

FUNO® Sustainable Bond Framework

July 2021

Background

We are the first and largest REIT in Latin America. FUNO owns over 646 properties, encompassing 10.7 million sqm of GLA all over Mexico, in the retail, office and industrial sector, with an occupancy rate of 93.1%.

Sustainable infrastructure is at the core of our business model, aiming at the creation of long-term value for the communities where we operate and benefitting all our stakeholders. Our commitment, led us to become members of the DJSI MILA, DJSI Emerging Markets, FTSE4Good Index, S&P Total ESG Mexico Index of the Mexican Stock Exchange, as well as the FTSE4Good BIVA and Global Compact. Since 2020, we work under the guidelines of TCFD, SASB and PRI; and have committed to develop Science Based Targets. This Sustainable Bond is not the first time we work with a sustainable finance mechanism, since 2019 we have a sustainability linked revolving credit facility, which was the first one in Latin America.

We have raised the bar for sustainable practices in the Real Estate sector in Mexico, and are currently promoting best practices through our chair of the Sustainability Committee of the Mexican Association of FIBRAS as well as chairing the sustainability committee of the Urban Land Institute in Mexico.

We can also highlight that as a result of our commitment towards sustainable infrastructure, 89% of our in-house office developments have been LEED Certified, for a total of almost one million LEED certified square meters, including office and industrial properties. Hence one of our main strategic ESG guidelines is to increase energy and water efficiency, as well as human experience in already built infrastructure and with it achieve recognized worldwide certifications.

Infrastructure is key for any country’s development, promoting employment and create better quality of life, particularly so in emerging markets and developing economies. However, this comes with a price; according to IPCC, buildings¹ consume 32% of worldwide generated electricity, and also produce 25% of global GHG emissions. Progress towards sustainable buildings is accelerating, but even so, improvements are lower that what’s needed to face climate change. Due to our size and leadership, FUNO® is well positioned to drive change in the Real Estate sector in Latin America, with the support of responsible investors.

FUNO® Sustainability Goals 2020-2030

- Decrease our energy intensity 5% by 2023 (kWh/ occupied sqm)
- Increase our water efficiency 30% by 2030 (m3/ occupied sqm)
- Zero waste in our properties by 2030
- Reduce 20% our Carbon footprint by 2030²³
- Rehabilitate or maintain 50km of green areas by 2025
- Increase our LEED Certified sqm 10% by 2030

¹Buildings: Chapter 9 https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter9.pdf

² All our emission data is calculated with the GHG protocol publicly available here: GHG protocol: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

³ All our electricity emissions data is calculated with the electricity emission factor publicly posted on a yearly basis by SEMARNAT, available here: <https://www.gob.mx/semarnat/acciones-y-programas/registro-nacional-de-emisiones-rene>

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- Zero accidents
- Have a flagship social responsibility initiative implemented in 100% of our properties by 2028.
- 5% of our employees come from priority groups⁴ by 2023.

These goals will be compared to our 2018 baseline, which have been verified by a third independent party.

We have clear strategic priorities to support our growth and deliver returns for our investors. Our sustainability strategy combines delivering economic returns while creating social value by addressing risks, needs and challenges of the communities where we operate; these priorities are:



FUNO Performance and rationale for 2030 Goals

In order to support the rationale for project selection of this sustainable bond, it is relevant to understand the path FUNO has taken. Our company has grown importantly every year since its IPO, primarily through acquisitions.

In the Mexican Market there are very few properties built and/or designed with operational sustainable practices in mind; not to mention, the scarcity of relevant rating systems and certified properties available for purchase, with certifications such as LEED, EDGE, BOMA Best or similar. Such certifications are a key means of guaranteeing and demonstrating the quality of our properties. These ratings serve as independent validation that key sustainability issues (social and environmental), have been considered in the design, development and operation of our properties. Certification schemes also enable us to demonstrate compliance with international best practices, benchmark our sustainability performance against our competitors while tracking and improving our performance across portfolios. FUNO’s certified properties have demonstrated optimal performance versus similar properties with less intensity in energy (9%) and water (18%), which make them in turn also more attractive to tenants. Our certified properties, not only offer a certain level of resource efficiency, with cost savings over the long term, but they also incorporate design features that promote social inclusion and improve health and wellbeing for visitors as well. Properties with high environmental ratings can demonstrate higher return on investment over time.

The performance of our properties on the social front has also become key to our Business. For example, during 2020 we transformed our Shopping mall in Cancun known as La Isla Shopping Village, in order to make it universally accessible for priority groups; as a result, it became the first shopping mall in Mexico to earn the all-accessible badge A Plata.

