



Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

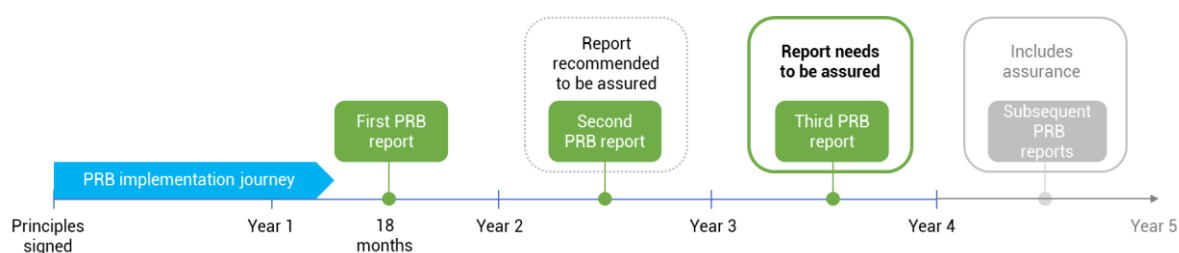
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment

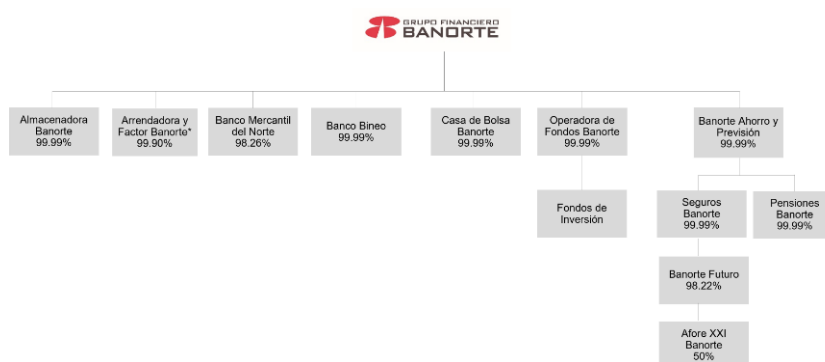


We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Grupo Financiero Banorte (GFNorte), is a leading financial institution in Mexico and the one with the broadest business diversification in the market. It operates as a universal banking institution, providing in addition, a wide array of products and services through its broker dealer, annuities & insurance companies, retirement savings funds (Afore), mutual funds, leasing & factoring company, and warehousing business.



* Sólida merges with Arrendadora y Factor Banorte on July 1st 2020, and changes its name to Arrendadora y Factor Banorte

Banco Mercantil del Norte (Banorte), is a Financial Institution authorized to operate banking and loan financial transactions. Its main activity is to offer all products and services within the universal banking industry in Mexico. Our business is organized in two main segments: retail banking and wholesale banking.

1. *Retail Banking. This segment serves clients through our branches, ATM network, online, telephone and mobile banking third party correspondents, POS, and our contact center. The retail banking segment offers services to individuals, small- and medium-size enterprises ("SME") and state and municipal governments. Products and*

Web page – [About GFNORTE](#)

Web page – [Structure](#)

[4Q23 Earnings Report](#), p. 13

p. 15-18

services offered through this segment include checking and deposit accounts, credit and debit cards, mortgages, car loans, payroll and personal loans, payroll dispersion accounts, as well as car, home and life insurance offered through a cross-selling agreement with our affiliate Seguros Banorte, S.A. de C.V. ("Seguros Banorte").

2. **Wholesale Banking:** Our wholesale banking segment comprises i) *Corporate and Enterprise Banking*, which includes structured loans, syndicated loans, financing for acquisitions and investment plans, as well as cash management, collections, trust services, payroll payment, checking accounts, lines of credit, and loans; ii) *Transactional Banking*, which includes a comprehensive model of cash management solutions and online banking, (iii) *Government Banking*, which includes checking accounts, loans, cash management, payroll payment services and comprehensive advisory services on public finance, and; iv) *International Banking*, which includes letters of credit, documentary collections, banking guarantees, stand-by letters of credit, letters of credit financing, cross-border financing for import and export transactions, international transfer services and specialized local banking services to foreign-based companies with operations in Mexico.

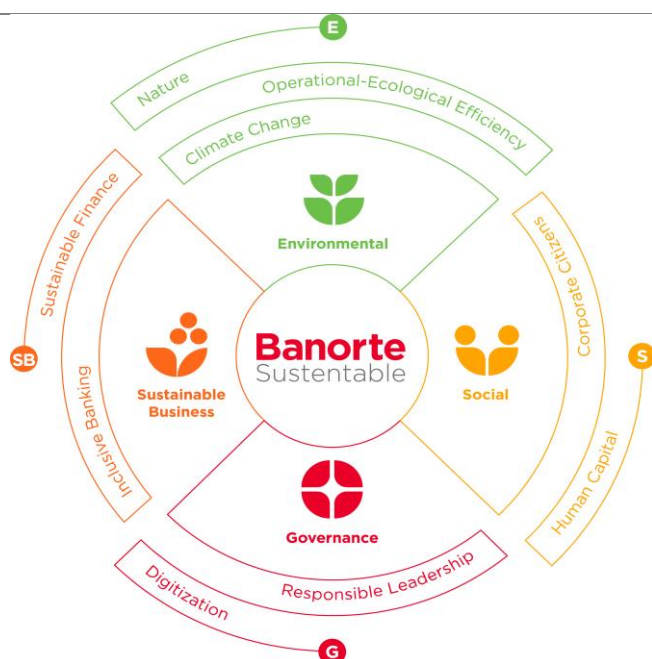
Performing Loan Portfolio:

Stage 1 and 2 Loans (Million Pesos)	4Q22	3Q23	4Q23	Change	
				3Q23	4Q22
Stage 1 and 2 loans					
Mortgages	226,932	248,864	253,138	2%	12%
Auto Loans	32,173	40,610	42,604	5%	32%
Credit Card	45,127	51,448	58,137	13%	29%
Payroll	67,051	75,565	74,522	(1%)	11%
Consumer	371,283	416,487	428,402	3%	15%
Commercial	229,126	253,590	253,015	(0%)	10%
Corporate	147,752	168,308	178,549	6%	21%
Government	171,720	171,638	171,961	0%	0%
Stage 1 and 2 loans	919,881	1,010,023	1,031,926	2%	12%

The top 10 sectors of the commercial and corporate loan portfolio are the following;

