



# BANORTE AND THE 2030 AGENDA IN TIMES OF **COVID-19**



## > Background

The public health emergency has undoubtedly been an important test that allowed Grupo Financiero Banorte to reinforce its commitment with its main stakeholders: employees, clients and the community.

We are aware that we are facing a situation like never before. The global coronavirus pandemic is affecting our families, businesses, communities, and our lifestyles.

Firmly committed to the Sustainable Development Goals (SDG), we decided to prepare the present report to share the positive impact of all the initiatives that we have, and will continue to carry out, during these difficult times.

## > Executive summary

Since the very beginning of the current public health crisis we have maintained our efforts to continue contributing to the SDG.

During these challenging times, we have been working especially hard towards the achievement of the following 2030 Agenda goals: **Zero Hunger (2), Good Health and Well-being (3), Decent Work and Economic Growth (8), Reduced Inequalities (10), and Partnerships for the Goals (17).**

In this document we will present the actions that Banorte has carried out in order to promote a sustainable recovery in our country.

## > Introduction

In 2015 the United Nations approved the 2030 Agenda on Sustainable Development, an opportunity for countries to embark on a new path to improve everyone's life. The Agenda has 17 Sustainable Development Goals which interact with each other as they recognize that interventions in a goal affect the results on others. The 17 SDG also recognize there should be a balance between the environmental development, economic development, and social development.

The COVID-19 pandemic presented unprecedented challenges for the global community, leading to economic difficulties affecting millions of individuals and businesses. In addition, it has also affected the three dimensions of sustainable development: economic, social and environmental.

The pandemic has underscored the need to accelerate the progress towards health coverage and universal access to key infrastructure, especially digital infrastructure. The COVID-19 crisis has made it very clear that countries with an efficient social security system in place and universal health coverage are better equipped to respond to such crises.

During this pandemic, digital technologies have played a key role in keeping services, payments, schooling and health care running while social distancing, and in allowing home office for many. The need for digital technologies underscores the critical importance of a universal access to broadband services as the key to social inclusion, access to opportunities and public health.

While the pandemic is a setback for sustainable development, the SDG together with the 2030 Agenda and the Paris Agreement, provide the right compass towards a "green recovery", as well as for the creation of policies with a projection into the future. This allows to monitor the actions on sustainable land use, food security and responses to the biodiversity crisis.

## > Background Mexico COVID19

The coronavirus pandemic has had a major impact on our country. The household income fell which contributes to poverty and indebtedness. By the end of 2019, over 37% of the population (47 million of workers) could not afford a basic food basket.<sup>1</sup>

Based on the report “Mexico’s response to Covid-19: Case study” issued by the National Council for the Evaluation of Social Development Policy (CONEVAL for its acronym in Spanish), in June 2020 this number increased by 11.7 million workers. By the end of 2020, as a slow economic recovery begun, there were still 51.3 million workers living in poverty, approximately 41% of the population. Between Q4 2019 and 2020, poverty increased from 42% to 51%, and extreme poverty from 7% to 13%.<sup>2</sup>

An important segment of the vulnerable middle-class population (about 9 million people) fell below the poverty threshold during the crisis. With lower income, food security collapsed to the lowest level in decades. It is estimated that in the midst of the crisis only 27% of the population had food security.<sup>3</sup>

Committed to Mexico, Banorte has carried out different efforts in order to continue supporting Mexican families, either through our employees, our clients, or our community.

<sup>1</sup> CONEVAL – Mexico’s response to Covid-19: Case study [https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la\\_respuesta\\_de\\_mexico\\_al\\_covid\\_esp.pdf](https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la_respuesta_de_mexico_al_covid_esp.pdf)

<sup>2</sup> CONEVAL – Mexico’s response to Covid-19: Case study [https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la\\_respuesta\\_de\\_mexico\\_al\\_covid\\_esp.pdf](https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la_respuesta_de_mexico_al_covid_esp.pdf)

<sup>3</sup> CONEVAL- Mexico’s response to Covid-19: Case study [https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la\\_respuesta\\_de\\_mexico\\_al\\_covid\\_esp.pdf](https://globalhealthsciences.ucsf.edu/sites/globalhealthsciences.ucsf.edu/files/la_respuesta_de_mexico_al_covid_esp.pdf)

## > Banorte's impact, sustainable recovery

One year after the global launch of the United Nations Principles for Responsible Banking, and during the Sustainable Investment Forum Europe, Carlos Hank González, Chairman of the Board of Directors of Grupo Financiero Banorte, stated that the post-pandemic global economic recovery should be based on a sustainable development.

