

# Second-Party Opinion

## Vinte Sustainability Bond

### Evaluation Summary

Sustainalytics is of the opinion that the Vinte Sustainability Bond Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines 2018. This assessment is based on the following:



**USE OF PROCEEDS** The eligible use of proceeds category (sustainable community development) is aligned with those recognized by the Sustainability Bond Guidelines that seek to achieve affordable housing with both social and environmental considerations. Sustainalytics views Vinte's use of proceeds category as having positive social and environmental impact.



**PROJECT EVALUATION / SELECTION** The selection of eligible projects will be completed by a cross-functional committee which includes Vinte's CEO, COO and CFO. This is in line with market best practices.



**MANAGEMENT OF PROCEEDS** Vinte has an internal tracking process where the balance of the net proceeds and its allocation will be reported on a quarterly basis. This is in line with market practices.



**REPORTING** Vinte demonstrates a strong adherence to transparency in allocation and impact reporting. With regards to impact reporting, Vinte intends to disclose relevant social and environmental quantitative metrics which are aligned with market best practices.

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<b>Evaluation date</b>	August 29, 2018
<b>Issuer Location</b>	Mexico City, Mexico

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#### Report Sections

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## Introduction

Vinte Viviendas Integrales, S.A.B. de C. V. ("Vinte", "the company" or "the issuer") is a real estate company that engages in the development and commercialization of residential housing projects. The company aims to integrate sustainable development as part of its business activities by developing housing projects which provide positive social and environmental impacts within its built communities. As such, Vinte developed a holistic approach to its community development projects under a model of inclusive business which promotes life based on community values, and environmental protection through a more efficient use of natural resources<sup>1</sup>.

Vinte has developed the Vinte Sustainability Bond Framework ("the framework") under which it will issue multiple sustainability bonds and use the net proceeds to finance or refinance expenditures related to sustainable community development projects in Mexico, targeting customers between the low to medium-high income range.

Vinte engaged Sustainalytics to review the framework and provide a second-party opinion on the alignment of the framework with the Sustainable Bond Guidelines 2018, as administered by the International Capital Market Association (the "ICMA")<sup>2</sup>.

As part of this engagement, Sustainalytics held conversations with various members of Vinte's management team to understand the sustainability impact of their business processes and planned use of the net proceeds, as well as management of proceeds and reporting aspects of the issuer's sustainability bonds. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Vinte Sustainability Bond Framework and should be read in conjunction with that framework, which, can be found on its website: [www.vinte.com](http://www.vinte.com).

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<sup>1</sup> <http://cdn.investorcloud.net/vinte/InformacionFinanciera/ReportesAnuales/2016-Anual.pdf>

<sup>2</sup> ICMA's Green Bond Guidelines 2018 <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Sustainability-Bond-Guidelines---June-2018-140618-WEB.pdf>

Sustainability bonds are aligned with the four core components of both the Green Bond Principles 2018 and the Social Bond Principles 2018.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Vinte Sustainability Bond Framework

#### Summary

Sustainalytics is of the opinion that the Vinte Sustainability Bond Framework creates meaningful social and environmental impact, is transparent, and aligns with the Sustainability Bond Guidelines 2018. Some specific elements of the framework that Sustainalytics views positively include:

- Net Proceeds will be used towards sustainable community development projects with both social and environmental considerations within the eligibility criteria. Sustainalytics is of the opinion that Vinte's community development projects place an emphasis on improving the quality of life of its residents and leads to inclusive sustainable urban development in Mexican cities;
- Vinte's sustainable community development projects target customers between the low to medium-high income range. Additionally, the majority of Vinte's customers have received loans through the government of Mexico's housing finance program, Infonavit and Fovissste, which are oriented towards financing low-income households. Although Sustainalytics views the current demographic of Vinte's customer base as socially impactful, Sustainalytics encourages Vinte to specifically target customers in the low-income range. For additional information on impacts of use of proceeds, see Section 3;
- The selection process of eligible projects will be completed by Vinte's Analysis Committee for Land Reserve Acquisition ("CAART"), comprised of members from Vinte's executive team, as well as the operations, finance, and land acquisition teams. Additionally, Vinte has a comprehensive and multifaceted risk management framework which takes into consideration social, environmental and economic risks related to the projects financed by the sustainability bond. This process is aligned with market best practices;
- The management of the use of proceeds is in line with market practices and includes an internal tracking process where the balance of the proceeds and its allocation will be reported on a quarterly basis. The CAART committee will supervise the management and reporting of the proceeds;
- Vinte commits to disclose a Sustainability Bond Report annually on its website in order to report on the allocation of proceeds and environmental impacts. The report will contain a list of projects, amounts allocated to each project and balance amount of unallocated net proceeds. Where feasible, the report will include relevant social and environmental quantitative metrics including the number of houses built, percentage of homeowners financing mortgages through government of Mexico's housing finance program, and number of water treatment plants built and their capacity. Vinte's reporting practices are in line with market best practices.

#### Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the Vinte Sustainability Bond Framework aligns with the Sustainability Bond Guidelines 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Performance of Vinte

### Contribution of framework to Vinte's sustainability strategy

Sustainalytics has reviewed Vinte's sustainability commitments as well as its performance achieved through the company's existing community development projects, and is confident that Vinte's framework will lead to further advancing its sustainability strategy. Sustainalytics considers that Vinte has a strong sustainability strategy and social and environmental track-record given that:

- Vinte's sustainability bond aligns with the company's sustainability strategy which includes several social and environmental goals, including developing sustainable social housings for low and mid-income populations, as well as improving access to health and education<sup>3</sup>;
- The company has built "Near Zero-Energy" homes through a pilot project, which produced an equal amount of energy as the energy consumed. In 2010, as part of the "Net Zero Energy Home" programme, Vinte reached 34% energy efficiency through thermal isolation of the houses, and 7% through solar protection of the windows, which resulted in 77% electricity reduction<sup>4</sup>. Based on the successful outcomes of the pilot project, many of the devices and equipment tested are now part of Vinte's basic equipment in homes, such as efficient water heaters and isolating materials.
- Vinte has demonstrated leadership in the achievement of green building certifications. The issuer has implemented Excellence in Design for Greater Efficiencies ("EDGE")<sup>5</sup> within its new development projects. In 2015, Vinte participated in the IFC's EDGE program which resulted in 60 of its buildings in the state of Tecamac being awarded EDGE certificates<sup>6</sup>;
- Vinte's "2020 Innovation Plan" is developed around building sustainable low and mid-income housing based on cutting-edge technologies. In 2016, the company developed the "Accessible Homes" programme through which 20 homes were custom built for clients with special needs and limited capacities<sup>7</sup>;
- The company received recognition through several awards, including the National Housing Award for Sustainable Housing Development both in 2010 and in 2013, as well as the international G20 Challenge on Inclusive Business Innovation award<sup>8</sup>.
- Vinte secured financial support from the World Bank, the Inter-American Development Bank (IDB), and DEG/KfW based on the company's vision for social integration and community-based development, as well as the incorporation of sustainable technology<sup>9</sup>. Sustainalytics is of the opinion that the World Bank and IDB conduct a rigorous assessment in order to provide financial support to selected beneficiaries.

Overall, Sustainalytics considers Vinte to be well-positioned to issue sustainability bonds given the company's leading sustainability practices and achievement, and believes that Vinte's sustainability bond will contribute to the company's strategy and commitments.

### Well positioned to address common environmental and social risks associated with the projects

Vinte acquires land legally following a structured land acquisition process as stated within its framework. When developing real estate projects, Vinte considers comprehensive social and environmental development concepts in order to minimize the physical and economic displacement of people. As such, Vinte has developed a well-defined process for project evaluation and selection which includes several stages and is coordinated by the Analysis Committee for Land Reserve Acquisition ("CAART"). The first step of the process

<sup>3</sup> <http://cdn.investorcloud.net/vinte/InformacionFinanciera/ReportesAnuales/2016-Anual.pdf>

<sup>4</sup> Vinte Sustainable Bonds Framework

<sup>5</sup> IFC created EDGE to identify sustainable solutions in construction, increase efficiency in the use of resources, and reduce the impacts on the environment. The first worldwide EDGE certification for housing was given to VINTE, in 2012. IFC was granted a credit line of 350 million Mexican pesos to Vinte to boost the construction of 2,000 new sustainable homes—building on a long-term investment relationship that has allowed VINTE to develop more than 26,000 sustainable homes across Mexico.

