

Management Approach to Material Issues (102-44, 102-47)

(102-44, 102-47)

Category	Material Issue	Disclosure	Management Approach (103-1)	Coverage
Corporate governance and business strategy	Corporate governance	102-18, 102-22	It is extremely important for our sustainability to maintain a culture of transparency and accountability. We promote and protect our business values, with which we consolidate a culture of respect and justice, we also execute and monitor our alignment with the legal precepts and the interests of our relationship groups.	The Board of Directors and its different Committees exercise their powers to review, authorize and follow the guidelines that maintain the ethical and transparency bases in our operations. In this way, we guarantee the optimal management of resources to preserve the confidence of our stakeholders.
	Comprehensive risk management	102-11, 102-15	It is a strategic pillar for our sustainability is the experience of the risk culture and how we manage them. In this way, we ensure the fulfillment of the values and our permanence as a solid, safe and sustainable bank. We also guarantee a management aligned with the interests of our main stakeholders.	We put into practice our Risk Management Model designed for three lines of defense: 1) Back Office Business Areas, Support areas and support Risk Owner; 2) Regulatory Control and Risks; 3) Internal Audit. We also have a School of Risks Mexico through which we disseminate the risk culture and achieve its appropriation by the members of Santander, who identify some areas of opportunity and reinforce the culture of risk.
	Ethical behavior	102-17, 205-2	One of our main purposes, throughout our operation, is the construction of trust relationships with our stakeholders through a firm business ethic.	We put our Ethical Culture into practice by means of our principles, values and ethical standards, with which we ensure compliance with our General Code of Conduct (CGC). Likewise, we offer our collaborators an Ethics Line to respond to complaints regarding ethical issues.
Products, services and impacts	Financial inclusion	FS13	Reducing poverty and helping generate an inclusive growth of the low-income population, as well as people who are not banked clients, is one of the Principles of Responsible Banking.	We have the Tuiio program of financial inclusion designed for the population with limited or no financial inclusion, with the objective of having a social impact through a competitive and comprehensive microloan offer.

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Products, services and impacts	Accessibility of products and services		The search for an inclusive financial model is also one of the fundamental pillars of responsible banking, which is why in Santander we have prioritized accessibility so that more Mexicans can approach financial services and help reduce inequality.	We have alternative schemes to bank branches that facilitate general access to the products and services we offer, an example is the Tuiio program that operates on a simple and friendly technological platform. We have several available channels focused on our customers and users for easy and fast access: branches, ATMs, banking correspondents and a contact center. For people with some type of disability we have branches with adequate infrastructure, as well as ATMs with Braille keyboard.
	Training for collaborators	404-1	Guaranteeing the education of our collaborators is an essential element for our success. That is why we encourage your professional development through which we offer our clients a better service and achieve greater profitability and sustainability in our operation.	Through global and permanent courses and trainings to our collaborators we manage to develop their skills and competences. We also provide you with the necessary tools to carry out your daily operations more efficiently.
Human Resources	Diversity and labor inclusion		It is a strategic component for business development through recognition of the diversity of ideas and proposals that enrich the perspective of the company.	Through our Diversity and Inclusion Council we manage an agenda within the organization that includes female talent, young talent and work-life balance, with the aim of enriching decision-making.
	Gender equality	405-1	As part of our strategy and in alignment with the SDGs, we protect, disseminate and safeguard gender equity as one of the fundamental Human Rights. We promote the adoption of basic principles of action with key stakeholders, both inside and outside our operations.	Through our Diversity and Inclusion Council and our Santander Way Culture Committee we develop the talent of women from different angles. Through our Female Talent pillar we develop and create female representation in strategic leadership roles. We also have exclusive products for women such as Mujeres Empresarias, Mujer Crezcamos and Select Me.

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Category	Material Issue	Disclosure	Management Approach (103-1)	Coverage
Human Resources	Capture and retention of talent	401-1	The talent of our organization enhances our sustainability, therefore we maintain the main objective of the integral development of our collaborators in their capacities and family life, which translates into stability of the organization.	Through strategic performance evaluation programs, we evaluate, recognize and develop our staff in a fair and equitable manner. We also maintain talent attraction programs such as "Linkers" and Young Talent. We combine the above with our Life Work Conciliation program and thus achieve an integral well-being.
	Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7 and 403-8	The promotion of an integral well-being is an essential factor for the construction of prosperous societies, to which we contribute by combining our efforts to guarantee our collaborators a safe working environment.	We have internal and external committees through which we teach courses on civil protection, operational risk, branch security and hygiene and safety. We also seek the integral well-being of our employees through our BeHealthy program, which consists of four pillars: Know, Eat, Move and Balance.
	Fair compensation to employees	201-1	We maintain a constant commitment with our collaborators, who represent a fundamental part in the base of our success. That is why we offer safe working conditions, sustainable and inclusive economic growth and decent employment for all.	We have a Remuneration Committee which is responsible for: <ul style="list-style-type: none"> • Evaluate the risks faced by the Institution, its administrative, control and business units. • Disseminate the criteria and policies of the remuneration schemes to employees. • Inform the National Banking and Securities Commission about the modifications made to the Remuneration System. • Propose for the approval of the Board of Directors everything related to remuneration processes.

