

Reporting and Self-Assessment Template

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

How to use this template?

This template does NOT require your bank to produce an additional report. Rather, this template is designed for your bank to provide references/links to where in your existing reporting/public domains the required information can be found. The aim is to keep additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6.

Within this reporting template, there are six areas for self-assessment that are key to showing that your bank is fulfilling its commitments as a signatory of the Principles for Responsible Banking. They are highlighted.

1. Impact Analysis
2. Target Setting
3. Plans for Target Implementation and Monitoring
4. Progress on Implementing Targets
5. Governance Structure for Implementation of the Principles
6. Progress on Implementing the Principles for Responsible Banking

Only for these six highlighted items, it is required that:

- a) An assurer provides limited assurance of your self-assessment. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted.
- b) You provide your bank's conclusion/statement if it has fulfilled the respective requirements.

Accommodating different starting points:

Banks have different starting points and operate in different contexts. Your bank may not be able to provide all information required in this template the first time you report. That is fine. Your bank has up to four years from signing to bring its reporting fully in line with the requirements. Feedback, support and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p>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.</p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Grupo Financiero Banorte is a Mexican banking and financial services holding company with headquarters in Monterrey and Mexico City. It is one of the four largest commercial banks of Mexico by assets and loans, and the largest retirement fund administrator.</p>	<p>Integrated Annual Report, page 12</p>
<p>1.2 <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Grupo Financiero Banorte is a global leader in best corporate governance and sustainability practices for financial institutions.</p> <p>1. Sustainability Strategy: Our current sustainability strategy's model is sustained by three pillars: Environment, Social and Corporate Governance. These converge into a central pillar called Sustainable Finance.</p> <p>a) Environment: initiatives aimed at mitigating the environmental impact of our operations through resource use efficiency and a culture of environmental care inside and outside of the institution. This pillar considers the following topics; Climate Change, Operating Eco-Efficiency and Environmental Culture.</p> <p>b) Social: various social programs created to improve quality of life for our employees and for the communities to which we belong. This pillar considers the</p>	<ol style="list-style-type: none"> 1. Integrated Annual Report, page 16 2. Integrated Annual Report, pages 24 and 25 3. Integrated Annual Report, pages 19 and 20

	<p>following topics; Human Rights, Diversity and Inclusion, Financial Education and Inclusion, Human Capital and Corporate Citizenship.</p> <p>c) Governance: a series of principles and standards ensure the proper functioning of the institution’s governance body, complemented by solid risk management and efficient decision-making. This pillar considers the following topics; Corporate Governance, Stakeholders, Ethics and Accountability, Risk Management, Data Security and Technology and Innovation.</p> <p>d) Sustainable Finance: We incorporate environmental, social and corporate governance (ESG) factors in evaluating risk in our portfolios and in the products and services we offer, in order to create sustainable development. This pillar considers the following topics; Socio-environmental Risk Management in Financing, Responsible Investment, Sustainable Insurance and Sustainable Financial Products.</p> <p>2. SDG Alignment: For 2021 we are participating in two initiatives that will enable us to create new business models for driving innovation and offering tangible solutions to meet our goals for the year 2030:</p> <ul style="list-style-type: none"> • Young SDG Innovators program: In this program of the United Nations Global Compact, four talented youths 	
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	<p>from GFNorte were included, training to become future business leaders with a sustainable vision and agents of change within our institution. For ten months, they will learn about the different acceleration tools and disruptive models for project development that will enable us to achieve our internal goals toward the SDG.</p> <ul style="list-style-type: none"> • SDG Ambition: This program will give us the tools for developing solutions to sustainability challenges within and outside the group and integrate the SDG fully in to our commercial strategy. <p>3. Materiality Matrix update: To stay informed of our stakeholders' perspective and of global trends in our industry, in late 2020 we updated our materiality matrix. This exercise also enabled us to align our sustainability model with the issues most relevant to our company. With this exercise, we identify Information Security, Ethics and Accountability, Climate Change, Responsible Investment and Sustainable Financial Products as the most important issues for our business and our stakeholders.</p>	
<p>Principle 2: Impact and 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.</p>		

