UN environment programme | finance initiative

Principles for Responsible Banking

Responsible Banking Progress Statement
for PRB Signatories

Implementation document

Principles for Responsible Banking

• Est. 2019 •

Summary template

Banorte 2024

Principle 1: **Alignment**	Principle 2: **Impact & Target Setting**	Principle 3: **Clients & Customers**

We are a fundamental piece for the fulfilment of the goals that we have established as a society: the Sustainable Development Goals (SDG) and the Paris Agreement.
Our current sustainability strategy's model is sustained by four pillars: Environmental, Social, Governance and Sustainable Business.
Consists in the incorporation of sustainability into decision-making from the highest level and ensure its execution through strong governance, to become Mexico's main ally in transitioning to a low-carbon economy through innovative and personalized products and services.
	Identification & Measurement of Impact Areas
	*In 2024, Banorte conducted its **fifth impact analysis**, applying the **UNEP FI Portfolio Impact Tool** to its **corporate and business banking portfolios**, which represent **44% of the bank's total portfolio**. The analysis considered the economic sectors financed and their relevance to Mexico's national priorities*
	***Negative Impacts**:*
	Climate change, Biodiversity and ecosystems, Circularity, Health and safety
	***Positive Impacts**:*
	Access to essential services, Economic sustenance and livelihoods, Healthy economies, Security and well-being
	
	Targets Set
	• ***Climate Change Mitigation**:*
	  • *Scope 1 & 2 targets validated by **SBTi**, Scope 3 (financed emissions) aligned with **NZBA***
	• ***Financial Inclusion**:*
	  • *Targets approved by the Board; progress disclosed in 2024 Annual Report*
	Key Actions
	*-Issued **MXN $13.06B** sustainable bond*
	*-Purchased **16,277 I-RECs** (renewable energy certificates)*
	*-Launched **EDGE certification** for **14 branches***
		Responsible Engagement with Clients
		Banorte works proactively with clients to promote sustainable practices and enable inclusive economic activities through:
		***Internal Policies**:*
		• *Socio-environmental Risk Policy*
		• *Natural Capital Policy*
		• *SEMS (Social and Environmental Risk Management System) based on Equator Principles and IFC standards*
		***Client Advisory & ESG Integration**:*
		• *ESG dialogues with strategic industries*
		• *Financing aligned with sustainability goals*
		• *Risk-based credit evaluation and exclusion lists*
		***Inclusive Products & Services**:*
		• *Financial solutions for vulnerable groups (e.g., migrants, elderly, disabled)*
		• *Digital banking innovations and financial education programs*
		
		Sustainable Finance Mobilization
		• ***MXN $23.386 billion** in sustainable corporate/commercial portfolio*
		• ***MXN $13.06 billion** sustainable bond issued in 2024*
		  • ***51%** allocated to environmental projects*

	-Delivered 49 financial literacy workshops to 3,928 participants. ***Interlinkages Between Impact Areas*** *Banorte's governance and strategy explicitly address the interconnections between climate, nature, and social inclusion. For example:* • *Climate risk variables influence credit decisions, encouraging clients to reduce emissions.* • *Financial inclusion initiatives are designed to improve economic resilience, which in turn supports climate adaptation.* • *Nature-related risks are being assessed using **TNFD LEAP methodology**, ensuring that biodiversity and ecosystem impacts are integrated into broader ESG risk management.*	• ***49%** to social impact projects* *In 2024 we made inroads into financial products and service access for vulnerable groups like refugees, the elderly, migrants, and people with auditory and visual disabilities* *We delivered 49 specialized workshops for customers in face-to-face and virtual formats. The workshops were attended by 3,928 customers from various companies and industries, breaking down as follows:* • *Gender: 59% female, 41% male* • *Age: 64% of participants were between 30 and 50 years old.* • *Virtual: 84% virtual* • *Face-to-face: 16% face-to-face*
Links & references *About GFNorte – Grupo Financiero Banorte* *Structure – Grupo Financiero Banorte* *4Q24 – Grupo Financiero Banorte p. 13* *2024 Integrated Annual Report p. 66, 67, 276, 277.*	***Links & references*** *2024 Integrated Annual Report, 74, 75* *2024 Integrated Annual Report, p. 220-224* *Report on Climate-Related Risks and Opportunities TCFD 2024, p. 85-92* *2024 Integrated Annual Report p. 199, 200* *Financial Inclusion* *Financial Inclusion general context of Mexico and Banorte/targets*	***Links & references*** *Socio-environmental Risk Policy* *Natural Capital Policy* *2024 Integrated Annual Report,* *Financial Inclusion* *Financial Inclusion general context of Mexico and Banorte/targets*

Principle 4: **Stakeholders**	Principle 5: **Governance & Culture**	Principle 6: **Transparency & Accountability**
Banorte has developed a structured and proactive stakeholder engagement strategy to ensure that its sustainability agenda is aligned with societal expectations and regulatory developments. ***Consultation & Engagement Mechanisms*** *Biannual Stakeholder Consultations:* *Banorte conducts formal consultations twice a year with key stakeholder groups to gather insights on ESG priorities.* *Materiality Matrix Development:* *The feedback from these consultations is a critical input for Banorte's materiality matrix, which guides the sustainability strategy for 2023–2025. Integrates both impact-based and financial-based perspectives.* *Customized Communication Channels:* *Banorte uses tailored channels for each stakeholder group to ensure effective dialogue and responsiveness. These include surveys, interviews, forums, and direct engagement through business units.* ***Collaborations & Partnerships*** *Banorte actively participates in global and regional sustainability initiatives, including:* *Net Zero Banking Alliance (NZBA),Partnership for Carbon Accounting Financials (PCAF), UNEP FI Principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI)* ***Reporting Year Highlights (2024)*** *Double Materiality Exercise:* *Banorte conducted its first double materiality assessment in 2022, which now governs its ESG strategy. This included financial materiality using*	*Banorte has established a robust governance framework to ensure the effective implementation of the Principles for Responsible Banking, with clear accountability at both the Board and Executive levels:* *Sustainability Committee: It meets three times per year and reports directly to the Risk Policies Committee, which in turn reports to the Board of Directors.* *Risk Policies Committee (CPR):* *Composed mostly of independent members, meets monthly and includes a dedicated section on Sustainability Risk in its agenda.* *Audit and Corporate Practices Committee (CAPS):* *Fully independent, oversees the assurance process of the Integrated Annual Report and ensures alignment with best practices.* *Climate Change and Nature Specialist Team (CCNST):* *Formed in 2024, develops the Group's climate strategy and monitors progress against targets. It reports regularly to the Sustainability Committee.* *Performance Plans:* *In April 2025, Banorte's General Shareholders' Meeting approved the inclusion of Sustainability Indicators in executive performance plans, reinforcing accountability for ESG outcomes.* ***Culture of Responsible Banking*** *Banorte fosters a culture of responsible banking through continuous learning and capacity building:* ***Employee Training**:* *In 2024, **594 employees** across credit, business,*	*Banorte's 2024 Integrated Annual Report underwent limited assurance by an independent third party (pages 299–302). Verified indicators were selected based on the materiality matrix. This reinforces Banorte's commitment to transparency, regulatory compliance, and stakeholder trust.*

