

Second-Party Opinion

Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2025. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds Sustainable Agriculture, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, Green Buildings and Clean Transport are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 2, 6, 7, 9 and 11.



PROJECT EVALUATION AND SELECTION Banca Mifel's Prevention and Compliance Department and the ESG Risk Department will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. Banca Mifel has an environmental and social risk management process, which is overseen by its ESG Risk Department, to identify, manage and mitigate environmental and social risks associated with the eligible projects. Sustainalytics considers the project evaluation and selection process in line with market practice.



MANAGEMENT OF PROCEEDS Banca Mifel's Treasury Department, in coordination with its Operations Department, will oversee the management and allocation of proceeds using a portfolio approach. Banca Mifel will track the proceeds using an internal tracking system and will allocate proceeds within three years from the issuance date. Pending full allocation, proceeds will be temporarily held in cash or other liquidities consistent with Banca Mifel's liquidity policy, which is available to investors. This is in line with market practice.



REPORTING Banca Mifel commits to report on allocation and impact of proceeds in its sustainability report, which will be published on its website on an annual basis until full allocation. Allocation reporting will include the use of funds within each category, total amount of unallocated funds and percentage of funds used for new financing and refinancing. Banca Mifel will also report on relevant impact metrics. Sustainalytics views Banca Mifel's allocation and impact reporting as aligned with market practice.

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Issuer Location Mexico City, Mexico

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For inquiries, contact the Sustainable Corporate Solutions project team:

Manali Vaidya (Toronto)
Project Manager
manali.vaidya@morningstar.com
(+1) 416 861 0403

Han Xing (Toronto)
Project Support

Camilo Barrientos (Toronto)
Project Support

Anna Leckman (Toronto)
Client Relations
susfinance.americas@sustainalytics.com
(+1) 646 518 9623

¹ This document updates the Second-Party Opinion originally provided by Sustainalytics on 14 September 2023.

Introduction

Banca Mifel S.A. (“Mifel” or the “Bank”) is a Mexican financial services group focusing on commercial banking services. The Bank offers commercial banking, factoring, leasing, loan, retirement, investment, bank cards, mortgage lending and private banking services. Headquartered in Mexico City, Mexico, the Bank employed approximately 1,896 people as of 31 December 2024.²

Mifel has developed the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework dated April 2025 (the “Framework”) under which it intends to issue green bonds, obtain loans, including multi-tranche and revolving credit facilities, derivatives³ and other debt instruments,⁴ and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to deliver a positive environmental impact in Mexico. The Framework defines eligibility criteria in six areas:

1. Sustainable Agriculture
2. Renewable Energy
3. Energy Efficiency
4. Sustainable Water and Wastewater Management
5. Green Buildings
6. Clean Transport

Mifel engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁵ and Green Loan Principles 2025 (GLP).⁶ The Framework will be published in a separate document.⁷

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁸ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2025, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Mifel’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Mifel representatives have confirmed that: (1) they understand it is the sole responsibility of Mifel to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

² Banca Mifel, “The Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework”, (2025).

³ Sustainalytics notes that derivatives are not administered by the International Capital Market Association or Loan Market Association and hence, are out of the scope of this Second-Party Opinion.

⁴ Sustainalytics has reviewed only those financial instruments that are explicitly specified in the Framework.

⁵ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁶ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁷ The Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework is available at: <https://www.mifel.com.mx/blog/blog/planeta-verde/banca-responsable/marco-de-financiamiento-verde-de-mifel>

⁸ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Mifel.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Mifel has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework

Sustainalytics is of the opinion that the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories, Sustainable Agriculture, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, Green Buildings and Clean Transport are aligned with those recognized by the GBP and GLP.
 - Mifel has established a 24-month lookback period for refinancing activities, which Sustainalytics considers to be aligned with market practice.
 - Under the Sustainable Agriculture category, Banca Mifel may finance or refinance projects⁹ aimed at promoting climate-smart agriculture, increasing agricultural productivity, adapting and building resilience to climate change, reducing or absorbing GHG emissions and acquisition of agricultural machinery and units in line with the following criteria:^{10,11}
 - The purchase, installation, maintenance and implementation of rehabilitation activities for climate-smart agriculture, including irrigation canals, acquisition and expansion of greenhouses such as drip irrigation, mechanization of farming and processing technologies¹² and increasing use of quality seedlings according to the Food and Agriculture Organization of the United Nations (FAO). The Bank has confirmed to Sustainalytics that: i) agroforestry projects will not be included under this activity; and

⁹ No support or economic incentives will be granted for activities on forest land where land-use change has not been authorized by the Ministry of the Environment and Natural Resources.

¹⁰ Mifel adheres to the FAO's definition of climate-smart agriculture. FAO, "Climate-Smart Agriculture", at: <https://www.fao.org/climate-smart-agriculture/en/>.