- Real-estate services
- Temporary lodging services
- Transportation-related services
- Institutions offering nonmarket credit and financial intermediation
- Professional, scientific, and technical services
- Building
- Construction of civil engineering works
- Manufacture of products based on non-metallic minerals,

<ul style="list-style-type: none"> • Wholesale trade in dry goods, food, beverages, ice and tobacco, and retail trade in dry goods, food, beverages, ice and tobacco • Wholesale trade in trucks, parts and new spare parts for cars, light trucks and trucks, and retail trade in motor vehicles, spare parts, fuel, and lubricants <p><i>The concentration of our portfolio in these ten industry groups represents 67% of the business portfolio (excluding government).</i></p> <p><i>Among the six largest institutions, Banorte is the only commercial bank that is managed by a Mexican management team. It only operates in Mexico.</i></p>	
<p>Strategy alignment</p> <p>Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> <p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p> <p><input checked="" type="checkbox"/> UN Guiding Principles on Business and Human Rights</p> <p><input checked="" type="checkbox"/> International Labour Organization fundamental conventions</p> <p><input checked="" type="checkbox"/> UN Global Compact</p> <p><input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples</p> <p><input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones: -----</p> <p><input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones: -----</p> <p><input type="checkbox"/> None of the above</p>	
<p><i>As a financial institution, we understand that we are a fundamental piece for the fulfilment of the goals that we have established as a society: the Sustainable Development Goals (SDG) and the Paris Agreement. This implies mobilizing capital strategically through investments that contribute to sustainable development, as well as the transition to a fair, low-carbon, and more resource-efficient economy.</i></p>	<p><u>2023 Integrated Annual Report</u> p. 82-84, 339-341</p>

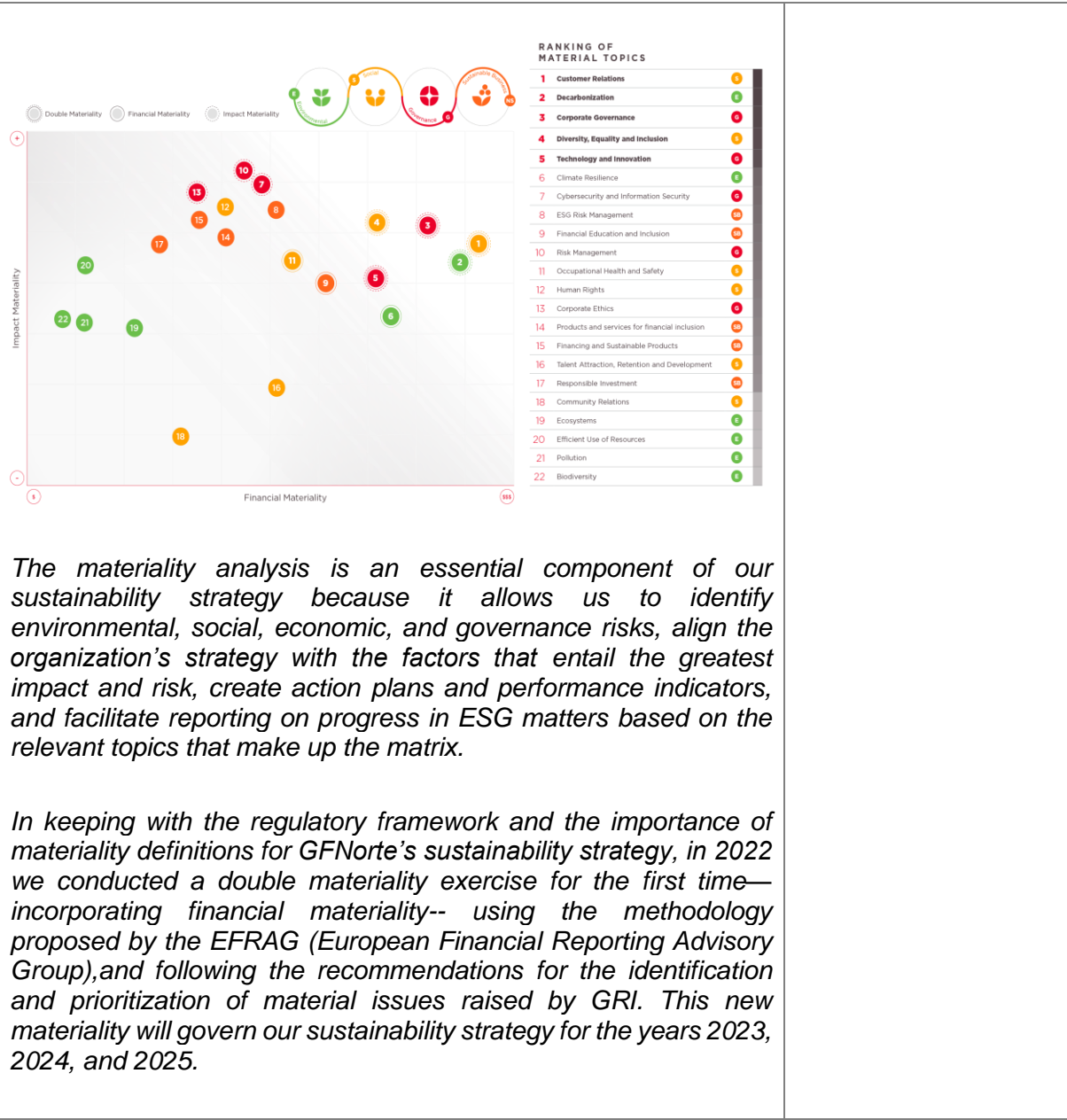


Our current sustainability strategy's model is sustained by four pillars: Environmental, Social, Governance and Sustainable Business.

Our ESG strategy consists in the incorporation of sustainability into decision-making from the highest level and ensure its execution through strong governance, to become Mexico's main ally in transitioning to a low-carbon economy through innovative and personalized products and services. In addition, we want to empower our workforce and the communities in which we operate through a diverse, equitable, and inclusive culture, promoting financial inclusion through digital products and services targeted at various demographic segments.

The four pillars consider 22 material topics which we have prioritized through our materiality matrix. According to the latest exercise, the top five material issues are the following:

1. Customer relations
2. Decarbonization
3. Corporate governance
4. Diversity, equity, and inclusion
5. Technology and innovation



The materiality analysis is an essential component of our sustainability strategy because it allows us to identify environmental, social, economic, and governance risks, align the organization’s strategy with the factors that entail the greatest impact and risk, create action plans and performance indicators, and facilitate reporting on progress in ESG matters based on the relevant topics that make up the matrix.