EFRAG methodology and impact materiality aligned with GRI standards. *Nature-Related Risk Integration:* *In 2024, Banorte began applying the TNFD LEAP methodology to assess nature-related impacts and dependencies in key sectors such as infrastructure, mining, and agriculture.* *Internal Capacity Building:* *A Group-wide sensitization process was launched to educate departments on their roles in managing nature-related risks and opportunities.*	*and risk departments received training in socio-environmental risk management.* ***Sustainability Champions**:* *Representatives from credit areas act as liaisons between the socio-environmental team and regional offices, helping identify high-risk financing cases and promote ESG awareness.* ***Internal Communication & Engagement**:* *Informative campaigns, video capsules, and internal media are used to sensitize employees on energy efficiency, waste reduction, and climate action.*	
Links & references *2024 Integrated Annual Report, p. 272-274, 276, 277*	***Links & references*** *2024 Integrated Annual Report, p. 43-45*	***Links & references*** *2024 Integrated Annual Report,*

Supplement templates

Principle 1:
Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model
Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

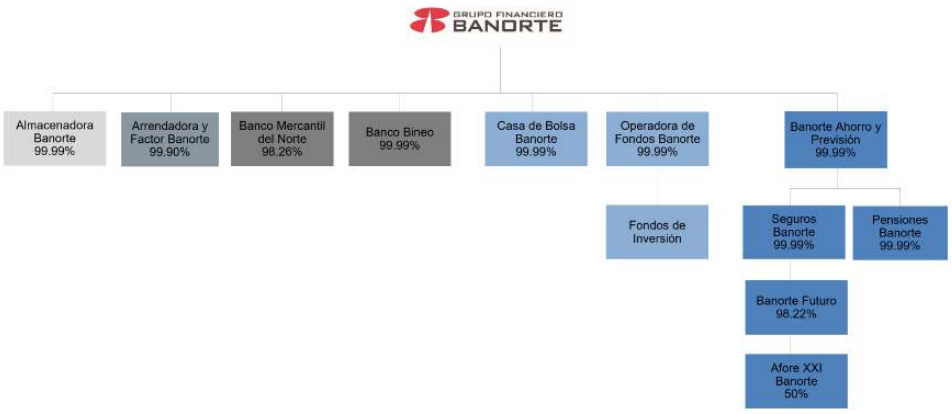
Links & references

About GFNorte – Grupo Financiero Banorte

Structure – Grupo Financiero Banorte

4Q24 – Grupo Financiero Banorte p. 13

Grupo Financiero Banorte (GFNorte), is a leading financial institution in Mexico and the one with the broadest business diversification in the market. It operates under a universal banking model, in which we provide a wide range of products and services through several subsidiaries, each with a solid position in its market, such as broker dealer, annuities & insurance companies, retirement savings funds (Afore), mutual funds, leasing & factoring company, and warehousing business.



Banco Mercantil del Norte (Banorte), is a Financial Institution authorized to operate banking and loan financial transactions. Its main activity is to offer all products and services within the universal banking industry in Mexico. Our business is organized in two main segments: retail banking and wholesale banking.

Retail Banking. This segment serves clients through our branches, ATM network, online, telephone and mobile banking third party correspondents, POS, and our contact center. The retail banking

segment offers services to individuals, small- and medium-size enterprises ("SME") and state and municipal governments. Products and services offered through this segment include checking and deposit accounts, credit and debit cards, mortgages, car loans, payroll and personal loans, payroll dispersion accounts, as well as car, home and life insurance offered through a cross-selling agreement with our affiliate Seguros Banorte, S.A. de C.V. ("Seguros Banorte").

Wholesale Banking: Our wholesale banking segment comprises Corporate and Enterprise Banking, which includes structured loans, syndicated loans, financing for acquisitions and investment plans, as well as cash management, collections, trust services, payroll payment, checking accounts, lines of credit, and loans; ii) Transactional Banking, which includes a comprehensive model of cash management solutions and online banking, (iii) Government Banking, which includes checking accounts, loans, cash management, payroll payment services and comprehensive advisory services on public finance, and; iv) International Banking, which includes letters of credit, documentary collections, banking guarantees, stand-by letters of credit, letters of credit financing, cross-border financing for import and export transactions, international transfer services and specialized local banking services to foreign-based companies with operations in Mexico.

Performing Loan Portfolio:

Stage 1 and 2 Loans *(Million Pesos)*	4Q23	3Q24	4Q24	Change 3Q24	Change 4Q23
Mortgages	253,138	266,770	**272,692**	2%	8%
Auto Loans	42,604	49,808	**53,197**	7%	25%
Credit Card	58,137	64,742	**68,445**	6%	18%
Payroll	74,522	82,138	**82,264**	0%	10%
Consumer	428,402	463,458	**476,599**	3%	11%
Commercial	253,015	278,067	**298,359**	7%	18%
Corporate	178,549	208,079	**220,772**	6%	24%
Government	171,961	175,733	**183,927**	5%	7%
Stage 1 and 2 loans	**1,031,926**	**1,125,337**	**1,179,656**	**5%**	**14%**

The top 10 sectors of the commercial and corporative loan portfolio are the following;

Real-estate services
Temporary lodging services
Institutions offering nonmarket credit and financial intermediation
Transportation-related services
Building
Professional, scientific, and technical services
Construction of civil engineering works
Supermarket and department store retailing
Wholesale trade in trucks, parts and new spare parts for cars, light trucks and trucks, and retail trade in motor vehicles, spare parts, fuel, and lubricants
Wholesale of groceries, food, beverages, ice and tobacco, and Retail of groceries, food, beverages, ice and tobacco

The concentration of our portfolio in these ten industry groups represents 69% of the business portfolio (excluding government).