¹¹ Projects aligning with the eligibility criteria may also contribute to GHG absorption. Such GHG absorption projects will demonstrate significant carbon sequestration, reduction of emissions and compatibility with sector-related low-carbon emissions objectives and adaptation and climate resilience actions in accordance with the Climate Bonds Initiative Agriculture Criteria.

CBI, "Agriculture Criteria Climate Bonds Standard & Certification Scheme", (2024), at: <https://www.climatebonds.net/files/files/Agriculture%20Production%20Criteria%20v3.pdf>.

¹² Mechanization includes all levels of technologies, from simple and basic hand tools to more sophisticated and motorized equipment, aimed at easing and reducing hard labour, which relieves labour shortages and improves productivity and timeliness of agricultural operations.

ii) greenhouses may grow crops outside their natural cycles while using electricity or other low-carbon energy sources for heating.

- Establishing, expanding or operating agricultural production units as a whole, including land used for small-scale integrated agroforestry and forestry systems involving controlled grazing. Sustainalytics notes that eligible projects will have a Sustainable Agriculture Certification such as: Agriculture Rainforest Alliance Certification,¹³ Round Table on Responsible Soy (RTRS),¹⁴ EU Organic,¹⁵ USDA Organic,¹⁶ Japan Agricultural Standards (JAS) Organic¹⁷ and Organic Secretariat of Agriculture and Rural Development (SAGARPA) Mexico¹⁸ or equivalent certification recognized by International Social & Environmental Accreditation & Labelling (ISEAL) Alliance¹⁹ and in accordance with provisions of the Mexican General Law for the Sustainable Development of Forests (LGDFS),²⁰ Mexican General Law of Ecological Equilibrium and Environmental Protection (LGEEPA)²¹ and the Mexican Sustainable Rural Development Law.²² Sustainalytics views it to be market practice to specify all eligible certifications and schemes financed under the Framework and encourages Banca Mifel to report on any specific certifications and schemes it intends to use. Banca Mifel has confirmed that EU Organic, USDA Organic, JAS Organic and Organic SAGARPA Mexico will be achieved only for cropping activities.
 - Comprehensive soil fertility management projects will include interventions that eliminate the use of synthetic fertilizers and pesticides as well as management systems.²³
 - Mifel has communicated the following to Sustainalytics that: i) projects financed under this category will be limited to small-scale producers; ii) the purchase and distribution of inorganic or synthetic fertilizers are excluded from financing under the Framework; iii) financing of activities and technologies related to industrial-scale livestock units are excluded from financing under the Framework; and iv) procurement of agricultural equipment solely for trading purposes will be excluded.
 - Based on the above, Sustainalytics considers investments under this category to be in line with market practice.
- Under the Renewable Energy category, Mifel may finance or refinance projects that promote the supply of non-fossil energy sources or renewable energy sources including:
- Development, manufacturing, construction and maintenance of infrastructure for electric power generation or replacements from non-fossil fuel energy sources. Eligible projects include:
 - Photovoltaic solar and solar thermal energy (including distribution generation). The Framework specifies that concentrated solar power plants will derive at least 85% of the electricity from solar energy resources.

¹³ Rainforest Alliance, "Certification", at: <https://www.rainforest-alliance.org/business/certification/>.

¹⁴ Round Table on Responsible Soy, at: <https://responsiblesoy.org/?lang=en>.

¹⁵ Mifel has communicated to Sustainalytics that the EU Organic label will be cropping agriculture. EU, "The Organic Logo", at: https://agriculture.ec.europa.eu/farming/organic-farming/organic-logo_en.

¹⁶ US Department of Agriculture, "USDA Organic", at: <https://www.usda.gov/topics/organic>.

¹⁷ Ministry of Agriculture, Forestry and Fisheries, "Organic JAS", at: https://www.maff.go.jp/e/policies/standard/specific/organic_JAS.html.

¹⁸ Control Union, "Organic SAGARPA Mexico", at: <https://www.controlunion.com/certification-program/organic-sagarpa-mexico/>.

¹⁹ ISEAL Alliance, "ISEAL", at: <https://www.isealalliance.org/>.

²⁰ Government of Mexico, "Ley General de Desarrollo Forestal Sustentable", at: <https://www.gob.mx/profepa/documentos/ley-general-de-desarrollo-forestal-sustentable>.

²¹ Government of Mexico, "Ley General del Equilibrio Ecológico y la Protección al Ambiente", at: <https://www.gob.mx/profepa/documentos/ley-general-del-equilibrio-ecologico-y-la-proteccion-al-ambiente-63043><https://www.gob.mx/profepa/documentos/ley-general-del-equilibrio-ecologico-y-la-proteccion-al-ambiente-63043>.

²² Government of Mexico, "Ley de Desarrollo Rural Sustentable", at: <https://catalogonacional.gob.mx/FichaRegulacionid?regulacionId=5551>.

