

Policy

1. Policy Name

Human Rights Policy.

2. Scope

This policy applies generally to all companies and stakeholders of Grupo Financiero Banorte.

3. Policy Content:

1. Policy Goal:

- A. To establish the commitments, framework, guidelines, and due diligence process that apply to all companies and stakeholders that have any relationship with, influence upon, or are affected by any project or activity of Grupo Financiero Banorte, regarding the protection, evaluation, and/or management of human rights.

2. Introduction:

- A. According to the United Nations (UN), human rights are inalienable rights ([see glossary of terms](#)) of all human beings, without distinction of any kind based on race, sex, nationality, ethnic origin, language, religion, or any other status.
- B. GFNorte supports the effective respect for, and protection of the Human Rights recognized in national and international regulations and agreements and strives to ensure that all people can enjoy them without discrimination or obstacles. This is indispensable to the overall development of the individual, within the “Protect, Respect, and Remedy” framework and the interests of rendering accounts to the various stakeholders regarding Human Rights.
- C. GFNorte recognizes the value and importance of human rights in our daily operations as one of the fundamental pillars for being the best financial group. GFNorte, through its Chief Executive Officer and with the support of the Executive Department of Sustainability and Investor Relations, promotes guidelines focused on respect and protection of human rights. ([See Code of Conduct](#)) ([See Internal Control Goals and Guidelines](#)) ([See General Human Resources Policies](#))
- D. This policy is aligned with the current Code of Conduct, which provides guidelines regarding the behavior required of all employees, in reflection of GFNorte’s values and principles.

3. Regulatory Framework:

A. This policy is based on the national and international human rights agreements and initiatives to which Mexico and GFNorte are parties; on Mexican laws and regulations; and on the regulations governing the operations of the companies belonging to GFNorte. The following are some of the main regulatory instruments:

1. International agreements and initiatives.

- a. Universal Declaration of Human Rights.
- b. The International Bill of Human Rights.
- c. International Covenant on Civil and Political Rights and its two protocols.
- d. International Covenant on Economic, Social, and Cultural Rights.
- e. Declaration of the International Labour Organization.
- f. [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#).
- g. The ten principles of the United Nations Global Compact.
- h. The Equator Principles.
- i. OECD Due Diligence Guidance for Responsible Business Conduct.
- j. Principles for the Empowerment of Women.
- k. United Nations Declaration on the Rights of Indigenous Peoples.
- l. Sustainable Development Goals
- m. Task Force on Nature-related Financial Disclosures
- n. Kunming-Montreal Global Biodiversity Framework

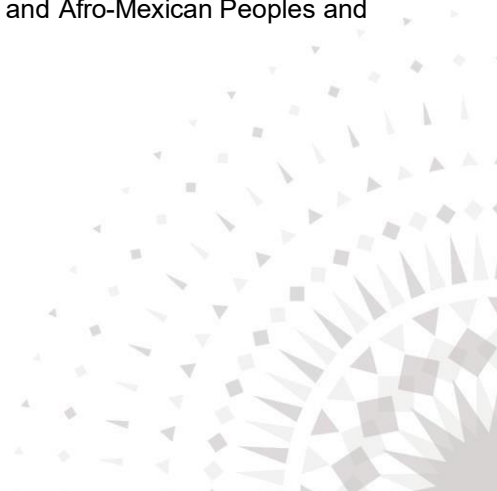
2. Mexican laws and regulations.

- a. Political Constitution of the United Mexican States.
- b. Federal Law to Prevent and Eliminate Discrimination.
- c. Current regulations of the National Human Rights Commission (CNDH).
- d. Law on the National Institute of Indigenous Peoples.
- e. ILO Convention No. 169 on Indigenous and Tribal Peoples.
- f. Federal Regulations on Occupational Safety and Health.
- g. Federal Labor Law.
- h. Federal Law on the Protection of the Cultural Heritage of Indigenous and Afro-Mexican Peoples and Communities.
- i. General Law on Ecological Balance and Environmental Protection
- j. General Law on Sustainable Forestry.

3. GFNorte Regulations.

Basic Principles of Corporate Governance:

- a. Code of Conduct.
- b. General Human Resources Policies.



- c. General Material Resources Policies.
- d. Sustainability Committee
- e. Diversity, Equality, and Equality Subcommittee.

Other Generally Applicable Corporate Governance Principles.