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Category	Material Issue	Disclosure	Management Approach (103-1)	Coverage
Value chain	Fair treatment of suppliers	103-1	Our suppliers represent an essential part for the development of our business strategy and for the development of our activities, which is why we seek to generate mutually beneficial relationships.	We implement the Outsourcing and Agreements with Third Parties (suppliers) model which develops and specifies the principle of operational responsibility and establishes the references to be considered in the agreements with suppliers. Its main objective is to establish the principles that will regulate the relations of the Group entities with the suppliers, from the beginning to its termination, paying special attention to the rights and obligations of each of the parties.
	Selection of suppliers under criteria of social and environmental responsibility	412-3	We maintain a sustainable operation modality that should also permeate our supply chain, so we work to guarantee an impeccable quality in our service from its origin.	We include environmental and social requirements in the contracts and agreements signed by our suppliers. Through this, we use resources and materials more efficiently, reduce risks and maintain control in our processes.
	Promotion of environmental and social principles and respect for human rights in the company's value chain		The members of our value chain are essential allies to jointly achieve sustainability and responsible banking objectives. That is why we seek that suppliers are aligned with ethical, legal, social and environmental principles that we live every day in Santander.	100% of the contracts we have with suppliers have a clause called Protocol of Social Responsibility that seeks to protect human rights, fair labor practices, care for the environment and the fight against corruption.

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Category	Material Issue	Disclosure	Management Approach (103-1)	Coverage
Link with the community	Investment in social development (Health Programs, Nutrition, Children, support for natural disasters)	103-1	In our Social Sustainability action axis we support the people and local communities where we operate to foster an environment of mutual well-being and growth, through different initiatives in which education has been our main tool for generating change and sustainable social development.	Through our Social Sustainability action axis, we promote education by providing the opportunity of access to quality education for children and young people. We also provide donations in support of Mexican children in a situation of marginalization. We play a role as sustainable partners by setting up an ATM network to receive donations from customers and users to support various social and environmental causes, and we provide humanitarian aid to various foundations through our volunteering and donations.
	Support for education	FS16	Education is one of the key drivers for the development of a healthy social coexistence, which is why we are proud to present ourselves as allies of students from Mexico.	We form alliances with which we consolidate a solid platform to promote education throughout the country. Béalos is one of the alliances through which we support low-income students of the upper and upper levels to continue their studies.
	Support for research and innovation in education	103-1	Higher education is the best tool to build a more just and prosperous society, not only in Mexico but in the world, which is why over the years we have supported higher education through scholarships, research and programs.	We carry out programs through the University Entrepreneurship axis from which elements such as: Santander scholarships for young people, professors and researchers and Mobility through which we promote the academic exchange of undergraduate students. We also offer scholarships for doctorate, masters and specialty degrees. We form strategic alliances between principals and academic directors through high-level international events.
	Support for the first employment and entrepreneurship in university students		Promoting employment and economic growth is part of our commitment as responsible banking, so we focus our eyes on the future and identify the training needs of organizations that can be served from the university.	On an annual basis we carry out the most important university entrepreneurship competition in the country: the Santander Prize for Business Innovation. We also have programs and scholarships that promote dynamic and innovative entrepreneurship as well as the creation of new companies.

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Environmental management	Consumption and energy saving (eco-efficiency)	302-1	The promotion and use of sustainable energy is an opportunity to transform the life, the economy and the welfare of the planet; therefore, we develop strategies for our infrastructure that are based on clean energy sources.	We work on various initiatives in our branches such as Energy Consumption Diagnosis, the use of alternative energy from a cogeneration plant considered emission-free, as well as the contract for the use of energy from a wind farm.
	Consumption and water saving	303-1	Water is a vital and indispensable resource for life, which is why we face scarcity situations with the implementation of initiatives for saving.	We carry out different actions that we implement within the Group, including consumption monitoring through invoices, use of treated water, dry urinals, among others; with which we obtain a decrease in our annual consumption.
	Waste management	103-1	We maintain a faithful commitment to improving the environment through proper management, disposal and treatment of waste minimizing our environmental impact. We align ourselves with goal 11.6 of the Sustainable Development objective referring to cities and Sustainable Communities.	We have processes for the correct handling of paper, cardboard, containers and glass. We also use biodegradable and more environmentally friendly products for the cleaning of work and maintenance areas.
	Generation of emissions	305-1, 305-2	Climate Change has been accelerated due to greenhouse gas emissions and we want to be part of the solution through initiatives to optimize transfers and improve energy efficiency in order to reduce the impact of the carbon footprint.	As initiatives to mitigate the impact on the environment we include transport units of more recent models. In the energy field: we use natural gas and LP gas, we also rigorously monitor the monthly details of lighting, air conditioning and electronic equipment that we use and remodel Smart RED branches by installing LED luminaires

