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### **Progress Report on Decarbonization 2022-2023**

The evolution of Grupo Financiero Banorte towards decarbonization has gone through different stages. Following our commitment as signatories of the NBZA In April 2021, we initiated a process of measuring and quantifying emissions for the most carbon-intensive sectors in our portfolio: oil, gas, energy, real estate, and temporary accommodation. In October 2022, we published our decarbonization goals for these sectors, completing Phase 1 of our project.

Subsequently, Phase 2 consisted of expanding the quantification of emissions and setting goals to include the agriculture and livestock, aluminum, iron and steel, coal, transportation, cement, and construction sectors. In April 2023, we published the decarbonization goals for this second phase, this completing the target allocation for 43% of our loan portfolio. The goals of phases 1 and 2 were approved by various governing bodies within the financial group, starting with the Risk Policy Committee (RPC) and subsequently by the Board of Directors.

In compliance with industry best practices, we sought validation of our decarbonization goals 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. With this achievement, we are proud to inform our stakeholders that our decarbonization goals meet the ambition and alignment with climate scenarios of warming  $<1.5^{\circ}\text{C}$  are based on science-based calculation methodologies.

Once the goals have been published, our next challenge is to chart the path towards decarbonization. We will address this multi-year project through direct sector-specific engagement with our clients. We have already identified the key clients within each sector and

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will initially focus our efforts on them to understand their transition plans and the financing needs that will help them achieve these plans. Additionally, in collaboration with industry experts, we aim to connect our clients with the best sustainable operational practices for their sectors. With this enhanced knowledge, we will continue to provide the financial resources needed for a structured transition towards a low-carbon operation.

In parallel with this, during 2023, we are focused on strengthening our climate governance by establishing multidisciplinary teams called "cells" responsible for the implementation of various Sustainability-related projects. These projects include internal changes to trace sustainable financing updates and advancements in climate risk management, and the development of sustainable products, among over 40 other initiatives. These cells are already operational and report their progress regularly to the Sustainability Committee.

Likewise, during this 2023, we continue to strengthen the risk and sustainability teams, with dedicated personnel focused on climate change and nature. In September, a mandatory online training was released for all employees of the financial group, covering fundamental topics relevant to an institution like Banorte, with a strong emphasis on the importance of decarbonizing our portfolio as a key component of our sustainability strategy.

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 banking in Mexico and Latin America, as well as participation in the Climate Data Working Group (CDWG) of the Partnership for Carbon Accounting Financials (PCAF) initiative. This enables us to communicate the specific needs of the Latin American financial sector to these organizations and, through calls and local and regional events, contribute to a wider adoption of the signatory base of these initiatives.

At the end of October, Mexico experienced the devastating and unprecedented effects of a Category 5 hurricane that hit the coasts of Guerrero, resulting in human casualties and incalculable material damage. Events like this further reaffirm Banorte's commitment to combating climate change and working to ensure that such events do not become the new global reality.

Looking toward 2024, we will continue to refine the quality of information about our clients as much as possible and seek to automate the calculation of the carbon footprint of our portfolio to measure progress toward our medium and long-term decarbonization goals more efficiently. We will also continue to disseminate information on this and other ESG-related topics through our quarterly reports and, of course, in our integrated annual report for 2023, which will be published in March 2024.

**Metas Net Zero Banking Alliance (NZBA):**

Industry	2021 KPI (Base Year)	2022 KPI	Metric	Coverage 2022 (% Portfolio)	2030 Target	Ranges approved by the Board	Methodology	Climate Scenario
Mortgage	8.90	8.19	kgCO2e/m2	100%	42.1%	20% - 39%	Sectorial Decarbonization Approach (SDA)	SBTi 1.5°C
Commercial Real Estate	42.0	43.4	kgCO2e/m2	75%	52.5%	19% - 37%	Sectorial Decarbonization Approach (SDA)	SBTi 1.5°C
Power Generation	0.49	0.50	tCO2e / MWh	100%	73.7%	34% - 68%	Sectorial Decarbonization Approach (SDA)	SBTi 1.5°C
Oil & Gas	2,109,250	1,875,030	tCO2e	95%	21.0%	24% - 47%	Absolute Contraction	IEA- NZE 2050
Agriculture	1,691,253	1,789,475	tCO2e	100%	35.0%	18% - 35%	Absolute Contraction	IEA- NZE 2050
Aluminium	5,973	15,273	tCO2e	100%	35.0%	18% - 35%	Absolute Contraction	IEA- NZE 2050
Iron & Steel	50,136	45,027	tCO2e	100%	22.0%	11% - 22%	Absolute Contraction	IEA- NZE 2050
Coal	1,418	156	tCO2e	100%	68.0%	34% - 68%	Absolute Contraction	IEA- NZE 2050
Transport	46,608	51,729	tCO2e	100%	18.0%	9% - 18%	Absolute Contraction	IEA- NZE 2050
Cement	1,161,167	1,194,810	tCO2e	100%	17.0%	3% - 18%	Absolute Contraction	IEA- NZE 2050
Building	164,519	194,841	tCO2e	100%	35.0%	18% - 35%	Absolute Contraction	IEA- NZE 2050