

GREEN FINANCE FRAMEWORK

Banca Mifel, S.A.
Institución de Banca Múltiple,
Grupo Financiero Mifel (Mifel)

April 2025



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01

INTRODUCTION

1.1 Company History

Banca Mifel, S.A, Institución de Banca Múltiple, Grupo Financiero Mifel as part of Grupo Financiero Mifel (hereinafter, “Mifel” or “Us”) originates in the early 1950s, when Mike Feldman founded “Financiera Promoción y Fomento” with the purpose of providing financial services to small and medium-sized companies.

In 1993, the Financial Leasing Company was established as an effort to expand services and exploit the business synergies. Later, on June 29th of the same year with the nationalization of banking, one of the first banking licenses awarded to it. It is then that Mifel Banking is born, which constitutes itself that year as well as “Mifel Financial Group”.

Mifel Banking opened its first branch in 1994, in Mexico City. Since then, we have expanded steadily to various urban centers and strategic regions across the country, with annual openings in states such as: Mexico City; Morelos; Nuevo Leon; Jalisco; Queretaro; Guanajuato; Aguascalientes; Yucatan; Quintana Roo; Puebla; San Luis Potosi, Chihuahua, Veracruz and Baja California Sur.

Our business model is oriented towards loan granting, as a means to finance development of our country. We strategically segment our business areas into: (i) the business banking area, focused on providing financing and business banking services to the medium-size company and small-medium size (SME) sectors; real estate investment projects; mortgages; urban mobility projects and bridge loans, complemented by the agribusiness and government sectors; and (ii) the commercial banking area, focused on serving individuals belonging to the affluent client segment through traditional deposit products, investment, financing and commercial banking services in general. By the end of 2024, Mifel employed 1,896 people.





Our financial products are complemented by the provision of various products and services, such as money desk, foreign exchange trading and derivatives operations, trust services, point-of-sale terminals, banking-insurance, credit cards and electronic and mobile banking.

The diversification and current exposure of Mifel's loan portfolio, to be considered in this Framework, has the following characteristics:

Portfolio	Total Exposure	Number of Clients
Agribusiness	> 5 billion pesos	> 50 clients
Investment projects	> 15 billion pesos	> 160 clients

From our entire commercial portfolio at the end of 2024, 7.2% corresponds to Agribusiness loans, where 95% of which meet some of the criteria related to eligible green projects, so this Framework will be key to encourage and increase our qualifying loans.

We recognize that the financial market is dynamic. Through active engagement with our customers, employees, suppliers, and industry peers, we identify opportunities to innovate, adapt, and tailor our products and services to meet evolving customer needs. This approach allows us to deliver personalized attention while integrating and strengthening our sustainability practices.

For more financial information about Mifel, please see our investor relations page: <https://www.mifel.com.mx/sobre-nosotros-relacion-inversionistas.html>

1.2 Mifel commitments with sustainability

Mifel's efforts on sustainability are aligned to meet and actively contribute to the Sustainable Development Goals (SDGs) of the 2030 Agenda of the United Nations as well as for complying with internationally recognized practices and standards that promote Environmental, Social and Governance practices (ESG). Therefore, we joined in 2023 the Global Compact in Mexico as a key initiative for strengthening our strategy.

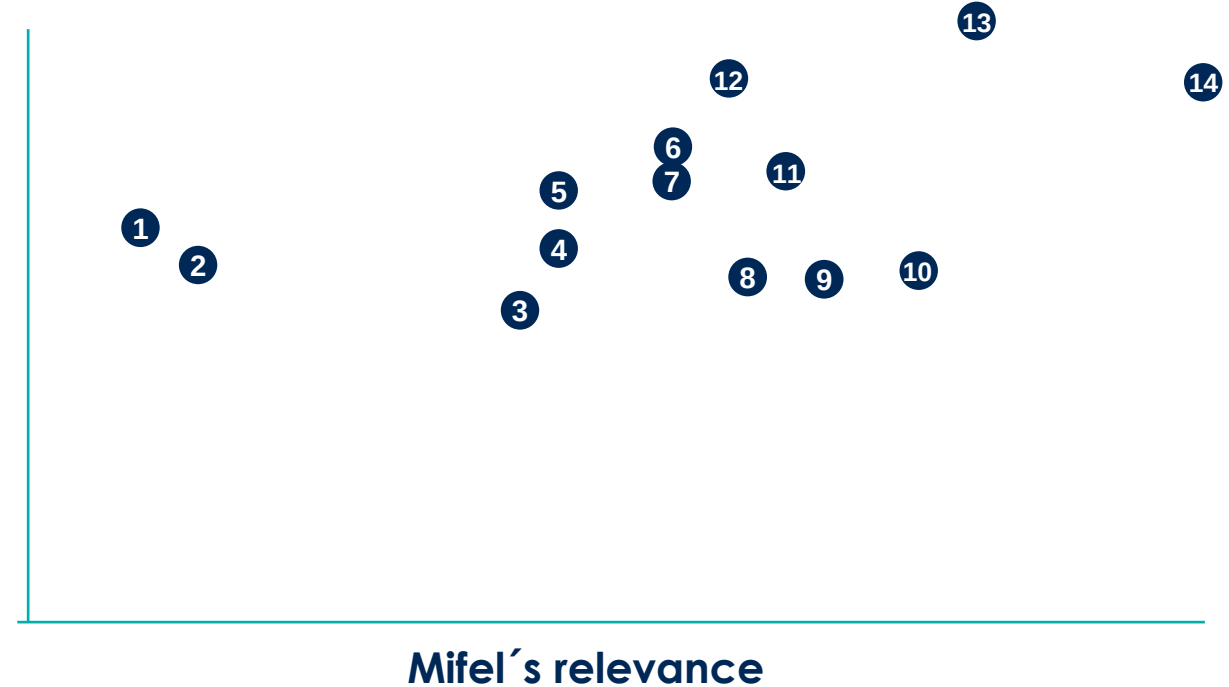
In 2023, we completed our first materiality assessment, which served as the foundation for our sustainability strategy and allowed us to define our sustainability priorities. We will update this analysis to reflect the progress made through initiatives with our stakeholders.

