

Process Cover Sheet

1. Name of Process

Environmental Policy.

2. Objective of the process

To establish the reference framework and both internal and external commitments that Grupo Financiero Banorte has with stakeholders on environmental matters.

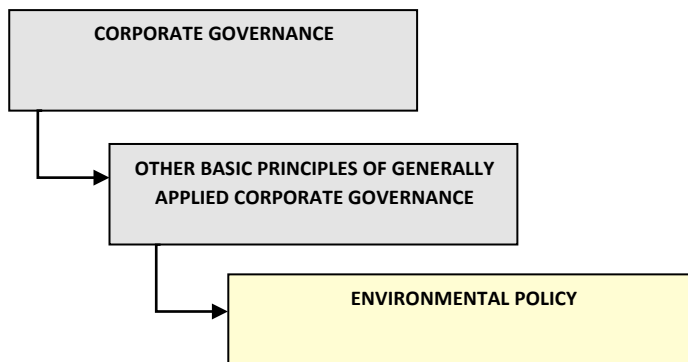
3. Scope of the process

Areas	This policy is applied to all companies and stakeholders pertaining to Grupo Financiero Banorte.
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4. Process Route

Corporate Governance / Other Basic Principles of Generally Applied Corporate Governance / Environmental Policy.

5. Hierarchical diagram



6. General policies associated with the process

- [Environmental Policy](#)

Policy

1. Policy Name

Environmental Policy.

2. Scope

This policy is applied in general to all companies and stakeholders pertaining to Grupo Financiero Banorte.

3. Policy Content

1. Objective:

- A. To establish a framework and internal and external commitments of Grupo Financiero Banorte with stakeholders in environmental matters

2. Introduction:

- A. Grupo Financiero Banorte (GFNorte) conceptualizes sustainability as maximizing profitability and growth of the institution, ensuring balanced development between the economic, social and environmental aspects inherent in our operation at all times.

GFNorte, through the Corporate Social Responsibility Department, shall establish structures, principles and guidelines for the planning, organization, execution, monitoring, control and continuous improvement of environmental initiatives that seek to achieve the objectives of sustainable development with the active participation of employees.

For this reason, this policy is being introduced as part of established institutional regulations for the ethical, equitable and impartial acting in all circumstances involving social responsibility issues, in such a manner as to be trustworthy for stakeholders involved with GFNorte and its operations, thus improving business performance, products, services and the company's position as an institution committed to the country and natural environment.

In order to maintain the present policy aligned with best practices and the latest national and international initiatives, the Corporate Social Responsibility Department is in charge of monitoring compliance with this policy.

3. Regulatory Framework

- A. The environmental policy is based on the United Nations Framework Convention on

Climate Change and adheres to the Rio Declaration on Environment and Development in order to ensure compliance with existing commitments and strategies recognized in these policies.

4. Initiatives and external commitments

- A. Grupo Financiero Banorte shall act through Corporate Social Responsibility to perform responsibly as a company to the environment and society of communities in which it operates, in order to prevent or correct incidents or conditions that jeopardize the health and safety of the environment and all who inhabit it.

- B. For this reason, the Sustainable Banking Department will propose to the DG GFNorte the establishment of and adherence to initiatives and commitments with international principles of economic, environmental and social natures in order to meet the expectations on environmental issues established by the Government and other concerned entities. In this way, the institution will support its commitment through acts of sensitization and awareness to promote the transformation of capital into value and sustainable investment.

- C. GFNorte respects and/or participates in the following commitments and environmental initiatives on national and international levels:
 - 1. UN Global Compact

 - 2. Natural Capital Declaration

 - 3. Carbon Disclosure Project (CDP)

 - 4. Equator Principles

 - 5. Programa GEI México (Mexico GHG Program)

 - 6. United Nations Environment Program Finance Initiative (UNEP FI)

5. Initiatives and internal commitments

- A. The Department of Corporate Social Responsibility is responsible to boost, promote and implement environmental practices in daily operations and the community that Grupo Financiero Banorte is comprised of.