(102-44, 102-47)

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Environmental management	Consumption and saving of paper and other materials	301-1	Paper consumption is very important for our operation, which is why we maintain a faithful commitment to optimizing and switching to more earth friendly resources in order to recover degraded forests and increase afforestation and reforestation.	We have various initiatives to reduce our paper consumption such as the Paperless campaign, the paper we use comes from managed forests in a responsible manner, or is recycled and we work hand in hand with Reforestamos México A.C.
Sustainability	Materiality and sustainability strategy	102-44, 102-46, 102-47	It is important to identify and reflect in our report the economic, ethical, environmental and social issues that are relevant to the Group and our stakeholders. In addition, and as part of our sustainability strategy, we report on our contribution to the United Nations Sustainable Development Goals (SDGs)..	Our materiality study consists of a quantitative and qualitative systematic analysis process (aligned to the reference standards) that includes processes of dialogue with stakeholders and alignment to the business strategy as a key to establishing the priority focuses of action in terms of sustainability
	Citizenship and corporate philanthropy	102-12, 102-13	We contribute and promote transparency and healthy competition in the market. In alignment with this principle, we are part of various associations, in which we share and promote the ethical and sustainable development of the Mexican financial sector.	We are part of associations, committees and groups of the financial sector in Mexico, such as AMIB, ABM and the Issuers Committee of the Mexican Stock Exchange (BMV). We are also part of the Sustainable IPC of the Mexican Stock Exchange (BMV) and we have distinguished ourselves with the seal of Socially Responsible Company for 14 years.
	Dialogue with stakeholders	102-40, 102-43	It is a priority for us to maintain a close and trusting relationship with all our stakeholders, so we listen to them, we know and we attend to their concerns to fulfill our commitment to be a simple, personal and fair bank.	We have multiple channels that allow us to know the expectations of our stakeholders and maintain a continuous dialogue with them. We carry out numerous studies and measurements to understand your needs and identify opportunities for creating value in the long term. We also participate in conferences and working groups at local and international level to know their interests.

ANNEX I (201-1)**Economic Value***

(Millions MXN)

	Concept	2019	2018	2019/2018 % Variation
Economic value generated	Interest income	\$123,338	\$112,822	9.32%
	Commissions and fees charged	\$25,256	\$23,083	9.41%
	Other income from the operation	-\$2,174	-\$2,048	6.15%
	Total	\$146,420	\$133,857	9.39%
Economic value distributed	Interest expenses	\$56,985	\$51,414	10.84%
	Commissions and fees paid	\$7,228	\$6,251	15.63%
	Administration and promotion expenses	\$38,865	\$35,294	10.12%
	Income taxes incurred	\$7,099	\$5,615	26.43%
	Dividends paid	\$10,293	\$11,050	-6.85%
	Investment in the community	\$152	\$156	-2.56%
	Total	\$120,622	\$109,780	9.88%
Economic value retained	Total	\$25,798	\$24,077	7.15%

ANNEX II**Profile of the Board of Directors****NON-INDEPENDENT SERIES "F" DIRECTORS**

Mr. Marcos Alejandro Martínez Gavica.- He is Chairman of the Board of Directors of GFSM, Banco Santander México, Santander Stock Exchange, Santander Consumo and Santander Vivienda. He was a member of the Board of Directors of SAM Asset Management from 2002 to 2013. He subsequently served as Executive Chairman and CEO and Banco Santander (Mexico) from 1997 to 2016. He began his career in 1978 at Banco Nacional de México, S.A. performing several positions until reaching the Bank's administration. He is President of the Association of Banks of Mexico, A.C. He is a Chemical Engineer from the Universidad Iberoamericana, and holds a Master's Degree in Administration with a specialization in financial planning from the Pan-American Institute of Senior Business Management.

Mr. Héctor Blas Grisi Checa.- He is a member of the Board of Directors of GFSM, Banco Santander Mexico, Santander Stock Exchange, Santander Consumo and Santander Vivienda and serves as the Executive Chairman and CEO of Grupo Financiero Santander México and Banco Santander (Mexico) . He was the Executive President and CEO of Grupo Financiero Credit Suisse (Mexico), S.A. of C.V. from 2001 to 2015, from 2001 to 2006 he served as the General Director of the same Institution, previously from 1997 to 2001, he was Director of Investment Banking at Credit Suisse Mexico. He was a member of the Board of Directors of Credit Suisse Americas, of the Global Credit Suisse Committee and Member of the Americas Operating Committee. He also held several positions in Grupo Financiero Invermexico from 1991 to 1997, in the investment and corporate banking divisions. From 1986 to 1991, he worked at the Casa de Bolsa Inverlat, in the corporate banking department. He is Vice President of the Association of Mexican Banks since 2011. He has a degree in Finance from the Universidad Iberoamericana of Mexico City, where he graduated with honors.