Our first Sustainability Report is public and it integrates all the efforts and commitments we made during 2023. At the moment of this report we are working to present our second report, ensuring alignment with upcoming reporting requirements.



1. Identification & management of groups
2. Alignment to sustainability practices and standards
3. Promotion of environmental culture:
4. Operational efficiency: energy, water, and waste management
5. Implementation of the Principles of Responsible Banking
6. Initiatives against corruption / bribery / money laundering
7. Attraction & talent management
8. Corporate documentation & disclosure of internal practices related to ESG
9. Support to small and medium – sized businesses, and entrepreneurs
10. Information security and data privacy
11. Equity, diversity and inclusion
12. Training of team members
13. Transparency in financial and non - financial reporting
14. Ethics & compliance in the organization

Stakeholders' relevance



From our first materiality analysis our impact primarily focuses on the following SDGs:



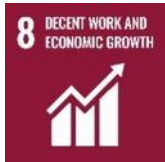
Material aspects:

- Transparency in financial and non-financial reporting.
- Ethics & compliance in the organization.
- Initiatives against corruption / bribery / money laundering.

Goals for sustainable development

16.5 Through the development of monitoring policies and practices, we aim to promote actions among our stakeholders to reduce acts of corruption and bribery in all its forms.

16.6 Promote practices at all levels of the organization to promote transparency and accountability.



Material aspects:

- Implementation of the Principles of Responsible Banking.
- Alignment to sustainability practices and standards.

Goals for sustainable development

8.10 Strengthen the capacity of the organization to encourage and expand access to banking, insurance and financial services for all of our stakeholders.

13.1 Strengthen resilience and adaptive capacity of the organization to climate-related hazards and natural disasters.





Material aspects:

- Identification & management of stakeholders.

Goals for sustainable development

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

10.4 Adopt policies, especially fiscal, wage and social protection policies and progressively achieve greater equality.

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.

Material aspects:

- Operational efficiency: energy, water, and waste management.

Goals for sustainable development

6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

6.5 Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

7.2 Substantially increase the share of renewable energy in the global energy mix.

7.3 Promote energy efficiency by developing financial products that will encourage the incorporation of systems to reduce or improve energy consumption and incorporate renewable energies.

12.2 Achieve sustainable management and efficient use of natural resources in the Group's operations by promoting internal policies that lead to operational efficiency.

Material aspects:

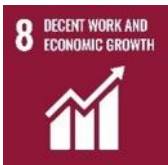
- Information security and data privacy.

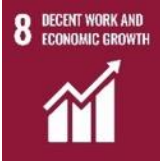
Goals for sustainable development

8.10 Strengthen the capacity of the organization to encourage and expand access to banking, insurance and financial services for all of our stakeholders.

9.1 Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.





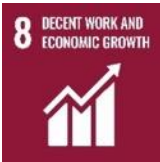
Material aspects:

- Corporate documentation & disclosure of internal practices related to ESG matters.

Goals for sustainable development

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises through access to financial services.

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



Material aspects:

- Support to small and medium-sized businesses, and entrepreneurs.

Goals for sustainable development

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises through access to financial services.

8.10 Strengthen the capacity of our institutions to encourage and expand access to banking, insurance and financial services for all our stakeholders.





Material aspects:

- Promotion of environmental culture: environmental awareness (internally, and externally).

Goals for sustainable development

13.3 Improve education, awareness-raising, human, and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Material aspects:

- Equity, diversity, and inclusion.

Goals for sustainable development

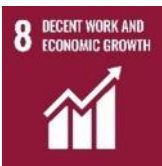
5.1 Establish actions to prevent and avoid any form of discrimination against women and girls, through the development and communication of policies that promote equity, diversity and inclusion.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.





Material aspects:

- Training of team members.
- Attraction & talent management.

Goals for sustainable development

8.6 Encourage professional development among our employees and implement actions to provide public training to young people who are not employed or are not pursuing studies of any kind.

We develop our activities in accordance with ethical and integrity principles, upholding the trust our stakeholders have placed in us across all our operations; promoting the inclusion of Mexican society to greener finances, and of positive social impact, through our offered products.

Mifel is committed to incorporating sustainability into every decision-making process as well as in daily operations in order to deliver better operational and financial results, grow and evolve within the financial market, with products that better suit our clients and the country development itself.



Social Practices



For us it is important to interact constructively with the communities where we are operating, outlining common objectives and implementing actions that generate an impact for the improvement of our environment. Some of our joint practices adopted with our employees and communities are:

- a) Established alliances with various organizations, such as the Global Compact and the Association of Mexican Banks (ABM, by its acronym into Spanish), to train our employees on issues of equity, equality and business development around gender equality. These actions have been relevant to focus on the development of an equality and equity program that aims to increase the percentage of women in high and middle management positions. As of the second quarter of 2023, we have 46% of women in Mifel's workforce, of which 18% of women hold positions as Managers, Deputy Directors and Directors.
- b) Developed and implemented our "Decalogue of the Elderly", which is a document that is shared amongst all our employees to raise awareness about the behavior and actions with which we should treat the elderly, raise awareness and improve Mifel's treatment of this sector of the population. This Decalogue was created and released in 2021, the year in which the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF, by its acronym in Spanish) called on financial institutions to incorporate actions for improvement, to maintain proper attention to this segment of population.
- c) Participation in activities with various civil society organizations, enabling us to integrate our employees in social activities. These include donating books and school supplies, participating in activities at nursing homes and providing a space for organizations to raise funds by selling products within Mifel's facilities.
- d) Implement an intuitive and secure digital experience in accordance with industry standards and in compliance with current regulations. This facilitates the seamless and efficient digitalization of our clients' processes. To complement these efforts, we carry out communication campaigns to inform and highlight the benefits of digital accounts, accelerating account creation by promoting savings as a means to achieve goals that provide tangible benefits. Furthermore, we are working on creating strategic partnerships to enhance the user experience and deliver functional products and services tailored to our clients' profiles.

Environmental Practices

We recognize our responsibility to promote positive actions for the environment, mitigate climate change and encourage the transition to energy-efficient and low-carbon economies. Due to this, it is that we work to identify and reduce the environmental impact of both our environmental footprint and our Financing Instruments, through the design of products and services with social and environmental criteria.