- f. Social Policy
- g. Environmental Policy
- h. Social and Environmental Risk Policy.
- i. Natural Capital Policy.
- j. Responsible Investment Policy.
- k. Human Rights Policy.

Human Resources.

- l. Psychosocial Risks Policy.

Material Resources.

- m. Supplier Engagement Manual.

Risks

- n. Socio-Environmental Risk section of the Risk Manual, subsection 10.5 "Exclusion List."

4. Internal and external initiatives and commitments:

A. Mindful of the importance of human rights hold to our stakeholders in general, GFNorte has joined significant initiatives to incorporate this concept into the management of its processes, activities, business relationships, and decision-making:

1. Regarding employees:

a. GFNorte reaffirms its commitment to respecting human rights, a commitment shared by all board members, executives, and employees, who must act in accordance with the principles established in the regulatory framework governing this matter, as described in Section 3.A.3 of this policy. Any violation of the foregoing shall be addressed in accordance with the provisions of the Workplace Sanctions Manual.

b. The aforementioned policies and Code of Conduct include guidelines on how to anticipate the risk of human rights violations, including those regarding forced labor, child labor, non-discrimination, freedom of association, health and security in the workplace, occupational and personal well-being, gender equality, corruption, and bribery.

c. GFNorte, through its Executive Department of Human Capital, is responsible for:

- (i) Upholding the well-being and integrity of every employee by fostering favorable, discrimination-free work environments through ongoing awareness campaigns, as well as updating and

communicating processes and protocols aimed at preventing any type of discrimination in accordance with the provisions of the manual [“Protocol for Preventing Gender-Based Discrimination and Addressing Cases of Discrimination, Violence, Harassment, or Sexual Harassment.”](#)

- (ii) For the purposes of the provisions in subparagraphs a) and b) in the preceding point, the Executive Department of Human Capital may request support from other relevant departments, depending on the area of expertise in question (training, issuance of regulations, communication, etc.).

2. **Customers.**

a. GFNorte’s mission is to build trust and financial strength for its customers: fulfilling this commitment is essential. For this reason, the Executive Department of Customer Experience manages nationwide programs that enable GFNorte to hear what its customers have to say about the quality of banking services in real time.

b. GFNorte identifies two key areas where human rights are involved in their interactions with customers:

- (i) The personal treatment of its customers, which is governed by the Code of Conduct; and
- (ii) The criteria for granting credit and financing to its customers, which are detailed in sections: 6. Credit Activities and 7. Responsible Investment Activities of this policy in general, and in the specific regulations governing each financial service.

3. **Suppliers of goods and services:**

a. Any selection of suppliers of goods or services must, in principle, be conducted according to the [General Material Resources Policies](#) and the [Supplier Engagement](#) Manual.


b. The Adjunct Department of Material Resources may, both for the execution of new contracts and for any applicable renewals, include in the pertinent contract a statement from each party that they are aware of and undertake to abide by, during the life of the contract, the United Nations Global Compact, which establishes that companies shall embrace, uphold, and apply a set of ten fundamental values or principles regarding human rights, labor standards, the environment, and the fight against corruption in accordance with current regulations. These principles are grounded in the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (“ILO”), the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption. In order to eradicate [child labor](#), the hiring of minors to provide specialized services or any other services offered by GFNorte is strictly prohibited.

4. **Communities:**

a. This group of stakeholders includes indigenous populations and communities residing in the areas where GFNorte invests in or finances projects.

b. Through the Social and Environmental Management System (SEMS), environmental and social risks in GFNorte's loan portfolio are identified, categorized, assessed, and managed. SEMS provides a framework to ensure that GFNorte's clients' projects conform to Mexican law and international best practices in guaranteeing respect for human rights, thereby avoiding potential negative impacts on stakeholders who have a relationship with, influence upon, or are affected by any GFNorte project or related activity. Among the most significant risks to communities are forced relocation, exploitation of natural resources, or water contamination (which can directly affect the community's health and security) resulting from projects carried out in those communities.

