



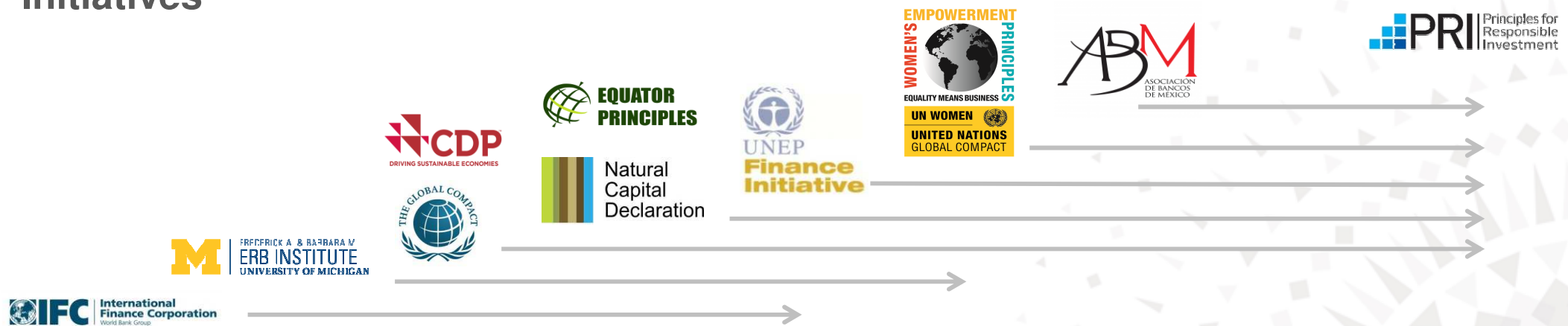
SUSTAINABILITY AND RESPONSABLE INVESTMENT UNEP FI Regional Roundtables

Mariuz Calvet
Director de Sustentabilidad e Inversión Responsable
Septiembre 2017
Buenos Aires

