

**1. Name of Process**

Social Policy.

**2. Objective of the process**

To establish the reference framework and commitments that Grupo Financiero Banorte has with stakeholders on social matters.

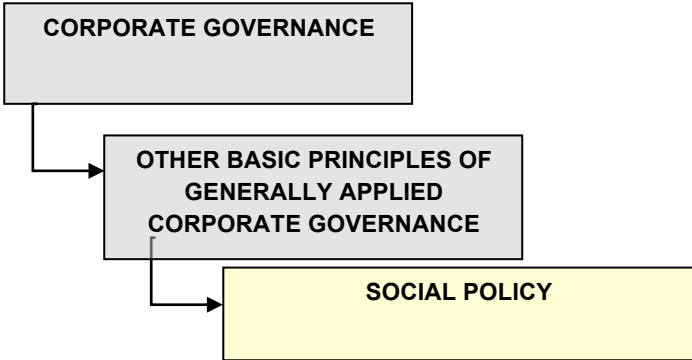
**3. Scope of the process**

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

*Corporate Governance / Other Basic Principles of Generally Applied Corporate Governance / Social Policy.*

**5. Hierarchical diagram**



**6. General policies associated with the process** ?

- [Social Policy](#)

# Policy

## **1. Policy Name**

Social Policy.

## **2. Scope**

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

## **3. Policy Content**

### **1. Introduction:**

- A. Grupo Financiero Banorte conceptualizes sustainability as maximizing profitability and growth of the institution, ensuring a balanced development between the economic, social and environmental aspects inherent in our operation at all times.
- B. GFNorte, through the Corporate Social Responsibility Department, shall establish structures, principles and guidelines for the planning, organization, execution, monitoring, control and continuous improvement of environmental initiatives that seek to achieve the objectives of sustainable development with the active participation of employees.
- C. For this reason, this policy is being introduced as part of the established institutional regulations for the ethical, equitable and impartial acting in all circumstances involving sustainability and social responsibility issues, in such a manner as to be trustworthy for stakeholders involved with GFNorte and its operations, thus improving business performance, products, services and the company's position as an institution committed to the country.
- D. In order to maintain the present policy aligned with best practices and national and international initiatives, the Corporate Social Responsibility Department is responsible for monitoring compliance with the following policy through a verification process of Grupo Financiero Banorte's integral Annual Report with an external consultant.

### **2. Regulatory Framework:**

- A. This policy is based on Articles 1 and 2 of the Constitution of the United Mexican States and adheres to the UN's Universal Declaration of Human Rights in order to ensure compliance with the existing laws and rights recognized in these.

- B. Declaration on Fundamental Principles and Rights at Work, International Labour Organisation. This document commits members to respect and promote the principles and rights in four categories: the freedom to join a union, bargain collectively and take action; the abolition of forced labor; the abolition of child labor and; the elimination of discrimination at work.

### **3. Initiatives and external commitments:**

Grupo Financiero Banorte, through all the entities that comprise it, is committed to the following:

#### A. Human Rights:

1. To respect equally the human rights of everyone in the Group.
2. To respect human rights in any decision made.

#### B. Commitment to the country's development:

1. To ensure that the community's development grows in conjunction with that of its stakeholders and the society in which it operates.
2. To offer financial products with attributes that contribute to sustainable development.

#### C. External commitments:

Grupo Financiero Banorte adheres to the following principles and international standards as part of its corporate commitment to the sustainable development of the country.

1. The United Nations Global Compact. This global initiative commits companies to align their operations with ten universally recognized principles divided into four areas: human rights, labor standards, environment and anti-corruption.
2. The Equator Principles. This is a framework that financial institutions use to

manage both environmental and social risks in projects, providing a minimum standard for responsible risk decision-making.

3. Women's Empowerment Principles. These are seven principles that allow women to participate at all levels of economic activity to improve quality of life, establish more stable societies and create stronger economies.

D. Social practices:

1. Grupo Financiero Banorte, through the areas of Talent Management and Social Responsibility, generates financial education to raise awareness in decision-making related to finances, thereby boosting our stakeholders' financial strength.
2. The area of Social Responsibility, through its channels of communication, encourages directors, officers, employees and clients to participate in social-work activities. (See [The Code of Conduct](#) and [Internal Work Regulations](#)).

