rappi increased their number of distributors promoting the purchase of motorcycles.

Omnichannel

GRI 103-2, 103-3, 203-1

Every day we strengthen our technological and digital infrastructure, in order to bring our products and services to all our customers. It adds to our outstanding geographic presence with different points of contact: stores, branches, correspondents, ATMs or others.

We want the purchase experience and the financial services operation to be complete in the different channels.

At the Grupo Elektra level, during 2020 we have invested a total of \$ 197.9 millions MXN in technology technologies applied to Digital Banking, reading of biometrics and digital tools.

Tiendas Elektra

We have a network of stores and logistics centers in the different countries where we are present (Mexico, Guatemala, Honduras, Panama and Peru). Our stores are characterized by easy access by public transport and long hours compatible with the working hours of our clients.

In terms of e-commerce, we offer the opportunity to purchase online both in our own establishments, with digital kiosks, as well as from homes and anywhere thanks to the online store. At the end

Italika is the number 1 motorcycle brand in Mexico, with an 80% market share.

*Sales reached 17,679 million pesos, **18% more than in 2019.***

of 2020, all Elektra' stores had digital areas, electronic tablets for assisted sales and digital kiosks, in which the customer can consult our catalog and order products, even if they cannot physically find them in the establishment.

Regarding the online purchase, we offer the options "ship to store" and "ship to home", so that the customer can choose if they prefer to pick up the product in store or receive it at home.

We therefore work in an omnichannel experience, for which we are training business leaders. The Leaders in Omnichannel Store Certification program provides the tools, ensuring the correct execution of the operating processes of MXN \$ 197.9 million, and the standardization of care and service

Italika

It has commercialization through its own dealers, centers and third-party stores, as well as the Tiendas Elektra themselves,

In addition, it has online sales, with a solid e-commerce strategy, which includes its own store and third-party platforms; products are marketed on leading platforms.



During 2020, active users of the application increased by 65%, to 11.9 million, and in just 3 years we consolidated ourselves as the No. 1 bank in Mexico by number of digital customers.

24.7% of physical transactions migrated to alternate channels

42% is the participation of the App with respect to the total bank in the placement of Personal Loan

47% is the participation of the App with respect to the total bank in the placement of Payroll Credit

89% of savings account openings are online, 62 basis points more than in 2019

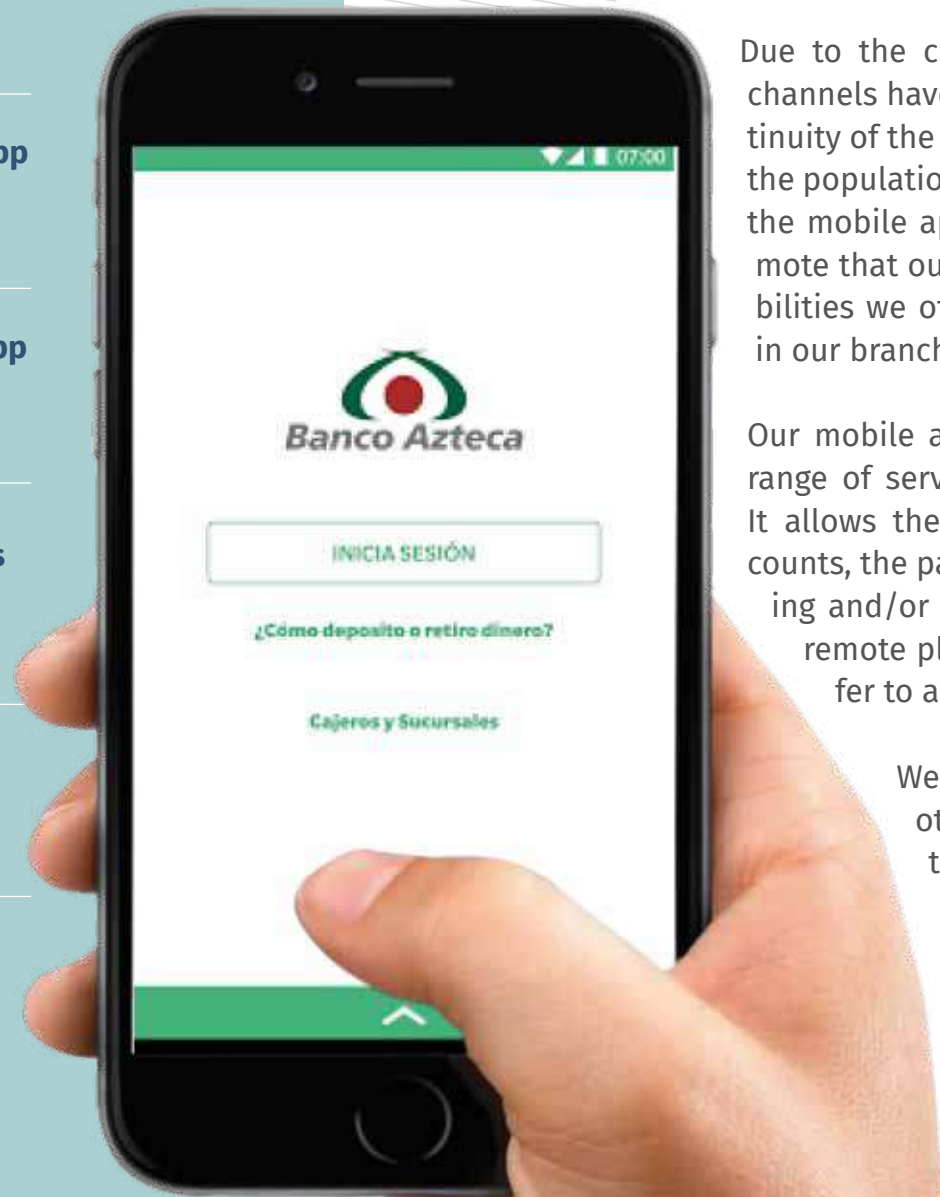
3,012,935 credits pre-approved through digital banking, + 68% compared to 2019.

Note: The App is used as a means of accepting payment through QR to process the transaction.

It should be noted that the customer can select that the product arrives at home or pick it up at a physical delivery point; Among the options are the Italika Service Centers (CESIT), which we are setting up for this.

Banco Azteca

Our huge network of contact points facilitates accessibility to services and allows us to promote financial inclusion; we are the only financial option in more than 150 municipalities in Mexico and one of two banks in 183 municipalities.



Due to the current pandemic, digital channels have become key to the continuity of the service and the access of the population, be it digital banking or the mobile app. We continue to promote that our clients know the possibilities we offer, with digital advisors in our branches and campaigns.

Our mobile application offers a wide range of services and is easy to use; It allows the opening of savings accounts, the payment of services, sending and/or receiving money even in remote places, avoiding the transfer to a branch.

We also promote the use of other contact points that the client has close by, as

an alternative to our branches, in the case of our own ATMs, third parties with whom we have alliances, and correspondents.

Our clients can also make payments with the Banco Azteca App at more than 15 thousand payment points throughout Mexico.

Quality, Safety, and Transparency

GRI 103-2, 103-3, 416-1, 416-2, 417-1, 417-2, 417-3, FS15
SASB FN-CF-270a.4, FN-CF-270a.5, FN-IN-270a.1, CG-EC-220a.2, TR-AU-250a.2, TR-AU-250a.3, FN-AC-270a.2, FN-AC-270a.3

At Grupo Elektra, we evaluate all our products and services under the highest quality standards, which guarantee the safety of our customers.

We also provide the information necessary for the customer to make adequate decisions about the characteristics of the products and services, rates and payment conditions, after-sales service, etc.

We believe in the need to advance a culture of responsible consumption, with the participation of the company and customers. We are committed to long-term relationships, trust in us and safeguarding the client's ability to pay.

All this is part of our organizational culture, which we reinforce with internal self-regulation (policies, codes), together with strict adherence to the corresponding legislation in each case and consumer rights.



We present below the performance by company:

Tiendas Elektra

- **Product quality evaluation**

We evaluate in any case that the products comply with current regulations.

In the case of imported products, we request a sample from the manufacturer, we carry out an inspection of the product in our laboratories and we proceed to have it certified by an external third party in compliance with the corresponding Mexican standards (NOM). This is necessary for importation.

In the case of national products, we require that they be certified according to Mexican standards (those that require it).

- **Product information**

We adhere to the labeling guidelines and regulations, verifying that the products we sell comply with them.

Our labeling contains the detail of the product specifications and the price; If there is a promotion, the conditions and validity are detailed.

Likewise, we require from our sales partners the best advice to our clients and we facilitate their training.

In Mexico, we collaborate with the Procuraduría Federal del Consumidor (PROFECO). Derived from this agreement, we continue to train our employees in healthy business practices and official Mexican standards.

- **After-sales service**

We also have an after-sales service, to attend to customer queries and incidents, as well as to apply the supplier's guarantee (in those products that have it).

We participate in the "Conciliaexpres" program of PROFECO, which facilitates the early resolution of possible complaints.

- **Complaints and claims**

During the year, they received:

3 total complaints for damages to the product, warranty and for exchange or return, of which 1 have been resulted and two are still pending.

During 2020 there were no cases of non-compliance related to the information and labeling of products and services.

Italika

103-2,103-3

- **Product quality assessment**

Our products are designed by the development team, according to the needs identified in the clients and the strategic commercial priorities. From this point on, the manufacture of the parts is supervised with the supplier as required, which meet the characteristics and quality standards requested, whether they are national or foreign suppliers. We also carry out prototype tests.

The Validation and Product Development area therefore ensures that the products approved for production and sale meet the requirements in terms of safety, performance and durability.

All product validation and testing protocols are documented and integrated into a system in accordance with ISO 9001: 2015.

Likewise, in the line of helmets we have the DOT (Department of Transportation) certification that guarantees the efficiency and safety of the product.

- **Product information and after-sales service**

We make it easy for our clients to have the necessary spare parts and to carry out the repairs and / or changes they want to make while using the motorcycle. For this, they have the spare parts distribution network and the Italika service centers (CESIT) themselves, the latter with certified professionals who help keep motorcycles in the best conditions.

Like Tiendas Elektra, Italika participates in the PROFECO's Conciliaexpres program.

We already have 900 CESITs in Mexico.

- **Complaints and claims**

During the year there were no complaints or product returns due to defects.

There were no penalties for non-compliance with labeling and / or marketing communication

Two complaints were received in the "GOOD END", however they are not linked to price variations and for which we respect in any case the promotion communicated.

Banco Azteca

- **Product information and conditions**

We collaborate with the National Commission for the Protection and Comisión Nacional Bancaria y de Valores (CONDUSEF), in safeguarding the rights and interests of our clients.

We comply with the law and the regulations of the CONDUSEF and the National Banking and Securities Commission (CNBV). In relation to commissions, we strictly adhere to specific market conditions.

All the products in our portfolio have a descriptive sheet available, which includes the terms and conditions, requirements and the indicator of Total Annual Profit (GAT), as well as the contact for complaints and suggestions.

• **Results**

For being regulatory compliance, Banco Azteca and Afore Azteca obtained a respectively rating of 10 and 9.51 from Seguros Azteca in the CONDUSEF Financial Entities Bureau.

Thanks to the high quality of the attention service to claims filed by users, at the end of 2020, Banco Azteca increased the rating of the User Service Performance Index (IDATU), from 9.59 to 9.72 and we also occupy position 12 of 51 in the Claims Index of the banking sector, because for every 11.5 claims per 10,000 contracts.

In terms of sanctions, Afore Azteca and Seguros Azteca had no sanctions or related fines in 2020. While Banco Azteca had 3 penalties for bad marketing practices, be it product information, and/or marketing, paying a total of \$ 452,940 pesos.

Cybersecurity

GRI 103-2, 103-3
SASB FN-CB-230a.2, FN-CF-230a.3, CG-EC-230a.1, CG-MR-230a.1

At the Grupo Salinas level, there is the Information Security Office (DSI), which is in charge of managing matters related to the protection of personal data and cybersecurity.

As Banco Azteca, one of the companies with the highest risk of cyber attack due to its line of business, it also has its own Cybersecurity Committee, which determines and evaluates the measures in response to risks and guarantees compliance with the standards that we apply and the legislation. The management team is led by Grupo Elektra's Chief of Information Security.

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Prevention

As instruments that govern the information security/cybersecurity system of Banco Azteca, indicate the Policy and the Institutional Manual, according to the guidelines of the ISO 27001: 2001 standard.

The Institutional Information Security Manual includes guidelines to protect information against theft, unauthorized access, modification, loss, interruption, disclosure or misuse that arises intentionally or accidentally.

The measures implemented as part of the system address the different operations, platforms and channels, such as the specific model developed for cloud services. They also include training for specialized personnel and the strengthening of the culture of prevention and safety in the performance of employees as a whole.

Compliance with information security policies is mandatory. If an individual or area violates the provisions by negligence or intentionally, the General Management of each Business Unit must take the corresponding measures, such as internal disciplinary actions, legal actions, or others that may take place.

Before launching a new system, an internal security certification process is carried out, to which external tests are added. Likewise, already in operation, they are subjected to audits and vulnerability tests which are carried out at least once a year, before the release of an ecosystem or when there is a change in the technological infrastructure.

Therefore, 100% of the systems are certified, and are registered in the Electronic Inventory of Ecosystems (IEECO), to be able to go into production.

	ATTENDEES	HOURS
Training on cybersecurity issues (Banco Azteca) - 2020	17,940	9,169

Response

The DSI makes all employees participate in the identification and management of risks in cybersecurity, through an incident reporting process, which can be carried out in different ways (including Help Desk, email for external complaints and another of its own for complaints internal). We require all employees to report any breaches and risks identified.

In the case of an event that affects information security, we respond according to the scale of the risk. We apply the corresponding procedures, which consider situations of loss or failure of services, unauthorized access to systems, malware or violation of security measures; We also analyze the causes of origin that provide data to plan the prevention and corrective measures that lead to it.

The Banco Azteca app has 2 clearing houses which guarantees the 24/7 operation of the platform, so during 2020 there were no problems in transactions



and transfers, having said that, we have not been charged of any penalty or sanction for failures in infrastructure or interruptions in services.

Information Management

(GRI 103-2, 103-3, 418-1) (SASB FN-CB-230a.1, FN-CF-220a.1, FN-CF-220a.2, FN-CF-220a.2, FN-CF-230a.1, FN-CF-230a.3, CG-EC-220a.2, CG-EC-230a.1, CG-EC-230a.2, CG-MR-230a.2

At Grupo Salinas we work in compliance with the applicable laws regarding the protection of personal data, in the different countries in which we operate; in Mexico it includes the Federal Law on Protection of Personal Data Held by Private Parties and its Regulations, in addition to the alliance with the INAI and the renewal of the certification by the NYCE body for a period of 2 years.

We are committed to our responsibility to safeguard customer information and make appropriate use of it, in accordance with the guidelines of our Code of Ethics and Conduct. We treat personal data with the highest standards of confidentiality. To monitor

compliance with the provisions, an internal audit is carried out at least once a year, as well as an audit and certification process by NYCE.

For this we have a Personal Data Security Management System (SGSDP), which includes the following policies and manuals for our employees:

- Privacy policy and personal data security management system
- Manual of attention to ARCO rights requests (Access, Rectification, Cancellation and/or Opposition).
- Exclusion list management manual
- INAI (National Institute of Transparency, Access to Information and Protection of Personal Data) requirements attention manual
- Manual of referrals and transfer of personal data.

The unit responsible for updating, implementing and monitoring the proper functioning and effectiveness of the SGSDP is the Data Department.

We make the privacy notices of each of our companies available to customers and we promote them to know how their data is processed, as well as their rights in this regard.

We attend 100% of the requests for ARCO rights by our clients and we have not received sanctions or fines for the violation of the legislation that includes their rights, so that from January to December there are no violations or events that have occurred. generated the loss or exposure of the personal data of our clients or employees.

Financial inclusion

GRI 103-2, 103-3, 203-2, FS1, FS7, FS13, FS14
SASB FN-CB-240a.1

Through Banco Azteca’s innovative model, we have contributed to financial inclusion in the different countries where we are present, to the reduction of poverty and inequalities.

Three elements have been key: 1) the delivery of credit, 2) accessibility through technology and our network of points and 3) support for the use of the products, including complementary financial education.

1) We are the first bank in Mexico that serves families employed in the informal sector, eliminating the barriers of credit history and stable employment.

From the design of our products we take into consideration the needs of the clients and we take advantage of the mass segment scale to be able to offer competitive conditions and accessible products.

2) We are present in underserved localities in terms of financial services, hence reducing the probability of unemployment and poverty. Banco Azteca is present in more than 793 municipalities; in more than 150 of them it is the only financial institution present.

Due to our presence in indigenous-speaking localities, we have Relationship managers who masters these languages we also adapt our marketing communications; 3.2% of Banco Azteca employees speak some indigenous dialect or language.

Banco Azteca invested \$200,000 pesos in 2020 for surveillance audits, as well as for people certification courses.

40% of our clients’ information is used for secondary purposes, with their authorization.



Our mobile application stands out for its accessibility and easy use, complementing our network of physical points and achieving a greater reach. We registered more than 11.9 million digital clients at the end of 2020.

We are the 1st and only bank in Mexico, which allows you to buy dollars in cash from the App and with a preferential exchange rate.

We have positioned the Bank's app as the 5th financial app in which users in Mexico spend the most time, today it is the app that leads the top 10 of the best-evaluated finance apps in Mexico (App Annie Intelligence).

3) More than targeting the placement of a product as a goal we concentrate on the use of it in a way that generates well-being for the Client. Even more taking into account that about 80% of our new loans in 2020 (1.2 million customers) are not subject to credit in the traditional financial system because they do not have a credit history or are high risk customers supporting their banking. . Therefore: 1) we exercise responsible marketing; 2) we provide the necessary information on the characteristics and conditions; 3) we accompany the client in its use through Aprende y Crece.

The diversity of products in our portfolio, including savings, credit, insurance, investments and retirement funds, offers ample opportunities to our clients and allows them to materialize their present and future projects.

We also have credit for entrepreneurs, aimed at supporting small business and commercial owners. The value proposition includes the delivery of a mobile terminal so that they can make card

charges. In this way, we support the continuity and growth of your business.

The payment terminals constitute in themselves a form of inclusion; We have arranged more than 64,711 in stores throughout Mexico.

In addition, we are the first Bank to open bank accounts to minors in accordance with the provisions issued by Banxico. We have more than 263 thousand active accounts for children and young people to promote savings, use and inclusion of financial services.

Here are the products and services that contribute to financial inclusion.

PRODUCTS AND SERVICES

Banco Azteca	<ul style="list-style-type: none"> • Savings products, even without a minimum balance requirement, without commissions and with an opening amount of \$1 peso MXN • Personal loans, no credit history or payroll. • Entrepreneur segment: products and services aimed at small businesses and businesses. • Community bank accounts in the event of a disaster. • Sending/receiving remittances • Payment of government social programs 	<p>20.4 million savings accounts at the end of 2020. 10,813,761 million Banco Azteca clients are women, 54% of the total</p> <p>3.5 million personal loan clients,</p> <p>1.1 million consumer loan clients</p> <p>422,651 credit card users</p> <p>380,000 credit clients for entrepreneurs or MSMEs</p> <p>MXN \$3,938 million of credit granted to entrepreneurs and/or MSMEs.</p> <p>More than 9 million remittance users</p> <p>Dispersion 6.2 million people benefited by social programs</p> <p>64,711 accepts payments placed in small businesses</p>
Afore Azteca	<ul style="list-style-type: none"> • Funds for the retirement of registered and assigned workers. 	<p>14.6 million accounts managed at the end of 2020.</p> <p>Afore N.1 by number of managed accounts with a market share of 21.5% of total accounts</p> <p>MXN 2,970 million in partial retirements due to Unemployment or Marriage</p>
Seguros Azteca (Insurance)	<ul style="list-style-type: none"> • Insurance with coverage for migrants • Insurance specialized in women's health (breast or cervical cancer) • Insurance against cash theft for clients who buy or sell currency • Specialized health insurance (heart attack, COVID and other conditions) • Life Insurance 	<p>86,084 women protection policies</p> <p>MXN \$ 4,739 million of written premium</p> <p>MXN \$ 2,489 million in Seguros Azteca Daños</p> <p>764,089 health policies</p> <p>4,491,097 life policies</p>
Presta Prenda	<ul style="list-style-type: none"> • Loans secured by pledged gold and silver collateral 	<p>70% of clients are women</p>
Punto Casa de Bolsa (Brokerage)	<ul style="list-style-type: none"> • Bring the bag to everyone as a way of saving. Facilitating account openings from \$10,000 MXN. 	<p>\$1.8 million average investment</p> <p>10% increase in active accounts</p> <p>Securities in custody 79 million pesos</p>

For access to products and services, the development of an omnichannel strategy is key, and as its pillars the wide network of points in geography and digital channels.

2,648 access points - Banco Azteca (Mexico)

1,880 branches of Banco Azteca (Mexico)

1,314 access points of Tiendas Elektra (Mexico)

1,921 own ATMs

More than 4 thousand third-party ATMs (Multiva, Mifel, BanBajío, Afirme)

1,000 points Presta Prenda

More than 2,000 bank correspondents

Customer satisfaction

At Grupo Elektra and our different companies, we work with a focus on the client, attending to their needs, the quality of the service and the value proposition. We seek to establish long-term relationships, based on trust, while improving your quality of life.

We monitor customer satisfaction through the Net Promoter Index (IPN) (NPS) which considers the recommendation/preference of customers on a scale of 1 to 10 (minimum to maximum). Clients are classified into 3 categories:

Detractors (0-6): those who are dissatisfied with the service.

Liabilities (7-8): satisfied with the service, but not recommending it.

Promoters (9-10): those who recommend and promote the company, its products and services.

Based on this, the index reflects the difference between the% of promoters and that of detractors.

This evaluation is carried out quarterly and facilitates the identification of areas for improvement on products and services. Each report is analyzed and the pertinent corrective actions are established.

As of the 1st quarter of 2020, an adjustment was made to the survey methodology (automated and self-applied surveys *), this at the rate of having the IPN in 100% of Grupo Elektra's stores and branches. The sample is not comparable, since in 2019 it was 9,817 clients, with the adjustment in 2020 the sample is 227,751 clients.



	IPN 2018	IPN 2019	IPN 2020	%
Grupo Elektra	61.5%	64.8%	42.1%*	56.1%

* Self-administered surveys consider the following channels:

- Text messages
- Voice messages
- Phone calls
- Web surveys

Banco Azteca is the 2nd best bank in Mexico 2020, according to its evaluation of trust, service, clear terms and conditions, digital service and financial advice (according to Forbes and Statista).



Suppliers

Management

Our operational and customer relationship excellence requires suppliers of high performance, quality and commitment.

GRI 102-9, 103-2, 103-3, 204-1, SASB TR-AU-440a.1

Ethical performance and integrity are key in the contracting process, both from the employees and the counterparty in the suppliers. We hereby emphasize that 100% of our suppliers are familiar with our Code of Ethics and have consented to application thereof, which is aligned with the values and principles of Grupo Elektra.

Supplier management is carried out through the Procurement Center of Grupo Salinas, a centralized area that sets out the validation criteria for new acquisitions and registration of new suppliers. This ensures compliance with internal and external regulations, the optimization of the supplier catalogue, the search for proposals that contribute to the profitability of the business while creating value for customers and generating long-term relationships with the supply chain.

Currently, the Procurement Center works under two related processes, which constitute a series of key mechanisms and tools, and answers to the procurement strategy established by the Group.

It is of vital importance that our supply chain is under the legal and regulatory framework, in addition



to being aligned with our principles and values set out in the Supplier Code of Conduct.

The Supplier Ethics Policy complements the above and reinforces the prevention of conflicts of interest and the safeguarding of the confidential information of each business.

Each year, the Procurement Center identifies critical suppliers for Grupo Salinas, located in the top 20 of the orders registered in its portal, according to the amount of invoicing.

1. Procurement Process

Purchasing and Bidding System	Series of Policies	E-releases
<ul style="list-style-type: none"> · Mechanism that receives the requirements of the business units. · Evaluation of requirements by negotiators in each category. 	<ul style="list-style-type: none"> · Governs the interaction between the business units and Procurement Center (e.g. order allocation). 	<ul style="list-style-type: none"> · This process is triggered once all the necessary authorizations are in place.

2. Supplier Selection

Supplier Lifecycle Module	Supplier registration process	Suppliers' Ethics Policy
<ul style="list-style-type: none"> · Gathers the data, including historical data, of Grupo Salinas' suppliers and prospects. 	<ul style="list-style-type: none"> · Composed by application and registration. 	<ul style="list-style-type: none"> · Instrument that establishes the rules of conduct that govern the relationship between suppliers and Grupo Salinas. · Conflict of interests · Confidential information · Sanctions





Here below, is a list of Grupo Elektra's suppliers:

**2020 GRUPO ELEKTRA SUPPLIERS
BY TYPE OF PRODUCT AND SERVICE**

	Amount of Suppliers (%)	Expenditure breakdown (%)
	2020	2020
General Services	7%	16%
Technology	57%	75%
Marketing	9%	1%
Office Equipment	9%	1%
Construction of offices/ branches	19%	7%

Local Suppliers		
	2019	2020
Total (MXN)	\$1,629,000,228	\$1,809,679,962
Payment		
% local suppliers	96%	94%

We ended 2020 with more than 840 suppliers, 94% of which are local.

In particular, the Procurement Center targets suppliers identified as critical. For the Group, these are those with the highest invoicing amounts with respect to total purchases, which are subject to the Supplier Circle Certification process, which is the process in charge of identifying critical risks and grouping the most intensive due diligence and monitoring activities in the supplier chain.

Supplier Circle Certification

GRI 308-1, 308-2, 414-1, 414-2

The commitment to integrity and ethics in our suppliers extends to social and environmental performance. Therefore, the Procurement Center uses the Supplier Circle Certification, which involves an external evaluation and reports on the status of potential suppliers in the management of these aspects.

In this way, we seek to guarantee responsible purchases, based on ethical, labor, community relations and environmental criteria, establishing a constructive relationship with suppliers that allows us to multiply the Group's positive efforts in the communities in which we are present. It also adds financial aspects, wide-ranging legal compliance, as well as operational and supply capacity.

The assessment for certification includes documentary and on-site analysis. This process allows us to identify possible risks to the human rights of employees and communities, including environmental impacts. To establish mechanisms to receive complaints, the chain of suppliers, observes the complaints that may arrive through Honestel, our channel available to the public.

In 2020, we updated the Supplier Circle assessment, adding the requirement regarding information on how the supplier has implemented NOM-035-STPS of the Ministry of Labor to prevent psychosocial risk factors in employees

During 2020, 508 new suppliers met the environmental and social criteria and were evaluated on the various criteria according to the following breakdown:

	SUPPLIER EVALUATION	
	2019	2020
Social Criteria	175	119
Participation in social engagement events	105	78
Donations to social causes	70	41
Environmental Criteria	138	444
Enforcement and control	33	250
Environmental liability	105	194

Through evaluation, we seek to promote good labor and environmental practices among our suppliers. We complement such practice with internal processes that allow us to provide support and feedback so that they can comply with them, in the event of non-compliance. We provide external consultancy so that they can work on the evaluated criteria, implementing an improvement plan to optimize their performance in environmental, social, economic and ethical matters. During the year, 46 suppliers improved their performance, earning them the Supplier Circle Certification.