In keeping with the regulatory framework and the importance of materiality definitions for GFNorte’s sustainability strategy, in 2022 we conducted a double materiality exercise for the first time—incorporating financial materiality-- using the methodology proposed by the EFRAG (European Financial Reporting Advisory Group), and following the recommendations for the identification and prioritization of material issues raised by GRI. This new materiality will govern our sustainability strategy for the years 2023, 2024, and 2025.

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

In line with our responsible banking approach, in 2023, we conducted the fourth impact analysis exercise using version 3 of the Portfolio Impact Analysis Tool for Banks, a tool developed by UNEP FI. Through this exercise, we met the requirements of Principle 2 on PRB Impact Analysis and Target Setting.

[2023 Integrated Annual Report](#), p. 90

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

To apply the Portfolio Impact Analysis Tool for Banks to GFNorte's operations, we studied the composition of the corporate and business banking portfolios at the end of the year, which represent 41.8% of Banorte's total portfolio.

[2023 Integrated Annual Report](#), p. 160

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

Corporate banking represents the 17.1% of total portfolio.

CORPORATE BANKING

ISIC CODE	SECTOR	%
L	Real estate activities	17.9%
C	Manufacturing	14.0%
K	Financial and insurance activities	12.9%
H	Transportation and storage	12.2%
M	Professional, scientific, and technical activities	11.9%
I	Accommodation and food service activities	8.9%
F	Construction	7.2%
S	Other service activities	7.1%
D	Electricity, gas, steam, and air conditioning supply	4.2%
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	2.2%
B	Mining and quarrying	1%
J	Information and communication	0.3%
A	Agriculture, forestry and fishing	0.2%

Business banking represents 24.62% of total portfolio.

BUSINESS BANKING

ISIC CODE	SECTOR	%
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	22.3%
I	Accommodation and food service activities	11.6%
L	Real estate activities	10.8%
S	Other service activities	9.8%
F	Construction	9.6%
C	Manufacturing	9.4%
H	Transportation and storage	9.3%
M	Professional, scientific, and technical activities	8.4%
A	Agriculture, forestry and fishing	4.5%
D	Electricity, gas, steam, and air conditioning supply	2.1%
K	Financial and insurance activities	1.6%
J	Information and communication	0.6%
B	Mining and quarrying	0.1%

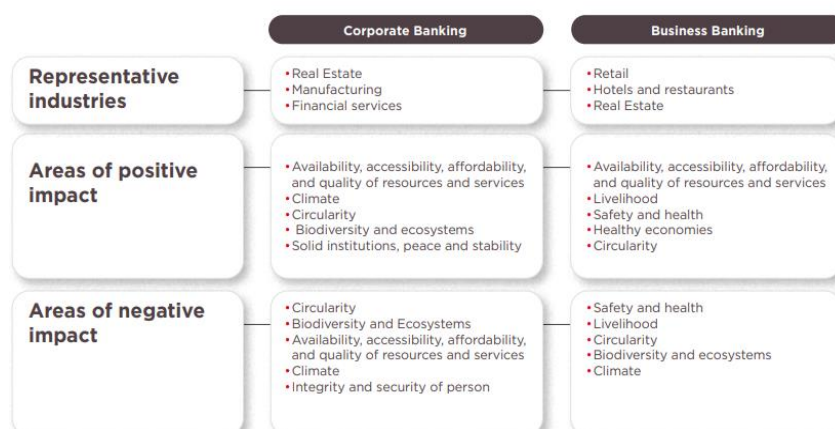
Consumer banking represents 41.7% of the bank's total portfolio.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Using the Portfolio Impact Analysis Tool for Banks, we were able to identify the priority impact areas for the bank based on the percentage of financing from each of the sectors they encompass and in relation to the priority areas determined for Mexico. We focus on positive impacts related to the availability, accessibility, affordability, and quality of resources and services, livelihood, security and health, healthy economies, among others; and negative impacts in terms of security and health, circularity, climate, biodiversity, and ecosystems.



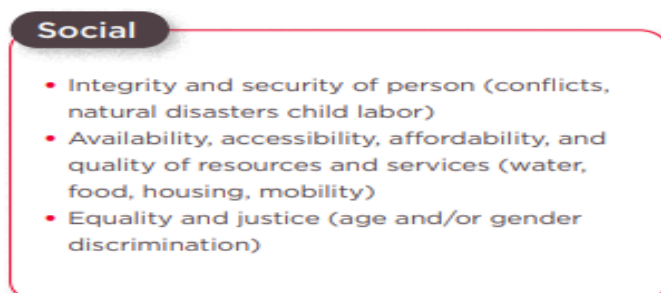
This exercise was not applied to the consumer banking portfolio, however, due to the weight it has in the total portfolio, it is considered relevant, and goals related to it have been managed. The impact measurement of this bank will be applied by 2024.

[2023 Integrated Annual Report](#), p. 90

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁶? Please disclose.

The Portfolio Impact Tool made it possible to determine the financing sectors where it is possible to identify the most significant positive and negative impacts, as well as the priority impact areas for Mexico.

Priority impact areas at the country level, by sustainable development pillar:



[2023 Integrated Annual Report](#), p. 91

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<div> <div>Socioeconomic</div> <ul style="list-style-type: none"> • Strong institutions, peace and stability (rule of law) • Infrastructures • Socioeconomic convergence </div> <div> <div>Environmental</div> <ul style="list-style-type: none"> • Climate stability • Biodiversity and healthy ecosystems (water and life) • Circularity (use of resources, waste) </div>	
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement.</u> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic, and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p><i>As climate change mitigation is one of our most significant environmental negative impacts, we measure financed emissions in terms of tonnes of CO2 equivalent and define decarbonization targets according to the Net Zero Banking Alliance (NZBA), guidelines for nine sectors of our Wholesale Banking; Commercial Real Estate, Power Generation, Oil & Gas, Agriculture, Aluminium, Iron & Steel, Coal, Transportation, Cement and Building, as well as our Mortgage portfolio for the Retail Banking, covering 43.0% of Banorte's portfolio and the NZBA requirements.</i></p>	<p>NA</p>

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, **resource efficiency** & circular economy, biodiversity, **financial health & inclusion**, human rights, gender equality, decent employment, **water**, **pollution**, other: please specify **mobility**.

