

Contacts

Luisa Adame

Manager, Public Finance / Infrastructure
luisa.adame@hrratings.com

Roberto Soto

Associate Director, Public Finance /
Infrastructure
roberto.soto@hrratings.com

Roberto Ballinez

Senior Executive Director, Public
Finance / Infrastructure
roberto.ballinez@hrratings.com

Alfonso Sales

Associate Director, Methodological
Criteria
alfonso.sales@hrratings.com

Pedro Latapi

Deputy Chief Credit Officer
pedro.latapi@hrratings.com

Felix Boni

Chief Credit Officer
felix.boni@hrratings.com

These criteria is the exclusive
property of HR Ratings.

The Sustainable Bonds Evaluation Criteria (XBEC) determines whether a bond, or any financial instrument, can be considered sustainable and offers a scale to compare the expected benefits of sustainable projects. To assign this Sustainable Level, HR Ratings determines whether the bond has the characteristics of a Green Bond (BV) and a Social Bond (BS). The XBEC assess how a bond or financial instrument may have a social and environmental impact, considering that although certain projects may have a specific focus, they may generate multiple positive collateral effects. This document establishes a scale to classify different projects associated with Sustainable Bonds. As a result, the XBEC and the level assigned provide market participants looking to invest in these types of assets with necessary information to be able to classify and compare different Sustainable Bonds, according to their expected social and environmental impacts.

The XBEC outlines the process for assigning a level to Sustainable Bonds (XB) and offers no opinion on their credit quality, rather the opinion is given on the social and environmental impact a specific project, framework, or asset may have over time.

These criteria incorporate internationally recognized concepts for the assessment of GB and SB such as the Climate Bonds Standard developed by the Climate Bonds Initiative (CBI)¹, the Green Bond Principles (GBP)², the Sustainable Development Goals (SDG) that form part of the United Nations Development Program (UNDP)³, and the Social Bond Principles (SBP)⁴.

The XBRM is divided into a two-part analysis that will provide market participants with valuable information. Both components are based on the qualitative aspects of the projects, as well as on the issuer's transparency and reporting policies. Wherever possible, quantitative indicators will be incorporated. To begin the analysis process, it is determined whether a bond can be considered sustainable, and if so, this XBRM will be applied.

In the first stage, HR Ratings will assess the project solutions proposed to: i) limit the increase in global temperatures this century to less than two degrees Celsius, and ii) address a certain social problem and/or achieve a certain positive social result. The second stage assesses the issuer's capacity to comply with the GBP and the SBP.

The result of the XBEC is a Sustainability Level that contains two elements. First, a three-level scale that represents the type of environmental solution and solution to a social problem, and its level of impact on the population. Second, another three-level scale that represents the degree of compliance with the GBP and SBP. As a result, the final Sustainability Level is a scale that clearly indicates in its notation the results of each of the two analyses. The evaluation of HR Ratings is of a static character, meaning that when assigning a Social Level, the analysis only represents the conditions observed now in which the process described in this document was applied.

¹ CBI is an investor-focused not-for-profit organization promoting large-scale investments that will deliver a global low carbon economy. (References at Appendix 3)

² The GBP are a series of internationally accepted standards developed by the International Capital Market Association (ICMA), a group of financial institutions that supports and promotes the development and efficient operation of the global capital markets. (References at Appendix 3)

³ The UNDP is part of the United Nations Development Group (UNDG) and is present in 170 countries and territories, working to eradicate poverty and reduce inequality and exclusion. (References at Appendix 3)

⁴ The SBP are a series of internationally accepted standards also developed by the ICMA. (References at Appendix 3)

Introduction

The ICMA defines Sustainable Bonds as a financial instrument to raise funds that will be used exclusively to finance or refinance, in whole or in part, social and environmental projects. The four principal components of the Green Bond Principles (GBP) and the Social Bond Principles (SBP) must be satisfied for the ICMA to recognize a bond as sustainable.

Sustainable Bonds, as with Green Bonds and Social Bonds, may be issued by corporates, financial institutions, development banks, governments and trusts (in the case of asset-backed debt). Because of the latter, Sustainable Bonds may not be limited to being secured obligations, they may also be issued to finance a new project with no historic record (project finance), bonds without recourse to issuer, and bonds backed by a portfolio of assets.