Some of the conducted actions on this regard are:

a. Green Bond Impact Report

In line with ICAM best practices, we have developed quantitative metrics to assess the expected environmental impact of the projects financed through our first green bond issuance. These indicators measure the estimated annual greenhouse gas emissions avoided, reduced or captured and the estimated annual water consumption reduced by the eligible projects. The results, methodology, and key assumptions will be available on Mifel's website: <https://www.mifel.com.mx/blog/blog/planeta-verde>.

b. Calculation of Greenhouse Gas (GHG) emissions and climate scenarios analysis

We have activities to integrate sustainability into processes and operations in all of our areas. We analyze and consider our greenhouse gas emissions, energy and water consumption, and waste management. This allows us to set objectives and identify the steps needed to achieve them. We work to integrate current and future projects and loans with the sustainability metrics and goals that are part of our long-term commitment.

As part of our efforts, we calculate and monitor our Scope 3 emissions under the following methodologies:

- PCAF (Partnership for Carbon Accounting Financials) methodology, which helps financial institutions to transparently assess and disclose their GHG emissions exposure, identify risks and transition opportunities with respect to existing and future climate risks under various climate scenarios, consistent with the Paris Agreement².
- PACTA (Paris Agreement Capital Transition Assessment) methodology compares what needs to happen in climate-related sectors to minimize global temperature increases with the exposure of financial institutions to companies in these sectors³.

Both methodologies allowed us to understand our greenhouse gas emissions and are the basis for the identification and definition of collaborative activities with our clients for investment in energy efficiency projects and the transition to a low-carbon economy. This work is the basis for starting the alignment process to become a signatory of the UN Net Zero Banking Alliance agreement.

In our annual sustainability report, we present our direct (scope 1), indirect (scope 2), and value chain emissions (scope 3), including financed emissions.

² The Global GHG Accounting and Reporting for the Financial Industry; <https://carbonaccountingfinancials.com/en/standard#the-global-ghg-accounting-and-reporting-standard-for-the-financial-industry>

³ PACTA / Climate Scenario Analysis Program; <https://sustainablefinanceobservatory.org/resource/pacta-cop-austria/>





c. System for the identification of environmental risks

In our lending activities, we have established guidelines to assess the potential environmental and social risks associated with the funds granted, as well as any environmental or social impacts arising from our clients' business operations.

The considerations to be assessed are as follows:

- Alignment of the institutional regulations for loan administration, actions and procedures related to environmental and social risk management.
- Compliance with applicable environmental and social regulations on loans granted to clients.
- Evaluation of the potential environmental and social risk before granting the loan, by means of counseling and a visit to the client.
- Monitoring compliance with the client's environmental and social commitment during the term of the loan.
- Provide support in the design of corrective actions in case of non-compliance by the client.
- Quarterly reports on Mifel's social and environmental transactions.

We seek to attract investors who want collaborate with us to continue making a positive impact by creating value in society and promoting environmental protection. Our stakeholders are powerful allies in supporting and contributing to the development of a more just and sustainable society.



d. Alignment with TCFD (Task Force on Climate-related Financial Disclosures)

For the first time, at Banca Mifel, we have developed and shared our report under the Task Force on Climate-related Financial Disclosures (TCFD). Through this report, we present the climate-related risks and opportunities that impact our financial performance.

At Mifel, we have established a methodology for identifying potential physical risks affecting our operations and loan portfolio. Risks are identified by region, and subsequently, the specific exposure of our branches and Mifel's portfolio in those regions is evaluated. We present the risks we are exposed to on a quarterly basis to the Risk Committee, which also addresses ESG-related events, including those associated with climate risks.

e. Green Mortgages

In 2023, we launched our Green Mortgage, a key initiative to promote sustainable construction. This product offers competitive interest rates and flexible terms, making it easier to acquire homes certified under international standards such as LEED and EDGE Advance. Aligned with Mexico's Sustainable Taxonomy, our mortgage reflects our commitment to financing projects that have a positive environmental impact.

1.3 Governance

Our commitment to sustainability comes from the highest level of authority, through Mifel's Board of Directors, chaired by Daniel Becker Feldman, who are deeply committed to the environment and the development of a comprehensive sustainability strategy aimed at supporting our clients throughout their transition process.

During 2023, the ESG Risk Department was created under the Risk Management Office. This was done with the purpose of becoming a cross-organizational area in charge of identifying and integrating existing sustainability practices; ensuring the institutionalization of these practices; defining and regularly reviewing Mifel's sustainability strategy; proposing Green Financing Instruments, establishing sustainable performance indicators and outlining the corresponding targets. The ESG Risk Department works together with the Compliance and Prevention Unit, strengthening the monitoring actions for the identification of potential environmental and social risks associated with our loans.

Our Compliance and Prevention Unit for ESG practices is composed of the Director of the department, one Deputy Director for Compliance and one Coordinator for Monitoring, while ESG Risk Department includes the Risk Manager Director, one ESG Risk Deputy Director, one Manager for climate scenarios and one specialist. We are all trained in different aspects of sustainable finance to perform the evaluation and selection of eligible projects.

Direct reporting to Risk Management allows us to present the progress of sustainability practices, the environmental risk level of our loans, and the number of transactions classified as sustainable under this Framework's criteria at each meeting with the Board of Directors.

In 2023, we committed to publishing our Sustainability Report annually, in line with market best practices to enhance the bank's transparency. For our sustainability annual report, we have adopted the Global Reporting Initiative (GRI) reporting standards, the Sustainability Accounting Standards Board (SASB) standards for Commercial Banking, the Global Compact reporting requirements and we are working to integrate the future requirements of the International Sustainability Standards Board (ISSB), IFRS S1 and IFRS S2.



1.4 Cybersecurity and data privacy

At Mifel, we recognize that future activities will increasingly take place online, ranging from social networks, remote work, online shopping, digital education, among other things. While we see digital tools as valuable allies, we believe it is essential to promote the social dimension of digitization and encourage their responsible use.

To achieve this, we have implemented a range of policies and conduct ongoing activities to instill a culture of security among both internal and external stakeholders. This includes raising awareness about measures to safeguard data and confidential information. We have published a series of best practices that can be consulted on our website: <https://mifel.com.mx/recomendaciones-seguridad.html>.