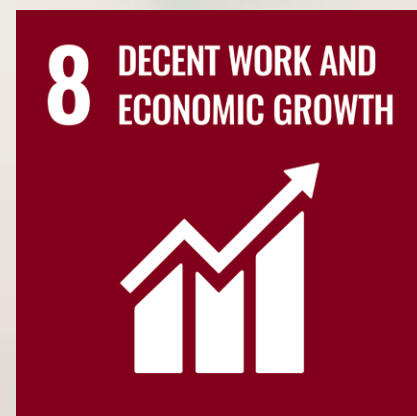
Hank González analyzed the economic impact of the pandemic and mentioned the financial sector would be critical in the recovery, provided it considers the corresponding environmental, social and corporate governance (ESG) aspects.

**"Banks have to be part of the recovery, but in order to achieve that recovery we will have to transform ourselves and stop doing more of the same. We must work taking into consideration all stakeholders and understanding the context has changed. If there is a recovery, it must be sustainable", Carlos Hank González at the Sustainable Investment Forum Europe.**

Humanity began to experience a strong and unexpected health crisis in 2020 that continues today. Its effects have transcended a large number of spheres more beyond health, such as economic and social.

In solidarity with the Mexican families, in Banorte we implemented some measures to help our clients, employees and the community to navigate these difficult times.





# ACTIONS: EMPLOYEES



In Banorte, we know our team and our culture are the competitive advantage that have allowed our group to reach its current position in the market.

Taking into consideration the well-being of our employees, we carried out the following actions:

- Design of a specific methodology in order to establish the positions that would be potential candidates for remote work during the health contingency. In addition, implementation of the remote work policy which specifies the corresponding guidelines.
- Performance of monthly surveys to measure employees' confidence towards Banorte during the pandemic. Some of the aspects that are measured through these monthly surveys are motivation, commitment, productivity, and physical and mental health.
- Creation of the Committee for the Implementation of COVID-19 protocols with the aim of monitoring external and internal guidelines focused into the handling of the pandemic. This, with the collaboration of different departments such as Human Resources, Medical Services, Material Resources, Commercial Banking, Labor Union and Communication.
- Development of an operational plan to access the administrative buildings through a cellphone/laptop/PC application.
- Creation of a repository to collect the information related to COVID-19 to make it accessible to all employees at any time.
- Creation of "Monitoring COVID", a weekly newsletter that informs all employees about the most relevant aspects related to COVID-19, as well as the implemented corresponding actions.
- Registry of employees with comorbidities through the Vulnerability Factors Questionnaire.
- Implementation of a rotation protocol for 100% of the employees at the branches to reduce the risk of contagion.
- Creation of the Banorte Contigo program aimed at providing employees with virtual sessions for emotional well-being.
- Biweekly control and monitoring to validate compliance with hygiene and health measures in all Banorte branches and buildings to avoid risks of contagion amongst employees and clients.

## Initiatives carried out from March 2020 to June 2021:

DEPARTMENT	INITIATIVE	RESULTS
Human Resources, Medical Services, Material Resources, Commercial Banking, Labor Union and Communication	Committee for the Implementation of COVID-19 protocols	100% of employees served (March 2020 - present)
Communication	COVID-19 newsletter	100% of employees served (March 2020 - present)
Comprehensive health system	COVID-19 knowledge and management course	100% of the employees took the course (June 2020)
	Telehealth for employees	100% of the requests have been addressed
Branches	Branch access protocol	100% of the branches following the protocols established by the corresponding authorities (March 2020 - present)
	Preventive measures for customers and users in branches	100% of the branches following the protocols established by the corresponding authorities (March 2020 - present)
	Pointing into alternate channels and preventive measures	100% of the clients directed to alternate channels (March 2020 - present)
Human Resources and Communication	Banorte Contigo program	42,367 attendees to different conferences (March 2020 - present)