Among the six largest institutions, Banorte is the only commercial bank that is managed by a Mexican management team. It only operates in Mexico.

Strategy alignment

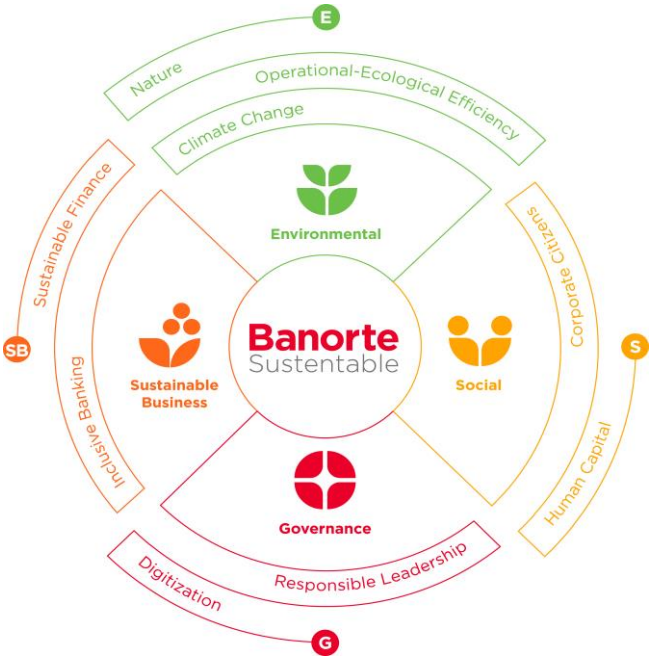
Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Right (UNGPs), the forthcoming instrument on plastic pollution etc.

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

Links & references

2024 Integrated Annual Report p. 66, 67, 276, 277

As a financial institution, we understand that we are a fundamental piece for the fulfilment of the goals that we have established as a society: the Sustainable Development Goals (SDG) and the Paris Agreement. This implies mobilizing capital strategically through investments that contribute to sustainable development, as well as the transition to a fair, low-carbon, and more resource-efficient economy.



Our current sustainability strategy's model is sustained by four pillars: Environmental, Social, Governance and Sustainable Business.
Our ESG strategy consists in the incorporation of sustainability into decision-making from the highest level and ensure its execution through strong governance, to become Mexico's main ally in transitioning to a low-carbon economy through innovative and personalized products and services. In addition, we want to empower our workforce and the communities in which we operate through a diverse, equitable, and inclusive culture, promoting financial inclusion through digital products and services targeted at various demographic segments.

The four pillars consider 22 material topics which we have prioritized through our materiality matrix. According to the latest exercise, the top five material issues are the following:

1. *Customer relations*
2. *Decarbonization*

3. *Corporate governance*
4. *Diversity, equity, and inclusion*
5. *Technology and innovation*

The materiality analysis is an essential component of our sustainability strategy because it allows us to identify environmental, social, economic, and governance risks, align the organization's strategy with the factors that entail the greatest impact and risk, create action plans and performance indicators, and facilitate reporting on progress in ESG matters based on the relevant topics that make up the matrix.

In keeping with the regulatory framework and the importance of materiality definitions for GFNorte's sustainability strategy, in 2022 we conducted a double materiality exercise for the first time—incorporating financial materiality-- using the methodology proposed by the EFRAG (European Financial Reporting Advisory Group) and following the recommendations for the identification and prioritization of material issues raised by GRI. This new materiality will govern our sustainability strategy for the years 2023, 2024, and 2025.

Principle 2:
Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

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

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

Links & references

2024 Integrated Annual Report, 74, 75

In 2024, we conducted our fifth impact analysis exercise. We applied this analysis to the corporate and business banking portfolios at the end of the year, which represented 44% of Banorte's total portfolio. We therefore considered the sectors of economic activity represented in our portfolio and their weight in the total.

	Corporate Banking	Banca Business Banking
Representative industries	Real-estate services Financial services Manufacturing	Retail Hotels and restaurants Real-estate services
Areas of positive impact	Availability, accessibility, affordability, and quality of resources and services Climate Circularity Biodiversity and ecosystems Solid institutions, peace and stability	Availability, accessibility, affordability, and quality of resources and services Livelihood Safety and health Healthy economies Circularity
Areas of negative impact	Circularity Biodiversity and Ecosystems Availability, accessibility, affordability, and quality of resources and services Climate Personal security and safety	Safety and health Livelihood Circularity Biodiversity and ecosystems Climate

Using the Portfolio Impact Tool, we were able to identify the priority impact areas for each banking segment, based on the percentage of financing from each of the sectors they deal with and in relation to the priority areas determined for Mexico.

Social

- Integrity and safety of the person (conflicts, natural disasters, child labor)
- Availability, accessibility, affordability, and quality of resources and services (water, food, housing, mobility)
- Equality and justice (age and/or gender discrimination)

+

Socioeconomic

- Strong institutions, peace and stability (rule of law)
- Infrastructures
- Socioeconomic convergence

+

Environmental

- Climate stability
- Biodiversity and healthy ecosystems (water and life)
- Circularity (use of resources, waste)

The most relevant negative impacts involve safety and health, circularity, climate, biodiversity, and ecosystems.
We focus on positive impacts related to the availability, accessibility, affordability, and quality of resources and services, economic sustenance and livelihood, security and health, and healthy economies.
This analysis reveals only potential impacts, because it does not take into account initiatives and measures resulting from our cross-disciplinary sustainability strategy and initiatives of various areas, based on the overall methodological proposal we adopted. In 2024, we worked on setting goals for mitigating negative impacts and enhancing positive ones, involving our business areas through projects defined in the work groups that the Department of Sustainability has created for this purpose.