²³ Soil fertility management projects will be certified to Global Gap Agriculture, Canada Organic, USDA Organic, Organic SAGARPA Mexico, Rainforest Alliance, RSPO, HACCP, ISO 14001, ISEAL Alliance or others that guarantee GHG mitigation. Projects will also comply with the provisions within the Guidelines for the Organic Operation of Agricultural Activities in Mexico. SEGOB, "DOF: 06/08/2020", at: https://dof.gob.mx/nota_detalle.php?codigo=5594612&fecha=08/06/2020#gsc.tab=0.

- Onshore and offshore wind energy projects. Mifel has confirmed to Sustainalytics that fossil fuel backups for offshore wind projects will be limited to power monitoring, operating and maintenance equipment, resilience or protection measures and restart capabilities.
- Bioenergy energy projects with a life cycle emissions threshold of 100 gCO₂e/kWh and where feedstock includes residues, energy crops and lignocellulosic biomass such as straw and waste wood. Mifel has communicated to Sustainalytics that in case of energy crops: i) production of biofuel feedstock will not take place on land with high biodiversity (at least within last 10-15 years) and ii) land with a high amount of carbon will not be converted for biofuel feedstock production.²⁴ Biomass or biofuel used for electricity generation will have an 80% reduction in life cycle emissions compared to the fossil fuel baseline.
- Tidal energy projects where fossil fuels backup is limited to restart capacity and control, and for operation or resilience measures when there is a lack of energy in the system.
 - Geothermal power projects with emissions below 100 gCO₂/kWh.
- Heating or cooling systems using ocean thermals with emissions intensity reduction by 80% over the fossil fuel alternative. The Bank has confirmed that fossil fuel backup is limited to power monitoring, operating and maintenance equipment, as well as resilience and protection measures, and restart capabilities.
- Infrastructure and transmission equipment dedicated to support at least 90% renewable electricity or to connecting renewables to the power grid, and transmissions and distribution lines fully dedicated to renewable energy. Financing development and manufacturing of technologies and components to provide energy services will include the following:
 - Electric-powered heating and cooling systems using primarily renewable energy.
 - Smart grids including components such as electric power generators, electric power substations, transmission and distribution lines, controllers, smart meters,²⁵ collector nodes, and distribution and transmission control centres.
 - Energy recovery technology may include distribution transformers,²⁶ equipment to operate electric vehicle recharge stations and public transport. Sustainalytics notes that parking facilities will be excluded from financing under the Framework.
- Battery storage connected to solar and onshore wind energy.
- Based on the above, Sustainalytics views expenditures under this category to be aligned with market practice.
- Under the Energy Efficiency category, Mifel may finance or refinance projects aimed at improving energy efficiency. Projects include: i) manufacturing, installation, operation and maintenance of products that reduce the energy consumption of underlying assets, technology, products or systems,²⁷ such as LED lighting systems, smart grid metres²⁸ and fuel cells with lower or zero emissions;²⁹ ii) loans that facilitate the upgrade, replacement, construction, research and development in facilities, equipment and infrastructure such as heat pumps, energy-efficient lighting, improved thermal insulation and air distribution systems upgrades; and

²⁴ The Bank has further communicated to Sustainalytics that at present, all the bioenergy projects financed by the Bank only use agricultural residues as feedstock.

²⁵ Mifel has communicated to Sustainalytics that smart gas meters are excluded under the category.

²⁶ Distribution transformers will be in compliance with NOM-002-SEDE/ENER-2014. Government of Mexico, "NORMA Oficial Mexicana NOM-002-SEDE/ENER-2014, Requisitos de seguridad y eficiencia energética para transformadores de distribución.", at: https://www.gob.mx/cms/uploads/attachment/file/181641/NOM_002_ENER_2014.pdf.

²⁷ Sustainalytics notes that under this category, the underlying assets and technologies, such as clean technologies, are consistent with trends identified by the International Renewable Energy Agency (IRENA). IRENA, "Renewable Technology Innovation Indicators: Mapping progress in costs, patents and standards", (2022), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2022/Mar/IRENA_Tech_Innovation_Indicators_2022_.pdf.

²⁸ Mifel has communicated to Sustainalytics that the smart gas metres are excluded under the category.