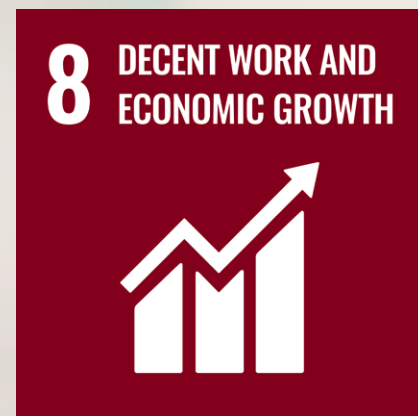
**3** GOOD HEALTH AND WELL-BEING



**8** DECENT WORK AND ECONOMIC GROWTH







# ACTIONS: OUR CLIENTS

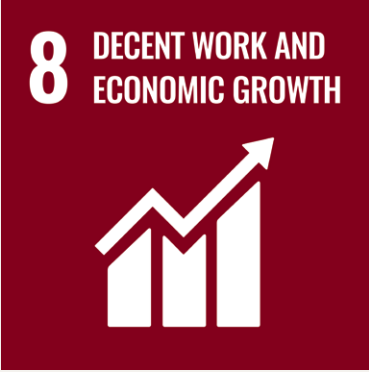


Initiatives carried out from March 2020 to June 2021:

DEPARTMENT	INITIATIVE	RESULTS
Debit and credit card	Supporting your health: payment in 6 months with no interest for purchases done in pharmacies, hospitals, clinics, laboratories, analysis.	7,000 clients served (March 20 <sup>th</sup> , 2020 - April 30 <sup>th</sup> , 2020)
	Stay Home Campaign: Encourage purchases with the modality of payments in months with no interest focused into better serving the clients' needs during the pandemic: exercise, entertainment and home office supplies	18.9 thousand transactions (May 2020)
	Payment plans (Flex Plan): Fixed payment plans for selected clients once support programs have ended	121.5 thousand clients enrolled

Correspondents	Increase customer service points: Alliance with Walmart	67% coverage of Mexican municipalities (April 2020 - present)
ATMs	Support in migrating transactions from ATMs to the mobile app Banorte Movil (BM) (balance inquiries and printout of transactions' details)	14% of decrease in ATMs' transactions and 12% of increase for BM with respect to balance inquiries (October 2020 - December 2020) In regards to the printout of transactions' details there was a 9% of decrease in ATMs and 14% of increase for BM
Family remittances	Experimental campaigns and communication with clients to: 1- Allow them to continue taking care of themselves by receiving remittances on account to avoid contagion. 2- Encourage savings to be prepared in case of an emergency. 3- Reposition Banorte as the best option to receive family remittances.	During 2020, even with the complications of the pandemic, 30 thousand new accounts were opened which received family remittances during the year

DEPARTMENT	INITIATIVE	RESULTS
Acquiring Business	Support program for affiliated businesses: Avoid charging monthly commissions for rent, billing and average balance for two months.	More than 33,000 affiliations served (April 2020 - July 2020)



In line with SDG 8 -Decent work and economic growth- and given the negative impact in different parts of the economy due to the health emergency caused by Covid-19, at Banorte we decided to implement specific measures to support our clients in this situation.

We were the first bank to offer to our clients payment deferral programs for four months, in which we enrolled more than 630 thousand loans. These benefits applied to credit cards, mortgages, car loans, payroll loans, personal loans and SME loans.

In addition, we implemented innovative schemes to assist the users of our services. We also strengthened our mobile channel, adding digital products and services.

Today, our digital offerings considers opening digital checking accounts, credit cards, payroll loans, and mutual funds, without having to visit a branch.

Initiatives carried out from March 2020 to June 2021:

DEPARTMENT	INITIATIVE	RESULTS
New businesses	Enlace Digital: The opening of Enlace Digital accounts was promoted through self-service electronic channels, without the need to go to a branch, reducing the exposure to risk. Online opening Free membership No average minimum balance Mobile banking	Web: More than 200 thousand new accounts were opened. 80% use of mobile banking Peper: More than 80 thousand new accounts were opened.
	Exclusive offer for women wich offers special benefits: free assistance and insurance package.	5% of increase in the use of home assistance. (April 2020 - July 2021)
	Accesibility for opening payroll accounts, which represented a benefit for sectors that registered a substantial increase in new hires, such as health and government entities.	The payroll services clients have increased by 2.5% thanks to these actions (April 2020 - July 2021)
	Banorte Digital Fund	14,921 new clients (January 2020 - present)
	Digital promissory note	21,627 new clients (January 2020 - present)