Targets, Target Implementation, and Action Plans/Transition plans

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

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

Links & references

Climate Change:

2024 Integrated Annual Report, p. 220-224

Report on Climate-Related Risks and Opportunities TCFD 2024, p. 85-92

Financial Inclusion:

2024 Integrated Annual Report p. 199, 200

Financial Inclusion

Financial Inclusion general context of Mexico and Banorte/targets

Taking into consideration the materiality matrix, we selected the topics of climate change and financial education and inclusion for PRB goal setting purposes.

Climate Change Mitigation:

In line with the Paris Agreement, we developed our financed emission targets under the guidelines of the Net Zero Banking Alliance (NZBA), using the Sectorial Decarbonization Approach (SDA) and Absolute Contraction methodologies, and SBTi's 1.5°C scenario and the Net Zero 2050 scenario of the International Energy Agency (IEA-NZE 2050).

Financial Inclusion:

We conducted an internal exercise based on materiality to outline financial inclusion indicators.

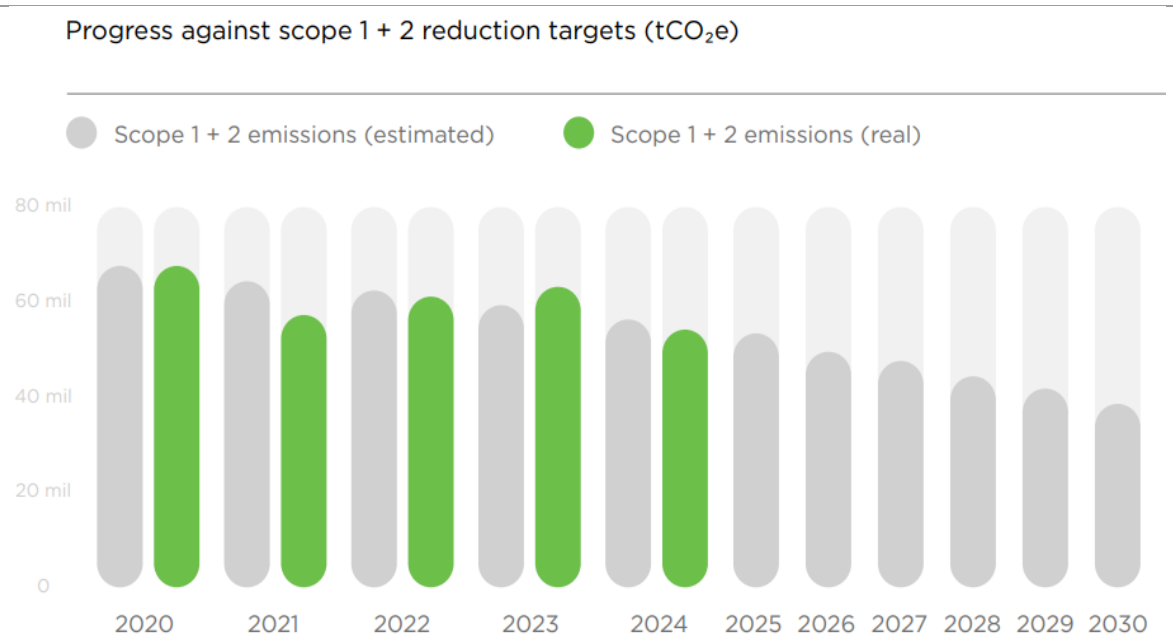
As signatories to the UNEP-FI Principles for Responsible Banking, in 2022 we signed a commitment on Financial Health and Inclusion, which aims to promote universal financial inclusion and foster a banking sector that supports the financial health of customers by setting targets and measuring them on an annual basis.

As part of our commitment to financial health and inclusion and in line with the established requirements during 2023 we defined a financial inclusion target and subtarget, both approved by the Board of Directors. Progress toward these goals was reported in our 2024 Integrated Annual Report, (p. 199, 200) thereby fulfilling the 18-month deadline for disclosing targets and their advancement.

SMART TARGETS

Climate Change Mitigation:

As a financial group, we set and validated Scope 1 and Scope 2 reduction targets for 2030 under Science Based Targets Initiative (SBTi). Our progress is shown in the following graph:



Moreover, we set and validated, under SBTi, Scope 3, Category 15 targets, as detailed below (the table below illustrates our financed emissions for 2023, since we get information from our portfolio with a one-year lag):

Asset class	KPI 2021 (Base year)	KPI 2022	KPI 2023	Metric	Coverage	Target	Target year	Methodology	Climate scenario
Mortgage	8.90	8.19	7.96	$kgCO_2e/m2$	100%	42.1%	2030	SDA	SBTi 1.5°C
Commercial real estate	42.00	43.40	28.48	$kgCO_2e/m2$	77%	52.5%	2030	SDA	SBTi 1.5°C
Energy generation	0.49	0.50	0.43	tCO_2e/MWh	100%	73.7%	2030	SDA	SBTi 1.5°C
Corporate loans – Oil & Gas	1.45%	3.71%	4.25%	Percentage coverage	95%	27.4%	2026	SBTi Portfolio coverage	SBTi 1.5°C
Corporate loans – other long-term loans					67%				
Common and preferred stock	10.5%	3.4%	6.8%	Percentage coverage	100%	34.1%	2026	SBTi Portfolio coverage	SBTi 1.5°C
Corporate bonds									
ETF									

From a bank's perspective, we have set targets for our Scope 3, category 15, in the context of the Net Zero Banking Alliance (NZBA), and we are monitoring our progress (the table below illustrates our financed emissions for 2023, since we get information from our portfolio with a one-year lag):

