



Grupo Financiero Banorte SAB de CV

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

MXN

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:

Other, please specify :Banorte's Financial Group

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of organization

Grupo Financiero Banorte (GFNorte), is a leading financial institution in Mexico, with the largest business diversification and continuously seeking ways to innovate in the financial sector, offering a wide variety of traditional and digital products and services, through its broker dealer, annuities & insurance companies, retirement saving funds (afore), mutual funds, leasing and factoring company, warehousing and recently announcing the inclusion of a digital bank.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

2 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

2 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

2 years

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

134085000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

MXP370711014

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

MXP370711014

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

GFNORTE

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

549300QTVYRPFHS0J362

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

Mexico

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

2274859000000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

- Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

- Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

1682493000000

(1.10.6) Type of clients

Select all that apply

- Government / sovereign / quasi-government / sovereign wealth funds
- Retail clients
- Corporate and institutional clients (companies)
- Business and private clients (banking)

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- | | |
|--|--|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Food, beverage & agriculture |

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

288000000000

(1.10.6) Type of clients

Select all that apply

- Retail clients
- Corporate and institutional clients (companies)
- Business and private clients (banking)

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- | | |
|--|--|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Food, beverage & agriculture |
| <input checked="" type="checkbox"/> Materials | |
| <input checked="" type="checkbox"/> Infrastructure | |
| <input checked="" type="checkbox"/> International bodies | |

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

1168122000000

(1.10.6) Type of clients

Select all that apply

Retail clients

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Fossil Fuels |
| <input checked="" type="checkbox"/> Apparel | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Transportation services | |
| <input checked="" type="checkbox"/> Food, beverage & agriculture | |
| <input checked="" type="checkbox"/> Biotech, health care & pharma | |

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

No, but we plan to do so within the next two years

(1.24.4) Highest supplier tier known but not mapped

Select from:

Tier 1 suppliers

(1.24.8) Primary reason for not mapping your upstream value chain or any value chain stages

Select from:

Not an immediate strategic priority

(1.24.9) Explain why your organization has not mapped its upstream value chain or any value chain stages

Currently, we are focusing our efforts on the downstream part of the value chain as it generates the most representative financial institution's impacts.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Our organization has not yet mapped plastics within our value chain because it is not a primary focus for the Group. However, we recognize the importance and have taken internal measures to reduce single-use plastic consumption within our internal operations. These initiatives include promoting the use of reusable items among our staff and reducing plastic waste in our office environments.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

4

(2.1.4) How this time horizon is linked to strategic and/or financial planning

GF has the MEDIR (Model, Green, Decarbonize, Integrate and Reveal) climate strategy, which includes the modeling of physical, transition and nature risks, design of products and services with positive impacts on the environment and the population, quantification and establishment of goals for emission reductions, integration of the strategy into key management processes and disclosure of information to investors, regulators and the general public.

Medium-term

(2.1.1) From (years)

5

(2.1.3) To (years)

14

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Reduction goals are established for both our portfolios and our operations, developing institutional policies and processes that support the achievement of our objectives and accompanying our clients in achieving them.

Long-term

(2.1.1) From (years)

15

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Stress tests are carried out to allow an orderly understanding of possible future situations to estimate potential losses under different assumptions in which they may materialize, and to evaluate the sensitivity of the portfolio to climate risks and institutional resilience.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from:	Select from:

	Process in place	Dependencies and/or impacts evaluated in this process
	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.7) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- Site-specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- Internal company methods
- Risk models

International methodologies and standards

- IPCC Climate Change Projections

Databases

- Nation-specific databases, tools, or standards

Other

- Internal company methods
- Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- Cyclones, hurricanes, typhoons
- Flood (coastal, fluvial, pluvial, ground water)
- Heavy precipitation (rain, hail, snow/ice)
- Storm (including blizzards, dust, and sandstorms)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Customers
- Employees

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

- No

(2.2.2.16) Further details of process

We have identify, assess and respond to climate-related risks and opportunities of the operations from the following perspectives: (i) We follow a management system for risks assessment through our Environmental Impacts Matrix (RIECM), which prioritize 128 environmental aspects by weighting their type, activity, input and output, six possible environmental impacts, time, gravity, relevance, reversibility and evolution. The result of this assessment comprises values from 0 to 505 (the higher the value, the higher relevance) and determines the impact's significance to prioritize in the short- and long-term. In addition, in this matrix we have identified the current environmental laws that apply to us and if we are complying with it, prioritizing these regulations depending on their economic sanctions. (ii) We have a Command Center called "COPS", which is responsible for monitoring and providing information on the state of the weather on a national scale, with the aim of monitoring and identifying meteorological phenomena that may affect the assets of the company, the different economic activities and the loss of human lives. This is done by consulting the official media of the National Meteorological Service (SMN), a dependency of the National Water Commission (CONAGUA), which is part of the Ministry of the Environment and Natural Resources (SEMARNAT). The COPS is operated by the Protection, Security and Intelligence Directorate. (iii) To address high impact external events, GFNorte has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) that set out guidelines for what to do in case of a sinister based on a same-time data replication system at an alternate computer site. All the above cover the backup and recovery of the Institution's critical applications in the event or any relevant operating contingency such as earthquakes, hurricanes, floods, among other physical events, for one particular site or a definite region that can affect our facilities and by subsequent, our operations. Likewise, we have a methodology for business continuity which is based on the international practices of the DRII (Disaster Recovery International Institute). This methodology is made up of five phases that range from the identification of risks, business areas and processes classified as critical, to monitoring and follow-up for continuous improvement. (iv) There is a Recovery and Continuity Committee, which is the body with faculties for in case of service interruption, evaluate the impact of damages, identify affected business areas, estimate the recovery time. This Committee reports directly to the Risk Policies Committee (CRP). Also, the CPR is in charge of the assessment of the scope and effectiveness of the BCP, its disclosure among the corresponding areas and identification, if the case, of the necessary adjustments for its update and strengthening. At least once a year, the CPR should test the BCP to verify its effectiveness. (v) To assess the potential impacts of acute physical risks in the direct operation of our branches, two exercises were carried out by the methodologies and models risk department for second occasion: the classification of physical risks by State and the evaluation of the impact by cyclones, floodings and storm surge.

[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts
Investing (Asset manager)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts
Investing (Asset owner)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset manager)	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset owner)	Select from:	Select from:	Select from:

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Both risks and opportunities	<input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.6) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

- Climate change

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

22.77

(2.2.6.4) Type of assessment

Select from:

- Quantitative only

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- Apparel
- Materials
- Hospitality
- Fossil Fuels
- Manufacturing
- Infrastructure
- Power generation
- Transportation services
- Food, beverage & agriculture
- Biotech, health care & pharma

(2.2.6.6) Frequency of assessment

Select from:

- Annually

(2.2.6.7) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.6.8) Integration of risk management process

Select from:

- A specific environmental risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- Site-specific

(2.2.6.10) Tools and methods used

Select all that apply

- Environmental Justice Atlas
- Internal tools/methods
- Other, please specify :Equator Principles International Finance Corporation (IFC)

(2.2.6.11) Risk type and criteria considered

Acute physical

- Pollution incident
- Toxic spills
- Wildfires

Chronic physical

- Soil erosion
- Water stress
- Coastal erosion
- Saline intrusion
- Soil degradation
- Declining ecosystem services
- Increased ecosystem vulnerability
- Water quality at a basin/catchment level
- Water availability at a basin/catchment level
- Leaching of hazardous substances from plastics
- Increased levels of environmental pollutants in freshwater bodies
- Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies
- Change in land-use
- Groundwater depletion
- Declining water quality
- Poorly managed sanitation
- Scarcity of land resources

Policy

- Changes to national legislation
- Regulation of discharge quality/volumes
- Poor enforcement of environmental regulation
- Mandatory water efficiency, conservation, recycling, or process standards
- Uncertainty and/or conflicts involving land tenure rights and water rights
- Introduction of regulatory standards for previously unregulated contaminants

- Changes to international law and bilateral agreements
- Statutory water withdrawal limits/changes to water allocation

Market

- Uncertainty about commodity origin and/or legality

Reputation

- Impact on human health
- Stigmatization of sector
- Stakeholder conflicts concerning water resources at a basin/catchment level
- Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers)
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

- Dependency on water-intensive energy sources
- Transition to lower emissions technology and products
- Transition to water efficient and low water intensity technologies and products
- Transition to water intensive, low carbon energy sources

Liability

- Exposure to litigation
- Non-compliance with regulations
- Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- NGOs
- Customers
- Employees
- Indigenous peoples

- Regulators
- Local communities

(2.2.6.13) Further details of process

Since 2012, we have implemented a Social and Environmental Risk Management System (SEMS) aligned with the Equator Principles (PE) in credit risk management processes. The analysis process includes the following stages: (i) Identification: The Social and Environmental Risk Area (ARSA) identifies the potential environmental and social risks and impacts of the credits and verifies that none of the activities to be financed are on the exclusion list (no risky or prohibited activities).. (ii) Categorization: ARSA assigns a level of socio-environmental risk to the credits based on the magnitude of their impacts and the possibility of mitigating them, classified according to the PE as A (high risk), B (medium risk) and C (low risk). (iii) Evaluation: once the financing is categorized, ARSA selects those that must be evaluated through due diligence, depending on the amount of the loan, financial product, destination, and location. All sectors will be subject to evaluation, especially sensitive sectors. The evaluation consists of verifying compliance of the projects to be financed with the national legal framework and PE guidelines, the IFC Performance Standards and the SEMS Evaluation, for which ARSA requests information related to permits from clients., resolutions, licenses, plans, programs, specialized studies and good practices for the preparation of due diligence. (iv) Management: monitoring of the socio-environmental performance of the loans during the financing life cycle. It mainly considers the credits analyzed under the PE and includes annual reviews, ongoing advice to clients and business executives, field visits and monitoring of the reputational risk of the projects. The social and environmental analysis process is documented in due diligence and presented to the Credit Committees prior to credit authorization.

Investing (Asset manager)

(2.2.6.1) Environmental issue

Select all that apply

- Climate change
- Water

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- Dependencies
- Risks
- Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

(2.2.6.4) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- Retail
- Services
- Materials
- Manufacturing
- Transportation services
- Food, beverage & agriculture

(2.2.6.6) Frequency of assessment

Select from:

- Annually

(2.2.6.7) Time horizons covered

Select all that apply

- Not defined

(2.2.6.8) Integration of risk management process

Select from:

- A specific environmental risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- National

(2.2.6.10) Tools and methods used

Select all that apply

- CDP Disclosure Framework
- Internal tools/methods
- UNEP FI Portfolio Impact Analysis Tool for Banks
- Other, please specify :GRI, SASB

(2.2.6.11) Risk type and criteria considered

Reputation

- Impact on human health
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Other reputation, please specify :ESG Controversies

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- Other, please specify :Investees

(2.2.6.13) Further details of process

As signatories of the Principles for Responsible Investment (PRI) since 2020, the Sustainability and Responsible Investment Department annually analyze the ESG performance and transparency, media controversies, including the scope 3, category 15 of listed equity and fixed income (including corporate and sovereign bonds), asset classes. The results are reported to the Asset Management Committee in order to be considered through the investment strategy process. The main objective of this activity is to: (i) Evaluate our portfolio exposure to climate-related risks and opportunities; ii) Understand our issuers strategies related to climate risks and opportunities; (iii) Identify the issuers that represent the largest carbon footprint in the portfolio; and (iv) Make engagements to define GHG emission reduction targets, mitigation and/or adaptation plans in conjunction with the issuers.

Investing (Asset owner)

(2.2.6.1) Environmental issue

Select all that apply

- Climate change
- Water
- Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

99

(2.2.6.4) Type of assessment

Select from:

- Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Food, beverage & agriculture | |

- Biotech, health care & pharma

(2.2.6.6) Frequency of assessment

Select from:

- Annually

(2.2.6.7) Time horizons covered

Select all that apply

- Short-term
- Medium-term

(2.2.6.8) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- Site-specific
- Local
- National

(2.2.6.10) Tools and methods used

Select all that apply

- Drought Stress Testing Tool
- Portfolio temperature alignment
- Scenario analysis
- WRI Aqueduct

(2.2.6.11) Risk type and criteria considered

Acute physical

- Drought
- Heat waves
- Cyclones, hurricanes, typhoons
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)

Chronic physical

- Changing precipitation patterns and types (rain, hail, snow/ice)
- Changing temperature (air, freshwater, marine water)
- Increased severity of extreme weather events
- Precipitation or hydrological variability
- Water stress

Market

- Changing customer behavior

Reputation

- Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers)
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Other reputation, please specify :Issuer of project controversies

Technology

- Transition to increasing recycled content
- Transition to lower emissions technology and products

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- Customers

- Employees
- Local communities
- Indigenous peoples
- Suppliers

(2.2.6.13) Further details of process

We have designed an internal approach to manage climate change in our portfolio with the following actions: - Climate Change Policy - Participation in the Investment Committee - Direct and Collaborative engagement with issuers. In order to identify the environmental impacts and potential investments, each transaction is analyzed and classified according to the level of ESG risk. In this process, risk level of GHG emissions, exposure to climate change, business resilience, initiatives to reduce or mitigate the impact of climate change, alignment with the Paris Agreement and activities that fall under the exclusion list (prohibited activities), is evaluated. Moreover, financed emissions per asset class (scope 3, category 15), and temperature rating were calculated at a portfolio level. Through this exercise, the polluting sectors and the most relevant companies were identified by financed emissions, WACI and intensity per million dollars of income, establishing a list of 23 issuers in the entire portfolio to monitor derived from their level of climate risk (9 issuers concentrate 75% of the financed emissions). Among the actions in process are: active involvement to promote the calculation of the carbon footprint of companies located in polluting sectors, the establishment of GHG reduction targets, adherence to SBTi, better climate-related disclosure and the third-party verification process. In addition, keeping with our commitment to mitigating climate change and aligned with the NDC, we are looking for issuers to align with the Paris Agreement according to the SBTi methodology.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

- Climate change

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

(2.2.6.4) Type of assessment

Select from:

- Qualitative only

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

- Food, beverage & agriculture
- Fossil Fuels
- Hospitality
- Power generation
- Transportation services

(2.2.6.6) Frequency of assessment

Select from:

- Annually

(2.2.6.7) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.6.8) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

- National

(2.2.6.10) Tools and methods used

Select all that apply

- Internal tools/methods

(2.2.6.11) Risk type and criteria considered

Acute physical

- Cyclones, hurricanes, typhoons

Chronic physical

- Water stress

Policy

- Carbon pricing mechanisms

(2.2.6.12) Partners and stakeholders considered

Select all that apply

- Employees

(2.2.6.13) Further details of process

The process of identifying climate risks and opportunities begins with the collection of specific data for each sector exposed to climate change. Subsequently, a review is conducted by the credit monitoring managers in these sectors, analyzing the TCFD reports submitted by the institution and other relevant sources to identify potential impacts. Then, qualitative assessments of physical and transition risks are carried out. The results are reviewed and validated with the sustainability area to integrate these findings into the risk and opportunity identification disclosure.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

An assessment of climate risks and opportunities is in place across the risk, business and sustainability areas to assess the portfolio's exposure to the main climate exposure sectors. The results of the assessment are published in TCFD's annual report. Regarding TNFD, in late 2023, our Board of Directors approved the adoption of this framework, committing to report our results in our annual reports starting from 2025.

[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset manager)	Select from: <input checked="" type="checkbox"/> Yes
Investing (Asset owner)	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- Emissions data
- Energy usage data

(2.2.9.3) Process through which information is obtained

Select all that apply

- Directly from the client/investee
- Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Apparel | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Food, beverage & agriculture |
| <input checked="" type="checkbox"/> Manufacturing | <input checked="" type="checkbox"/> Biotech, health care & pharma |

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

(2.2.9.6) Total portfolio value covered by the process

235549020000.00003

Investing (Asset manager)

(2.2.9.1) Environmental issues covered

Select all that apply

- Climate change
- Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- Emissions data
- Energy usage data
- CDP questionnaire response
- Emissions reduction targets
- Science-Based Net-Zero Targets
- Other, please specify :Our ESG analysis methodology consider more than 200 metrics, defined and weighted according to our industry materiality matrix.
- Water discharge treatment data
- Access to WASH in the workplace
- Water withdrawn from water stressed areas
- Water withdrawal and/or consumption volumes
- Engagement with their value chain on environmental issues

(2.2.9.3) Process through which information is obtained

Select all that apply

- Data provider
- Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- Retail
- Services
- Food, beverage & agriculture

- Materials
- Manufacturing
- Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

83

(2.2.9.6) Total portfolio value covered by the process

239040000000

Investing (Asset owner)

(2.2.9.1) Environmental issues covered

Select all that apply

- Climate change
- Water

(2.2.9.2) Type of environmental information considered

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Emissions data | <input checked="" type="checkbox"/> Emissions reduction targets |
| <input checked="" type="checkbox"/> TCFD disclosures | <input checked="" type="checkbox"/> Science-Based Net-Zero Targets |
| <input checked="" type="checkbox"/> TNFD disclosures | <input checked="" type="checkbox"/> Scope and content of water policy |
| <input checked="" type="checkbox"/> Energy usage data | <input checked="" type="checkbox"/> Water withdrawn from water stressed areas |
| <input checked="" type="checkbox"/> Climate transition plans | <input checked="" type="checkbox"/> Water withdrawal and/or consumption volumes |
| <input checked="" type="checkbox"/> Engagement with their value chain on environmental issues | |

(2.2.9.3) Process through which information is obtained

Select all that apply

- Directly from the client/investee

- From an intermediary or business partner
- Data provider
- Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Retail | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Services | <input checked="" type="checkbox"/> Infrastructure |
| <input checked="" type="checkbox"/> Materials | <input checked="" type="checkbox"/> Power generation |
| <input checked="" type="checkbox"/> Hospitality | <input checked="" type="checkbox"/> International bodies |
| <input checked="" type="checkbox"/> Fossil Fuels | <input checked="" type="checkbox"/> Transportation services |
| <input checked="" type="checkbox"/> Food, beverage & agriculture | |
| <input checked="" type="checkbox"/> Biotech, health care & pharma | |

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

99

(2.2.9.6) Total portfolio value covered by the process

1156440780000

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply

- Climate change

(2.2.9.2) Type of environmental information considered

Select all that apply

- Emissions data

- Energy usage data

(2.2.9.3) Process through which information is obtained

Select all that apply

- Directly from the client/investee
- Data provider
- Public data sources

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

- Fossil Fuels
- Hospitality
- Manufacturing
- Materials
- Transportation services

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

10

(2.2.9.6) Total portfolio value covered by the process

116812200000

[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

Time horizon over which the effect occurs

(2.4.7) Application of definition

The objective is to analyze and evaluate physical and transition risks, as well as the opportunities associated with these risks and the resilience that could be generated in different sectors of the economy concerning climate change. The goal is to provide decision-makers with detailed and relevant information to identify concrete actions that can mitigate risks and leverage identified opportunities, thus contributing to the sustainability and resilience of the institution in the face of climate change. This involves identifying the type of associated risk or opportunity, providing a qualitative description of the risk, assessing the potential impact qualitatively, and determining the timeframe of the possible impact (short, medium, and long term).