For more information consult the Audited Financial Statements 2019. [here.](#)

Mrs. Magdalena Sofía Salarich Fernández de Valderrama.-

In 1979 she started working as head of the department Information Center of Citroën (Hispania), in 1980 she was designated head of the training department, in 1986 she was designated Marketing Director, later in 1993 she was appointed attached to the commercial management for Europe of Citroën Automobiles position that she combined attached to marketing management, until 1994, when she was appointed marketing director for Europe. In 1996 she was named Executive Vice President of Citroën Hispania, as well as European Commercial Marketing Director in Citroën cars, in 2001 was appointed Commercial Director in Europe and Commercial Marketing Director in Citroën cars (27 countries), in the same year she was appointed Executive Director and Vice President Senior Citroën Spain. In 2007 she was appointed Vice President Senior of the Ramón Areces Foundation. Currently she works as Senior Vice President of Banco Santander, S.A. So as CEO of Santander Consumer Finance, Vice President of the Board of Directors and member of the Santander Consumer Finance Executive Committee, as well as member of the supervisory committees of Santander Consumer Bank AG, Santander Consumer Holding GmbH and member of the Board of Directors of Financiera El Corte Inglés, E.F.C. S.A. She has obtained various recognitions, among which highlight: Légion d'Honneur of the French Republic in the 2001; the Golden Cross of the Spanish Development Association European in 2007, as well as the Best Manager award of the Year, granted by the Spanish Association for Company Financiers and Treasurers (ASSET). 2006. She is an Engineer from the Catholic Institute of Arts and Industries (ICAI), hold a master's Degree in commercial management and marketing from the Instituto de Empresa and general management studies at the Institute of Studies Superiors of the Company (IESE).

Mr. Francisco Javier García-Carranza Benjumea.- He is the Deputy General Director of Banco Santander. He is in charge, globally, of Restructuring, Participations, Real Estate, Recovery Strategy and Loan and Asset Provisions. Before joining Banco Santander in February 2016, he worked at Morgan Stanley, based in London, as Co-Head of Real Estate Investment Banking for EMEA (Europe, Middle East and Africa). At Morgan Stanley he advised clients on issues of Mergers and Acquisitions (M & A), equity financing transactions and debt for more than \$ 100 billion. The most important transactions include: PVO of Inmobiliaria Colonial, OPV of Fadesa, OPV of Emaar Maals Debt and Equity, Aldar-Sorouh merger, acquisition of Gecina

by Metrovacesa, acquisition of Urbis by Reyal, restructuring and OPV of Inmobiliaria Colonial, acquisition of Testa by Merlin Properties, among others. Mr. García-Carranza also has experience in investment business, having made investments for Morgan Stanley Real Estate Funds and for Morgan Stanley Special Situations Fund in the United Kingdom, Spain, Italy, France and Germany, having made investments in excess of \$ 5 one billion He is a member of the Board of Directors and the Executive Committee of Metrovacesa Suelo y Promoción SA, member of the Board of Metrovacesa promotion and Leasing, of the Asset Management Company from Banking Restructuring (Sareb), Banco Popular SA, Santander Spain, Altamira Asset Management SA, Altamira Real Estate, and President of Merlin Properties Board Member of Santander Capital Desarrollo SGEIC SA. He has a degree in Business Administration from the Carlos III University of Madrid.

Mr. Rodrigo Brand de Lara.- He is Deputy General Director of Studies, Strategy, Public Affairs and Chief of Staff of the Presidency of Banco Santander México since 2011. In 2010, he was General Director of the Division of Social Communication of the Ministry of Foreign Affairs. From 2006 to 2010, he was the head of the Social Communication Unit and Speaker of the SHCP. From 2004 to 2006, he served as General Director of Social Communication and Institutional Liaison of the IPAB, previously held various positions in the SHCP: 2003 to 2004 Deputy General Director Economic and Financial Analysis, 2000 to 2001 Senior Advisor to the Undersecretary of Finance and Public Credit, 1999 to 2000 Deputy Director of Internal Credit Coordination and Collection. From 1996 to 1999, he was an Economist for Mexico at Deutsche Morgan Grenfell and during 1996 he was also an Advisor to the Deputy Director of Financial Engineering at Banobras. He has a degree in Economics from the Instituto Tecnológico Autónomo de México.