²⁹ Sustainalytics notes that financing will be limited to hydrogen fuel cells only. The Bank has confirmed to Sustainalytics that vehicles related to fossil fuels, such as LPG, conventional internal combustion engines and natural gas, will not be considered under this category.

iii) the retrofit of existing commercial buildings that lead to receiving EDGE³⁰ or LEED³¹ (Gold or above) certifications. Sustainalytics notes the following:

- Heat pumps will include air- and ground- or water-source electric heat pumps and absorption heat pumps driven by solar-heated water or geothermal-heated water. Additionally, heat pumps with high global warming potential refrigerants are excluded from financing under the Framework. Furthermore, eligible heat pump projects will promote robust refrigerant leak control, detection and monitoring while ensuring recovery, reclamation, recycling or destruction of the refrigerants at the end of life.
 - For building retrofit, Mifel has communicated to Sustainalytics the following:
 - Mifel will finance the expenditures related to the retrofit as well as the asset value of the building based on the achievement of an eligible certification level.
 - Retrofit of buildings will exclude: i) buildings designed for the purpose of extraction, storage, transportation or manufacture of fossil fuels will be excluded; and ii) industrial facilities that are intended for controversial activities having harmful social or environmental impact, such as tobacco.
 - Technologies and assets financed under this category will not be primarily driven by fossil fuels. Additionally, Sustainalytics encourages Mifel to report on estimated or achieved energy efficiency gains from the installation of these technologies and systems, where feasible.
 - The manufacturing and purchasing of products, such as appliances, will be excluded from financing under the Framework.
 - Based on the above, Sustainalytics considers investments under this category to be in line with market practice.
- Under the Sustainable Water and Wastewater Management category, Mifel may finance or refinance the upgrade, research, design, development and implementation of sustainable clean water supply. Eligible projects include:
- Water storage projects including systems for rainwater harvesting, stormwater management and water distribution, infiltration ponds, aquifer storage, groundwater recharge systems, sewerage systems, pumps, sand dams and technologies that improve water storage capabilities.
 - Water treatment projects including water recycling systems, wastewater treatment facilities, manure and sludge treatment facilities, natural filtration and recycling systems such as wetlands, watersheds and forests, engineered natural filtration and recycling systems.
 - Mifel has communicated to Sustainalytics that natural filtration projects will include landscape conservation, restoration of native wetlands, watersheds and forests, reforestation and afforestation projects. Additionally, Mifel has confirmed the following: i) reforestation and afforestation projects will use tree species that are well-adapted to the site conditions and will have a sustainable management plan in place, preferably certified to FSC or PEFC certification; and ii) if there is a use of agrochemicals, such as herbicides or insecticides to control and eradicate invasive plants and insects, there will be a management plan that ensures application only to targeted areas and avoids spread to non-desired zones and other species.
 - Desalination plants aimed at protecting against depletion and contamination of groundwater and wetlands.
 - Sustainalytics notes that reasonable assurance of an appropriate waste management plan for brine disposal will be required and the average carbon intensity of the energy used to power the desalination plant will be equal to or less than 100 gCO₂/kWh over the remaining lifetime of the asset.

³⁰ EDGE, "Create Value by Differentiating Your Project", at: <https://edgebuildings.com/certify/certification/>.

³¹ Sustainalytics notes that certification will be considered for Building Design and Construction (BD+C) and Operation and Maintenance (O+M). USGBC, "LEED rating system", at: <https://www.usgbc.org/leed>.

- Mifel has confirmed to Sustainalytics that integrated Water and Power Plant (IWPP) with fossil fuel power will be excluded from financing under the Framework.
 - Mifel has communicated to Sustainalytics that equipment may rely on fossil fuel backup in cases of emergencies.
 - Technologies and equipment for water-saving and water-use efficiency, such as water monitoring and automation systems and leak elimination.
 - Sustainalytics notes that leak elimination involves active leakage control.
 - Water distribution projects including installing or improving high-efficiency drip, flood and pivot irrigation systems. Examples include rainwater harvesting systems, gravity-fed canal systems, pumped water distribution or channelling systems and terrace systems.
 - Flood control projects including the construction of reservoirs to control water flow, surge barriers, pumping stations, levees and floodgates.
 - Sustainalytics notes that flood control projects will require a vulnerability assessment of the realized climate impacts and potential risks as well as an adaptation plan, or management response plan, based on the findings of the vulnerability assessment.
 - Conservation projects including the protection of water catchment areas and preventing pollution affecting water supplies.
 - Mifel has confirmed to Sustainalytics that the following are excluded under this category: i) landscaping projects that use invasive species or drought-tolerant species as a result of modified genetics; ii) equipment and methods dependent on fossil fuels for non-emergency situations; iii) wastewater treatment from fossil fuel operations; iv) systems and measures to provide water for fossil fuel operations, mining and fracking; and v) systems and treatment facilities dedicated to controversial activities having harmful social or environmental impact such as industrial-scale livestock.
 - Based on the above, Sustainalytics considers investments under this category to be in line with market practice.
- Under the Green Buildings category, Mifel may finance or refinance projects related to the acquisition, development, construction of and retrofits to residential, commercial and industrial buildings, including:
- Buildings achieving any of the following certifications: EDGE (advanced or higher), LEED (Gold or above), BREEAM (Excellent or above), HQE (Excellent or above) or nationally recognized certifications such as EARTHCHECK (Gold or above), when international certifications are not available. Sustainalytics notes that it is market expectation to specify all eligible schemes and certifications, and encourages the Bank to report on any specific schemes and certifications it intends to use.
 - Reuse and recycling of construction materials and production of low-carbon building materials such as concrete and asphalt. The Bank has communicated to Sustainalytics that the reuse and recycling of construction materials will pertain to the use of plastics for producing asphalt and roofing materials, and concrete recycled into new mixes. Furthermore, the Bank will ensure the materials are certified, there is a detailed analysis of the embodied carbon emissions and a life cycle assessment is conducted by a third party.
 - Sustainalytics notes that: i) production will be using 90% recycled, renewable, bio-based, or RSB³² certified material; ii) bio-genic inputs will be sustainably sourced and will be certified from a credible forestry or agriculture standard such as: Rainforest Alliance Certification, RTRS, FSC or PEFC; iii) for processes involving plastic recycling,³³ projects will involve mechanical recycling or chemical recycling of plastics with life cycle emissions lower than the life cycle emissions from the production of virgin plastics. In addition, the recycling process will be accompanied by robust waste management