Opportunities

(2.4.1) Type of definition

Select all that apply

Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

Time horizon over which the effect occurs

(2.4.7) Application of definition

The objective is to analyze and evaluate physical and transition risks, as well as the opportunities associated with these risks and the resilience that could be generated in different sectors of the economy concerning climate change. The goal is to provide decision-makers with detailed and relevant information to identify concrete actions that can mitigate risks and leverage identified opportunities, thus contributing to the sustainability and resilience of the institution in the face of climate change. This involves identifying the type of associated risk or opportunity, providing a qualitative description of the risk, assessing the potential impact qualitatively, and determining the timeframe of the possible impact (short, medium, and long term).

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(3.1.3) Please explain

We are currently in the process of identifying exposures to credit portfolios, analyzing and quantifying potential current and future impacts. Our commitment to disclose information is from 2026 with fiscal 2025 information.

Water

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Evaluation in progress

(3.1.3) Please explain

We are currently in the process of identifying exposures to credit portfolios, analyzing and quantifying potential current and future impacts. During 2023, we work in analyzing the water stress, by a water safety assessment in Mexico, which is reported in our TCFD Report 2023, and in the following years we are going to quantify the dependencies and impacts of our clients in our credit portfolio.

Plastics

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Not an immediate strategic priority

(3.1.3) Please explain

*The topics of Climate Change, Forests and Water are prioritized in the reporting year.
[Fixed row]*

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Mexico

(3.1.1.9) Organization-specific description of risk

Organizations like the NGFS and the IPCC have modeled various climate scenarios based on greenhouse gas emission concentrations. GFNorte decided to delve deeper into the analysis at the Mexico level to enhance estimations according to our customers' specific characteristics and the collateral exposed to acute climate events, as well as their impacts under various climate change scenarios. Considering different climate scenarios, an exercise was conducted to estimate the impacts on the real-estate and lodging services portfolio, and mortgages.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term
- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- More likely than not

(3.1.1.14) Magnitude

Select from:

- Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Currently, there are no future financial impacts on the organization resulting from the materialization of hydrometeorological risks.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Diversification

Other diversification, please specify :Strengthen the policies of the sectors most affected by the defined climate risks.

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

Currently, there is no estimate of the costs associated with diversification in low-risk areas for the events mentioned.

(3.1.1.29) Description of response

Diversify the locations of collateral and destinations of credits to locations that have a lower risk for the events indicated

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Technology

Transition to lower emissions technology and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Mexico

(3.1.1.9) Organization-specific description of risk

This risk arises due to regulatory and market changes that compel companies to reduce their carbon emissions. Companies that fail to adapt to these new requirements may face high costs to upgrade their technology, loss of competitiveness, and a decrease in demand for their traditional products. For banks, this implies that companies unable to adapt may encounter financial difficulties, increasing the risk of defaulting on their credit obligations.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- 11-20%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

Unknown

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We are currently in the process of identifying current and future risks and opportunities. Our commitment to disclose information is from 2026 with fiscal 2025 information.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Diversification

Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

Currently, there is no estimate of the costs associated with the transition to a zero-carbon economy in the development of new products.

(3.1.1.29) Description of response

Development of new green products and sustainability-linked credit to help companies transition their operations

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Mexico

(3.1.1.9) Organization-specific description of risk

The increased severity and frequency of weather events can cause monetary losses due to limited or temporary closure of branch operations, lack of customer access to financial services, and damage to buildings. We use a theoretical traffic light based impact metric to assess the 3 types of physical risk for our branches, cyclones, floods and storm surge.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Currently, there are no future financial impacts on the organization resulting from the materialization of hydrometeorological risks.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

No

(3.1.1.26) Primary response to risk

Policies and plans

Other policies or plans, please specify :Business Continuity Plan (BCP)

(3.1.1.27) Cost of response to risk

2814153

(3.1.1.28) Explanation of cost calculation

The cost of response to the risk considers the adaptation of a branch to a "Bunker Branch" (i) A Bunker Branches is a branch with infrastructure adaptations that include an emergency plant, anticyclonic curtains, satellite link and engineering, which allow us to provide operational continuity to our clients in the event of any contingency and/or disaster in the affected area.

(3.1.1.29) Description of response

To determine the new or existing branches that are suitable under the modality of a Bunker Branch, we hold different working groups in which the commercial team participates as receiving client, the Material Resources Department and the Technology Department in charge of the implementation, as well as the Protection, Security and Intelligence Department and the Business Continuity Department for feasibility and advice for enabling support. Bunker Branches should be located in geographical areas of high hydrometeorological risk, have alternate routes for clients and collaborators to enter the site, in addition to criteria of coverage and profitability of the branch in question.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Liability

- Non-compliance with legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

- Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Mexico

(3.1.1.9) Organization-specific description of risk

According to the regulations of the Mexican General Law of Climate Change (LGCC) in relation with the National Emissions Register (RENE), article 3. VI-h, the companies from financial sector that emit more than 25,000 tonnes of CO2 equivalent from their entire operations are obligated to report their emissions in the Annual Certificate of Operation (COA). Also, in the transients of the law are set ranges of tonnes of CO2 equivalent by year that are obligated to verify their emissions by an accredited external auditor. Our Company falls in a regulated category, considering 99% of its operations are in Mexican territory and they generate around 60 thousand tons of CO2e each year

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

- Less than 1%

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very unlikely

(3.1.1.14) Magnitude

Select from:

Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If the data and documents required are not submitted the Federal Environmental Protection Agency (PROFEPA) may impose a fine of 86,435 to 518,610 MXN. Reporting false information should imply a fine of 518,610 to 1,728,700 MXN. This amount can be tripled in case of recurrence (5,186,100 MXN).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

86435

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

5186100

(3.1.1.25) Explanation of financial effect figure

If the data and documents required are not submitted the Federal Environmental Protection Agency (PROFEPA) may impose a fine of 86,435 to 518,610 MXN. Reporting false information should imply a fine of 518,610 to 1,728,700 MXN. This amount can be tripled in case of recurrence (5,186,100 MXN).

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

- Greater compliance with regulatory requirements

(3.1.1.27) Cost of response to risk

120000

(3.1.1.28) Explanation of cost calculation

Cost is associated with an external verification.

(3.1.1.29) Description of response

Every year we collect the necessary data to calculate emissions with 100% coverage of GFNorte and these data is verified voluntary by an external auditor since 2012 and regulatory by an accredited entity every three years. Since 2017, we have created an emissions management system aligned with the ISO14064 standard for emissions accounting, which is also verified. This action ensures that there will be continuity in the event of a sudden change of responsibilities in the Sustainability Department.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

- Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

7.1

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

3.4

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

1-10%

(3.1.2.7) Explanation of financial figures

*The percentage of high exposure to physical and transition risk credit portfolios over the total majority credit portfolio is determined.
[Add row]*

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

Yes, we have identified opportunities, and some/all are being realized

Forests

(3.6.1) Environmental opportunities identified

Select from:

No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

Evaluation in progress

(3.6.3) Please explain

We are currently working in analyzing the opportunities for projects focus on the reforestations in Mexico's locations with high deforestation rates. Our commitment to disclose information is from 2026 with fiscal 2025 information.

Water

(3.6.1) Environmental opportunities identified

Select from:

No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(3.6.3) Please explain

We are currently in the process of identifying current and future risks and opportunities. Our commitment to disclose information is from 2026 with fiscal 2025 information.

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

Increased diversification of financial assets [e.g., green bonds and infrastructure]

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Mexico

(3.6.1.8) Organization specific description

Though the latest years with the aim to boost sustainability issues in the financial markets we have developed a Sustainable Bond Framework,(SBF). For sustainable bonds issuance, all the proceeds will be used to finance or refinance, in whole or in part, loans to eligible companies or projects that provide positive environmental and/or social impacts that fall into the eligible categories based on the International Capital Market Association (ICMA) Green Bond Principles (GBP) and the Social Bond Principles (SBP). In 2023, we did an update of the categories eligibles, they are; Renewable Energy, Energy Efficiency, Green Buildings, Environmentally

sustainable management of living natural resources and land use, Clean Transportation, Sustainable water and wastewater management, Circular economy adapted products, production technologies and processes, and/or certified eco-efficient products and Pollution prevention and control. Social projects that apply to any category mentioned before and meet the corresponding description must have positive social results especially, but not exclusively, for a specific group of the target population. The benefits from issuing a thematic bond are: (i) Increase our investor diversification; (ii) Increase in the demand of the debt issued; (iii) Strengthen our commitment with sustainability to investors and other stakeholders; and (iv) Contribute to internal and external sustainability commitments in line with SDGs and Paris Agreement.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased diversification of financial assets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

- Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Access to new financing options, such as green, social and sustainable credit lines, will allow the bank to diversify its credit portfolio and attract potential clients interested in sustainable projects.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

10000000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

15000000000

(3.6.1.23) Explanation of financial effect figures

It is estimated that the resources of the fund obtained through the issuance of the bond will be directed to projects related to the categories defined within the Framework: https://investors.banorte.com//media/Files/B/Banorte-IR/Sustainability%202024/Sustainability%20Finance%20Framework_Banorte_190124.pdf

(3.6.1.24) Cost to realize opportunity

473018

(3.6.1.25) Explanation of cost calculation

A second-party opinion (SPO) gives investors confidence as it ensures that the thematic bonds issuance are in line with market expectations and industry best practices. Banorte hired Sustainalytics to review the Sustainability Bond Framework and provide a SPO on the Framework's environmental and social credentials, as well as its alignment with the Green Bond Principles (GBP) and Social Bonds Principles (SBP). Also, there are additional costs associated with issuance in the market that are not being considered within the cost to realize the opportunity since they will depend on how the management is carried out and the characteristics of the bond.

(3.6.1.26) Strategy to realize opportunity

Allocate the resources to finance projects that adhere to the guidelines outlined in the Framework.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Other products and services opportunity, please specify :Development and/or expansion of low emission goods and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Mexico

(3.6.1.8) Organization specific description

We have identified a number of opportunities by offering services such as advice on best practices to promote new projects focused on reducing emissions that require financing for their implementation. In very specific cases, for the real estate sector, attracting clients by offering sustainable products for financing buildings with low-carbon technologies and sustainable building certifications. Finally, for the transportation sector, there are opportunities in the financing of sustainable products such as low-emission transportation, such as hybrid, electric vehicles. In addition, the opportunities that are identified in other sectors in the approach to clients.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

Increased diversification of financial assets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Electrifying transportation is one crucial way to decarbonize the economy and support the right to a healthy environment. In fact, electric mobility is emerging as one of the main action lines that various countries have adopted as part of their strategies against climate change. In line with national electric mobility goals, GFNorte launched its Autoestrene Verde product in April 2022, designed to finance the acquisition of hybrid and electric vehicles. It quickly became a market leader, adding a value of MXN571.6 mn to the bank's portfolio through the placement of 868 loans by the end of 2023.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

By including climate change in its comprehensive environmental risk assessment, Banorte can better anticipate and prepare for these various threats, ensuring the resilience and long-term sustainability of its operations. The institution also has the opportunity to offer more robust underwriting and refinancing services. These could include natural disaster insurance and flexible refinancing options for affected clients. There is also an opportunity to invest in climate-resilient infrastructure, both in terms of physical construction and digitization of services, to mitigate these risks and ensure continuity of operations.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

(3.6.1.23) Explanation of financial effect figures

Electrifying transportation is one crucial way to decarbonize the economy and support the right to a healthy environment. In fact, electric mobility is emerging as one of the main action lines that various countries have adopted as part of their strategies against climate change. In line with national electric mobility goals, GFNorte launched its Autoestrene Verde product in April 2022, designed to finance the acquisition of hybrid and electric vehicles. It quickly became a market leader, adding a value of MXN571.6 mn to the bank's portfolio through the placement of 868 loans by the end of 2023.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

There is currently no cost associated with this opportunity.

(3.6.1.26) Strategy to realize opportunity

By including climate change in its comprehensive environmental risk assessment, Banorte can better anticipate and prepare for these various threats, ensuring the resilience and long-term sustainability of its operations. The institution also has the opportunity to offer more robust underwriting and refinancing services. These could include natural disaster insurance and flexible refinancing options for affected clients. There is also an opportunity to invest in climate-resilient infrastructure, both in terms of physical construction and digitization of services, to mitigate these risks and ensure continuity of operations. This would include continuous monitoring of climate risks, integrating environmental risks into financial decision-making, and improving transparency and disclosure of climate risks.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

571600000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

Less than 1%

(3.6.2.4) Explanation of financial figures

In line with national electric mobility goals, GFNorte launched its Autoestrene Verde product in April 2022, designed to finance the acquisition of hybrid and electric vehicles. It quickly became a market leader, adding a value of MXN571.6 mn to the bank's portfolio through the placement of 868 loans by the end of 2023.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Non-executive directors or equivalent

Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Policy for the Operation of the Nomination Committee, it says in chapter IV. "DUTIES AND FUNCTIONS" that best efforts shall be used to promote dignity, equality, inclusion and diversity (gender, race, nationality, culture, beliefs, language, marital status, ideology, political opinions or any other personal, physical or social condition) and to prevent discrimination at all times. It also states the commitment of all levels of the organization to diversity shall be guaranteed, especially by the Board of Directors and the executive team.

(4.1.6) Attach the policy (optional)

Política Comit de Nominaciones ingles.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

Yes

Forests

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

No, but we plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

No standardized procedure

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

We continue to work on understanding information and reporting requirements to implement methodologies and guidelines focused on forests issues and then communicate it to the board-level committee. Our commitment to disclose information is from 2026 with fiscal 2025 information.

Water

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

No, but we plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

Not an immediate strategic priority

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

We are working on expanding its reach in water issues. We are already exploring the different risks involving shortage of water and drought issues in our banking activities, our commitment to disclose information is from 2026 with fiscal 2025 information

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

Monitoring progress towards corporate targets

Monitoring the implementation of a climate transition plan

Overseeing and guiding the development of a business strategy

(4.1.2.6) Scope of board-level oversight

Select all that apply

Risks and opportunities to our own operations

Risks and opportunities to our banking activities

(4.1.2.7) Please explain

In April 2023, within the Risk Policies Committee, it was reported that the Climate Risks and Opportunities Report (TCFD) would be presented for the second consecutive year, which includes the quantification of emissions and decarbonization goals for the following sectors: Oil and Gas, Energy and Mortgage. Likewise, in May 2023, the process of evaluating physical and transition risks in the portfolio within the TCFD was presented, as well as the following to improve the measurement of climate risk in it. Furthermore, in August 2023, the members of the Risk Policies Committee were informed of the road map for the climate transition strategy, mentioning the 5 pillars of the climate strategy; Model, Green, Decarbonize, Integrate and Reveal. In 2023, our effort focused on the quantification of operational emissions of scope 1 and 2, on the measurement of financed emissions (scope 3) in the credit portfolio of Grupo Financiero Banorte and on the emissions of the investment portfolio of the Banortes Asset Manager. Likewise, we prioritize the definition of goals, the analysis of physical, transition and nature risks, the development of climate scenarios and stress tests.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Chief Risk Officer (CRO)
- Chief Sustainability Officer (CSO)

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- No

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving corporate policies and/or commitments
- Overseeing and guiding the development of a business strategy

(4.1.2.6) Scope of board-level oversight

Select all that apply

- Risks and opportunities to our banking activities

(4.1.2.7) Please explain

We have a "Climate Risk and Nature" work cell in which the analysis of the priority sectors for the economy of the country in which we operate is monitored monthly. Once a greater maturity in the subject is acquired, it will be presented within the Policy and Risk Committee, which in turn reports to the Board of Directors.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

No, but we plan to within the next two years

(4.2.4) Primary reason for no board-level competency on this environmental issue

Select from:

No standardized procedure

(4.2.5) Explain why your organization does not have a board with competence on this environmental issue

We are in the process of developing comprehensive training programs for our board members to enhance their understanding of environmental issues, these efforts are part of our broader commitment to ensuring that environmental considerations are thoroughly integrated into our governance structures.

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

No, but we plan to within the next two years

(4.2.4) Primary reason for no board-level competency on this environmental issue

Select from:

- No standardized procedure

(4.2.5) Explain why your organization does not have a board with competence on this environmental issue

We are in the process of developing comprehensive training programs for our board members to enhance their understanding of environmental issues, these efforts are part of our broader commitment to ensuring that environmental considerations are thoroughly integrated into our governance structures.

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

Climate change

(4.3.1) Management-level responsibility for this environmental issue

Select from:

- Yes

Forests

(4.3.1) Management-level responsibility for this environmental issue

Select from:

- Yes

Water

(4.3.1) Management-level responsibility for this environmental issue

Select from:

- No, but we plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

Select from:

- No standardized procedure

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

We are currently in the initial stages of understanding the full scope and impact of these challenges on our operations. We are actively working on developing a framework that will enable us to address these issues more effectively and ensure that appropriate accountability is established as a part of our sustainability strategy.