Mr. Ángel Rivera Congosto.- He is General Director of Commercial Banking at Banco Santander Mexico as well as member of the Board of Directors of Banco Santander, Santander Peru and Uruguay. He began working in the Santander Matriz Group in April 2013 as General Director of the Business, SMEs and Institutions Area within the Commercial Banking Division. For 24 years he worked in the Banco Popular Group, where after working in retail branches, he headed the Presidency Cabinet, the International Banking area, with responsibility also for correspondent banking and the Group's offices abroad; the Strategy and Corporate Development area, the Human

Resources Division, the General Directorate of Media, the latter grouping the Technology, Organization, Operations and Human Resources departments, and the General Directorate of the Commercial Network, with responsibility for the network of Popular branches and its five subsidiary banks, marketing and business intelligence management. He was also a member of the Management Committee, the Defaulters and Recovery Committee and the ALCO Committee. He has a Diploma in Tourism Companies and Activities from the Official School of Tourism of Spain, he also carried out the Program of Senior Business Management (PADE) at IESE (University of Navarra) and the Development Program in Corporate Finance at the Institute of Company of Madrid. In addition, he has carried out various financial programs in the United States and Australia and is a member of the Australian Institute of Banking & Finance.

Mr. Didier Mena Campos.- He is Chief Financial Officer since November 2016, before he was Deputy General Director of Finance at Banco Santander México in May 2016. Before joining Grupo Santander, Mr. Mena worked in several financial institutions as: (i) Execution Finance, an investment bank, where he was a Partner from 2014 to 2016, (ii) Navix, a financial company focused on financing companies in the Mexican energy sector, where he was CEO from 2013 to 2014, (iii) Credit Suisse, whose last responsibility was as Managing Director of the Group of Financial Institutions of Latin America between 2010 and 2012, (iv) during 2008 to 2010 he was Chief Financial Officer of Financiera Independencia, (v) Between 2001 and 2008 he served as Director of Credit Suisse in Investment Banking and Fixed Income and (vi) and collaborated for Grupo Financiero BBVA Bancomer from 1994 to 2000, with responsibilities in the ALCO and participating in operations atégicas such as the merger with BBVA, the acquisition of Banca Promex, the acquisition of the 49% stake held by Aetna Seguros, Afore and Pensiones Bancomer and the strategy of the branch network. Outside of the financial sector, he worked at Oro Negro, a Mexican drilling company, from 2012 to 2013 as Financial Director and Director of Investments. He studied economics at ITAM and received his master's degree in business administration from Boston University.

Mr. Emilio de Eusebio Saiz.- He is Deputy General Director of Management Intervention and Control at Banco Santander México since 2010, he began his career in the Human Resources Department of Grupo Santander, where he worked from 1989 to 1990. He worked in the Financial Division of Grupo Santander from 1990 to 1992 and in the General Intervention division and Control Administration at Grupo Santander from 1992 to 2008. He became Deputy Director General for Intervention and Control at Grupo Financiero Santander México in December 2010 after having served as Control Director of Corporate Expense Management at Grupo Santander between March 2008 and November 2010. He has a degree in Economics from the Complutense University of Madrid and an MBA from the Madrid Business Institute.

INDEPENDENT SERIES "F" DIRECTORS

Mrs. Bárbara Garza Lagüera Gonda.- She is the President of the Acquisitions Committee of FEMSA Cultural Projects. Director of the following listed companies: Coca-Cola FEMSA (KOF) and Fomento Economico Mexicano (FEMSA), the largest bottling franchise for Coca-Cola products of the world. She also serves as counselor for Financial Solutions (SOLFI), Fresnillo and Promecap Acquisition Company and also on the boards of non-profit organizations Patronato Museo Franz Mayer, Fondo para la Paz, Museo de Arte Contemporáneo de Monterrey, among others. She has a degree in Business Administration with a master's degree from the Technological Institute of Superior Studies of Monterrey.

Mr. Juan Ignacio Gallardo Thurlow.- He has served as Chairman of the Board of Directors of Grupo GEPP (Group of Pepsicola Bottlers and their brands in the Mexican Republic) and of Grupo Azucarero México, S.A. of C.V. He is a member of the Board of Directors of Caterpillar, Inc. and of Lafarge, S.A., of the international advisory board of Bombardier Inc. He is a member of the Mexican Council of Businessmen, A.C. and the Business Council of Latin America. He is the General Coordinator of COECE (Coordinator of Foreign Trade Business Organizations for negotiations with the Free Trade Agreements of Mexico). From 1978 to 1989 he served as a member of the

Board of Directors of Babcock de México, S.A. of C.V. From 1974 to 1988 he was president of the Board of Directors of Clevite de México, S.A. of C.V. From 1981 to 1983, he was deputy general manager of Grupo Industrial Minera México, S.A. From 1976 to 1980 he was General Director of the international and investment banking division of Multibanco Comermex, S.A., Institución de Banca Múltiple. He graduated in Law from the Escuela Libre de Derecho, and has an AD II Program at the Pan-American Institute of Senior Business Management.