By 2021, our goal is to continue developing 95% of the Group's suppliers.

Italika Suppliers

Due to its nature, Italika manages its own service and spare parts suppliers for the assembly of the products. The selection is especially critical because of safety aspects.

The evaluation includes site visit, documentary and on-site review of engineering, material handling, manufacturing, and quality control as the main aspects. The quality of the components, durability and performance is evaluated by internal and external laboratory tests.

We require compliance with national and international regulations and our standards.

The evaluation provides a score. We require a minimum of 80 points to be part of the Italika supply chain; we work hand in hand with those who are below 80 points but above 65 points, so that they can reach the minimum score required for recruitment

In the event of non-compliance during the term of the contract, we will intervene immediately. Depending on the nature, we proceed with disengagement or with a demanding work plan in response.

2020 ITALIKA SUPPLIERS			
	New Suppliers	Total Suppliers	% payable to suppliers
Foreign	4	26	0.37%
National	35	41	99.63%
TOTAL	39	67	100%



Employees

Labor Demography

At Grupo Elektra we have a human talent that makes the difference and constitutes the engine for excellence in service, the efficiency of processes and the continuity of operations.

(102-8, 102-41, 405-1) (SSB TR-AU-310a.1)

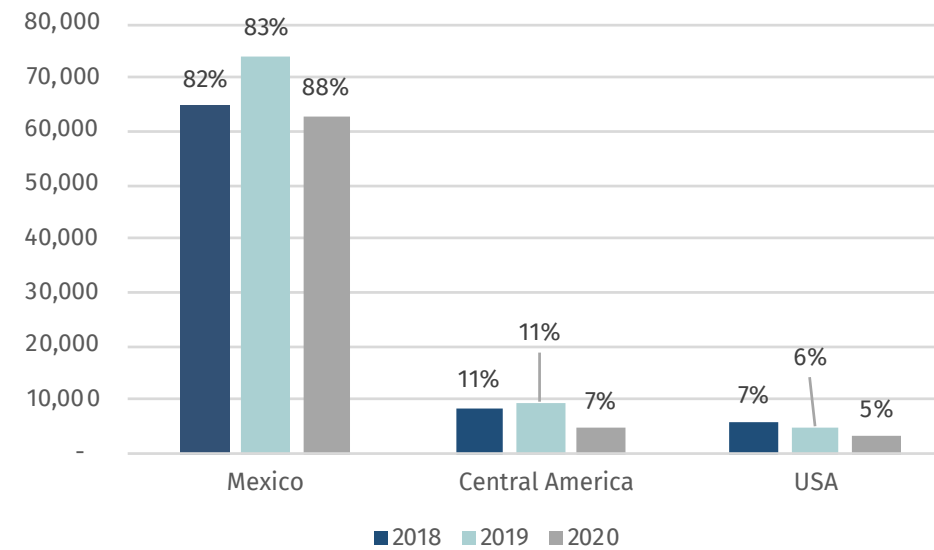
We are committed to offering quality employment opportunities and professional growth, without bias and in a diverse environment. We care about a good work environment and personal and team commitment. We protect the health and well-being of employees, even in times as complex as those generated by the pandemic.

In the last year, we have responded strategically, to maintain the continuity of sales and services in the context of COVID, by temporarily lowering salaries to positions above a certain tabulator, returning the amount withheld at the end of the year, which allowed maintaining the salary of about 82% of the payroll.

Thus, we have maintained job security for 71,278 employees at the Elektra Group level, distributed in each of the companies that comprise it.



Total employees by country
Grupo Elektra



Note: in the labor demographic data presented below, the employees of Banco Azteca and Tiendas Elektra in Peru are no longer considered for 2020, due to the sale and cessation of operations, respectively

Employees by company (2018-20)



EMPLOYEES BY TYPE OF CONTRACT, (2018-20)

	Permanent			Temporary		
	2018	2019	2020	2018	2019	2020
Tiendas Elektra	4,734	4,420	4,471	4	24	20
Italika	10,829	9,669	17,723	225	108	47
Banco Azteca	62,821	74,632	47,508	347	30	35
Total for the Group	78,384	88,721	69,702	576	162	102

We respect the right of free association, maintaining a productive dialogue with trade union organizations, in order to contribute to the stability of the company and of the employees themselves. We are governed by collective contracts, which are reviewed annually in terms of salary and biennially at the contractual level.

Recruitment and Retaining Talent

(GRI 103-2, 103-3, 401-1) (SASB CG-EC-330a.2)

We have a standardized selection and recruitment process at the Elektra Group level; it is complemented by the development of succession plans in critical positions. The process is focused on skills and knowledge, under meritocracy, which allows us to reduce biases and/or discriminatory practices.

These guidelines are part of the Talent Attraction Manual, other policies and procedures, as well as the Inclusion and Non-Discrimination Policy.

8% of the Group's total workforce at the end of 2020 are unionized.



In addition, we are guided by the High Performance Management Model established at the Grupo Salinas level, which reinforces the alignment of employees with the common strategy and objectives. Steps:

1. Strategy;
2. Structure;
3. Equipment;
4. Information system;
5. System of compensation and incentives;
6. Integration and evaluation.

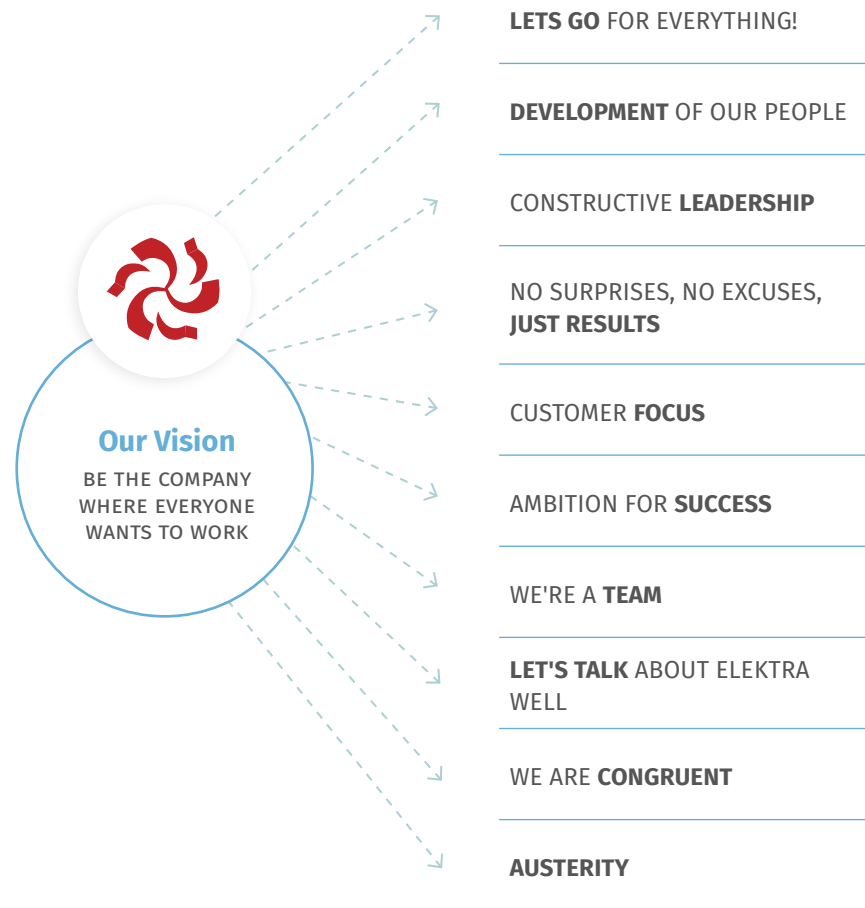
We also work at the level of each of the companies, to attract and retain talent.



Tiendas Elektra:

At Tiendas Elektra we have the vision of “being the company where everyone wants to work”, which is why we promote an organizational culture where we create favorable conditions for the development of our employees.

We have 10 main axes that feed this culture:



We want this culture to be present at all levels and in the different generations that make up the company. We have the following programs for this:

- Caravana de cultura: it takes place every 6 months and visits the different work centers to promote adherence to the organizational culture.
- Promotores de cultura: employees responsible for transmitting the culture, who can also identify and address related problems that they detect in the operation.

Regarding the attraction of talent, in addition to being aligned with the Group's standards, at Tiendas Elektra we have three other key tools:

- Interviews by competencies
- Talent in motion program, for the development of internal talent
- Panel in Corporate for the selection of managerial and executive talent.

For the retention of talent, we facilitate that employees develop by completing their studies, as well as through internal promotions of position, together with a culture of recognition and communication.

Italika

The talent attraction strategy for Italika is based on the search for skills and knowledge without distinction of gender, age, origin, among others.

For the selection of talent, we evaluate in the candidates:

- Measurement of the General Index of Honesty (IGH)
- Organizational Respect Diagnosis Requirement (DRO)
- Psychometric Evaluation

To increase retention, we improve the operational profile we seek in terms of previous experience and employee expectations.

Banco Azteca:

We have based our selection process on step 3 of Grupo Salinas' High Performance Management Model, which focuses on team building and development.

This process of attracting talent delegates to the team trainers –in charge of the work teams– the responsibility of selecting the best members, while the Business Partners of the Human Capital Area play the role of advisor who regulates the process and provides the candidates and the information necessary for the trainers to make their selection.

In addition to this model, we have a series of tools for identifying talent, regardless of gender, age, ethnicity, among others.

- Referral program
- Application of psychometric and skills tests.

We continue to work prominently on retention strategies, articulated by the Foco a Bajas Committee, including specific measures for corporate and branch employees.



We also facilitate internal promotions, especially towards managerial positions of those employees with experience in the company.

Results

Thanks to the Group’s approach and the initiatives of each company, we are an attractive opportunity for employment and development.

- Work seniority: 3 years and 10 months average

In 2020, we incorporated 34,500 people at the Group level, of which 14,500 were women, representing 42% of new hires and 20,000 were men, representing 58% respectively.

95% of the hires were for operational positions.

5% of new entrants occupy a leadership position.

Grupo Elektra 2020 Turnover			
	Women	Men	Total
New Hires	12%	16%	28%
Voluntary and involuntary terminations	10%	17%	27%
% of turnover:	22%	33%	55%

Notes:

- Voluntary termination: The case where a worker freely and without being subjected to coercion or any threat, decides to terminate his employment relationship with the company.
- Involuntary termination: The case which it is the company that makes the decision that the employee leaves or changes position in the company.
- Includes voluntary and involuntary termination.
- Turnover is calculated as: hiring - voluntary and involuntary terminations/total payroll at the end of the year

Jóvenes Construyendo el Futuro Program

At the Grupo Salinas level, for operations in Mexico, it participates in this government initiative. We have offered 12,000 training spaces in our companies since the launch of the program in 2019, in order to train young people, detect and develop talent, so that at the end we can incorporate the outstanding young people of the program into our workforce.

During 2020 it was achieved:

- Offer of 1813 training spaces.
- 1,488 employees started training
- 305 completed their 12-month training and continue in the talent portfolio.
- 194 have been hired
- 11,920 hours of online course for JCF trainees, “30 financial habits before the age of 30”

We highlight that in Banco Azteca 1,354 volunteers participated as tutors, giving more than 83,900 hours of training to the program’s scholarship holders during 2020.

Diversity and equal opportunities

(GRI 102-8, 401-3, 405-1) (SASB FN-AC-330a.1, CG-EC-330a.3, CG-MR-330a.1)

Total and breakdown by gender and age ranges

	Total	Under 30 years old	Between 30 and 50 years old	Over 50 years old
	69,804	31,649	35,271	2,884
	100%	45.3%	50.5%	4.1%
Men	42,248	19,359	20,942	1,947
	60.5%	27.7%	30.0%	2.8%
Women	27,556	12,290	14,329	937
	39.5%	17.6%	20.5%	1.3%



The number of volunteer hours invested by tutors in training scholarship holders during 2020 was equivalent to \$ 6,505,970

Workforce breakdown by function, 2020					
	Men		Women		TOTAL
	Amount	%	Amount	%	
Top Management	778	77%	234	23%	1,012
Management	8,761	62%	5,424	38%	14,185
Operation	32,218	59%	22,389	41%	54,607
Grand Total	41,757	59%	28,047	41%	69,804

Note: the data is not comparable to 2019 since the entire structure and hierarchies readjustments at Grupo Elektra level are being considered.

We have more than 15,000 leadership positions in the Group, of which:

- 38% are worried.
- 1,012 in top management positions of which 23% are held by women.
- 14,185 middle and junior management positions, of which 5,424 are held by women (38%).
- The income-generating positions in the Group correspond to 34,066 of which 18,218 are held by women, representing 53%.

At Grupo Elektra we have mechanisms that guarantee the integrity of our employees, as well as potential candidates. Any discriminatory practice motivated by ethnic or national origin, gender, age, disabilities, social condition, health conditions, religion, opinions, sexual orientation, marital status or any other, that violates human dignity, or that nullifies or affect the rights and freedoms of people.

Likewise, we promote equity and equal opportunities for all, complying with the certification in the NMX-R-025-SCFI-2015 standard on Labor Equali-

ty and Non-Discrimination, having as main axes:

- Incorporate the gender perspective and non-discrimination in the recruitment, selection, mobility and training processes.
- Guarantee equal pay.
- Implement actions to prevent and address workplace violence.
- Carry out shared responsibility actions between the work, family and personal life of the employees.

The diversity in our team is a reflection of the society we serve:

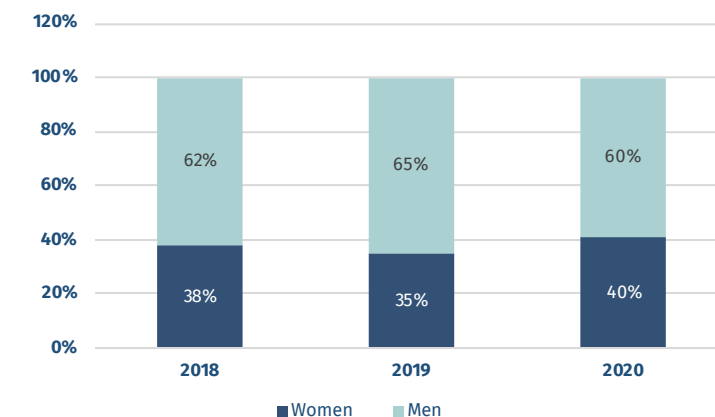
At the Grupo Elektra level::

- 39.5% of women in the workforce .
- 1,778 employees (2.6%) who speak indigenous languages (Maya, Nahuatl, Zapotec, Mixteco and Amuzgo).
 - 185 of the indigenous partners occupy a leadership position (1.2% of all leaders).
 - The 3 main languages spoken are: Maya, Nahuatl and Zapotec (50% of the speakers).
- 101 people with a disability (0.1% of the total)
- 99 foreign partners working in Grupo Elektra (0.1 of the total)
- 2,743 LGBT + (3.9% of total)
 - 3 in 4 (75%) consider GEKT to be a place where they can speak openly about sexual diversity
 - 288 of them occupy a leadership position (2% of all leaders)



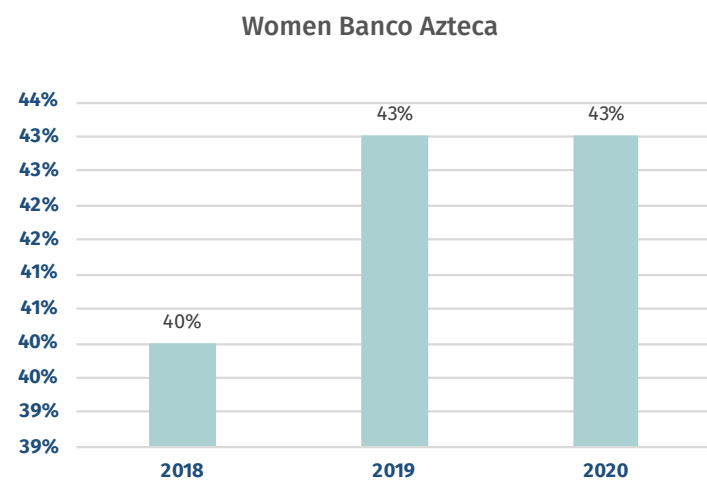
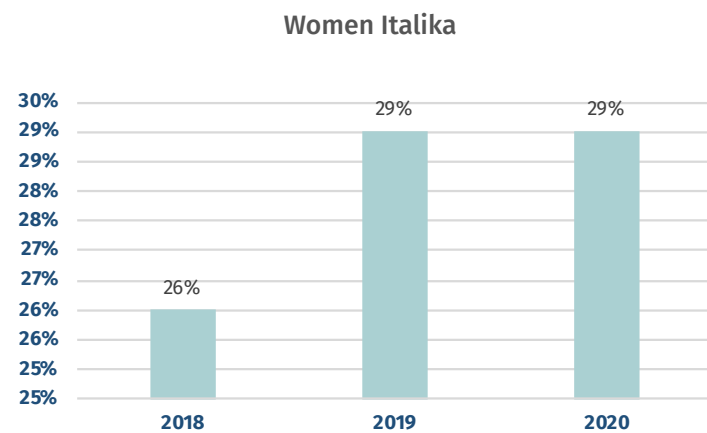
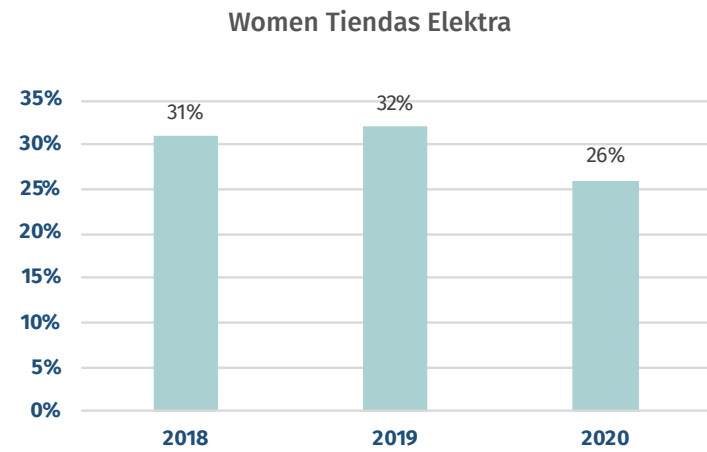
In mid-2020, the **1st open investigation on the LGBT + community** was launched in Grupo Elektra. 28,000 employees participated in the survey. (40% of the workforce)

Men vs. women 2020, Grupo Elektra





By company:



PARTICIPATION OF WOMEN IN MANAGEMENT POSITIONS (%) - 2020

	Tiendas Elektra	Italika	Banco Azteca	Grupo Elektra
Directors (high management)	28%	19%	25%	23%
Directors (high management)	32%	27%	42%	38%
Positions (directors + managers)	32%	27%	40%	37%

WOMEN'S PARTICIPATION - BREAKDOWN BY BUSINESS IN BANCO AZTECA (%) - 2020

Bank	43%
Insurance	46%
Afore	39%
Presta Prenda	57%
% of total women (Azteca Financial Services)	43%

Along with measures to avoid discrimination in access to employment and development, we also work on initiatives and benefits that facilitate diversity, especially in relation to reconciliation for different family models.

Our employees exercise the right to maternity leave, and we want them to feel supported to continue working with us.

	Tiendas Elektra	Italika	Banco Azteca
Total cases	251	44	1,256
% Reinstatement	68%	82%	76%
Retention Rate	100%	100%	100%

Note: The retention rate indicates the percentage of reinstatements that remain in the position for 12 months.

Training and career development

(GRI 103-2, 103-3, 205-2, 404-1, 404-2)

In order to have a workforce of excellence, the development of each of the employees is of great importance, as well as the updating of knowledge through training and workshops.

A team at the forefront is what has allowed us to remain strong and move towards business prosperity.

Due to the activities of each of the companies that make up the Group, we have various programs and trainings in online and face-to-face modalities, which are adjusted to the needs of the employees for the performance of their functions.

TIENDAS ELEKTRA TRAINING - 2020

Programs	Description
Prepa Socio	Program aimed at employees who for some reason have not been able to complete their high school studies; to choose them, high performance and perseverance are considered.
Universidad Elektra	Platform for continuous learning and knowledge management that allows Tiendas Elektra to spread the culture at all levels of the organization, develop leadership skills, as well as develop customer-oriented business capabilities.
Top Talent	Aimed at senior employees or with leadership responsibilities, in partnership with Harvard Business Publishing.
Leaders Certification in Omnichannel Store	Program whose purpose is to provide the leader with tools to guarantee the best shopping experience in his business unit, ensuring the correct execution of operational processes, as well as the standardization of the attention and omnichannel service of Tiendas Elektra.



ITALIKA 2020 TRAININGS

Program	Description
Training simulator	Aimed at new employees, with the ideology of learning by doing.
Team Leader Certificates	Training for team leaders. (A, AA and Team Leader certificates)

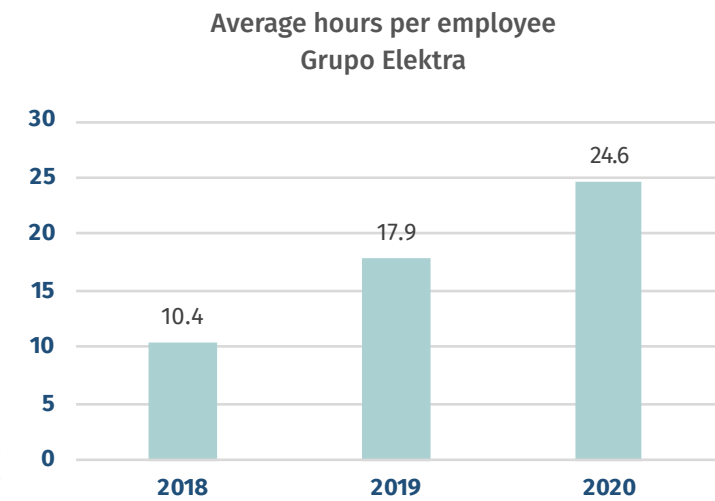
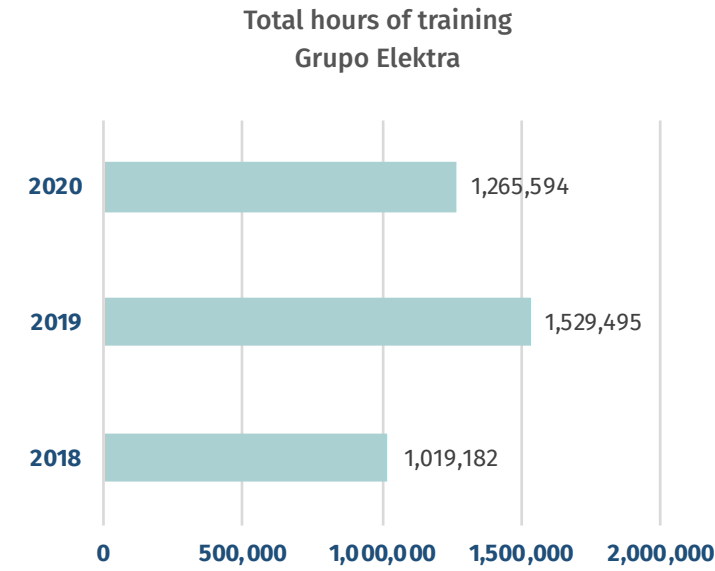
BANCO AZTECA 2020 TRAININGS

Program	Description
Management fundamentals	Basic program that seeks to develop team management skills that promote among team trainers - Branch Managers - the use of human resources as a base element for the achievement of results.
Leaders of excellence	Management improvement program to improve leadership skills and team management. Aimed at front-line leaders.



Resultados

At Group level:

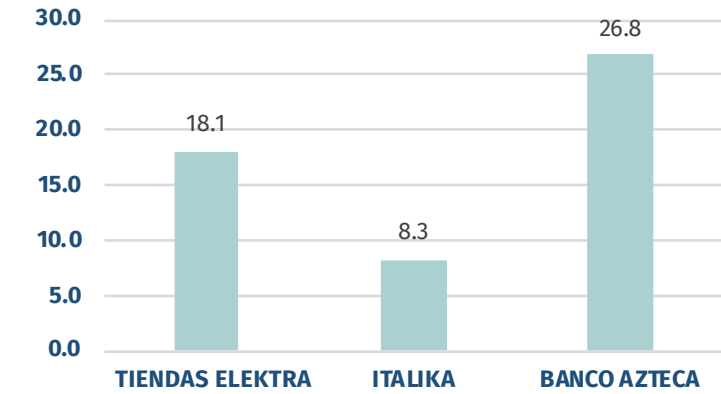


By company:

	Employees	Hours
TIENDAS ELEKTRA	7,629	137,866
ITALIKA	2,608	21,549
BANCO AZTECA	38,962	1,076,138

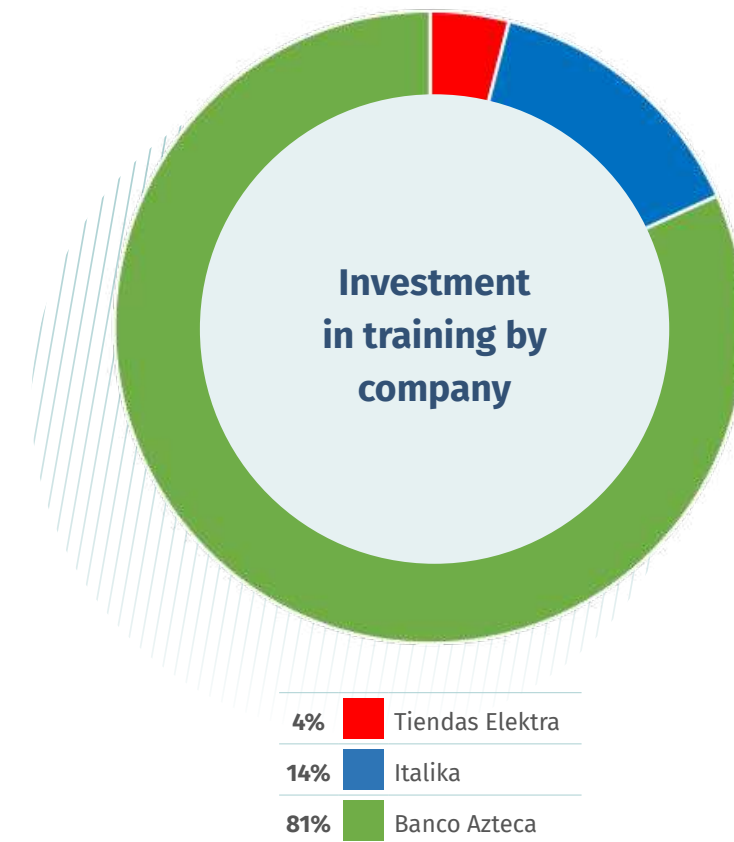
Note: it is calculated with the total hours of training in the company (all topics) with respect to the total number of employees trained.