B. In line with the above principles and in an effort to work toward solutions to global challenges while generating value for the business, the Executive Office of Sustainability and Investor Relations will coordinate, in conjunction with the relevant Chief Officers, the following actions:

1. **Identify, assess, and monitor actual or potential negative impacts and risks** resulting from operations that could harm the human rights of employees, customers, suppliers, and the community at large. In the case of positive impacts, we will seek continuous improvement; conversely, if any negative situation is detected, we will establish strategies to implement the corresponding action plans.
 2. **Develop an action plan** in accordance with Section 5 of the Due Diligence Framework for the assessment and management of human rights, based on the impacts and risks arising from operations where a violation of human rights could occur or be identified.
 3. **Verify annually** that all operations, products, and services are in full compliance with applicable national legislation on human rights protection and include the best international practices applicable to GFNorte's business.
 4. **Raise awareness, provide information, and manage training for employees** of companies belonging to GFNorte on human rights issues to ensure their consideration in daily processes and decision-making.
 5. **Prioritize risk management in sensitive areas** to prevent human rights violations related to population displacement, impacts on indigenous peoples, older adults, and vulnerable groups in the course of business.
 6. **Any other measures deemed necessary by the Executive Department of Sustainability and Investor Relations** to achieve the goals set forth in this Policy.
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5. Due diligence in the evaluation and management of human rights:

A. The Executive Department of Sustainability and Investor Relations will coordinate, in conjunction with the relevant Chief Officers, an action plan covering the due diligence process, in order to identify, prevent, and mitigate negative impacts arising from adverse risks to our employees, customers, suppliers, the community, and stakeholders in general with regard to human rights. This process consists of four stages, managed by the Executive Department of Sustainability and Investor Relations.

1. Identification of adverse risks related to human rights.
2. Assessment of negative impacts regarding human rights management.
3. Monitoring of implementation and results.
4. Remediation plan.

B. **Identification of adverse human rights risks:** Information will be gathered on industrial, geographic, and product-related risks, including existing or potential human rights risks.

Information sources for this aspect may include reports from governments, national or international organizations, or representatives of workers and labor unions.

C. **Assessment of negative impacts regarding human rights management:** GFNorte's involvement in identified actual or potential negative impacts will be assessed, and action plans will be developed to mitigate them, prioritizing tasks and allocating resources based on whether:

1. GFNorte may cause or has caused / may contribute or has contributed to significant human rights impacts in the course of its activities or the provision of services to employees, customers, suppliers, the community, and stakeholders in general.

D. **Monitoring of implementation and results:** The initial exercise of risk identification, prioritization, and assessment described in the preceding paragraph will be continuously updated, tracking the results achieved, verifying that the adopted risk mitigation measures are being put in place, and ensuring that the identified negative impacts are being prevented or mitigated. To this end, a report will be prepared that must meet the following requirements:

1. It will be public in nature and will disclose relevant information regarding the human rights due diligence processes.
2. GFNorte's confidential information will be respected at all times.
3. The information it contains will be included in the Annual Report, detailing the measures adopted in terms of due diligence, the significant impacts or risks identified, how they have been assessed, and the prioritization of mitigation plans, as well as the results and measures adopted to remedy or assist in the redress of potential human rights harms.

- E. **Remediation Plan:** This plan may include operational, contractual, and legal actions to minimize human rights risks. Additionally, annual assessments will be conducted that cover the detection, prevention, mitigation, and remediation of identified impacts, to provide reasonable assurance that stakeholders are protected.
1. If GFNorte finds that it has caused or contributed to a negative impact, it will seek to remedy the situation by restoring the affected individuals to the state they would have been in had the incident not occurred, ensuring that the remedy is proportionate to the magnitude and scale of the harm.
 2. The types of remedies will depend on the nature and scope of the negative impact and may include, among others, apologies, restitution or rehabilitation, financial or non-financial compensation, sanctions against those found responsible, and the adoption of measures to prevent future negative impacts.
 3. In the investigations conducted for each case, GFNorte will seek to engage with the holders of the affected rights based on principles of reasonableness and proportionality, always seeking to determine the best way to proceed with the remediation of the harm. Likewise, when restitution is sought through judicial proceedings, GFNorte will collaborate with the authorities to act or report in a timely and appropriate manner.

6. Lending activities:

- A. At GFNorte, respect for human rights is a duty; therefore, the company considers protecting these rights an integral part of its financing activities. The Executive Department of Sustainability and Investor Relations manages the risks of the activities it finances through its Social and Environmental Management System (SEMS); this is detailed in section 2.2.3, Social and Environmental Risk Analysis, of the credit manual.
- B. In this process, it identifies, categorizes, assesses, and manages the environmental and social risks and impacts that may arise from business operations, taking into account aspects such as community engagement, indigenous peoples, working conditions, and occupational health and safety, in line with the International Finance Corporation's Performance Standards and the Equator Principles ([see social and environmental risk policy](#)), and issues an opinion that is presented to the relevant Credit Committees. Additionally, there is an exclusion list of prohibited activities or operations, which may be rejected out of hand without prior analysis.