<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p>	<p>1. Impact assessment In 2020 we conducted our first impact assessment by applying the Portfolio Impact Analysis Tool developed by UNEPFI. Our pilot test of this tool consisted of identifying and matching Banorte's financing sectors with the International Standard Industrial Classification (ISIC). We then studied the breakdown of our portfolio as of the third quarter of the year and selected, in a first scope of analysis, Corporate and Business banking, which make up 42% of our total portfolio.</p> <p>The actions taken and their results were as follows:</p> <ul style="list-style-type: none"> • Identification of the most representative sectors for each type of banking: retail, real-estate, construction, manufacturing and tourism, among others. • Identification of significant negative and positive impacts; for Business Banking, the negative impacts are concentrated in emissions, waste, water availability and quality; and the positive impacts are reflected in jobs, inclusive economy, tourism development, solid institutions, and conservation of biodiversity; for Corporate Banking, the most relevant negative impacts are waste, emissions, water availability and quality and depletion of resources; the positive impacts are jobs, improved health and sanitation systems, mobility and the development and generation of renewable energies. 	<p>1. Integrated Annual Report, page 23</p>
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<p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts 	<ul style="list-style-type: none"> • Identification of priorities at the country level: in Mexico's case, the main issues had to do with waste, water, solid institutions, peace and stability. <p>Based on this first assessment, we intend to establish goals aligned with the observations and broaden the scope of the pilot phase to Retail and Government Banking. We will also be making adjustments in our portfolio to strengthen sectors with positive impacts and better manage economic activities with negative impacts, to further the commitments of the business areas and our clients toward innovation that can further the transition toward a more sustainable economy in this country.</p>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p style="background-color: #cccccc; height: 30px;"></p>		

<p>2.2 Target Setting</p> <p><i>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society’s goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p>1. Sustainability Committee: During the latest session of our Sustainability Committee, we began to work on developing specific ESG targets for 2025, consistent with the direction of each committee member. The fulfillment of these goals will be linked to their performance and, consequently, to their remuneration. Also, we are in a process of reviewing the current goals of senior management, in order to align them with ESG criteria corresponding to their areas.</p> <p>2. Target Gender Equality initiative: We joined the Target Gender Equality initiative promoted by the United Nations Global Compact and UN Women to accelerate progress in gender equality. Through this program we have measured the current status of gender equality in our operations and services with the Gender Gap Analysis Tool (WEP); in addition to participating in workshops for the implementation of internal strategies and thus addressing the areas of opportunity that will strengthen the representation and leadership of women within the company.</p> <p>3. Science Based Targets: since 2016 we have been members of the Science Based Targets (SBT) initiative for setting medium and long-term reduction goals based on international scientific standards. According to the C-Fact methodology published by Autodesk, we have set absolute and intensity targets, and we</p>	<ol style="list-style-type: none"> 1. Integrated Annual Report, page 36 2. Integrated Annual Report, page 71 3. Integrated Annual Report, pages 99 and 100 CDP Climate Change Report, pages 56 to 63
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	<p>report on our progress each year in the CDP questionnaire.</p>	
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>1. Sustainability Committee: During the latest session of our Sustainability Committee, we began to work on developing specific ESG targets, consistent with the direction of each committee member. Once we have defined this targets, we will start developing an implementation plan for each one.</p>	<p>1. Integrated Annual Report, page 36</p>
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>1. Our GHG emission targets: Aligned with the National Determined Contributions Mexico assumed in the Paris Agreement, we had a goal of reducing by 30% our energy intensity per employee by 2020 (including scope 1 and 2), against the base year 2009. Although we did not meet that goal, we did achieve a reduction of 71.8%. The reason for the shortfall was primarily the lack of supply of renewable energy, given current circumstances in the Mexican energy market. We will be working on updating this target in 2020.</p>	<p>2. Integrated Annual Report, pages 99 and 100 CDP Climate Change Report, pages 56 to 63</p>
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>		
<p>Principle 3: Clients and 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.</p>		
<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their</p>	<p>1. Socio-environmental risk policy: GFNorte recognizes the importance of environmental and social aspects for the global financial sector in terms of risk, understands that economic growth depends on the natural and social capital available and that the impacts it</p>	<p>1. Sustainability webpage; Resources; Policies and Documents 2. Equator Principles Report, page 7</p>