Biodiversity

(4.3.1) Management-level responsibility for this environmental issue

Select from:

- Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

- Other, please specify :Managing Director of Credit and Climate Risk Management

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities

- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments

Strategy and financial planning

- Conducting environmental scenario analysis
- Developing a climate transition plan
- Implementing a climate transition plan
- Implementing the business strategy related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Risks Officer (CRO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

As of February 2024, the Managing Director of Credit and Risk Management, formally assumed the role of Managing Director of Credit and Climate Risk Management and reports directly to the CRO. With this new responsibility, his department will lead, coordinate, and manage the Climate Risk and Decarbonization Goals of Grupo Financiero Banorte's credit portfolio, in addition to its previous functions. The progress of these goals and risk assessment will be reported to the Policies and Risks Committee that meets monthly and is made up of proprietary members of the Board of Directors, the General Director, the head of the Comprehensive Risk Management Unit., among others.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Engagement

- Managing engagement in landscapes and/or jurisdictions

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Setting corporate environmental policies and/or commitments

Strategy and financial planning

- Developing a climate transition plan

(4.3.1.4) Reporting line

Select from:

- Reports to the Chief Financial Officer (CFO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Annually

(4.3.1.6) Please explain

The Chief Sustainability Officer reports directly to the Chief Financial Officer, and is in charge of implementing initiatives associated with reforestation in Mexico. The monitoring of this initiative is reported to the Sustainability Committee that serves to the Policy and Risk Committee, and which in turn reports to the Board of Directors.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Annually

(4.3.1.6) Please explain

The Chief Sustainability Officer reports directly to the Chief Financial Officer, and is in charge of coordinating and managing dependencies, impacts, risks and opportunities of Grupo Financiero Banorte in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) that will be revealed in 2026 with data from fiscal year 2025. The monitoring of this report and the actions developed for this initiative are reported to the Sustainability Committee that serves the Policy and Risk Committee, and which in turn reports to the Board of Directors.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The Chief Sustainability Officer reports directly to the Chief Financial Officer, and is responsible for coordinating and managing the sustainability strategy regarding climate change, its governance and the progress of corporate targets under the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD), which since 2021 has been disclosed including portfolio risk management. The progress of this report and the actions developed for this initiative are reported to the Policy and Risk Committee, which in turn reports to the Board of Directors.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Measuring progress towards environmental science-based targets

Strategy and financial planning

- Developing a climate transition plan
- Implementing a climate transition plan
- Managing environmental reporting, audit, and verification processes

(4.3.1.3) Coverage of responsibilities

Select all that apply

- Dependencies, impacts, risks, and opportunities related to our banking activities
- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- Quarterly

(4.3.1.6) Please explain

The GFNorte Sustainability Committee is responsible for defining the strategy sustainability of the group, align it with the corporate objectives and implement it through of ESG initiatives led by management strategies that make it up, Additionally, the Sustainability Committee oversees the management of risks and environmental and social impacts in decision making and the application of best corporate governance practices, stimulating the participation of Group leaders in all levels, besides that, is in charge of supervising the Subcommittee on Diversity, Equity and Inclusion. The Sustainability Committee reports to the Risk Policies that in turn are accountable to the Board of Directors. The Sustainability Committee meets three times a year. During 2023, it submitted topics such as: • Continuous improvement of our accountability of the integrated annual report and TCFD report • Quantification of emissions and definition of goals • Creation of the various cells that report to the Sustainability Working Group • Green products • Training on sustainability issues • Update of social policies • Launch of the TNFD • Involvement with stations.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

0

(4.5.3) Please explain

The compensation of the C-suites is not yet linked to any of the climate targets of the Group.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

No, but we plan to introduce them in the next two years

(4.5.3) Please explain

We are still working on the evaluation of the methodologies, therefore there is still no implementation of monetary incentives linked to this environmental aspect.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

- No, but we plan to introduce them in the next two years

(4.5.3) Please explain

*We are still working on the evaluation of the methodologies, therefore there is still no implementation of monetary incentives linked to this environmental aspect.
[Fixed row]*

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Sustainability Officer (CSO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

- Board approval of climate transition plan
- Achievement of climate transition plan

Emission reduction

- Implementation of an emissions reduction initiative
- Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Improvements in emissions data, reporting, and third-party verification

Engagement

- Increased engagement with customers on environmental issues
- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)

(4.5.1.5) Further details of incentives

Monetary incentives are attached to targets defined by the departments and are entered into the internal performance evaluation platform. This platform allows us to track progress and determine whether these goals have been met.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The scope of each position's goals depends on their specific functions, in the case of the Chief Sustainability Officer they include the following aspects: I) Climate Governance: Creation of policies and definition of climate-related training II) Climate Strategy: Definition, validation, implementation and monitoring of the climate change strategy III) Accountability: Generation, review and approval of mandatory and voluntary reports on climate change.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Risks Officer (CRO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Other targets-related metrics, please specify :Calculation and monitoring of scope 3, category 15 emissions - credit portfolio investments.

Emission reduction

- Other emission reduction-related metrics, please specify :Identification and monitoring of physical and transition risks in the credit portfolio.

Policies and commitments

- Other policies and commitments-related metrics, please specify :Development and implementation of policies for sensitive sectors.

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)

(4.5.1.5) Further details of incentives

Monetary incentives are attached to targets defined by the departments and are entered into the internal performance evaluation platform. This platform allows us to track progress and determine whether these goals have been met.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The scope of each position's goals depends on their specific functions, in the case of the Chief Risk Officer they include the following aspects: I) Creation of policies and definition of climate-related training; II) Definition, validation, implementation and monitoring of the climate change strategy; III) Generation, review and approval of mandatory and voluntary reports on climate change; IV) Development and continuous improvement, validation, implementation, and monitoring of internal models for the management of physical and transition risks under various climate scenarios, as well as climate stress tests; V) Quantification of Scope 1, 2, and 3 GHG emissions, as well as the measurement of progress toward GHG emissions reduction targets

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets

Strategy and financial planning

- Achievement of climate transition plan

Resource use and efficiency

- Improvements in emissions data, reporting, and third-party verification

Engagement

- Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)

(4.5.1.5) Further details of incentives

Monetary incentives are attached to targets defined by the departments and are entered into the internal performance evaluation platform. This platform allows us to track progress and determine whether these goals have been met.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The scope of each position's goals depends on their specific functions, in the case of the Chief Sustainability Officer they include the following aspects: I) Climate Strategy: Definition, validation, implementation and monitoring of the climate change strategy, II) Metrics and Targets: Quantification of Scope 1, 2, and 3 GHG emissions, as well as the measurement of progress toward GHG emissions reduction targets, III) Accountability: Generation, review and approval of mandatory and voluntary reports on climate change.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

- Risk manager

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Other targets-related metrics, please specify :Calculation and monitoring of scope 3, category 15 emissions - credit portfolio investments.

Emission reduction

- Other emission reduction-related metrics, please specify :Identification and monitoring of physical and transition risks in the credit portfolio.

Policies and commitments

- Other policies and commitments-related metrics, please specify :Development and implementation of policies for sensitive sectors.

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

The incentives are not linked to an incentive plan, or equivalent (e.g. discretionary bonus in the reporting year)

(4.5.1.5) Further details of incentives

Monetary incentives are attached to targets defined by the departments and are entered into the internal performance evaluation platform. This platform allows us to track progress and determine whether these goals have been met.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The scope of each position's goals depends on their specific functions, in the case of the Manager of the Wholesale Credit Risk, they include the following aspects: I) Climate Strategy: Definition, validation, implementation and monitoring of the climate change strategy, II) Metrics and Targets: Quantification of Scope 1, 2, and 3 GHG emissions, as well as the measurement of progress toward GHG emissions reduction targets, III) Accountability: Generation, review and approval of mandatory and voluntary reports on climate change, IV) Climate Related Risks: Development and continuous improvement, validation, implementation, and monitoring of internal models for the management of physical and transition risks under various climate scenarios, as well as climate stress tests.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Portfolio

(4.6.1.4) Explain the coverage

This policy is applied to all companies relating to Grupo Financiero Banorte.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to respect legally designated protected areas

Social commitments

- Adoption of the UN International Labour Organization principles
- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with another global environmental treaty or policy goal, please specify

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Socio-environmental Risk Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

- Forests
 Water
 Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
 Portfolio

(4.6.1.4) Explain the coverage

This policy is applied to all companies relating to Grupo Financiero Banorte.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to no trade of CITES listed species
- Commitment to respect legally designated protected areas

Social commitments

- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with another global environmental treaty or policy goal, please specify

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

Natural Capital Policy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Selected facilities, businesses or geographies only

(4.6.1.3) Value chain stages covered

Select all that apply

- Portfolio

(4.6.1.4) Explain the coverage

This policy applies only to listed equity and fixed income assets of Banortes Asset Manager, which is a subsidiary of Grupo Financiero Banorte.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to stakeholder engagement and capacity building on environmental issues

Additional references/Descriptions

- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

PolticalInversinResponsable_en.pdf

Row 4

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Water
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Portfolio

(4.6.1.4) Explain the coverage

This policy is applied to all companies relating to Grupo Financiero Banorte.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance

Water-specific commitments

- Commitment to water stewardship and/or collective action

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with another global environmental treaty or policy goal, please specify

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

PolticaAmbiental_en.pdf
[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

Banking (Bank)

(4.7.1) Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies

Select from:

Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

Investing (Asset manager)

(4.7.1) Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies

Select from:

No, but we plan to include environmental requirements and/or exclusion policies in our policy framework in the next two years

(4.7.2) Primary reason for not including both policies with environmental client/investee requirements and environmental exclusion policies in your policy framework for portfolio activities

Select from:

Not an immediate strategic priority

(4.7.3) Explain why the policy framework for your portfolio activities does not include both policies with environmental client/investee requirements and environmental exclusion policies

We are currently focusing on analyzing in detail the risks and impacts of the portfolio of Banorte's Asset Manager and since these are clear, we will explore the definition of environmental requirements, as long as it is feasible given the limitations of the Mexican market and the regulations applicable to asset managers.

Investing (Asset owner)

(4.7.1) Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies

Select from:

Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.7.1.2) Type of policy

Select all that apply

- Other banking policy, please specify :Socio-Environmental Risk Policy

(4.7.1.3) Public availability

Select from:

- Publicly available

(4.7.1.4) Attach the policy

Socio-environmental Risk Policy.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

- Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

- Retail
- Apparel
- Fossil Fuels
- Manufacturing

- Services
- Materials
- Hospitality
- Food, beverage & agriculture
- Biotech, health care & pharma

- Infrastructure
- Power generation
- Transportation services

(4.7.1.7) Commodities covered by the policy

Select all that apply

- All agricultural commodities

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- Production
- Processing
- Trading
- Manufacturing
- Retailing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

14

(4.7.1.10) Basis of exceptions to policy

Select all that apply

- Line of Business
- Transaction size

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Based on the Equator Principles: (<https://investors.banorte.com//media/Files/B/Banorte-IR/financial-information/annual-reports/en/2024/Equator%20Principles%20Annual%20Report%202023.pdf>) and the IFC Exclusion List (<https://investors.banorte.com//media/Files/B/Banorte-IR/Sustainability%202021/Exclusion%20List%20Banorte.pdf>).

(4.7.1.12) Requirements for clients/investees

Environmental commitments

- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to respect legally designated protected areas
- Commitment to stakeholder engagement and capacity building on environmental issues

Social commitments

- Adoption of the UN International Labour Organization principles
- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights
- Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions

- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

- Yes

(4.7.1.14) % of clients/investees compliant with the policy

1

(4.7.1.15) % of portfolio value that is compliant with the policy

(4.7.1.16) Target year for 100% compliance

Select from:

- We have not set a target for 100% compliance

Investing (Asset owner)

(4.7.1.1) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.7.1.2) Type of policy

Select all that apply

- Sustainable/Responsible Investment Policy

(4.7.1.3) Public availability

Select from:

- Publicly available

(4.7.1.4) Attach the policy

politica-inversion-responsable.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

- Direct operations and upstream/downstream value chain

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

- Retail
- Services
- Materials
- Fossil Fuels
- Manufacturing
- Biotech, health care & pharma
- Infrastructure
- Power generation
- International bodies
- Transportation services
- Food, beverage & agriculture

(4.7.1.7) Commodities covered by the policy

Select all that apply

- Timber products

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

- Production
- Processing
- Trading
- Manufacturing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

99

(4.7.1.10) Basis of exceptions to policy

Select all that apply

- Geography
- Transaction size

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

Although Afore XXI Banorte seeks to evaluate 100% of its portfolio, it has cases in which, due to the size of the transaction, it only reports the ESG findings to the issuer through a statement where it seeks for the issuer to identify the aspects that we consider they have areas of opportunity, however, due to the low participation in the transaction, no commitments are established with the issuers. Although, the idea of the statement is precisely to prepare the issuer so that if we increase our participation, we can follow up on the identified findings and, if we already have a relevant weight, request the signing of a commitment letter with the issuer.

(4.7.1.12) Requirements for clients/investees

Environmental commitments

- Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to stakeholder engagement and capacity building on environmental issues

Social commitments

- Adoption of the UN International Labour Organization principles
- Commitment to promote gender equality and women's empowerment
- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights
- Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions

- Description of impacts on natural resources and ecosystems
- Description of environmental requirements for procurement
- Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns
- Reference to timebound environmental milestones and targets

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

- Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

Already met

[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

Other, please specify :Coal projects, including coal, coke, and coal by products; and activities related to unconventional oil & gas are also restricted.

(4.7.2.3) Year of exclusion implementation

2023

(4.7.2.4) Phaseout pathway

Select all that apply

Other, please specify :This policy includes projects or expansion of existing projects. As well as companies where a material part of their annual income or installed capacity for power generation is related to the activities mentioned.

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

Mexico

(4.7.2.7) Description

Because of the high greenhouse gas emissions produced by coal projects, including coal, coke, and coal byproducts, Banorte progressively restricts investment in these until completely prohibiting them in 2030. Activities related to unconventional oil & gas are also restricted, given their higher carbon, sulfur, and impurities content. These include tar sands, shale, arctic, and offshore oil & gas, as well as liquefied natural gas derived from the aforementioned sources. This policy includes projects or expansion of existing projects related to the activities mentioned in the previous paragraph, as well as companies where a material part of their annual income or installed capacity for power generation is related to the activities mentioned in the previous paragraph. Exemptions from the policy are granted to companies whose financing is specifically and exclusively dedicated to decarbonization or transitioning to zero-carbon emission alternatives. This policy will begin gradually restricting financing with a transitional limit starting from January 2024, which is reduced steadily until January 1, 2030, when total prohibition will be enforced.

[Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.8.1) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

Select all that apply

- Forests
- Water

(4.8.1.2) Types of covenants used

Select all that apply

- Covenants related to compliance with your environmental policies

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

- Corporate loans

(4.8.1.4) Criteria for how covenants are applied

Select from:

- New business/investment for new projects

(4.8.1.5) % of clients covered by covenants

0.12

(4.8.1.6) % of portfolio covered in relation to total portfolio value

1.43

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

In accordance with our social and environmental risk policies and processes, if the projects and/or companies that we finance present deviations in compliance with national laws, they alter, damage or destroy sensitive areas, GFNorte will condition or stop the financing until the project re-establishes compliance and apply the best international practices in the determined period of time.

[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

Yes, as the default investment strategy for all plans

(4.9.2) Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

Employees have a retirement plan called "Plan de Contribución Definida", which is in addition to the retirement savings plan scheme established by Mexican law. This plan allows employees to save a percentage of their salary and Banorte also makes a complementary contribution. The plan is administered by our Afore XXI Banorte, which is a signatory of the Principles of Responsible Investment (PRI) since 2017. For more information about Afore XXI Banorte responsible investment strategy and performance, visit the following link (only available in Spanish): <https://www.xxibanorte.com/asg/>

Forests

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

No, but we plan to incorporate in the next two years

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

We have not yet implemented a pension plan that incorporates environmental criteria related to forests due to the current focus on traditional investment strategies. At this stage, our pension plan structures are only designed to incorporate climate risk management.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

- No, but we plan to incorporate in the next two years

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

We have not yet implemented a pension plan that incorporates environmental criteria related to water due to the current focus on traditional investment strategies. At this stage, our pension plan structures are only designed to incorporate climate risk management.
[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- UNEP FI
- UN Global Compact
- Equator Principles
- Net Zero Banking Alliance
- Natural Capital Coalition
- Natural Capital Finance Alliance (NCFA)

- Climate Action 100+
- CDP Investor Signatory
- Partnership for Carbon Accounting Financials (PCAF)
- Paris Agreement Capital Transition Assessment (PACTA)
- Task Force on Nature-related Financial Disclosures (TNFD)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Science-Based Targets Initiative for Financial Institutions (SBTi-FI)
- Principles for Responsible Investment (PRI)
- UNEP FI Principles for Responsible Banking

(4.10.3) Describe your organization's role within each framework or initiative

Principles for Responsible Banking (PRB): In 2018 we became founding members of the PBRs that promote the alignment of financial institutions with the Paris Agreement and the Sustainable Development Goals (SDGs). Equator Principles (EP): In 2012 we committed to these Principles, which represent the highest standard for environmental and social risk management in financing activities. Responsible Investment Principles (PRI): In 2017 we adhered to the six principles that promote incorporating ESG aspects in investment operations. Task Force on Climate-related Financial Disclosures (TCDF). In 2021 we supported the TCFD and aligned ourselves with the four recommendations of the initiative. Net Zero Banking Alliance (NZBA). In 2021 we also join the global commitment to achieve net zero carbon emissions by 20250. Task Force on Nature-related Financial Disclosures (TNFD): In 2021 we joined the TNFD that seeks financial and non-financial companies to support the generation of positive flows for nature. PCAF: In 2022 we joined the global initiative that offers methodologies to quantify the financed issues of our credit portfolio. Mexican Alliance for Biodiversity and Business (AMEBIN). Since 2016 we have supported AMEBIN, an initiative that brings together the public and private sectors, civil associations, academia and NGOs for the purpose of rational use and conservation of biodiversity.
 [Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

Paris Agreement

(4.11.4) Attach commitment or position statement

Report on Climate - Related Risks and Opportunities TCFD 2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

We collaborate in the thematic working group on Gender Equality led by the Ministry of Finance and Public Credit for the implementation of the Sustainable Taxonomy of Mexico, which was published in 2023. In addition, we participate in the Sustainability Committee of the Association of Banks of Mexico (ABM), where regulatory proposals that have implications for the union are reviewed, we also participate in the Sustainable Finance Committee of the Mexican Association of Stock Market Intermediaries (AMIB) to review proposals for adjustments in the regulation related to the union. In both cases, our participation lies in the knowledge of market trends and adjustments in regulatory proposals. On the other hand, we collaborate with the Mexican Council of Sustainable Finance and its allies (ABM, GFANZ) sharing BANORTE's experience in the implementation of projects aligned with the Bank's climate strategy.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

- Other trade association in North America, please specify :Association of Mexican Banks (ABM)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Given that we are a public company, through the Mexican Stock Exchange, as well as the Association of Banks of Mexico, we are made aware of the adjustment proposals of the National Banking and Securities Commission regarding the regulation that concerns us., e.g. the Single Circular for Issuers and the Single Circular for Investment Funds and on this, comments or observations are made for them to be considered by the authority before its implementation.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The aim of this funding is to maintain the operation of the Organizations that are independent of the regulator.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

Other trade association in North America, please specify :Mexican Association of Securities Intermediaries (AMIB)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, and they have changed their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

In accordance with the regulations applicable to the Asset Manager, we actively participate in various committees of the Mexican Association of Security Intermediaries (AMIB) to contribute to the development of best practices in the financial industry, keep us up to date with the market trends, implement and comply with regulatory changes. Additionally, we seek to promote innovation and transparency in our operational processes and risk management, with the objective of providing a quality and trustworthy service.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

431231.16

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The aim of this funding is to maintain the operation of the Organizations that are independent of the regulator.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

GRI

Other, please specify :SASB

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Water accounting figures
- Content of environmental policies

(4.12.1.6) Page/section reference

286-305

(4.12.1.7) Attach the relevant publication

Integrated Annual Report 2023.pdf

(4.12.1.8) Comment

Integated Annual Report 2023.