7. Responsible investment activities:

- A. With regard to Responsible Investment, the Executive Department of Sustainability and Investor Relations will be responsible for:
1. Identifying, assessing, and monitoring social risks and impacts, including human rights issues that may arise from investment activities ([see responsible investment policy](#)).

2. Analyzing reputational risks stemming from ESG issues, including those pertaining to human rights, of the issuers in which Banorte Operadora de Fondos invests, and promoting an understanding of the context, scope, and impact of such risks; and analyzing the mitigation measures implemented by the issuers, without the analysis itself constituting an automatic restriction on investment, but rather an input within the overall evaluation process.
3. In coordination with the Executive Director of Investments and Asset Management, the overall responsible investment strategy will be monitored in accordance with the provisions of the [Responsible Investment Manual](#). In this regard, Banorte Operadora de Fondos, through its Executive Director of Investments and Asset Management, may consider positive screening strategies (including favorable ESG performance) as well as negative screening elements as a reference (including the exclusion list managed by the Deputy Director of Social and Environmental Risk, in which ineligible activities or operations related to human rights are established and defined in accordance with institutional criteria). These criteria must be applied using a materiality and proportionality approach, taking into account Operadora de Fondos Banorte's investment goals.
 - a. The Subdirector of Social and Environmental Risk must send the exclusion list annually to the Subdirector of Sustainability and Responsible Investment via e-mail, in order to maintain ongoing communication that allows for the timely identification of any changes to said list.
 - b. If, in the course of the year, the Subdirector of Sustainability and Responsible Investment becomes aware of any issuer involved in potential human rights controversies, he or she must notify the Executive Director of Investments and Asset Management via e-mail so that the matter can be considered as part of the investment analysis and decision-making process.

8. Nature-related activities:

- A. The Executive Department of Sustainability and Investor Relations is responsible for analyzing, managing, and communicating dependencies, impacts, risks, and opportunities related to nature, with the aim of preventing or minimizing environmental impacts and promoting the flow of positive financial flows in our operations and those of our clients.
- B. GFNorte shall promote the inclusion of nature-related criteria in credit, financing, and investment projects and activities, advancing the protection of indigenous peoples and local communities, ensuring respect for their human rights as well as access to water, food, and a healthy environment. In line with the [Natural Capital Policy](#), GFNorte has an ongoing commitment to analyze, manage, and communicate environmental impacts and opportunities, taking into account all stakeholders and relevant actors in the assessments, to promote responsible and sustainable business practices.

9. Communication:

- A. GFNorte recognizes that raising awareness of the importance of human rights is an essential part of

keeping its employees, customers, investors, suppliers, and other stakeholders informed of the relevant guidelines and encouraging their responsible application in the performance of their duties and functions.

- B. GFNorte has various mechanisms in place to facilitate communication with its [stakeholders](#) in order to keep the lines of communication open. These mechanisms include:
1. **For employees:** Intranet, e-mail, Banorte support line, "EthicsPoint" reporting system, and organizational climate surveys. Likewise, the communication mechanism between employees of the Branch Network and the Customer Experience department, "Tu Voz Transforma," has the goal of identifying and resolving the barriers that prevent us from providing positive experience to customers. This is part of the Internal Customer Experience system, which directly impacts customers.
 2. **For investors:** Annual report, quarterly reports, shareholders' meeting, Banortel, e-mail, and website.
 3. **For customers:** Branches, Banorte Móvil, Call Center, Banorte's specialized unit for inquiries and complaints, website, social media, and satisfaction surveys.
 4. **For community:** Phone, e-mail, website, social media, and meetings with targeted interest groups.