[https://www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/news/impact-stories/building-green-is-the-key-or-sustainable-cities](https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impact-stories/building-green-is-the-key-or-sustainable-cities)

<sup>6</sup> Vinte Sustainable Bonds Framework

<sup>7</sup> Vinte Sustainable Bonds Framework

<sup>8</sup> <http://cdn.investorcloud.net/vinte/InformacionFinanciera/ReportesAnuales/2016-Anual.pdf>

<sup>9</sup> [http://www.vinte.com/en/modelo\\_negocio](http://www.vinte.com/en/modelo_negocio)

(the "Zone Description"), focuses on selecting land based on social considerations, such as proximity to essential services. As part of the third step (the "Technical Analysis") of the evaluation process, Vinte studies current water and electric energy supply, among other environmental related aspects.

Overall, Sustainalytics is of the opinion that Vinte has a comprehensive and multifaceted risk management framework which takes into consideration social, environmental and economic risks related to the projects financed by the sustainability bond.

### Section 3: Impact of Use of Proceeds

#### Impacts of Vinte's sustainable community development projects

In recent years, Mexico has increased its efforts in ensuring high quality of housing and surrounding urban environments rather than focusing on increasing the total housing stock<sup>10</sup>. Sustainalytics is of the opinion that Vinte's focus on creating sustainable community development projects are aligned with Mexico's National Housing Policy, which aims to transition toward a sustainable and smart urban development model, responsibly address the housing gap, and provide decent housing for all Mexicans<sup>11</sup>.

Additionally, Sustainalytics is of the opinion that the Vinte Sustainability Bond Framework has strong environmental and social eligibility criteria which create a sustainable community. Key social and environmental benefits of Vinte's community development projects are highlighted below:

#### Social benefits

Vinte creates mixed socioeconomic level communities (low to medium-high income): Concentrated poverty has significant wide-ranging socioeconomic effects, including limited educational opportunity for children, increased crime rates, poor health outcomes, and reduced private-sector investment<sup>12</sup>. Additionally, in certain Mexican cities, low-income groups are concentrated in the outskirts of the city, a trend that has led to lower land prices in peripheral areas and to a geographical divide<sup>13</sup>. Recognizing the potential risk of concentrated poverty in Mexico's disadvantaged neighborhoods, Vinte adopted a mixed-income housing strategy in order to foster inclusive growth and prevent residential segregation by income. Vinte intends to allocate proceeds from its sustainability bond to sustainable community development projects focused on three economic segments, within six states in Mexico where it currently has development projects, offering up to seven types of housing in the same community. Sustainalytics is of the opinion that financing mixed-income communities has the potential to lead to significant positive social benefits within Mexico by preventing social isolation and supporting upward mobility for low income populations.

Importance of ensuring proximity to essential services in community development projects: Urban sprawl is recognized by the government of Mexico as a negative impact of urbanization. The National Development Plan 2013-2018<sup>14</sup>, the National Urban Development Programme 2014-2018<sup>15</sup>, and the National Housing Programme<sup>16</sup> outline clear objectives to control urban sprawl and mitigate its effects. Urban sprawl is known to negatively impact access to education, healthcare, labour mobility, water quality, as well as increased reliance on transportation. Vinte's eligibility criteria places importance to both social and environmental considerations by ensuring its community development projects are in proximity to essential services including schools, hospitals, affordable basic infrastructure such as clean water, sewers, sanitation, and public transportation.