³² Roundtable on Sustainable Biomaterials, “RSB Certification”, at: <https://rsb.org/certification/>

³³ Sustainalytics notes that conversion of plastics to fuel from chemical recycling will be excluded from financing under the Framework.

processes to mitigate associated risks of the resulting hazardous wastes; and iv) financed activity will exclude single-use plastics. Mifel has communicated to Sustainalytics that for commercial-scale production of low-carbon building materials, the production processes will have details on the manufacturing process and demonstrate a substantial reduction of emissions compared to standard or traditional production methods.

- Investments in mitigation of adverse effects of climate change on real estate and other assets, including design and adaptation of buildings and surrounding areas to withstand climate risk such as flooding, increased rainfall and rising sea levels.
 - The Bank has communicated to Sustainalytics that a vulnerability assessment and adaptation plan is required from developers.
- Purchase of land will be excluded from financing under the Framework.

Sustainalytics views expenditures under this category to be aligned with market practice.

- Under the Clean Transport category, Mifel may finance or refinance the construction and development of infrastructure for clean transportation as well as investment for leasing of vehicles with zero direct emissions. Eligible projects include:
 - Infrastructure dedicated to passenger and light commercial vehicles with zero direct emissions, including electric charging points, upgrades for electricity grid connection between the grid and EV charging stations, hydrogen fuelling stations and electric road systems.
 - Investment for leasing of two-wheelers, passenger, commercial and cargo vehicles with zero direct emissions. The zero direct emissions vehicles may include electric vehicles, plug-in hydrogen fuel-cell based hybrid electric vehicles or hydrogen fuel cell vehicles.³⁴ Mifel has confirmed to Sustainalytics that the investments for leasing under this category relate to finance leases and not operating leases.
 - Infrastructure dedicated to transshipping freight between the modes of transport.
 - Mifel has confirmed to Sustainalytics that: i) the modes of transport are limited to those that are specified under this category and in line with the eligibility criteria under the Framework; and ii) transshipment does not relate to fossil fuels or fossil fuels blended with alternative fuel.
 - Sustainalytics recognizes Mifel's intent to promote the modal shift of freight transportation through investments in intermodal facilities which may drive positive environmental benefits, especially compared to road freight.³⁵
 - Mifel has confirmed to Sustainalytics that the following expenditures are excluded under this category: i) new construction and existing road infrastructure retrofits, such as roads and road bridges; ii) parking facilities, even if charging and alternative fuel infrastructure are included; iii) fossil fuel filling stations and other assets that prolong the life or facilitate the use of fossil-fuel powered transport; and iv) freight vehicles dedicated to the transport of fossil fuels or fossil fuels blended alternative fuels.
 - Sustainalytics considers investments under this category to be in line with market practice.
- Sustainalytics notes that the Framework has a list of activities that Mifel will not finance and will be excluded from the eligible projects, such as: i) projects without compliance with the Fundamental Work Principle and Labour Rights; ii) illegal products and activities; iii) manufacture or trafficking of weapons and ammunition; iv) production of alcoholic beverages and tobacco; v) manufacture or sale of products containing polychlorinated biphenyl; and vi) cross-border trade of waste, except for non-hazardous waste for recycling; and vii) production or trade of substances that deplete the ozone layer subject to phased withdrawal at an international level.

³⁴ Passenger vehicles may include light vehicles such as cars, three-wheelers as well as heavy passenger vehicles such as mini-buses and buses. Commercial vehicles may include light as well as heavy commercial vehicles such as freight trucks.

³⁵ Shifting from road freight to rail have the potential to reduce GHG emissions by 70%.