AVERAGE HOURS PER EMPLOYEE 2020



At the Elektra Group level, we have invested a total of \$ 35,898,221 in training and development programs

• Average investment per employee: \$514.27



Performance evaluation

(GRI 103-2, 103-3, 404-3)

The performance evaluation process at Grupo Elektra is based on the model based on Objectives and Key Results (ORCs), which allows:

- The focus on the relevant tasks to achieve business results.
- That the employees identify activities, responsibilities and the expected results.
- Quantify the results and determine the progress on the objectives.
- Involve employees in the execution of the strategy, enabling them to know how they contribute to the success of the organization and generating greater commitment in them.

In addition to adapting to the ORCs model, each of the companies has tools and mechanisms that allow the performance evaluation to be carried out in their workforce:

PERFORMANCE REVIEWS 2020					
	Elektra stores	Italika	Banco Azteca	Elektra Group	% total in middle and high management positions
Total staff	146	304	7,162	7,612	50%
Men	106	86	4,174	4,366	46%
Women	40	216	2,988	3,244	57%

Note: Performance evaluation is carried out at the managerial and directive level

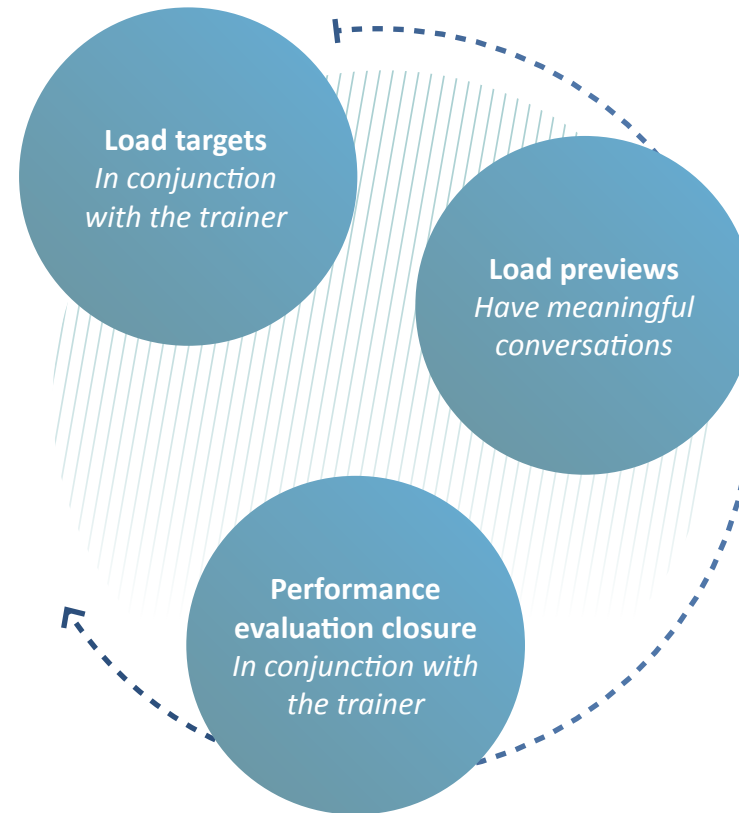
Tiendas Elektra

It has the identification of a set of institutional competencies, which are updated every year and communicated to employees along with associated KPIs.

Semi-annual reviews and an annual review are carried out, with feedback to the collaborator to let them know their achievements and areas of opportunity.

Italika:

At Italika we adhere to the Grupo Salinas evaluation process through Talento GS.



Banco Azteca:

We have specific models by area.

In the case of corporate employees, they have an evaluation system that includes functional and behavioral objectives. It is made up of 3 stages:

1.1. Definition and loading of objectives for all employees; In it, the objectives, priorities and compliance commitment dates are determined.

2.2. Mid-term evaluation, in which the Boss must evaluate the progress in the objectives and, if necessary, adjust them, in addition to providing feedback to the employee.

3.3. Final evaluation and feedback, carried out by the Boss , internal clients and the Human Resources area; in it and present an evaluation regarding corporate values; the Boss designates the internal client to participate in the employee's evaluation, specifies the strengths and areas of opportunity, in addition to assigning a value to the fulfillment of each objective, providing a final feedback to the employee..

Branch employees have a multidimensional evaluation through the GS Talent platform, which consists of:

- 1 - Measurement of productivity, that is, of the level of fulfillment of the assigned individual business goals.



2 - Feedback process between the team builder - Branch Manager - and the collaborator, under the conversations model considered in the transformation process from Boss to Coach that establishes at least one performance conversation per quarter.

For the establishment of the individual indicators in the different areas and profiles, we start from the strategic objectives established by the General Management of each company, which are transferred to area objectives and then at the employee level. These objectives are accompanied by variable compensation schemes.



Wellness, benefits and compensation

(GRI 203-1, 201-3, 401-2) (SASB FN-CF-270a.1, CG-MR-310a.1)

We are convinced that promoting the well-being and quality of life of our employees contributes to commitment and increases levels of efficiency and productivity. For this we develop different initiatives that build the emotional salary.

- It is estimated that 1 in 3 employees is a mother. (12,000 moms) and half of them are single mothers (6,000).
- All of them have found the balance between meeting the needs of their children and generating value in the Group to help their family move forward.

At the Grupo Salinas level, we articulate our efforts around five strategic pillars:

- Enrichment of the leader/collaborator relationship
 - Promoting a healthy lifestyle
 - Involvement of employees and their families in activities
 - Creation of internal promoters
 - Positioning of Grupo Salinas as the best company to work for in Mexico
- They include health activities, to be with the family and sports.

PROGRAM	DESCRIPTION	SCOPE
Emotional well-being	There are a series of services for employees, which are intended to provide the opportunity to access tools that provide them with emotional well-being.	24,500 corporate massages 4,000 nutrition consultations 5,000 participants in the Emotional Wellbeing App 700 meditation classes in corporate
Health campaigns	Actions and campaigns for health and prevention of diseases such as diabetes, hypertension and breast cancer were implemented. In addition, a Health Fair was held.	2,200 influenza vaccines were administered in corporate. 2,000 employees took support sessions.
Kilotón 7th and 8th edition	Comprehensive program that invites members to participate in a contest that rewards them for taking care of their nutritional health.	2,986 participants. 33 tons of weight lowered.
Partner Library	Through the Biblioteca Socioapp , books are made available to employees so that they can. Increase your knowledge	7,000 Active Members. 230 loans per week.
Universo Socio	In this portal cultural and recreational notes are published to arouse the interest of the general public.	163,000 visits.
GS women	Permanent campaign of Grupo Salinas that seeks: <ul style="list-style-type: none"> • Reaffirm commitment to Inclusive Prosperity • Recognize and promote the work and talent of women • Generate gender awareness • Create a culture and work environment of respect and freedom Drive women's talent into leadership positions	7,600 employees have visited the site





Monstruitos de 10	• Program that rewards the academic excellence of the children of employees.	1,400 participants
Virtual summer course Camp Azteca	• During the summer, activities were carried out in a virtual way that the children of the employees had a moment of relaxation.	200 participants
Ten presente tu futuro	• Permanent advice is provided to employees who are about to retire.	130 new users
Mamá por dos	• Advice and support is given to the Group's single mothers through a microsite	Reach: 6,800 employees

Due to the current pandemic, we expanded the Home Office scheme for those positions that could be performed from their homes.

	Total	HomeOffice
	2,420	2,420
	3.5%	100.0%
Men	1,464	1,464
	60.5%	60.5%
Women	956	956
	39.5%	39.5%

Aplica para algunas áreas a nivel corporativo

We offer our employees competitive compensation, which in any case exceeds the minimum wages in each country, and we are committed to ensur-

ing that there are no gender differences for equal positions.

At Banco Azteca, we have compensation schemes with an 80/20 approach (fixed/variable), aligned to the productivity and financial goals of the business in branch positions. 81% of our workforce is in this scheme.

Additionally, we provide benefits of special interest to our employees, considering the country where they work and their position, and additional to those established by law. In this way, employees can have access to credit, vacations, Christmas bonus, vacation bonus, and grocery vouchers, among others.

The retirement savings plans that we offer at Grupo Elektra level for employees of all companies stand out. At the end of 2020, the liability related to such plans amounted to MXN \$ 1,180.4 million.

Grupo Elektra Data

	SGMM	Social Security
	2,840	60,174
	100.0%	100.0%
Men	1,943	36,214
	68.4%	60.2%
Women	897	23,960
	31.6%	39.8%

Health and Safety

(403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

The health and safety of our employees are a priority, for which we work from prevention, in: 1) the development of culture, 2) the implementation of protection measures in the processes; 3) the delivery of the appropriate equipment; 4) the review of the conditions of the facilities.

Each company has a team responsible for managing and monitoring compliance with policies, regulations/manuals and safety standards. It is complemented by brigades of employees, which operate under the conditions established in case of emergency.

In addition to having general evaluations and formats, to mitigate occupational health and safety risks and verify safe and healthy conditions in workplaces, as well as the execution of precise and correct actions, the business units have a review process daily and the report by the employees.

In compliance with the Mexican Standard NOM-035, we have evaluated the psychosocial risk factors in our workforce, by means of a survey of employees. Based on the results, we are developing a work plan.

We promote awareness in our employees through different communications and activities, including Health Week. In addition, we offer you medical service vaccination campaigns.



EMPLOYEES

Employees also receive health and safety training from the Red Cross, to provide them with the necessary tools to respond in emergencies, such as fires or earthquakes, or to provide first aid. The brigades have a specific program for their responsibilities.

The scope of the health and safety system applies to all members of Grupo Salinas, both internal and external employees, while the results are internally and externally audited to verify compliance with applicable legislation. In this way, it is also possible to identify areas of opportunity to strengthen in the management system.

As a result of the current pandemic, we have increased biosafety measures in each of the businesses, with protocols that guarantee health and monitor suspected and confirmed cases. More information in the chapter “Main measures against COVID-19” of this report.

Results

For both Elektra and Italika’ Stores, we had no fatalities or professional illnesses during 2020.

Absenteeism by type of cause Grupo Elektra

15,128 disabilities registered in 2020

General illness	11,250
Accident	3,879
Other unexcused absences	823

Satisfaction

(GRI 103-2, 103-3)

We are attentive to the evolution of the work environment, dialoguing with our teams on an ongoing basis. We seek to meet your expectations, to continue promoting our strengths in human capital management and working on opportunities.

We have Socio Único, a system that helps the Group’s management and decision-making. Its objective is to know the employees, what motivates them, identify their personal and professional development, inside and outside the Group. Its main tools are Happy Index, Head with Star and Census Tell me more.

Jefe con Estrella: allows employees to evaluate their leaders, so that we can identify those with the best performance in this facet.

Happy Index: quarterly survey with which we evaluate the degree of satisfaction, stability and commitment of employees, with the company, its leaders, their co-workers and work environment.

HAPPY INDEX 2020

Gender	Participants	General Score
Women	23,223	8.2
Men	29,071	8.3
Grand Total	52,304	8.3

Business Unit	Participants	General Score
Tiendas Elektra	8,164	8.2
Banco Azteca	43,230	8.3
Italika	82	8.3
Other GEKT*	828	8.3
Grand Total	52,304	8.3

Note:

- Each quarter, an interactive Likert scale survey (five responses) is implemented through emojis, which speeds up the time and spontaneity in the responses.
- On average, the indicator is implemented 4 times a year, that is to say quarterly, for 2020, in the face of the contingency, only 2 implementations were made. However, in 2020, with only 2 shots, it was possible to impact 62% of Grupo Elektra’s headcount (37% more than 2015 to 2018)

Census Cuéntame Más: data questionnaire and employee perspective, which allows us to better understand different aspects of their life, such as family, education, health, socio-cultural activities and social action; as a result of this program, campaigns and programs are carried out according to the tastes and needs of the personnel. 43% of employees participated in 2020.

Participation and ratings Happy Index (HI) 2020 - Grupo Elektra

2017		2018		2019		2020	
Employees	HI	Employees	HI	Employees	HI	Employees	HI
39,011	8.2	42,806	8.1	61,745	8.2	52,304	8.3



Additionally, we have other mechanisms that complement Socio Único:

Net Promoter Index (IPN): allows knowing the level of predisposition of the employees to recommend in a natural way to their family members to belong to the Group. Employees are classified into three categories (Promoters, Liabilities and Detractors).

IPN Grupo Elektra - 2020

Year	Participants	Promoters	Liabilities	Detractors	IPN
2017	39,011	63%	26%	11%	52%
2018	42,806	65%	24%	11%	54%
2019	61,745	67%	24%	9%	58%
2020	52,304	69%	23%	8%	62%

IPN 2020

Gender	Participants	Promoters	Liabilities	Detractors	IPN
Women	23,233	68%	25%	8%	60%
Men	29,071	72%	20%	8%	64%
Grand Total	52,304	70%	22%	8%	62%

Business Unit	Participants	Promoters	Liabilities	Detractors	IPN
Tiendas Elektra	8,164	68%	24%	8%	60%
Banco Azteca	43,230	70%	22%	8%	62%
Italika	82	68%	23%	9%	59%
Other GEKT*	828	61%	29%	10%	51%
Grand Total	52,304	70%	22%	8%	62%

Niko-niko: tool to know the state of mind that employees have at the beginning of their day of operation, through a question asked at the first login of their operations. This makes it possible to identify patterns of conduct or behavior of employees to

generate alerts and, therefore, reduce risks.

In order to favor the work environment, as well as the commitment of our employees and their permanence in the company, we advance in a recognition model. It is built on four basic pillars:

Acknowledgment

That the praise for reaching the goal be public and include your leaders, colleagues, family and even reach the rest of the employees. At the same time, this recognition turns into prestige, which gives them opportunities to grow within the organization.

Experience

That beyond receiving a prize or an economic incentive, they live an experience that excites them, something that they can remember for a lifetime.

Symbol

That each contest is distinguished from the others by a symbol, which also becomes a trophy that the winners receive and can display with pride.

Diffusion

That the experience of the winners is made public, allowing them to share their knowledge and, at the same time, encouraging other employees to participate in future editions.

We highlight two of the recognitions developed by Banco Azteca in the year:

Awards	Description
Cabeza de jaguar	Banco Azteca Collection Contest that seeks to improve the percentage of portfolio recovery efficiency by generating motivation and effort to achieve business goals and thus increase productivity
Corazón Azteca	Banco Azteca Fundraising Contest focused on the opening of new accounts and the retention of balances; seeks to recognize the employee and promote teamwork. It lasts eight weeks and all the Managers and Executives of the country's branches participate in it.

Additionally, companies have their own initiatives to strengthen the relationship with the employee. This is the case of the "Continúa en movimiento" and "Testimonios Orgullo ITALIKA"





 **elektra**



Banco Azteca

Economic performance

Financial and operating indicators

We present solid results, despite the difficulties of the economic context in the region due to the incidence of the pandemic. The efficiency in our management and the previous trajectory in digitization have been key, along with the trust of our clients and the commitment of the employees.



GRI 102-45, 102-48, 103-2, 103-3

MAIN FINANCIAL FIGURES (millions MXN)

	2020	Δ20-19	2019	2018	2017
Consolidated income	120,507	4.6%	115,173	101,858	94,979
Costs	59,749	26.5%	47,219	40,646	37,243
Gross profit	60,759	(10.6)%	67,954	61,212	57,737
General expenses	50,946	4.6	48,700	41,638	40,982
Operating profit	2,057	(83.2)%	12,271	18,475	14,177
EBITDA	9,812	(49.0)%	19,253	19,574	16,754
EBITDA Margin (%)	8	79.0 pb	16	19	16
Net profit	-1,914	(111.9)%	16,151	18,396	15,398
Earnings per share	-8	(111.9)%	71	65	67
Number of shares outstanding (millions)	227	(0.4)%	228	228	231
Total Asset	370,724	6.5	348,106	277,389	235,407
Total liabilities	277,079	10.7	250,309	192,817	165,190
Shareholders equity	93,645	(4.2)%	97,797	84,572	70,217
CAPEX	5,906	(33.0)%	8,816	7,453	4,687
Cash Flow	3,906	(62.6)%	10,437	10,697	13,779

Note: Cash Flow equals EBITDA - CAPEX
Restatement occurs with respect to data provided in previous reports, due to accounting adjustments.

Evolution of income

We present below the detail of the income:

INCOME BY SECTOR (millions MXN)

	2020	Δ20-19	2019	2018	2017
Financial	68,253	-5.1	71,958	65,441	59,366
Commercial	52,254	20.9	43,215	38,479	35,614

INCOME BY GEOGRAPHY (millions MXN)

	2020	Δ20-19	2019	2018	2017
Mexico	103,128	8.6	94,950	80,618	71,762
Central and South America	8,418	6.8	7,884	10,956	10,922
North America	8,961	-27.4	12,338	12,346	12,294

Analysis of results

Tiendas Elektra

SASB CG-EC-000.A, CG-MR-000.A

Restrictions on mobility in the different countries had an impact on the performance of the commercial business in traditional channels. Our contact points remained open due to having a bank branch, considered an essential service, but we had limitations on the sale of products and services classified as non-essential.

On the other hand, there was a significant growth in electronic commerce. The investment we have been making in the omnichannel strategy and digital channels has allowed us to capitalize on these opportunities.

In sales, we experienced a growth in demand for products that improve living conditions at home and those associated with work and study at home (computers, electrical appliances, mattresses, etc.).

In addition, customers have especially valued the immediacy to be able to have them, even if the purchase is online. The option of picking up the product in the store has been preferred, with the advantage in our case of the long hours of the stores and their opening associated with financial services.

Our procurement strategy allowed us to have inventory and meet the needs during the year.

ELEKTRA STORES - OPERATING AND FINANCIAL INDICATORS

	2020	Δ20-19	2019
Sales (millions MXN)	52,254	20.9%	43,215
Value of e-commerce sales (millions MXN)	3,292	46.3%	2,250
Contact points - Mexico (stores)	1,143	0.1%	1,142
Contact points - Latin America (stores)	108	(37.2)%	172
Distribution centers	13	(13.3)%	15

Italika

SASB TR-AU-000.A, TR-AU-000.B

The demand for motorcycles endured the complexity of the year, with trends impacting: 1) the population's reluctance to use public transport, 2) the growth in demand for delivery services; Given the fall in formal employment, these have also become the alternative income for many families.

The results show an increase in sales revenue of 19%; Fewer units were sold due to restrictions on the operation of third-party stores, but the preference was for models of higher cost and resistance.

The diversity of channels has been key, with the proximity to our customers. Likewise, the development of the online store allowed us to be prepared for the remote purchase preference. Behind this, the solid logistics and distribution allowed us to attend to the purchases made; we were very attentive to the restrictions and reopening in international trade, with the active management of our supply team in China.

We continue betting on innovation, having a varied offer for different needs. This includes the devel-

opment of the Voltium model, which includes the brand's first electric motorcycle, as well as a folding bicycle; we are ready to raise awareness and promote more environmentally friendly options among our clients.

ITALIKA - OPERATING AND FINANCIAL INDICATORS

	2020	Δ20-19	2019
Assembled motorcycles	720,000	(5.4)%	760,740
Motorcycles sold	800,000	(3.4)%	828,374
Sales (millions MXN)	17,679	17.9%	14,990
Italika Service Centers (CSIT) - Mexico	877	4.4%	840
Italika Service Centers (CSIT) - Latinamerica	198	16.5%	170
Assembly plants	1	=	1

Banco Azteca

GRI 102-10, FS6) (SASB FN-AC-000.B

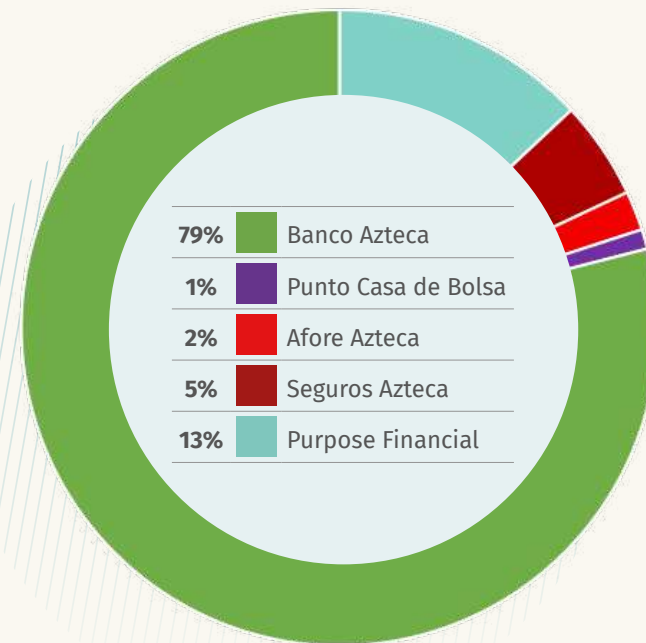
At all times we maintained the operation, being essential service. More than ever, two of our strengths became evident: 1) our geographic presence with a wide network of contact points, close to the population to avoid further displacement and 2) the strength of our digital channels, which allow operations to be carried out online in a simple and convenient way.

We apply financial relief measures, in accordance with legal provisions and our commitment to customers. It should be noted that the profile of the segment of the population we serve is very resilient, seeking opportunities and new sources of income despite the drop in formal employment.

We were able to maintain adequate levels of deposits, and we continue to provide credit according to our policies and evaluations.

We present the main results by financial business. It should be noted that in the 2020 data the operations of the Bank in Peru are no longer consolidated due to the sale of the subsidiary in the year.

Breakdown of financial income



6 out of 10 personal credits in Mexico are Banco Azteca

Afore Azteca is the Afore with the highest number of managed worker accounts (12.2% of system accounts)

Number 1 bank in payroll portability, with a 26.3% market share

BANCO AZTECA - OPERATING AND FINANCIAL INDICATORS⁸

	2020	Δ20-19	2019
BANCO			
Number of clients - Mexico (millions)	20	33.3%	15
Number of clients - Latin America (millions)	1.5	(62.5)%	4
Contact points - Mexico	2,648	19.5%	2,216
Branches - Mexico	1,880	2.0%	1,843
Own ATMS (Mexico)	1,921	58.9%	1,209
Banco Azteca Revenues (millions)	53,425	(0.6)%	53,726
Number of employees	47,543	(18.6)%	58,378
DEPOSITS- MEXICO			
Traditional deposits average amount	172,049	13.8%	151,184
Number of clients (millions)	14.6	11.4%	13.1
LATIN AMERICA			
Income generated (millions MXN)	4.5	4.7%	4.3
% of LAM's participation in the overall result	17%	100 pb	16%
Number of clients (millions)	1.5	(28.6)%	2.1
CREDIT			
Number of clients (millions)	5.59	(0.4)%	5.61
Personal loan portfolio balance (millions MXN)	41,244	16.3%	35,456
Trade credit portfolio balance (millions MXN)	24,484	(37.9)%	39,439
Late payments index	4.7%	100 pb	3.7%

⁸ In 2020 the results in Peru are no longer included since the subsidiary in that country was sold during the year and is no longer consolidated in the annual financial results.

	2020	Δ20-19	2019
DIGITAL BANKING			
Number of clients (millions)	11.9	65.3%	7.2
Number of Transactions	1,577,333,679	133%	675,066,195
INSTITUTIONAL AND GOVERNMENT BANKING			
Number of companies dispersing	687	57%	435
Number of business transactions	519,723	275%	138,256
Number of payroll transactions	12,111,323	0.5%	11,442,459
Number of corporate cards	28,000	460%	5,000
AFORE			
Number of managed accounts (millions)	14.6	8.9%	13.4
Number of affiliates (millions)	6	36%	4.4
Number of assigned workers (millions)	8.6	(0.3)%	8.9
Managed Assets (millions MXN)	161,340	1468%	109.8
Partial Retirements for Unemployment or Marriage (millions MXN)	2,970	1,855%	1.6
Cumulative annualized return	11.24%	3.57 pp	14.8%
INSURANCE			
Written premium (millions MXN)	7,229	42.5%	5,074
Number of policies (millions)	5.7	7.5%	5.3
CASA DE BOLSA			
Investment portfolio (balance at year-end)	1.8	ND	ND



Economic value generated and distributed

GRI 102-48, 201-1, 201-4

We seek to create value in a comprehensive manner for all of our stakeholders, through sound operational and financial management, distributing the financial income generated.

We reserve a part of the resources as Retained Economic Value (VER) to continue growing, undertaking the necessary investments.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (MM MXN)

	2020	Δ20-19	2019	2018
Economic value generated (VEG)	120,507	4.6	115,173	101,858
Distributed economic value (VED)	110,695	15.4	95,919	82,284
Retained economic value (VER)	9,812	-49.0	19,254	19,574

Notes:

VEG equals income

VED corresponds to the sum of costs and general expenses

VER is the difference between the previous concepts; equals EBITDA.

Due to adjustments in the figures and their restatement, the data does not coincide with what was reported the previous year.

It should be noted the absence of government aid to Grupo Elektra and/or its subsidiaries.

Fiscal responsibility

GRI 207-1, 207-2, 207-3

At Grupo Elektra we are responsible in the exercise of our tax commitments, in the different countries in which we operate, in accordance with the legislation that applies to us.

We generate value in each territory through our business, which translates into employment opportunities, supplier development and income for the different public administrations, which contribute to the development and well-being of the population.

The financial transaction between Group companies is carried out according to a transfer pricing structure using the arm's length principle. We are also committed not to use tax structures that avoid taxes and/or to transfer the value generated to jurisdictions with less tax burden.

At Banco Azteca, we have some Fiscal Principles, structured around the following axes:

- Transparency in the development and calculation of tax obligations
- Integrity in the application and interpretation of the laws, regulations and provisions for the fulfillment of tax obligations. Due compliance with the legislation in all the countries where we operate.
- Commitment not to transfer the value generated to low-tax jurisdictions, nor to use tax structures for the purpose of avoiding taxes.

- Observance of the guidelines regarding transfer prices in all transactions with intercompany companies.
- Commitment not to interact with entities in “tax havens”, as well as not to use tax structures without commercial substance.
- Cooperation with the different tax authorities in matters of reviews and clarifications requested.

Governance

- The Fiscal Committee, made up of senior managers, establishes the strategy and reports progress in its compliance to the General Management.
- The Tax Department establishes the standards and internal control mechanisms to comply with the current tax regulations.
- The Internal Audit Area, through the reviews and tests carried out by the External Auditor, identifies cases of ⁹ non-compliance, which are dealt with by the Banco Azteca Board of Directors.
- This management applies to our taxation. Similarly, when developing financial products we are clear about the tax conditions they entail, so that clients make proper use of them.

⁹ The results of the fiscal principles are audited by an external firm, its procedure is based on the issuance of its opinion in accordance with the International Auditing Standards (ISA), in which the independent auditor has the responsibility of complying with the Auditing Standards. Audit for the review of Financial Statements and the Code of Ethics issued by the Mexican Institute of Public Accountants, and the application of articles 32A of the Fiscal Code of the Federation and 58 sections I, IV and V of its regulations.



Environment

Introduction

At Grupo Elektra, we are committed with the environment. We also promote good practices in our value chain and create a culture of respect and promotion of sustainable development.