How recent is the data used for and disclosed in the impact analysis?

- ☒ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☐ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional, or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national, or regional frameworks.

You can build upon the context items under 2.1.

Taking into consideration the materiality matrix, we selected the topics of climate change and financial education and inclusion for PRB goal setting purposes.

[2023 Integrated Annual Report](#), p. 298

Climate Change Mitigation:

In line with the Paris Agreement, we developed our financed emission targets under the guidelines of the Net Zero Banking Alliance (NZBA), using the Sectorial Decarbonization Approach (SDA) and Absolute Contraction methodologies, and SBTi's 1.5°C scenario and the Net Zero 2050 scenario of the International Energy Agency (IEA-NZE 2050).

[Report on Climate-Related Risks and Opportunities TCFD 2023](#), p. 85

Web page – [Financial Education and Inclusion Scorecard](#)

Financial Education and Inclusion:

We conducted an internal exercise based on materiality to outline financial inclusion indicators.

Web page- [Financial Inclusion](#)

As signatories to the UNEP-FI Principles for Responsible Banking, in 2022 we signed a commitment on Financial Health and Inclusion, which aims to promote universal financial inclusion and foster a banking sector that supports the financial health of customers by setting targets and measuring them on an annual basis.

Web page- [Financial Inclusion general context of Mexico and Banorte/targets](#)

We are required to:

- *Set targets within the first 18 months after signing that make a substantial contribution to the financial health and inclusion of societies.*
- *Report within 18 months on financial health and inclusion targets, and annually thereafter on their progress against these targets.*

As it is a priority for Banorte, during 2023 we set a financial inclusion subtarget and a target, both of which were approved by the Board of Directors.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators, and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	A.1.1	Yes.
	A.2.1	Setting it up.
	A.4.1	0.0%
	A.1.2	Yes, becoming net zero by 20250 using 2022 as a base year and 1.5°C scenario.
	A.2.2	9,760,857 tCO ₂ e
	A.1.3	In progress.
	A.2.3	Mortgages & Commercial Real Estate: kgCO ₂ e/m ² ; Power Generation: kgCO ₂ e/MWh
	A.1.4	Yes, nine carbon-intensive sectors in our wholesale portfolio and mortgage from the retail portfolio.

Impact area	Indicator code	Response
Financial health & inclusion	CS012*	Incorporate between 1.0 and 1.2 million clients through bineo in the period 2024-2026.
	Indicator Database **	Provide financing to an additional 7,250 SMEs in the period 2024-2026.
	* PRB Guidance on Target Setting in Financial Health and Inclusion ** Indicators Database	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

NA

NA

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

c) **SMART targets** (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Climate Change Mitigation:



[2023 Integrated Annual Report](#), p. 298

[Report on Climate-Related Risks and OpportunitiesTCFD 2023](#), p. 85.

Web page-
[Financial Inclusion general context of Mexico and Banorte/targets](#)

Financial Inclusion

Goal:

Financial Inclusion for Legal Entities:

Provide financing to an additional 7,250 SMEs in the period 2024-2026.

To measure the impact of the goal, the following KPIs are defined:

1. Number of SMEs provided financing to continue their business.
2. Number of SMEs provided financing where the decision-making is led by a woman.
3. Number of SMEs provided financing with the start of the process through a digital channel (Self-Service).
4. Number of SMEs provided financing with ages ranging between under 30 years old and over 70 years old.
5. Number of SMEs provided financing with no prior credit history.
6. Percentage increase in turnover through POS (Point of Sale).

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

7. Non-performing Loan Index.
8. Approval Rate for SME loans.

Goal:

Financial Inclusion for Individuals: Incorporate between 1.0 and 1.2 million clients through bineo in the period 2024-2026.

To measure the impact of the goal, the following KPIs are defined:

1. Number of loans disbursed.
2. Number of clients with two or more products from different categories, disaggregated by product type.
3. Number of products disbursed (savings/payroll).

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Climate Change Mitigation:

To meet financed emissions targets, we are working on a decarbonization roadmap which will include the following aspects:

- Develop policies to define the Group's stance on climate change for financial decision-making.
- Focus efforts on understanding transition plans and addressing the financing needs of the main customers in each industry.
- Seek to generate greater knowledge among our customers through strategic alliances, including industry experts, and by sharing best practices with the most advanced companies.
- Strengthen our climate governance by creating multidisciplinary teams called "cells" responsible for implementing various sustainability-related projects, including internal changes that make sustainable financing traceable, updates and evolution of climate risk management, and the development of sustainable products, among another 40 projects.
- Train and raise awareness of our employees, especially the sales force, about the importance of decarbonization and how they can contribute from their area of control.
- Promote transparency of GHG emissions of customers in the loan portfolio and emissions portfolio.
- Continue to refine, to the extent possible as possible, the quality of information about our customers, and automate calculation of the carbon footprint of our portfolio, in order to

[2023 Integrated Annual Report](#), p. 300

[Report on Climate-Related Risks and Opportunities TCFD 2023](#), p. 86

Web page-
[Financial Inclusion general context of Mexico and Banorte/targets](#)

<p><i>more expediently measure progress towards our medium and long-term decarbonization goals.</i></p> <p><i>During 2023, we set a financial inclusion subtarget and target, both of which were approved by the Board of Directors. We worked on a report to understand the context of Mexico and Banorte in this subject. In 2024, we will be working a strategy to fulfill these targets.</i></p>	
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Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (please name it) <i>Climate change mitigation</i>	... second area of most significant impact: ... (please name it) <i>Financial health and inclusion</i>	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Climate Change Mitigation:

In compliance with industry best practices, we sought validation of our decarbonization goals from the Science Based Targets initiative, SBTi. The rigorous assessment process was completed in September 2023, making us the first financial group in Latin America to successfully undergo the validation process. With this achievement, we are proud to inform our stakeholders that our decarbonization goals meet the ambition and alignment with climate scenarios of warming are based on science-based calculation methodologies.

Once the goals have been published, our next challenge is to chart the path towards decarbonization. We will address this multi-year project through direct sector-specific engagement with our clients. We have already identified the key clients within each sector and will initially focus our efforts on them to understand their transition plans and the financing needs that will help them achieve these plans. Additionally, in collaboration with industry experts, we aim to connect our clients with the best sustainable operational practices for their sectors. With this enhanced knowledge, we will continue to provide the financial resources needed for a structured transition towards a low-carbon operation.