#### Environmental benefits

Contribution to reducing energy consumption in the residential sector:

<sup>10</sup> OECD Urban Policy Reviews, 2015. <http://www.oecd.org/gov/policy-highlights-mexico.pdf>

<sup>11</sup> OECD Urban Policy Reviews, 2015. <http://www.oecd.org/gov/policy-highlights-mexico.pdf>

<sup>12</sup> [https://www.brookings.edu/wp-content/uploads/2016/06/1103\\_poverty\\_kneebone\\_nadeau\\_berube.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/1103_poverty_kneebone_nadeau_berube.pdf), p. 2

<sup>13</sup> <http://www.oecd.org/gov/policy-highlights-mexico.pdf>, p. 10

<sup>14</sup> [http://www.snieg.mx/contenidos/espanol/normatividad/MarcoJuridico/PND\\_2013-2018.pdf](http://www.snieg.mx/contenidos/espanol/normatividad/MarcoJuridico/PND_2013-2018.pdf)

<sup>15</sup> [https://www.gob.mx/cms/uploads/attachment/file/23233/PROGRAMA\\_Nacional\\_de\\_Desarrollo\\_Urbano\\_2014-2018.pdf](https://www.gob.mx/cms/uploads/attachment/file/23233/PROGRAMA_Nacional_de_Desarrollo_Urbano_2014-2018.pdf)

<sup>16</sup> [http://www.dof.gob.mx/nota\\_detalle.php?codigo=5342865&fecha=30/04/2014](http://www.dof.gob.mx/nota_detalle.php?codigo=5342865&fecha=30/04/2014)

Mexico's residential sector accounts for approximately 16% of the total energy use and 26% of total electricity use<sup>17</sup>. The country had a 79.8% urban population in 2017 with a 1.37% annual rate of change<sup>18</sup>. In order to mitigate the increase of energy consumption caused by rapid urbanization, Mexico has committed to reducing its GHG emissions by 22% below its baseline in 2030<sup>19</sup>.

Vinte's research and development in sustainable technologies is helping the company to introduce innovations that save homebuyers on ongoing home maintenance costs<sup>20</sup>. As part of a pilot project, Vinte designed homes that reduced gas bills by 75%, and in 2011 Vinte added the option of rooftop solar cells for energy generation, which significantly reduced electricity bills. Additionally, individual wall meters to measure electricity, gas, and water consumption enable homeowners to both save money and reduce their environmental footprint. Sustainalytics considers Vinte's goal of developing sustainable community development projects, which are designed to reduce energy consumption, as aligned with Mexico's commitment to reduce GHG emissions.

Overall, Sustainalytics is of the opinion that Vinte's business model to build community development projects considers both social and environmental factors which are aligned with the Mexican government's priorities, particularly in the context of accelerated urbanization<sup>21</sup>, while seeking to consolidate existing cities by improving the living conditions of its inhabitants.

### Importance of Vinte's targeted customer base

Sustainalytics is of the opinion that Vinte's community development projects create positive social impact considering that (i) Vinte's business model addresses the affordable housing deficit in Mexico, and (ii) Vinte largely targets low-income salaried workers.

Vinte's business model specifically addresses the critical housing shortage in Mexico, particularly among the affordable housing segment. According to the National Housing Commission (CONAVI), there are 32.1 million households in Mexico. Approximately, 75% of the estimated shortage of 8.9 million houses is concentrated in the affordable housing segment<sup>22</sup>. By 2030, Mexico's population is expected to reach 121 million people, creating demand for 11 million additional new houses.

Vinte has communicated to Sustainalytics that it targets homebuyers who are planning to live in the housing development rather than customers who purchase for investment purposes. Customers are generally salaried workers such as schoolteachers, bus drivers, factory and office workers with annual household incomes ranging from \$118,400 to \$499,500 MXN<sup>23</sup>. Most are young working adults, and many are first-time homebuyers who grew up in Mexico City's informal housing settlements with marginal access to clean water, electricity, sanitation, roads, schools, and parks. Home prices range between \$340,000 to \$3.5 million MXN, with 55% of Vinte's revenues derive from homes between \$340,000 and \$700,000 MXN which, in terms of volume, represents 72% of total units sold.