10. Disclosure obligation:

- A. In this regard, the Executive Department of Sustainability and Investor Relations will be responsible for:
1. Keeping up to date with regulations applicable to GFNorte regarding protection of human rights, and managing publication of its own human rights regulations both on the GFNorte compliance website in accordance with [the Regulations Issuance Manual](#), and on the Institution's main website, the latter for the information, review, and compliance of GFNorte's various non-employee stakeholders.
 2. Managing, in conjunction with the Learning Department, a training program aimed at the areas involved in this matter.
 3. Creating a mechanism for handling human rights complaints, in accordance with the provisions of Section 11. Whistleblower System, of this policy.
- B. In accordance with the principle of transparency incorporated into our sustainability model, the Executive Department of Sustainability and Investor Relations is responsible for annually reporting to the organizations with which GFNorte is affiliated (see Section 4), as well as to its [stakeholders](#), on the results of its adoption of principles related to the protection of human rights carried out during the fiscal year.

11. Whistleblower System:

- A. In accordance with the provisions of the Code of Conduct, any GFNorte board member, executive, employee, supplier, and/or stakeholder who has direct or indirect knowledge of an act or violation of regulations that may constitute or result in financial harm to GFNorte, or which constitutes a violation of any of the guidelines of the Code of Conduct or this Policy, must report it discreetly to the Deputy General Department of Internal Audit and/or the Special Affairs Audit Department, or through the whistleblower system established by the Institution. ([See Code of Conduct](#)) ([See EthicsPoint manual](#))



Glossary of Terms

Sec.	Term	Description
1.	Biodiversity	The diversity of plant and animal species that form part of natural capital and constitute the basis of the services it provides. Biodiversity provides resilience to climate events such as floods and droughts and supports fundamental processes such as the water cycle and soil formation.
2.	Child Labor	Any type of work performed by a child under the age of 15 (unless local law specifies a higher age, in which case that age limit applies).
3.	Discrimination	Any treatment that violates human dignity based on distinctions of gender, sexual orientation, race, religion, political affiliation, or health status.
4.	Equator Principles	A theoretical framework adopted by financial institutions to identify, assess, and manage the environmental and social risks of projects. Its primary goal is to provide a minimum standard of due diligence and monitoring to support more responsible decision-making.
5.	Exclusion list	Economic activities or operations classified as high-risk or prohibited, as outlined in the Credit Philosophy chapter of the GFNorte Credit Manual.
6.	Forced Labor	Any type of work required of a person under any type of threat, whether financial, physical, psychological, or otherwise, or work that the person has not entered into voluntarily.
7.	Gender equality	Justice, fairness, and social equality between men and women.
8.	Global Compact	The United Nations Global Compact is the world's largest corporate sustainability initiative. It is a call for companies to align their strategies and operations with universal principles of human rights, labor standards, the environment, and anti-corruption to take actions that advance social goals.
9.	Guiding Principles on Business and Human Rights	These are the most widely recognized and authoritative global standards on human rights in business. These 31 principles establish how a company or government should prevent and address the negative human rights impact it may cause.



10.	Human Rights	<p>The inalienable rights shared by all human beings, without distinction of any kind, based on nationality, place of residence, gender, national or ethnic origin, color, religion, language, or any other status. We all have the same human rights, without any discrimination. These rights are interrelated, interdependent, and indivisible.</p> <p>For example:</p> <ul style="list-style-type: none"> • Right to life. • Right to freedom of expression. • Right to health. • The right to education. • The right not to be tortured. • Right to a fair trial. • Right to equality and non-discrimination. <p>These are the universal legal expressions of those inalienable rights enshrined in international treaties and laws.</p>
11.	Human rights due diligence	A process through which the company identifies, prevents, mitigates, and reports on how it addresses the impact on the protection of human rights.
12.	Human rights impact assessment	A study designed to identify and address negative impacts on human rights through engagement with stakeholders, data collection and analysis, and a process of prevention, mitigation, and remediation.
13.	Inalienable Right	A right that is intrinsically linked to the nature of something or someone and cannot be separated from it. In the context of human rights, it refers to those rights that all people possess simply by virtue of being human.
14.	Indigenous Peoples	<p>Indigenous peoples are generally defined as:</p> <ol style="list-style-type: none"> 1. Tribal peoples in independent countries whose social, economic, and cultural conditions distinguish them from other segments of the national community, and whose status is governed partly or entirely by their own customs or traditions. 2. People in independent countries who are considered indigenous because they are descended from populations that inhabited the geographical region to which the country belongs at the time of conquest or colonization, and who retain some of their social, political, economic, and cultural institutions.
15.	Local communities	A group of people who live and interact in a specific environment and location, and who share common concerns regarding local facilities, services, and the environment. These communities may attach particular significance to the land and natural resources as sources of culture, customs, history, and identity, and/or depend on them to sustain their livelihoods, social organization, culture, traditions, and beliefs.
16.	Materiality	The quality by which an aspect or issue presents significant actual or potential social, environmental, and economic impacts for an organization; or those which may substantially influence the judgment and decisions of stakeholders.
17.	Nature	Refers to the natural world, emphasizing the diversity of living organisms, including people, and their interactions with one another and with their environment. It consists of four kingdoms (components): land, ocean, freshwater, and atmosphere.