Additional information on privacy and transparency can be found in the links below:

Transparency: <https://www.mifel.com.mx/transparencia-ley.html>

Privacy: <https://www.mifel.com.mx/transparencia-aviso-de-privacidad.html>



1.5 Rationale for the Green Financing Framework

This Green Financing Framework (hereinafter, the "Framework") was drafted to fulfill and leverage our sustainability commitments described above, as well as for funding projects that provide environmental benefits, thereby reinforcing the strategy and vision we share with our stakeholders.

Our Green Financing Framework specifies the criteria for issuing or obtaining Green Financing Instruments, which may include bonds, credits (term loans and revolving loans), derivatives and any other debt instruments. These instruments are intended to finance and/or refinance new and/or existing assets or projects that promote environmental progress and align with the eligibility criteria defined in this Framework.

Our objective is to finance the transition to low-carbon operations, reinforce aspects of resilience and minimize our exposure to environmental risks, while acting in congruence with our environmental practices and promote the alignment with the Mexican Sustainable Taxonomy issued by the local Secretariat of Finance and Public Credit (SHCP).

02



GREEN FINANCING FRAMEWORK

The purpose of this Framework is to provide our investors, borrowers and other stakeholders with information about our Green Financing Instruments in accordance with industry best practices and centered on our sustainability strategy.

This Framework has been developed in accordance with the Green Bond Principles, 2021 (with Appendix 1 as of June 2022, GBP) published by the International Capital Markets Association (ICMA) and the Green Loan Principles, 2023 (GLP, administered by the Loan Market Association (LMA)⁴, the Asia-Pacific Loan Market Association (APLMA) and the Loan Syndication and Trading Association (LSTA).

In alignment with the aforementioned standards, the following five components are considered:

- 1. Use of proceeds**
- 2. Process for Project Evaluation and Selection**
- 3. Management of proceeds**
- 4. Allocation and impact reports**
- 5. External Review**
 - 5.1** Second Party Opinion (*prior to issuance or procurement of the instrument*)
 - 5.2** Verification (*after issuance or obtaining the instrument*)

This Framework will be updated to ensure that it remains aligned with the most recent versions of the aforementioned Principles, as well as with best practices recognized by the market. Any updates to the Framework will maintain or enhance the current level of transparency, including the corresponding External Review.

Investors should refer to the relevant documentation for each transaction for further details.

⁴ Loan Market Association; Sustainable Lending; <https://www.lma.eu.com/sustainable-lending>



2.1 Use of proceeds

The net proceeds of the Green Financing Instruments considered within this Framework will be used to finance and/or refinance credits and investments of projects that meet the eligibility criteria defined in this section, which may include those that have been granted within the last 24 months, prior to obtaining or the issuance of the instrument (look back period). These eligible categories are in line with the International Capital Market Association (ICMA) Green Bond Principles (GBP).

Our alignment of eligible projects and their relationship to the United Nations Sustainable Development Goals (SDGs) are as follows.



Sustainable agriculture

Eligibility Criteria

Agriculture⁵ projects aimed at promoting climate-smart agriculture, increasing agricultural productivity, adapting and building resilience to climate change and reducing or absorbing GHG emissions⁶:

1. Purchase, installation, maintenance and implementation of rehabilitation activities for climate-smart agriculture, such as irrigation canals, acquisition and expansion of greenhouses including drip irrigation, mechanization⁷ of farming and processing technologies and increasing use of quality seedlings per the Food and Agriculture Organization of the United Nations (FAO).
2. Establishing, expanding or continuing to operate agricultural production units as a whole, including land used for agroforestry and forestry systems (integrated cropland -forestry systems and agroforestry systems) with their respective resource management programs and hold a Sustainable Agriculture Certification such as: Sustainable Agriculture Rainforest Alliance Certification⁸, RTRS⁹, EU Organic¹⁰, USDA Organic¹¹, JAS Organic¹² and Organic SAGARPA Mexico or equivalent certifications recognized by ISEAL Alliance and in compliance with the provisions of the LGDFS, the LGEEPA and the Mexican Sustainable Rural Development Law



3. Controlled grazing certified to the sustainable agricultural certifications noted above.
4. Comprehensive soil fertility management includes interventions that eliminate the use of synthetic fertilizers and pesticides as well as management systems¹³. The purchase and distribution of inorganic or synthetic fertilizers are excluded from financing.

In case the projects indicate a GHG absorption, there should be a demonstration of significant carbon sequestration, reduction of emissions or compatibility with the agriculture low carbon emissions' objectives and / or adaptation and climate resilience actions according to the recommendations provided by the Climate Bonds Initiative¹⁴.

With regards to the machinery and units acquisition to manage and cultivate eligible land, these may be eligible should the agriculture production abides to the stated in eligible projects.

⁵ No support or economic incentives will be granted for activities on forest land whose land use change has not been authorized by the Ministry of the Environment and Natural Resources (SEMARNAT, by their acronyms in Spanish) in accordance with the provisions of the General Law of Sustainable Forestry Development (LGDFS by their acronyms in Spanish) and the General Law on Ecological Balance and Environmental Protection (LGEEPA by their acronyms in Spanish). In the case of agricultural activities that promote a change in land use on forest land, the corresponding authorization must be obtained.