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

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

[NZBA Report](#)

Throughout the year, we maintained our active participation in various initiatives of which we are signatories. This includes our involvement in the Steering Committee of the Net Zero Banking Alliance, representing banking in Mexico and Latin America, as well as participation in the Climate Data Working Group (CDWG) of the Partnership for Carbon Accounting Financials (PCAF) initiative. This enables us to communicate the specific needs of the Latin American financial sector to these organizations and, through calls and local and regional events, contribute to a wider adoption of the signatory base of these initiatives.

Financial Inclusion:

Legal Entities:

The focus given in recent years to the SME client segment in Banorte has been centered on initiatives aimed at continuous presence for attracting quality clients, providing care and development support that offers financial and non-financial tools for business growth.

In this same context, a 3-year strategic plan has been proposed, strengthening this strategy through a reengineering in open market origination and improving the value proposition at the client level based on 4 pillars:

- 1. Quality and profitability: Healthy growth focused on attractive offers for the best risk profiles.*
- 2. 360-degree view of the customer: Comprehensive, timely offerings according to the customer's lifecycle.*
- 3. Digitalization and Optimization: Process simplification leading to time reduction.*
- 4. Strengthening the Value Proposition: Expanding the target market to strategic niches.*

Banorte's SME Banking is committed to continue supporting the continuous and sustainable development of small and medium-sized companies, which is why the focus for the years 2024 - 2026 is centered on growth with quality, including digital channels and the offer to niches of interest.

With the commitment to continue to support companies, we seek to generate a comprehensive value offering by providing financial and non-financial products and services focused on the development of entrepreneurs, employees, and business in general, for them we will be promoting the following actions, which in turn will be accompanied by the continuous improvement in processes that generate a differentiator in the internal and external customer experience:

- 1. Expand our credit offer to a greater amount and with specialized solutions, with this initiative we would reach 50mdp of financing to SMEs giving continuity to the development of their business.*

Web page-

[Financial Inclusion
general context of
Mexico and
Banorte/targets](#)

2. *Provide differentiated characteristics to the offer of Crediactivo Mujer PyME with the intention of exceeding expectations and breaking the main entry barriers of the niche of female users of financial services, seeking to level the balance of opportunities and access to financial products.*
3. *Disseminate and cover with a differentiated offer the origination through our self-service SME credit channel for amounts up to 8mdp available in our web portal CírculoPyME.com.*
4. *Maintain an inclusive policy for people outside the usual age range (under 30 and over 70 years of age), to give continuity to existing loans or grant new ones, while expanding our eligibility criteria by making the origination policy more flexible for customers with no credit history but with experience in the sector or activity.*

To accompany our credit, offer with a financial and non-financial offer according to the client's profile that allows us not only to support them in their day-to-day and business growth, but also in their operations, making us a competitive integral offer in the market.

Individuals:

We launch of bineo, the first 100% digital bank in Mexico without branches, offering an exceptional user experience. Born in the cloud, with a simple, orderly, and scalable architecture based on cutting-edge technologies, it involves real-time data production and consumption to understand the needs, context, behavior, and preferences of its clients.

This bank caters to any client seeking a digital solution for universal banking, a one-stop-shop for all types of products and services related to their money (savings, transactions, loans). Considering the absence of branch network costs, it opens the door to low operational-cost banking, enabling service to segments previously underserved by Banorte. This will facilitate greater financial inclusion.

Therefore, we've set a goal initially aimed at incorporating new clients and attending to existing clients with a basic bank account. In a subsequent stage, we aim to facilitate access to credit and other savings or investment products with accessible amounts for everyone through Banorte's Digital Banking and bineo. As of the end of 2022, Banorte has 7.6 million digital clients, while bineo is in the process of being launched into the market, making the base measurement for the goal 0.

To achieve the goals set between 2024 and 2026, a comprehensive strategy will be implemented that includes two fundamental pillars:

Brand positioning:

- 1. A combination of online and offline channels will be used to reach a broad and diverse audience, seeking to consolidate bineo as a leader in innovation, safety and trust.*
- 2. The brand's values and benefits will be conveyed through clear and engaging communication. Creating high quality content that generates value in line with the needs and interests of the target audience.*

Customer acquisition:

- 1. Digital marketing strategies will be implemented on digital platforms such as Google, Facebook, Instagram and YouTube to reach a segmented audience aligned with the bank's product portfolio.*
- 2. A personalized, omnichannel experience will be offered that fosters the bank's interaction with the customer by facilitating product acquisition.*

The combination of strategic positioning and customer acquisition through a 360° strategy will allow bineo to achieve its objectives efficiently and effectively, consolidating itself as a leading option in the financial market.

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?

☒ Yes ☐ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

We have a socio-environmental risk management system, through which we provide advice to our clients through business areas, evaluating their performance and sharing recommendations and best practices in the sector. This process is governed by the socio-environmental risk policy as well as the natural capital policy with the objective of contributing to the prevention and mitigation of impacts incorporated into the decision-making process.

As a financial institution, we understand that raising awareness among people about the benefits of various financial products and services, as well as enabling access to them through branches, correspondents, and other digital channels that allow remote access, represents an opportunity for society and for the business. Therefore, we work constantly to be an inclusive bank, always listening to the voice of our clients to offer cutting-edge products and services. We promote financial inclusion so that an increasing number of people have access to the financial products and services that meet their needs, thereby creating better opportunities.

Banorte is committed to implementing initiatives that promote financial services and financial education to support individuals with all the necessary information. In this regard, financial

[Socio-environmental Risk Policy](#)

[Natural Capital Policy](#)

Web page-
[Financial Inclusion general context of Mexico and Banorte/targets](#)

inclusion is a key facilitator to reduce poverty and promote prosperity. As signatories of the Principles for Responsible Banking of UNEP-FI, in 2022, we committed to Health and Financial Inclusion, aiming to promote universal financial inclusion and foster a banking sector that supports the financial health of customers by setting and annually measuring objectives.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Climate Change Mitigation:

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. Despite the uncertainty in the national energy context, we recognize the importance of wind and solar energy to achieve a low-carbon economy. We remain firmly committed to our customers in the renewable energy sectors, who contributed an estimated MXN6.10 bn to our climate portfolio by the end of December 2023.

In addition, 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 favourable 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.