Row 3

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- TCFD
- TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Strategy
- Governance
- Emission targets
- Emissions figures
- Risks & Opportunities
- Content of environmental policies

(4.12.1.6) Page/section reference

All

(4.12.1.7) Attach the relevant publication

Report on Climate - Related Risks and Opportunities TCFD 2023.pdf

(4.12.1.8) Comment

Report on Climate - Related Risks and Opportunities TCFD 2023

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

We are currently establishing a dedicated team to address nature risk issues. While the team is not yet officially in place, we are making preparations and gathering the necessary resources for its future integration into our strategy. Over the next two years, we intend to conduct risk assessments of forests, biodiversity, pollution and further analyse water-related risks.

Water

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

First time carrying out analysis

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

NGFS scenarios framework, please specify :Net Zero 2050

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Reputation
- Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital

Stakeholder and customer demands

- Impact of nature footprint on reputation

Regulators, legal and policy regimes

- Global targets
- Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 C through stringent climate policies and innovation, reaching net zero CO₂ emissions around 2050. The Net Zero scenario considers structural changes and assumes the introduction of ambitious climate policies immediately, which decreases the likelihood that companies will be prepared to deal with the changes. CDR is used to accelerate the decarbonization but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO₂ emissions reach zero around 2050, giving at least a 50 % chance of limiting global warming to below 1.5 C by the end of the century, with no or low overshoot (

(5.1.1.11) Rationale for choice of scenario

These scenarios are of particular relevance for Mexico and for Banorte.

Water

(5.1.1.1) Scenario used

Water scenarios

- WRI Aqueduct

(5.1.1.3) Approach to scenario

Select from:

- Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

- 2030

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes in ecosystem services provision
- Other local ecosystem asset interactions, dependencies and impacts driving forces, please specify :Seguridad hídrica

Stakeholder and customer demands

- Sensitivity to inequity of nature impacts

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The Aqueduct team works one-on-one with companies, governments and research partners through the Aqueduct Alliance to help advance best practices in water resource management and enable sustainable growth in a water-constrained world. Water Security analysis based on four criteria: availability, accessibility, safety and quality.

(5.1.1.11) Rationale for choice of scenario

These scenarios are of particular relevance for Mexico and for Banorte.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

- NGFS scenarios framework, please specify :Delayed Transition

(5.1.1.3) Approach to scenario

Select from:

- Quantitative

(5.1.1.4) Scenario coverage

Select from:

- Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Reputation

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.6°C - 1.9°C

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Finance and insurance

- Cost of capital

Stakeholder and customer demands

- Impact of nature footprint on reputation

Regulators, legal and policy regimes

- Global targets
- Methodologies and expectations for science-based targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Delayed Transition assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 C. Negative emissions are limited. This scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies, leading to a “fossil recovery” out of the economic crisis brought about by COVID-19. The availability of CDR technologies is assumed to be low pushing carbon prices higher than in Net Zero 2050.

(5.1.1.11) Rationale for choice of scenario

These scenarios are of particular relevance for Mexico and for Banorte.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP1

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

2.0°C - 2.4°C

(5.1.1.7) Reference year

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- Methodologies and expectations for science-based targets

Relevant technology and science

- Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 2.6 represents a future in which significant action is taken to reduce emissions, bringing radiative forcing to 2.6 W/m² and limiting the temperature increase to 2 degrees Celsius or less. In contrast, SSP1 represents a global transition towards sustainable practices, reduced inequality and consumption geared towards lower resource and energy intensity. In this context, the SSP number representing the socio-economic pathway is associated with a particular RCP scenario, which indicates the maximum level of radiative forcing caused by the concentration of carbon dioxide equivalent (CO₂e) in the atmosphere by 2100. By way of illustration, SSP1-2.6 represents a combination in which a sustainable socio-economic pathway of SSP1 is followed, which implies equitable and sustainable development, together with the specific RCP 2.6 target of reaching a maximum radiative forcing of 2.6 W/m². These scenarios allow scientists and policy makers to explore how present and future actions may shape our planet in climatic and socioeconomic terms.

(5.1.1.11) Rationale for choice of scenario

This scenario is consistent with the objectives set out in the Paris Agreements.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP2

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

2.0°C - 2.4°C

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- Methodologies and expectations for science-based targets

Relevant technology and science

- Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 4.5 is defined by the IPCC as an intermediate scenario. Emissions in RCP 4.5 reach a peak around 2040 and then begin to decline. Resource specialists have highlighted that IPCC emission scenarios are biased towards an exaggerated availability of fossil fuel reserves. RCP 4.5 is considered the most probable baseline scenario (no climate policies) when taking into account the exhaustible nature of non-renewable fuels. The IPCC has stated that in order for RCP 4.5 to be achieved, carbon dioxide (CO₂) emissions must begin to decline by approximately 2045, reaching approximately half of the 2050 levels by 2100. Furthermore, the scenario requires that methane emissions (CH₄) cease to increase by 2050 and decline to approximately 75% of the CH₄ levels of 2040. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. SSP2 scenario represents a development and income growth proceeds unevenly, without significant change in social, economic, and technological trends. Partial improvements in environmental management and moderate resource and energy.

(5.1.1.11) Rationale for choice of scenario

These scenarios are of particular relevance for Mexico and for Banorte.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 6.0

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP3

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

2.5°C - 2.9°C

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

2030

2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

Methodologies and expectations for science-based targets

Relevant technology and science

Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In RCP 6, emissions reach a peak around 2080 before declining. The RCP 6.0 scenario assumes a high rate of greenhouse gas emissions and is designed to achieve stabilisation. This is achieved by employing a range of technologies and strategies for reducing greenhouse gas emissions, which stabilise total radiative forcing after 2100. The radiative forcing of 6.0 W/m² is projected to be reached by 2100. According to RCP 6.0 projections, global warming will continue unabated through 2100, with CO₂ levels rising to 670 ppm by 2100, resulting in a global temperature increase of approximately 3–4 C by 2100. SSP3 scenario considers a countries focus on achieving energy and food security goals within their own regions. Economic development is slow and environmental deterioration is significant. Consumption is material-intensive and environmental policies are limited.

(5.1.1.11) Rationale for choice of scenario

These scenarios are of particular relevance for Mexico and for Banorte.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP5

(5.1.1.3) Approach to scenario

Select from:

Quantitative

(5.1.1.4) Scenario coverage

Select from:

Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

4.0°C and above

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

2030

2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- Methodologies and expectations for science-based targets

Relevant technology and science

- Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

In RCP 8.5, emissions continue to increase throughout the 21st century. RCP8.5 is typically used as a reference point for worst-case climate change scenarios. However, this was based on an overestimation of projected coal outputs, which has now been corrected. It is still used for forecasting mid-century (and earlier) emissions based on current and stated policies. The SSP3 scenario takes into account the continued reliance on fossil fuels and resource-intensive lifestyles. The goal is to achieve rapid economic growth while effectively addressing local environmental concerns.

(5.1.1.11) Rationale for choice of scenario

*These scenarios are of particular relevance for Mexico and for Banorte.
[Add row]*

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

- Other, please specify :Credit Portfolio and branches

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In particular, the analysis of physical risks enabled us to ascertain the level of risk associated with hydrometeorological events faced by our branches and the portfolios we examined. The results demonstrate that, in line with the climate scenarios used by the IPCC, our branches and real estate, lodging and mortgage portfolios are increasingly exposed as temperatures rise. The analysis of cyclone risk revealed that the greatest impacts on the value of mortgage portfolio collateral are in Quintana Roo, Sinaloa, Baja California Sur, Yucatán, and Nayarit. For real estate and lodging portfolios, the greatest impacts were in Quintana Roo, Baja California Sur, Sinaloa, Nayarit, and Jalisco. This confirms the need to reinforce our risk mitigation strategies. However, GFNorte has the financial resources to absorb potential losses from the occurrence of various hydrometeorological risks, as demonstrated by the stress tests we have conducted. In our analysis of transition risks, the scenarios we used were Delayed Transition and Net Zero, each of which yields different perspectives on decarbonization risk in our portfolios, while the Delayed Transition scenario is more flexible, with measures beginning from 2030 allowing us to gradually manage these portfolios. In contrast, the Net Zero scenario is more severe, as it assumes structural changes that will make it more difficult for companies to prepare for change. Based on the results of this analysis, GFNorte has decided to assist its customers in improving their practices, allowing them to transition in a stable manner according to their own needs. The results of the Climate Shock analysis indicate that industries with a high transition risk are aluminum, iron, steel, and agriculture, all of which engage in specific activities that create higher carbon emissions, and under the scenarios used, they will not be able to generate enough EBITDA to cover the cost of carbon. These industries represent 1.2% of Banorte's portfolio-not an alarming figure, but through various portfolio decarbonization strategies, efforts will be made to reduce their impact on emissions and strengthen tools to green their practices.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

- Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

There are notable differences between the Administrative Hydrographic Regions (AHRs) of Mexico's northern, northwestern, and central regions, in comparison to those in the southern and southeastern regions. Furthermore, economic inequality results in unequal access to water and sanitation, and vice versa. In the majority of the country (north, centre and northeast), where the majority of the population is concentrated and where 82% of the country's GDP is concentrated, water resources are limited (32%), due to low rainfall, higher water consumption and exploitation of watersheds. Conversely, the south and southeast region, where GDP is 18%, has 68% of its renewable water resources. The Aqueduct WRI results indicate that the majority of the territory in the north and centre of the country is experiencing high levels of water stress. The WRI calculation considers a range of water resource variables, including water availability in watersheds, water demand, consumption, water quality and accessibility to water resources. RHA XI (Southern Border) presents low risk to water stress, since the basins are not under pressure, with recharge capacity due to rainfall, and the water resource is of good quality, but the Aqueduct WRI shows the result for each state of the country regardless of the division by RHA, Chiapas is the state with the highest water risk, since despite having high availability, the state does not have an efficient management of the resource, which causes the inhabitants to lack accessibility.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

Yes

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

We do not have a feedback mechanism in place, but we plan to introduce one within the next two years

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

At GFNorte, we recognise that our role within the financial industry makes us well placed to respond to this crisis. In light of this, we have joined the call to limit global warming to 1.5 degrees Celsius by 2030 and achieve net-zero greenhouse gas emissions by 2050 through ambitious initiatives with our employees, customers and other stakeholders. In 2023, we updated our climate strategy to align it with the material priorities of the Group and global best practices in this area. We rely on the

MEDIR methodology, which defines five guiding pillars by its acronym, and means "measure" in Spanish. Model: We will analyze physical, transition, and nature-related risks, contrasting various scenarios and conducting stress tests that allow us to take action to mitigate and adapt to the effects of climate change, and prevent or minimize impacts on nature. Emphasize green value: In line with national and global goals, we will contribute to greening the banking industry by offering sustainable products and services that finance activities that have positive impacts on the environment and the population. Decarbonize: We will establish ambitious reduction targets for both our portfolios and operations, developing institutional policies and processes to support the achievement of our goals and assisting our customers in achieving theirs. Integrate: We intend to make climate change an ongoing priority for our business, considering institutional goals, strengthening governance of our group, considering compensation and budgets, and enhancing climate information management systems for our customers. Report: Our firm commitment to stakeholders moves us to offer an increasingly clear accountability of our compliance with the global initiatives we have joined for more than a decade, to our investors, customers, suppliers and the communities to which we belong.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

The transition and decarbonization plan was presented to the Risk Policy Committee. At the October, November and December meetings, proposals for meeting the Science Based Targets were discussed, with the main points being: Define policies for sensitive sectors, starting with activities related to coal. Advise and engage with clients in order to identify sustainable finance opportunities. Develop financial services address to acquire low-carbon products to take advantage of new business opportunities (credits linked to sustainability, green mortgages, sustainable construction, among others).

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

Report on Climate - Related Risks and Opportunities TCFD 2023.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

- Forests
- Water
- Biodiversity

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

The first pillar of the "MEDIR" methodology will analyse physical, transitional and nature-related risks. Various scenarios will be compared and stress tests conducted in order to enable us to take measures to mitigate and adapt to the effects of climate change and to prevent or minimise impacts on nature. Potential losses will also be quantified. At GFNorte, we are committed to remaining at the forefront of environmental initiatives and developing methodologies that address key issues such as forests, protected natural areas, water stress, environmental pollution and the impacts of biodiversity loss.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
 Upstream/downstream value chain
 Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As a financial Group, we offer different sustainable financial products for some of our business lines, the purpose of which is to benefit our clients through their good performance and mobilize capital towards economic activities that are aligned with global goals and objectives in terms of sustainability. These products include: (i) Sustainability-linked syndicated loans, (ii) Banorte Total Rewards, (iii) Autoestrene Verde for hybrid and electric vehicles, (iv) Thematic bonds such as investors and

intermediary underwriters, (v) NTEESG Fund, and (vi) Sustainable insurance. Moreover, in late 2023, we updated our Sustainable Financing Framework in line with the Sustainable Bond Guidelines (SBG), the Green Bond Principles (GBP), and Social Bond Principles (SBP) issued by the International Capital Market Association (ICMA). This framework has received a favorable SPO from Sustainalytics. One of the main changes was the alignment of eligible green categories with the Mexican Sustainable Taxonomy launched by the Ministry of Finance and Public Credit earlier this year. This ensures that the framework meets the most ambitious, science-aligned criteria. Additionally, through the "Sustainable Financing Cell" working group made up of teams from different areas, we identify new market opportunities due to the growing demand for sustainable financial products by our current and potential clients, and besides that, we are working to formalize the resource management process for future thematic issuances of labeled bonds.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

During 2023, we update our climate strategy, taking into account the Group's material priorities, as well as global best practices on the matter. In this way, we are based on the MEDIR (by its acronym in Spanish) methodology (Model, Green, Decarbonize, Integrate and Reveal). As part of our risk management and the strategy to achieve climate transition, this year we successfully approved risk policies to advance Banorte's Decarbonization Policy for the portfolio, so that we can support customers in their transition plans and financing needs while ensuring compliance with decarbonization commitments and achieve Net Zero by 2050. The following explains the three recently approved policies in greater detail, i) Target Markets (TM), ii) Probability of Default (PD) in the internal model for businesses and iii) Restricted activities: coal, oil and non-conventional gas.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

To mitigate acute physical risks in our operations, Banorte has a Command Center called "COP," which is responsible for monitoring and providing information on the weather nationwide, a Business Continuity Plan (BCP), that integrates different measures against these risks, a methodology for business continuity based on the international practices of the DRII (Disaster Recovery International Institute), and as recovery strategy called Disaster Recovery Plan (DRP) implemented in the event of potential damage to the Banorte Main Computer Center facilities.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Direct costs

(5.3.2.2) Effect type

Select all that apply

- Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In 2023, eight weather events were recorded, five of which had economic impacts on 22 of our branches. The costs of physical damages to these properties were approximately MXN25.76 mn, and in terms of profitability, we estimate a net operating loss of approximately MXN27.27 mn due to 1,446 hours of interrupted operations.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

Capital expenditures

(5.3.2.2) Effect type

Select all that apply

Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

As a preventive measure against climate risks, we have a training program focused on risk regulation and detection, which was completed by 5,612 of our active brigade members. We also have a resilience plan in place to ensure business continuity and an efficient return to operations in our branches. The cost of these measures during the year totaled MXN12.02 mn.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Capital allocation

(5.3.2.2) Effect type

Select all that apply

- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

At year-end 2023, the sustainable portfolio in Corporate and Commercial Banking was estimated at almost MXN25.40 bn. This portfolio was allocated to projects involving energy generation from renewable and clean sources, sustainable construction, wastewater treatment, sustainable agriculture, as well as the reuse, recycling, and final disposal of solid waste such as metals and plastics.

[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Implicit price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Conduct cost-benefit analysis
- Incentivize consideration of climate-related issues in decision making
- Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Cost of required measures to achieve climate-related targets

(5.10.1.4) Calculation methodology and assumptions made in determining the price

We use the internal carbon price by dividing the cost of abatement by the tons of CO₂e abated. The cost of abatement is the cost of international renewable energy certificates necessary to achieve our absolute reduction goal of scope 2 emissions, its units are MXN/tCO₂e. To translate from MXN/MWh to MXN/tCO₂e we use the National Electrical Emission Factor 2023 (tCO₂e/MWh) issued by the Energy Regulatory Commission (CRE); by dividing the cost of MWh purchased, by the National Electrical Emission Factor 2023 (tCO₂e/MWh).