<p>scale and, where possible, the results thereof.</p>	<p>generates must be avoided, mitigated, restored and/or compensate.</p> <p>2. Exclusion List: Activities and operations are considered prohibited for financing.</p> <p>3. Social and Environmental Risk Management System (SEMS) Our Social and Environmental Risk Management System (SEMS), first implemented in 2012, was developed to identify, categorize, analyze and track the risks and impacts of our lending in the corporate, infrastructure and commercial banking segments. SEMS is an integral part of the Bank's lending process and it is based on the national legal framework, institutional rules, the socio-environmental risk policy and the Equator Principles, the highest standard for risk management in the financial industry.</p>	<p>3. Integrated Annual Report, page 49</p>
<p>3.2 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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>	<p>1. Socio-environmental advisory to our clients: We analyzed 404 lesser-impact projects that were managed through recommendations of the IFC Industry-Specific Environmental, Health and Safety Guidelines.</p> <p>2. Sustainable building Paralleling our efforts to identify and classify sustainable projects, the Sustainability area and the Special Real-Estate area drew up a diagnosis of construction industry's opinions and interests regarding sustainable housing and building certification. This first exercise</p>	<p>1. Integrated Annual Report, page 51</p> <p>2. Integrated Annual Report, page 57</p> <p>3. Integrated Annual Report, page 89</p> <p>4. Integrated Annual Report, page 3</p>

	<p>revealed some of the current challenges in the industry and identified a substantial portion of our portfolio that is interested in earning certifications and learning about what is needed to do so. This presents a tremendous opportunity to continue exploring this issue and making decisions that benefit our clients.</p> <p>3. Financial inclusion and education program:</p> <p>In collaboration with 17 areas of the bank, we worked to reinforce our Financial Education program in order to generate new and better learning tools. During 2021 we will renew the educational offer of the internet portal with the following new information categorizations:</p> <ul style="list-style-type: none"> • Basic product or service information: main processes of a financial product or service. • Divulcation topic: content related to the product without necessarily being technical information about it. • Financial Glossary: financial concepts that the customer must know to use products successfully. • Binding Products: those products with which the product is linked and complements. <p>Likewise, new information formats will be used (articles, videos, calculators, etc.) for greater scope and market penetration.</p> <p>4. COVID-19 supporting program for our clients:</p> <p>As a mitigating measure for the COVID-19's effects, Banorte</p>	
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	<p>implemented the following initiatives for clients:</p> <p>a) Four-month deferral for the payments of credit cards, automotive, mortgage, payroll, SMEs and personal credits to those who request it. Over 630 thousand credits where differed.</p> <p>Strengthening of hygiene measures in each branch. Maximum attention to 10 simultaneous clients.</p>	
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>1. Mexican regulatory authorities: Among our engagement and cooperation efforts with Mexican regulatory agencies, GFNorte participated in the "<i>Climate and environmental risks and opportunities in the Mexican financial system</i>" report, published in 2020 by Bando de México and the United Nations Environmental Program Financial Initiative (UNEPI).</p> <p>2. Collaboration with the World Wildlife Fund and SEMS: Because economic and social activities depend on healthy ecosystems, WWF Mexico and Banorte have formed a working partnership to enhance the bank's capacities to understand, apply methodologies and address the financial risks related to the loss of nature, which are incorporated into its SEMS system.</p> <p>3. Task Force on Nature-Related Financial Disclosures (TNFD):</p>	<ol style="list-style-type: none"> 1. Integrated Annual Report, page 53 2. Integrated Annual Report, page 52 3. Integrated Annual Report, page 50 4. Integrated Annual Report, page 100 5. Integrated Annual Report, pages 23 and 25 6. Integrated Annual Report, page 90 7. Integrated Annual Report, page 101 8. Integrated Annual Report, pages 77-75 and 93