Grupo Elektra's lines of action:

- **Commitment with the circular economy.** At Italika, from the product design stage and selection of materials and suppliers; at Tiendas Elektra, in the packaging operation for storage and logistics.
- **Energy efficiency in operations,** applicable in the three companies, with special emphasis on Tiendas Elektra and Banco Azteca, due to the wide network of stores/branches.
- **Reduction of impacts by the consumer.** In Italika, design of more efficient models in the use of fuel, first electric and bicycle model. In Tiendas Elektra, an offer of eco-efficient products, including their own brand. In Bank, development of credits with environmental criteria.
- **Support for climate action,** own and of the value chain. Throughout the Group from energy efficiency. At Banco Azteca, with the development of a credit and investment portfolio that is less responsible for lower Greenhouse Gas (GHG) emissions.

- **Promotion of a culture of respect for the environment,** among our employees and actively involving clients and our strategic partners.

The management of environmental impacts is present in the sustainability strategies of Banco Azteca, Tiendas Elektra and Italika, as well as at the Group level.¹⁰ We have the Energy and Environment area at Grupo Salinas level, responsible for coordinating the measures to mitigate the environmental impacts of the different companies, including the necessary investment in technology and innovation.

During 2020, the Environmental Policy was developed at the Salinas Group level, which establishes the guidelines regarding the preservation and protection of the environment that both the Group and its different business units undertake to implement within their operations.

We analyze our operations to identify and propose the necessary measures to optimize the consumption of energy, paper, water and manage waste with a focus on reuse and/or recycling. We

¹⁰ See Annex II with the detail of the models. (Pág.77)





invested \$368,222,625 pesos in the year in the different environmental management processes and initiatives.

Through the Supplier Circle Certification, a third party external to us assesses compliance with environmental legislation and practices in our supply chain. In the case of Italika, there is also an evaluation of the suppliers in Asia that generate the components of our motorcycles, not only in terms of quality, but also in labor and environmental aspects.

Materials

GRI 301-1

Due to the differences between Grupo Elektra's businesses, the analysis of the impacts associated with the materials and the measures developed in each company differ.

At Italika, this is a critical aspect from the perspective of supplier practices and the satisfaction and safety of our customers. At Italika we develop the

designs and assemble the parts, which are in turn manufactured by high-quality suppliers.

We are working on 2 aspects in relation to materials: 1) reduce the amount of plastic or other supplies; 2) incorporate materials of greater durability and/or recyclable or reusable; all without compromising the comfort and safety of the user.

Here are the main inputs:

MATERIAL	AMOUNT	UNIT OF MEASUREMENT
Packing Carton	5,742	Parts
Plastic for plastering	0.5	Tonnes
Wooden pallets	1,106	Tonnes
Metal pallets	385	Tonnes
Strip	81	Tonnes
Styrofoam	149	Tonnes
Rubber foam	1,440	Tonnes

As part of efforts for a more sustainable operation and products, we also pay attention to packaging. We mainly use a reusable option for sale on site, which we can use in new shipments, and a cardboard option for home delivery, so that it can be sent for recycling by the customer. We continue to evaluate options to reduce consumption and facilitate reuse and/or recycling.



Energy

GRI 103-2, 103-3, 302-1, 302-3, 302-4, 302-5

We have guidelines for efficient energy consumption, to maximize its use. This includes the selection of efficient equipment internally verified with the Group's own seal and also externally certified by ANCE (Association for Standardization and Certification of the Electricity Sector).

All Grupo Salinas companies also have the Energy Management System (SIGEN). Through it, we record and monitor consumption, spending, and variations in both parameters, even at the store level. It also allows us to identify opportunities for improvement in processes, facilities, equipment, etc.

At the level of stores and branches (Tiendas Elektra and Banco Azteca), we have carried out initiatives that have made it possible to reduce consumption, dimensioned in the savings obtained in energy costs:

- In all cases, the construction templates carry de facto green technology: LED luminaires, inverter type air conditioners, thermal insulation and programmable thermostats, motion sensors to control the shutdown of the lights, toilets, saving toilets and water taps, biodegradable and ecological cleaning products, as well as separation of recyclable waste (cardboard, wood, metal pallets , etc.) in many of the branches.

- Energy efficiency program running at 1,880 points → - \$ 5.7 MM MXN
- Analysis, proposals and engineering designs: optimization of the capacity of air conditioning equipment, lighting solutions, etc. → - \$ 15 MM MXN
- Process optimization → - \$ 98 MM MXN
- Recuperación en errores de facturación de CFE = \$4 MDP
- Negociaciones de inyección de energía renovable a GS = \$1.6 MDP

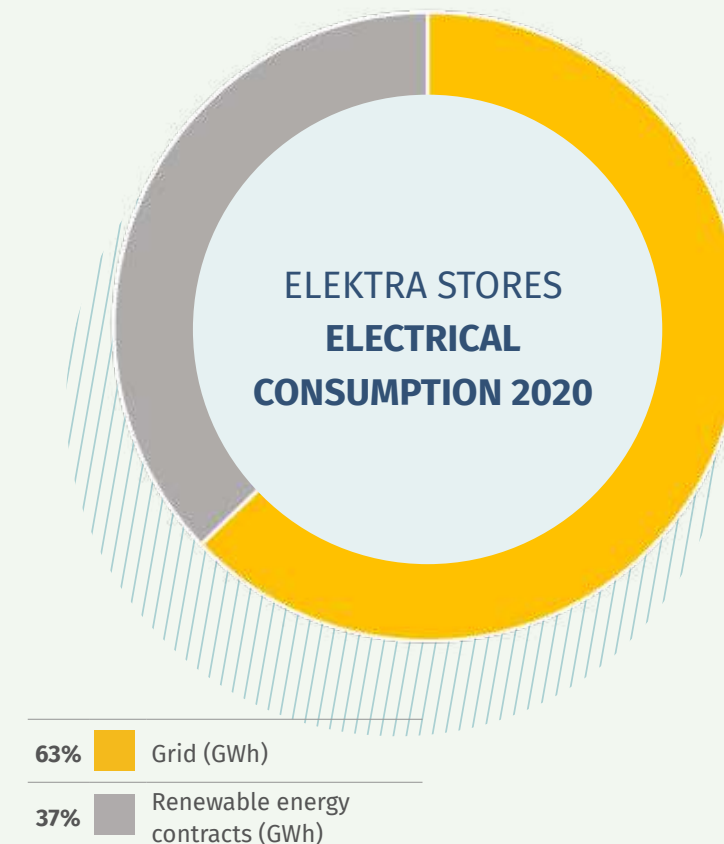
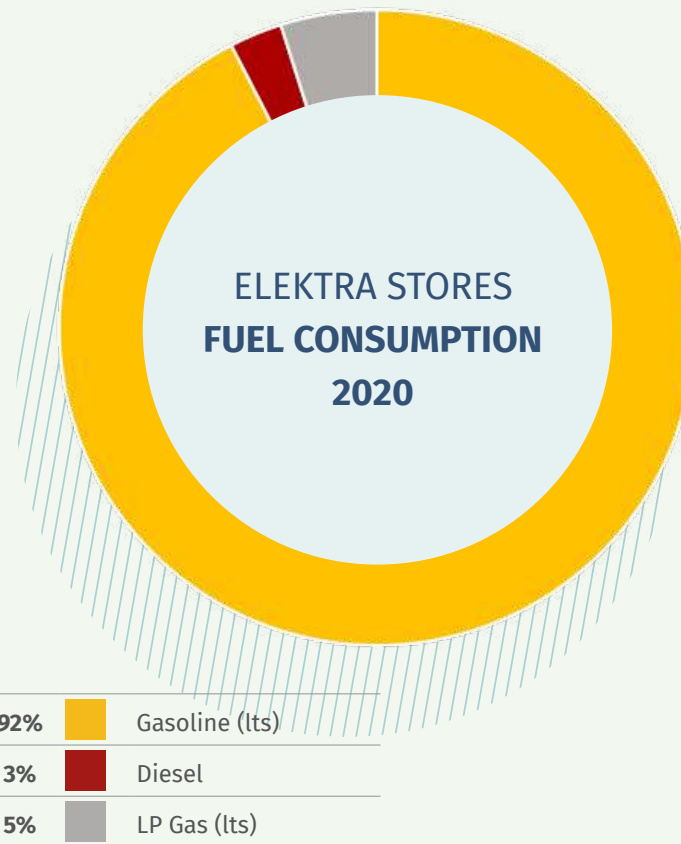
Additionally, we train employees in efficient energy use.

Elektra stores - fuel consumption 2018-20

	2018	2019	2020	Δ20-19
Gasoline (lts)	422,647	1,978,483	1,169,385	-0.41
Diesel	5,700	27,602	33,993	0.23
LP Gas (lts)	44,355	49,356	61,910	0.25
Total (Gj)	15,885	43,889	42,620	-0.03

Tiendas Elektra - Electricity consumption

	2018	2019	2020	Δ20-19
Grid (GWh)	102.2	121.1	98	-0.19
Renewable energy contracts (GWh)	30.8	33.3	58	0.74
Total (GWh)	133	154.4	156	0.01
Total (Gj)	478800	555840	561,600	0.01



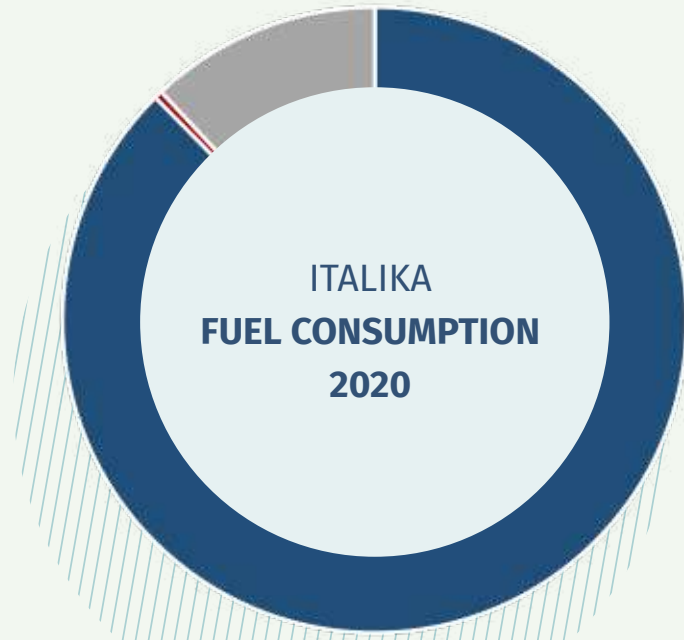


Italika - fuel consumption 2018-20

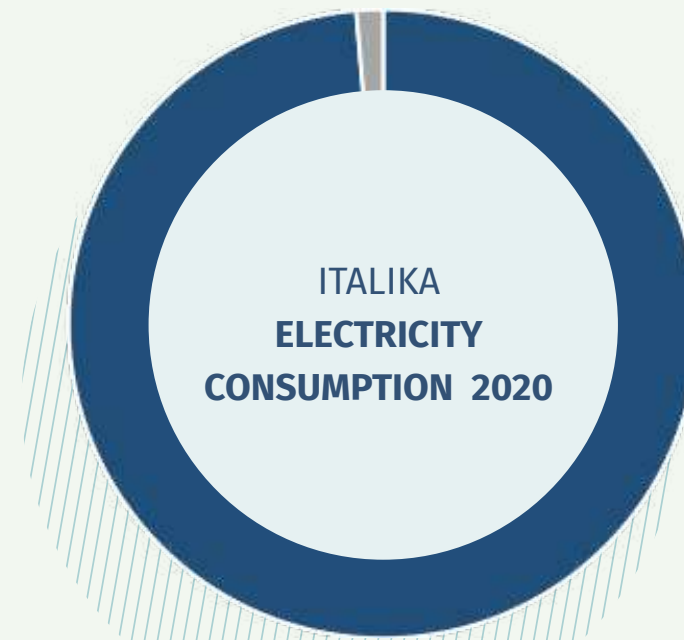
	2018	2019	2020	Δ20-19
Gasoline (lts)	573,287	476,381	603,917	0.28
Diesel	12,521	1,516	2,872	0.89
LP Gas (lts)	82,435	82,583	82,658	0.0
Total (Gj)	22,077	18,479	22,896	0.24

Italika - Electricity consumption

	2018	2019	2020	Δ20-19
Grid (GWh)	5.258	6.3	7.2	0.14
Renewable energy contracts (GWh)	0.1	0.1	0.1	0
Total (GWh)	5.358	6.4	7.3	0.14
Total (Gj)	19288.8	23040	26,280	0.14



88% Gasoline (lts)
0% Diesel
12% LP Gas (lts)



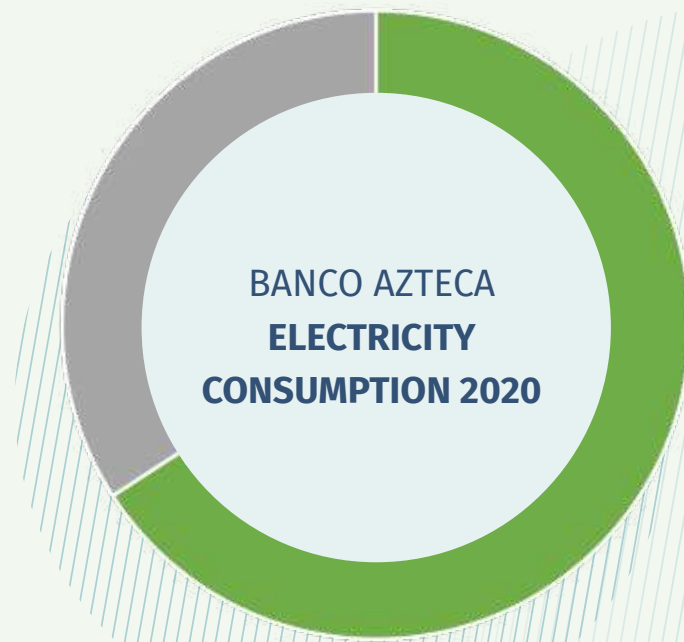
99% Grid (GWh)
1% Renewable energy contracts (GWh)

Banco Azteca - fuel consumption 2018-20

	2018	2019	2020	Δ20-19
Gasoline (lts)	6,934,264	5,306,518	4,548,665	-0.14
Total (Gj)	235,347	205,894	153,600	-0.25

Banco Azteca - Electricity consumption

	2018	2019	2020	Δ20-19
Grid (GWh)	48.1	57.1	54	-0.05
Renewable energy contracts (GWh)	21.6	21.2	28	0.32
Total (GWh)	69.7	78.3	82	0.04
Total (Gj)	250,920	281,880	295,200	0.04



66% Grid (GWh)
34% Renewable energy contracts (GWh)



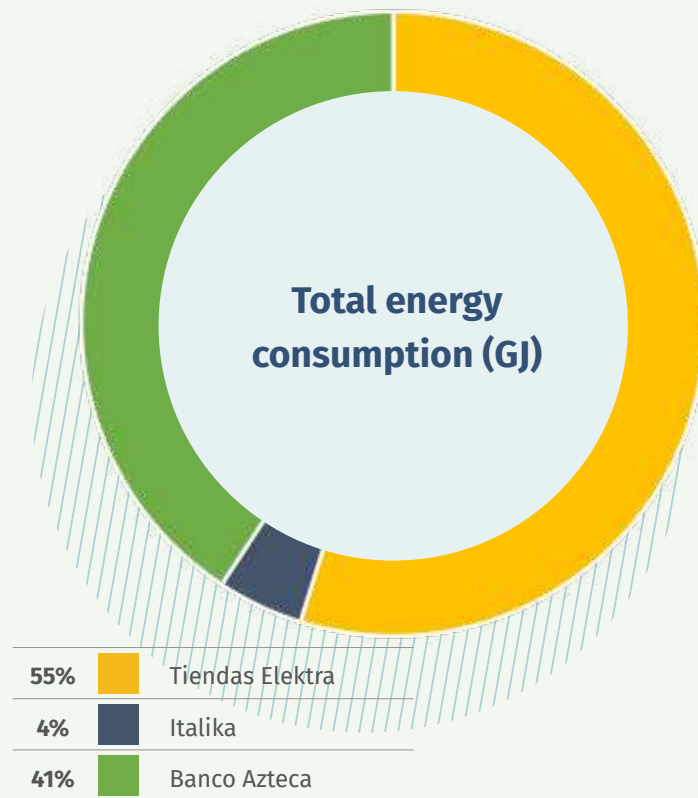
Grupo Elektra – fuel consumption 2018-20

	2018	2019	2020	Δ20-19
Gasoline (Its)	7,930,198	7,761,382	6,321,967	-0.18
Diesel	253,568	235,012	36,865	-0.84
LP Gas (Its)	126,790	131,939	144,568	0.09
Total (Gj)	37,962	62,368	219,116	2.51

Grupo Elektra - Electricity consumption

	2018	2019	2020	Δ20-19
Grid (GWh)	155.558	184.5	159.2	-0.14
Renewable energy contracts (GWh)	52.5	54.6	86.1	0.58
Total (GWh)	208.058	239.1	245.3	0.02
Total (Gj)	749,008.8	860,760	883,080	0.02

Note: Total sum of fuel and electricity consumption for each na of Grupo Elektra companies.



80% of Grupo Elektra's energy consumption corresponds to electricity.

35% of the electricity consumed by Grupo Elektra comes from renewable sources.

Among the measures for the reduction and efficiency in energy consumption, it is worth highlighting:

- Reduction in the time of use of the air conditioning in the Elektra and Banco Azteca stores, due to the lower number of customers due to the health contingency.
- Limitation of the travel of our employees for company activities, which leads to fuel savings.
- Progress in the implementation of the energy efficiency adjustment of thermostats and timers at the sites of Tiendas Elektra and Banco Azteca, resulting in a reduction in energy consumption of 2.7 GWh in 2020 (sep-dec).
- Implementation of the home office in the corporate, which resulted in a reduction in electricity consumption compared to 2019 of 1.3 GWh; it also led to a reduction in the consumption of LP gas in dining rooms.

TOTAL FUEL CONSUMPTION (Gj)

	2020 TARGET	2020 RESULT	2021 TARGET
Tiendas Elektra	72,000 Gj	42,620 Gj	50,000 Gj
Italika	25,000 Gj	22,896 Gj	25,000 Gj
Banco Azteca	160,000 Gj	153,600 Gj	160,000 Gj
Grupo Elektra	257,000	<37,884	235,000 Gj

Notes:

- EKT is expected to continue reducing its fuel consumption as online sales increase (consumption is transferred to third parties) and freight and forklift use decrease.
- With the health contingency, there was less influx of customers at Elektra and BAZ Stores, which caused the air conditioners to have less operation during the day and consume less energy.
- Also due to the health contingency, budgets for staff travel expenses were reduced in the geography, which translated into a decrease in gasoline expenses.
- EyMA implemented the energy efficiency program for adjusting thermostats and timers at EKT and BAZ sites, resulting in a reduction in energy consumption of 2.7 GWh in 2020 (Sep-Dec).
- The home office measure was implemented in the different corporations, thereby reducing energy consumption as follows:
 - Corporate EKT: 1.3 GWh reduction in energy consumption vs 2019
 - Corporate TVA: 1.8 GWh reduction in energy consumption vs 2019
- The home office measure also contributed to a reduction in LP gas consumption in corporate dining rooms.

TOTAL ELECTRICITY CONSUMPTION (GWh)

	2020 TARGET	2020 RESULT	2021 TARGET
Tiendas Elektra	150 GWh	< 6 GWh	170 GWh
Italika	6 GWh	< 1.3 GWh	9 GWh
Banco Azteca	75 GWh	< 7 GWh	90 GWh
Grupo Elektra	231	<14.3	269 GWh

For electricity consumption, we are also making progress in self-generation with solar panels, which is a renewable and non-polluting source. They are already operating in 4 branches of Tiendas Elektra and Banco Azteca; According to the feasibility study, 100 branches have technical and economic potential to have them available, so we will extend the scope of the panel program.

Emissions

GRI 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5

We are committed to reducing our contribution to climate change, working on the intensity of Greenhouse Gas (GHG) emissions, relative to the volume of activity. To do this, we are making progress in energy efficiency measures and the use of renewable energies.

We annually calculate our direct emissions (Scope 1), resulting from the use of fuels and the output of refrigerant gases from the climate equipment, and the indirect ones associated with the generation of the electricity we consume (Scope 2).

Here is the breakdown of emissions:

Tiendas Elektra - GHG Emissions (tonCO ₂ e) 2018-20				
	2018	2019	2020	Δ20-19
Scope 1	118	5,654	3,498	-0.38
Scope 2	53,859	81,837	68,207	-0.16
Scope 1 + 2	53,977	87,491	71,705	-0.18

Italika - GHG emissions (tonCO ₂ e) 2018-20				
	2018	2019	2020	Δ20-19
Scope 1	1,567	1,285	1,678	0.30
Scope 2	2,761	3,196	3,656	0.14
Scope 1 + 2	4,328	4,481	5,334	0.19

Banco Azteca - GHG Emissions (tonCO ₂ e) 2018-20				
	2018	2019	2020	Δ20-19
Scope 1	16,873	13,457	12,631	-0.06
Scope 2	7,038	8,193	8,452	-0.71
Scope 1 + 2	42,226	42,522	21,083	-0.50

Grupo Elektra - GHG Emissions (tonCO ₂ e) 2018-20				
	2018	2019	2020	Δ20-19
Scope 1	18,562	20,402	17,807	-0.13
Scope 2	81,969	114,092	80,315	-0.29
Scope 1 + 2	100,531	134,494	98,122	-0.27

In 2020, due to the pandemic, the calculation of scope 3 emissions was carried out, only for Banco Azteca business flights.

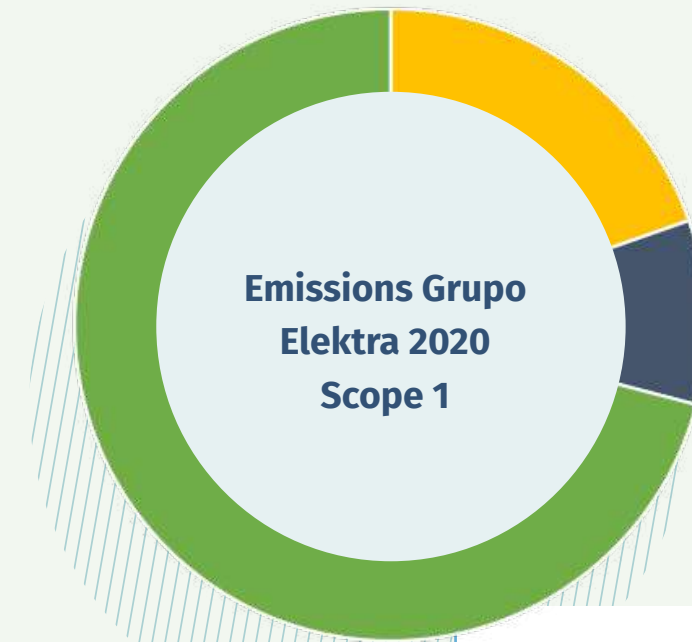
SCOPE 3 (tonCO ₂ eq)	
Banco Azteca business flights	413 tCO ₂ e

Note: 303 tCO₂e less than in 2019.

The evolution of emissions considering 2015 as a baseline, shows the following scenario by company:

- Tiendas Elektra → - 1,239 tCO₂e representing a reduction of 2%
- Banco Azteca → - 6,570 tCO₂e, representing a reduction of 46%
- Italika → +5,039 tCO₂e. Increase due to the expansion of the business and of the assembly plants.

Reduction due to the implementation of technology (lighting, air, thermal enclosures, forklifts, fleets) and the use of good practices (maintenance, user savings, communication campaigns, etc.). The process improvement generated a saving of \$ 40 million pesos in medium and low voltage connections, of which \$ 26 million pesos would correspond to the use of 1,209,302.33 liters of diesel that was avoided, thus avoiding the generation of 3,462 tCO₂e.



20%	Tiendas Elektra
9%	Italika
71%	Banco Azteca

82% of Grupo Elektra's emissions correspond to Scope 2 emissions.

SCOPE EMISSIONS 1 +2 (tonCO ₂ e)			
	2020 TARGET	2020 RESULTS	2021 TARGET
Tiendas Elektra	95,800	71,905 (-23,895)	75,000
Italika	4,500	5,593 (+1,093)	6,000
Banco Azteca	24,000	21,083 (-2,917)	22,000
Grupo Elektra	124,300	98,581 (-25,719)	103,000

Notes:

- The 2021 goals have remained the same as in 2020 (except for EKT), due to the fact that commercial activities have gradually stabilized, as the pandemic ends, so it is expected to return to similar consumption of electricity and fuels to the above.
- The goal of Tiendas Elektra has decreased because the company has been increasing its consumption of renewable energy, which considerably reduces GHG emissions and because more than 90% of these are generated by electricity consumption.
- For Italika, due to its growth, a greater scope of operations is considered, so the goal is seen with an increase compared to the previous year.
- For 2021, the gradual decrease in fuel consumption by Banco Azteca is expected, for example, gasoline consumption of less than 5.5 million liters per year, impacting on the reduction of Reach 1 emissions, remaining these are below 13,000 tCO₂e

Water

GRI 303-1, 303-2, 303-3, 303-5, SASB CG-EC-130a.2

Our activities are not particularly demanding of water, but we are committed to efficient use as part of our environmental management and culture.

We have operational measures to reduce network catchment and take advantage of rainwater; we also generate awareness among our employees.

We are currently reviewing the internal water use policy in Grupo Salinas, which aims to promote the saving and efficient use of water resources, considering the guidelines established in the National Water Law.

Water withdrawal (m³) 2018-2020

	2018	2019	2020	Δ20-19
Tiendas Elektra	33,706,968.00	242,082	208,291	-0.14
Italika and Ensamblika*	12,573*	33,800	38,251	0.13
Banco Azteca	25,274,722	152,072	125,527	-0.17
Grupo Elektra	58,994,263	427,954.00	372,039	-0.13

Notes:

* Consumption volumes recalculated from corrections in the number of users.

** In Italika, 82% of water consumption corresponded to Ensamblika.

** In 2018, only Ensamblika was considered in water consumption.

Breakdown of water withdrawal 2020 (m³)

	Municipal supply	Rainwater collection	Treated water
Tiendas Elektra	208,291.06	ND	
Italika and Ensamblika	38,251	300	2,600
Banco Azteca	125,497.34	30	
Grupo Elektra	372,039.40	330	2,600

Notes:

• To obtain the water consumption of the geography of Tiendas Elektra and Banco Azteca, the per capita consumption of commerce (70%) and bank (30%) was considered from the use of toilets and sinks (discharge of 4.8 liters in toilets and 0.5 liters in sinks), consumption for cleaning (4 to 10 daily buckets of 17 liters each), as well as the use of toilets by visiting customers. A proportional part (85% according to its contribution from freight) was added from the consumption of Distribution Centers.