(5.10.1.5) Scopes covered

Select all that apply

- Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

- Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

We expect the price to increase in average 5.80% from 2024 to 2030, due to a market's positive growth trend for international renewable energy certificates (I-RECs) over the past five years by the expand use of sustainable energy in companies.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

62.65

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

62.65

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

Operations

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

No

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

13

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

No

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

Clients

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We are just developing the capabilities to understand clients' ESG profile, mainly their transition plans, to be able to provide them with advisory services and identify sustainable financing opportunities aimed at decarbonizing their operations

Investees

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

Suppliers

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

No, but we plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We are working on adjusting internal procurement policies for the elimination of single-use plastics within our administrative buildings and on the purchase of recycled and/or certified paper.

Smallholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We did not identify any relevant smallholders.

Investors and shareholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

Yes

(5.11.2) Environmental issues covered

Select all that apply

- Climate change

Other value chain stakeholders

(5.11.1) Engaging with this stakeholder on environmental issues

Select from:

- No, and we do not plan to within the next two years

(5.11.3) Primary reason for not engaging with this stakeholder on environmental issues

Select from:

- Judged to be unimportant or not relevant

(5.11.4) Explain why you do not engage with this stakeholder on environmental issues

We do not identify another relevant value chain stakeholder.

[Fixed row]

(5.11.4) Provide details of your environmental engagement strategy with your investees.

Row 1

(5.11.4.1) Environmental issues covered by the engagement strategy

Select all that apply

- Climate change
- Forests
- Water

(5.11.4.2) Type and details of engagement

Capacity building

- Provide training, support, and best practices on how to set science-based targets
- Support investees to develop public time-bound action plans with clear milestones
- Support investees to set their own environmental commitments across their operations

Information collection

- Collect GHG emissions data at least annually from investees
- Collect targets information at least annually from investees
- Collect water quantity information at least annually from Investees (e.g., withdrawal and discharge volumes)

Innovation and collaboration

- Engage with investees to advocate for policy or regulatory change to address environmental challenges
- Facilitate adoption of a unified climate transition approach with investees

(5.11.4.3) % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

Select from:

- 76-99%

(5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:

- 76-99%

(5.11.4.5) % of investing (Asset owners) portfolio covered in relation to total portfolio value

Select from:

- 76-99%

(5.11.4.6) Explain the rationale for the coverage of your engagement

Currently, to obtain first-hand and direct information, an annual request is carried out where 100% of the invested companies or representatives are requested through a technical sheet for environmental and climate change indicators in order to identify exposure to climate change events of key assets in invested companies, as well as identifying the consumption of water, energy, recycled waste, water treatment, among other indicators. From this information, AFORE is identifying the issuers/mandators to whom it will provide timely follow-up. However, when reviewing their files, all issuers are given feedback one by one to be asked to answer the most relevant fields according to the materiality or relevance of the information required by AFORE in order to calculate the carbon footprint of the portfolio (emissions), or the environmental and social impacts of its operations. Likewise, each time a new issue or investment proposal from new issuers is presented in the portfolio, AFORE carries out an analysis of ESG risks and strengths, based on which it establishes commitment priorities that are put up for negotiation to be integrated into the ESG strategy of the issuers, in cases where our participation is less than 2% of the issue, AFORE issues a statement with the ESG recommendations so that the issuer has feedback on the main findings identified in our DD process.

(5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

Through our responsible investment policy and in each SR or introduction with a new issuer, we inform about our active involvement process, indicating that if required and to mitigate the ESG risks identified in our DD ESG process, the signing of specific commitments, as well as additional information requirements on an annual basis in order to monitor environmental and social indicators that allow us to identify our positive or negative impacts and trends over time, in order to determine if it is necessary to establish involvement actions directly or collectively. Likewise, the signed commitments, topics and sectors in which involvement actions have been established are reported within our annual ESG report published on our website and within the TCFD report.

(5.11.4.8) Attach your engagement strategy

politica-inversion-responsable.pdf

(5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply

- Specialized in-house engagement teams

(5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

- CEO
- Investor relations managers
- Other, please specify :C-Suite de las compañías en la cartera, Mandatarios, entre otros

(5.11.4.11) Effect of engagement, including measures of success

In cases where the issuer presents itself again as an investment proposal for a new issue or a new fund or co-investment series, the status of its current commitments is updated to the Committee and the strategists, identifying whether the issuer has complied with its signed commitments. Likewise, for the rest of the issuers, on a quarterly and semiannual basis, the status of the commitments that have already expired is presented and the percentage of progress is presented, as well as the actions to be executed for issuers that have not been completed.

(5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:

Yes, we have an escalation process

(5.11.4.13) Describe your escalation process

On occasions when AXXIB's efforts to establish dialogue or engagement activities with issuers or administrators are not successful, and with the objective of generating a material impact on investments, we established an engagement program with issuers or administrators. The program has a maximum duration of 3 years so that the organization shows a positive trajectory for the establishment and advancement of commitments or response to identified controversies, or, where appropriate, will require the signing of specific commitments that establish the risks to be addressed by part of the issuer. The escalation measures are as follows: 1. Month 1, 2 and 3. Approach to issuer, administrator or placement agent by the ASG team. 2. Approach of Fundamental Analysts/Strategists, seek to jointly promote a meeting with the company's senior management. 3. Month 5. The ASG team will carry out an internal communication addressed to the CIO where the problem presented with the company or administrator is expressed. 4. Month 6. Joint approach of the ESG, PM, Deputy Director of Analysis or CIO team with the issuer or administrator. 5. Month 7-9. Letter addressed to the CEO of the issuer or administrator to express the situation of lack of communication with their company to address ESG issues, emphasizing the possible risks incurred by not observing the responsible investment policies established in the Afore; 6. Month 10. The Consultation Forum or investment committee is informed of the lack of response from the issuer, either through written channels or verbal communication. 7. Month 11-13. Escalation of the letter to the president of the company's Board or administrator. 8. Month 14-24. It will be validated at the same time, if the public reports of the issuer/administrator, ESG scores, show evidence of change in the management of the identified risks. In cases where there are commitments signed with the issuers or administrators, the degree of progress of the company will be validated at least with one meeting a year, in case the trajectory of the commitment is not positive, and the company does not give a response to establish new scopes on the agreed dates. The CIO will inform the Consultation Forum or Investment Committee of the measures and/or actions to be taken, among which may be limiting the company's exposure in the investment portfolio

Row 2

(5.11.4.1) Environmental issues covered by the engagement strategy

Select all that apply

Climate change

(5.11.4.2) Type and details of engagement

Capacity building

- Provide training, support, and best practices on how to measure GHG emissions
- Provide training, support, and best practices on how to set science-based targets

Information collection

- Collect environmental risk and opportunity information at least annually from investees
- Collect GHG emissions data at least annually from investees
- Collect targets information at least annually from investees

(5.11.4.3) % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

Select from:

- 76-99%

(5.11.4.4) % of investing (Asset managers) portfolio covered in relation to total portfolio value

Select from:

- 76-99%

(5.11.4.5) % of investing (Asset owners) portfolio covered in relation to total portfolio value

Select from:

- None

(5.11.4.6) Explain the rationale for the coverage of your engagement

Taking into account national and global trends in ESG issues, annually we define the priority topics that will be identified as the main axis to carry out the engagement process for the corresponding period and the criteria for the selection of the investees with which engagement sessions will be held.

(5.11.4.7) Describe how you communicate your engagement strategy to your investees and/or to the public

Through our responsible investment policy and the asset manager annual responsible investment report, we provide our clients and other stakeholders relevant information about our active ownership strategy, which includes individual and collective engagement and voting. As well as the escalation measures and procedures.

(5.11.4.8) Attach your engagement strategy

IIR-Banorte-2023-12L.pdf

(5.11.4.9) Staff in your organization carrying out the engagement

Select all that apply

- Specialized in-house engagement teams

(5.11.4.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

- Investor relations managers
- Other, please specify :Sustainability managers

(5.11.4.11) Effect of engagement, including measures of success

In 2023, we identified 3 individual and collective engagement success results, which reflected progress by the investees in defining their materiality analysis, sustainability strategy, and strengthening their ESG governance. On the other hand, through collective engagement we managed to get investees to participate and answer CDP's climate change questionnaires, and in certain cases, improving their rating.

(5.11.4.12) Escalation process for engagement when dialogue is failing

Select from:

- Yes, we have an escalation process

(5.11.4.13) Describe your escalation process

As part of the Responsible Investment normative, the escalation procedure was established to ensure contact and carry out the individual engagement session with the investees, with the objective of monitoring the performance and transparency on ESG practices and factors. As a first measure to follow up on engagement, the Sustainability and Responsible Investment Department follows up on the approach made. If no response is obtained, the Executive Direction of Sustainability and Investor Relations contacts the issuer, and subsequently, the Executive Direction of Investments and Asset Management sends a letter to the issuer pointing out the importance of carrying out the engagement and reiterating the interest in holding a session.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Other

- Other, please specify :Encourage companies to report their actions against climate change, deforestation and water stress through the different CDP questionnaires

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Less than 1%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

For the fourth consecutive year, Banorte served as leader, responsible for involving 17 Mexican companies and encouraging them to report their actions against climate change, deforestation and water stress through the different CDP questionnaires, by sending signed letters of engagement by Banorte, CDP and their base of more than 300 global signatories participating in the Non Disclosure Campaign.

(5.11.9.6) Effect of engagement and measures of success

As part of the results of our participation in the campaign, this year we identified two success cases: 1. Since 2020, we have sent a letter of engagement to a company in the air transport and logistics sector with the aim of promoting the company's transformation on its path towards performance and disclosure on climate change. In 2023, the company participated and responded to the climate change questionnaire, obtaining a C rating that positioned them in its awareness stage, in which it is evaluating the main risks and impacts of climate change. This effort enriches the company accountability exercise, which benefits its image and reputation among its stakeholders. 2. After an approach in 2020, a railway transport company decided to answer the CDP climate change questionnaire, obtaining a rating of D, categorized in the dissemination stage, in which it recently begins to analyze and report the impacts of climate change. For the 2023 reporting year, they obtained a B

rating, which represented great progress as it is now in the category of management and adoption of measures to adapt and reduce the risks and impacts of climate change. This demonstrates relevant progress in its level of transparency in the matter.

[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

(5.12.4) Initiative category and type

Logistical change

Change transportation mode (e.g., switch from aviation to rail)

(5.12.5) Details of initiative

Identification of sustainable financing opportunities to evaluate the replacement of current transport methods with low-carbon vehicles.

(5.12.6) Expected benefits

Select all that apply

Lower price per unit

Reduction of customers' operational emissions (customer scope 1 & 2)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

3-5 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

No

(5.12.11) Please explain

In the current context of growing concern about climate change and the transition to a low-carbon economy, the initiative proposed is to access sustainable financing such as green bonds, to replace its transport fleet by aligning with the best sustainability practices and contributing to the reduction of GHG in its operations.

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement	Primary reason for not implementing environmental initiatives	Explain why your organization has not implemented any environmental initiatives
	Select from: <input checked="" type="checkbox"/> No, and we do not plan to within the next two years	Select from: <input checked="" type="checkbox"/> Not an immediate strategic priority	NA

[Fixed row]

(5.14) Do your external asset managers have to meet environmental requirements as part of your organization's selection process and engagement?

	External asset managers have to meet specific environmental requirements as part of the selection process and engagement	Policy in place for addressing external asset manager non-compliance
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Yes, we have a policy in place for addressing non-compliance

[Fixed row]

(5.14.1) Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.

Row 1

(5.14.1.1) Environmental issues covered by the requirement

Select all that apply

- Climate change
- Forests

(5.14.1.2) Coverage

Select from:

- Majority of assets managed externally

(5.14.1.3) Environmental requirement that external asset managers have to meet

Select from:

- Membership/signatory of a sustainable finance initiative(s) and/or alliance(s)

(5.14.1.4) Mechanisms used to include environmental requirement in external asset manager selection

Select all that apply

- Review investment manager's environmental policies
- Include environmental requirements in investment mandates
- Include environmental requirements in requests for proposals
- Include environmental requirements in performance indicators and incentive structures
- Publish requirements of external investment managers in relation to environmental issues
- Review investment manager's environmental performance (e.g., active ownership, proxy voting records, under-weighting in high impact activities)

(5.14.1.5) Response to external asset manager non-compliance with environmental requirement

Select from:

- Retain and engage

(5.14.1.6) % of non-compliant external asset managers engaged

Select from:

- None

[Add row]

(5.15) Does your organization exercise voting rights as a shareholder on environmental issues?

	Exercise voting rights as a shareholder on environmental issues
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(5.15.1) Provide details of your shareholder voting record on environmental issues.

Row 1

(5.15.1.1) Method used to exercise your voting rights as a shareholder

Select from:

- Exercise voting rights directly

(5.15.1.3) % of voting rights exercised

84

(5.15.1.4) % of voting which is publicly available

84

(5.15.1.5) Environmental issues covered in shareholder voting

Select all that apply

- Climate change
- Forests
- Water

(5.15.1.6) Global environmental commitments that your shareholder voting is aligned with

Select all that apply

- Aligned with the Paris Agreement

(5.15.1.7) Issues supported in shareholder resolutions

Select all that apply

- Board oversight of environmental issues
- Climate transition plans
- Emissions reduction targets
- Environmental disclosures

Net zero emissions by 2050

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We currently maintain an operational control because the Group has full authority to introduce and implement its operational policies at the operations of all the subsidiaries of which it has control and which are within the limits of the quantifications of emissions.

Forests

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We currently maintain an operational control because the Group has full authority to introduce and implement its operational policies at the operations of all the subsidiaries of which it has control.

Water

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We currently maintain an operational control because the Group has full authority to introduce and implement its operational policies at the operations of all the subsidiaries of which it has control.

Plastics

(6.1.2) Provide the rationale for the choice of consolidation approach

The topics of Climate Change, Forests, Biodiversity and Water are prioritized in the reporting year.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

We currently maintain an operational control because the Group has full authority to introduce and implement its operational policies at the operations of all the subsidiaries of which it has control.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ISO 14064-1
- Programa GEI Mexico
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: <input checked="" type="checkbox"/> We are reporting a Scope 2, location-based figure	Select from: <input checked="" type="checkbox"/> We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure	NA

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

- No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

3461.75

(7.5.3) Methodological details

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the “Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions.”

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

63339.46

(7.5.3) Methodological details

To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2022 issued by the Energy Regulatory Commission (CRE).

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

(7.5.3) Methodological details

We did not had scope 2 market-based emissions in the base year.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

95.72

(7.5.3) Methodological details

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

2247.54

(7.5.3) Methodological details

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

853.56

(7.5.3) Methodological details

Category 3 emissions were calculated using the fuel-based method and the factors provided by the UK Department for Environment, Food & Rural Affairs (DEFRA) in the document "Conversion factors 2020: full set."

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

2797.28

(7.5.3) Methodological details

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

34.62

(7.5.3) Methodological details

Category 5 emissions were calculating using the type-of-waste method.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

500.61

(7.5.3) Methodological details

Category 6, based on distance. Both categories use the factors supplied by the US EPA in its "Emission Factors for Greenhouse Gas Inventories 2023."

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Relevant, not calculated.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1761.36

(7.5.3) Methodological details

Category 1, 2, 4 and 9 emissions were calculated based on the expenses and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not relevant, not calculated.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not evaluated.

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Not evaluated.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

3429.06

(7.6.3) Methodological details

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the “Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions.”

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

3028.4

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the “Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions.”

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2760.3

(7.6.2) End date

12/31/2021

(7.6.3) Methodological details

To calculate the Scope 1 emissions, we used the factors published by the Ministry of Environment and Natural Resources (SEMARNAT) in the “Agreement to establish the technical characteristics and the formulas to apply methodologies for the calculation of greenhouse gas or greenhouse compound emissions.”
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

	Gross global Scope 2, location-based emissions (metric tons CO2e)	End date	Methodological details
Reporting year	62777.9	Date input [must be between [10/01/2015 - 10/01/2023]	To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2022 issued by the Energy Regulatory Commission (CRE).
Past year 1	60016.2	12/31/2022	To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2021 issued by the Energy Regulatory Commission (CRE).
Past year 2	56724.7	12/31/2021	To calculate Scope 2 emissions, we used, the National Electrical Emission Factor 2020 issued by the Energy Regulatory Commission (CRE).

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

11707.8

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Scope 3 category 1 emissions include expenses in advertising printing, consultancy services and refrigerant gas refilling. We used the spend based method and the emission factors from "Supply Chain GHG Emission Factors for US Commodities and Industries (v1.1.1)" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 1 emissions. The recently published factors correspond to 2018; thus, they were updated according to the inflation recorded for the lapsed period and the exchange rate at the end of the reporting year (2023). The coverage of figure reported is 95% of the operations, in terms of full time employees (FTE).

Capital goods

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

18013

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Scope 3 category 2 emissions include office equipment purchase such as laptops, desktops, ATMs, tablets, POS, mPOS, thin clients, printers, multifunctional, tokens, headbands, and monitors. We used the spend-based method and the emission factors from "Supply Chain GHG Emission Factors for US Commodities and Industries (v1.1.1)" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 2 emissions. The recently

published factors correspond to 2018; thus, they were updated according to the inflation recorded for the lapsed period and the exchange rate at the end of the reporting year (2023). The coverage of figure reported is 88% of the operations, in terms of full time employees (FTE).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

798.4

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Scope 3 category 3 emissions include electricity transmission and distribution (T&D), and fuels well to tank (WTT) associated with the Groups energy consumption. We used the fuel-based method and the emission factors from Conversion factors 2020: full set document" database provided by the Department of the Environment, Food and Rural Affairs (DEFRA), to calculate scope 3 category 3 emissions. The coverage of figure reported is 100% of the operations, in terms of full time employees (FTE).