	<p>Currently more than half of global GDP depends on nature. But environmental depletion and biodiversity loss are increasingly threatening global economies and finance. Aware of the growing uncertainty and risk, an informal work group was created in 2020 called the Task Force on Nature-Related Financial Disclosures (TNFD), the largest nature-related risk disclosure initiative in history. Banorte co-chairs this initiative, along with the French bank BNP Paribas and the Green Finance Institute of the UK, guiding framework development and promotion through its planned launch in 2021.</p> <p>4. Mexico City Alliance for Climate change (ACA-CDMX): On November 12, 2020, we joined the Mexico City Alliance for Climate Action (ACA-CDMX) which is aimed at creating and strengthening synergies to mitigate and adapt to climate change. These include a climate diagnosis, roadmap, proposed solutions and concrete actions to improve quality of life for the city's citizens in the short and medium terms and position the climate crisis agenda at the local and state level. This is intended as an active contribution to the Paris Agreement target of keeping the average increase in global temperature to below 1.5° C. ACA-CDMX is an initiative of the World Wildlife Fund and the Mexico City Climate Initiative, together with the Mexico City Ministry of the Environment. Other companies participating in this alliance are Academia Mexicana de</p>	
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	<p>Energía, A. C., Centro Mario Molina, Cabify, CEMDA, ManpowerGroup, Toks, WRI México and the Universidad Autónoma Metropolitana.</p> <p>5. SAP collaboration: We collaborated with the international software company, SAP to measure the positive impacts generated towards the Sustainable Development Goals through the usage of its technological tools in Banorte: SuccessFactors (Human capital platform to manage employee’s training), ARIBA (Platform to manage our suppliers and streamline payment) and Qualtrics (Platform that allows us to obtain the Net Promoter Score in real time and monitor the physical and mental health of our employees, as well as the work environment). As a result, a document was published by SAP showing the impact scope of each SDG contributed: SDG 4: Quality Education, SDG 3: Health and well-being and SDG 8 Decent Work and Economic Development.</p> <p>6. Sustainability Academy for our value chain: In search of expanding the scope of our sustainability strategy, we created the Banorte Sustainability Academy, where select groups of suppliers and SME clients will be trained, voluntarily and free of charge, on the management of sustainability and corporate social responsibility strategies in order to encourage good corporate practices in our Value chain. To date, we have 46 suppliers and 13 SME clients enrolled.</p>	
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	<p>7. Environmental education program:</p> <p>We promote environmental education focusing on various stakeholders, particularly suppliers, and, internally, our employees. Throughout the year we offered various workshops and training programs for employees, dealing with topics like:</p> <ul style="list-style-type: none"> • Proper waste management • Mitigating climate change • Ecosystem service awareness • Better habits in the use of resources at home <p>In a complementary effort, we aired an exhibit of photographs showing the importance of preserving biodiversity in global ecosystems.</p> <p>We also delivered a lecture to employees of Fundación Helvex regarding climate change mitigation, attended by around 45 people from various areas of specialization.</p> <p>8. COVID-19 supporting programs for our stakeholders:</p> <p>The support programs for various stakeholder groups were implemented to mitigate the negative impacts of COVID-19:</p> <p>Employees Support:</p> <ol style="list-style-type: none"> a) Establishing a support line for employees to receive guidance regarding measures or symptoms. 	
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	<ul style="list-style-type: none"> b) Created the “AsisMed” an emotional support App for employees. c) Video visit to the doctor for questions and possible symptoms, 24 hours, 365 days a year. d) Frequently asked questions about COVID19 and daily technical Report of Mexico’s Health Ministry. e) Home office for every employee who can perform their activities outside of corporate. f) Alternate positions for 60% of branch staff. g) Stay at home recommendations on how to use time. h) Weekly informational capsule i) We purchase oxygen concentrators to support employees who needed them, before their shortage in the market. j) We define an immediate help mechanism for relatives of collaborators who unfortunately lost their lives. <p>Community Support:</p> <ul style="list-style-type: none"> a) \$3 million pesos donation for medical equipment to the Cihuatlan Jalisco Hospital b) \$1.8 million pesos donation for ventilators (respiratory support) for the Universidad Autonoma de Nuevo León c) \$20.6 million pesos in food supplies donated to various social causes. 	
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Principle 5: Governance & Culture
We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 <i>Describe</i> 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 and support effective implementation of the Principles.</p>	<p>1. Sustainability Committee: Our Sustainability Committee is a supporting committee of the general management of GFNorte that meets every six months. Its objective is to define the sustainability strategy that is aligned with the business vision, permeate it throughout the organization and approve ESG initiatives and manage their performance.</p> <p>2. ESG Policies: Our Responsible Investment Policy’s objective is to establish de reference framework and guidelines to incorporate Environmental, Social and Corporate Governance (ESG) factors in investment operations carried out by the personnel in charge of the Asset Management Department.</p>	<ol style="list-style-type: none"> 1. Integrated Annual Report, page 36 and 37 2. Sustainability webpage; Resources; Policies and Documents
<p>5.2 <i>Describe</i> the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>1. ESG training to our employees: Ongoing training in the Credit, Business and Risk areas is a priority for building a culture of socio-environmental risk management and sustainability at GFNorte. We are confident that we can better manage our impacts through awareness-raising and skill-building. With this in mind, in 2020 we strengthened our annual online training program, investing 2,031 hours in 1,358 employees.</p> <p>2. Sustainability Week: On an annual basis, we organize the Sustainability Week, an event aimed for employees in which activities are offered with the purpose of raising awareness in environmental, social and</p>	<ol style="list-style-type: none"> 1. Integrated Annual Report, page 26 2. Integrated Annual Report, page 26 3. Integrated Annual Report, page 27 and 49