⁶ Food and Agriculture Organization of the United Nations (FAO), Climate Smart Agriculture, <https://www.fao.org/climate-smart-agriculture/en/>

⁷ Mechanization covers all levels of farming and processing technologies, from simple and basic hand tools to more sophisticated and motorized equipment. It eases and reduces hard labour, relieves labour shortages, improves productivity and timeliness of agricultural operations, improves the efficient use of resources, enhances market access and contributes to mitigating climate related hazards; <https://www.fao.org/sustainable-agricultural-mechanization/en/>

⁸ Rainforest Alliance, "Certification", at: <https://www.rainforest-alliance.org/business/certification/>

⁹ Round Table on Responsible Soy, at: <https://responsiblesoy.org/?lang=en>

¹⁰ EU, "The Organic Logo", at: https://agriculture.ec.europa.eu/farming/organic-farming/organic-logo_en

¹¹ U.S. Department of Agriculture, "USDA Organic", at: <https://www.usda.gov/topics/organic>

¹² Ministry of Agriculture, Forestry and Fisheries, "Organic JAS", at: https://www.maff.go.jp/e/policies/standard/specific/organic_JAS.html

¹³ 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

¹⁴ For GHG absorption projects, there should be a demonstration of 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>



Renewable Energy

Eligibility Criteria

Projects that promote the supply of non-fossil energy sources or renewable energy sources, including:

1. Infrastructure, development, manufacturing, construction and maintenance for electric power generation or its replacement from non-fossil energy sources, such as:
 - a) Photovoltaic solar energy, including distributed generation.
 - b) Solar thermal energy, including distributed generation.
 - c) Onshore and offshore wind energy.
 - d) Bioenergy.
 - e) Tidal energy.
2. Infrastructure and transmission equipment dedicated to support partially (at least 90% renewable electricity) or dedicated to connecting renewables to the power grid and transmission and distribution lines fully dedicated to renewables.

Development and manufacture technologies/components to provide energy services such as:

- a) Electric powered heating and cooling systems primarily powered by non – fossil energy.
- b) Smart grids¹⁶.
- c) Energy recovery technology, transmission and distribution resulting in a reduction of energy losses (e.g. Installation of distribution transformers that meet the requirements of NOM-002-SEDE/ENER-2014 for safety and energy efficiency that are aimed at reducing the curtailment of renewable energy to the grid and electric vehicles¹⁷ recharge stations and infrastructure for public transportation, including transmission and distribution equipment necessary for the correct operation of the recharge stations). Parking facilities will be excluded from financing.





3. Investments of solar and / or wind energy projects (on land) which incorporate electric generation and energy storage (batteries).

Projects must meet the following conditions to be eligible:

- a) Installations for energy and heat generation, these shall not have over 15% of the generated energy from nonrenewable sources (wind and solar)¹⁵.
- b) The emissions of generated energy shall be less than 100g CO₂/kWh for geothermal power facilities, and bioenergy.
- c) Bioenergy consider different types of feedstock, including residues, energy crops and lignocellulosic biomass such as straw and waste wood. Biomass or biofuel used for electricity generation will have an 80% reduction in lifecycle emissions compared to the fossil fuel baseline.
- d) For tidal energy, the fossil fuels can be used as a backup to restart capacity and control as well as for operation or resilience measures in the event there is a lack of energy in the system.
- e) For heating or cooling systems using ocean thermals, these shall reduce emissions intensity (gCO₂e/kWh) by 80% over the fossil fuel alternative.

¹⁵ For solar thermal energy projects concentrated solar power plants will derive at least 85% of the electricity from solar energy resources.

¹⁶ Some smart grid main components are electric power generators, electric power substations, transmission and distribution lines, controllers, smart meters, collector nodes, and distribution and transmission control centers.

¹⁷ Electric vehicles include passenger vehicles as well as buses (public transport)

¹⁸ Climate Bonds Taxonomy, <https://www.climatebonds.net/standard/taxonomy>



Energy Efficiency

Eligibility Criteria

Projects related to improving energy efficiency, technologies or assets that use fossil fuels as the primary fuel and transmission / distribution lines will not be dedicated to fossil fuels, including the following:

1. Manufacturing, installation, operation and maintenance of products that reduce the energy consumption of underlying assets, technology, products or systems, such as LED lighting systems, smart grid meters and fuel cells with lower or zero emissions²⁰.
2. Loans that facilitate changes, upgrades or replacement of energy efficient equipment, including construction, research and development in facilities, equipment and/or infrastructure to reduce energy consumption (e.g. installation of electric heat pumps and absorption heat pumps, energy-efficient lighting, improved thermal insulation, and air distribution systems upgrade)²¹.
 - a) For electric heat pumps they could be air-source and ground/water-source.
 - b) For absorption heat pumps they must be driven by solar-heated water or geothermal-heated water.
 - c) Financing heat pumps with high global warming potential refrigerants are excluded from financing under the Framework. Further, 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.
3. Retrofit of existing commercial buildings that lead to receiving EDGE²² or LEED²³ certifications.

These projects must show a significant reduction (below the market average) in gCO₂/m² due to the update or modernization implemented.

Manufacturing and purchasing of products, such as appliances, will be excluded from financing under this Framework

¹⁹ The underlying assets and technologies, such as clean technologies, 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

²⁰ At the moment of this framework our financing will be limited to hydrogen fuel cells only. Vehicles related to fossil fuels, such as LPG, conventional internal combustion engines and natural gas, will not be considered under this category

²¹ Energy Star® Building Upgrade Manual https://www.energystar.gov/sites/default/files/buildings/tools/EPA_BUM_Full.pdf

²² EDGE, "Create Value by Differentiating Your Project", at: <https://edgebuildings.com/certify/certification/>

²³ LEED Gold or Platinum for Building Design and Construction (BD+C) or LEED Gold or Platinum Operation and Maintenance (O+M) SGBC, "LEED rating system", at: <https://www.usgbc.org/leed>



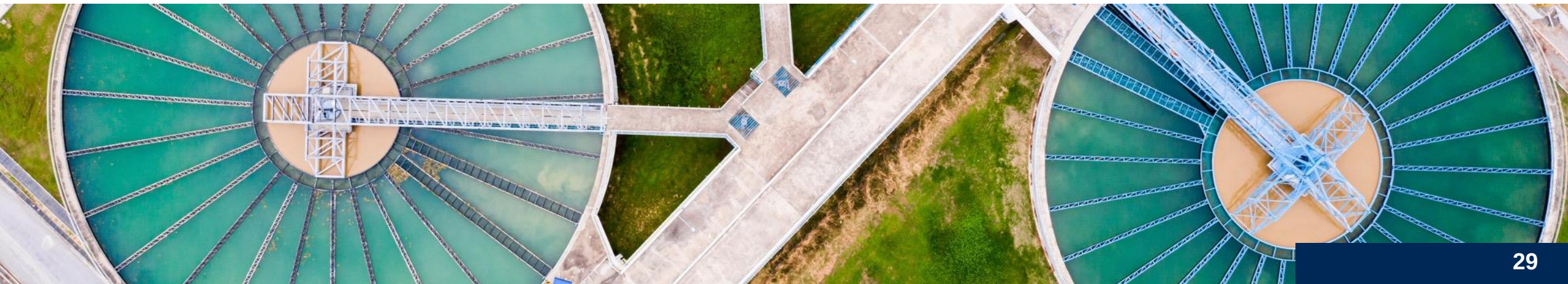


Sustainable water and wastewater management

Eligibility Criteria

Projects focused on creating and/or upgrading in research, design, development and implementation of sustainable clean water supply including, including the following:

1. Water storage, including rainwater harvesting systems, stormwater management systems, water distribution systems, infiltration ponds, aquifer storage, groundwater recharge systems, sewerage systems, pumps, sand dams and similar technologies that prove water storage capabilities
2. Water treatment including water recycling systems, wastewater treatment facilities, manure and sludge treatment facilities; natural filtration/recycling systems (e.g. wetlands, watersheds, forests), Engineered natural filtration/recycling systems²⁴.
3. Sustainable desalination plants to help protect depletion and/or contamination of groundwater, wetlands, etc.
 - a) For desalination plants a reasonable assurance of appropriate waste management plan for brine disposal will be required to be in place.
 - b) For desalination plants the average carbon intensity of the energy used to power the plant must be equal to or below 100 gCO₂/kWh over the remaining lifetime of the asset.





4. Financing or refinancing technologies such as water monitoring and automation systems; leak elimination (active leakage control); water saving and water use efficiency in production with significant improvement below the market average²⁵.
5. Water distribution, e.g., installation or improvement of high efficiency drip, flood and pivot irrigation systems including, but not limited to: rainwater harvesting systems, gravity fed canal systems, pumped water distribution or channeling system, terrace systems.
6. Flood control systems, including the construction of reservoirs to control water flows, surge barriers, pumping stations, levees or floodgates. This projects will require a vulnerability assessment (an 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, as evidence of the plan.
7. Conservation of water resources by protecting water catchment areas and preventing pollution affecting water supplies.

Sustainable water and wastewater projects related with water efficiency and water saving will require an analysis proving potential efficiencies and a benchmark to compare best practices in industry to reduce potential waste water.

²⁴ Wastewater treatment from fossil fuel operations is excluded from financing under the Framework.

²⁵ Green Bond Endorsed Projects Catalogue (2021 Edition): <https://www.climatebonds.net/files/files/the-Green-Bond-Endorsed-Project-Catalogue-2021-Edition-110521.pdf>



Green Buildings

Eligibility Criteria

Projects related to the acquisition, development and construction of residential, commercial and industrial assets with a lower environmental footprint, including the following:

1. Disbursements for the acquisition, financing, construction or retrofitting in line with Green Building Standards, as elaborated on the following point, (planning and design, energy efficiency, green roofs, water efficiency and conservation, material conservation and resource efficiency, environmental quality)
2. Disbursements to achieve any of the following Certification Systems: EDGE (Advance or higher), LEED (minimum gold), BREEAM (Excellent or higher), HQE (Excellent or higher) or equivalent nationally recognized certifications such as EARTHCHECK (gold or higher), when international certifications are not available.
3. Investments to decrease emissions from construction processes through the reuse and recycling of materials, and to produce low-carbon building materials demonstrating that there is a substantial reduction of emissions in the production process based on Life Cycle Assessments.

Investment on production of low-carbon building materials that use recycled plastic, using 90% recycled/ renewable/ bio-based. If biogenic materials are used this must be certified with one of the following certifications: Rainforest Alliance Certification, RTRS, FSC or PEFC,

4. Investments that mitigate the adverse effects of climate change and their impact on real estate and other assets. This includes the design and adaptation of buildings and surrounding areas to better withstand climate risks such as increased rainfall, sea level rise and flooding.

The purchase of land will not be financed





Clean Transport

Eligibility Criteria

Projects related to the construction and development of cleaner transportation and infrastructure to facilitate it, including the following:

1. Infrastructure dedicated to the operation of vehicles with zero tailpipe CO₂ emissions: electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric road systems.
2. Infrastructure dedicated to transshipping freight between the modes, such as terminal clean infrastructure and superstructures for loading, unloading and transshipment of goods.
3. Investment for leasing of passenger, commercial and cargo vehicles with zero CO₂ emissions, such as electric vehicles, plug-in hybrid electric vehicles, hydrogen fuel cell vehicles, electric commercial vehicles, and electric motorcycle and scooters.

Infrastructure must either be fully electrified or covered by an electrification plan, or where the infrastructure will be fit for use by zero tailpipe CO₂ emission trains.

2.2 Process for Project Evaluation and Selection

Projects that will potentially receive resources from green financing instruments will be evaluated for eligibility according to the criteria defined in the 'Use of Proceeds' section of this Framework.

We have two main teams in charge of identifying, evaluating and ensuring that projects are eligible based on the criteria described in the previous section, these are the Prevention and Compliance department and the ESG Risk Department, in charge of enforcing, monitoring and reporting the impact and allocation of resources, as described in this Framework.

- Prevention and Compliance area will receive information on projects that have a positive environmental impact according to the eligible categories described above.
- Prevention and Compliance area, in conjunction with the ESG Risk Department, report to the Board of Directors, and will convene monthly to review the allocation of funds towards the use of eligible resources. This meeting will assess whether any adjustments are necessary, such as when projects are cancelled, sold, or no longer qualify. This happens only if such cases arise.

Mifel's ESG Risk Department owns the environmental assessment process and worked on updating the process through the implementation of the Environmental and Social Risk Management process ("ESRM"), to strengthen the activities of identification, assessment and mitigation of environmental risks of the projects in which we have a participation. This system was fully in place by the end of 2024, and it has provided us with a better understanding of the E&S risks associated with our clients' operations.