Mr. José Eduardo Carredano Fernández. - He is an independent member of the GFSM Board of Directors, Banco Santander México, Santander Stock Exchange, Santander Consumo and Santander Vivienda. He is Chairman of the Board of Directors of La Ideal S.A. of C.V., Aceros La Ideal S.A. of C.V., Aceros La Ideal S.A. of C.V. Industrial Formacero, S.A. of C.V. and Fianzas Asecam, S.A., is also a member of the Board of Directors of Inmobiliaria Silver, S.A. de C.V., Asecam, S.A. de C.V., Grupo Financiero Asecam, S.A. of C.V. He was a member of the Boards of Directors of Credicam, S.A. de C.V., SOFOM E.R. from 1991 to 2008 Seguros Génesis, S.A. from 1993 to 1997, and Fianzas Asecam, S.A. from 1994 to 2014. He studied Public Accounting at the Universidad Iberoamericana.

Mr. Guillermo Güemez García. - He has served as a member of the Board of Directors of Zurich Compañía de Seguros, S.A. and ING AFORE and in the case of Zurich Compañía de Seguros, S.A. He has also served as chairman of the audit committee and at ING Afore as a member of the investment committee. He previously served as a member of the Board of Directors of Zurich Santander México, S.A. Additionally, he serves as a member of the strategy and finance committee of Nacional Monte de Piedad, as a member of the Board of Directors of GEUPEC, S.A. of C.V. and as president of the advisory committee of the Business and Economics Administration of the Universidad Panamericana. From 1995 to 2010 he was Deputy Governor of the Bank of Mexico and Chairman of the responsibilities committee of the Bank of Mexico. From 2007 to 2010 he was a member of the CNBV's cabinet. From 1995 to 1997 he was a substitute member of the CNSF cabinet. From 1991 to 1993 he served as Executive Director of the Business Coordinator for the Free Trade Agreement (Mexico-USA-Canada). He also held several executive positions at Banamex from 1974 to 1990. He is a Civil Engineer (with honors) from the National Autonomous University of Mexico and has a Master of Science from Stanford University, CA.

INDEPENDENT SERIES "B" DIRECTORS

Mr. Antonio Purón Mier y Terán. - He has served as a member of the Board of Directors of Nadro, S.A., as well as the Board of Trustees of the National Museum of Art, Banco Santander Matriz and the Board of Trustees of the Universidad Iberoamericana. He has also served as a member of the Board of Directors of Zurich Santander Seguros México, SA, he has also worked as an associate of the Center for Research and Economic Analysis (CIDAC) and as a member of the Institute for Development and Educational Research (IFIE) and of Metropoli 2025 He has worked as a consultant for public and private institutions regarding strategy, operations and organization in collaboration with the Center for Economic Research and Teaching (CIDE) and with other specialists. He served as director-partner in the Mexico office of McKinsey & Company, Inc., for more than 26 years. He has served as a teacher of training courses for McKinsey partners and has been in charge of the "coaching" program of partners worldwide. Before starting at McKinsey, he was a full-time professor at the Universidad Iberoamericana and worked at the Mexican Petroleum Institute, Pan American Engineering and Polioles, S.A. He is a Chemical Engineer from the Universidad Iberoamericana and has a Master's Degree in Business Administration from Stanford University.

Mr. Fernando Benjamín Ruíz Sahagún. - He serves as board member of the Bolsa Mexicana de Valores, S.A.B. de C.V., Fresnillo, PLC, Grupo Cementos de Chihuahua S.A.B. de C.V., Grupo México, S.A.B. de C.V., Grupo Palacio de Hierro, S.A.B. de C.V., Grupo Pochteca, S.A.B. de C.V., Kimberly Clark de México, S.A.B. de C.V., Mexichem, S.A.B. de C.V., RASSINI, S.A.B de C.V., and Arcelor Mittal Las Truchas, S.A. of C.V. He has served as a member of the International Tax Association (IFA for its acronym in English) and the Mexican Institute of Finance Executives, A.C., as well as a member of the Mexican Institute of Public Accountants, A.C. and served as a member of his Council. He is one of the founding partners of Chévez, Ruiz, Zamarripa y Cía. S.C., a tax office in which he has served as a counselor. He holds a degree in Public Accounting from the National Autonomous University of Mexico.

Mr. Alberto Torrado Martínez. - He is a member of the board of directors of the Bolsa Mexicana de Valores, S.A.B. de C.V., ProBosque de Chapultepec Trust and member of the Mexican Business Council. He is founder, General Director, Patrimonial Advisor, Chairman of the Board of Directors, Executive President

of Alsea, S.A.B. of C.V. He has served as President of the National Association of Fast Food Services and as a member of the National Chamber of the Restaurant Industry and Seasoned Foods. He is one of the founding partners of Torrquin, S.A. of C.V. (Master Domino's franchise), holding the position of General Director. He holds a Bachelor's Degree in Accounting from the Autonomous Technological Institute of Mexico, post-graduate studies at the Pan-American Institute of Corporate Senior Management and participated in several courses at Harvard Business School and Warthon School at the University of Pennsylvania.