■ Leaders in Sustainability and Responsible Investment



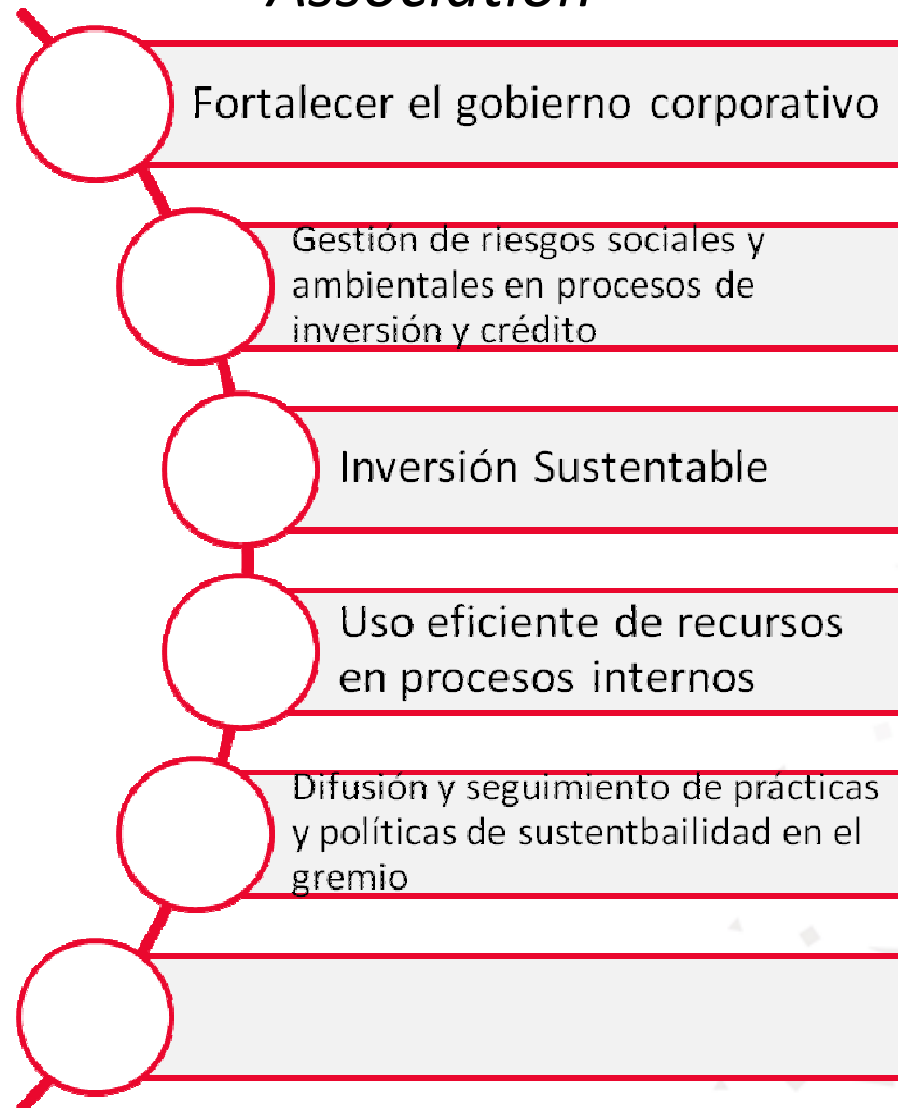
Initiatives



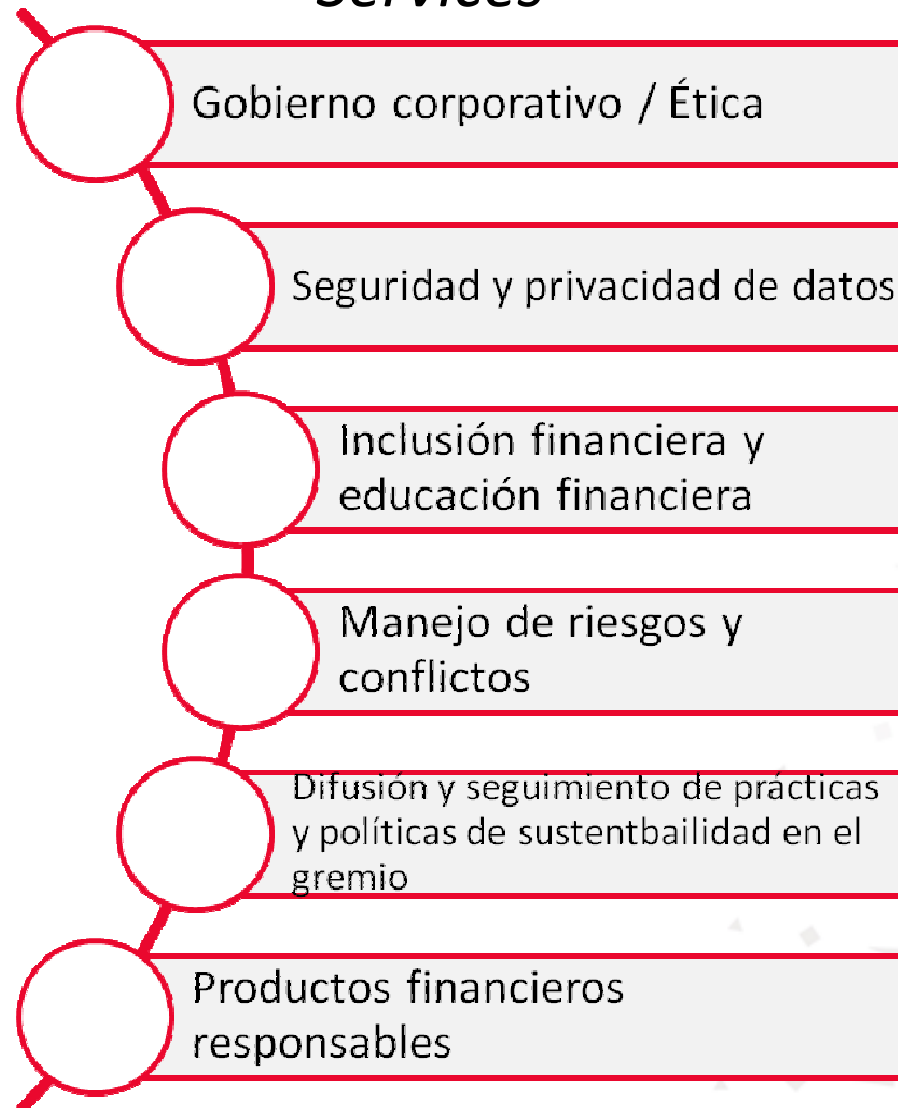
Recognitions



Sustainability Protocol of the Mexican Bank Association



Material issues for Sustainability in Financial Services



■ How Measure Sustainability? Alignment of:

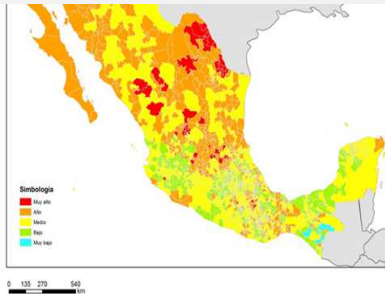


"A sustainable bank is one that not only understands and manages the risks that arise because of sustainability issues, but also perceives the strategic dimension of these issues".