DEPARTMENT	INITIATIVE	RESULTS
Digital Banking	Ensuring the opening of digital banking without having to go to the branch	200,000 new enrollments from the bank's current clients (March 2020 - present)
	Enabling check deposit in mobile banking for customers who use it the most	Around 500,000 clients on this service (March 2020 - present)
	Communication and knowledge of digital services	More than 40% of increase in transactions
	Home delivery of tokens	30% of the clients received their token at home
	Products enrollment 100% digital	Available: (January 2020 - present)

DEPARTMENT	INITIATIVE	RESULTS
Branches	Branch Access Protocol: Use of Queue Manager (QM) without a card generating tickets in advance to avoid contact with devices	Following the protocols established by the corresponding authorities On avergae, more than 4 million tickets issued on a monthly basis (March 2020 - present)
	Preventive measures for customers and users in branches	100% of the branches following the protocols established by the corresponding authorities (March 2020 - present)
	Pointing into alternate channels and preventive measures	100% of the branches following the protocols established by the corresponding authorities Pointing clients into alternate channels (March 2020 - present)
	Personal protective equipment (PPE) for branches' employees	100% of employees served with PPE (March 2020 - present)
	Preventive measures for branches' employees	Enabling the corresponding protocols based on the guidance from the authorities in 100% of the branches, implementing actions such as: employees rotation, staggered working hours or branch closures
	Communication preventive measures	100% of employees constantly informed
	Tickets via WhatsApp	We were the first bank that allowed a ticket request for branch services using WhatsApp, one more strategy to protect our clients, avoiding the concentration of people and waiting lines



In order to contribute to SDG 10 -Reduced Inequalities- to make our services accessible to all Mexicans, reduce geographical barriers, expand our physical and digital infrastructure, and provide maximum security in each of our channels.





# ACTIONS: OUR COMMUNITY





*"At Banorte we truly believe that companies must have a social dimension, and that it is in the family that we find our foundations as individuals and society."*

**Carlos Hank González**

Chairman of the Board of Directors  
of Grupo Financiero Banorte

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According to the Research Institute for Development with Equity, quoted by CONEVAL in its "2020 Social Development Policy Evaluation Report", "the pandemic could increase food

insecurity in households with a lower socioeconomic level, putting at risk the reduction of the lack of access to food.<sup>4</sup>

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<sup>4</sup> [https://www.coneval.org.mx/SalaPrensa/Comunicadosprensa/Documents/2021/COMUNICADO\\_01\\_IEPDS\\_2020.pdf](https://www.coneval.org.mx/SalaPrensa/Comunicadosprensa/Documents/2021/COMUNICADO_01_IEPDS_2020.pdf)





In order to ensure food security for those most in need, through **Fundación Banorte**, we have **donated aid packages to low-income families throughout Mexico, serving 368,104 people.**



On the other hand, in collaboration with Marriott and Mastercard we supported the Rooms for Responders initiative, through which we provided free stays in hotels in 3 cities of the country (Mexico , Guanajuato and Querétaro) to healthcare workers responding to the COVID-19 emergency. Nurses, doctors, and workers from the healthcare sector could continue working without putting their families at risk as they would have an alternative place to stay. **More than 13 thousand rooms were used by healthcare workers who were supporting COVID-19 treatment efforts during the months of June to December 2020.**

## Initiatives carried out from March 2020 to June 2021:

DEPARTMENT	INITIATIVE	RESULTS
Fundación Banorte	Aid packages	368,104 people served (April 2020 - December 2020) 25,917,475 millions of pesos donated
	Donation of medical equipment (respirators, medical equipment, among others)	186,195 people served (April 2020 - December 2020)
Credit card	Rooms for responders	13,000 rooms for healthcare workers (June 2020 - December 2020)

## > Conclusions

Being in line with the Sustainable Development Goals is a commitment we made since 2015, and supporting Mexicans has been a commitment that we have always had.

The pandemic is not over yet. For this reason, at Banorte we continue to promote initiatives that help all Mexicans overcome the challenges of these times.

This report is a testament to the commitment we have to support Mexican families and to remain close to them when they need us most, as well as to share with transparency the positive impact of all the initiatives that Grupo Financiero Banorte has carried out to contribute to the SDG during the COVID-19 pandemic.

We are your family's bank.

## > Acknowledgments

We thank all Banorte employees for their commitment in these difficult times, as well as all the people who participated in the preparation of this report.

To our allies from the public sector, private sector, and nonprofits who have supported us unconditionally.