Financial Inclusion:

In 2023 we made inroads into financial products and service access for vulnerable groups like refugees, the elderly, migrants, and people with auditory and visual disabilities.

Other GFNorte financial inclusion products:

[2023 Integrated Annual Report](#)

p. 92,93, 111-113, 248-24

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



Apoyos Banorte*

This account is part of the Bienestar program, supporting Mexico's most vulnerable populations through a deposit account and debit card that make it easier to access their money.

This product is offered only for social programs that pay out money to their participants.

1,547,216

Beneficiaries (number of accounts)



Banorte Fácil

An attractive option for anyone who wants to access the banking world and its benefits through a basic peso deposit account with no fees or commissions.

86,539

Beneficiaries (number of accounts)



Enlace Digital

A 100% digital account that can be opened in just five minutes from any device with internet access, with no annual membership fee or minimum opening amount.

This account can be used for banking anytime, from anywhere, through Banorte Móvil.

Banorte-UNHCR Partnership

In a partnership that is unique in its kind, Banorte and the United Nations High Commissioner for Refugees (UNHCR) joined forces to give refugees access to the Mexican financial system through the "Enlace Digital" account, where they can receive their pay from their first formal job.

This account marks a milestone in this country because it gives refugees access to credit products, helping them to save and build financial security.

232,965

Beneficiaries (number of accounts)





Suma Menores

This account can receive deposits at any branch and through Banorte Móvil, and money can be withdrawn at any of our network of ATMs or used to make card purchases. The account earns interest on a minimum monthly balance of MXN 500 pesos.

*Can only be opened by the child's parent or tutor.

109,523

Beneficiaries (number of accounts)

<div data-bbox="284 309 549 474">  </div> <div data-bbox="338 488 491 515"> <p>Mujer Banorte</p> </div> <div data-bbox="229 542 580 685"> <p>This is the only account in Mexico to offer a package of benefits and services designed exclusively for women, giving them greater security and peace of mind. Starting this year, Mujer Banorte debit cards are printed on sustainable 90% recycled PVC plastic.</p> </div> <div data-bbox="229 712 387 734"> <p>Exclusive benefits:</p> </div> <div data-bbox="229 736 584 857"> <ul style="list-style-type: none"> • Mujer Banorte emergency assistance • Medical insurance for women's illnesses • Accidental death insurance • 20% discount on specialization courses at Tecnológico de Monterrey </div> <div data-bbox="229 884 379 907"> <p>Account benefits:</p> </div> <div data-bbox="229 909 544 1079"> <ul style="list-style-type: none"> • Scheduled savings and buckets • Sight investment • Protection against card loss or theft • Sustainable debit card with exclusive benefits • MasterCard Priceless™ experiences • Banorte reward points </div> <div data-bbox="365 1137 459 1164"> <p>296,790</p> </div> <div data-bbox="296 1171 533 1191"> <p>Beneficiaries (number of accounts)</p> </div> <div data-bbox="718 309 983 474">  </div> <div data-bbox="756 488 943 537"> <p>Tarjeta de Débito Universal **</p> </div> <div data-bbox="663 564 1031 685"> <p>One of the most practical and simplest cards on the market, it allows customers to obtain, replace or renew their card automatically at participating merchants without having to visit the bank branch.</p> </div> <div data-bbox="663 712 1037 833"> <p>Its main goals are to offer greater security and a better customer experience, guaranteeing permanent access to a payment method, while taking the pressure off our branches, particularly during the pandemic.</p> </div> <div data-bbox="663 860 1011 1028"> <p>The card has contactless payment technology and invisible security elements (no CVV2 or expiration date printed). This payment method can be associated 24/7 with various deposit or savings accounts through Banorte Móvil or online banorte.com/midebito.</p> </div> <div data-bbox="663 1055 1026 1153"> <p>Starting this year, the cards can be acquired directly at Oxxo convenience stores, guaranteeing customers access to a Banorte card 24/7, 365 days a year.</p> </div> <div data-bbox="798 1211 901 1240"> <p>2,661,752</p> </div> <div data-bbox="730 1247 967 1265"> <p>Beneficiaries (number of accounts)</p> </div>	<p>2023 Integrated Annual Report P.260</p>
<p>Financial Education:</p> <p><i>We have implemented initiatives for people to acquire basic knowledge and skills to manage their funds better and increase and protect their assets through the proper and responsible use of financial products and services.</i></p> <p><i>In 2023 we organized the following financial literacy initiatives:</i></p> <ul style="list-style-type: none"> • 8 “My life in wealth” financial habits seminars with 326 beneficiaries • 12 Financial literacy workshops with 1,505 beneficiaries • 24 ACNUR financial literacy workshops with 842 beneficiaries • 5 Keynote lectures with 1,638 beneficiaries 	

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

On a biannual basis, we consult them which are the issues that we must prioritize in our sustainability strategy through specific communication channels for each one. The stakeholders with which we interact are:

- Shareholders and investors
- Employees
- Suppliers and partners
- Customers
- Regulatory agencies
- Industry associations
- Society
- Media

The results of the consultation are used to construct the materiality matrix, being the input from the impact perspective. Moreover, the financial perspective input of the materiality matrix is based on interviews with senior management.

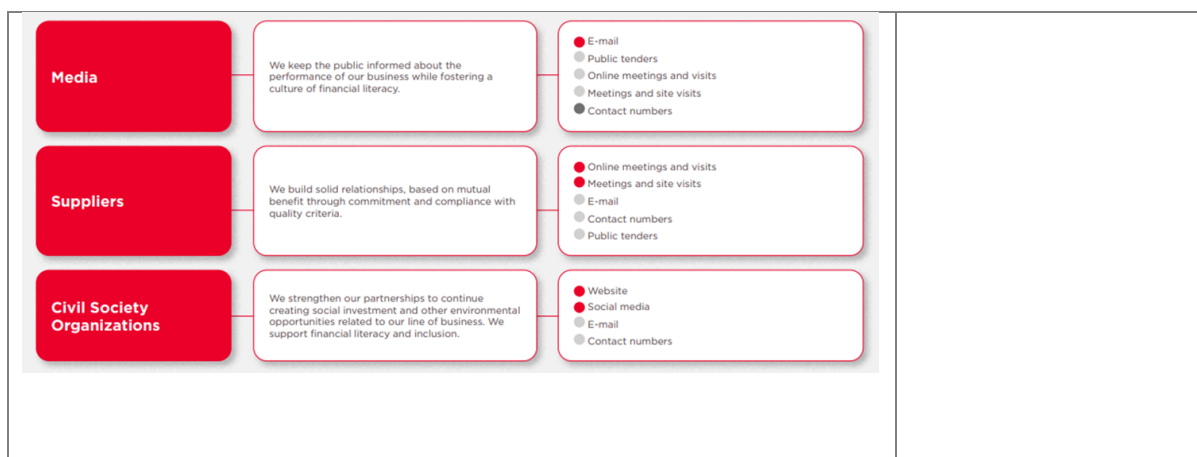
[2023 Integrated Annual Report](#), p. 334-336, 339-341

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Our latest materiality analysis was conducted in 2022. This new materiality will guide our sustainability strategy for the years 2023, 2024 and 2025.