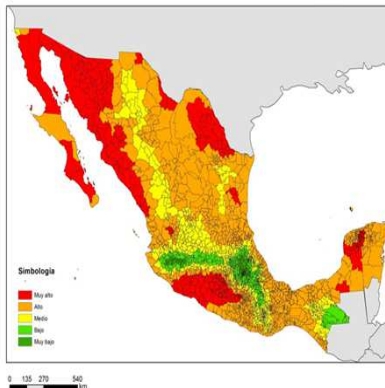
Mexico overview - Vulnerability of Mexico to climate change

Drought risk



68% of the population has been affected by natural disasters

Heat wave risk



In most parts of the country, temperatures are expected to rise from 1 ° C to 1.5 ° C in the period from 2015 to 2039

Flood risk



According to SHCP and SEMARNAT (Estudio Galindo 2009), by 2050 climate change will cost the Mexican economy 3.7% of its GDP.

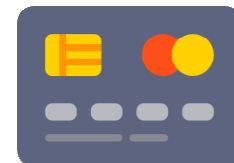
Mexico overview

Fraud



Mexico is the 8th Place worldwide in Identity Theft according with Banxico

Condusef reported that during the first quarter of 2017, there were **1.5 million claims for fraud** in the banking sector. The amount claimed in the referred period amounts to **3, 244 million pesos**, of which only 53% was paid to the user, registering an **82% favorable resolution**.



Controversial Financing



Mexico is one of the countries with the highest number of observer visits from international organizations.

99 cases of companies and more than 4000 megaprojects have been identified that have led to a pattern of serious and systematic violations of human rights, the rights of peoples and communities, including eviction and forced displacement.



Financial Inclusion



> 50% of the population lacks an account in a formal financial institution.

- Insufficient financial infrastructure
- Limited acquisition and use of financial products and services
- Lack of knowledge of the financial system.



Financial Education



In Mexico one in four adults do not know what an insurance is.

66% of adults reported having received savings education when they were minors.
41% of the population lacks a saving account for the retirement.
Only 37% of adults keep a record of their expenses



Wind projects

Follow
up

Environmental risks	<ul style="list-style-type: none"> Biodiversity loss Migration route of legally protected bats and birds
Social risks	<ul style="list-style-type: none"> Opposition of indigenous people Illegal land acquisition Involuntary resettlement Violation of human rights
Reputational risk	<ul style="list-style-type: none"> UN intervention, NGO



Road projects

Follow
up

Environmental risks	<ul style="list-style-type: none"> Biodiversity loss Legally protected and national recognized areas
Social risks	<ul style="list-style-type: none"> Opposition of indigenous people Illegal land acquisition and involuntary resettlement Violation of human rights Impacts on Cultural heritage
Reputational risk	<ul style="list-style-type: none"> Community, NGO



Banorte's response

In **Grupo Financiero Banorte**, we seek to integrate sustainability through the maximization of the profitability and growth of the institution, seeking at all times a balanced development between economic, social and environmental aspects.



Client Privacy

Security

Technologies that facilitate identification through biometrics systems.
Constant training to employees to combat phishing, money laundry, banking fraud, among others.



Controversial Financing

Identification, allocation, evaluation and management of risks and social and environmental impacts based on the national legal framework, IFC's performance standards, the World Bank's guidelines on the environment, health and safety and the Equator Principles.



Financial Inclusion

1,175 branches
7,756 ATMs
24,312 correspondents
Banorte mobile application (24 hrs/ day from anywhere)
In 2016 one million clients have used our mobile application.
Mobile Banorte units, equipped with ATMs and customer service areas for the purchase of products and services.