B. To such effect, management will seek to implement the following activities:

1. Design and annually update a matrix for the identification, evaluation and classification of environmental aspects of our operations, in order to carry out the following tasks:
 - a) Identify and evaluate the environmental impacts related to these operations in order to devise strategies for their mitigation and/or compensation through appropriate preventive or corrective actions according to each particular case.
 - b) Verify that GFNorte operations are in full compliance with applicable environmental legislation through an environmental impact analysis carried out by the matrix.
2. Assess GFNorte's environmental performance with respect to specific objectives through periodic reviews and verifications or audits, either internally or by a third party to ensure that conduct and environmental culture is in alignment with the principles set out in this policy or, if necessary, implement the necessary corrective or preventive measures to fulfill established goals and meet applicable regulations.
3. To carry out annual monitoring of material environmental indicators identified by GFNorte, such as the carbon footprint and the estimation of water consumed, through the Sustainability Management System (SMS) implemented by the institution to register its environmental performance for subsequent disclosure in public reports.
4. Perform the following tasks in conjunction with the Directorate of Material Resources:
 - a) Establish a management plan for urban solid waste and sewage that strictly adheres to applicable environmental regulations and is approved by relevant authorities for the reduction and reevaluation of waste generated by the company.
 - b) Together with the Directorate of Technology Infrastructure,

ensure the safe handling of hazardous waste generated by the company according to applicable environmental regulations in each country in which the company operates.

- c) Gradually integrate the necessary environmental considerations into established acquisition procedures of GFNorte's policy for the selection of suppliers.
 - d) Promote environmental practices among world-class suppliers in the company's supply chain.
5. In a transparent manner, to annually gather, evaluate and report through appropriate communication channels an analysis of risks and opportunities that the company identifies as active or dormant in relation to climate change issues.
 6. Collaborate with non-governmental organizations linked to environmental issues and initiatives for the protection of ecosystems and biodiversity in general, in such a way as to generate mutual benefits for the company, the community and the environment.
 7. Develop effective strategies for the long-term reduction of environmental impacts due to the transportation of company products, as well as impacts related to the use of the various means of transportation used by employees.
 8. And, in general, to adopt practices that foster the efficient and responsible use of resources under the concept of eco-efficiency to promote the wellbeing of employees while optimizing the use of natural resources to carry out the company's operations.

6. Credit and investment activities

- A. Grupo Financiero Banorte recognizes that financial institutions play an important role as engines for economic development to propel sustainable development. This is why we are committed to not harming the environment and being responsible to society in our finance operations. Through the management of risks, social and environmental impacts, the design of green products and the rendering of the corresponding

accountability, GFNorte expresses its commitment to the sustainable development of Mexico.

GFNorte is aware that environmental and social risk can translate into financial risk. For this reason, through our Socio-Environmental Risk Management system (SEMS) and adherence to the Equator Principles we can identify, classify and evaluate environmental and social risks of loan portfolios for Corporate, Business and Government banking. The SEMS system offers us the opportunity to consolidate ourselves as catalysts for change in the sustainable performance of our customers' projects to ensure that they comply with national legislation and best practices on an international level.

The Equator Principles are a voluntary framework that Banorte has adhered to since March 2012 to ensure that social and environmental risks are considered in the financing of projects.

The 10 Equator Principles:

1. Categorization of socio-environmental risk
2. Environmental and social assessment
3. Applicable environmental and social standards
4. An Environmental and Social Management System and Equator Principles' Plan of Action.
5. Participation of stakeholders
6. Complaints mechanism
7. Independent review
8. Contractual commitments
9. Independent monitoring and reporting
10. Presentation of reports and transparency

7. Communication

GFNorte realizes that knowledge, understanding and awareness of social and environmental issues is a crucial factor in the development of a sustainable culture, so it focuses on increasing the coverage of information distributed on an ongoing basis through our different media. This policy, as well as all the advances and results related to the activities described therein, will be available publicly through appropriate channels in order to ensure effective, internal and external communication to inform all of our stakeholders.

- A. The communication strategy, oriented in an internal and external manner, is intended to raise awareness, engage, generate culture and publicize the results of the Corporate Social Responsibility Department's programs and initiatives.

- B. GFNorte, through the Corporate Social Responsibility Department, undertakes to comply with the foregoing; however, if there were to be any act in non-compliance with this environmental policy can it can be reported with discretion to the following email:
medioambiente@banorte.com