Industry	KPI 2021 (Base year)	KPI 2022	KPI 2023	Metric	Industry coverage (% Portfolio)	2030 Target	Board approved range	Methodology	Climate scenario	Total financed emissions (tCO2e) 2023
Mortgage	8.9	8.19	7.96	$kgCO_2e/m^2$	100%	42.10%	20% - 39%	SDA	SBTi 1.5°C	197,117.92
Commercial real estate	42	43.36	28.48	$kgCO_2e/m^2$	75%	52.50%	19% - 37%	SDA	SBTi 1.5°C	298,213.44
Subtotal real estate portfolio										495,331.36
Energy generation	0.49	0.5	0.43	tCO_2e/MWh	100%	73.70%	34% - 68%	SDA	SBTi 1.5°C	1,435,101.59
Oil & gas	2,109,250	1,875,030	1,893,070	tCO_2e	95%	21.00%	24% - 47%	Absolute contraction	IEA - NZE 2050	1,893,070.39
Agriculture & livestock	1,691,253	1,789,475	1,626,191	tCO_2e	100%	35.00%	18% - 35%	Absolute contraction	IEA - NZE 2050	1,626,190.71
Aluminum	5,973	15,273	36,666	tCO_2e	100%	35.00%	18% - 35%	Absolute contraction	IEA - NZE 2050	36,666.46
Iron and steel	50,136	45,027	261,002	tCO_2e	100%	22.00%	11% - 22%	Absolute contraction	IEA - NZE 2050	261,001.95
Coal	1,418	156	4,244	tCO2e	100%	68.00%	34% - 68%	Absolute contraction	IEA - NZE 2050	4,244.27
Transportation	46,608	51,729	63,818	tCO_2e	100%	18.00%	9% - 18%	Absolute contraction	IEA - NZE 2050	63,818.10
Cement	1,161,167	1,194,810	1,275,564	tCO_2e	100%	17.00%	3% - 18%	Absolute contraction	IEA - NZE 2050	1,275,564.42
Construction	164,519	194,841	256,281	tCO_2e	100%	35.00%	18% - 35%	Absolute contraction	IEA - NZE 2050	256,281.26
Subtotal emissions from the most polluting industries										6,851,939.15

Figures as of the close of 2023.

Financial Inclusion:

Financial inclusion goal for corporations:

Extend financing to an additional 7,250 SMEs in 2024-2026, 92% complete at the close of 2024.

To measure the impact of the target, we defined the following KPIs:

Indicator	Metric	2024
New SMEs that receive financing to continue their businesses	Number	6,680
	MXNmn	14,862
SME borrowers where the decision making is headed by a woman	Number	161
	MXNmn	272
SMEs that receive financing after beginning the application process through a digital channel (self-service)	Number	13
	MXNmn	17
SME borrowers with no prior credit record	Number	733
	MXNmn	781
Percentage increase in POS turnover over the same period of the previous year	%	31.6
Non-performing loan ratio	%	0.48
SME loan approval rate	%	57.1

Financial inclusion targets for individuals:

Incorporate between 1.0 million and 1.2 million customers through digital banking and bineo between 2024 and 2026, 21% complete at the close of 2024.

To measure the impact of the target, we defined the following KPIs:

Indicator	Metric	2024
New customers	Number	205,264
	MXNmn*	141
Products placed (payroll)	Number	83,510
	MXNmn	502

*Accumulated balance of new customers.

In 2025, we will be incorporating indicators on loans placed, among others.

For our report on the context in Mexico and at Banorte **click here.**

ACTION PLAN

Climate Change Mitigation:

In order to meet our Scope 1 and Scope 2 targets, during 2024, we implemented the following actions:

A pilot project focused on distributed energy generation involving installation of solar panels on rooftops to supply part of the buildings' electricity consumption.

Purchased 16,277 International Renewable Energy Certificates (I-REC), equivalent to a total of 16,277 MWh from solar and wind technology.

- *We started working on the first phase of a program to certify 14 branches under the Excellence in Design for Greater Efficiency (EDGE) scheme, which will allow us to optimize energy resources, water and the energy embodied in the materials.*
- *We evaluated the possibility of a gradual replacement of some of our internal combustion-engine vehicles with hybrid or electric vehicles.*
- *We introduced informative and demonstrative video capsules to sensitize our employees on best practices in energy efficiency, waste reduction, and recycling, which were shown within our facilities, as well as our internal media communication channels.*

To meet our financed emissions targets, we are implementing a decarbonization plan which, in 2024, included the following considerations:

- *Introduced specific limits on financing to activities based on coal, oil and unconventional gas.*
- *Issued our first sustainable bond in the amount of MXN $13.06 billion. As a result of this issuance, during 2024 we worked with both our business areas and our clients to identify and finance projects that could be eligible for financing with the bond's proceeds, taking into account the specific characteristics of each financing destination aligned with our Reference Framework.*
- *Approached clients in industries considered strategic for the reduction of our financed emissions to discuss ESG issues, including the current conditions of the industry, its performance and trends, as well as applicable regulations, in order to determine the main areas of opportunity in ESG matters and thus identify financing opportunities.*
- *We worked within two multidisciplinary teams called "Climate Risk Cell" and "Sustainable Finance Cell" in which more than ten departments are involved. Within each of these, projects related to the development of sustainable products, the labeling of financing, models for climate risk management, and measurement of the carbon footprint of the credit portfolio are reported.*

- *We worked for transparency in reporting sustainability-related indicators, as well as climate-related risks and opportunities, incorporating two variables related to decarbonization goals and climate risk into our New Internal Risk Rating (NIRR), in order to encourage our clients to make efforts and investments to reduce atmospheric emissions and disclose climate risk.*
- *Strengthened the sources of information, automating some processes for calculating the scope 3 category 15 emissions footprint, which for the first time were part of a verification process by an independent third party*

Financial Inclusion:

Action Plan for Advancing Financial Inclusion

1. ***Target Implementation Monitoring (2024–2026)***
    - *Continue tracking progress on the financial inclusion target and subtarget defined in 2023.*
    - *Integrate key performance indicators (KPIs) into internal dashboards for regular monitoring.*
2. ***Stakeholder Engagement***
    - *Conduct periodic reviews with relevant business units to ensure alignment with inclusion objectives*
3. ***Data Collection and Impact Assessment***
    - *Strengthen data collection mechanisms to measure the impact of inclusion initiatives*
4. ***Annual Reporting***
    - *Prepare the next progress update for inclusion in the 2025 Annual Report, ensuring transparency and accountability.*
    - *Align reporting with international standards and best practices.*
5. ***Continuous Improvement***
    - *Identify areas for enhancement based on 2024 results.*

TARGET IMPLEMENTATION AND MONITORING

Climate Change Mitigation:

In compliance with industry best practices, we sought validation of our decarbonization targets from the Science Based Targets initiative, SBTi. The rigorous assessment process was completed in September 2023, making us the first financial group in Latin America to successfully undergo the validation process.