Additionally, one of the crucial challenges of the housing development market in Mexico is to increase access to housing finance to lower income families and to prevent urban sprawl. Infonavit and Fovissste are publicly-mandated agencies created in 1972 with the goal of creating dedicated sources of housing finance for private and public-sector workers. Approximately 55% of Vinte's income, is generated by customers who received loans through Infonavit and Fovissste in 2017 or 62% of total units sold were sold to this segment, which demonstrated that the majority of Vinte's customers are low-income salaried workers (see Appendix 1 for the evolution of mortgage sources of Vinte's customer base). Moreover, Infonavit qualifies prospective homebuyers based on points awarded for income, monthly contributions, age, and number of dependents, among other factors which Sustainalytics believes is an additional safeguard to ensure that Vinte's customers are targeted to those most in need.

<sup>17</sup> [http://unfccc.int/files/secretariat/momentum\\_for\\_change/application/pdf/mexico\\_ecocasa2.pdf](http://unfccc.int/files/secretariat/momentum_for_change/application/pdf/mexico_ecocasa2.pdf)

<sup>18</sup> <https://www.cia.gov/library/publications/the-world-factbook/fields/2212.html>

<sup>19</sup> <http://climateactiontracker.org/countries/mexico.html>

<sup>20</sup> <http://documents.worldbank.org/curated/en/516211506595525379/pdf/120099-BRI-PUBLIC-Vinte.pdf>

<sup>21</sup> Mexico urbanized faster than most OECD countries in the past 50 years; available at: <http://www.oecd.org/gov/policy-highlights-mexico.pdf>, p. 3

<sup>22</sup> IFC, 2012. <https://www.ifc.org/wps/wcm/connect/a17779004d3330ed89e2cdf81ee631cc/VINTE.pdf?MOD=AJPERES>

<sup>23</sup> <http://documents.worldbank.org/curated/en/516211506595525379/pdf/120099-BRI-PUBLIC-Vinte.pdf>

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Sustainable community development projects	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
	4. Quality Education	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, on-violent, inclusive and effective learning environments for all.
	6. Clean Water and Sanitation	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

### Conclusion

Vinte has developed the Vinte Sustainability Bond Framework under which it intends to issue sustainability bonds with net proceeds used to develop sustainable community development projects. Vinte's projects consider both social and environmental considerations, recognized by the Social Bond Principles and the Green Bond Principles given the nature of the eligibility criteria and the targeted population served. By issuing sustainability bonds to finance sustainable community development projects in Mexico, Sustainalytics is of the opinion that Vinte is promoting a more sustainable and integrated community, improving the quality of life of urban residents, and supporting green housing developments.