	<p>economic issues. We carry out various activities such as: talks, workshops, museum installations in corporate buildings, and fair-trade fairs.</p> <p>3. Sustainability Ambassadors and Champions: Aware of the crucial need to permeate sustainability culture throughout the group, we created a network of sustainability ambassadors to disseminate good practices, updates on internal programs and the latest sustainability news. Today the network consists of more than 550 employees working out of Mexico City and Monterrey.</p> <p>SEMS is also supported by our “sustainability champions,” a group of staff members from the Credit area who serve as a liaison between ARSA and the bank’s regional offices, ensuring that appropriate socio-environmental risk management is applied nationwide.</p>	
<p>a. Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>1. Sustainability Committee: The Sustainability Committee is made up of the leaders of the areas of Economic Analysis (Chairman), Sustainability (Secretary), Risks, Government Banking, Wholesale Banking, Retail Banking, Human Resources and Material Resources, Communication and Public Relations, Legal, Comptroller's Office, and an Internal Audit representative who supervises the correct execution of the Committee.</p> <p>Also, it operates through three subgroups aligned with the pillars of our sustainability strategy to promote new projects and involve</p>	<p>1. Integrated Annual Report, page 36 and 37</p>

	<p>all levels of the company; risk, environmental and social subgroups.</p>	
<p>Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>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.</p>		
<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</i></p>	<p>1. Our first PRB progress report: Last year we provided our first progress report in our last Integrated Annual Report.</p> <p>2. ESG in our quarterly reporting: We include our ESG performance in the quarterly reports, beginning in the third quarter of 2020.</p> <p>3. Sustainability Accounting Standards Board (SASB) adoption: For the first time, we incorporated the SASB standards to our Integrated Annual Report to disclose on our ESG topics, focusing on the financial materiality of our industry.</p>	<p>1. Integrated Annual Report, page 74 Investor Relation webpage; Financial Information; Annual Reports</p> <p>2. Integrated Annual Report, page 11 Investor Relation webpage; Financial Information; Quarterly Reports</p> <p>3. Integrated Annual Report, page 104 Investor Relation webpage; Financial Information; Annual Reports</p>

Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking	

References:

- Investors Relation Website: <https://investors.banorte.com/en>
- Sustainability Website: <https://investors.banorte.com/en/sustainability>
- Annual Reports (including Integrated Annual Report, PRB Report, Equator Principles Report and CDP): <https://investors.banorte.com/en/financial-information/annual-reports/>

Annex: Definitions

- a. **Impact:** An impact is commonly understood as being a change in outcome for a stakeholder. In the context of these Principles this means (aligned with GRI definition) the effect a bank has on people/the society, the economy and the environment and with that on sustainable development. Impacts may be positive or negative, direct or indirect, actual or potential, intended or unintended, short-term or long-term.
- b. **Significant Impact:** Impact that in terms of scale and/or intensity/salience results in a particularly strong/relevant change in outcome for a stakeholder. In the context of these Principles, the concept of *significant* impact is used to ensure banks focus where their actions/business (can) matter most for people, economy and environment and to provide a reasonable and practical threshold for what issues need to be considered/included, similar to the concept of “materiality”.