Once these targets were published, during 2024, we began the implementation of a decarbonization roadmap through the action plan described above. Additionally, we will address this roadmap through direct sector-specific engagement with our clients.

Moreover, during 2024, strengthened our climate governance through multidisciplinary teams called "cells" responsible for the implementation of various Sustainability-related projects. Particularly, through the "Climate and Nature Risk Cell" and the "Sustainable Finance Cell" we discussed the following issues:

- *Performance of the SEMS*
- *Climate strategy: Decarbonization*
- *Disclosure of climate information in the Climate Risks and Opportunities Report, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*
- *Follow-up on ESG indicators*
- *Progress of the first stage for the identification of impacts and dependencies of nature based on the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)*

These cells report their progress regularly to the Sustainability Committee.

During this 2024, we continued to strengthen the risk and sustainability teams, with dedicated personnel focused on climate change and nature. In this regard, we have an internal Climate Change and Nature Specialist Team (CCNST), which is responsible for proposing the Group's climate strategy along with the pertinent plans and actions that will allow it to achieve the targets set based on requirements and best practices aligned with international initiatives. The CCNST includes members of Grupo Financiero Banorte's Risk and Sustainability departments, who provide a complementary, comprehensive approach to the assessment of climate-related risks and opportunities. In 2024, the Sustainability department created a new deputy director post, in charge of coordinating the Group's efforts on climate change and nature.

Throughout the year, we maintained our active participation in various initiatives of which we are signatories. This includes our involvement in the Steering Committee of the Net Zero Banking Alliance, representing the banking sector in Mexico and Latin America, as well as participation the Partnership for Carbon Accounting Financials (PCAF) initiative, as well as PRB and the Principles for Responsible Investment (PRI). This enables us to communicate the specific needs of the Latin American financial sector to these organizations and, through regular meetings and local and regional events, contribute to a wider adoption of the signatory base of these initiatives.

Financial Inclusion:

Legal Entities – SME Banking

Committed to the comprehensive growth of Mexico's small and medium-sized enterprises (SMEs), Banorte has strengthened its SME Banking services by training and promoting a team of specialized executives and developing comprehensive value proposition strategies.

One of the ways we support SMEs and self-employed individuals (individuals with business activities, or IBWA) is by offering greater certainty in floating-rate loans through hedging instruments that cap benchmark rates in the face of macroeconomic fluctuations.

We launched a three-year strategic plan (2024–2026) focused on:

- *Quality and profitability through risk-based offerings*
- *A 360° customer view aligned with business lifecycles*
- *Digitalization and process optimization*
- *An expanded value proposition targeting strategic niches*

Individuals – Digital Banking

We continue to innovate in digital solutions that transform the banking experience, bringing our customers closer to the financial future.

This year, our focus in digital banking for individuals was to enhance the human-digital experience for our customers.

Digital Strategy

We are moving forward with our digital strategy, which we have been implementing for several years across multiple fronts:

- *The digital transformation of Banorte*
- *Strategic alliances*
- *A digital bank tailored for young users*

Principle 3:

Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

Socio-environmental Risk Policy

Natural Capital Policy

Financial Inclusion:

2024 Integrated Annual Report,

Financial Inclusion

Financial Inclusion general context of Mexico and Banorte/targets

We have a socio-environmental risk management system, through which we provide advice to our clients through business areas, evaluating their performance and sharing recommendations and best practices in the sector. This process is governed by the socio-environmental risk policy as well as the natural capital policy with the objective of contributing to the prevention and mitigation of impacts incorporated into the decision-making process.

As a financial institution, we understand that raising awareness among people about the benefits of various financial products and services, as well as enabling access to them through branches, correspondents, and other digital channels that allow remote access, represents an opportunity for society and for the business. Therefore, we work constantly to be an inclusive bank, always listening to the voice of our clients to offer cutting-edge products and services. We promote financial inclusion so that an increasing number of people have access to the financial products and services that meet their needs, thereby creating better opportunities.

Banorte is committed to implementing initiatives that promote financial services and financial education to support individuals with all the necessary information. In this regard, financial inclusion is a key facilitator to reduce poverty and promote prosperity. As signatories of the Principles for Responsible Banking of UNEP-FI, in 2022, we committed to Health and Financial Inclusion, aiming to promote universal financial inclusion and foster a banking sector that supports the financial health of customers by setting and annually measuring objectives.

Business opportunities

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

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

Links & references

2024 Integrated Annual Report, 76

Use of proceeds report

Financial Inclusion:

2024 Integrated Annual Report, 189,201,203

Financial Inclusion

Climate Change Mitigation:

At year-end 2024, the sustainable portfolio in Corporate and Commercial Banking was estimated at MXN23.386bn. This portfolio was allocated to projects involving energy generation from renewable and clean sources, sustainable construction, potable water distribution, wastewater treatment, sustainable agriculture practices, clean and affordable transport, as well as the reuse, recycling, and final treatment of solid waste. We remain firmly committed to our customers in the renewable energy sectors, who contributed an estimated MXN2.387bn to our climate portfolio by the end of December 2024.

In addition, during the first quarter 2024, we issued a sustainable bond for more than $13 billion pesos. The funds were allocated in less than one year, in environmental and social projects, according to our Sustainable Financing Framework, developed in compliance with international standards like the Sustainable Bond Guidelines (SBG), the Green Bond Principles (GBP), and Social Bond Principles (SBP) issued by the International Capital Market Association (ICMA), and the Mexican Sustainable Taxonomy launched by the Ministry of Finance and Public Credit. Furthermore, the debt instrument received a favourable SPO from Sustainalytics.

51% of the bond was allocated to environmental projects, specifically in the categories of renewable energy for the modernization of hydroelectric plants and clean transportation for the acquisition of hybrid and electric vehicles. And 49% was allocated to social impact projects, including affordable basic infrastructure for the construction of a desalination plant and a public transportation project. Affordable housing projects were also financed for the development of social housing, access to essential services, with credit provided to microenterprises, and finally, food security and sustainable food systems, with financing provided to agricultural producers for the acquisition of machinery, equipment, working capital, and inputs. It is important to note that each funded project underwent verification by an independent third party, ensuring transparency in the resource allocation process.

