

HR Ratings signs the Principles for Responsible Investment, promoted by the UN

- With this incorporation, the rating agency reaffirms its commitment to promote sustainability within the financial system.
- Only leading rating agencies in the world are signatories to the Principles for Responsible Investment to incorporate environmental, social and corporate governance issues into their ratings.

Mexico City, January 20, 2021. - HR Ratings announces its incorporation as a signatory to the **Principles for Responsible Investment**, promoted by the UN (UNPRI), in order to reaffirm its commitment to incorporate environmental, social and corporate governance (ESG) issues into its credit ratings. This action places the Mexican agency among the leading rating agencies in the world that have already signed with UNPRI, increasing its participation in the issue of sustainability within the financial system.

"We are very pleased to continue our efforts to incorporate environmental and social responsibility issues into our work as a rating agency," said Alberto Ramos, Chairman of the Board of Directors of HR Ratings. "In May 2020, we had already taken an important step by becoming Climate Bonds Initiative approved verifiers; now, joining UNPRI will give us the opportunity to further promote and adapt to our practice the issue of sustainability in business".

The adherence of the rating agency to UNPRI implies a greater observation of the ASG issues in the credit rating processes. According to the UNPRI statutes, the signatory rating agencies must:

- Evaluate the extent to which ESG factors are credit-relevant for different issuers.
- Publish their views transparently on the ways in which ESG factors are considered in credit ratings.
- Review the ways ESG factors are integrated into credit analysis as our understanding of these factors evolves.
- Maintain organizational governance and resourcing to deliver quality ratings, including ESG analysis where relevant.
- Participate in industry-wide efforts to develop consistent public disclosure by issuers on ESG factors that could impact their creditworthiness.
- Participate in dialogue with investors to identify and understand ESG risks to creditworthiness.

With this signature, HR Ratings is included among the institutions that are changing the way of doing business at a global level and engages in a dialogue within a network of 160 institutional investors that support the principles of UNPRI within credit ratings, where it is estimated that they manage US\$30trn in assets under management). <https://www.unpri.org/credit-risk-and-ratings/statement-on-esg-in-credit-risk-and-ratings-available-in-different-languages/77.article>

About UNPRI

The Principles for Responsible Investment were developed by an international group of institutional investors to reflect the growing relevance of environmental, social and corporate governance issues in the context of investment practices. The UNPRI works to establish this global and sustainable financial system by encouraging the adoption of the Principles and collaboration in their implementation, promoting good corporate governance, integrity and accountability, and overcoming obstacles to establishing it as the basis for market practices, structures and regulation. <https://www.unpri.org/>

About HR Ratings

HR Ratings was authorized by the National Banking and Securities Commission (CNBV) in 2007 to issue ratings in Mexico, where it has rated the Public Finance, Corporate, Financial Institutions and Infrastructure sectors. Additionally, the Company has transcended borders, in 2012 it became the first Latin American rating agency to be registered by the US Securities and Exchange Commission (SEC) to issue credit ratings for government securities in the United States, as well as in 2014, being the first Latin American rating agency to obtain certification from the European Securities and Markets Authority (ESMA).

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HR Ratings de México, S.A. de C.V. (HR Ratings), is a Credit Rating Agency authorized by the National Banking and Securities Commission (CNBV), registered with the Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization (NRSRO) for public finance, corporate and financial institution assets, as described in clause (v) of 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 ratings and/or opinions of HR Ratings de México S.A. de C.V. (HR Ratings) are opinions regarding the credit quality and/or the asset management capacity, or relative to the performance of the tasks aimed at the fulfillment of the corporate purpose, by issuing companies and other entities or sectors, and are based on exclusively in the characteristics of the entity, issue and/or operation, regardless of any business activity between HR Ratings and the entity or issuer. The ratings and/or opinions granted are issued on behalf of HR Ratings and not of its management or technical personnel and do not constitute recommendations to buy, sell or maintain any instrument, or to carry out any type of business, investment or operation, and may be subject to updates at any time, in accordance with the HR Ratings classification methodologies, in terms of the provisions of article 7, section II and/or III, as appropriate, of the "General provisions applicable to the issuers of securities and other participants in the stock market".

HR Ratings bases its ratings and/or opinions on information obtained from sources that are believed to be accurate and reliable. HR Ratings, however, does not validate, guarantee or certify the accuracy, correctness or completeness of any information and is not responsible for any errors or omissions or for results obtained from the use of such information. Most issuers of debt securities rated by HR Ratings have paid a fee for the credit rating based on the amount and type of debt issued. The degree of creditworthiness of an issue or issuer, opinions regarding asset manager quality or ratings related to an entity's performance of its business purpose are subject to change, which can produce a rating upgrade or downgrade, without implying any responsibility for HR Ratings. The ratings issued by HR Ratings are assigned in an ethical manner, in accordance with healthy market practices and in compliance with applicable regulations found on the www.hrratings.com rating agency webpage. There Code of Conduct, HR Ratings' rating methodologies, rating criteria and current ratings can also be found on the website.

Ratings and/or opinions assigned by HR Ratings are based on an analysis of the creditworthiness of an entity, issue or issuer, and do not necessarily imply a statistical likelihood of default, HR Ratings defines as the inability or unwillingness to satisfy the contractually stipulated payment terms of an obligation, such that creditors and/or bondholders are forced to take action in order to recover their investment or to restructure the debt due to a situation of stress faced by the debtor. Without disregard to the aforementioned point, in order to validate our ratings, our methodologies consider stress scenarios as a complement to the analysis derived from a base case scenario. The rating fee that HR Ratings receives from issuers generally ranges from US\$1,000 to US\$1,000,000 (or the foreign currency equivalent) per issue. In some instances, HR Ratings will rate all or some of the issues of a particular issuer for an annual fee. It is estimated that the annual fees range from US\$5,000 to US\$2,000,00 (or the foreign currency equivalent).