• For Italika and Ensamblika, consumption was recorded in corporate companies and the corresponding part of ITK in Distribution Centers (2.5% according to the amount of freight for ITK). In addition to plant consumption (14 meters)

Water consumption (m³)

	OBJECTIVE 2020	RESULTS 2020	GOAL 2021
Tiendas Elektra	246,500	>38,200	232,000
Italika	39,500	>1,200	39,500
Banco Azteca	200,000	>74,500	188,000
Grupo Elektra	486,000	>113,900	459,500

Notes:

• Tiendas Elektra: The goal was established by calculating an increase in consumption only for new stores (approx. 40) and without an increase in equal stores, with a consumption approx. of 40,000 m3 in corporate.

• Italika: The goal was established considering only an increase in agencies (approx. 18 in 2020) and the same consumption in equal and corporate agencies.

• Banco Azteca: The goal was established considering an increase in consumption, only for new branches (approx. 40 in 2020) and an average annual consumption of 60 m3 per site.



Waste

GRI 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5, SASB TR-AU-440b.1

At Elektra and Italika' Stores, waste management is significant, especially from own packaging. They also have an indirect impact by those that are generated during the phase of use by the client, for which they work to offer quality and durable products.

In the case of the Bank, generation is not relevant, but we work on management as part of the company's environmental commitment.

During 2020, we work on the Waste Management Policy for special handling in branches, for Tiendas Elektra, in order to establish the general guidelines and activities to be carried out for the correct management of waste that can be recoverable and that is considered scrap under current environmental regulations.

Elektra stores (tons) 2018-20

	2018	2019	2020	Δ20-19
Recycling	35	26	19.3	-0.25
Special Handling	0.4	3	0.8	-0.73
Urban Solids	4,324.6	2,277	2,086	-0.08
Total	4,360	2,306	2,106	-0.09

Italika and Ensamblika (tons) 2018-20

	2018	2019	2020	Δ20-19
Recycling	6,089	7,339	9,061.2	0.23
Special Handling	5	1,525	3.5	-0.99
Urban Solids	219	410	376	-0.82
Total	6,313	9,279	9,441	0.02

Banco Azteca (tons) 2018-20

	2018	2019	2020	Δ20-19
Recycling	15	14	16.9	0.21
Special Handling	1	1	0.9	-0.04
Urban Solids	3,307.6	3,320	3,257.4	-0.02
Total	3,323	3,335	3,275	-0.02

Grupo Elektra (tons) 2018-20

	2018	2019	2020	Δ20-19
Recycling	6,139	7,378	9,098	0.23
Special Handling	5.8	1,529	5.3	-0.99
Urban Solids	7,851.2	6,016	5,719	-0.05
Total	13,996	14,923	14,822	-0.01

Waste destination 2020 (%)

	Tiendas Elektra	Italika and Ensamblika	Banco Azteca	Grupo Elektra
Spillway	99%	4%	99%	38%
Recycling	1%	96%	1%	62%

WASTE GENERATION (TON)

	2020 TARGET	2020 RESULTS	2021 TARGET
Tiendas Elektra	2,600	>495	2,600
Italika	10,400	>960	10,400
Banco Azteca	3,200	<75	3,300
Grupo Elektra	16,200	>1,530	16,300

Notes:

- Tiendas Elektra: The same goal is maintained, considering that in 2020 the generation of waste decreased due to the pandemic.
- Italika: The same goal is maintained at the Torre GS corporate and ITK agencies nationwide, due to the fluctuation in the amount of solid urban, recyclable and hazardous waste
- Banco Azteca: Increase of 100 tons due to the effect of greater recycling and the addition in the accounting of waste from Distribution Centers, which were not previously considered.

For Tiendas Elektra and Banco Azteca there is a recycling program that includes separation, collection and final disposal of recyclable waste, through third parties. During 2020, 36.6 tons were recycled in the corporates of these two companies:

	EKT	BAZ	TOTAL
CARDBOARD	8.4	8.4	16.9
PET	2.0	1.6	3.6
ALUMINUM	0.6	0.6	1.2
HDPE	0.4	0.4	0.8
MIXED FILE	2.0	2.0	4.0
CAPLE	2.0	2.0	4.0
NEWSPAPER	0.3	0.3	0.6
WOOD	0.5	0.5	1.0
PLASTIC LAY	3.3	1.3	4.6
			36.6 ton

*Tons of recyclable waste recovered in corporates of Elektra and Banco Azteca during 2020

Hazardous waste (BAZ = 1.8 ton; ITK = 3.5 ton) were transported and disposed of through third parties, with whom we have a value chain for the recovery of up to 85% of such waste. Recovery percentages are estimated through vendor reports:

HAZARDOUS WASTE	PERCENTAGE OF RECOVERY
alkaline batteries	85 %
non-flammable contaminated solids	25 %
flammable contaminated solids	50 %
contaminated liquids	35 %
mixed solvents	50 %





Community

At Grupo Elektra we are committed to the development of the communities where we are present.

We work maximizing the positive impacts generated by the activity of our companies, such as the contribution to financial education, a culture of prevention, road safety and responsible consumption. Likewise, to address the main problems of each environment, we develop social actions in collaboration with different social organizations.

Our purpose of inclusive prosperity focuses on reducing inequalities, promoting economic development, well-being and the advancement of the population.

- With the economic crisis generated by COVID, 867 branches of the competition in the country closed while Banco Azteca opened 37 branches to close with 1,880 branches.

Differences from the business

Our companies perform in accordance with the management of ethical and governance, social and environmental aspects. Additionally, due to the nature of the different businesses, they promote different responsible practices among clients and society.

Financial Education

(FS16) (SASB FN-CB-240a.4)

At Banco Azteca, we have the “Aprende y Crece” program, which aims to instruct the population on the correct management of personal finances and promote an entrepreneurial culture. This program has been positioned as a key element in the achievement of business objectives in order to reinforce the digital inclusion of our more than 12 million digital clients.



Banco Azteca is the only financial institution rated with **5 stars in the Bureau of Financial Entities of the CONDUSEF**, regarding financial education.





It consists of specific activities for our clients and employees, and others that are open to society, even for groups with a greater knowledge gap and access to financial services, such as women.

The program has specialized professionals, as well as pedagogical methodologies and innovative platforms.

During the year, thanks to digital platforms, in the context of confinement we were able to continue the workshops and develop new content. In total, we gave 60 virtual workshops and generated more than 300 content (infographics, notes, videos, etc.), which benefited more than 66 million children, youth, women, entrepreneurs, businessmen, employees, clients and users of financial services.

We invested \$17.6 million pesos in 2020, managing to increase the scope, tripling the number of beneficiaries in one year compared to 2019.

Along with monitoring the satisfaction of the participants, we measure the impact, through pre and post evaluations, which allow us to compare previous and acquired knowledge.

The results of this evaluation in 2020 indicated that the degree of learning, level obtained and applicability in daily life is 100%, facilitating, thanks to these actions, not only that Banco Azteca customers, but also the general public served a family budget, save, plan your expenses, plan for the future, improve your businesses and carry out ventures. Making them responsible for the use of credit, the consequences of over-indebtedness, late payments, non-payment and security measures in the use of financial applications.

"APRENDE Y CRECE"		
BENEFICIARIES	WORKSHOPS	Relevant figures
Society in general	Face-to-face and virtual workshops Financial E-learning Diploma Educational campaigns on branch screens Notes and educational articles published in various media	30,004 beneficiaries of virtual workshops 9,000 active e-learning students 23,233,600 reach in Branches (millions of clients) 30,887,173 reach in communication media (millions of users) We achieved more than 41,800 visits from 64 countries on our online financial education platform
Women	In person workshops Videotips for women	6,052 women impacted 16 Financial and Business Education workshops focused on women Video tips (40 capsules) has more than 1.2 million views online
Children and youth	Financial education at an early age Online course for scholarship recipients of Jóvenes Construyendo el Futuro of Grupo Salinas: "30 hábitos financieros antes de los 30 años"	2,384 scholarship recipients of Jóvenes Construyendo el Futuro 11,920 hours of online course for Jóvenes Construyendo el Futuro
Entrepreneurs	Collaboration with the project "En Marcha con PNUD" of the United Nations Development Program (UNDP) for Microentrepreneurs of Morelos Entrepreneurship and business workshops: Where are business going in the new digital era, Reinventing your business and, Boosting finance with TICs, etc.	23 virtual entrepreneurship and business workshops 55 press releases in business and entrepreneurship magazines
BAZ Employees	Education campaigns in corporate, digital magazine and Zeus application	6,200 views of educational materials on Zeus
BAZ Clients	School for Banco Azteca clients - Financial Education Workshops	805 clients trained

Consequently, they have a greater understanding of their finances, the management of their businesses and the use of financial products and services, improving their quality of life and contributing to the development of their communities.

By 2021, we will continue our efforts to reach a greater number of people on financial education

issues, so we will strengthen our communication in the positioning of the e-learning platform.

Similarly, we plan to integrate BAZ's "School for Customers" into the educational platform "Aprende y Crece", as well as the Human Capital platform for the training of Branch Members (geography).



We work hand in hand with different allies in each country:

Mexico	<ul style="list-style-type: none"> • National Commission for the Protection and Defense of Financial Service Users (CONDUSEF) • Bank of Mexico (BANXICO) • Mexican Bank Association (ABM) • Institute for the Protection of Bank Savings (IPAB) • National Commission of the Retirement Savings System (CONSAR) • Institute of Mexicans Abroad (IME) • Interactive Museum of Economics (MIDE)
Guatemala	<ul style="list-style-type: none"> • Superintendency of Banks of Guatemala • Bank of Guatemala (BANGUAT) • Technical Institute for Training and Productivity (INTECAP) • Guatemalan Association of Direct Sales Companies (AGEVD) • Chamber of Commerce of Guatemala • PRODETUR
Honduras	<ul style="list-style-type: none"> • National Commission of Banks and Insurance (CNBS) • Central Bank of Honduras (BCH) • Ciudad Mujer • Chiminike Interactive Learning Center
Panama	<ul style="list-style-type: none"> • Panama National Bank • Superintendency of Banks of Panama • Panamanian Association of Business Executives (APEDE) • National Institute of Vocational Training and Training for Human Development (INADEH)

On the other hand, we will be participating in the Dairy Basin Development Program in the South-Southeast of Mexico, in alliance with the Association of Banks of Mexico (ABM), with the aim of contributing to the development of financial capacities of producers, through the sending of financial education capsules and digitization (use of mobile banking).

Road safety

(GRI 102-12, 103-2, 103-3)

At the Group level, we promote road safety in society; also specifically in our employees, as part of the efforts for prevention in occupational health and safety.

From Italika we promote the issues of mobility, road safety and defense of public road users in Mexico, supporting different initiatives and alliances:

- Comunidad Vial MX (CVMX)
- Mobility Advisory Council of the Benito Juárez Delegation
- Integral Program of Road Safety (PISVI) of Mexico City
- Mobility Commission of the Legislative Assembly
- NOM project for motorcycle helmets

We also developed 67 wide-ranging public events to raise awareness in 2020. A total of 4,724 people benefited in 445 events.

At Banco Azteca our employees use motorcycles in the exercise of their activities (eg credit and collection) to guarantee a culture of accident prevention. We implement:

- Policy of “Los Cinco No Negociables”, based on road safety rules.
- Campaign “Metete esto en la cabeza”, main communication strategy to publicize and reinforce information in terms of accident prevention and adoption of safe and responsible be-



haviors, these actions consider reinforcement activities for the rainy season, hurricanes and other climatic events.

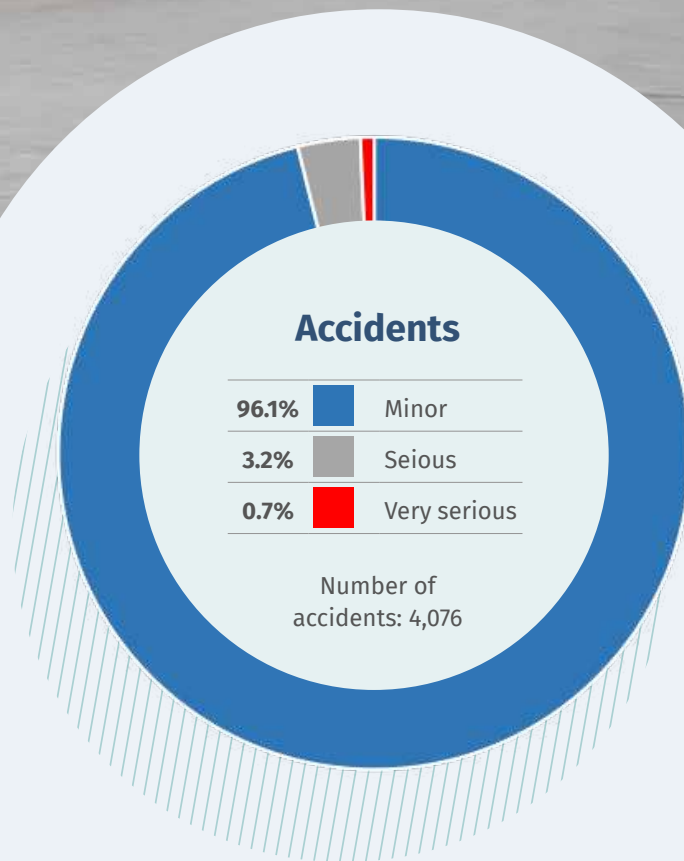
- Installation of GPS and immobilizer in more than 1,389 Italikas, which allow to monitor driving, encourage responsibility, locate personnel in the event of an accident or recover the equipment in case of theft or assault.
- 1,338 trainings and road safety campaigns for collection leaders.
- Driving school, from the hand of Italika allows to take the classroom to the most distant municipalities of our Geography



38% reduction in robberies vs. previous year and savings of 19.2 million pesos



- 1,374 certified employees in 2020, in road safety, Gold Course.
- 100% of the field personnel equipped, safety equipment (helmet, gloves, knee pads, boots, reflective vest and jacket).
- Accident report, allowing to identify the event presented in Geography, the general data of our employees, health status of the partner, classification of the accident and physical location of the accident.
- Board of days without accidents, implementation in 80% of the managements.



Thanks to the different efforts, as well as due to the context of mobility limitations due to the pandemic, there was a 33% reduction in the traffic accidents of our employees; a 38% reduction in serious and very serious accidents vs. the previous year.

Responsible Consumption

The Tiendas Elektra model, supported by a loan from Banco Azteca, makes it easier for families to acquire different products that improve their quality of life. We support the reduction of inequalities, with a suitable product offer that meets different needs.

At the time of purchase, we provide information about the product and credit conditions, so that the client is informed and can make the most appropriate decisions. We avoid over-indebtedness, as part of the risk management of credit operations and responsibility with society, as well as we generate customer education campaigns that generate a culture of financial health, fraud prevention and cybersecurity, reaching more than 23 million of clients and users.

We provide customers with environmentally friendly products, and we are reinforcing the offer of more energy efficient references; It is even possible to find these options in our own brands.

During 2020, we granted MXN \$ 1,783 million in financing for consumer appliances and eco-efficient electronics, helping to reduce our customers' carbon footprint.





Initiatives, Donations and Volunteering

(GRI 102-12)

Our social action includes financial donations and/or contributions in kind from different companies. It is also worth mentioning the volunteering, which makes us proud for the strong commitment of our employees.

In relation to volunteering, the situation generated by the pandemic forced us to rethink our actions, both in the form and in the causes supported. We focus our efforts on the health and food emergency.

During the year at the Grupo Elektra level, we achieved the following results:

Blood donation:

- 21 Members registered during 2020 in our blood donor database from Member to Member reaching a total of 114
- 14 Blood Donations Used to Save 42 Lives

Donations in kind

Benefiting 22 institutions and 2 communities

- Thermos, box lunch, books, chocolates, stuffed animals, medicines, toys, diapers, 4 Bicycles, belts, shirts, backpacks, clothes
- 1,888 kg of caps until Oct 31, equivalent to 54 blankets delivered to homeless people



INITIATIVES/PROGRAMS

DESCRIPTION

HIGHLIGHTS 2020

Caminos de la Libertad

Forum for the transmission of ideas and principles of Grupo Salinas in Latin America, influencing national and international public opinion on the vision of some fundamental human rights, the rule of law, individual and civil liberty, free trade, the fight against poverty, the creation of wealth and the social value of entrepreneurs.

526 Participants in the Essay contest
1,600 Participants in the Youth contest
1,400 Participants in the Cartoon contest
400 Participants in the contest "Libres para Cambiar a México"

Kybernus

Its mission is to identify and promote young leaders in all the states of the country. Promoting the promotion of local initiatives in matters of:

- Human Rights
- Rule of Law and Legality
- Citizen and civic participation

This year the program management model was redesigned and the interactive digital platform for promoting, training and linking leaders is under development.

37 Kybernus live and 5 Conversations reaching **111,300 views** and a reach of 317,609 people
341 local initiatives were supported.
Total investment:
\$4,563,272 MXN

Un Nuevo Bosque

Reforestation campaigns in various areas of the country, with the intention of sensitizing society about the importance of caring for the environment and contributing to the preservation of natural reserves.

Due to the pandemic, during 2020 we were not able to carry out the reforestation activity, however we supported with conative trees and monitoring of the trees already planted.

Replacement of 20,938 damaged trees that had been planted in the 2019 session

I work in a total area of 89.3 hectares with tasks of:

- Replacement of damaged plants
- Weed control
- Rehabilitation of furrows
- Opening and maintenance of fire-cut gaps
- Assisted irrigation
- Fertilization with organic fertilizers

Donation to the public in 20 states of the country of 5,500 endemic trees according to the geographical area of Mexico for planting in private homes.



Fundación Azteca

Fundación Azteca is the main social pillar of Grupo Salinas. Through high-impact programs and numerous synergies with the public and private sectors, as well as with civil society, it has generated social, environmental and educational value for more than 20 years.

It has established three strategic pillars, to which it continued in 2020:

1. Educational Action for Youth - capacity building in young people
2. Educational Action for the Earth - environmental education
3. Educational Action for the Community - strengthening community life.

The Foundation operates under a process management system, which includes policies, manuals and process flows. It includes the strict rendering of accounts on the part of the beneficiary organizations to the Foundation and from it to society; generates an annual report of transparency before the Tax Administration System (SAT) and monthly reports of the donations delivered.

The contributions that we made from Grupo Elektra to Fundación during 2020, are broken down as follows:

	Monetary donations (MXN)	Donations in kind (MXN)
Banco Azteca	68,491,453	7,948,550*
Tiendas Elektra	58,378,140	730,000
Italika	166,250	107,413
TOTAL	129,984,393	837,413

- Participation of 6,115 volunteers, adding a total of 7,915 hours of volunteering.
- Banco Azteca made an in-kind donation of 5,000,000 food supplies for Contigo por México's actions and donated 50,000 face masks to health institutions in Mexico.

	PROGRAM	DESCRIPTION	HIGHLIGHTS
Educational Action for Youth	Azteca Campus and State Campus	It provides quality education and all the necessary elements that contribute to the comprehensive training of students. Students graduate with life skills and strong values that will make them better people. In CDMX, Puebla, Guanajuato and Hidalgo.	Beneficiaries: <ul style="list-style-type: none"> • CDMX: <ul style="list-style-type: none"> • 1,290 secondary school students • 1,290 High school students 603 • State: <ul style="list-style-type: none"> • 220 secondary school students • 108 high school students In alliance: ICEL Group, First Robotics, State governments
	Robotics Program	Educative System Azteca teaches robotics classes on campus and sponsors young Mexicans to participate in local and international robotics competitions and championships.	Beneficiaries: <ul style="list-style-type: none"> • CDMX: <ul style="list-style-type: none"> • 7 Middle school students • 28 High school students • State: <ul style="list-style-type: none"> • 18 Middle school students • 7 High school students In alliance: FIRST Robotics
	Scholarships Generación Bicentenario	Outstanding girls and boys selected by the SEP, SNTE, Nacional Monte de Piedad and Fundación Azteca to receive scholarships to support their studies throughout their academic lives.	Beneficiaries: <p>In the 2019-2020 cycle, support continued to 439 students, of which 89 graduated.</p>
	Esperanza Azteca	It seeks to build the largest musical learning community in Mexico, through a unique model of educational innovation that identifies, recognizes and promotes the musical talent of young Mexicans.	Beneficiaries: <ul style="list-style-type: none"> • Institute enrollment: <ul style="list-style-type: none"> • 83 undergraduate students • 34 students in leveling • 29 teachers In alliance: Youth Orchestra of the Americas

Due to the COVID-19 pandemic, we launched the **“We stand up”** campaign: Donations of protective material for Doctors on the front line due to COVID 19 contingency (KN95 face masks), delivery of more than 50,000 face masks in 9 entities to the IMSS, with an **investment of \$ 2,948,550**



Business Initiatives (BAZ Sponsorships)

In order to promote culture and bring events of international stature, Banco Azteca has sponsored the following events:

Van Gogh Alive Exhibition Sponsorship. Immersive experience that takes the viewer on a journey through the works of the Dutch painter, combining art and technology to project three thousand moving images of paintings, drawings and sketches, accompanied by classical music.

Sponsorship of Gold and Silver Stories. An exhibition that shows the origin of the coins, how they were made and what were the elements that identified them. The exhibition is exhibited temporarily at the MIDE.

Golf Sponsorship, the tournament is a world-class event that features the best players internationally.

Sponsorship of the Mazatlán FC professional soccer team that promotes the sport and the brand through the most popular sport in the country, thus generating a link with the different regions of the teams.

Sponsorship of the Arena Ciudad de México, one of the most important mass entertainment venues in the country. Where the best musical, sports and entertainment events are presented for Mexican families.

Sponsorship of the BADA Art Fair, a fair focused on democratizing art and making it accessible to the majority, promoting the sale of art at low cost and direct from the artist. In its first edition, Banco Azteca supported this Fair, becoming one of the most important in the country.

Investment of more than 152 million in sponsorships of cultural, sports and entertainment events

Educativa por la Tierra

Limpiemos México

Permanent action and environmental education program that seeks to offer innovative solutions, makes society aware of caring for the planet and the importance of reducing, recycling and reusing waste

Beneficiaries and Results:

- 50 brigades
- 2,225 volunteers
- More than 1,200 hours of volunteering

Total waste collected:

- 9,000 tires
- 30 tons of old furniture
- +145 kilos of solid waste

Recovery of spaces:

- +150 trees planted
- 1,760 meters of graffiti-free wall
- 5 km of central pathway

In alliance: BIMBO, SEMARNAT, SEMAR, Liga MX, state governments, mayor of Cuajimalpa

Guardianes Ambientales

It seeks to promote the development of capacities in young people and inspire them to carry out concrete actions and projects in favor of the protection of biodiversity, the environment and recover our future.

Beneficiaries:

- Training for 30 young people to monitor bats in CDMX
- 10 volunteers
- 60 hours of volunteering

In alliance: UNAM, CONABIO, SEDEME, Bioconciencia

Sustainable projects

It seeks to create conditions to guarantee the conservation and regeneration of ecosystems, promoting innovative community projects, in synergy with leading organizations, to generate inclusive prosperity and guarantee the conservation of our environment.

Beneficiaries:

- Evaluation of 17 major projects

In alliance: Impact Hub, Italika

Social Actions and Entrepreneurship

It promotes the development of capacities of civil society organizations, providing them with tools to build economically viable and scalable projects that provide innovative solutions to social problems.

Beneficiaries:

- +300 local entrepreneurs
- 21,918 people benefited

In alliance: British Council

Acción Educativa por la Comunidad

Acción Educativa por la Comunidad

Social co-responsibility media campaign through which Fundación Azteca promotes and supports civil society organizations and projects in order to empower their causes and reach a larger audience.

Benefited organizations:

- Fundación IMSS:
 - Sponsorship: Afore XXI Banorte
 - 2,693 bed chairs
 - \$ 8,081,724 amount raised
- Red Cross
 - Sponsorship: National Monte de Piedad
 - 42 ambulances
 - \$ 50,400,000 amount raised

Relationship with Stakeholders

At Grupo Elektra we are very attentive to the needs and expectations of our stakeholders; we maintain a constant dialogue, with which we build trust.

GRI 102-21, 102-40, 102-42, 102-43

Stakeholders are understood as those who are impacted by our activity and/or are part of it, as well as those who influence the achievement of our business objectives.

From the company, we have a value proposition for each of them. We have reinforced communication in the context of the pandemic, and your involvement has been decisive for the continuity of our operations, including the commitment of our employees and the trust of our customers.