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2461.9

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Scope 3 category 4 emissions include expenses in correspondence emails, valid shipments and other internal shipments. We used the spend-based method and the emission factors from "Supply Chain GHG Emission Factors for US Commodities and Industries (v1.1.1)" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 4 emissions. The recently published factors correspond to 2018; thus, they were updated according to the inflation recorded for the lapsed period and the exchange rate at the end of the reporting year (2023). The coverage of figure reported is 88% of the operations, in terms of full time employees (FTE).

Waste generated in operations

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

282.7

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Scope 3 category 5 emissions include waste generated in operations by type; corrugate containers, mixed paper, aluminium cans, newspaper, PET and mixed municipal solid waste (MSW). We used the waste-type-specific method and the emission factors from "Emission Factors for Greenhouse Gas Inventories 2023" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 5 emissions. The coverage of figure reported is 36% of the operations, in terms of full time employees (FTE).

Business travel

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1298.4

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Scope 3 category 6 emissions include short, medium and long haul air travels. We used the distance-based method and the emission factors from "Emission Factors for Greenhouse Gas Inventories 2023" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 6 emissions. The coverage of figure reported is 100% of the operations, in terms of full time employees (FTE).

Employee commuting

(7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

(7.8.5) Please explain

We plan to make a first estimate in the following two years.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Emissions generated from leased assets including buildings, branches, and vehicles, are considered in scope 1 and 2 emissions as the Group subsidiaries have fully operational control of them. Therefore, there are no scope 3 category 8 emissions to report in this section.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

502

(7.8.3) Emissions calculation methodology

Select all that apply

Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

88

(7.8.5) Please explain

Scope 3 category 9 emissions include expenses in shipments abroad, deliveries of credit cards and shipments of account statements. We used spend-based method and the emission factors from "Supply Chain GHG Emission Factors for US Commodities and Industries (v1.1.1)" database provided by the United States Environmental Protection Agency (EPA US), to calculate scope 3 category 9 emissions. The recently published factors correspond to 2018; thus, they were updated according to the inflation recorded for the lapsed period and the exchange rate at the end of the reporting year (2023). The coverage of figure reported is 88% of the operations, in terms of full time employees (FTE)

Processing of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

There are no scope 3 category 10 emissions since, as financial institution, GFNorte does not sell products that are raw materials or intermediate products for other companys processes or operations.

Use of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Scope 3 category 11 emissions are negligible since the products and services offered by GFNorte are not carbon intensive in their use.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Scope 3 category 12 emissions are negligible since the products and services offered by GFNorte do not generate waste in large quantities or that are highly polluting.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

GFNorte does not lease owned buildings or facilities, i.e., it does not act as a lessor in any situation.

Franchises

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Franchises are not part of GFNortes business, therefore, there are no scope 3 category 14 emissions.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not evaluated

(7.8.5) Please explain

NA

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not evaluated

(7.8.5) Please explain

NA

[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

6757

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

828

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

10065

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

1336

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

180

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

262

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

0

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

723

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

3841.67

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

95.13

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

685.9

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

2674.85

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

685.97

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

302.84

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

0

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

1391.39

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

0

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> No third-party verification or assurance

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

Limited assurance

(7.9.1.4) Attach the statement

Informe Anual Integrado 2023.pdf

(7.9.1.5) Page/section reference

Page. 361; GRI Standard: 305 - 2

(7.9.1.6) Relevant standard

Select from:

ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.2.5) Attach the statement

Informe Anual Integrado 2023.pdf

(7.9.2.6) Page/ section reference

Page 361; GRI Standard: 305 - 2

(7.9.2.7) Relevant standard

Select from:

ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No renewable energy consumption during 2023.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

208.9

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

0.35

(7.10.1.4) Please explain calculation

Gross scope 2 emissions decreased by 0.35% due to energy efficiency activities undertaken; AC renovation program and reorganization of technological equipment. The figure was estimated with the energy reductions resulted from the initiatives multiplied by the national electricity emission factor.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No divestments during 2023.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No acquisitions during 2023.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No mergers during 2023.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes in outputs.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes in methodology used.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No changes in boundaries.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

2761.66

(7.10.1.2) Direction of change in emissions

Select from:

Increased

(7.10.1.3) Emissions value (percentage)

4.6

(7.10.1.4) Please explain calculation

Energy consumption grew 4.2% in 2023 due to an increase in electricity consumption following the return to work in the office and an increase in employees' use of utility vehicles. Additionally, emergency power generators were more in use last year because of more frequent interruptions in electricity supply from the national grid, primarily due to an energy demand overload. Scope 1 and 2 GHG emissions increased by 4.6% due to the aforementioned 4.2% increase in energy consumption.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

Not applicable.

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Location-based

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

Seguros y Pensiones Banorte

(7.23.1.2) Primary activity

Select from:

Insurance

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1454.268

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

690.795

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Insurance subsidiary..

Row 3

(7.23.1.1) Subsidiary name

Arrendadora y Factor

(7.23.1.2) Primary activity

Select from:

Other financial

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

37.302

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

0.0

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Leasing and factory subsidiary..

Row 4

(7.23.1.1) Subsidiary name

Banco Mercantil del Norte (Banorte)

(7.23.1.2) Primary activity

Select from:

Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

ISIN code - equity

(7.23.1.5) ISIN code – equity

MX0QBA070037

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1512.962

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

57440.429

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Bank subsidiary.

Row 5

(7.23.1.1) Subsidiary name

Almacenadora

(7.23.1.2) Primary activity

Select from:

Other financial

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

220.402

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

103.583

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Storage subsidiary.

Row 6

(7.23.1.1) Subsidiary name

Afore XXI Banorte

(7.23.1.2) Primary activity

Select from:

Asset managers

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

204.131

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1113.989

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

*Pension fund subsidiary (asset owner).
[Add row]*

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

Category 4: Upstream transportation and distribution

Category 9: Downstream transportation and distribution

(7.26.4) Allocation level

Select from:

Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

Other allocation method, please specify :Spend-based method.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

6797122.66

(7.26.9) Emissions in metric tonnes of CO2e

95.64

(7.26.10) Uncertainty ($\pm\%$)

10

(7.26.11) Major sources of emissions

Emissions were calculated based on the expenses of the upstream and downstream transportation and distribution services of the member, and factors supplied by the United States Environmental Protection Agency (US EPA) in the document "Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.1." The most recent factors published are for the year 2018 so we adjusted them for inflation in the intervening period and the exchange rate at the close of 2023.

(7.26.12) Allocation verified by a third party?

Select from:

No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

The services provided by the Member are category 4, upstream transportation and distribution, which includes internal mail, and category 9, downstream transportation and distribution, which includes international shipments and delivery of credit cards. Meanwhile, the limitations to the calculation process could be the mode of transportation, distances traveled, and the fuel type of the transportation vehicles.

(7.26.14) Where published information has been used, please provide a reference

Integrated Annual Report 2023, page (294): https://investors.banorte.com//media/Files/B/Banorte-IR/Sustainability%202023/Reports/Integrated%20Annual%20Report%202023_-.pdf

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

Focus on clients who are most significant in terms of spend, as well as those operating in high-carbon-intensity sectors, if applicable. This approach allows for a more targeted strategy that can drive meaningful reductions in emissions where they matter most.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

No

(7.28.3) Primary reason for no plans to develop your capabilities to allocate emissions to your customers

Select from:

Not an immediate strategic priority

(7.28.4) Explain why you do not plan to develop capabilities to allocate emissions to your customers

Our primary focus is on managing Scope 1 and 2 emissions, as well as Scope 3 emissions under Category 15, because they represent the largest share of emissions directly associated with our operations.

[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

13203.4

(7.30.1.4) Total (renewable and non-renewable) MWh

13203.4

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

135499.54

(7.30.1.4) Total (renewable and non-renewable) MWh

135499.54

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

148702.93

(7.30.1.4) Total (renewable and non-renewable) MWh

148702.93

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Mexico

(7.30.16.1) Consumption of purchased electricity (MWh)

135499.54

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

135499.54
[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

1.18

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

62777.9

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

53142

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

10.6

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in revenue

(7.45.9) Please explain

Emissions intensity per million pesos of net profit declined, by 10.6%, which is associated with a 15.4% increase in net profit compared to the previous year.

Row 2

(7.45.1) Intensity figure

1.94

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

62777.9

(7.45.3) Metric denominator

Select from:

- full time equivalent (FTE) employee

(7.45.4) Metric denominator: Unit total

32392

(7.45.5) Scope 2 figure used

Select from:

- Location-based

(7.45.6) % change from previous year

1.2

(7.45.7) Direction of change

Select from:

- Decreased

(7.45.8) Reasons for change

Select all that apply

- Other, please specify :Change in full-time equivalent employee

(7.45.9) Please explain

*Emissions intensity per employee declined by 1.2% which is associated with a 5.9% increase in the denominators for employees compared to the previous year.
[Add row]*

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

- Absolute target

Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Target language and summary_Grupo-Financiero-Banorte (1).pdf

(7.53.1.4) Target ambition

Select from:

1.5°C aligned

(7.53.1.5) Date target was set

10/03/2023

(7.53.1.6) Target coverage

Select from:

Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

Scope 1

Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

Location-based

(7.53.1.11) End date of base year

12/31/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

3461.75

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

63339.46

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

66801.210

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

01/01/2031

(7.53.1.55) Targeted reduction from base year (%)

42.1

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

38677.901

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3429.064

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

59348.797

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

62777.861

(7.53.1.78) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

14.31

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In 2023, we redefined our Scope 1 and 2 GHG emission reduction targets with a coverage of 100%, using the Absolute Contraction Approach, aligned with the scenario of a 1.5C rise in global temperature.

(7.53.1.83) Target objective

Grupo Financiero Banorte, S.A.B. de C.V. commits to reduce absolute scope 1 and 2 GHG emissions 42.1% by 2030 from a 2020 base year

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

To meet these goals, we are working on a decarbonization roadmap for our internal operations, which will include the following aspects: I) Identify and evaluate the substitution of electricity consumption in our main administrative buildings with clean or renewable energy suppliers operating within the wholesale electricity market (WEM), ensuring the traceability of the resource with their respective IRECs II) Evaluate opportunities for distributed energy generation by installing solar panels in own branches through different schemes. III) Conduct an energy audit of branches with the highest energy consumption using the energy intensity metric kWh/m2. IV) Replace obsolete equipment with more efficient equipment, especially air conditioning and lighting systems. V) Establish a continuous monitoring program to identify additional improvement opportunities. VI) Increase environmental awareness for employees. VII) Establish an internal carbon pricing mechanism. VIII) Identify and evaluate the possibility of obtaining an environmental certification for our main administrative buildings. IX) Acquire carbon offsets (for up to 10% of emissions in the reporting year), from reforestation projects or carbon capture and storage, among others. X) Evaluate the gradual replacement of internal combustion vehicles in the fleet with hybrid or electric vehicles.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:

Por1

(7.53.4.2) Target type

Select from:

Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

SBTi for Financial Institutions

(7.53.4.5) Date target was set

07/31/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

Asset class level

(7.53.4.9) Portfolio

Select from:

Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

Other, please specify :Consumer Loans

(7.53.4.11) Sectors covered by the target

Select all that apply

Retail

(7.53.4.12) Target type: Absolute or intensity

Select from:

Intensity

(7.53.4.14) % of portfolio emissions covered by the target

1.9

(7.53.4.15) % of asset class emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

Other, SDA metric please specify :metric kgCO2e

(7.53.4.17) Target denominator

Select from:

Meters squared

(7.53.4.18) % of portfolio covered in relation to total portfolio value

10.9

(7.53.4.19) Total value of assets covered by the target

226456000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

8.9

(7.53.4.24) We have an interim target

Select from:

Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

5.1

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0.81

(7.53.4.29) Figure in reporting year

8.19

(7.53.4.30) % of target achieved relative to base year

8.77626699629173

(7.53.4.31) Target status in reporting year

Select from:

Underway

(7.53.4.34) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The targets for the mortgage apply only to Banorte (the bank), and include short- and long-term loans. Targets for these asset class were set using the Sectorial Decarbonization Approach (SDA) Tool for Commercial Real Estate and Residential Mortgages, version 1.2. In line with SBTi methodologies, the exercise covers all

mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group's balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class.

(7.53.4.38) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce its mortgage portfolio GHG emissions 42.1% per square meter by 2030 from a 2021 base year.

Row 2

(7.53.4.1) Target reference number

Select from:

Por2

(7.53.4.2) Target type

Select from:

Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

SBTi for Financial Institutions

(7.53.4.5) Date target was set

07/31/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

Asset class level

(7.53.4.9) Portfolio

Select from:

Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

Real estate

(7.53.4.11) Sectors covered by the target

Select all that apply

Hospitality

Infrastructure

(7.53.4.12) Target type: Absolute or intensity

Select from:

Intensity

(7.53.4.14) % of portfolio emissions covered by the target

6.7

(7.53.4.15) % of asset class emissions covered by the target

75

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

Other, SDA metric please specify :kgCO2e

(7.53.4.17) Target denominator

Select from:

Meters squared

(7.53.4.18) % of portfolio covered in relation to total portfolio value

3.5

(7.53.4.19) Total value of assets covered by the target

71920000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

75

(7.53.4.21) Frequency of target reviews

Select from:

Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

42

(7.53.4.24) We have an interim target

Select from:

Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

19.9

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

1

(7.53.4.29) Figure in reporting year

43.4

(7.53.4.30) % of target achieved relative to base year

-3.4146341463414602

(7.53.4.31) Target status in reporting year

Select from:

Underway

(7.53.4.34) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The targets for commercial real estate segments apply only to Banorte (the bank), and include short- and long-term loans and investment projects. Targets were set using the Sectorial Decarbonization Approach (SDA) Tool for Commercial Real Estate and Residential Mortgages, version 1.2. In line with SBTi methodologies, the exercise covers all mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group's balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class.

(7.53.4.38) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 52.5% per square meter by 2030 from a 2021 base year.

Row 3

(7.53.4.1) Target reference number

Select from:

Por3

(7.53.4.2) Target type

Select from:

Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

SBTi for Financial Institutions

(7.53.4.5) Date target was set

07/31/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

- Asset class level

(7.53.4.9) Portfolio

Select from:

- Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

- Loans
- Project finance

(7.53.4.11) Sectors covered by the target

Select all that apply

- Power generation

(7.53.4.12) Target type: Absolute or intensity

Select from:

- Intensity

(7.53.4.14) % of portfolio emissions covered by the target

13

(7.53.4.15) % of asset class emissions covered by the target

100

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

- Metric tons CO2e

(7.53.4.17) Target denominator

Select from:

Other, SDA denominator please specify :MWh

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.7

(7.53.4.19) Total value of assets covered by the target

14428000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

0.49

(7.53.4.24) We have an interim target

Select from:

Yes

(7.53.4.25) End of interim target year

12/31/2030

(7.53.4.26) Figure in interim target year

0.13

(7.53.4.27) End date of target

12/31/2050

(7.53.4.28) Figure in target year

0.07

(7.53.4.29) Figure in reporting year

0.5

(7.53.4.30) % of target achieved relative to base year

-2.380952380952383

(7.53.4.31) Target status in reporting year

Select from:

Underway

(7.53.4.34) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The target for energy generation includes investment projects and corporate loans with short- and long-term maturities. We used the “Science Based Targets Setting Tool” version 2.1 to set the target for energy generation. In line with SBTi methodologies, the exercise covers all mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group’s balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class.

(7.53.4.38) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce GHG emissions from the electricity generation sector within its corporate loan and project finance portfolio 73.7% per MWH by 2030 from a 2021 base year.

Row 4

(7.53.4.1) Target reference number

Select from:

Por4

(7.53.4.2) Target type

Select from:

Portfolio coverage

(7.53.4.4) Methodology used when setting the target

Select from:

SBTi for Financial Institutions

(7.53.4.5) Date target was set

07/31/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

- Asset class level

(7.53.4.9) Portfolio

Select from:

- Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

- Loans

(7.53.4.11) Sectors covered by the target

Select all that apply

- Fossil Fuels

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

- % of portfolio setting a Science-Based Target

(7.53.4.18) % of portfolio covered in relation to total portfolio value

1.9

(7.53.4.19) Total value of assets covered by the target

39735000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

(7.53.4.21) Frequency of target reviews

Select from:

Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

1.45

(7.53.4.24) We have an interim target

Select from:

No

(7.53.4.27) End date of target

12/31/2026

(7.53.4.28) Figure in target year

27.4

(7.53.4.29) Figure in reporting year

6.63

(7.53.4.30) % of target achieved relative to base year

19.961464354527937

(7.53.4.31) Target status in reporting year

Select from:

Underway

(7.53.4.32) Aggregation weighting used

Select from:

Other, please specify :Puntaje Ponderado de loans to the Oil & Gas industry at short and long terms, and other long-term loans, primarily from other highly carbon-intensive industries with emissions reduction targets aligned with and approved by SBTi.

(7.53.4.34) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Corporate loans include the portfolios of Banorte (the bank) and Arrendadora y Factor Banorte (leasing and factoring). This asset class includes loans to the Oil & Gas industry at short and long terms, and other long-term loans, primarily from other highly carbon-intensive industries. In line with SBTi methodologies, the exercise covers all mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group's balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class

(7.53.4.38) Target objective

Grupo Financiero Banorte S.A.B. de C.V commits to 27.4% of its corporate loan portfolio by invested value setting SBTi validated targets by 2026 from a 2021 base year.

Row 5

(7.53.4.1) Target reference number

Select from:

Por5

(7.53.4.2) Target type

Select from:

Portfolio coverage

(7.53.4.4) Methodology used when setting the target

Select from:

SBTi for Financial Institutions

(7.53.4.5) Date target was set

07/31/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

Asset class level

(7.53.4.9) Portfolio

Select from:

Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

Bonds

Other, please specify :Listed Equity and ETFs

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

% of portfolio setting a Science-Based Target

(7.53.4.18) % of portfolio covered in relation to total portfolio value

1.8

(7.53.4.19) Total value of assets covered by the target

38173000000

(7.53.4.20) % of asset class covered by the target, based on the total value of this asset class

100

(7.53.4.21) Frequency of target reviews

Select from:

Annually

(7.53.4.22) End date of base year

12/31/2021

(7.53.4.23) Figure in base year

10.5

(7.53.4.24) We have an interim target

Select from:

No

(7.53.4.27) End date of target

12/31/2026

(7.53.4.28) Figure in target year

34.1

(7.53.4.29) Figure in reporting year

3.4

(7.53.4.30) % of target achieved relative to base year

-30.08474576271186

(7.53.4.31) Target status in reporting year

Select from:

Underway

(7.53.4.32) Aggregation weighting used

Select from:

Other, please specify :Puntaje Ponderado de "Investments in Securities", this account includes negotiable financial instruments, assets available for sale and held to maturity, of the Group, with emissions reduction targets aligned with and approved by SBTi.