In addition, in the following table are listed other topics that we regularly interact with our stakeholders, as well as the departments, the channels and the frequency of these interactions.

FREQUENCY OF STAKEHOLDER INTERACTION: ● Annual ● Regular ● Constant		
Stakeholder group	Value Proposition	Communication channel
Investors	We apply best practices in financial and ESG transparency and communication. We attract interest and investment through strong management of our business growth.	<ul style="list-style-type: none"> ● Quarterly Reports ● Investor Website ● Norte Económico Podcast ● Annual Report ● Newsletters ● Conferences ● E-mail ● Shareholders' meeting ● Website
Customers	We offer high-quality products and services that meet every customer's needs through practical, ethical, and responsible advice. We ensure better communication through technological and digital solutions. We also encourage the incorporation of sustainable practices.	<ul style="list-style-type: none"> ● Branch network ● Banorte Móvil ● Specialized User Service Unit ● Media advertising ● Website ● Social media ● Norte Económico podcast ● Satisfaction surveys
Employees	We foster a culture grounded in our principles and values, ensuring equal opportunities for all. We create development and growth opportunities by building highly competitive profiles. One of our priorities is ensuring our employees' overall wellness, health, and safety.	<ul style="list-style-type: none"> ● Institutional website ● Banorte News ● Collaborative tools: Microsoft Teams ● EthicsPoint Hotline ● Human capital development ● Course (Corporate WhatsApp) ● Viva Engage ● E-mail ● Banorte support line ● AsisMed app ● Union magazine ● Organizational climate survey
Government Agencies	We maintain a culture of regulatory compliance with applicable laws, always safeguarding the rights of our customers and stakeholders.	<ul style="list-style-type: none"> ● Website ● Participation in forums ● E-mail ● Contact numbers ● Committees ● Online meetings ● Face-to-face meetings
Industry and trade activities	We actively promote an ESG management agenda with priority attention to relevant banking sector issues.	<ul style="list-style-type: none"> ● Contact numbers ● Website ● Social media ● Online meetings and visits ● Meetings and site visits ● E-mail
Community	We continually work for the social development of our communities through inclusion and financial literacy efforts. We also promote investment initiatives benefiting the community through [Sin título] peer efforts, and other programs.	<ul style="list-style-type: none"> ● Contact numbers ● Website ● Social media ● Community visits ● Meetings and site visits ● Corporate volunteering ● E-mail



Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Planning, development and implementation of the Sustainability strategy is the responsibility of the Sustainability department in conjunction with strategic directions (depending on the topic). The Sustainability Committee was created in 2019 and meets three times during the year. Reports to the Risk Policies Committee¹⁾, which in turn reports to the Board of Directors. .

In order to carry out its purpose, the Sustainability Committee shall perform the following functions:

- *Approve the Group's sustainability strategy, action plan and goals, as well as follow up on the results.*
- *Maintain updated sustainability policies aligned to the best practices worldwide.*
- *Promote that business and administrative decisions consider the possible impacts that may arise in social and environmental aspects, promoting the best corporate governance practices.*
- *Communicate within and outside the Group relevant sustainability issues.*
- *Promote strategic alliances with third parties in order to strengthen GFNorte presence as a sustainability company.*
- *Encourage employee's engagement in sustainability initiatives.*

[2023 Integrated Annual Report](#)
page 134, 24 - 47

<ul style="list-style-type: none"> • Oversees the operation of the Subcommittee on Diversity, Equity and Inclusion <p>As part of our climate change commitment, during 2023, we set up various multidisciplinary work groups focused on execution of all key projects like Sustainable Financing, product development, managing physical and transition risks. Considering the relevance of the projects, these working groups decide which projects should be presented to the aforementioned committees.</p> <p><i>The Risk Policies Committee (CPR per its acronym in Spanish), composed of a majority of independent members, meets monthly, and a Sustainability Risk section is already included in the agenda.</i></p> <p><i>Additionally, the Audit and Corporate Practices Committee (CAPS per its acronym in Spanish), composed of only independent members, meets monthly and, in terms of sustainability, is in charge of oversees the results of the assurance process of the Group's Integrated Annual Report.</i></p> <p><i>With regards remuneration linked to sustainability targets, for the time being it is only applied to members whose participate on the climate change strategy. These targets are defined on the bank's internal platform and results are monitored and evaluated twice a year.</i></p>	<p><u>Report on Climate-Related Risks and Opportunities TCFD 2023</u> p. 9</p> <p><u>Report on Climate-Related Risks and Opportunities TCFD 2023</u> p. 16</p>
<h2>5.2 Promoting a culture of responsible banking:</h2> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	
<p><i>At GFNorte, the continuous training of the institution, as well as of the work groups that collaborate in the different environmental, social and governance initiatives, is an essential aspect, in order to strengthen our sustainable culture.</i></p> <p><i>In our credit, business, and risk departments, training is a primary tool for instilling a risk management culture that considers environmental, climate, and social aspects. We are confident that awareness, skill development, and staying updated on the latest trends are essential to risk prevention and mitigation. For this reason, in 2023, our annual online training plan extended to over 1,710 employees.</i></p>	<p><u>2023 Integrated Annual Report</u>, p. 47</p>

Topic	Target audience	Number of employees	Hours of training
Training			
Governance and management of environmental and social risks	Wholesale, Commercial and Government Banking, Risks and Credit	1309	0.5
Onboarding Business, Corporate and Credit	Business and Corporate Banking and Credit	251	1
Awareness-raising and communication			
Quarterly communications, relevant cases of socio-environmental risk and miscellaneous	Sustainability Champions, Risk, Business and Corporate Banking and Credit	133	5 min
Socio-environmental risk team training			
Sustainable Assistance	SERA	2	13
Science-based Targets Network LatAm		3	5
Managing socio-environmental risks and SEMS		7	12
Applying environmental legislation		3	40
Regulation and legal protection of cultural and natural heritage		1	24
Climate Change and Nature-related disclosures:		1	16

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

For GFNorte, limiting environmental and social risks is a fundamental part of our business strategy. Within the bank's lending process, we have the SEMS (Socio-environmental risk management system), now on its 11th year of operation, which since the year 2012 has helped us identify, categorize, evaluate and monitor the risks entailed in the financing we extend in corporate, business and infrastructure banking, based on the Equator Principles, the performance standards of the IFC, as well as local laws and institutional regulations.