Mrs. Maria de Lourdes Melgar Palacios. - She is an academic and consultant, expert in energy and development issues sustainable, based in Mexico, and a researcher affiliated with the Center for Collective Intelligence of the Massachusetts Institute of Technology (MIT), where she held the Robert E. Wilhelm Chair at the Center for International Studies during the 2016-2017 academic year.

In the academic field, she has been Founding Director from the Sustainability and Business Center from EGADE Business School of the Tecnológico de Monterrey, visiting researcher at the Woodrow Wilson Center for International Scholars and at the Jackson School of Geosciences at the University of Texas, as well as a professor at the Tecnológico de Monterrey and the Instituto Tecnológico Autónomo de México. She is a National Researcher of the National Council of Sciences and Technology. She graduated with honors from Mount Holyoke College where she studied International Relations and Comparative Literature. He has a doctorate in political science, specializing in political economy, from MIT.

She is a member of the International Women's Forum and chairs IWF Mexico, she is Global Ambassador of Vital Voices, ambassador in the C3E Women in Clean Energy initiative. She is a member of the Mexican Council of International Affairs and the Trilateral Commission. She has been recognized with Woman of Challenges in 2015, has been included in the list of 100 Leaders of the Mexican energy sector for 7 consecutive years, receiving in 2012 the Award for Energy Achievement for academic and research career, as well as the Vasco de Quiroga Award to the citizen's merit by the Álvaro Obregón Delegation.

Mrs. Gina Diez Barroso Azcárraga. - President and founder, for more than 20 years, of Grupo Diarq, S.A. of C.V. and Diarq Foundation, I.A.P. In 2004, she founded the CENTER of Design and Communication, S.C., which won an award for the best design school for the period of 2012-2013. She is also the founder of Fundación Pro-Educación Centro. Participates in various Boards of Directors Committees and Groups, both national and international, highlighting: Americas Society and Council of the Americas, Qualitas of Life Foundation, Integral Group of Real Estate Development, C200 Foundation Board, Global Spa and Wellness Summit, The Committee of 200 Women Business Leaders of the World, Womens Presidents Organization, and Women Corporate Directors. She has a degree in Design from the CDI University and has several degrees from the School of Psychology and Business at Stanford University.

Mr. Jesús Federico Reyes Heróles González Garza. - From 2006 to 2009 he was the General Director of Petróleos Mexicanos. He is the Executive President of StucturA. He is a member of several Boards of Directors, including OHL México, S.A.B. of C.V. and Water Capital Mexico (WCAP Holdings, S.A. de C.V.). He is a member of the Energy Intelligence Group Advisory Board. From 2010 to 2012 he served as a member of the Advisory Board of Deutsche Bank. He is a member of the Water Advisory Council, A.C. and Chairman of the Water Committee of the Gonzalo Río Arronte Foundation. From 1997 to 2000 he was Ambassador of Mexico to the United States. From 1995 to 1997 he was Secretary of Energy. From 1994 to 1995 he was Managing Director of Banobras. From 1993 to 1994 he was the representative of Mexico in the Eminent Persons Group of APEC. He has a degree in Economics from the Autonomous Technological Institute of Mexico and a Law Degree from the National Autonomous University of Mexico. He has a Doctorate in Economics from the Massachusetts Institute of Technology.

Mr. Rogelio Zambrano Lozano. - He is Chairman of the Board of Directors of CEMEX S.A.B. since May 15, 2014. He served as a member of CEMEX's Board of Directors since 1987 and from 1997 he chaired his Finance Committee. He founded in 1983 and headed until his appointment as the new President of the Board of Directors of CEMEX the company CARZA S.A. de C.V., specialized in the development of real estate projects in Mexico.

Between 1977 and 1983 Mr. Zambrano Lozano held various positions at CEMEX, in areas related to production, distribution, marketing and strategic planning. He has been a professor since 1985 in the Division of Business Development of the Technological Institute of Monterrey, as well as a member of the Business Executive Committee of the Business Incubator and President of the Business Council of the Business Incubator Campus Monterrey of the same Technological Institute of Monterrey. He graduated as an Industrial and Systems Engineer from the Technological Institute of Monterrey in 1977 and obtained a Master's Degree in Business Administration (MBA) in 1980 from the Wharton Business School of the University of Pennsylvania, E.U.A.