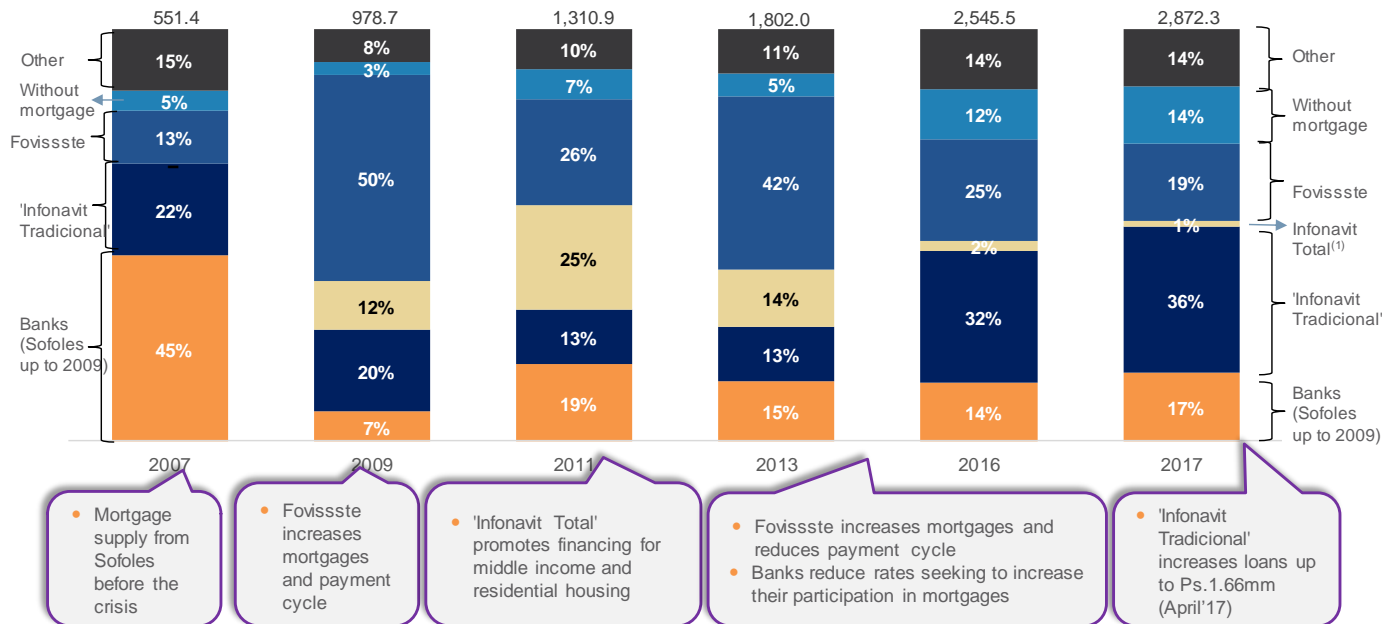
Sustainalytics considers the Vinte Sustainability Bond Framework to be robust, credible and transparent, and has assessed the framework to be aligned with the four core components of the Social Bond Principles and the Green Bond Principles.

## Appendices

### Appendix 1: Evolution of Mortgage Sources of Vinte's Customer Base

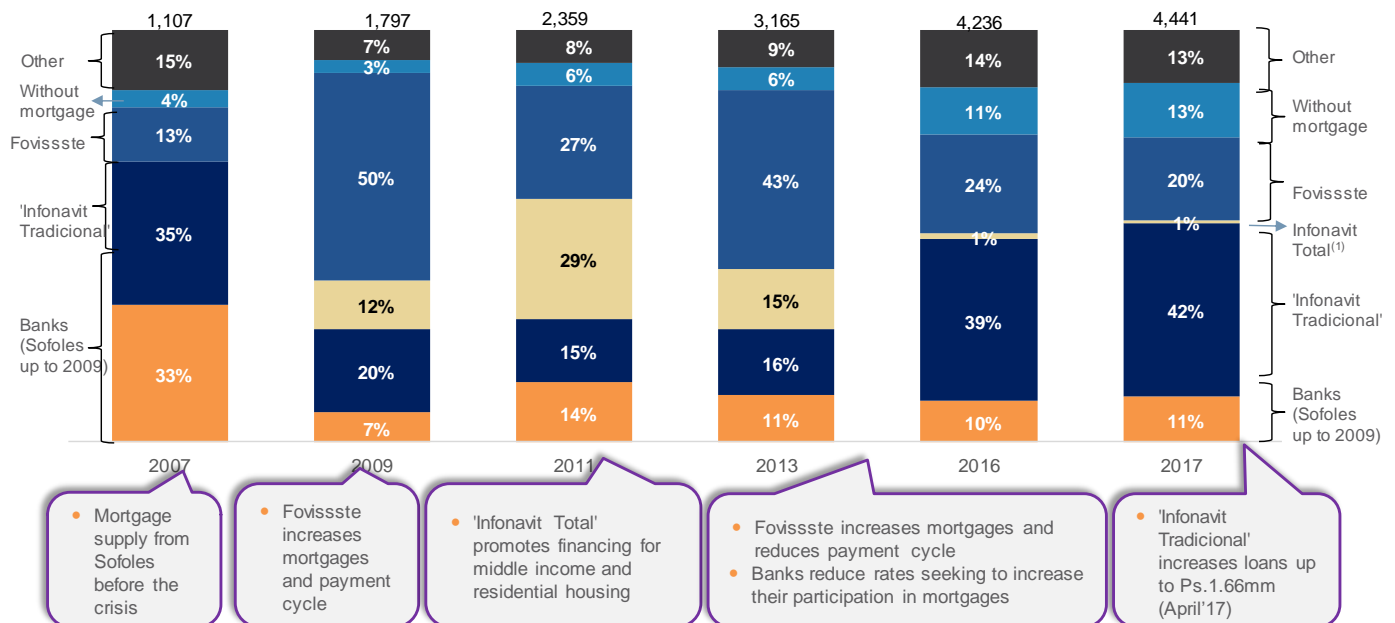
**Mortgage Sources for Vinte's Customers 2007-2017**