(7.53.4.34) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science-Based Targets initiative

(7.53.4.35) Target ambition

Select from:

1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

The Common and Preferred Stock, Corporate Bonds, and ETF asset classes correspond to the book account "Investments in Securities." This account includes negotiable financial instruments, assets available for sale and held to maturity, by all subsidiaries of the Group that manage assets on the balance sheet. The ETFs directly consider the commitments of the instrument managers to SBTi, not constituent issuers. The coverage percentage is lower in our comparison due to changes in the exposure of certain assets that previously had a higher concentration in the account and now have emissions reduction targets aligned with and approved by SBTi. In line with SBTi methodologies, the exercise covers all mandatory asset classes and their respective coverages, unless the asset class does not exist in the Group's balance sheet. Additionally, coverage also includes mortgages, which are a voluntary asset class

(7.53.4.38) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to 34.1% of its listed equity, corporate bond, and ETFs portfolio by invested value setting SBTi validated targets by 2026 from a 2021 base year.

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

NZ1

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

- Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply

- Por1

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

Target Decision Letter_Grupo Financiero Banorte.pdf

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The targets for the mortgage apply only to Banorte (the bank), and include short- and long-term loans. Targets for these asset class were set using the Sectorial Decarbonization Approach (SDA) Tool for Commercial Real Estate and Residential Mortgages, version 1.2. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce its mortgage portfolio GHG emissions 42.1% per square meter by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 2

(7.54.3.1) Target reference number

Select from:

NZ2

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Por2

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

Target Decision Letter_Grupo Financiero Banorte.pdf

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The targets for commercial real estate apply only to Banorte (the bank), and include short- and long-term loans. Commercial real estate does not include investment projects. Targets were set using the Sectorial Decarbonization Approach (SDA) Tool for Commercial Real Estate and Residential Mortgages, version 1.2. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intensive industries.

(7.54.3.11) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 52.5% per square meter by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 3

(7.54.3.1) Target reference number

Select from:

NZ3

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Por3

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

Target Decision Letter_Grupo Financiero Banorte (3).pdf

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target for energy generation includes investment projects and corporate loans with short- and long-term maturities. We used the “Science Based Targets Setting Tool” version 2.1 to set the target for energy generation. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Grupo Financiero Banorte S.A.B. de C.V. commits to reduce GHG emissions from the electricity generation sector within its corporate loan and project finance portfolio 73.7% per MWH by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

- Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 4

(7.54.3.1) Target reference number

Select from:

NZ4

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the oil and gas sector 21% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 5

(7.54.3.1) Target reference number

Select from:

NZ5

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the agriculture sector 35% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 6

(7.54.3.1) Target reference number

Select from:

NZ6

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the aluminium sector 35% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 7

(7.54.3.1) Target reference number

Select from:

NZ7

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

- Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

- No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the iron and steel sector 22% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 8

(7.54.3.1) Target reference number

Select from:

NZ8

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the coal sector 68% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 9

(7.54.3.1) Target reference number

Select from:

NZ9

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

- No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the transportation sector 18% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 10

(7.54.3.1) Target reference number

Select from:

NZ10

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the cement sector 17% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

- Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.

Row 11

(7.54.3.1) Target reference number

Select from:

NZ11

(7.54.3.2) Date target was set

10/03/2023

(7.54.3.3) Target Coverage

Select from:

Banking (Bank)

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

Scope 1

Scope 2

Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

The target were set using the absolute contraction methodology and the climate scenario IEA - NZE 2050. In line with the NZBA guide, the exercise covers the nine mandatory highly carbon-intense industries.

(7.54.3.11) Target objective

Banco Banorte commits to reduce GHG emissions from the construction sector 35% by 2030 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

Underway

(7.54.3.19) Process for reviewing target

Currently, the measurement of the carbon footprint of scope 3 category 15 and the progress of the targets at the Group and Bank (subsidiary) level are reported monthly within the multidisciplinary work team called "Climate Risk Cell" which in turn, reports to the Sustainability Committee and the Policy and Risk Committee.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	1	1213.3
Implementation commenced	1	5519
Implemented	2	208.9
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

108.2

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

661390

(7.55.2.7) Payback period

Select from:

4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

6-10 years

(7.55.2.9) Comment

We replaced equipment nearing obsolescence with energy-efficient technologies using environmentally friendly gases, resulting in a reduction of 248,821 kWh, equivalent to 108.2 tCO2e, leading to an economic saving of MXN661,390.

Row 2

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

Other, please specify :Reorganization of technological equipment

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

100.7

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

564070

(7.55.2.7) Payback period

Select from:

16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

Ongoing

(7.55.2.9) Comment

This initiative reduced energy consumption by 231,480 kWh, associated with 100.7 tCO₂e, a saving of MXN564,070, by migrating the Data Center from Tlalpan in Mexico City to the KIO Computing Center in Querétaro
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

Dedicated budget for energy efficiency

Row 2

(7.55.3.1) Method

Select from:

Employee engagement

Row 3

(7.55.3.1) Method

Select from:

Marginal abatement cost curve

[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

No, I am not providing data

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

No

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

Yes

(12.1.2) Disclosure metric

Select all that apply

Financed emissions

Other carbon footprinting and/or exposure metrics (as defined by TCFD)

(12.1.5) We measure the impact of our portfolio on forests

Select from:

No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

No standardized procedure

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

We are currently in the process of identifying exposures to credit portfolios, analyzing and quantifying potential current and future impacts. Our commitment to disclose information is from 2026 with fiscal 2025 information.

(12.1.8) We measure the impact of our portfolio on water

Select from:

- No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

- No standardized procedure

(12.1.10) Explain why your organization does not measure its portfolio impact on water

We are currently in the process of identifying exposures to credit portfolios, analyzing and quantifying potential current and future impacts. Our commitment to disclose information is from 2026 with fiscal 2025 information.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

- No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

- No standardized procedure

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

We are currently in the process of identifying exposures to credit portfolios, analyzing and quantifying potential current and future impacts. Our commitment to disclose information is from 2026 with fiscal 2025 information.

Investing (Asset manager)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

- Yes

(12.1.2) Disclosure metric

Select all that apply

- Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

Select from:

- No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

Our current focus is climate change, although we are planning to analyze the exposure and impacts of our portfolio in forests, biodiversity and water security in the next years.

(12.1.8) We measure the impact of our portfolio on water

Select from:

- No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(12.1.10) Explain why your organization does not measure its portfolio impact on water

Our current focus is climate change, although we are planning to analyze the exposure and impacts of our portfolio in forests, biodiversity and water security in the next years.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

- No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

Our current focus is climate change, although we are planning to analyze the exposure and impacts of our portfolio in forests, biodiversity and water security in the next years.

Investing (Asset owner)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:

- Yes

(12.1.2) Disclosure metric

Select all that apply

- Financed emissions
- Other carbon footprinting and/or exposure metrics (as defined by TCFD)
- Other, please specify :Temperature Rise (ITR), Weighted average carbon intensity (WACI), Shades of Green, company's alignment with 1.5° C or 2°C, climate scenario analysis and exposure to areas of high water stress

(12.1.5) We measure the impact of our portfolio on forests

Select from:

- No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:

Other, please specify :Estamos en un proceso de capacitación intensiva sobre el estándar TNFD, que nos permitirá identificar y evaluar de forma más completa los riesgos y oportunidades relacionados con la naturaleza en nuestras inversiones.

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

This process is carried out and analyzed case by case when analyzing each transaction to be integrated into the portfolio, we identify where its assets are located, if they are adjacent to a protected area we request the Environmental Impact Statements (MIA), as well as if each point referred to in the MIA has been covered, in case the MIA requirements are still being resolved, they are included in the 100-day plan to be executed with the issuer through our active relationship with the issuer. However, we are analyzing portfolio locations for next year to publish our TNDF report in order to evaluate our impacts on biodiversity at a portfolio level.

(12.1.8) We measure the impact of our portfolio on water

Select from:

No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:

Other, please specify :Estamos en un proceso de capacitación intensiva sobre el estándar TNFD, que nos permitirá identificar y evaluar de forma más completa los riesgos y oportunidades relacionados con la naturaleza en nuestras inversiones.

(12.1.10) Explain why your organization does not measure its portfolio impact on water

Estamos implementando un proceso integral para evaluar y abordar los riesgos ambientales en nuestro portafolio de inversiones. Específicamente: 1. Mapeo de activos y estrés hídrico: Hemos iniciado la recopilación detallada de datos sobre la ubicación geográfica de los principales activos en nuestro portafolio. Este ejercicio nos permite identificar aquellos que se encuentran en zonas de alto estrés hídrico. 2. Estrategia de engagement: Con base en este análisis, estamos diseñando una estrategia de engagement focalizada. Nuestro objetivo es establecer un diálogo constructivo con las empresas emisoras que presentan mayor exposición a riesgos hídricos, buscando promover prácticas de gestión del agua más sostenibles.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

- Other, please specify :En proceso de elaborar nuestro primer reporte TNDF

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

This process is carried out and analyzed case by case when analyzing each transaction to be integrated into the portfolio, we identify if their reports include the identification of their impacts on the biodiversity surrounding their assets, if risks are identified in areas of high biodiversity or threatened species. We request the Environmental Impact Statements (MIA), the biodiversity protection protocols, as well as whether each point referred to in the MIA has been covered, in case the MIA requirements are still being resolved or threatened species are found, they are included in the 100-day plan to be executed with the issuer through our active relationship with the issuer. However, we are analyzing portfolio locations for next year to publish our TNDF report in order to evaluate our impacts on biodiversity at a portfolio level.

[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

- Loans
 Project finance
 Real estate

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

10894432

(12.1.1.3) % of portfolio covered in relation to total portfolio value

27

(12.1.1.4) Total value of assets included in the financed emissions calculation

454273110000.00

(12.1.1.6) Emissions calculation methodology

Select from:

The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

4

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

10305589

(12.1.1.9) Base year end

12/31/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

Portfolio emissions includes: Oil and Gas, Power Generation, Commercial Real Estate, other long term debt corporate loans (sectors like Cement, Agriculture, Aluminium, Coal, Iron, Steel, Transportation, Construction, etc.) and Mortgages.

Investing (Asset manager)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

Bonds

Equity investments

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

1550118

(12.1.1.3) % of portfolio covered in relation to total portfolio value

87

(12.1.1.4) Total value of assets included in the financed emissions calculation

250560000000.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

100

(12.1.1.6) Emissions calculation methodology

Select from:

The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

2

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

1622225

(12.1.1.9) Base year end

12/31/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

(12.1.1.11) Please explain the details of and assumptions used in your calculation

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Banorte's Asset Manager (our fund management subsidiary), we included Scope 1 and 2 greenhouse gas emissions by the issuers, except for oil & gas and mining, which include scope 3. To quantify emissions from sovereign bonds, we used Mexico's consumption emissions, where emissions intensity refers to the CO2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO2e/GDP). Sources used for calculations include internal databases, as well as issuers' public reports, Refinitiv, and CDP.

Investing (Asset owner)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

- Bonds
- Equity investments
- Fixed income
- Real estate
- Other, please specify :Mutual funds, Mandates and ETFs

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

10161302

(12.1.1.3) % of portfolio covered in relation to total portfolio value

89

(12.1.1.4) Total value of assets included in the financed emissions calculation

1039628580000.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

99

(12.1.1.6) Emissions calculation methodology

Select from:

The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

3

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

10156774

(12.1.1.9) Base year end

12/31/2021

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

*The quantification of the financed emissions only considers the scope 1 and scope 2 emissions of the issuers included in the investment portfolio as of December 30, 2022. The financed emissions are calculated based on the total Scope 1 and 2 GHG emissions of the company * (Investment amount/Enterprise Value). The calculations of financed emissions are aligned with the PCAF methodology. If the Enterprise Value of the issuers included in the calculations was not available, the Market Cap or Market Capitalization was used. In the cases of international companies with a presence in Mexico, if they had a sustainability report at the subsidiary level, the GHG emissions at the Mexico level were used, otherwise the GHG emissions at the corporate level were used for the calculations. To quantify the emissions financed by sovereign bonds, Mexican consumption emissions were used, where the intensity of the emissions refers to the amount of CO2 emitted per Gross Domestic Product based on Purchasing Power Parity (tCO2e/adjusted GDP by PPA). The calculations have coverage on average of 89% of the instruments in the portfolio, the GHG emissions data were taken in accordance with the availability of MSCI information as of December 30, 2021 and December 30, 2022. The Enterprise Value, market cap and sales for 2021 and 2022 are extracted from Bloomberg and S&P. Under the PCAF methodology, green bonds, sustainability-linked bonds and subsidiaries embedded in other instruments are omitted from the calculation of financed issuances of the corporate debt investment portfolio.*

[Fixed row]

(12.1.2) Disclose or restate your financed emissions for previous years.

Past year 1 for Banking (Bank)

(12.1.2.1) End Date

12/31/2021

(12.1.2.2) Financed emissions (metric unit tons CO2e) in the reporting year

10305589

(12.1.2.3) % of portfolio covered in relation to total portfolio value

24

(12.1.2.5) Emissions calculation methodology

Select from:

The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.2.6) Please explain the details of and assumptions used in your calculation

We set targets for highly carbon-intensive industry groups at the Banorte level (the bank subsidiary), covering 44.2% of the total loan portfolio. The targets were developed under the guidelines of the Net Zero Banking Alliance (NZBA), the SDA and Absolute Contraction methodologies, using SBTi's 1.5C scenario and the Net Zero 2050 scenario of the International Energy Agency (IEA-NZE 2050).

Past year 1 for Investing (Asset manager)

(12.1.2.1) End Date

12/31/2021

(12.1.2.2) Financed emissions (metric unit tons CO2e) in the reporting year

1622225

(12.1.2.3) % of portfolio covered in relation to total portfolio value

(12.1.2.4) % calculated using data obtained from clients/investees

0

(12.1.2.5) Emissions calculation methodology*Select from:* The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)**(12.1.2.6) Please explain the details of and assumptions used in your calculation**

In line with the PCAF methodology, green bonds, sustainable bonds, and products derived from the calculation of financed emissions of corporate bonds are omitted. The quantification of financed emissions of shares and corporate bonds only considers emissions scope 1 and scope 2 of the issuers included in the year. The intensity of emissions is defined as the amount of CO2 emitted per investment volume (gCO2e/Ps). It is calculated considering the sum of financed emissions of the financial instrument divided by the total AUM of the portfolio. The consumption emissions of Mexico were used to quantify financed emissions of sovereign bonds. The intensity of emissions refers to the amount of CO2 emitted per gross domestic product based on the purchasing power parity (tCO2e/PPP adjusted GDP).

Past year 1 for Investing (Asset owner)**(12.1.2.1) End Date**

12/31/2021

(12.1.2.2) Financed emissions (metric unit tons CO2e) in the reporting year

10156774

(12.1.2.3) % of portfolio covered in relation to total portfolio value

89

(12.1.2.4) % calculated using data obtained from clients/investees

94

(12.1.2.5) Emissions calculation methodology

Select from:

- The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.2.6) Please explain the details of and assumptions used in your calculation

*The quantification of the financed emissions only considers the scope 1 and scope 2 emissions of the issuers included in the investment portfolio as of December 30, 2022. The financed emissions are calculated based on the total Scope 1 and 2 GHG emissions of the company * (Investment amount/Enterprise Value). The calculations of financed emissions are aligned with the PCAF methodology. If the Enterprise Value of the issuers included in the calculations was not available, the Market Cap or Market Capitalization was used. In the cases of international companies with a presence in Mexico, if they had a sustainability report at the subsidiary level, the GHG emissions at the Mexico level were used, otherwise the GHG emissions at the corporate level were used for the calculations. To quantify the emissions financed by sovereign bonds, Mexican consumption emissions were used, where the intensity of the emissions refers to the amount of CO2 emitted per Gross Domestic Product based on Purchasing Power Parity (tCO2e/GDP). adjusted by PPP). Under the PCAF methodology, green bonds, sustainability-linked bonds and subsidiaries embedded in other instruments are omitted from the calculation of financed issuances of the corporate debt investment portfolio.*

Past year 2 for Investing (Asset manager)

(12.1.2.1) End Date

12/31/2020

(12.1.2.2) Financed emissions (metric unit tons CO2e) in the reporting year

125240

(12.1.2.3) % of portfolio covered in relation to total portfolio value

76

(12.1.2.4) % calculated using data obtained from clients/investees

0

(12.1.2.5) Emissions calculation methodology

Select from:

GHG Protocol: A Corporate Accounting and Reporting

(12.1.2.6) Please explain the details of and assumptions used in your calculation

According to the GHG Protocol methodology for calculating scope 3 emissions, category 15 for investment, we quantified a total of 125,240 tCO₂e corresponding to 121 issuers whose securities are included in the portfolio of our Fund Manager. This covers 76% of the total equity assets of this subsidiary.
[Fixed row]

(12.1.3) Provide details of the other metrics used to track the impact of your portfolio on the environment.

Climate change

(12.1.3.1) Portfolio

Select from:

Investing (Asset owner)

(12.1.3.2) Portfolio metric

Select from:

Other metric for impact on climate change please specify :Implied temperature rise is designed to show the temperature alignment of companies and our portfolio with global climate targets.