- Project Evaluation and Selection:
 - Mifel’s Prevention and Compliance Department and the ESG Risk Department will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria.³⁶
 - The Bank has an environmental and social risk management process, which is overseen by its ESG Risk Department, to identify, manage and mitigate environmental and social risks associated with the eligible projects. Sustainalytics considers these environmental and social risk management processes to be adequate. For additional details, refer to Section 2 below.
 - Based on the established process for project evaluation and selection and the presence of a risk management process, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Mifel’s Treasury Department, in coordination with its Operations Department, will oversee the management and allocation of proceeds using a portfolio approach. The Bank will track the proceeds using an internal tracking system. The Bank has further communicated to Sustainalytics that there will be ongoing matching of proceeds to eligible projects.
 - The Bank will allocate proceeds within three years from the issuance date. Pending full allocation, proceeds will be temporarily held in cash or other liquidities consistent with its liquidity policy, which is available to investors. Mifel has further communicated to Sustainalytics that the Bank will make the duration of the temporary placement of proceeds known to the lenders.
 - Sustainalytics notes that the Bank may obtain multi-tranche loan facilities under the Framework and in such cases, Mifel will label only those tranches where proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Mifel will report on the allocation and the corresponding impact of proceeds in the Bank’s sustainability report, which will be published on its website on an annual basis until full allocation.
 - Sustainalytics notes that Mifel intends to obtain revolving credit facilities under the Framework and commits to allocation reporting until loan maturity.
 - Mifel commits to have an independent third-party reviewer provide a limited assurance report on the use of proceeds and the allocation and impact reporting on an annual basis until full allocation.
 - Allocation reporting will include the use of funds within each category, total amount of unallocated funds and percentage of funds used for new financing and refinancing.
 - Impact reporting will include qualitative and quantitative indicators at a category level, subject to confidentiality issues and the number of eligible assets, such as reduced emissions (tCO₂e/year), volume of water reduced (m³/year), installed capacity (MWh/year) and energy savings as a result of energy efficiency measures (MWh/year).
 - Based on Mifel’s commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2025

Sustainalytics has determined that the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of Mifel

Contribution to Mifel’s sustainability Strategy

Banca Mifel integrates priorities related to climate change mitigation and transition to energy-efficient and low-carbon economies into its current and future projects as well as its lending activities. In 2023, the Bank joined the Global Compact in Mexico to strengthen its strategy, and further contribute to the achievement of

³⁶ Mifel has communicated to Sustainalytics that the Prevention and Compliance Department consists of the department’s director and monitoring coordinator. Its ESG Risk Department consists of the Risk Manager Director, the ESG Risk Deputy Director, a manager that oversees climate scenarios and a specialist.

the UN SDGs and internationally recognized practices and standards. In 2023, Mifel conducted a materiality assessment to identify key topics to inform its priorities. Those most relevant to the Framework include: i) alignment to sustainability practices and standards; ii) promotion of environmental culture; iii) corporate documentation and disclosure of internal practices related to ESG; iv) operational efficiency, energy, water and waste management; v) implementation of the Principles for Responsible Banking; and vi) transparency in financial and non-financial reporting.³⁷

Mifel calculates and monitors its scope 3 emissions and conducts a climate scenario analysis of current and future financed projects.³⁸ Mifel's methodology to calculate its scope 3 emissions follows the Partnership for Carbon Accounting Financials (PCAF)³⁹ methodology, which is consistent with the Paris Agreement. To evaluate the climate scenario, Mifel aligns with the Paris Agreement Capital Transition Assessment (PACTA) methodology.⁴⁰ The Bank has stated that it is currently developing a methodology to calculate its scope 1 and 3 emissions, indirect non-controllable emissions and value chain emissions as part of scope 3 and commits to reporting results in its annual sustainability report. Furthermore, Mifel also focuses on increasing transparency by aligning its sustainability reporting with the Global Reporting Initiative, Sustainability Accounting Standards Board standards for Commercial Banking, International Sustainability Standards Board, and International Financial Reporting Standards.⁴¹

Sustainalytics is of the opinion that the Framework is aligned with the Bank's overall sustainability strategy and initiatives and will further the Bank's action on its key environmental priorities. Nevertheless, Sustainalytics encourages Banca Mifel to develop and publicly disclose quantitative and time bound targets and report on its progress towards them.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued or obtained under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity issues associated with large-scale infrastructure development; ii) emissions, effluents and waste generated in construction; iii) occupational health and safety; iv) community relations; and v) responsible business practices.