Additionally, we have been focused on strengthening our governance practices. As part of this effort, during 2024 we developed several new policies related to product responsibility and community engagement, including:

- Corporate Security Policy
- Information Security Policy
- Policy for the Enjoyment of Vacation and Special Days
- Attendance Control Policy
- Policy for the Prevention of Psychosocial Risks
- Maternity and/or Paternity Policy
- Human Rights Policy
- Gender Equity, Inclusion, and Diversity Policy
- Flexible Work Policy
- Staff Training Process Manual
- Recruitment, Selection, and Hiring Process Manual
- Performance Evaluation Procedure
- Internal Audit Manual
- Environmental Compliance Policy at Mifel
- Sustainability Policy
- Community Relations Policy
- Procurement Process Manual





2.3 Management of proceeds

Net proceeds from Green Financing Instruments will be allocated by the Treasury Department in coordination with the Operations Department to eligible projects, as indicated in the "Use of Proceeds" section of this Framework. In the event that the funds cannot be fully allocated, or in the event that the flow of projects decreases, the resources will be maintained in line with Mifel's liquidity policies until they are allocated to eligible projects.

Mifel's Treasury Department, in coordination with the Operations Department, will oversee the management and allocation of proceeds and will track them using an Internal Tracking system. This systems will utilize a unique identifier related to the Bond, employing a portfolio approach.

Mifel will not pay interests or capital on a bond, loan or credit with the resources of this account, payments will be made from general funds and no payment will be directly linked to the performance of any asset or Eligible Project.

We will allocate the proceeds of Green Financing Instruments in its plenitude to eligible projects within three years from the date of issuance. We will ensure that, at all times, eligible projects are at least equal to or greater than the net proceeds raised through the Green Financing Instruments. In the event that the total number of eligible projects is reduced, due to, for example, divestments or prepayments, new Eligible Green Projects will be identified to ensure that revenues are reallocated in full. In case a multi-tranche loan term is granted only those tranches will be labelled.

2.4 Reporting

We are committed to publishing an annual sustainability report, following market best practices, with the goal of enhancing the bank's transparency. For our Sustainability Report, we have adopted the Global Reporting Initiative (GRI) reporting standards, the Sustainability Accounting Standards Board (SASB) standards for Commercial Banking, the Global Compact reporting requirements and we are working to integrate the future requirements of the International Sustainability Standards Board (ISSB), IFRS S1 and IFRS S2. The Sustainability Report will present the allocation and impact of our Green Financing Instruments, as detailed below.

The aforementioned report will be updated annually by the ESG Risk Department until the full allocation of the net proceeds of any Green Financing Facility, or until the Facility ceases to be in effect.

Our report will be available on the following website:
<https://www.mifel.com.mx/storage/marcos-financiamiento>

2.4.1 Allocation report

The resource allocation report may include, but is not limited to, the following information:

- Use of funds within each category of this framework.
- Total amount of unallocated funds.
 - In case revolving loans are issued, the reporting will occur until the loan maturity.
- Percentage of funds used for new financing and refinancing.

2.4.2 Impact report

The annual impact report will include qualitative and quantitative indicators that will allow quantifying the environmental impact of the Eligible Projects to which resources have been allocated. Mifel will include the calculation methodology and main assumptions by indicator.

Below are examples of possible environmental impact indicators that could be included in the report:

Eligible category	Examples of impact indicators
Sustainable agriculture	- Reduced emissions (tCO₂e/yr.). - Volume of water reduced (m³/yr.).
Renewable Energy	- Additional installed renewable generation capacity (MWh/ yr.). - Estimated annual GHG emissions reduced/avoided in tCO₂e. % of electric power consumption from renewable sources.
Energy efficiency	- Reduced emissions (tCO₂e/yr.). - Installed capacity (MWh/yr.). - Energy savings as a result of energy efficiency measures (MWh /yr.).
Sustainable water and wastewater management	- Purified / potable water volume (m³/yr.). - Water saved or reduced volume. (m³/yr.). - Treated water volume. (m³/yr.).
Green Buildings	- Square meters of green building certifications acquired. - Reduced energy use disclosed by absolute use (kWh) and intensity (kWh per square meter) per year. - Reduced carbon footprint disclosed by absolute emissions (tonnes of GHG emissions) and intensity (kg per square meter) per year. - Share of recycled content in building materials at selected sites. - Annual volume (tonnes) and/or share of low-carbon materials (e.g. low-carbon concrete) produced within selected markets.
Clean Transportation	Annual absolute (gross) GHG emissions reduced/avoided (CO₂e).

In the event that we identify confidentiality issues or if we have a large number of underlying projects that limit –detailed disclosure, Mifel will present the information in generic terms or on an aggregate portfolio basis (e.g., the percentage of resources allocated to certain categories of projects).

2.5 External Review

External reviews related to Green Financing Instruments will be disclosed as of the first year following the issuance or securing of funds under this Framework, together with the respective resource allocation and impact report.

2.5.1 Second Party Opinion

Mifel will hire an independent third party with proven experience in the issuance of Second Party Opinion (SPO) reports to conduct the review process and issue a second opinion (on compliance with ICMA and LMA/APLMA/LSTA criteria, mentioned above), which will be publicly available on our website: <https://www.mifel.com.mx/storage/marcos-financiamiento>

2.5.2 External verification

As of the first year after issuing or obtaining any instrument under this Framework and until the full allocation of the net proceeds from the instrument, Mifel will be verified by an independent third party expert, such as KPMG, Deloitte, EY, PWC or a similar firm that demonstrates experience and knowledge of financial institutions and in the development of an independent review with limited assurance on sustainability and sustainable finance issues. The independent third party will verify:

- Whether the assets financed with Green Financing funds comply with the eligibility criteria defined in the "Use of Resources" section of this Framework.
- The related allocated amount per eligible project financed or refinanced with Green Financing resources.
- Resource management and the amount of unallocated resources.
- Environmental impact indicators for eligible projects.

External reviews will be published together with the respective resource allocation and impact report, which will be available on Mifel's website: <https://www.mifel.com.mx/blog/blog/planeta-verde>



03

ANNEX

3.1 Exclusion list

The following exclusion list defines the activities that Mifel does not finance and are excluded from the eligible projects.