**4. Initiatives and internal commitments:**

Grupo Financiero Banorte, and all the entities that comprise it, is committed to the following:

A. Human Rights:

1. Human rights must apply equally to everyone in Grupo Financiero Banorte: Board members, investors, customers, suppliers and employees; no one shall enjoy special privileges or exclusions.
2. Any decision made by Grupo Financiero Banorte must respect human rights.
3. The Sub Directorate of Labor Relations is responsible for acknowledging, defending and ensuring compliance with the human rights.

B. Labor practices:

1. Forced labor.

a. To ensure that no one is hired who uses or favors the practice of forced labor, either directly or indirectly.

b. To never force anyone to perform activities that are not appropriate to the institution, or to violate their principles or health.

c. To offer employment contracts with fair, transparent regulations, guaranteeing the worker's rights.

2. Child labor.

a. To work to abolish child labor, by only hiring staff who comply with the provisions of the Federal Labor Law. (See LFT)

3. Non-discrimination.

a. To promote a culture of non-discrimination in labor for stakeholders with regards to hiring, job promotions, work conditions and the sale of products for reasons of:

(i) Ethnic origin

(ii) Age.

(iii) Religion.

(iv) People with disabilities.

(v) Sexual orientation.

(vi) Pregnancy.

(vii) Personal beliefs.

(viii) Health conditions.

(ix) Freedom to work.

b. To establish the necessary conditions to provide a healthy environment, promoting equality among men and women; where everyone can develop personally and professionally, recognizing their abilities regardless of gender.

c. To promote that labor relations must be always be based on respect in order to create a more productive environment.

(i) Harassment or bullying will not be tolerated. This includes disrespectful conduct or language, intimidation or offensive behavior towards others.

(ii) There shall be no distinction, exclusion or restriction on grounds of disability.

4. Freedom of Association.

a. Grupo Financiero Banorte respects the rights of employees who are members of the National Union of Banorte workers.

5. Health and safety in the workplace.

a. Grupo Financiero Banorte is committed to providing suitable working conditions with the ethical standards that foster the personal and professional development of its employees.

6. Personal and Professional Well-being.

a. Grupo Financiero Banorte is committed to providing favorable working conditions under ethical standards that foster both the personal and professional development within and outside of the workplace. The areas responsible for fostering this environment are: Labor Relations, the Directorate of Social Responsibility, Comprehensive Health Management and Human Resources.

C. Internal stakeholders:

1. Employees.

a. Personal and professional development of employees is promoted through training programs that seek to increase their skills and provide continuing vocational education. This enhances the organizational culture of the Group.

- b. Grupo Financiero Banorte provides all employees with opportunities for development and wellbeing through work with competitive wages as well as the possibility of obtaining credit, enjoying savings and health programs, among other benefits. (See [Code of Conduct, Hiring and Personnel Policies and Internal Work Regulations](#))

## **5. Credit and investment activities:**

- A. Grupo Financiero Banorte recognizes that financial institutions play an important role as engines for economic development propelling sustainable development. This is why we are committed to not harming the environment and being responsible to society in our finance operations. In this way, through the management of risks and social and environmental impacts, the design of green products and the rendering of the corresponding accountability, GFNorte expresses its commitment to the sustainable development of Mexico.

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

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

- C. **The 10 Equator Principles:**

1. Categorization of socio-environmental risk
2. Environmental and social assessment
3. Applicable environmental and social standards
4. An Environmental and Social Management System and Equator Principles' Plan of Action.

5. Participation of stakeholders
6. Complaints mechanism
7. Independent review
8. Contractual commitments
9. Independent monitoring and reporting
10. Presentation of reports and transparency

**6. Communication:**

- A. **Grupo Financiero Banorte** realizes that knowledge, understanding and awareness of social and environmental issues is a crucial factor in the development of a sustainable culture, so it focuses on increasing the coverage of information distributed on an ongoing basis through our different media. This policy, as well as all the advances and results related to the activities described therein will be available publicly through opportune channels in order to ensure effective, internal and external communication to inform all of our stakeholders.
  
- B. The communication strategy, oriented in an internal and external manner, is intended to raise awareness, engage, generate culture and publicize the results of the Corporate Social Responsibility Department's programs and initiatives.
  
- A. Grupo Financiero Banorte, through the Corporate Social Responsibility Department, is committed to complying with the foregoing, however, if there were to be any non-compliance with this social policy it can be reported with discretion through the electronic reporting system to [www.ethicpoints.com](http://www.ethicpoints.com).