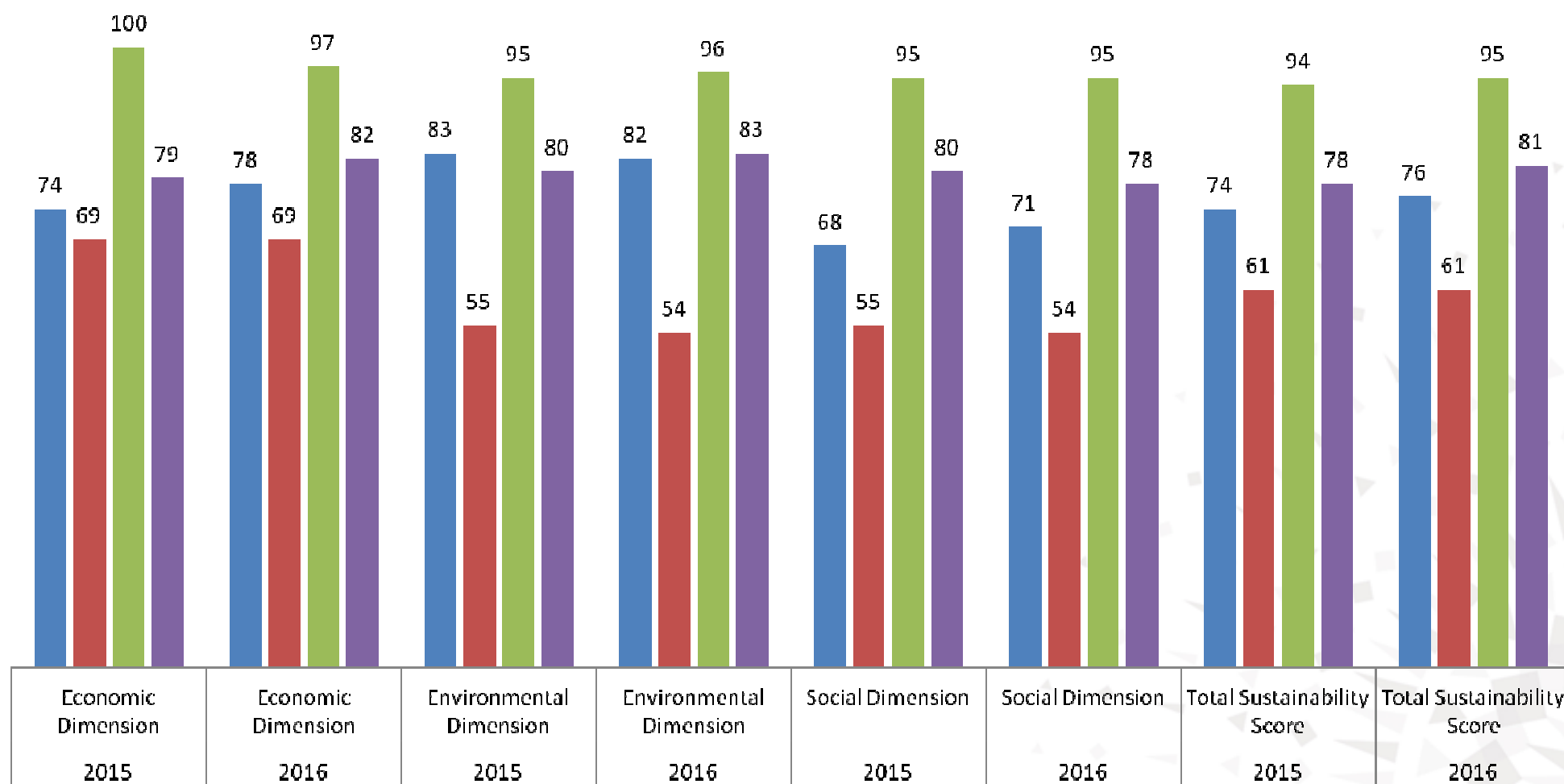


Financial Education

Grupo Financiero Banorte participates annually in the national financial education week in which various public and private sector institutions join forces to reinforce the financial culture of Mexicans.

Banorte Benchmarking

■ Company Score ■ Industry Average ■ Industry Best ■ Emerging Markets



How we integrate sustainability in Banorte



Social & Environmental Risk

Social and Environmental Risk
Management (SEMS)
Risk of climate change.



Indices & Accountability



Operational Ecoefficiency

Carbon Footprint
CDP, Paperless, Energy Efficiency,
Sustainable Supply Chain, Waste
Management, Water



Communication and Alliances

Dialogue with stakeholders.
Social networks management.
Internal communication



Environmental Finance

Promotion of sustainable
products among the different
lines of business..
Principles of Responsible
Investment



Acciones Banorte

Ayudamos, Jugando Jugando,
Trabajando por mi comunidad,
Trabajando por mi planeta, etc

**The Sustainability Department seeks the adoption of all these actions in
the different subsidiaries of the group.**

Gracias

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