STAKEHOLDERS	VALUE PROPOSAL	COMMITMENTS	CHANNELS	ISSUES
Investors	<p>We provide security in your investment, promoting the constant growth of the business.</p> <p>We also promote transparency in the company's decision-making and financial results.</p>	<p>Generation of information in a timely manner with solid results.</p> <p>Generate timely risk analysis and management.</p> <p>Generate confidence by increasing the return on investments.</p> <p>Mitigate negative impacts to the credit portfolio in relation to climate change.</p>	<p>Report and Financial Statements.</p> <p>Sustainability Report.</p> <p>Corporate presentations and relevant events.</p> <p>Shareholders' Meeting.</p> <p>Shareholder information website.</p> <p>Contact Point: Relationship contact with investors, via e-mail.</p>	<p>Corporate governance structure and operation</p> <p>Diversity and equal opportunities</p> <p>Labor environment and employees' commitment</p> <p>Climate change risks and opportunities</p> <p>Ethics and compliance culture</p>
Suppliers	<p>We base our relationships on the criteria of trust and transparency of processes.</p> <p>We seek to generate a win-win situation by guaranteeing the awarding of products and services with high quality standards and developing the supply chain to meet them.</p> <p>It also evaluates socio-environmental criteria that provide a benefit to society in general.</p>	<p>Promote transparent bidding and procurement practices that ensure free competition.</p> <p>Supplier development, in order to comply with innovation processes and optimizes the catalog.</p> <p>Promote responsible acquisition based on ethical, labor, social and environmental criteria.</p> <p>Recognition of suppliers through Supplier Circle Certification</p> <p>Develop trustful and mutually beneficial relationships with suppliers through institutional policies and process manuals.</p> <p>Ensure compliance with the Code of Ethics.</p>	<p>Online surveys to identify your perception about the company.</p> <p>Performance evaluations</p> <p>Platform for attracting potential suppliers</p> <p>Central Purchasing and Service Area</p> <p>Suppliers Portal</p>	<p>Procurement conditions</p> <p>Development of new products and services</p> <p>Technological Changes</p> <p>Company stability</p>

STAKEHOLDERS	VALUE PROPOSAL	COMMITMENTS	CHANNELS	ISSUES
Employees	<p>We build trusting relationships with our employees, providing opportunities for growth and professional development. In addition to looking after their health, safety and well being, which will increase their commitment to the Group.</p> <p>We also seek to be agents that generate employment and economic development in the countries where we operate.</p>	<p>Promotion of openings under the principle of equal opportunity.</p> <p>Attention to occupational health and safety, as well as care for their well-being and family balance.</p> <p>Provide benefits that are competitive and offer job stability.</p> <p>Knowledge and skills development to enhance their professional growth.</p> <p>Promotion of ethical values, equity, and respect in the treatment of the workforce.</p> <p>Consolidate employee loyalty and commitment.</p>	<p>Grupo Salinas Institutional Portal</p> <p>Help Desk</p> <p>Satisfaction and Work Environment surveys</p> <p>Online support, through the corporate portal</p> <p>Online and in person training.</p> <p>Complaint channel: HONESTEL</p> <p>24/7 communication channels: IDEAS and Tell Us</p> <p>Zeus App</p> <p>Ricardo Salinas' social networks and Blog</p>	<p>Customer's experience</p> <p>Work environment</p> <p>Work conditions</p> <p>Ethics and Anti-corruption</p>
Customers	<p>We promote the inclusive prosperity of millions of families, providing them with easy access to innovative, high-quality products and services, which translates into an optimum level of customer satisfaction and trust.</p>	<p>Maintain customers' satisfaction and loyalty.</p> <p>Strengthen the Omnichannel strategy.</p> <p>Address and assess all risks related to cyber security and data protection.</p> <p>Ratify leadership in Latin America as a provider of financial services and specialized commerce</p> <p>Contribute to the development of the local economy and stability in household consumption.</p> <p>Promote environmental care through credits for eco-efficient products.</p> <p>To guarantee financial and digital inclusion through our products and services.</p>	<p>Advertising campaigns</p> <p>Social media and press releases.</p> <p>Satisfaction surveys.</p> <p>Contact Center: Attention and suggestions channel.</p> <p>Privacy notices, within websites.</p> <p>Physical Customer Service Centers.</p> <p>Interdisciplinary group for immediate attention to complaints, PROFECO's Conciliaexpress program.</p> <p>ChatBot "Olivia" for Banco Azteca</p> <p>App Mobile Azteca</p> <p>Telephone hotlines.</p> <p>ATMs.</p>	<p>Product and service innovations</p> <p>Customer's experience</p> <p>Processes and technology digitalization</p> <p>Logistics (Stores)</p> <p>Financial inclusion</p>

STAKEHOLDERS	VALUE PROPOSAL	COMMITMENTS	CHANNELS	ISSUES
Community	<p>We contribute to the development of communities through the promotion of inclusion, financial education, progress for entrepreneurs, as well as the consolidation of links with the civil society.</p> <p>We significantly contribute to the reduction of poverty and inequality, as well as to the promotion of economic development, well being and progress of the population towards inclusive prosperity.</p>	<p>Develop programs that promote freedom, equal opportunity, leadership, and financial literacy.</p> <p>Promote the economic development of the communities where we are present.</p> <p>Increase the savings and prevention culture.</p> <p>Promote road safety.</p>	<p>Women's Line</p> <p>Series in interactive cinema-debate format with financial content</p> <p>In person workshops</p> <p>Video tips</p> <p>Corporate volunteering initiatives</p> <p>Azteca Foundation</p>	<p>Educación e Inclusión Financiera</p> <p>Seguridad vial</p>
Authorities and Competition	<p>We comply with applicable local legislation in each of the countries where we operate. Safeguarding the rights of our customers and stakeholders.</p>	<p>Comply with local and national guidelines and regulations.</p> <p>Cooperate with local authorities and Business Councils.</p> <p>Comply with tax payments in due time and form.</p> <p>To participate in the market under ethical standards and free competition.</p> <p>Participate in working groups for the modification of industry standards.</p>	<p>Presence in Industry Committees and Meetings</p> <p>Reports to regulatory authorities</p> <p>Standards and Best Practices Committee</p>	<p>Legal Compliance</p> <p>Ethics and Anti-corruption</p> <p>Social impact of operations</p>

Main channels:

HONESTEL: Confidential means of reporting through which employees submit complaints, claims, and violations of Grupo Elektra’s Code of Ethics and Conduct, the principles, policies and procedures of the Ethics, Integrity, and Compliance Program (PEIC), as well as applicable laws.

IDEAS: A space where employees can share their proposals, projects, and improvements on any topic that will help to positively transform their work, improve the work environment and mitigate risks throughout the organization.

Tell Us (Cuéntanos): Internal means whose function is to open dialogue and listen to employees freely about any type of event or topic, including the identification of risks in order to manage them correctly.



Alliances and memberships

GRI 102-12, 102-13

At Grupo Elektra we support those business initiatives and/or those of other agents that contribute to the competitiveness of the industries in which we operate.

Regarding our operation, we have strategic alliances that ensure the quality and availability of services to each of our customers.

On the other hand, we support those related to the reinforcement of ethics and transparency, social development and environmental protection. Grupo Salinas adheres to the **United Nations Global Compact** and, as part of it; we are committed to the implementation of its 10 principles, related to human rights, labor practices, environment and anti-corruption.

Moreover, we contribute to the Sustainable Development Goals (SDGs) set forth by the United Nations, which are part of the 2030 Agenda.¹¹

Hereafter, we present some notable agreements:

COMPANY	AGREEMENT
	Collaboration agreement with the National Commission for the Protection and Defense of Financial Services Users (Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros, CONDUSEF, for its acronym in Spanish) , to work on self-regulation and the strengthening of account holder training.
Banco Azteca	In order to facilitate access to financial services, we have executed several collaboration agreements with financial and self-service institutions , allowing us to use their network of ATMs and/or cash registers without commissions. Collaboration agreement with the Mexican Association of Pledging Services Companies (Asociación Mexicana de Empresas de Servicios Prendarios, A.C., AMESPRES, for its acronym in Spanish) , for the design of crime prevention programs, strategies, and actions.
Italika	It is part of the system of electronic notifications of PROFECO “Concilianet” and we started the registration to be part of Conciliaexpress. For the promotion of mobility, road safety, and defense of road users in Mexico, participates in Road Community (<i>Comunidad Vial MX, CVMX</i>), Comprehensive Road Safety Program (<i>Programa Integral de Seguridad Vial, PISVI</i>) of Mexico City and the Legislative Assembly’s Mobility Commission.
Tiendas Elektra	Collaboration agreement with Federal Consumer Protection Agency (Procuraduría Federal del Consumidor, PROFECO, for its acronym in Spanish), participating in the Conciliaexpress program, which has allowed us to immediately address customer complaints.

¹¹ More information in the specific clause within the Annex itself.

In the different countries, we are also present in the industry chambers and associations.

COUNTRY	ASSOCIATIONS/UNIONS/ AGREEMENTS
Mexico	<ul style="list-style-type: none"> • Mexican Bank Association (ABM) • Mexican Association of Insurance Institutions (AMIS) • Mexican Afores Association (AMAFORE) • Mexican Association of Stock Intermediaries (AMIB) • Unión de Instituciones Financieras Mexicanas, A.C. (UNIFIMEX) • Inter-American Development Bank - Multilateral Investment Fund (BIDFomin) • Instituto Mexicano de Ejecutivos de Finanzas, A.C. (IMEF) • American Chamber of Commerce of Mexico (AMCHAM) • Mexican Afores Association (AMAFORE), in which Afore Azteca participates
United States	Community Financial Services Association in America (CFSA)
Guatemala	<ul style="list-style-type: none"> • Banking Association of Guatemala (ABG) • American Chamber of Commerce (AMCHAM) • Mexican Chamber (AMEX) • Association of Managers of Guatemala (AGG) • Micro finances Chamber • Finances Chamber • Chamber of Commerce • Industry Chamber • Motorcycle Importers Association (ASIM)
Honduras	<ul style="list-style-type: none"> Honduran Association of Banking Institutions (AHIBA) Honduras Mexico Business Chamber (CEHM)
Panama	<ul style="list-style-type: none"> Banking Association of Panama Mexican-Panamanian Chamber (CAMEXPA)

Commitment to human rights

(412-1, 412-2, 412-3)

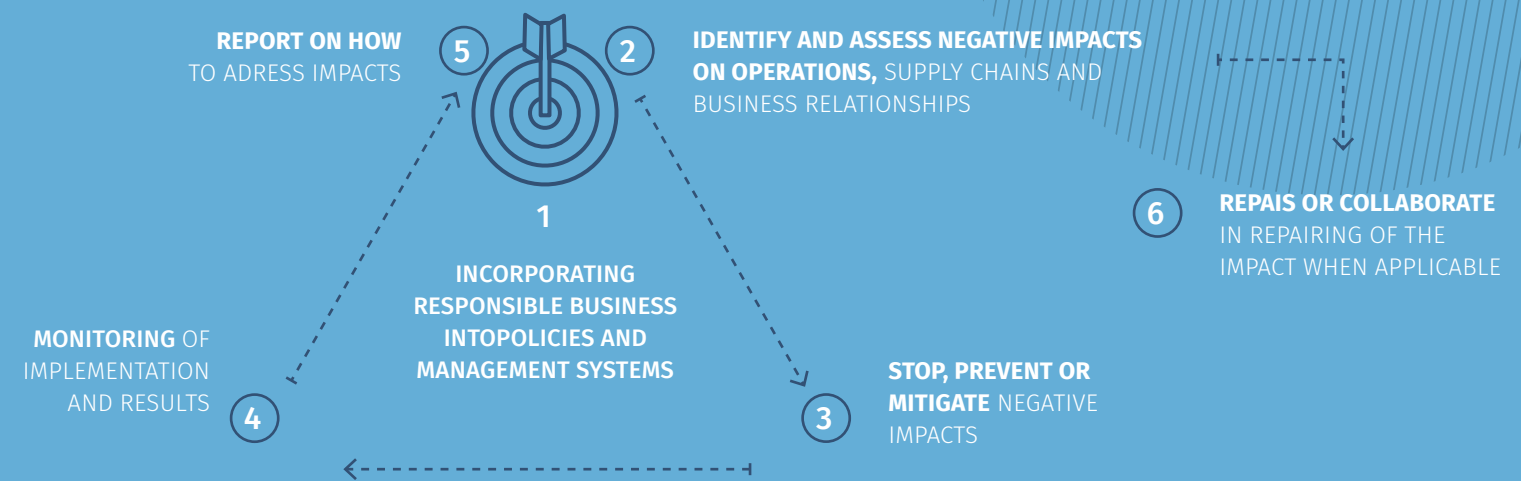
At Grupo Elektra we promote a culture of respect for Human Rights, rejecting any conduct that violates the dignity and quality of life of the people involved in our operations, such as child labor, forced labor, human trafficking, labor harassment, sexual exploitation, and any form of discrimination.

We do not accept discrimination based on race, religion, ethnic origin, gender, age, socioeconomic status, marital status, sexual orientation, political inclinations, nationality, health, and physical disability, among others.

We adhere to the UN Guiding Principles on Business and Human Rights and continuously implement a due diligence roadmap, based on the recommendations of the Organization for Economic Co-operation and Development (OECD).

Below, we present our progress in identifying risks, establishing response measures, and monitoring results.

Figure 1. Due Diligence Process and Support Measures



Source: OECD Due Diligence Guidance for Responsible Business Conduct.



DUE DILIGENCE GUIDANCE

PROCESS	PERFORMANCE	GREATER DETAIL
1. Incorporate responsible business conduct into management policies and systems.	<p>We ensure compliance with codes and policies that regulate our human rights practices and processes.</p> <ul style="list-style-type: none"> • Human Rights Policy • Code of Ethics and Conduct • Inclusion and non-discrimination policy • Suppliers' Certification Policy <p>We extend the guidelines of the Code of Ethics and Conduct to our value chain.</p> <p>We are certified in compliance with NMX-R-025-SCFI-2015, on Labor Equality and Non-Discrimination.</p>	Ethics and compliance (page 20)
2. Identify and assess negative impacts on operations, supply chains, and business relationships	<p>We identify any non-compliance with the Code of Ethics and the Human Rights Policy through the Honestel complaint platform and the Tell Us channel.</p> <p>We also evaluate legal, financial and socio-environmental aspects through Central de Compras and the Supplier Circle program, which, together with Honestel, allows us to identify possible Human Rights risks within the supply chain.</p>	<p>Risk management (page 23)</p> <p>Ethics and compliance (page 20)</p> <p>Suppliers (page 36)</p>
3. Halt, prevent and/or mitigate negative impacts.	<p>Our main Human Rights risks include:</p> <p>Health and well being of our employees, especially in the context of a pandemic. Our response measures stand out.</p> <p>Equal treatment and opportunities, non-discrimination, for which we promote a culture of respect.</p> <p>Labor rights, which we safeguard and sustain the commitment of our employees.</p> <p>Consumer rights, whereby we provide detailed information on the specifications of products and services, including payment terms.</p> <p>Misuse of information, leakage and/or theft, which we prevent with strict cyber security measures.</p> <p>Work on specific risks by business, such as over-indebtedness, for which we offer financial education, and accidents involving motorcycles, for which we develop our road safety initiatives.</p>	<p>Quality, Safety, and Transparency (page 30)</p> <p>Cyber security (page 32)</p> <p>Information Management (page 33)</p> <p>Diversity and equal opportunities (page 41)</p> <p>Wellbeing (page 46)</p> <p>Health and Safety (page 47)</p> <p>Community - differentials from business (page. 65)</p>
4. Follow up on the implementation of the results	<p>We have a culture of accountability and results monitoring, which applies to the foregoing initiatives and activities. The areas correlated by company (example human capital) are involved.</p> <p>In addition, at Grupo Salinas level, the Social Responsibility Committee is dedicated to following up on the initiatives implemented throughout the year in Grupo Elektra companies and the sustainability strategies of each one of them.</p>	Corporate Governance (page 16)
5. Report on how impacts are addressed	<p>We are committed to reporting risks and impacts each year in our Sustainability Report.</p> <p>On the other hand, we keep our investors and other stakeholders informed through various communication channels.</p>	<p>Sustainability Report 2020</p> <p>Annex: Dialogue with Stakeholders.</p>
6. Collaborate on the repair of the impact, when appropriate.	<p>Our preventive management, through self-regulation and different initiatives that comprise our operation and value chain, have allowed us to avoid significant cases of human rights violations (discrimination, privacy of information violation, corruption -that may result in human rights violations-).</p>	<p>Ethics (page 20)</p> <p>Diversity and equal opportunities compliance (page 41)</p>

Materiality analysis

We update our materiality analysis to identify the critical issues for the different companies and the consolidated at Group level, considering the perspective of the stakeholders and our own corporate strategy in each case.

GRI 102-21, 102-31, 102-43, 102-44, 102-46, 102-47, 102-49, 103-1

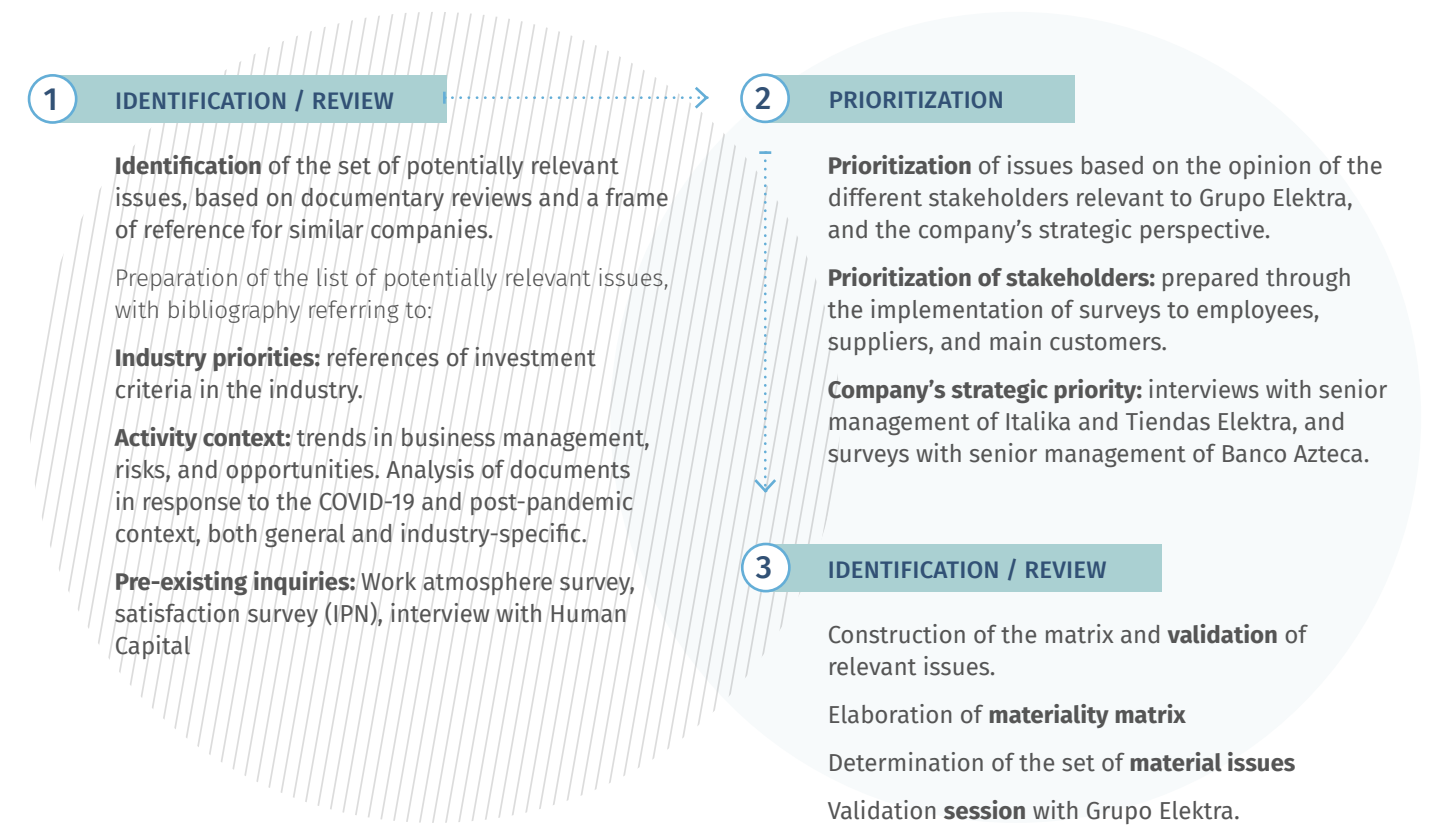
Thus, we were able to incorporate COVID's impact on customer expectations, employee priorities, and trends for other stakeholders, as well as on our own operational management and business development.

To include the stakeholders' perspective, we consulted employees, customers, and suppliers, in a broad exercise with the support of the internal areas in charge of the relationship.

Based on a list of common issues, which also included industry aspects of the different industries in which we operate, we determined the material issues in each one of Banco Azteca, Italika, and Tiendas Elektra.

At the Group level, we consider the score given by each company (both by its stakeholders and managers), with a weight for each company according to the fraction of employees over the total Group. In this way, we were able to integrate the companies' fiscal years into a Group-wide result that reflects their importance for the consolidated business.

The following is a detailed description of the process followed:



We present the materiality matrix for Grupo Elektra and the three companies. The topics are divided into three categories, which respond to the concept of dynamic materiality:

- **Material issues:** those that are particularly critical at the present time, either for the stakeholders, the company/companies, or both. They serve as a basis for our new sustainability model, the initiatives it encompasses, and the contents of this report.

- **Emerging issues:** those to which we will pay attention because they may become material in the short term, derived from a significant change in the context and/or in our operation.
- **Non-material issues:** those of low significance, which do not require any special action on our part.



Materiality matrix Grupo Elektra

1	Training and development of opportunities
2	Talent attraction and retention
3	Working environment
4	Diversity and equal opportunities
5	Employee health and safety
6	Responsible supply chain
7	Automation and efficiency of operational processes
8	Business competitiveness
9	Process digitization
10	Logistics efficiency
11	Responsible packaging
12	Customer experience
13	Product and service innovation
14	ESG investment (environmental, social and governance)
15	Alliance with strategic partners
16	Omnichannel and accessibility to services and products
17	Product transparency
18	Customer privacy
19	Resilience and adaptability of the business model
20	Customer health and safety
21	Cybersecurity
22	Services post-sale
23	Regulatory compliance
24	Ethics and anti-corruption
25	corporate governance
26	Financial stability
27	Relationship with authorities
28	Brand management and ESG communication (environmental, social and governance)
29	Energy efficiency and renewable energies
30	Water management
31	Waste management and material efficiency
32	Resilience to climate change
33	Reduction of GHG emissions (greenhouse gases)
34	Socio-economic development of communities
35	Inclusion and financial education
36	Culture and road safety

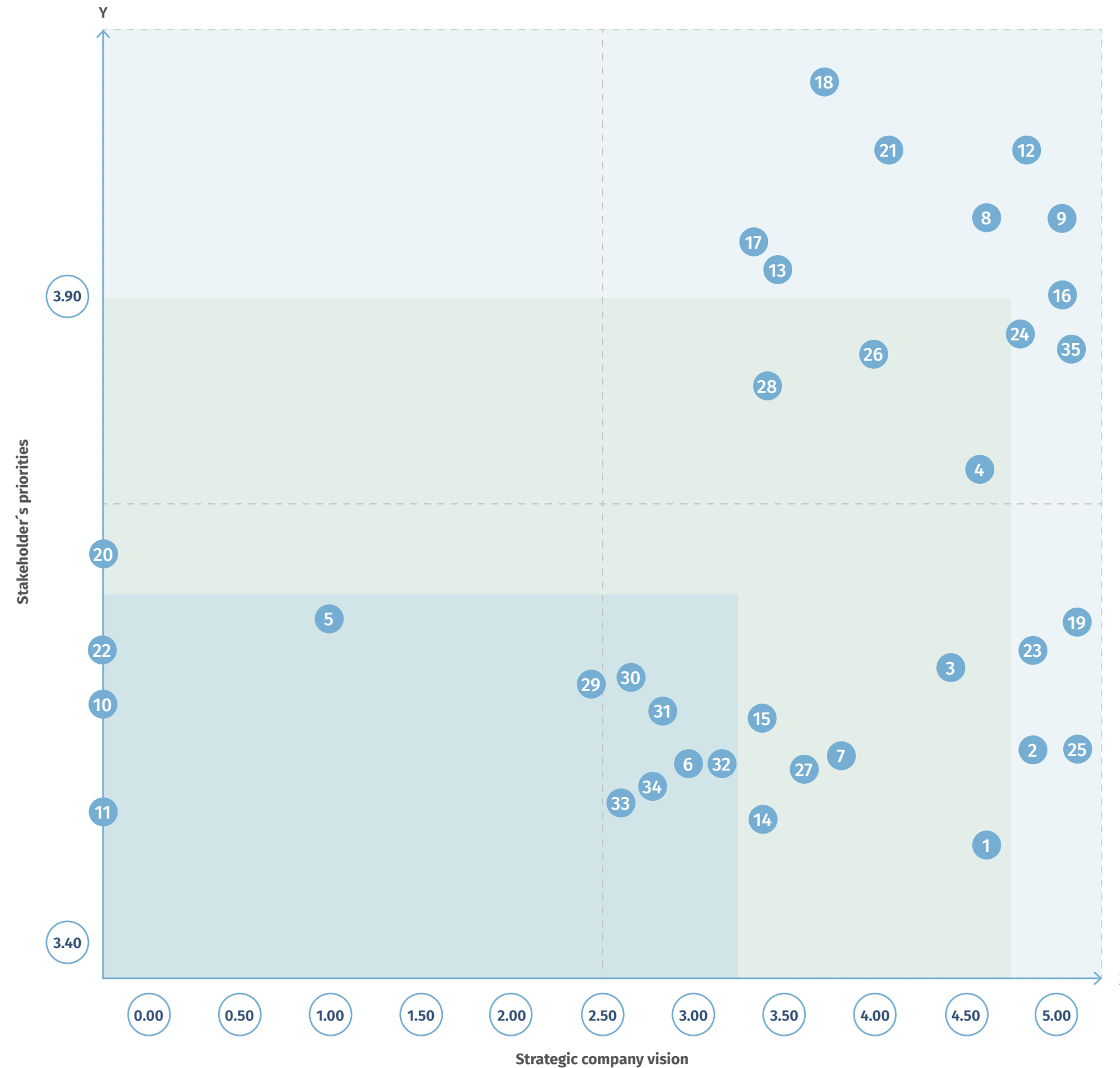


- Materiality issues
- Short term potential issues
- No material issues



Materiality matrix for Banco Azteca

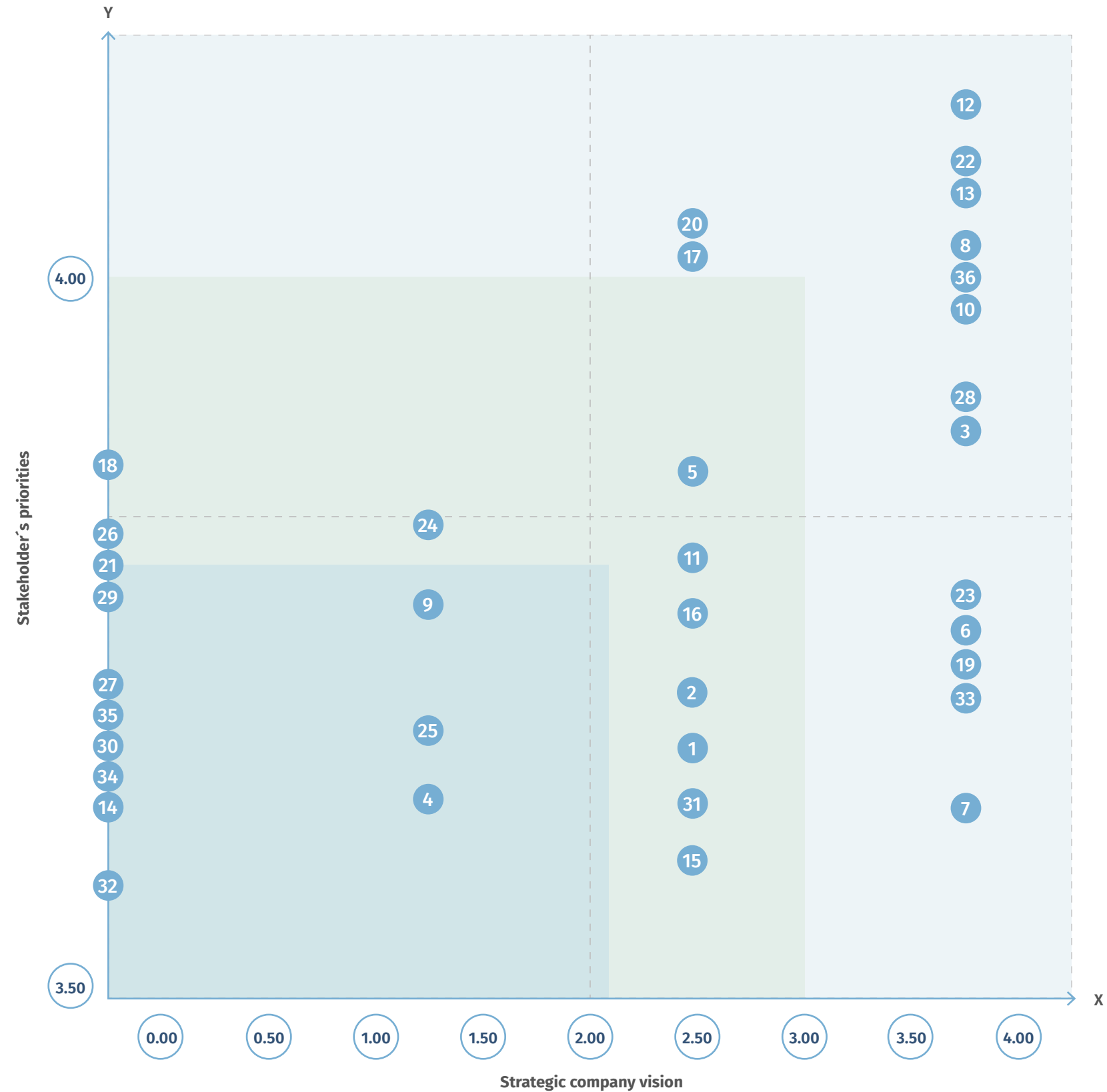
- 1 Training and development of opportunities
- 2 Talent attraction and retention
- 3 Working environment
- 4 Diversity and equal opportunities
- 5 Employee health and safety
- 6 Responsible supply chain
- 7 Automation and efficiency of operational processes
- 8 Business competitiveness
- 9 Process digitization
- 10 Logistics efficiency
- 11 Responsible packaging
- 12 Customer experience
- 13 Product and service innovation
- 14 ESG investment (environmental, social and governance)
- 15 Alliance with strategic partners
- 16 Omnichannel and accessibility to services and products
- 17 Product transparency
- 18 Customer privacy
- 19 Resilience and adaptability of the business model
- 20 Customer health and safety
- 21 Cybersecurity
- 22 Services post-sale
- 23 Regulatory compliance
- 24 Ethics and anti-corruption
- 25 corporate governance
- 26 Financial stability
- 27 Relationship with authorities
- 28 Brand management and ESG communication (environmental, social and governance)
- 29 Energy efficiency and renewable energies
- 30 Water management
- 31 Waste management and material efficiency
- 32 Resilience to climate change
- 33 Reduction of GHG emissions (greenhouse gases)
- 34 Socio-economic development of communities
- 35 Inclusion and financial education





Materiality matrix for Italika

- 1 Training and development of opportunities
- 2 Talent attraction and retention
- 3 Working environment
- 4 Diversity and equal opportunities
- 5 Employee health and safety
- 6 Responsible supply chain
- 7 Automation and efficiency of operational processes
- 8 Business competitiveness
- 9 Process digitization
- 10 Logistics efficiency
- 11 Responsible packaging
- 12 Customer experience
- 13 Product and service innovation
- 14 ESG investment (environmental, social and governance)
- 15 Alliance with strategic partners
- 16 Omnichannel and accessibility to services and products
- 17 Product transparency
- 18 Customer privacy
- 19 Resilience and adaptability of the business model
- 20 Customer health and safety
- 21 Cybersecurity
- 22 Services post-sale
- 23 Regulatory compliance
- 24 Ethics and anti-corruption
- 25 corporate governance
- 26 Financial stability
- 27 Relationship with authorities
- 28 Brand management and ESG communication (environmental, social and governance)
- 29 Energy efficiency and renewable energies
- 30 Water management
- 31 Waste management and material efficiency
- 32 Resilience to climate change
- 33 Reduction of GHG emissions (greenhouse gases)
- 34 Socio-economic development of communities
- 35 Inclusion and financial education
- 36 Culture and road safety

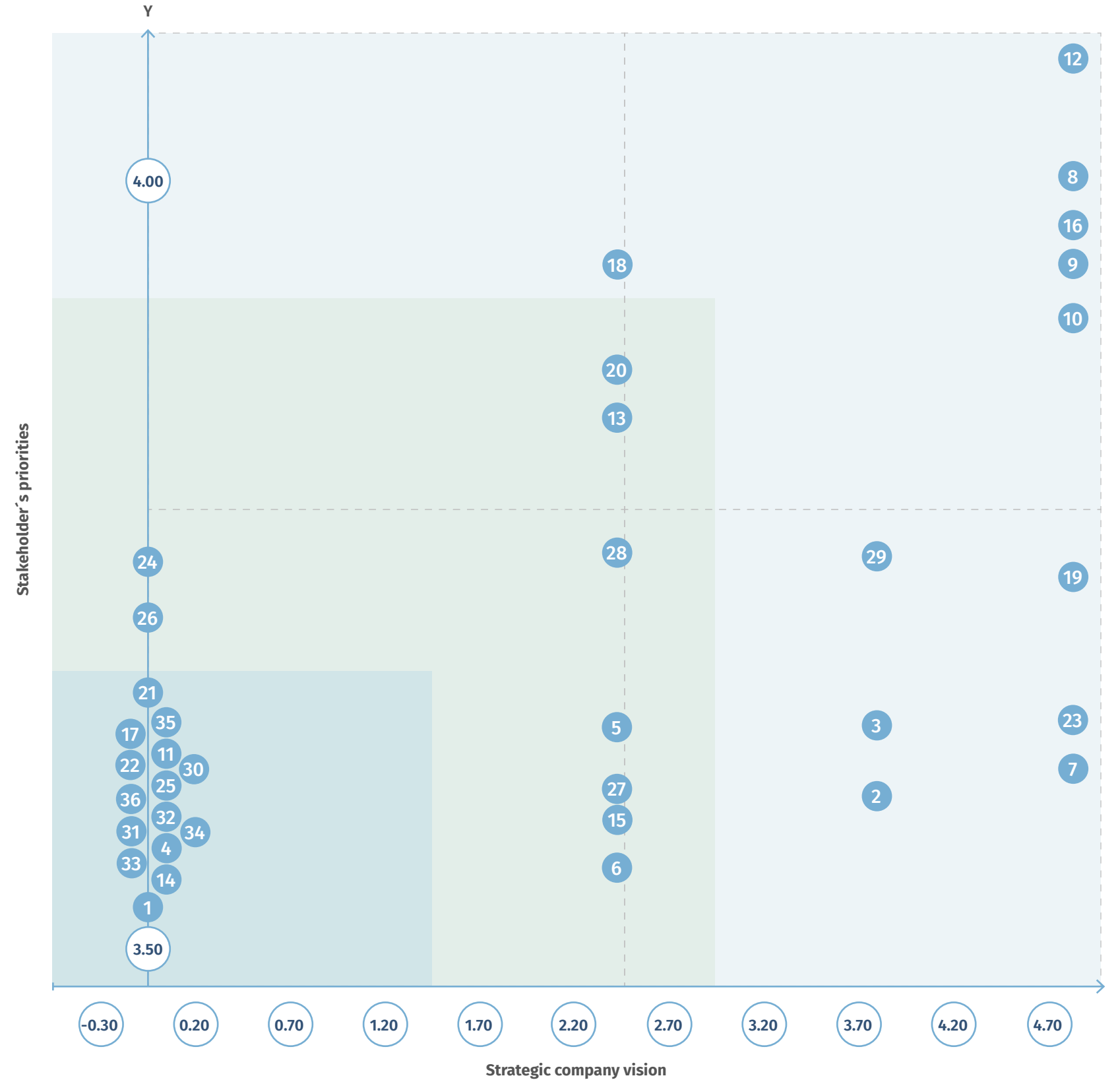


- Materiality issues
- Short term potential material issues
- No material



Materiality matrix for Tiendas Elektra

- 1 Training and development of opportunities
- 2 Talent attraction and retention
- 3 Working environment
- 4 Diversity and equal opportunities
- 5 Employee health and safety
- 6 Responsible supply chain
- 7 Automation and efficiency of operational processes
- 8 Business competitiveness
- 9 Process digitization
- 10 Logistics efficiency
- 11 Responsible packaging
- 12 Customer experience
- 13 Product and service innovation
- 14 ESG investment (environmental, social and governance)
- 15 Alliance with strategic partners
- 16 Omnichannel and accessibility to services and products
- 17 Product transparency
- 18 Customer privacy
- 19 Resilience and adaptability of the business model
- 20 Customer health and safety
- 21 Cybersecurity
- 22 Services post-sale
- 23 Regulatory compliance
- 24 Ethics and anti-corruption
- 25 corporate governance
- 26 Financial stability
- 27 Relationship with authorities
- 28 Brand management and ESG communication (environmental, social and governance)
- 29 Energy efficiency and renewable energies
- 30 Water management
- 31 Waste management and material efficiency
- 32 Resilience to climate change
- 33 Reduction of GHG emissions (greenhouse gases)
- 34 Socio-economic development of communities
- 35 Inclusion and financial education
- 36 Culture and road safety



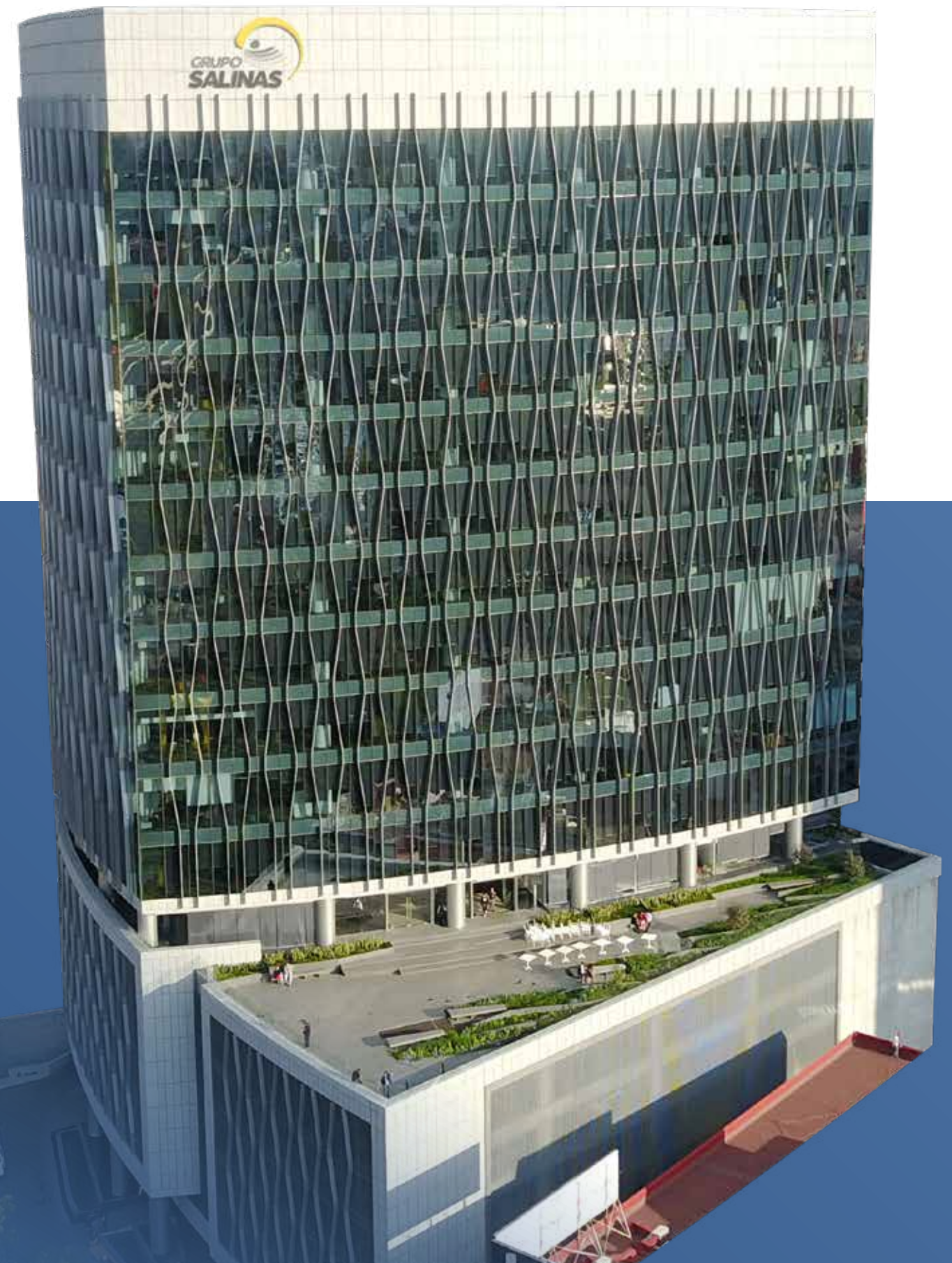
- Materiality issues
- Short term potential material issues
- No material

Sustainability models

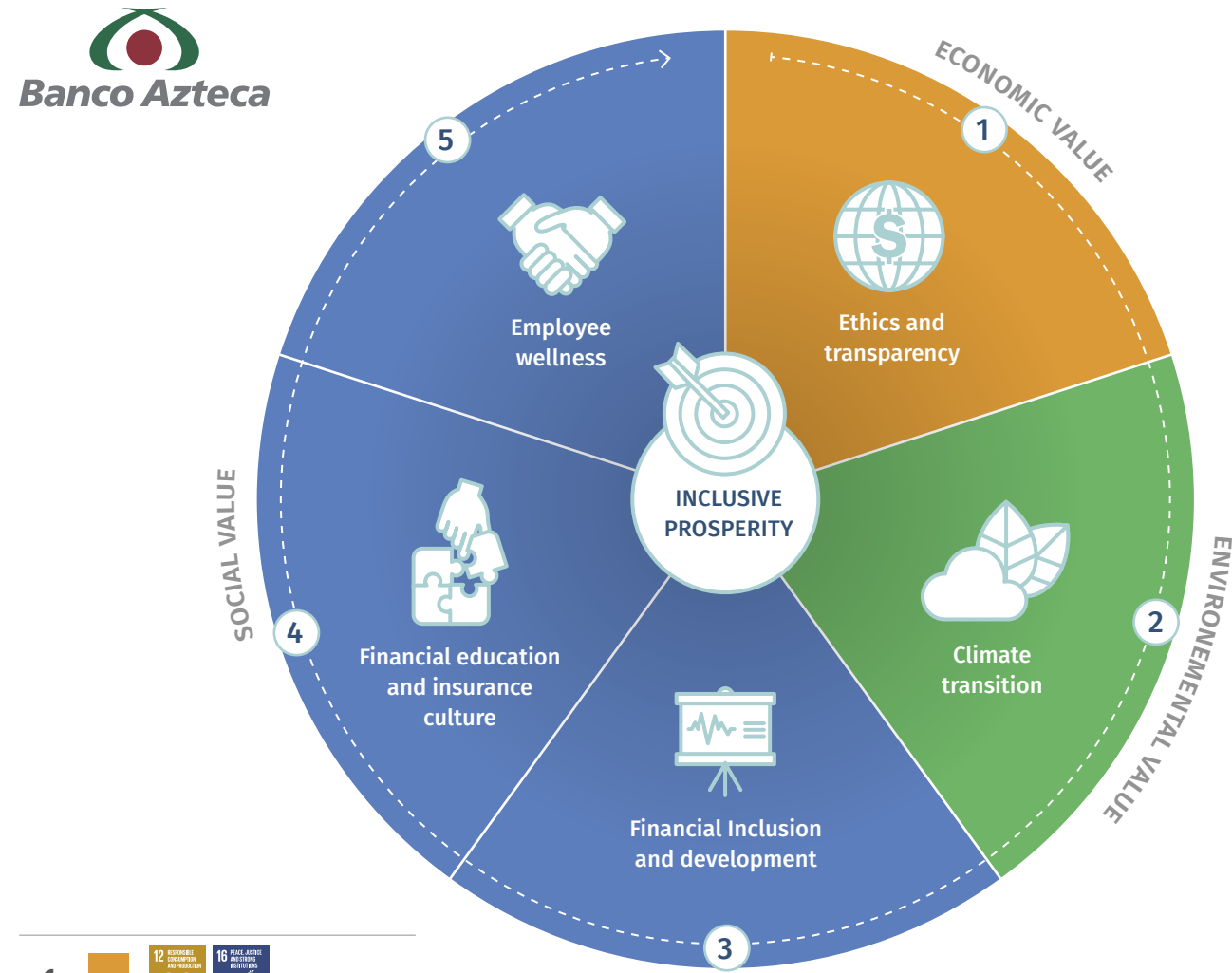
We are committed to the vision of Inclusive Prosperity promoted by Grupo Salinas, which is articulated in the three dimensions of sustainability: economic, environmental, and social. We seek the socio-economic development of the environments in which we operate, protecting the environment and building value for all our stakeholders.

In order to prioritize our efforts in the different issues that make up each dimension, we developed our sustainability model for the Group and for each company. Specifically, we translate the material issues into a structure of focuses and lines of action, which in turn integrate the different initiatives we have underway and those foreseen in the short, medium, and long term.

Grupo Elektra's sustainability model is presented in the Inclusive Prosperity chapter. Below, we present those pertaining to each company, which include the relationship with the UN Sustainable Development Goals.



Sustainability model



1			
2			
3			
4			
5			

- CUSTOMERS
- EMPLOYEES
- SUPPLIERS
- INVESTORS
- AUTHORITIES
- COMPETITORS
- COMMUNITY

TOPICS BY FOCUS

Material and Priority issues

Ethics and transparency

- Corporate governance
- Business competitiveness
- Resilience and adaptability of business model
- Regulatory compliance
- Ethics and anti-corruption
- Product transparency
- Customer privacy
- Cybersecurity
- Financial stability
- Relationship with authorities
- Alliance with strategic partners

Climate transition

- Process digitization
- Automation and efficiency of operational processes
- ESG investment (environmental, social and governance)

Financial inclusion and development

- Customer experience
- Product and service innovation
- Omnichannel and accessibility to services and products
- Inclusion and financial education
- Customer health and safety
- Financial education and insurance culture**
- Inclusion and financial education
- Customer health and safety

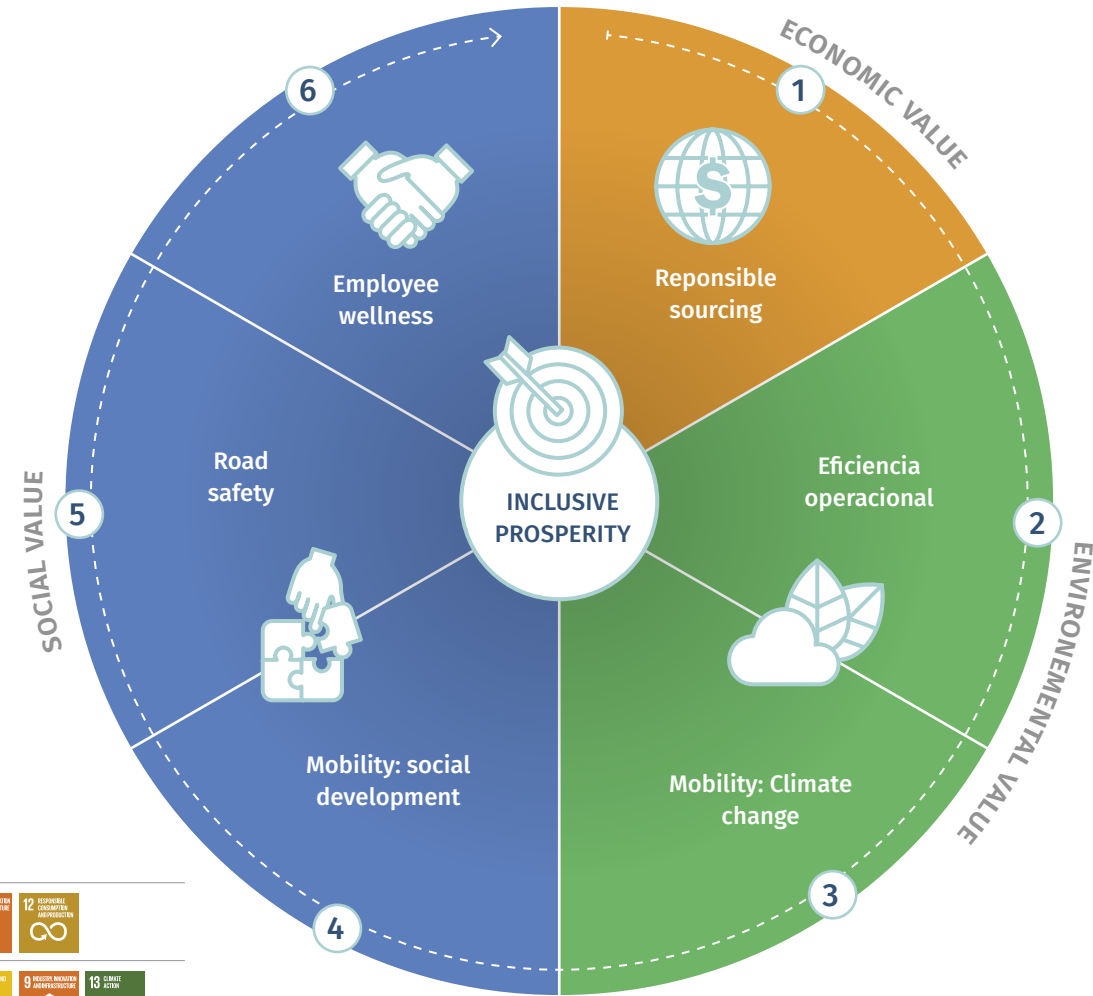
Employee wellness

- Talent attraction and retention
- Training and development of opportunities
- Working environment
- Diversity and equal opportunities

Action lines

- 1.1 Anti-corruption and PLD practices
- 1.2 Information security
- 2.1 Portfolio issues
- 2.2 Green financing
- 3.1 Inclusive products and services
- 3.2 Technology for the customer
- 3.3 Support to entrepreneurship and business development (SMEs)
- 4.1 Financial education
- 4.2 Insurance culture
- 5.1 Diversity and development
- 5.2 Safety, health and well-being

Sustainability model



1		
2		
3		
4		
5		
6		

- CUSTOMERS
- EMPLOYEES
- SUPPLIERS
- INVESTORS
- AUTHORITIES
- COMPETITORS
- COMMUNITY

Action lines

- 1.1 Supplier evaluation
- 1.2 Local development
- 2.1 Energy use
- 2.2 Waste management
- 3.1 Innovation to eco products
- 4.1 Accessibility of products
- 5.1 Quality and maintenance of products
- 5.2 Responsible management
- 6.1 Diversity and development
- 6.2 Safety, health and well-being

TOPICS BY FOCUS

Material and Priority issues

Responsible sourcing

- Responsible supply chain
- Product transparency
- Regulatory compliance
- Alliance with strategic partners
- Ethics and anti-corruption
- Financial stability

Operational efficiency

- Automation and efficiency of operational processes
- Business competitiveness
- Logistics efficiency
- Responsible packaging
- Waste management and material efficiency

Mobility: Climate change

- Product innovation and services
- Regulatory compliance
- Brand management and ESG communication (environmental, social and governance)
- Reduction of GHG emissions (greenhouse gases)

Mobility social development

- Customer experience
- Product innovation and services
- Services post-sale
- Omnichannel and accessibility to services and products
- Customer privacy
- Cybersecurity

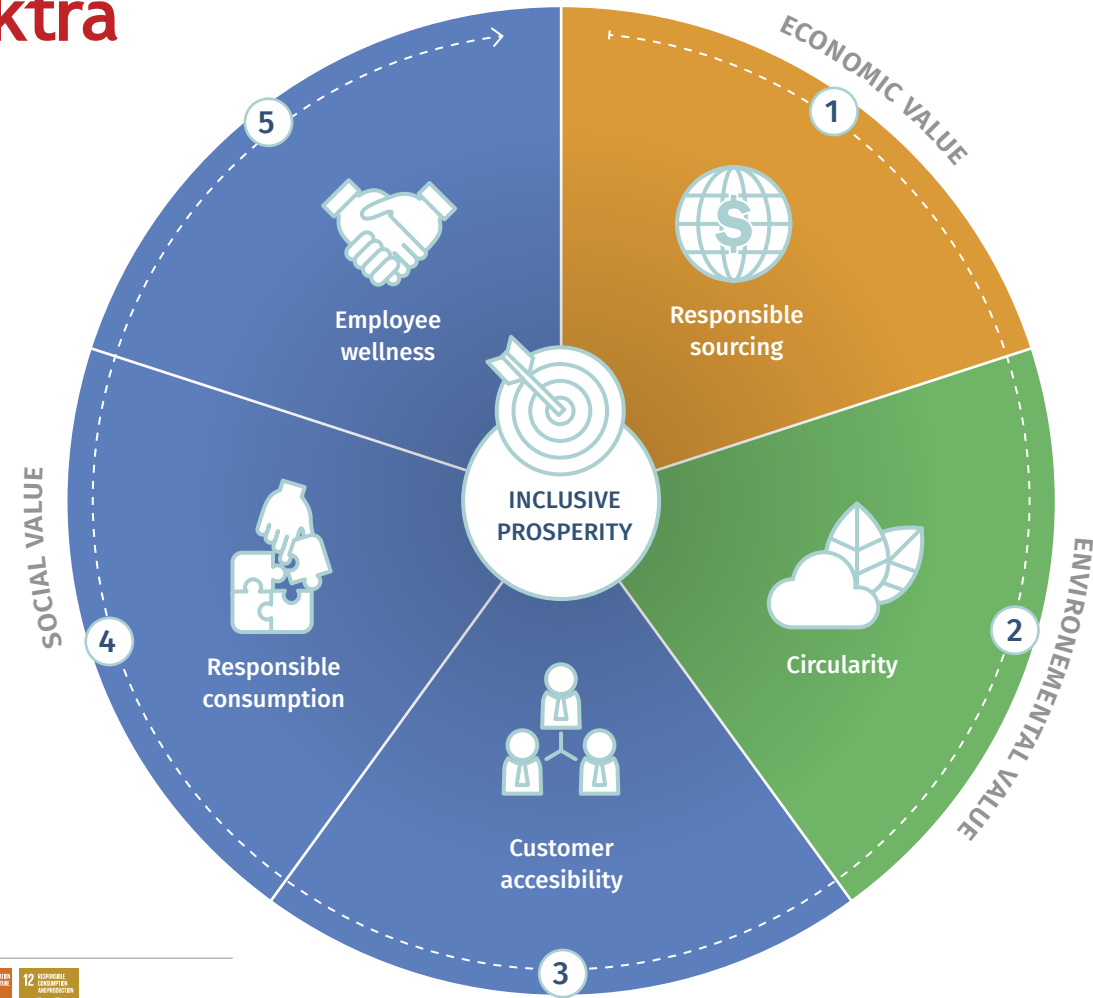
Road safety

- Customer experience
- Customer health and safety
- Culture and road safety

Employee well-being

- Working environment
- Resilience and adaptability of the business model
- Training and development of opportunities
- Talent attraction and retention
- Employee health and safety

Sustainability model



1		
2		
3		
4		
5		

- CUSTOMERS
- EMPLOYEES
- SUPPLIERS
- INVESTORS
- AUTHORITIES
- COMPETITORS
- COMMUNITY

Action lines

- 1.1 Supplier evaluation
- 1.2 Local development
- 2.1 Energy efficiency
- 2.2 Low emission logistics
- 2.3 Packaging and packaging management
- 3.1 Omnichannel
- 3.2 Accessible infrastructure
- 3.3 Information management
- 4.1 Marketing and product information
- 4.2 Eco customer awareness
- 5.1 Diversity and development
- 5.2 Safety, health and well-being

TOPICS BY FOCUS

Material and Priority issues

Responsible sourcing

- Responsible supply chain
- Product and service innovation
- Ethics and anti-corruption
- Relationship with authorities

Circularity

- Automation and efficiency of operational processes
- Process digitization
- Energy efficiency and renewable energies
- Logistics efficiency

Product and service innovation

Brand management and ESG communication (environmental, social and governance)

Customer accessibility

- Business competitiveness
- Customer experience**
- Omnichannel and accessibility to services and products
- Customer privacy

Responsible consumption

- Regulatory compliance
- Alliance with strategic partners
- Customer health and safety

Employee well-being

- Talent attraction and retention
- Working environment
- Resilience and adaptability of the business model
- Employee health and safety

Contribution to the Sustainable Development Goals (ODS)

GRI 102-12

At Grupo Elektra we are committed to the Sustainable Development Goals (SDGs), an international roadmap proposed by the United Nations to address society's main challenges, in close collaboration with companies, faculty, and citizens.