Mr. Guillermo Francisco Vogel Hinojosa. - He is currently President of the National Chamber of the Iron and Steel Industry (CANACERO), formerly held the same position from 1987 to 1989 and from 2001 to 2003. He is Vice President of the Board of American Iron & Steel Institute (AISI) and President of the North American Steel Council. He is a member of the Boards of: Tenaris, Techint Mexico, ALFA Corporation, Universidad Panamericana-IPADE, Rassini, Mexican Capital Investment Corporation, Innovare, Grupo Assa and American Iron and Steel Institute among others. He is also Chairman of the Board of Directors of Grupo Collado and Exportaciones IM Promoción and member of the Trilateral Commission and the International Council of the Manhattan School of Music. Previously, he held the position of Executive Vice President and CEO of TAMSAs in 1987. In June 1997, he was promoted as Vice President of the Board of Directors. Since 2002 he has been Director and Vice President of the TENARIS Council. Mr. Vogel began his career within the Bank of America Corporate Banking in Los Angeles, California in 1976, where he became Vice President. In 1979 he joined Banamex also in Corporate Banking and in 1983, as Director, he decided to move to Tamsa as CFO. He has a degree in Business Administration from the National Autonomous University of Mexico (UNAM) and has a M.B.A. by the University of Texas at Austin.

Mr. Joaquín Vargas Guajardo. - He has served as Chairman of the Board of Directors of Corporación Mexicana de Restaurantes, S.A.B. of C.V. and previously as Chairman of the Board of Directors of Grupo MVS Comunicaciones, of the National Chamber of the Radio and Television Industry and of the Association of Directors of Restaurant Chains. He has also served as a director of several companies, including Vitro, S.A.B. de C.V., Grupo Posadas, S.A.B. de C.V., Periódico el Universal, Médica Sur, S.A.B. de C.V., Grupo Aeroportuario del Pacífico, S.A.B. of C.V. and Grupo Costamex, among others. From April 1997 to April 2005 and from April 2008 to April 2012 he was a member of the Board of Directors of the BMV. He has a degree in Business Administration from the Monterrey Institute of Technology and Higher Education, and has senior management studies at the Pan American Institute of Senior Business Management.

Mr. Guillermo Jorge Quiroz Abed. - He served as the Corporate Director of Administration and Finance at Grupo Bimbo for the past 18 years. From 1997 to 1999 he was in charge of the Finance Department of the Santander Serfin Group, involved in the restructuring of the bank and subsequent sale to the Santander Financial Group. He started his professional career as Finance Director in Grupo Condumex from 1978 to 1992 and later had the same address in Aeromexico, Mexicana de Aviación and Cintra until 1997. He was a full-time professor in the finance area at IPADE. He is an Actuary from the Anahuac University and the Autonomous University of Mexico and has a Master's degree in Business Management from IPADE.

ANNEX III

Contribution to the Sustainable Development Goals (SDGs) of the United Nations (UN)

The people benefitted in 2019 are divided into the following programs:



SDG 1. No Poverty

- Fideicomiso Por los Niños de México
- ATM Fundraising - Proviváh
- Donation - Fundación Quiera
- Donation/In-Kind - Six Flags - FPNM
- Volunteering - ABM Fundación Quiera
- Volunteering - Toys - Contact Center
- Volunteering - Regala una Sonrisa Reyes
- Donation - Risk Pro Charity - FPNM
- Donation/Volunteering - Formula 1 - FPNM
- Health/Donation - BeHealthy Race
- Donation/Volunteering - Regala Una Sonrisa - HR



SDG 2. Zero Hunger

- Donation - ALSEA
- Donation - Caritas San Maron
- Donation/In-Kind - Comidas Casa Hogar y Futuro
- Donation/Volunteering - Kilotón - Santander Week
- Volunteering - Un Kilo de Ayuda - SCIB
- Volunteering - Risk Pro Charity - Food Bank
- Volunteering - Risk Pro Charity - Sustainable Gardens



SDG 3. Good Health and well-being

- ATM Fundraising - Casa de la Amistad
- Donation - Kardias - Adolfo Lagos y Calpulli
- Donation - Movimiento Santander (Fundación Tarahumara, Nutre a un Niño, Casa de la Amistad)
- Volunteering - Santander Trenzotón
- Volunteering - Risk Pro Charity - Moviendo Causas
- Donation - Risk Pro Charity - Dog School
- Volunteering - Tuiio - Casa de la Amistad



SDG 4. Quality Education

- ATM Fundraising - Escuela SER
- ATM Fundraising - Bécalos and Capital Semilla
- ATM Fundraising - UNICEF
- Donation - Happy Hearts
- Donation/Volunteering - IT Equipment - Contact Center - EL Girasol
- Volunteering - Risk Pro Charity - Cajas Amistad
- Donation - Risk Pro Charity - Instituto SEPYA
- Volunteering - Pro Bono Work



SDG 15. Life on Land

- ATM Fundraising - Reforestamos México
- Donation - Risk Pro Charity - Construyendo Comunidades
- Volunteering - Tuiio Branches