Sustainalytics is of the opinion that Mifel is able to manage and mitigate potential risks through implementation of the following:

- To manage the overall environmental and social risks associated with financed projects, Mifel has implemented the Environmental and Social Risk Management process, which enables the Bank to identify, manage and mitigate the environmental and social risks.⁴² Mifel has established a System Process Manual for Environmental and Social Risk Management (SARAS), which outlines the Bank's risk assessment process applicable to its credits and projects. SARAS mandates the Bank to monitor compliance and requires its clients to plan corrective measures accordingly. It also enables the Bank to categorize potential social and environmental risks into four levels: low, medium, medium-high and high, based on their socio-environmental impacts.⁴³ Additionally, the Bank has developed an Environmental Compliance Policy, through which the Bank commits to complying with international standards, including UNGC, Principles of Responsible Banking, Principles of Responsible Investment, Banking Sustainability Protocol, Ecuador Principles and GHG Program of Mexico.⁴⁴
- Regarding risks related to land use and biodiversity issues as well as emissions, effluents and waste generated in construction, Mifel's SARAS requires financed projects to be compliant with laws and regulations, such as the General Law on Ecological Balance and Environmental Protection,⁴⁵ the Wildlife Law and the Federal Law on Environmental Liability. Additionally, SARAS mandates the

³⁷ Banca Mifel, "Banca Mifel, S.A, Institución de Banca Múltiple, Grupo Financiero Mifel (Mifel)", (2025), at: <https://www.mifel.com.mx/blog/blog/planeta-verde/banca-responsable/marco-de-financiamiento-verde-de-mifel>

³⁸ Ibid.

³⁹ PCAF, "The Global GHG Accounting and Reporting Standard for the Financial Industry", at: <https://carbonaccountingfinancials.com/en/standard#the-global-ghg-accounting-and-reporting-standard-for-the-financial-industry>.

⁴⁰ 2° Investing Initiative, "PACTA / Climate Scenario Analysis Program", at: <https://2degrees-investing.org/resource/pacta/>.

⁴¹ Banca Mifel, "Banca Mifel, S.A, Institución de Banca Múltiple, Grupo Financiero Mifel (Mifel)", (2025), at: <https://www.mifel.com.mx/blog/blog/planeta-verde/banca-responsable/marco-de-financiamiento-verde-de-mifel>

⁴² Banca Mifel, "Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework", (2025).

⁴³ Mifel has shared its SARAS confidentially with Sustainalytics.

⁴⁴ Mifel has shared its Environmental Compliance Policy confidentially with Sustainalytics.

⁴⁵ Economic Commission for Latin America and the Caribbean, "General Law of Ecological Balance and Environmental Protection", at: <https://observatoriop10.cepal.org/es/instrumentos/ley-general-equilibrio-ecologico-proteccion-al-ambiente>.

financed projects to submit the Environmental Impact Statement or Preventive Report, which outlines the project developer's mitigation resolutions and preventive measures approved by the Secretariat of Environment and Natural Resources of Mexico.⁴⁶

- Regarding occupational health and safety risks, Mifel has implemented the Environmental and Social Risk Management procedure under SARAS, which requires its commercial loans to comply with national legislation and international treaties related to health and safety.⁴⁷
- Regarding risks associated with community relations, Mifel has developed the Relationship Policy with the Community, in which the Bank has established a methodology, based on the AA1000 Stakeholder Engagement Standard,⁴⁸ for identifying the stakeholders potentially impacted by the Bank's activity, products and services.⁴⁹ In the Relationship Policy with the Community, Mifel's ESG Risk Sub-directorate is responsible for proposing and implementing actions to mitigate or eliminate negative impacts to identified stakeholders and managing the risks related to: i) respect for Indigenous peoples; ii) neighbourhood relations; and iii) business associations.⁵⁰ Additionally, Mifel has established the Human Rights policy, in which the Bank commits to respecting the communities where it operates and promoting stakeholder engagement.⁵¹
- To manage the risks associated with responsible business practices, Mifel has established a Code of Conduct, which outlines requirements for the Bank to comply with laws and associated regulations on money laundering and terrorist financing.⁵² In addition, the Code of Conduct includes the Anti-Corruption Policy, which requires the Bank's employees to comply with the anti-corruption regulations and complete training on anti-corruption programmes.⁵³

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Mifel has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of green buildings in Mexico

In 2024, the buildings and construction sectors accounted for 21% of total global energy-related emissions.⁵⁴ Mexico is currently the second-largest construction market in Latin America,⁵⁵ with projected growth of economic output of the sector expected to reach a valuation of USD 122 billion by 2028.⁵⁶ In 2022, 13.5% of the country's total energy-related CO₂ emissions came from direct and indirect emissions of the building sector.⁵⁷ Due to the rapid expansion of the construction industry and high levels of emissions from current buildings, design of new buildings in Mexico will be an integral part of the country's abilities to reach its climate goals.⁵⁸

As a signatory to the Paris Agreement,⁵⁹ the Mexican government has committed to reducing its GHG emissions by up to 35% by 2030.^{60,61} The government considers the residential and commercial buildings

⁴⁶ Mifel has shared its SARAS confidentially with Sustainalytics.

⁴⁷ Ibid.