(12.1.3.3) Metric value in the reporting year

2.6

(12.1.3.4) % of portfolio covered in relation to total portfolio value

44

(12.1.3.5) Total value of assets included in the calculation

207613006974

(12.1.3.6) % of emissions calculated using data obtained from clients/investees

100

(12.1.3.7) Please explain the details and key assumptions used in your assessment

The temperature score calculation methodology includes three steps: a target protocol, which converts individual emissions targets into temperatures, a company protocol, which aggregates these targets into an overall company score, and a portfolio protocol, which weights these evaluations of companies in an investment portfolio. The implied portfolio temperature parameter seeks to estimate an increase in global temperature associated with the GHG emissions of a company, or an investment portfolio. It is calculated taking into account the GHG emissions trajectory of each of the companies in the portfolio based on their current GHG emissions and their carbon reduction goals. Under this metric, the degree of alignment of the company's emissions trajectory with the SBTI General Net Zero trajectories is evaluated, under which companies are expected to reduce their emissions 50% by 2030 and 90% by 2050. To consider A company that is aligned with the 1.5C scenario in the local market requires that total CO2 emissions be reduced by at least 4.2% annually, the above being in line with the general annual emissions trajectories of SBTI. In the absence of unambitious objectives or goals (below 1.3%), it is considered that companies will follow the usual path, therefore, they are assigned a default temperature of 3.2C.

[Add row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

	Portfolio breakdown
Banking (Bank)	<i>Select all that apply</i> <input checked="" type="checkbox"/> Yes, by asset class <input checked="" type="checkbox"/> Yes, by industry
Investing (Asset manager)	<i>Select all that apply</i> <input checked="" type="checkbox"/> Yes, by asset class <input checked="" type="checkbox"/> Yes, by industry
Investing (Asset owner)	<i>Select all that apply</i>

	Portfolio breakdown
	<input checked="" type="checkbox"/> Yes, by asset class <input checked="" type="checkbox"/> Yes, by industry

[Fixed row]

(12.2.1) Break down your organization’s financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:

- Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

- Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

- Power generation

(12.2.1.4) Asset class

Select from:

Fixed income

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

64

(12.2.1.7) Value of assets covered in the calculation

138375102177

(12.2.1.8) Financed emissions or alternative metric

399379

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

*The quantification of the financed emissions only considers the scope 1 and scope 2 emissions of the issuers included in the investment portfolio as of December 30, 2022. The financed emissions are calculated based on the total Scope 1 and 2 GHG emissions of the company * (Investment amount/Enterprise Value). The calculations of financed emissions are aligned with the PCAF methodology. If the Enterprise Value of the issuers included in the calculations was not available, the Market Cap or Market Capitalization was used. In the cases of international companies with a presence in Mexico, if they had a sustainability report at the subsidiary level, the GHG emissions at the Mexico level were used, otherwise the GHG emissions at the corporate level were used for the calculations. Under the PCAF methodology, green bonds, sustainability-linked bonds and subsidiaries embedded in other instruments are omitted from the calculation of financed issuances of the corporate debt investment portfolio.*

Row 2

(12.2.1.1) Portfolio

Select from:

Investing (Asset owner)

(12.2.1.2) Portfolio metric

Select from:

- Weighted average carbon intensity (tCO2e/Million revenue)

(12.2.1.3) Industry

Select from:

- Power generation

(12.2.1.4) Asset class

Select from:

- Fixed income

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

64

(12.2.1.7) Value of assets covered in the calculation

138375102177

(12.2.1.8) Financed emissions or alternative metric

44

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

- Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The WACI is calculated based on the following formula $(\text{Investment amount} / \text{Portfolio value}) * (\text{GHG volume in tons of CO}_2 / \text{USD million in sales})$. If the Enterprise Value of the issuers included in the calculations was not available, the Market Cap or Market Capitalization was used. In the cases of international companies with a presence in Mexico, if they had a sustainability report at the subsidiary level, the GHG emissions at the Mexico level were used, otherwise the GHG emissions at the corporate level were used for the calculations. Under the PCAF methodology, green bonds, sustainability-linked bonds and subsidiaries embedded in other instruments are omitted from the calculation of financed issuances of the corporate debt investment portfolio.

Row 3

(12.2.1.1) Portfolio

Select from:

- Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:

- Absolute portfolio emissions (tCO₂e)

(12.2.1.3) Industry

Select from:

- Fossil Fuels

(12.2.1.4) Asset class

Select from:

- Other, please specify :Listed Equity

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

93

(12.2.1.7) Value of assets covered in the calculation

8406306364

(12.2.1.8) Financed emissions or alternative metric

81013

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Banorte's Asset Manager (our fund management subsidiary), we included Scope 1 and 2 greenhouse gas emissions by the issuers, except for oil & gas and mining, which include scope 3. To quantify emissions from sovereign bonds, we used Mexico's consumption emissions, where emissions intensity refers to the CO2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO2e/GDP). Sources used for calculations include internal databases, as well as issuers' public reports, Refinitiv, and CDP.

Row 4

(12.2.1.1) Portfolio

Select from:

Investing (Asset manager)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Materials

(12.2.1.4) Asset class

Select from:

Bonds

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

83

(12.2.1.7) Value of assets covered in the calculation

197232718403

(12.2.1.8) Financed emissions or alternative metric

1469105

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

To calculate financed emissions for stocks, FIBRAs, and corporate debt held by Banorte's Asset Manager (our fund management subsidiary), we included Scope 1 and 2 greenhouse gas emissions by the issuers, except for oil & gas and mining, which include scope 3. To quantify emissions from sovereign bonds, we used Mexico's consumption emissions, where emissions intensity refers to the CO2 emissions per Gross Domestic Product based on Purchasing Power Parity (PPP-adjusted tCO2e/GDP). Sources used for calculations include internal databases, as well as issuers' public reports, Refinitiv, and CDP.

Row 5

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Emissions intensity (tCO2e/m2)

(12.2.1.3) Industry

Select from:

Infrastructure

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

100

(12.2.1.7) Value of assets covered in the calculation

226456051225

(12.2.1.8) Financed emissions or alternative metric

209132

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The calculation of the issuances of the Mortgage portfolio is limited to loans that have information on the value of the home and footage, obtaining a total coverage of 100% of the total portfolio. Climate scenario: SBTi 1.5C

Row 6

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Emissions intensity (tCO2e/m2)

(12.2.1.3) Industry

Select from:

Infrastructure

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

75

(12.2.1.7) Value of assets covered in the calculation

71920056474

(12.2.1.8) Financed emissions or alternative metric

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

- Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The calculation of the issuances of the Commercial Real Estate portfolio is limited to loans that have information on the value of the home and footage, obtaining a total coverage of 75% of the total portfolio. Climate scenario: SBTi 1.5C

Row 7**(12.2.1.1) Portfolio**

Select from:

- Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

- Emissions intensity (tCO2e/MWh)

(12.2.1.3) Industry

Select from:

- Power generation

(12.2.1.4) Asset class

Select from:

- Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

100

(12.2.1.7) Value of assets covered in the calculation

14348538176

(12.2.1.8) Financed emissions or alternative metric

1404951

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The calculation of the emissions of the Power Generation portfolio allows the efficiency of different energy sources to be evaluated, coverage 100% Climate scenario: SBTi 1.5C

Row 8

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Fossil Fuels

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

95

(12.2.1.7) Value of assets covered in the calculation

33927010097

(12.2.1.8) Financed emissions or alternative metric

1875030

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The calculation of the emissions of the Oil & Gas portfolio allows the efficiency of different sources (such as production, consumption) to be evaluated to identify opportunities for improvement allowing the creation of green products. Coverage 75% Climate scenario: IEA - NZE 2050

Row 9

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Food, beverage & agriculture

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

100

(12.2.1.7) Value of assets covered in the calculation

10218196993

(12.2.1.8) Financed emissions or alternative metric

1789475

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

Agriculture belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting practices and more responsible with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 10

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO₂e)

(12.2.1.3) Industry

Select from:

Materials

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.6) % of asset class emissions calculated in the reporting year based on total value of assets

100

(12.2.1.7) Value of assets covered in the calculation

(12.2.1.8) Financed emissions or alternative metric

15273

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Aluminum sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting practices and more responsible with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 11

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Materials

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.7) Value of assets covered in the calculation

489692535

(12.2.1.8) Financed emissions or alternative metric

45027

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Iron and Steel sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting practices and more responsible with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 12

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Materials

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.7) Value of assets covered in the calculation

1453343

(12.2.1.8) Financed emissions or alternative metric

156

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Coal sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting and more responsible practices with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 13

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Transportation services

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.7) Value of assets covered in the calculation

10323155945

(12.2.1.8) Financed emissions or alternative metric

51729

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Transportation sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting and more responsible practices with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 14

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Materials

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.7) Value of assets covered in the calculation

7546374258

(12.2.1.8) Financed emissions or alternative metric

1194810

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Cement sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting and more responsible practices with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

Row 15

(12.2.1.1) Portfolio

Select from:

Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

Infrastructure

(12.2.1.4) Asset class

Select from:

Loans

(12.2.1.7) Value of assets covered in the calculation

13660292202

(12.2.1.8) Financed emissions or alternative metric

194841

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

Not applicable

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

The Construction sector belongs to the most polluting sectors, calculating the emissions of the portfolio encourages the promotion of less polluting and more responsible practices with respect to environmental impact. 100% coverage Climate scenario: IEA - NZE 2050

[Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

84704000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

(Value of the balance by sector at the end of 2023 x100%) / Total assets of Bank Banorte

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

No standardized procedure

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

5285263000

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

(Value of the balance by sector at the end of 2023 x100%) / Total assets of Bank Banorte

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.1

(12.3.6) Details of calculation

(Value of the balance by sector at the end of 2023 x100%) / Total assets of Bank Banorte

Investing in all fossil fuel assets (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

Investing in thermal coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

Investing in met coal (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

Investing in oil (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

14560597

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

It includes the value of AUMs in the Oil and Gas sector according to the GICS classification divided by the total value of the portfolio's total AUMs for 2023.

Investing in gas (Asset manager)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

Investing all fossil fuel assets (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

6858759501

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

(12.3.6) Details of calculation

Incluye el valor de los AUMs en el sector de Oil and Gas de acuerdo a la clasificación de GICS dividido por el valor total de los AUMs de los instrumentos de gestión activa.

Investing in thermal coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

542503250.4

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

Incluye el valor de los AUMs en el sector de Minería con operaciones relacionadas con carbón (de acuerdo con la clasificación de GICS) para la cartera de gestión activa (Equity, deuda y fibras) dividido por el valor total de los AUMs de los instrumentos de gestión activa.

Investing in met coal (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

1

(12.3.6) Details of calculation

Incluye el valor de los AUMs en el sector de Minería con operaciones relacionadas con carbón (de acuerdo con la clasificación de GICS) para la cartera de gestión activa (Equity, deuda y fibras) dividido por el valor total de los AUMs de los instrumentos de gestión activa.

Investing in oil (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

6858759501

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

3

Investing in gas (Asset owner)

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

Yes

[Fixed row]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

47061089

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

47061089

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

- Production
- Processing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

34193233

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

6141717

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

- Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

- Production
- Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

7784788512

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

1938970648

(12.4.6) % value of the exposure in relation to your total portfolio value

1.7

Lending to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

Production

Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

34765142

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

21926167

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Lending to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

No

Lending to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

No

Lending to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

Production

Processing

Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

13247599

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

748299

(12.4.6) % value of the exposure in relation to your total portfolio value

0.2

Investing (asset manager) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset manager) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

Production

Trading

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

(12.4.6) % value of the exposure in relation to your total portfolio value

0.1

Investing (asset owner) to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

Investing (asset owner) to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

Unknown

[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

Other, please specify :Considering the Mexican taxonomy was issued in 2023, in 2024 Banorte is actively working on the implementation of a process to analyze and categorize our Corporate and Commercial portfolio

(12.5.36) Explain why you are not providing values of the financing and/or insurance

Considering the Mexican taxonomy was issued in 2023, in 2024 Banorte is actively working on the implementation of a process to analyze and categorize our Corporate and Commercial portfolio

Investing (Asset manager)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

No standardized procedure

(12.5.36) Explain why you are not providing values of the financing and/or insurance

We currently have an internal methodology for ESG analysis of fixed income assets, in which we include as part of the evaluation the alignment of the eligibility criteria of the thematic bonds to sustainable taxonomies. However, we are working on expanding the scope of the methodology to be able to quantify the impact and the value of the investments.

Investing (Asset owner)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:

No, but we plan to report in the next two years

(12.5.35) Primary reason for not providing values of the financing and/or insurance

Select from:

Other, please specify :With our participation in the pilot, we are defining the activities to implement in order to adopt taxonomy criteria in the investment portfolio. According to the CUF, Retirement Fund Administrators will be required to report compliance with the tax

(12.5.36) Explain why you are not providing values of the financing and/or insurance

With our participation in the pilot, we are defining the activities to implement in order to adopt taxonomy criteria in the investment portfolio. According to the CUF, Retirement Fund Administrators will be required to report compliance with the taxonomy approved by the governing bodies of each Administrator starting on January 1, 2026. Therefore, during this period, we will evaluate the activities, responsible parties, and procedures to assess the alignment of our portfolio with the selected taxonomy.

[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

- Mitigation
- Adaptation

(12.6.1.3) Portfolio

Select from:

- Investing (Asset owner)

(12.6.1.4) Asset class

Select from:

- Bonds

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics
- Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- Green Bond Principles (ICMA)

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Ecosystem protection
- Energy efficiency measures
- Green buildings and equipment
- Low-emission transport
- Renewable energy

(12.6.1.8) Description of product/service

Green, social, gender and sustainable bonds. The resources from these emissions are allocated entirely to projects that contribute to improving environmental conditions and promote the social development of the country. As of December 2023, Afore XXI Banorte's investments in sustainable financial instruments were 42 billion pesos in thematic bonds.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

20

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

26

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

The issuer of a Green Bond should clearly communicate to investors: • The environmental sustainability objectives of the eligible Green Projects; • The process by which the issuer determines how the projects fit within the eligible Green Projects categories and • Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).

Row 2

(12.6.1.1) Environmental issue

Select all that apply

Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

Mitigation

- Adaptation

(12.6.1.3) Portfolio

Select from:

- Investing (Asset manager)

(12.6.1.4) Asset class

Select from:

- Bonds

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics
- Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- Climate Bonds Taxonomy
- Green Bond Principles (ICMA)

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Not applicable

(12.6.1.8) Description of product/service

We invest in thematic instruments whose proceeds support sustainable development, reflected in the MXN4.07 bn in AUM invested in labeled ETFs, bonds and funds at the close of 2023.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

1

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

1

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Investing in thematic bonds assure our clients that the adverse impacts on the environment factors are considered in this product as the issuer should communicate to the investors: The environmental sustainability objectives of the eligible projects; The process by which the issuer determines how the projects fit within the eligible projects categories and • Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).

Row 3

(12.6.1.1) Environmental issue

Select all that apply

Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

Mitigation

(12.6.1.3) Portfolio

Select from:

Banking (Bank)

(12.6.1.4) Asset class

Select from:

- Loans

(12.6.1.5) Type of product classification

Select all that apply

- Products that promote environmental and/or social characteristics
- Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

- Internally classified

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

- Low-emission transport

(12.6.1.8) Description of product/service

Electrifying transportation is one crucial way to decarbonize the economy and support the right to a healthy environment. In fact, electric mobility is emerging as one of the main action lines that various countries have adopted as part of their strategies against climate change. In line with national electric mobility goals, GFNorte launched its Autoestrene Verde product in April 2022, designed to finance the acquisition of hybrid and electric vehicles.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.01

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

12

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Financing low or zero emission vehicles directly contributes to mitigating climate change by lowering the GHG released during vehicle use. Additionally, encouraging the purchase of such vehicles aligns with global regulatory trends that aim to reduce transport emissions. Thus, financial institutions play a crucial role in driving the shift towards greener transportation solutions by making such vehicles more accessible to consumers.

[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

Forests

(12.7.1) Target set

Select from:

No, we have not set such targets, but we plan to within the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

The formation of a work team that is trained in issues related to nature is in process, we have carried out the work plan for the analysis of Nature Risk, which includes issues of Water, Forests, Biodiversity, and Pollution. We have the Social Environmental Risk Management System (SEMS), through which we carry out a process of identification, categorization, evaluation and management of risks and impacts. The evaluation is carried out through Due Diligence under the framework of the Equator Principles and/or the IFC Performance Standards, where we verify the clients' legal compliance. During the Due Diligence process, the client is requested information related to natural resources (forest), ecosystem services, biodiversity, land use change, climate change, human rights, permits for the use of surface and groundwater, flora and fauna relocation programs, programs restoration and reforestation.

Water

(12.7.1) Target set

Select from:

No, we have not set such targets, but we plan to within the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

The formation of a work team that is trained in issues related to nature is in process, we have carried out the work plan for the analysis of Nature Risk, which includes issues of Water, Forests, Biodiversity, and Pollution. We have the Social Environmental Risk Management System (SEMS), through which we carry out a process of identification, categorization, evaluation and management of risks and impacts. The evaluation is carried out through Due Diligence under the framework of the Equator Principles and/or the IFC Performance Standards, where we verify the clients' legal compliance. During the Due Diligence process, the client is requested information related to natural resources (forest), ecosystem services, biodiversity, land use change, climate change, human rights, permits for the use of surface and groundwater, flora and fauna relocation programs, programs restoration and reforestation.

[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Fuel consumption

Base year emissions

Emissions breakdown by business division

Year on year change in emissions intensity (Scope 1 and 2)

Electricity/Steam/Heat/Cooling consumption

Emissions reduction initiatives/activities

(13.1.1.3) Verification/assurance standard

General standards

ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Pages. 360-362

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Integrated Annual Report 2023.pdf

[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

The work done by GFNorte in 2023 around climate change is the subject of this third report under the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). These recommendations pertain to aspects of governance, strategy, risk management, as well as climate-related targets and metrics. In this report, we prioritize the definition and verification of targets, the analysis of physical, transition, and nature-related risks, the development of climate scenarios, and stress tests.

(13.2.2) Attachment (optional)

Report on Climate - Related Risks and Opportunities TCFD 2023.pdf

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Sustainability Officer

(13.3.2) Corresponding job category

Select from:

Chief Sustainability Officer (CSO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute