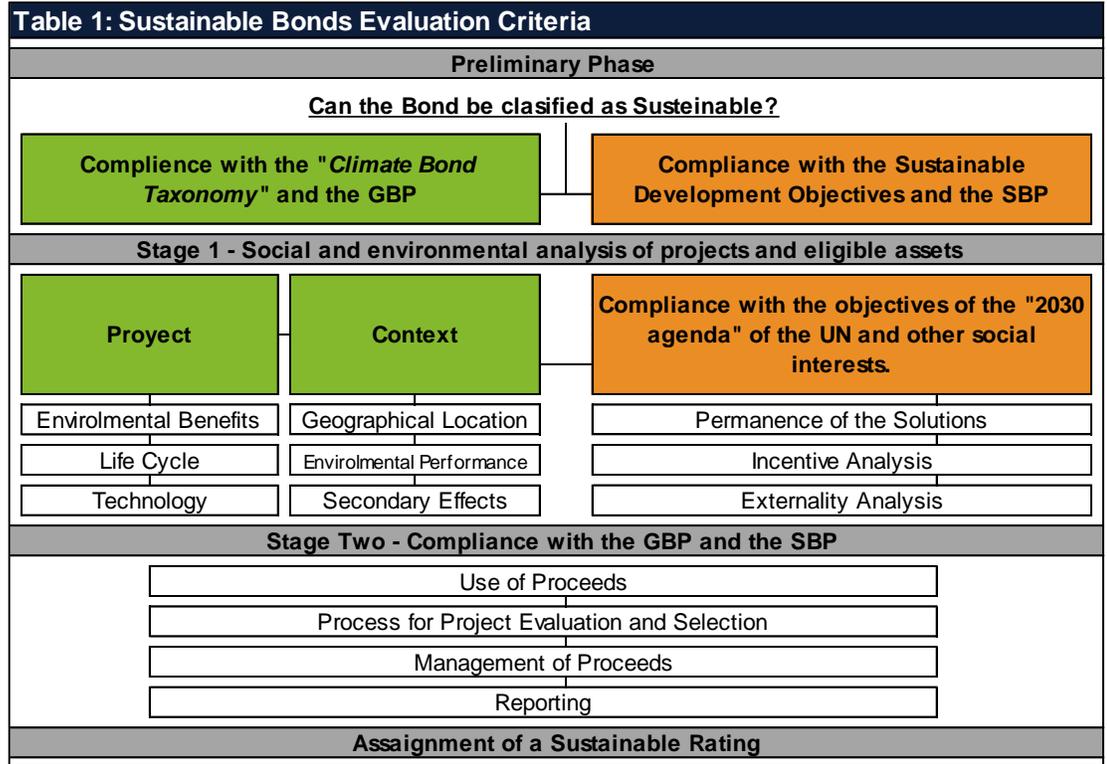
In these criteria, the assets, projects or activities analyzed must, on the one hand, produce an environmental benefit, such as renewable energies, low greenhouse gas (GHG) transportation, forestry projects, among others. On the other hand, they must generate a social benefit to combat poverty and hunger, access to healthcare, to varied services; gainful employment, gender equity, eradicating inequality, promoting solid institutions, etc. It's important to mention that certain environmental projects may also have a social benefit and certain social projects may have an environmental benefit.

To determine whether a project has the potential to generate a positive environmental impact and also social development or wellbeing, HR Ratings will assess whether the project(s), or the framework which they adhere to, fall under any sector of the CBT and the degree to which the project complies with one or more of the Sustainable Development Goals (SDG) set in the Sustainable Development 2030 Agenda⁵. However, HR Ratings recognizes that the CBT and the SDG are not necessarily the only agendas with the potential to generate a positive social and environmental impact, although, without doubt, they do provide a starting point.

The HR Ratings evaluation process is outlined in Table 1, with the various stages of the process and the principal concepts covered in the analysis. Green is used for the concepts referring to the environmental impact and orange for those referring to the social impact. Regarding the stages of the process, the Preliminary Phase allows HR Ratings to determine whether a bond can be considered sustainable, and if so, the evaluation process will continue. Stage one describes an analysis of the potential or observed benefit of the projects funded through the bond, while Stage Two evaluates the degree to which the issuer complies with the GBP and the SBP⁶. Therefore, any bond that has an XB level from HR Ratings is considered sustainable and the purpose of the scale of sustainability levels is to differentiate the impact of the projects.

⁵ The 2030 Agenda is comprised of the 17 SDG and their 169 goals to be achieved by 2030, proposing measures to reduce poverty, protect the planet, and ensure that all people enjoy prosperity, among others.

⁶ The GBP and the SBP focus on the use of resources, the project evaluation and selection process, the management of the resources, and reporting.



Source: HR Ratings.

Process for the assignment of the Sustainability Level

This section details the HR Ratings evaluation process, including the stages of the analysis: the Preliminary Phase, which determines whether a bond is sustainable; Stage One, which evaluates the expected or observed impact of the projects, and Stage Two, which determines adherence to the GBP and the SBP.

Preliminary Phase

As mentioned, Sustainable Bonds are bonds whose funds will be exclusively assigned to finance or refinance a combination of social and environmental projects. The goal of this stage of the analysis is to determine whether the bond or financial instrument satisfies the essential minimums to be considered sustainable. For this analysis, HR Ratings evaluates whether the underlying project or framework complies with the CBT, and with any of the Sustainable Development Goals (SDG). These criteria are the best references in the market for identifying projects that may have a social and environmental impact.

Meanwhile, any Sustainable Bond must demonstrate that the legal documentation clearly, precisely and fully shows the adoption of the GBP and the SBP of the ICMA. When HR Ratings is satisfied that the above has been met, the analysis will proceed to Stage one of the assessment of the Sustainable Bond.

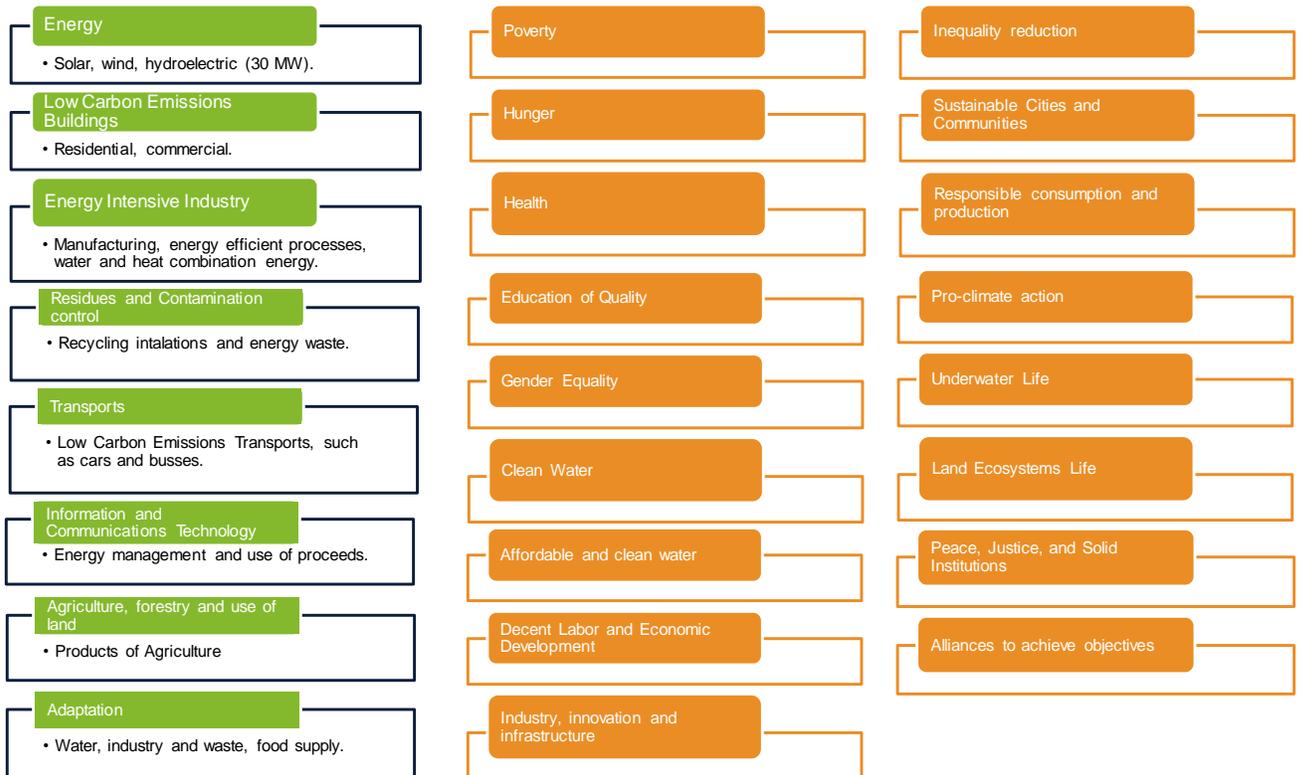
Stage One: Social and environmental analysis of projects and eligible assets

Once HR Ratings has verified that the bond satisfies the Preliminary Phase, Stage One of the assessment consists of analyzing the type of project, or the framework, in terms of the social and environmental solution it proposes.

The environmental projects mentioned in this document are considered contributors to the development of a low GHG economy and a resilient economy and are in keeping with the CBT provided by the CBI. Also, the social projects mentioned fulfill one or more of the goals set in the 2030 Agenda. Despite considering the entire range of CBT sectors and the goals of the 2030 Agenda, HR Ratings recognizes that these may not contain all the concepts that could limit global warming and drive social development or wellbeing in a region. Because of this, the XBEC allows for activities with a positive impact on the environment and social wellbeing that the CBT and the goals of the 2030 Agenda do not consider.

Table 2 shows some of the types of environmental projects and the 17 SDG. If the portfolio of eligible projects associated with a bond meets the criteria for any eligible environmental project and any of the SDG, then HR Ratings will rate the bond as sustainable.

Table 2. Social and Environmental Possible Projects



Source: HR Ratings.

Assessment of the project's environmental aspects

The purpose of the assessment outlined in these criteria is to determine the social and environmental benefits of the project based on the goals of reducing global warming as

Sustainable Bonds Evaluation Criteria

Financial Instruments with a focus on Sustainability

January 2020

established in the Paris Agreement. In this regard, the HR Ratings assessment will include not only the technical and qualitative characteristics of the project, but also its context. This will aid us in ascertaining a more precise and complete picture of the environmental impact.

Another important aspect considered in the assessment is the lifecycle of the project or the framework. This is important because projects that offer a long-term environmental solution are preferred over projects with short-term solutions. However, the operation of a long-term project must show that the asset will be capable of maintaining its social and environmental benefits throughout the project's lifecycle, and not only during the initial stages. Environmental projects will most likely be closely linked to the technology used in the investment. Projects that use the latest technological advances in their field could have a greater probability of offering a long-term solution.

Although the project's inherent impact is the principal objective of this assessment, the criteria place emphasis on the context in which the project is developed. The geographic location of the project is an additional factor that will be considered. This is important because the marginal benefit of an environmental project is greater in the countries or regions that are in an early phase of sustainable transition than in countries or regions that have progressed further toward this goal.

The secondary effects of a project or projects will also be considered, for which HR Ratings will consider the immediate impact of the project. The assessment of the secondary effects will wholly depend on the type of industry. The analysis in this stage is primarily qualitative.

In this stage, HR Ratings will assign a value of "1" (Best), "2" (Acceptable) or "3" (Sufficient) according to the environmental impact, expected and/or observed, of the projects that will be financed with the bond.

Assessment of the project's social aspects

The purpose of this assessment is to determine the social benefits of the project or framework based on its capacity to address a social development issue according to the 2030 Agenda. In this regard, HR Ratings will conduct an analysis that will include not only technical and qualitative tools to assess the project, but also a study of the surrounding context. This will help us to more fully and accurately evaluate the social impact of the project.

It's important to mention that the SDG are particularly sensitive to the context of the project. Meaning, not all countries or regions share the same definitions of poverty, health, wellbeing and development. Different regions may have diverse cultural characteristics that could aim to achieve different results for similar projects. It is also important that the project not offset the impact of other objectives to achieve a specific goal. This could hinder the development of the local institutions and, in turn, have adverse effects on poverty in the long term. In this case, it may not be possible to develop a measure that would quantify the expected loss for the region or decile involved, but the qualitative analysis would identify red flags that would be incorporated into the Sustainability Level.

As in the environmental assessment, the lifecycle of the project or framework will be considered. This is important because projects that offer a long-term social solution are preferred over projects with short-term solutions. However, the operation of a long-term project must show that the asset will be capable of maintaining its social benefits throughout the project's lifecycle, and not only during the initial stages. Social projects should focus on combatting social inequality within the region, but also, insofar as possible, at the

Sustainable Bonds Evaluation Criteria

Financial Instruments with a focus on Sustainability

January 2020

macroeconomic level. The project must also promote sustainable practices that would not damage assets or resources that are fundamental for the development of the region.

The geographic location is also a relevant factor in the social analysis, because the marginal benefit of a project is greater in countries or regions that are at the lower end of the economic development scale than more developed countries or regions.

The potential spillover of the project will also be considered. Therefore, HR Ratings will consider the immediate impact of the project and the assessment of the secondary effects, which will wholly depend on the type of industry. The analysis in this stage is primarily qualitative.

HR Ratings will analyze the social benefits of the project according to the following premises:⁷

- i) The capacity of the project to offer permanent solutions. There is a risk that the benefit to the region or population will be temporary, and that the situation will worsen again when the project has ended.
- ii) The project generates favorable incentives for society, without adversely changing the behavior of the target population. The project may generate perverse incentives that may be exploited by different agents and which would diminish the social benefit in the long term.
- iii) The project may generate spillovers or have collateral effects, positive or negative, within or outside the target region or population.

In this stage, HR Ratings will assign a value of “1” (Best), “2” (Acceptable) or “3” (Sufficient) according to the social development impact, expected and/or observed, of the projects that will be financed with the bond.

Sustainability criteria to complement the analysis

HR Ratings recognizes there are multiple criteria that could be applied to the social and environmental assessment. One example is the criteria provided by the International Finance Corporation (IFC), which consider eight performance standards: 1) Assessment and management of environmental and social risks and impacts, 2) Labor and working conditions, 3) Resource efficiency and pollution prevention, 4) Community health and safety, 5) Land acquisition and involuntary resettlement, 6) Conservation and sustainable management of living natural resources, 7) Cultural heritage, and 8) Indigenous peoples.

The result of the Stage One assessment

As noted, HR Ratings will determine a value {1,2,3} for the benefit expected, both social and environmental. The table following shows how these assessments, together, give a result with a value of “1” (Best), “2” (Acceptable) or “3” (Sufficient) for the expected and/or observed sustainable impact of the projects that will be financed with the bond.

⁷ For this first stage, HR Ratings will analyze any social project according to these premises.

Table 3: Matrix for the Sustainable Evaluation.

| Environmental Evaluation Analysis | Social Evaluation Analysis | | |
|-----------------------------------|----------------------------|---|---|
| | 1 | 2 | 3 |
| 1 | 1 | 2 | 3 |
| 2 | 2 | 2 | 3 |
| 3 | 3 | 3 | 3 |

Source: HR Ratings.

HR Ratings recognizes that a project may have a positive social or environmental impact that is disproportionate to its intended investment, therefore qualitative adjustments may be made to the value obtained in this matrix. These adjustments will be detailed in the analysis report and minute.

Stage Two: Compliance with the GBP and the SBP

On the completion of Stage One and once the projector framework associated with the bonds or the financial instrument have been identified within the classification presented, HR Ratings will then proceed to stage two of the analysis. This consists of differentiating the bonds according to the level of compliance, by the issuer, with the GBP and the SBP of the ICMA. This analysis will assign a “+” when the compliance is considered very good, a neutral or flat sign when compliance is good, and a “-” when the compliance is sufficient.

The criteria contained in the GBP and the SBP are detailed following:

1) Use of proceeds

The issuer must clearly describe in the legal documentation for the bond, the project or projects in which the resources received from the placement will be invested. This must include a statement on the social and environmental goals of the bond, detailing the projects and, where possible, the method or mechanism by which the social and environmental benefits are estimated or calculated.

The use of the resources may include refinancing of debt contracted to finance these projects. When a portion or all the funds are used or may be used for refinancing, the issuer must disclose these amounts and the portfolio of projects eligible for refinancing and provide a detailed description of these. HR Ratings will assess the use of the resources based on the following:

- i) Transparency with which the issuer presents the investment plan, including a statement on the social and environmental goals of the bond.
- ii) Effectiveness of the investment in terms of a timeline.

2) Process for project evaluation and selection

The issuer must clearly establish and document the mechanism, protocol and/or process for determining the eligibility criteria and the decision-making to know to which project or projects the resources will be assigned.

This will include an explanation of the project's social and environmental goals, how these are compatible with eligible green projects and how they fit with any of the categories established in the 2030 Agenda. The criteria used to select the project will also be included, and where applicable factors for exclusion, standards, certifications of any other process to identify the collateral risks associated with the projects. The project evaluation and selection will be analyzed based on the following:

- i) The level of transparency and the efficiency with which the issuer documents, maintains and applies the decision-making process to determine the eligibility of the project.
- ii) The experience and past performance of the issuer in green and social bond sectors, or when the issuer's experience is limited, the presence of outside consultants with experience in the field.

3) Management of proceeds

The criteria for the management of the resources assesses the capacity, transparency and efficiency of the process to assign the proceeds from the placement of the bond. Naturally, this resource management process must be fully documented. The elements taken into consideration are:

- i) The implementation of a clear process to keep the market informed as to the management of the resources according to the investment plan for the project, and the management of funds that are in the process of being assigned to the project.
- ii) Transparency in the accounts, subaccounts, trusts or any other management facility in which the proceeds from the offering are placed.
- iii) Verify whether the short-term investments are placed in:
 - a. Short-term cash or cash-equivalent instruments under a treasury function;
 - b. Short-term investment instruments that do not include GHG projects that could have a negative impact on society and/or climate change;
 - c. Short-term operations that would reduce the revolving debt before being allocated to the investments for the projects and assets selected.

4) Reporting

Issuers will be required to provide technical information for the project, together with information on the expected social and environmental implications, and the amount of resources assigned and their use. Similarly, they must be able to maintain this information current and until the resources have been assigned in full.⁸ The assessment of this point will be based on the following:

- i) The quality of the information provided according to qualitative indicators and, insofar as possible, quantitative indicators (for example, energy generating capacity, power generation, reduced/prevented GHG emissions, number of people with access to clean energy, reduction in the number of vehicles on the road, number of people benefited in terms of poverty measures or access to services, estimates of benefits from savings in resources or increased consumption, etc.).
- ii) The frequency with which the issuer offers this information.
- iii) Independent audits of the information provided.

⁸ If the proposed project also has an environmental benefit, the issuer will determine and detail the classification of the use of the resources.

Sustainable Bonds Evaluation Criteria

Financial Instruments with a focus on Sustainability

January 2020

Considering the criteria mentioned in each of the GBP and the SBP, HR Ratings will assign the signs mentioned above as a way of indicating the level of compliance for each principle. As mentioned, this assessment is based on qualitative elements. The overall evaluation will inform the market as to the efficiency and transparency of the assignment and management of the resources, the decision-making for eligible projects, and the quality with which the issuer reports on the project.

Table 4 following shows the range of scenarios. For example, if the issuer has three of the principles identified as Very Good and one as Sufficient, the XB will be rated as “Very Good” in terms of compliance with the GBP and SBP. Meanwhile, if the XB has three as “Sufficient” and one as “Very Good”, the classification will be “Sufficient”. There are four combinations that give a classification of “Very Good” or “Sufficient”, and seven that give a classification of “Good”.

Table 4: Classification and scales to rate GBP & SBP

| Very Good | Good | Sufficient | Classification | Notation |
|-----------|------|------------|----------------|----------|
| 4 | 0 | 0 | Very Good | "+" |
| 3 | 1 | 0 | Very Good | |
| 3 | 0 | 1 | Very Good | |
| 2 | 2 | 0 | Very Good | |
| 2 | 1 | 1 | Good | "flat" |
| 2 | 0 | 2 | Good | |
| 1 | 3 | 0 | Good | |
| 1 | 2 | 1 | Good | |
| 1 | 1 | 2 | Good | |
| 0 | 4 | 0 | Good | |
| 0 | 3 | 1 | Good | |
| 1 | 0 | 3 | Sufficient | "-" |
| 0 | 2 | 2 | Sufficient | |
| 0 | 1 | 3 | Sufficient | |
| 0 | 0 | 4 | Sufficient | |

Source: HR Ratings.

As mentioned, the XBEC uses a notation of “+” for Very Good, no sign for Good, and “-” for Sufficient.

Assignment of a Sustainability Level

The scale assigned in Stage Two of the XBEC is added to the scale assigned in Stage One. This means the final Sustainability Level will inform the market as to how the project is contributing to limiting global warming and the fulfillment of the 2030 Agenda, and the capacity of the issuer to satisfy the four GBP and SBP, taking into consideration the context and possible secondary effects. The final notation for the Sustainability Level, covering both criteria, is presented in the following table:

| Table 5: Final Scale | | | |
|-----------------------------|---|--|--------------------|
| Product ID. | Stage 1: Environmental and Social Analysis | Stage 2: GBP & SBP Compliance | Final Scale |
| HR XB | 1 | "+" | HR XB 1+ |
| | | "flat" | HR XB 1 |
| | | "-" | HR XB 1- |
| | 2 | "+" | HR XB 2+ |
| | | "flat" | HR XB 2 |
| | | "-" | HR XB 2- |
| | 3 | "+" | HR XB 3+ |
| | | "flat" | HR XB 3 |
| | | "-" | HR XB 3- |

Source: HR Ratings.

Appendix I: Glossary

Social Bonds (SB). Any type of fixed rate asset where the proceeds from which are used to finance or refinance, in whole or in part, new or existing social projects.

Green Bonds (GB). Any type of fixed rate asset where the proceeds from which are used to finance or refinance, in whole or in part, new or existing sustainable environmental projects.

Sustainable Bonds (XB). Any type of fixed rate asset where the proceeds from which are used to finance or refinance, in whole or in part, new or existing environmental or social projects.

Climate Bonds Initiative (CBI). An investor-focused not-for-profit organization promoting large-scale investments that will deliver a global low carbon economy.

Climate Bonds Taxonomy (CBT). Developed by the CBI, this taxonomy provides scientific criteria to identify the different sectors appropriate for Green Bonds.

Greenhouse Gases (GHG). Any gases whose presence in the atmosphere contributes to the greenhouse effect, including carbon dioxide, methane, ozone and chlorofluorocarbons.

Green Bond Principles (GBP). Refers to the internationally recognized criteria that set the transparency and policies for information to contribute to the development of the Green Bonds market.

United Nations Development Group (UNDG). Network of 165 countries that brings together 32 funds, programs, specialized agencies and other bodies working in areas of sustainable development.

Sustainable Bonds Evaluation Criteria The document developed by HR Ratings that outlines the process for the assessment of Sustainable Bonds and the assignment of a Sustainability Level.

United Nations Development Program (UNDP). Core part of the United Nations Development Group, present in 170 countries and territories. The UNDP helps countries to develop and share solutions to the challenges associated with three principal areas: i) sustainable development; ii) democratic governance and peacekeeping, and iii) climate and disaster resilience.

Sustainable Development Goals (SDG) and/or Global Goals. The 17 goals to adopt measures to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Social Bond Principles (SBP). Refers to the internationally recognized criteria that set the transparency and policies for information to contribute to the development of the Social Bonds market.

Appendix 2: Description of the Sustainability Levels Scale

Table 6: Levels Scale and Definitions

| Symbol | Rating Description |
|----------|---|
| HR XB 1+ | Bonds related to projects that, considering their nature and context, offer a superior social solution that allows for sustainable welfare and development, that generate favorable incentives and collateral effects. These bonds also offer a environmental superior solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Very good compliance with the SBP and GBP. |
| HR XB 1 | Bonds related to projects that, considering their nature and context, offer a superior social solution that allows for sustainable welfare and development, that generate favorable incentives and collateral effects. These bonds also offer a environmental superior solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Good compliance with the SBP and GBP. |
| HR XB 1- | Bonds related to projects that, considering their nature and context, offer a superior social solution that allows for sustainable welfare and development, that generate favorable incentives and collateral effects. These bonds also offer a environmental superior solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Sufficient compliance with the SBP and GBP. |
| HR XB 2+ | Bonds related to projects that, considering their nature and context, offer a good social solution that allows for long-term welfare and development, that generate at least acceptable adequate incentives and collateral effects. These bonds also offer an adequate environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Very good compliance with the SBP and GBP. |
| HR XB 2 | Bonds related to projects that, considering their nature and context, offer a good social solution that allows for long-term welfare and development, that generate at least acceptable adequate incentives and collateral effects. These bonds also offer an adequate environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Good compliance with the SBP and GBP. |
| HR XB 2- | Bonds related to projects that, considering their nature and context, offer a good social solution that allows for long-term welfare and development, that generate at least acceptable adequate incentives and collateral effects. These bonds also offer an adequate environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Sufficient compliance with the SBP and GBP. |
| HR XB 3+ | Bonds related to projects that, considering their nature and context, offer an acceptable social solution that allows for some welfare and development, that generate limited incentives and collateral effects. These bonds also offer an acceptable environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Very good compliance with the SBP and GBP. |
| HR XB 3 | Bonds related to projects that, considering their nature and context, offer an acceptable social solution that allows for some welfare and development, that generate limited incentives and collateral effects. These bonds also offer an acceptable environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Good compliance with the SBP and GBP. |
| HR XB 3- | Bonds related to projects that, considering their nature and context, offer an acceptable social solution that allows for some welfare and development, that generate limited incentives and collateral effects. These bonds also offer an acceptable environmental solution that contributes to limit the increase of global warming as stated by the Paris Agreements. Sufficient compliance with the SBP and GBP. |

Source: HR Ratings.

Appendix 3. References

ICMA

Icmagroup.org. (2020). *ICMA - International Capital Market Association*. [on line] Available at: <https://www.icmagroup.org/> [last access January 9, 2020].

(ICMA) Sustainability Bond Guidelines

Icmagroup.org. (2018). *Sustainability Bond Guidelines (SBG)*. [on line] Available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/> [last access January 9, 2020].

(ICMA) Social Bond Principals

Icmagroup.org. (n.d.). *Social Bond Principles (SBP)*. [on line] Available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/> [last access January 9, 2020].

(ICMA) Green Bond Principals

Icmagroup.org. (2018). *Green Bond Principles*. [on line] Available: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/> [last access January 9, 2020].

(ONU) PNUD

UNDP. (2020). *El PNUD en México*. [on line] Available at: <http://www.mx.undp.org/> [last access January 9, 2020].

(ONU) Objetivos de Desarrollo Sostenible

El PNUD en México. (2020). *Objetivos de Desarrollo Sostenible*. [on line] Available at: <http://www.mx.undp.org/content/mexico/es/home/sustainable-development-goals.html> [last access January 9, 2020].

(ONU) Agenda 2030

Onu.org.mx. (2020). *ONU México» Agenda 2030*. [on line] Available at: <http://www.onu.org.mx/agenda-2030/> [last access January 9, 2020].

CBI

Climate Bonds Initiative. (2020). *Climate Bonds Initiative*. [on line] Available at: <https://www.climatebonds.net/> [last access January 9, 2020].

(CBI) Taxonomía de Bonos Verdes

Standard.climatebonds.net. (2018). *Climate Bonds Taxonomy | Climate Bonds Standard*. [on line] Available at: <https://standard.climatebonds.net/taxonomy> [last access August 29, 2018].



*Mexico: Avenida Prolongación Paseo de la Reforma #1015 torre A, piso 3, Col. Santa Fe, México, D.F., CP 01210, Tel 52 (55) 1500 3130.
USA: One World Trade Center, Suite 8500, New York, New York, ZIP Code 10007, Tel +1 (212) 220 5735.*

HR Ratings de México, S.A. de C.V. (HR Ratings), is a credit rating agency authorized by the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) (CNBV), registered with the U.S. Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for public finance assets, corporates and financial institutions, as described in clause (v), Section 3(a)(62)(A) of the U.S. Securities Exchange Act of 1934, and certified as a Credit Rating Agency (CRA) by the European Securities and Markets Authority (ESMA).

The levels, ratings and/or opinions of HR Ratings de México S.A. de C.V. (HR Ratings) are opinions about the performance of the projects directed towards complying with the social object, by issuing companies and other entities or sectors, and are exclusively based in the characteristics of the relevant entity, issue and/or operation, with independence from any type of business between HR Ratings and the issuing company or entity. The ratings, levels and/or opinions given are issued in the name of HR Ratings, and not in the name of any of its managerial or technical staff, and are not recommendations to buy, sell, or keep any instrument, nor to carry out some type of business, investment or operation, and may be subject to updates at any given moment, in accordance with the methodologies/criteria from HR Ratings. HR Ratings bases its ratings, levels and/or opinions on information gathered from sources it considers accurate and reliable. HR Ratings, however, does not guarantee or vouch for the accuracy, precision, or completeness of any information and is not responsible for any error or omissions or for results obtained from the use of this information. The opinion about an entity's capacity regarding the management of assets and performance of their social object could be modified, which will affect, given each case, in the upgrade or downgrade of the level/rating, without that implying any responsibility for HR Ratings. HR Ratings issues its ratings, levels, and/or opinions in an ethical manner and adhering to healthy market practices and the relevant regulations which can be found in the webpage www.hrratings.com, where documents like the Code of Conduct, methodologies or rating criteria, and current ratings, can be consulted. The ratings, levels, and/or opinions issued by HR Ratings consider an analysis of the position of a company, issuer and/or issue with respect to the market.