During the analysis process, we identify the potential risk of financing and apply our blacklist. We classify risks as category A (high risk), B (medium risk) and C (low risk), depending on the magnitude of the impact and its possibility for mitigation. We then decide which credits to evaluate depending on the use of the proceeds, size, and sector to which they belong, prioritizing investment projects, working capital and/or bridge loans in sensitive industries.¹ Loans above USD10 million are evaluated under the Equator Principles; loans between USD1 million and up

[Socio-environmental Risk Policy.](#)

[Natural Capital Policy.](#)

[2023 Integrated Annual Report](#), p. 43-46

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

to USD10 million under the IFC performance standards, and loans of less than USD1 million through internal evaluation by the SEMs. Finally, we manage projects by providing consultancy to customers, conducting biannual onsite visits, monitoring reputational issues, and participating in credit committees.

We have reinforced our culture of socio-environmental risk prevention and mitigation incorporated into decision-making, in an effort to address and contribute to issues of global importance such as climate change, biodiversity loss, and respect for human rights

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☒ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

Banorte's 2023 PRB Reporting and Self Assessment Template contains information that was extracted from the listed links and references throughout the document.

Some of the indicators obtained from the 2023 Integrated Annual Report were verified with a limited assurance by an independent third party and may coincide with the information detailed in this report.

In order to select the indicators for verification, for 2023 we conducted a detailed analysis to align those indicators with our new materiality matrix.

[2023 Integrated Annual Report](#), p. 359-362

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
☒ SASB
☒ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☒ TCFD
☒ Other: Equator Principles

The indicators that were verified with a limited assurance by an independent third party are the following:

GRI:

- 3-2
- 202-1
- 302-1
- 302-3

[2023 Integrated Annual Report](#), p. 359-362

<ul style="list-style-type: none"> • 302-4 • 305-1 • 305-2 • 305-4 • 405-1 • 405-2 • 417-3 • 418-1 • FS8 • FS10 • FS11 • FS16 <p>SASB:</p> <ul style="list-style-type: none"> • FN-CF-220a.2 • FN-CF-270a.4 • FN-CB-240a.4 <p><i>In order to select the indicators for verification, for 2023 we conducted a detailed analysis to align those indicators with our new materiality matrix.</i></p>	
<h3>6.3 Outlook</h3> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p>Governance:</p> <ul style="list-style-type: none"> • <i>Carry out the projects aligned to the 5 material topics resulted of the updated sustainability strategy with a double materiality perspective.</i> • <i>Continuity to the program of board member training in topics such as, emerging risks, climate and nature risks, cybersecurity among others.</i> • <i>Continuousness to the sustainability culture program for employees and set the basis to reach out customers in specific sectors.</i> <p>Climate change mitigation:</p> <ul style="list-style-type: none"> • <i>Implement the decarbonization strategy.</i> 	<p>NA</p>

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

- *Improve data quality of our scope 3 category 15 GHG emissions.*
- *Engage with clients on climate-related issues.*

Financial Inclusion and Education:

- *Follow up on the targets defined in 2023. In order to fulfill financial education and inclusion KPIs, we created an internal working group with 3 lines of action:*
 - *Financial Inclusion*
 - *Financial Education*
 - *Financial Health.*
- *Each line of action has defined initiatives to ensure the requirements of the PRBs and rating agencies.*
- *Our Financial Education and Inclusion Strategy will be presented to the Sustainability Committee during 2024.*

Impact analysis:

- *Implement the new version of The Portfolio Impact Analysis Tool for Banks.*
- *During 2023, we will be working with the business areas so that they include within their responsibilities, objectives that allow mitigating negative impacts and potentiating positive impacts, in accordance with the Sustainable Development Goals and the guidelines of the Principles for Responsible Banking.*

Sustainable Financing:

- *Accompany our Wholesale and Commercial Banking customers in their journey to a green transition. This approach will be focused on analysing its sector in terms of sustainability and identifying the topics in which they need to prioritize considering the position of their peers and provide them a financial solution.*
- *Improve our internal process to identify those loans which can be label as green, social, or sustainable.*

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|---|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning. | <input checked="" type="checkbox"/> Data availability |
| | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Assurance |
| | <input type="checkbox"/> Prioritizing actions internally |
| <input type="checkbox"/> Setting targets | |
| <input type="checkbox"/> Other: ... | |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁷ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁸ (highlighted in **green**) or to client engagement¹⁹ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.²⁰ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁷ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁸ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁹ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁰ You might not be able to report on all indicators and/or on levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.

- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²¹ (pathway to impact)									Impact ²²		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (<i>for business clients</i>), or towards low(er)-carbon practices (<i>for retail clients</i>)?	Yes / Setting it up / No; <i>If yes:</i> Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; <i>please specify</i> the definition of green assets and low-carbon technologies used	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²³
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; <i>If yes:</i> - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Total GHG emissions or CO ₂ e (<i>please also disclose what is excluded for now and why</i>)	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive	bln/mn USD or local currency, and/or % of portfolio	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (<i>please specify which portfolio; for corporate and business clients: % of sectors financed</i>)

²¹ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²² Impact: the actual impact of the bank's portfolio

²³ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

			year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?		investment portfolio?			sectors and activities ²⁴ ? How much does your bank invest in transition finance ²⁵ ?			
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit					
	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; If yes: please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% (denominator: <i>financed emissions in scope of the target set</i>)					

²⁴ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁵ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main

			stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			financial health tools)			through the transactions of the customer, the results of the plan.			financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due"	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products

									defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.			connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based

												using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is	C.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonimized users and # of interactions for anonymized users.						
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	C.2.2	% of customers with effective access to a basic banking product	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.			

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			money accounts, etc.						
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			