Details of the bond issuance and resource allocation were disclosed in our use of proceeds report.

Financial Inclusion:

In 2024 we made inroads into financial products and service access for vulnerable groups like refugees, the elderly, migrants, and people with auditory and visual disabilities.

Other GFNorte financial inclusion products:

APOYOS BANORTE[1]

This account is part of the Bienestar program, **supporting Mexico's most vulnerable populations** through a deposit account and debit card that **make it easier to access their money.**

Beneficiaries (number of accounts): **1,198,908**

ENLACE DIGITAL

100% digital account that can be opened in just five minutes from any device with internet access, with no annual membership fee or minimum opening amount.

Users can also **obtain a physical debit card to be sent to their home or to any of our retail partners, like Oxxo, 7-Eleven and Kiosko stores.**

Beneficiaries (number of accounts): **260,047**

MUJER BANORTE[3]

Offers a package of benefits and services designed for women.

Exclusive benefits:

- Mujer Banorte emergency assistance
- Medical insurance for women's illnesses
- Accidental death insurance

Account benefits:

- Scheduled savings and buckets
- Sight investment
- Protection against card loss or theft
- Sustainable debit card with exclusive benefits
- MasterCard Priceless™ experiences
- Banorte reward points

Beneficiaries (number of accounts): **437,453**

BANORTE FÁCIL

An option **for anyone who wants to access the banking world and its benefits** through a basic peso deposit account with no fees or commissions.

Beneficiaries (number of accounts): **80,235**

SUMA MENORES[2]

Account **for the children of our clients, in which they can receive deposits at any branch and through Banorte Móvil,** and money can be withdrawn at any of our network of ATMs or used to make card purchases. The account earns interest on a minimum monthly balance of MXN500 pesos.

Beneficiaries (number of accounts): **116,575**

[1] Number of first-time bank customer accounts (under 18 and over 65).).
[2] Can only be opened by the child's parent or guardian.
[3] For more information visit **Cuenta Mujer Banorte.**

Financial literacy workshops:

Through different actions and channels, we offer workshops on personal finance and the use of financial services to customers, employees and the community.

Our goal is to strengthen participants' financial skills, equipping them with strategies and useful and timely information, good resource management and the responsible use of financial services.

In 2024, we delivered 49 specialized workshops for customers in face-to-face and virtual formats. The workshops were attended by 3,928 customers from various companies and industries, breaking down as follows:

- *Gender: 59% female, 41% male*
- *Age: 64% of participants were between 30 and 50 years old.*
- *Virtual: 84% virtual*
- *Face-to-face: 16% face-to-face*

Among the topics that drew most interest in the workshops were:

1. *Benefits of Banorte products and services*
2. *Banorte Móvil*
3. *Saving and investment*
4. *Cybersecurity*
5. *Afore/Pensions*
6. *Insurance*

Financial Literacy initiative indicators

Initiative	Target audience	Number	No. beneficiaries	Type of beneficiary
Financial literacy talks	Employees	3	4,202	Banked
Financial literacy workshops	Customers	41	3,214	
Customer seminar: Better financial health		8	684	
National Financial Literacy Week (conferences)	Youth	8	1,044	Unbanked
National Financial Literacy Week (stands)		3	1,723	
Financial literacy workshops (Fundación Banorte)	Underserved segments	23	441	Underserved segments
Financial literacy workshops (UNHCR)		10	386	

Principle 4:
Stakeholders

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

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

2024 Integrated Annual Report, p. 272-274, 276, 277

Response

On a biannual basis, we consult them about the issues that we must prioritize in our sustainability strategy through specific communication channels for each one. The stakeholders with which we interact are:

- *Shareholders and investors*
- *Employees*
- *Suppliers and partners*
- *Customers*
- *Regulatory agencies*
- *Industry associations*
- *Society*
- *Media*

The results of the consultation are used to construct the materiality matrix, being the input from the impact perspective. Moreover, the financial perspective input of the materiality matrix is based on interviews with senior management.

Our latest materiality analysis was conducted in 2022. This new materiality will guide our sustainability strategy for the years 2023, 2024 and 2025.

In addition, in the following table are listed other topics that we regularly interact with our stakeholders, as well as the departments, the channels and the frequency of these interactions.

FREQUENCY OF STAKEHOLDER INTERACTION: ● Annual ● Regular ● Constant

Stakeholder group	Value Proposition	Communication channel
Investors	We apply best practices in financial and ESG transparency and communication. We attract interest and investment through strong management of our business growth.	● Quarterly Reports ● Investor Website ● *Norte Económico* Podcast ● Annual Report ● Newsletters ● Conferences ● E-mail ● Shareholders' meeting ● Website
Customers	We offer high-quality products and services that meet every customer's needs through practical, ethical, and responsible advice. We ensure better communication through technological and digital solutions. We also encourage the incorporation of sustainable practices.	● Branch network ● Banorte Móvil ● Specialized User Service Unit ● Media advertising ● Website ● Social media ● *Norte Económico* podcast ● Satisfaction surveys
Employees	We foster a culture grounded in our principles and values, ensuring equal opportunities for all. We create development and growth opportunities by building highly competitive profiles. One of our priorities is ensuring our employees' overall wellness, health, and safety.	● Institutional website ● Banorte News ● Collaborative tools: Microsoft Teams ● EthicsPoint Hotline ● Human capital development ● Course (Corporate WhatsApp) ● Viva Engage ● E-mail ● Banorte support line ● AsisMed app ● Union magazine ● Organizational climate survey
Government Agencies	We maintain a culture of regulatory compliance with applicable laws, always safeguarding the rights of our customers and stakeholders.	● Website ● Participation in forums ● E-mail ● Contact numbers ● Committees ● Online meetings ● Face-to-face meetings
Industry and trade activities	We actively promote an ESG management agenda with priority attention to relevant banking sector issues.	● Contact numbers ● Website ● Social media ● Online meetings and visits ● Meetings and site visits ● E-mail
Community	We continually work for the social development of our communities through inclusion and financial literacy efforts. We also promote investment initiatives benefiting the community through [Sin título] eer efforts, and other programs.	● Contact numbers ● Website ● Social media ● Community visits ● Meetings and site visits ● Corporate volunteering ● E-mail
Media	We keep the public informed about the performance of our business while fostering a culture of financial literacy.	● E-mail ● Public tenders ● Online meetings and visits ● Meetings and site visits ● Contact numbers
Suppliers	We build solid relationships, based on mutual benefit through commitment and compliance with quality criteria.	● Online meetings and visits ● Meetings and site visits ● E-mail ● Contact numbers ● Public tenders
Civil Society Organizations	We strengthen our partnerships to continue creating social investment and other environmental opportunities related to our line of business. We support financial literacy and inclusion.	● Website ● Social media ● E-mail ● Contact numbers