⁴⁸ AccountAbility, "AA1000 Stakeholder Engagement Standard", at: <https://www.accountability.org/standards/aa1000-stakeholder-engagement>.

⁴⁹ Mifel has shared the Relationship Policy with the Community confidentially with Sustainalytics.

⁵⁰ Ibid.

⁵¹ Mifel has shared the Human Rights policy confidentially with Sustainalytics.

⁵² Mifel has shared the Code of Conduct confidentially with Sustainalytics.

⁵³ Ibid.

⁵⁴ Green Policy Platform, "Global Status Report for Buildings and Construction 2024", at: <https://www.greenpolicyplatform.org/research/global-status-report-buildings-and-construction-2024>.

⁵⁵ World Resources Institute, "Will Mexico Rise to the Zero-carbon Buildings Challenge?", (2020), at: <https://www.wri.org/insights/will-mexico-rise-zero-carbon-buildings-challenge>.

⁵⁶ Business Wire, "Mexico Construction Industry Report 2024", (2024), at: <https://www.businesswire.com/news/home/20241126903725/en/Mexico-Construction-Industry-Report-2024-Output-to-Grow-by-5.5-this-Year-Before-Recording-a-CAGR-of-3.3-to-2028--100-KPIs-Covering-Growth-Dynamics-Market-Size-Forecasts--ResearchAndMarkets.com>.

⁵⁷ Climate Transparency, "Climate Transparency Report - Mexico", (2022), at: <https://www.climate-transparency.org/wpcontent/uploads/2022/10/CT2022-Mexico-Web.pdf>.

⁵⁸ World Resources Institute, "Will Mexico Rise to the Zero-carbon Buildings Challenge?", (2020), at: <https://www.wri.org/insights/will-mexico-rise-zero-carbon-buildings-challenge>.

⁵⁹ United Nations, "The Paris Agreement", at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

⁶⁰ United Nations & Government of Mexico, "Contribución Determinada a Nivel Nacional Actualización 2022", (2022), at: https://unfccc.int/sites/default/files/NDC/2022-11/Mexico_NDC_UNFCCC_update2022_FINAL.pdf

⁶¹ Climate Action Tracker, "Mexico", (2022), at: <https://climateactiontracker.org/countries/mexico/targets/>.

sector as a key economic sector in achieving its ambition. In this regard, the Mexican government aims to reduce energy consumption in the buildings sector by promoting the construction of sustainable buildings with greater energy efficiency.⁶² As part of its plan, the government has established the National Model Energy Conservation Code (IECC-Mexico), which regulates requirements related to energy conservation for new constructions and existing buildings in the country.^{63,64} Furthermore, in March 2025, the Partnership for Energy Efficiency in Buildings announced PEEB Cool, a USD 100 million investment funded by the Green Climate Fund and Agence Française de Développement, which aims to address financing challenges and promote energy-efficient building development across Mexico.⁶⁵

Based on the above context, Sustainalytics is of the opinion that Banca Mifel's investments in green buildings have the potential to provide a positive environmental impact by supporting Mexico's GHG reduction targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Sustainable Agriculture	2. Zero Hunger	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, which help maintain ecosystems that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.
Clean Transport	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

⁶² United Nations & Government of Mexico, "Contribución Determinada a Nivel Nacional Actualización 2022", (2022), at: https://unfccc.int/sites/default/files/NDC/2022-11/Mexico_NDC_UNFCCC_update2022_FINAL.pdf

⁶³ Climate Transparency, "Climate Transparency Report: Comparing G20 Climate Action – Mexico", (2022), at: <https://www.climate Transparency.org/wp-content/uploads/2022/10/CT2022-Mexico-Web.pdf>.

⁶⁴ International Energy Agency, "Building Energy Conservation Code", (2019), at: <https://www.iea.org/policies/2473-building-energy-conservationcode>.

⁶⁵ PEEB, "Innovative financing for sustainable buildings: first PEEB Cool project in Mexico!", (2025), at: <https://peeb.build/news/innovative-financing-for-sustainable-buildings-first-peebs-cool-project-in-mexico/>.

Conclusion

Mifel has developed the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework under which it intends to issue green bonds, obtain loans, including multi-tranche and revolving credit facilities, derivatives and other debt instruments, and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to deliver a positive environmental impact in Mexico. The Framework outlines a process for tracking, allocation and management of proceeds and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with Banca Mifel's overall sustainability strategy and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 2, 6, 7, 9 and 11. Additionally Sustainalytics is of the opinion that Banca Mifel has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible categories.

Based on the above, Sustainalytics is confident that Banca Mifel is well positioned to issue green bonds and obtain green loans and that the Banca Mifel, S.A., Institución de Banca Múltiple, Grupo Financiero Mifel Green Finance Framework is robust, transparent and in alignment with the four components of the Green Bond Principles 2021 and the Green Loan Principles 2025.

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