18.	Nature-based solutions	Activities that generate positive outcomes for organizations and nature through positive impacts or the mitigation of negative impacts on nature. The TNFD opportunity categories are divided into those related to business performance and those related to sustainability performance.
19.	Nature-related dependencies	Aspects of environmental assets and ecosystem services on which a person or organization depends in order to function. A company's business model, for example, may depend on ecosystem services such as water flow, water quality regulation, and the regulation of hazards like fires and floods; the provision of suitable habitat for pollinators, who in turn provide a direct service to economies; and carbon sequestration.
20.	Nature-related impacts	These refer to a change in the state of nature (quality or quantity), which may result in changes in nature's ability to provide social and economic functions. Impacts can be positive or negative. They may result from an organization's actions or those of another party.
21.	Nature-related risks	Potential threats faced by an organization that arise from its dependence on and the impacts of society on nature. Such risks may be physical risks, transition risks, or systemic risks.
22.	Performance Standards (PS)	Environmental and social sustainability guidelines created by the IFC, whose goal is to orient clients in identifying, preventing and mitigating social and environmental risks and impacts. The PS are a comprehensive part of the risk management approach, and the eight standards together define the aspects that the client must adhere to in the investment cycle.
23.	Principles for Responsible Banking	These principles aim to align banks with society's targets as expressed in the Sustainable Development Goals (SDGs) and the Paris Agreement. They define what it means to be a responsible bank and provide guidance on how to achieve this.
24.	Principles for Responsible Investment (PRI)	The PRI were developed as an initiative of international investors in partnership with UNEP FI and the Global Compact; their investment approach recognizes the importance of environmental, social, and corporate governance (ESG) factors in better managing risk and generating long-term returns. The principles are based on active management and the belief that these factors can have a positive impact on the financial performance of investments.
25.	Resource efficiency and pollution prevention	Organizational or technological changes that allow a defined process or task to be carried out using the minimum of resources possible. These changes include product redesign, conversion to energy-efficient lighting, and reduced resource use.
26.	Responsible Investment	GFNorte's responsible investment process consists of analyzing the environmental, social, and corporate governance (ESG) factors of the issuers in which the Group invests, with the goal of improving the management of risks and opportunities, considering the material impact that ESG risks may have on a long-term investment outlook.
27.	Stakeholder engagement	The process through which a business seeks to understand and engage stakeholders in its activities and decisions in order to mitigate or eliminate potential human rights violations or make remediation mechanisms available.

28.	Stakeholders	This refers to customers, employees, suppliers, investors, government agencies, communities, and affiliates or groups of people who have an interest in, influence, or are affected by a business's projects or activities.
29.	Supply chain	Also known as the sourcing chain, this is a set of activities or operations involved in the entire process of selling a product. In other words, the supply chain encompasses everything from the oversight of raw material procurement, manufacturing, and production, to the final distribution of the product.
30.	Universal declaration of human rights	The Universal Declaration of Human Rights is a document drafted by representatives from all regions of the world with diverse legal and cultural backgrounds. The Declaration established, for the first time, fundamental human rights that must be protected throughout the world.
31.	Whistleblower mechanism	A system consisting of procedures, rules, and roles for receiving complaints and providing remedies and/or mitigation strategies. An effective grievance mechanism is expected to be legitimate, accessible, predictable, equitable, transparent, consistent with human rights, and a source of continuous learning. For a mechanism to be effective at the operational level, it must be based on engagement with stakeholders and dialogue in accordance with the Guiding Principles on Business and Human Rights (GBHR).
32.	Working conditions	Working conditions are governed by the current Federal Labor Law and are to be established without discrimination as to gender, age, religion, or political beliefs. Any distinctions made must be based on objective criteria such as position or type and level of duties. Working conditions include: the workday, days off, and the year-end bonus.