Principle 5:
Governance & Culture

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

Governance Structure for Implementation of the Principles

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

Links & references

Report on Climate-Related Risks and Opportunities TCFD 2024

2024 Integrated Annual Report, 228-233:

Planning, development and implementation of the Sustainability strategy is the responsibility of the Sustainability department in conjunction with strategic directions (depending on the topic). The Sustainability Committee was created in 2019 and meets three times during the year. Reports to the Risk Policies Committee[1)], which in turn reports to the Board of Directors.

In order to carry out its purpose, the Sustainability Committee shall perform the following functions:

- *Approve the Group's sustainability strategy, action plan and goals, as well as follow up on the results.*
- *Maintain updated sustainability policies aligned to the best practices worldwide.*
- *Promote that business and administrative decisions consider the possible impacts that may arise in social and environmental aspects, promoting the best corporate governance practices.*
- *Communicate within and outside the Group relevant sustainability issues.*
- *Promote strategic alliances with third parties in order to strengthen GFNorte presence as a sustainability company.*
- *Encourage employee's engagement in sustainability initiatives.*
- *Oversees the operation of the Subcommittee on Diversity, Equity and Inclusion*

Regarding our 2024 Report on Climate Risks and Opportunities (TCFD Report), for the Governance pillar we included the adjustment of our Climate Change Specialist Team to reflect its expanded purview in terms of nature. Moreover, in terms of the Strategy pillar, an analysis on chronic physical risks was added to the report and the water stress risk focused on agriculture and livestock. Additionally, for the first time, for our 2024 Integrated Annual Report, our Scope 3, category 15 (financed emissions) emissions were subject to a limited assurance procedure.

In terms of our progress on nature-related risks, in 2024 we disclosed our progress on incorporating this topic in our governance structure and in our strategy. We therefore started to use the Task Force on Nature-related Financial Disclosures' (TNFD) Locate, Evaluate, Assess and Prepare (LEAP) methodology to locate our nexus with nature and to evaluate our impacts and dependencies for three key sectors: infrastructure, mining, and agriculture and livestock. In addition, we are currently undertaking a capacity building process throughout the Group to sensitize different departments on their role in terms of nature and we are using metrics to assess our nature-related risks and opportunities for the key sectors.

The Risk Policies Committee (CPR per its acronym in Spanish), composed of a majority of independent members, meets monthly, and a Sustainability Risk section is already included in the agenda.

Additionally, the Audit and Corporate Practices Committee (CAPS per its acronym in Spanish), composed of only independent members, meets monthly and, in terms of sustainability, is in charge of oversees the results of the assurance process of the Group's Integrated Annual Report.

With regards remuneration linked to sustainability targets, for the time being it is only applied to members whose participate on the climate change strategy. These targets are defined on the bank´s internal platform and results are monitored and evaluated twice a year. However, during the General Shareholders' Meeting held on April 23, 2025, it was approved as a part of the resolution regarding the Performance Plans, to include a new indicator under item (ix) Sustainability Indicators.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

2024 Integrated Annual Report, p. 45

At GFnorte, the continuous training of the institution, as well as of the work groups that collaborate in the different environmental, social and governance initiatives, is an essential aspect, in order to strengthen our sustainable culture.

Training in socioenvironmental risk:

In our credit, business, and risk departments, training is a primary tool for instilling a risk management culture that considers environmental, climate, and social aspects. We are confident that awareness, skill development, and staying updated on the latest trends are essential to risk prevention and mitigation. For this reason, in 2024, our annual online training plan extended to 594 employees.

Topic	Target audience	Number of employees	Hours of training*
Training			
Sustainable Finance Opportunities	Business and Corporate Banking, specialist areas, Government and Infrastructure	273	559.5
Onboarding Business, Corporate and Credit – Socioenvironmental risk	Business and Corporate Banking and Credit	154	77
Socioenvironmental risk/SEMS capsules	Business and Corporate Banking and Credit	252	272.5
Area training			
Biodiversity	Sustainability	3	59
Climate change		1	33
Sustainable finance		10	109
Others		2	95

* Total hours are reported.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

2024 Integrated Annual Report, p. 43, 44

Within the bank's lending process, we have a SEMS (Social and Environmental Risk Management System), which helps us identify, categorize, evaluate and monitor the risks entailed in the financing we extend in corporate, business and infrastructure banking, based on the Equator Principles, the performance standards of the IFC, as well as local laws and institutional regulations.

SEMS is the responsibility of the SERA (Socio Environmental Risk Area), which operates within the Executive Department of Sustainability and Investor Relations, which is made up of specialists in the field and supported by our sustainability champions, which are representatives of credit areas that act as liaisons between the socio-environmental team and territorial areas to identify cases where financing entails significant risk.

During the analysis process, we identify the potential risk of financing and apply our exclusion list. We classify risks as category A (high risk), B (medium risk) and C (low risk), depending on the magnitude of the impact and its possibility for mitigation. We then decide which credits to evaluate depending on the use of the proceeds, size, and sector to which they belong, prioritizing investment projects, working capital and/or bridge loans in sensitive industries. The evaluation framework is determined by the size of the loan. Finally, we manage projects by providing consultancy to clients, conducting onsite visits, monitoring reputational issues and participating in credit committees. Also, as part of our commitment to continuous improvement of the system, we are constantly fine-tuning our practices and processes

Principle 6:
Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

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

Some of the information described above is sourced from the 2024 Integrated Annual Report, which has been verified with a limited assurance by an independent third party (p. 299 - 302).

Certain values included in the responses correspond to indicators that were audited as part of this process.

In order to select the indicators to be verified for the 2024 Integrated Annual Report we conducted a detailed analysis to align those indicators with our materiality matrix.