1. Non-compliance with fundamental work principles and labor rights²⁶.
2. Any product or activity considered illegal under the country's laws or regulations, or under international agreements and conventions.
3. Manufacture or trafficking of weapons and ammunition.
4. Production or marketing of alcoholic beverages²⁷ (excluding beer, wine, and beverages with a Mexican designation of origin).
5. Production or trade of tobacco²⁸.
6. Gambling, casinos, and similar activities²⁹.
7. Manufacture or sale of radioactive materials, except for the purchase of medical equipment, quality control equipment (measurement), and any equipment for which it can be demonstrated that the source of radioactivity will be insignificant or adequately covered.
8. Production, trade, or use of non-agglomerated asbestos (asbestos) fibers³⁰.
9. Production or trade of wood products or other forestry products from forests without a corresponding sustainable management plan.
10. Forestry projects or operations in fragile or environmentally sensitive areas that do not have an approved forest management plan and environmental permit.
11. Manufacture or sale of products containing Polychlorinated Biphenyls.
12. Production, trade, storage, or transportation of significant volumes of hazardous chemicals that do not comply with Mexican regulations.
13. Cross-border trade of waste, except for non-hazardous waste for recycling³¹.
14. Production or trade of pharmaceutical specialties subject to phased withdrawal or prohibition at an international level³².
15. Production or trade of pesticides or herbicides subject to phased withdrawal or prohibition at an international level and persistent organic pollutants (POPs) ³³.
16. Production or trade of substances that deplete the ozone layer subject to phased withdrawal at an international level³⁴.
17. Fishing with drift nets and gillnets in the marine environment with nets longer than 2.5 km.
18. Production or activities that compromise lands owned by indigenous peoples or claimed through adjudication, without the full documented consent of these peoples.

²⁶ The Fundamental Principles and Rights at Work mean: i) freedom of association and the right to collective bargaining; ii) the prohibition of all forms of forced or compulsory labor; iii) the prohibition of child labor, including, without limitation, the prohibition of persons under 18 years old working in hazardous conditions (including construction activities), performing night work, and being declared fit for work based on a medical examination; and iv) the elimination of discrimination in employment and occupation, where discrimination is defined as any distinction, exclusion, or preference based on grounds of race, color, sex, religion, political opinion, or national or social origin (International Labour Organization, <http://www.ilo.org>).

²⁷ This restriction does not apply to companies for which operations or activities related to these criteria represent less than 25% of the company's total annual revenue.

²⁸ This restriction does not apply to project sponsors who do not have a significant involvement in these activities. "Do not have a significant involvement" means that the activity in question is secondary to the sponsor's main activities.

²⁹ This restriction does not apply to project sponsors who do not have a significant involvement in these activities. "Do not have a significant involvement" means that the activity in question is secondary to the sponsor's main activities.

³⁰ This restriction does not apply to the purchase or use of fiber-cement sheets with an asbestos content of less than 20%.

³¹ Defined by the Basel Convention (<http://www.basel.int>).

³² Pharmaceutical products that are being progressively withdrawn from the market or have been prohibited, according to the United Nations publication "Banned Products: Consolidated List of Products Whose Consumption and/or Sale Have Been Banned, Withdrawn, Severely Restricted or Not Approved by Governments" (latest version of 2001, available at <https://www.who.int/publications/i/item/EDM-QSM-2001.3>).

³³ Defined in the international convention on the reduction and elimination of persistent organic pollutants (POPs; September 1999); currently including the pesticides aldrin, chlordane, dieldrin, endrin, heptachlor, mirex, and toxaphene, in addition to the industrial chemical chlorobenzene (www.pops.int).

³⁴ Substances harmful to the ozone layer are chemical compounds that react with stratospheric ozone and reduce it, leading to the much-discussed "holes in the ozone layer." The Montreal Protocol includes a list of these substances and the target dates for their reduction and withdrawal from the market. Some of the chemical compounds regulated by the Montreal Protocol are aerosols, refrigerants, foaming agents, solvents, and fire protection agents (<https://www.ozone.unep.org/treaties/montreal-protocol>).



3.2 Modifications to this Framework

In the event that any section of the Green Financing Framework is modified in the future, Mifel commits to obtain a new second party opinion to ensure transparency and alignment with ICMA and LMA/APLMA/LSTA principles at the time of the update.

The ESG Risk team will review this Framework, at least annually, for alignment with updated versions of the ICMA Principles and Guidelines and LMA/APLMA/LSTA as they are published, with the objective of adhering to best market practice.

Any updates to this Framework that may exist, will maintain or enhance the current levels of transparency and disclosure, including the corresponding review as part of the verification process. The updated Framework, if any, will be posted at Mifel's website (<https://www.mifel.com.mx/blog/blog/planeta-verde/banca-responsable/marco-de-financiamiento-verde-de-mifel>) and will supersede this Framework.

Disclaimer

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None of the projections, expectations, estimates or future prospects contained in this document should be taken as forecasts or promises nor should they be construed as implying any indication, assurance or guarantee that the assumptions upon which such prepared projections, expectations, estimates or future prospects have been based are correct or comprehensive or, in the case of assumptions, are set forth in full in the Framework. We do not make any representation as to the suitability of any Green Financing for compliance with the environmental and sustainability criteria required by any prospective investor.

Factors, among others, that could cause actual results and events to differ materially from those described in any forward-looking statements include: the cyclical nature of our industry (and factors contributing to such cyclicity, such as levels of demand, production capacity, cost of inputs, including raw materials, and competition); the impact on Mifel's business of adverse changes and declines in demand in Mifel's principal markets; the cost and availability of financing; Mifel's ability to fund and implement capital investment programs; existing and future governmental regulations, including tax, labor, pension and environmental laws and regulations; the results and effects of litigation (including antitrust proceedings), claims and disputes; the maintenance of customer relationships; the effects of fires, earthquakes, tsunamis, floods or other natural disasters; adequacy of our insurance policies; the relative value of the Mexican peso, as compared to other currencies; the effects of currency fluctuations, inflation and interest rate increases; a change in control; the effects of competition; risks related to regional social, political or military conflicts or threat of war. This Framework does not create legally enforceable obligations against Mifel; any such legally enforceable obligations relating to any Green Financing are limited to those expressly set forth herein. Therefore, unless expressly set forth in such legal documentation, failure by Mifel to comply with any of the terms of this Framework, including, without limitation, failure to meet the sustainability objectives or targets set forth herein or the use of funds for Eligible Projects shall not constitute an event of default or breach in the contractual obligations under the terms and conditions of such Green Financing.