We focus particularly on those SDGs and their corresponding targets that are closely linked to business operations and our impacts, both positive and negative, which are reflected in the sustainability models.

Below we highlight our contribution at Group level, which is also reported throughout this report.

SDG	SDG GOALS	MATERIALITY TOPIC	CONTRIBUTION	INDICATORS	PAGE(S)
1 End of poverty	1.3, 1.4	Customer experience	We grant microcredits in an easy and accessible way, depending on the needs of the clients.	280 thousand beneficiaries of loans to entrepreneurs and owners of micro-businesses, \$	13
			On the part of Tiendas Elektra we offer a variety of accessible quality products	3,321 million pesos from the loan portfolio. 1,314 Tiendas Elektra access points in Mexico.	35
3 Good health and well-being	3.5, 3.6, 3.8	Culture and road safety	We promote road culture towards our clients and society in general, as well as our employees "Put this in your head"	+1,300 trainings and road safety campaigns for the collection leaders of Banco Azteca	67
		Customer health and safety	We update the Suppliers Circle evaluation, adding the information requirement	1,374 certified employees in 2020, in road safety, Gold Course. 33% reduction in traffic accidents for our employees.	37
		Responsible supply chain	on how the supplier has implemented the NOM-035-STPS of the Ministry of Labor to prevent psychosocial risk factors in employees.	67 public events to sensitize society in general on road safety, by Italika. 508 new suppliers within the Suppliers Circle Certification	
4 Quality education	4.4, 4.7	Training and development	We have training and development programs for Group employees.	Total investment in training of more than \$ 35,898,000 MXN in Grupo Elektra	44
		Talent attraction and retention	We promote a work culture where teamwork, the quality of life of employees and their well-being are reinforced.	During 2020 a 55% turnover rate	46
		Working environment	Banco Azteca's "Learn and Grow" Program, on financial education	5 thousand participants in the Emotional Wellbeing app Investment of \$ 17.6 million MXN in financial education program.	66
5 Gender equality	5.1, 5.5	Customer experience	Banco Azteca offers products and services that contribute to financial inclusion and gender equity.	54% of savings accounts represented by women, Banco Azteca	34
			We promote gender equality within the Group	38% of leadership positions are held by women	42
7 Affordable and clean energy	7.2	Energy efficiency	We seek the best technology for environmental efficiency and promote a culture of savings	Current installation of panels in 4 branches of Tiendas Elektra and Banco Azteca	61



8 Decent work and economic growth	8.3, 8.5, 8.8, 8.10,	Training and development	Youth Program Building the Future at Grupo Salinas level	There was an offer of more than 1,800 spaces in the Youth Building the Future Program	41	12 Responsible consumption and production	12.2, 12.6, 12.7, 12.8,	Customer experience	We develop digital products and services with easy access and coverage.	E-commerce growth 46% There were zero penalties regarding the labeling and information of our products and services	29			
		Talent attraction and retention	We have leadership programs to keep leaders motivated and at the same time offer development and growth within the Group.	194 trainees from the Youth Building the Future Program have been hired	42			Product and service innovation	In Tiendas Elektra we have a digital store, as well as kiosks in stores that make the customer experience more pleasant, as well as efficient					
		Business competitiveness	We develop and train providers that require support to strengthen the criteria to be part of the Provider Circle	15 thousand people in leadership positions in the Group.	43			Logistics efficiency	All of our products and services comply with labeling standards.					
		Resilience and adaptability of the business model						Responsible supply chain						
		Working environment						Product transparency						
		Responsible supply chain						Services post-sale						
9 Industry, innovation and infrastructure	9.1, 9.3,	Business competitiveness			29	13 Climate action	13.1, 13.2, 13.3,	Brand management and ESG communication (environmental, social and governance)	We carry out internal campaigns for the protection of the environment	Replacement of 20,938 damaged trees that had been planted on the 2019 day	69			
		Process digitization							Reduction of GHG emissions (greenhouse gases)					
		Product and service innovation												
		Talent attraction and retention												
		Resilience and adaptability of the business model	We strengthen the Group's omnichannel strategy every day, by implementing and investing in technologies and digitization.	MXN \$ 197.9 million investment in technology, technologies applied to Digital Banking, biometrics and digital tools.					Customer privacy			We promote compliance with the Code of Ethics in all our employees and we extend it to other stakeholders.	+ 40 thousand hours of training in ethical matters and Code of Ethics	21
		Omnichannel and accessibility to services and products		+12 million digital customers					Regulatory compliance				More than \$ 131 million MXN has been allocated in training and tools for fraud prevention (cybersecurity)	26
		Cybersecurity							Corporate governance					
Automation and efficiency of operational processes				Cybersecurity	We have a solid information protection process									
10 Reduce inequalities	10.2, 10.3, 10.4,	Customer experience			11	16 Peace, justice and strong institutions	16.5, 16.6, 16.7, 16.10	Ethics and anti-corruption						
		Omnichannel and accessibility to services and products	We offer wide accessibility to the Group's products and services, reaching remote locations.	More than 7 thousand points of contact through our stores Elektra, Salinas y Rocha, Banco Azteca and Purpose Financial branches					Product transparency					
11 Sustainable cities and communities	11.2, 11.6	Product and service innovation	On the part of Italika we have developed and launched the line of electric motorcycles VOLTIUM	\$ 2,750 million pesos of green loan portfolio (Banco Azteca)	14									
		Reduction of GHG emissions (greenhouse gases)	Investment in green projects: development of renewable energy, energy efficiency. At Tiendas Elektra, together with Banco Azteca, we grant preferential loans for the acquisition of eco-efficient products. At Group level, we measure, manage and generate initiatives to mitigate our CO ₂ emissions	\$ 1,783 million pesos in consumer credit for eco-efficient products Reduction of 2.6% of CO ₂ emissions Energy efficiency program running in 1,842 points with savings of 5.7 MM MXN				58						



(GRI 102-55)

GRI 102: General disclosures 2016					
Section	GRI description	GRI Content	Page	Global Compact Principles	SDGs and Goals
Organizational profile	Name of the organization	102-1	9		
	Activities, brands, products, and services	102-2	9,10		3.6, 9.3
	Location of headquarters	102-3	100		
	Location of operations	102-4	9, 11		3.6, 3.13, 9.3
	Ownership and legal form	102-5	100		
	Markets served	102-6	9, 10		8.5, 10.3
	Scale of the organization	102-7	9		
	Information on employees and other workers	102-8	38,41	Principle 6	8.2, 8.5, 10.3
	Supply chain	102-9	36		8.2
	Significant changes to the organization and its supply chain	102-10	11,52		8.10.
	Precautionary Principle or approach	102-11	23		
	External initiatives	102-12	14,67,69,74		
	Membership of associations	102-13	74		
Strategy	Statement from senior decision-maker	102-14	7		
	Key impacts, risks, and opportunities	102-15	4,7,23		8.10.
Ethics and integrity	Values, principles, standards, and norms of behavior	102-16	20,21	Principle 10	16.3
	Mechanisms for advice and concerns about ethics	102-17	22	Principle 10	16.3
Governance	Governance structure	102-18	16,19		
	Delegating authority	102-19	16,18		
	"Executive-level responsibility for economic, environmental, and social topics"	102-20	12,18		
	"Consulting stakeholders on economic, environmental, and social topics"	102-21	72,77		16.7
	"Composition of the highest governance body and its committees"	102-22	17,18		5.5, 16.7
	Chair of the highest governance body	102-23	17		16.6
	Nominating and selecting the highest governance body	102-24	17		5.5, 16.7
	Conflicts of interest	102-25	20		16.6
	"Role of highest governance body in setting purpose, values, and strategy"	102-26	12,17		
	Collective knowledge of highest governance body	102-27	17		
	Evaluating the highest governance body's performance	102-28	17		
	"Identifying and managing economic, environmental, and social impacts"	102-29	23		16.7
	Effectiveness of risk management processes	102-30	23		
	Review of economic, environmental, and social topics	102-31	17,23,77		
	Highest governance body's role in sustainability reporting	102-32	3		
	Communicating critical concerns	102-33	22		
	Nature and total number of critical concerns	102-34	22		
Remuneration policies	102-35	20			
Process for determining remuneration	102-36	20			
Stakeholders' involvement in remuneration	102-37	20		16.7	

Stakeholder engagement	List of stakeholder groups	102-40	72		
	Collective bargaining agreements	102-41	38	Principle 3	8.8
	Identifying and selecting stakeholders	102-42	72		
	Approach to stakeholder engagement	102-43	72,77		
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Reporting practice	Entities included in the consolidated financial statements	102-45	3,51		
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	Changes in reporting	102-49	77		
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		103-2			
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Training and development					
GRI 404 Training and education 2016		404-1	43	Principle 6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		404-2	43		8.2, 8.5
		404-3	45	Principle 6	5.1, 8.5, 10.3
Talent attraction and retention	GRI 103 Management approach 2016	103-1			
		103-2			
		103-3			
GRI 401 Employment 2016		401-1	39	Principle 6	5.1, 8.5, 8.6, 10.3
		401-2	46		3.2, 5.4, 8.5
		401-3	41		
GRI 103 Management approach 2016		103-1			
		103-2			
		103-3			
" Business competitiveness"	GRI 201 Economic performance 2016	201-1	51,54		8.1, 8.2, 9.1, 9.4, 9.5
		201-2	27	Principle 7	13.1
		201-3		Grupo Elektra has a pension plan for its employees, including its officials.	
		201-4	54		
GRI 203: Indirect economic impacts 2016		203-1	29,46		9.1,9.4
		203-2	33		1.2,1.4,8.1, 8.3,8.5
Process digitization	GRI 103 Management approach 2016	103-1	29		
		103-2	29		
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		103-2	28		
		103-3	28		
" Product and service innovation"	GRI 103 Management approach 2016	103-1	5,10		
		103-2	5,10		
		103-3	5,10		

Client privacy	GRI 103 Management approach 2016	103-1			
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" Resilience and adaptability of the business model"	GRI 103 Management approach 2016	418-1	33		16.3, 16.10
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Regulatory compliance	GRI 103 Management approach 2016	103-1			
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GRI 419: Socioeconomic compliance 2016		419-1	22		16.3
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" Omnichannel and accessibility to services and products"	GRI 103 Management approach 2016	103-1	29		
		103-2	29		
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GRI 103 Management approach 2016		103-1			Principles: 1, 2, 3, 4, 5, 6, 10
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		103-3			
Ethics and anti-corruption	GRI 205 Anti-corruption 2016	205-1	20	Principle 10	16.5
		205-2	21,43	Principle 10	16.5
		205-3	22	Principle 10	16.5
GRI 206 Anti-competitive behavior 2016		206-1	22		16.3
GRI 412: Human rights assessment 2016		412-1	75	Principle 1	
		412-2	75	Principle 1	
GRI 415: Public policy 2016			75	Principle 2	
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		103-3				
	GRI 401 Employment 2016	401-1	39	Principle 6	5.1, 8.5, 8.6,10.3	
		401-2	46		3.2, 5.4, 8.5	
	GRI 404: Training and education 2016	404-1	ESG Banco Azteca Information Annex			
	GRI 405 Diversity and equal opportunity 2016	405-1	38,41			
ESG Banco Azteca Information Annex			Principle 6	5.1, 5.5, 8.5		
405-2		38,41	Principle 6	5.1, 5.5, 8.5		
Business competitiveness	GRI 103 Management approach 2016	103-1				
		103-2				
		103-3	51,54			
		201-1	27		8.1, 8.2, 9.1, 9.4, 9.5	
	GRI 201 Economic performance 2016	201-2	Grupo Elektra has a pension plan for its employees, including its officials.		Principle 7	13.1
			201-3	54		
			201-4	29,46		
	GRI 203: Indirect economic impacts 2016	203-1	33		9.1,9.4	
		203-2			1.2,1.4,8.1,8.3,8.5	
	Client experience	GRI 103 Management approach 2016	103-1			
103-2						
103-3			9,52			
GRI Sectorial		FS6				
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Process digitization	GRI 103 Management approach 2016	103-1				
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	GRI 302 Energy 2016	302-1	58			
			ESG Banco Azteca Information Annex	Principles 7, 8	7.2, 7.3, 8.4, 12.2, 13.1	
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	GRI 303: Water and effluents 2018	303-1	62		Principles 7, 8	12.4
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303-5		ESG Banco Azteca Information Annex		Principles 7, 8		

Process digitization	GRI 305: Emissions 2016	305-1	61 ESG Banco Azteca Information Annex	Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-2	61 ESG Banco Azteca Information Annex	Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-3	61 ESG Banco Azteca Information Annex	Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-4	61 ESG Banco Azteca Information Annex	Principle 8	13.1, 14.3, 15.2
		305-5	61 ESG Banco Azteca Information Annex	Principles 8, 9	13.1, 14.3, 15.2
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		306-2	63	Principles 7, 8	3.9, 6.3, 11.6, 12.4, 12.5
		306-3	63 ESG Banco Azteca Information Annex	Principles 7, 8	3.9,12.4,12.5
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		FS2	ESG Banco Azteca Information Annex	Principle 7	
		FS2	ESG Banco Azteca Information Annex	Principle 7	



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Governance	GRI 103 Management approach 2016	103-1	16		
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		205-2	21,43	Principle 10	16.5
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	GRI 206 Anti-competitive behavior 2016	206-1	22		16.3
	GRI 412: Human rights assessment 2016	412-1	75	Principle 1	
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GRI 415: Public policy 2016	415-1		ESG Banco Azteca Information Annex	16.5	
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	GRI 401 Employment 2016	401-1	39	Principle 6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		401-2	46		8.2, 8.5
Business competitiveness	GRI 103 Management approach 2016	103-1			
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	GRI 201 Economic performance 2016	201-1	51,54		8.1, 8.2, 9.1, 9.4, 9.5
		201-2	27	Principle 7	13.1
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	GRI 203: Indirect economic impacts 2016	203-1	29,46		9.1,9.4
		203-2	33		1.2,1.4,8.1,8.3,8.5
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	GRI 405 Diversity and equal opportunity 2016	405-1	38,41	Principle 6	5.1, 5.5, 8.5
Logistics efficiency	GRI 103 Management approach 2016	103-1			
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		306-2	63	Principles 7, 8	3.9, 6.3, 11.6, 12.4, 12.5
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GRI 306: Effluents and waste 2020	306-4	63	Principles 7, 8	3.9,11.6,12.4,12.5	
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		201-2	27	Principle 7	13.1
		201-3		Grupo Elektra cuenta con un plan de pensiones para sus colaboradores, incluyendo a sus funcionarios.	
		201-4	54		
	GRI 203: Indirect economic impacts 2016	203-1	29,46		9.1,9.4
		203-2	33		1.2,1.4,8.1,8.3,8.5
	Regulatory compliance	GRI 103 Management approach 2016	103-1		
103-2					
103-3					
GRI 419: Socioeconomic compliance 2016	419-1	22		16.3	
GRI 307: Environmental compliance 2016	307-1	Cumplimos al 100% con la normativa aplicable en cada uno de los países en donde tenemos presencia			
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Product and service innovation	GRI 103 Management approach 2016	103-1	29		
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Resilience and adaptability of the business model	GRI 103 Management approach 2016	103-1	23		
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	GRI 204: Procurement practices	204-1	36		8.3
	GRI 308: Supplier environmental assessment	308-1	37		
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GRI 416 Customer health and safety 2016	416-1	30		16.3	
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		305-3	61	Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-4	61	Principle 8	13.1, 14.3, 15.2
305-5	61	Principles 8, 9	13.1, 14.3, 15.2		
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GRI 405 Diversity and equal opportunity 2016	405-1	38,41	Principle 6	5.1, 5.5, 8.5	
Logistics efficiency	GRI 103 Management approach 2016	103-1	29		
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		63	Principles 7, 8	3.9,11.6,12.4,12.5	



MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	Number		52
Activity metric	CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	Square meters (m ²)	Not available	
ACCOUNTABILITY METRIC					
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)		58
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	N/A		32
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)		33
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Reporting currency, Percentage (%)	All our employees earn above the minimum wage	46
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Rate	We refer to integrated rotation, including voluntary and involuntary decoupling.	41
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Divisa para comunicar	Not available	
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Percentage (%)	Gender representation is available, not available for racial/ethnic group.	41
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Reporting currency		22
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Ingresos de productos certificados por terceros según los estándares de sustentabilidad ambiental y / o social	Reporting currency	Not available	
		Discusión de los procesos para evaluar y gestionar los riesgos y / o peligros asociados con los productos químicos en los productos.	N/A	Not available	
	CG-MR-410a.3	Discusión de estrategias para reducir el impacto ambiental de los empaques	N/A	Not available	



E-COMMERCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	CG-EC-000.A	Entity-defined measure of user activity	Number	We report the value of online sales.	52
Activity metric	CG-EC-000.B	Data processing capacity, percentage outsourced	Variable	All the information processing activity is carried out by Grupo Elektra teams (Tiendas Elektra).	
Activity metric	CG-EC-000.C	Number of shipments	Number	Not available	
ACCOUNTABILITY METRIC					
Hardware Infrastructure Energy & Water Management	CG-EC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)		58
	CG-EC-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m³), Percentage (%)	The water catchment is presented for all the Tiendas Elektra centers. The water catchment ratio corresponding to areas with water stress is not available.	62
	CG-EC-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	N/A	Not available	
Data Privacy & Advertising Standards	CG-EC-220a.1	Number of users whose information is used for secondary purposes	Number	Not available	
	CG-EC-220a.2	Description of policies and practices relating to behavioral advertising and user privacy	N/A		30
Data Security	CG-EC-230a.1	Description of approach to identifying and addressing data security risks	N/A		33
	CG-EC-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)		33
Employee Recruitment, Inclusion & Performance	CG-EC-330a.1	Employee engagement as a percentage	Percentage (%)	It is presented for all employees of Tiendas Elektra.	48
	CG-EC-330a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	Ratio	We reference integrated rotation, including voluntary and involuntary dismissals.	39
	CG-EC-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	Gender representation available, not available for racial / ethnic group.	41
	CG-EC-330a.4	Percentage of technical employees who are H-1B visa holders	Percentage (%)	Not available	
Product Packaging & Distribution	CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	Metric tons (t) CO ₂ -e	Not available	
	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	N/A	Not available	



AUTOMOBILE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	TR-AU-000.A	Number of vehicles manufactured	Number		52
Activity metric	TR-AU-000.B	Number of vehicles sold	Number		52
ACCOUNTABILITY METRIC					
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	Percentage (%)	Not available	
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	Number, Percentage (%)		30
	TR-AU-250a.3	Number of vehicles recalled	Number		30
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)		
	TR-AU-310a.2	(1) Number of work stoppages and (2) total days idle	Number, days	Not available	
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	Mpg, L/km, gCO ₂ /km, km/L	Not available	
	TR-AU-410a.2	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	Number	Not available	
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	N/A		27
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	N/A		36
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	Metric tons (t), Percentage (%)		23
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	Metric tons (t), Percentage (%)	Not available	
	TR-AU-440b.3	Average recyclability of vehicles sold	Percentage (%) by salesweighted metric tons (t)	Not available	



ASSET MANAGEMENT 6 CUSTODY ACTIVITIES STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Reporting currency	Not available	
Activity metric	FN-AC-000.B	Total assets under custody and supervision	Reporting currency		34, 52
ACCOUNTABILITY METRIC					
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Number, Percentage (%)	Not available	
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Reporting currency		30
	FN-AC-270a.3	Description of approach to informing customers about products and services	N/A		30
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Percentage (%)	Gender representation available, not available for racial / ethnic group.	41
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Reporting currency	Not available	
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and / or wealth management processes and strategies	N/A		ESG Banco Azteca Information Annex
	FN-AC-410a.3	Description of the policies and procedures for voting by proxy and participation of investees	N/A	Not available	
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, negligence, or other laws or regulations related to the financial industry.	Reporting currency		22
	FN-AC-510a.2	Description of whistleblowing policies and procedures	N/A		20, 22



INSURANCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	FN-IN-000.A	Number of policies in force, by segment: (1) property and accidents, (2) life, (3) reinsurance assumed	Number		ESG Banco Azteca Information Annex
ACCOUNTABILITY METRIC					
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.	Reporting currency		30
	FN-IN-270a.2	Complaints-to-claims ratio	Ratio	Not available	
	FN-IN-270a.3	Customer retention rate	Ratio	Not available	
	FN-IN-270a.4	Description of approach to informing customers about products	N/A		30
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	Reporting currency	Not available	
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	N/A		ESG Banco Azteca Information Annex
Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Reporting currency	Not available	
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	N/A	Italika has the Voltium line, with an electric motorcycle and a bicycle model; Banco Seguros Azteca offers coverage for these products.	
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	Reporting currency	Not available	
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Reporting currency	Not available	
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	N/A		For the conditions of the premium, the accident rate is considered, which may include incidents due to climatic phenomena; but they are not yet expressly evaluated but together with the rest of the accident rate variables.
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	Reporting currency	Not available	
		Total fair value of securities lending collateral assets	Reporting currency	Not available	
	FN-IN-550a.3	Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	N/A	Not available	



CONSUMER FINANCE STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S	
ACTIVITY METRIC						
Activity metric	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Number	Not available		
Activity metric	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Number		ESG Banco Azteca Information Annex	
ACCOUNTABILITY METRIC						
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Number		33	
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting currency		33	
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)	The absence of data breaches is reported; the rest of the requested information is not available.	33	
	FN-CF-230a.2	Card-related fraud losses from (1) card-notpresent fraud and (2) card-present and other fraud	Reporting currency	Not available		
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	N/A		33	
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Percentage (%)		46	
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 6606	Percentage (%)		ESG Banco Azteca Information Annex	
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Reporting currency, Percentage (%), Months, Number, Reporting currency		Not available	
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Number, Percentage (%)		30	
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Reporting currency		30	



COMMERCIAL BANKS STANDARD 2018

SASB TOPIC	CODE	DESCRIPTION	UNIT OF MEASURE	OMISSIONS AND / OR MODIFICATIONS - SUPPLEMENTARY ANSWER	PAGE/S
ACTIVITY METRIC					
Activity metric	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Number, Reporting currency		ESG Banco Azteca Information Annex
Activity metric	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Number, Reporting currency		10
ACCOUNTING METRIC					
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Number, Percentage (%)	The absence of data breaches is reported; the rest of the requested information is not available.	33
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	N/A		32, 33
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Number, Reporting currency		33, 34
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Number, Reporting currency	Not available	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Number	Not available	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Number		"65 ESG Banco Azteca Information Annex"
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Reporting currency	Not available	
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	N/A		ESG Banco Azteca Information Annex
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Reporting currency		22
	FN-CB-510a.2	Description of whistleblower policies and procedures	N/A		20, 22
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	Banco Azteca is not considered a financial institution of systemic importance, in the G-SIB classification.	
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	N/A	According to information from the CNBV, in Mexico there are six multiple banking institutions of local systemic importance, classified into four grades. Banco Azteca is not within this group, however, due to regulatory issues, the Institution complies with the established calculations that are aligned with the minimum requirements of Basel. https://www.gob.mx/cms/uploads/attachment/file/562097/Comunicado_de_Prensa_051_Importancia_Sist_mica_Local.pdf	



**Verification Letter of the 2020 Sustainability Report
"Grupo Elektra, Oportunity driver"**

To the Board of Directors of Grupo Elektra and stakeholders:

We notify you that we carried out a limited and independent verification of a sample of GRI Sustainability Reporting Standards (GRI Standards) disclosures reported in the 2020 Sustainability Report "Grupo Elektra, Oportunity driver".

The scope of our verification covered the results of Banco Azteca, S.A. Institución de Banca Múltiple ("Banco Azteca"), corresponding to the period from January 1 to December 31, 2020.

The Direction of "Banco Azteca" is responsible for preparing the information contained in the 2020 Sustainability Report and that included in the scope of our verification, which implies: the selection process of materiality issues and GRI disclosures, internal management systems and processes and publication of information.

Our mission is to issue impartial and objective opinions about the certainty, traceability and reliability of the selected sample contained in the "2020 Sustainability Report" by means of visual and / or documentary evidence that is true and sufficient to verify the agreed contents.

Our work considered as criteria: GRI Standards, in the Essential option and the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Declaration of independence and competence of Redes Sociales en Línea Timberlan

Employees of Redes Sociales en Línea Timberlan have the level of competence necessary to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on the reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on July 7, 2021 and is valid as long as no subsequent and substantial modifications are made to Grupo Elektra's 2020 Sustainability Report.

Among the activities carried out during the verification process are listed: observation of information management tools / systems, comparison of information presented in previous reports, review of methodological compliance with the selected standards and verification of qualitative and quantitative data through evidence visual, documentary and public.

During the verification process, we did not find any factor that would make us determine that the analyzed GRI disclosures sample does not comply the methodological requirements requested by the GRI Standards and that the published data contains errors.

An internal report of recommendations, exclusive to Banco Azteca, is delivered separately, containing the areas of opportunity detected for a future report.

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July 7th, 2021

Sample of verified GRI Disclosures

102-8	Information on employees and other workers	303-5	Water consumption
102-17	Mechanisms for advice and concerns about ethics	305-1	Direct (Scope 1) GHG emissions
102-18	Governance structure	305-2	Energy indirect (Scope 2) GHG emissions
102-20	Executive-level responsibility for economic, environmental, and social topics	305-3	Other indirect (Scope 3) GHG emissions
102-43	Approach to stakeholder engagement	305-4	GHG emissions intensity
102-44	Key topics and concerns raised	306-3	Significant spills
102-46	Defining report content and topic Boundaries	401-1	New employee hires and employee turnover
102-47	List of material topics	404-1	Average hours of training per year per employee
201-1	Direct economic value generated and distributed	404-3	Percentage of employees receiving regular performance and career development reviews
205-1	Operations assessed for risks related to corruption	405-1	Diversity of governance bodies and employees
205-3	Confirmed incidents of corruption and actions taken	412-1	Operations that have been subject to human rights reviews or impact assessments
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	414-2	Employee training on human rights policies or procedures
302-1	Energy consumption within the organization	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
302-3	Energy intensity		



For more details about this report or the issues related to sustainability at Grupo Elektra, please contact:

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