(%, MXN. 000's)



**Mortgage Sources for Vinte's Customers 2007-2017**

(%, Number of homes)



Source: Company information

Notes:

- 1 Infonavit Total: Infonavit, but with majority of funds coming from commercial banks
- 2 ~5% for the period from 2011 to 2015, 3M as of Mar. 2017 was ~1% as a result of changes in 2017 policies where housing subsidies were reduced by 30%
- 3 'Desarrollos Certificados' have priority access to subsidies

## Appendix 2: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

<b>Issuer name:</b>	Vinte Viviendas Integrales, S.A.B. de C. V. ("Vinte")
<b>Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i></b>	Vinte Sustainability Bond Framework
<b>Review provider's name:</b>	Sustainalytics
<b>Completion date of this form:</b>	August 29, 2018
<b>Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i></b>	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Executive Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible use of proceeds category (sustainable community development) is aligned with those recognized by the Social Bond Principles and the Green Bond Principles that seek to achieve affordable housing with both social and environmental considerations. Sustainalytics views Vinte's use of proceeds category as having positive social and environmental impact.

#### Use of proceeds categories as per GBP:

- |  |  |
|--|--|
| <input type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input type="checkbox"/> Clean transportation  |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : Sustainable community development projects.     |

If applicable please specify the environmental taxonomy, if other than GBPs:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The selection process of eligible projects will be completed by Vinte's Analysis Committee for Land Reserve Acquisition ("CAART"), comprised of members from Vinte's executive team, as well as the operations, finance, and land acquisition teams. Vinte has a comprehensive and multifaceted risk management framework which takes into consideration social, environmental and economic risks related to the projects financed by the sustainability bond. This process is aligned with market best practices;

#### Evaluation and selection

- |  |   |
|--|---|
| <input type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|--|---|

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

#### Information on Responsibilities and Accountability

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |   |

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The management of the use of proceeds is in line with market practices and includes an internal tracking process where the balance of the proceeds and its allocation will be reported on a quarterly basis. The CAART committee will supervise the management and reporting of the proceeds;

#### Tracking of proceeds:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |  |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |  |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |  |

#### Additional disclosure:

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                  | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |

### 4. REPORTING

Overall comment on section (if applicable):

Vinte commits to disclose a Sustainability Bond Report annually on its website in order to report on the allocation of proceeds and environmental impacts. The report will contain a list of projects, amounts allocated to each project and balance amount of unallocated net proceeds. Where feasible, the report will

include relevant social and environmental quantitative metrics including the number of houses built, percentage of homeowners financing mortgages through government of Mexico's housing finance program, and number of water treatment plants built and their capacity. Vinte's reporting practices are in line with market best practices.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

**Information reported:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts     | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |  |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Information reported (expected or ex-post):**

- |  |   |
|--|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use   | <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): number of: houses built within each segment, residents living in the built community (average), water treatment plants built and their capacity schools built, equipped parks built, roads built (kms), medical facilities; percentage of homeowners financing mortgages through entities, such as Infonavit and Fovissste vs banks |

**Means of Disclosure**

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents  | <input type="checkbox"/> Other (please specify):                                   |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |  |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)**

<http://www.vinte.com/>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

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