With this in mind, FUNO has committed to develop and update its properties to the best of its possibilities in order to increase their efficiency, which in turn will help to:

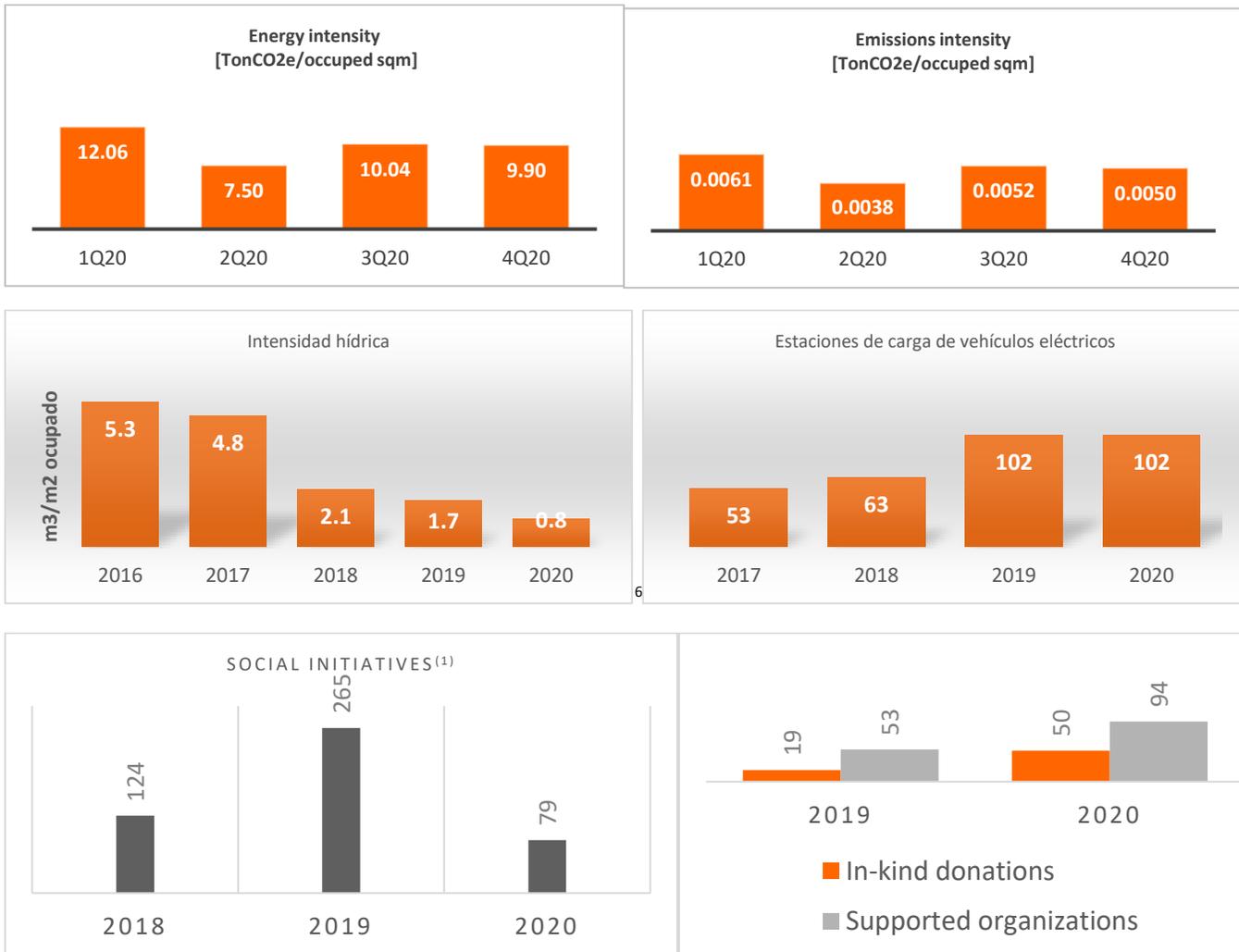
- Reduce our energy, water and carbon footprint
- Increase property resilience across our portfolio
- Reduce current operational expenses

⁴ People with disabilities, LGBTQ+, single parents, indigenous groups and migrants.

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- Maintain or increase property values
- Increasing our ESG Investor base
- Set standards for property performance in Mexico
- Strengthen social cohesion through inclusive and accessible public spaces for priority groups, such as people with disabilities, elderly, kids, people of short and tall sized, amongst others).
- Increase safety, in order to provide safer recreational spaces, particularly in red spots in Mexico.
- Promote economic development for small and medium enterprises.

In order to understand our 2030 goals, please see the previous year's performance on these issues⁵:



⁵ It is relevant to note that before we implemented energy efficiency initiatives our energy consumption was going up on a yearly basis, until 2019 where we started with the implementation of some of the eligible projects in this sustainable bond framework, amongst other initiatives. Our emissions intensity only refers to scope 2 emissions. Since it represents more than 90% of our carbon footprint

⁶ Water intensity as of december2020

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We have achieved these results and expect to reach our 2030 goals through several initiatives, the most important ones in order to achieve such goals are considered as eligible projects of this sustainable bond.

Some of the overall initiatives we are considering implementing in the next years, in order to achieve our goals are:

1. Energy efficiency: Decrease our energy intensity 5% by 2023 (kWh/ occupied sqm)
 - a. Complete LED lighting upgrades across 56 of our retail and office properties that will result in an estimated annual reduction of 9,527.63 tonCO₂e, which represents a decrease in energy intensity of such properties of 15% less kWh consumed per occupied sqm.
 - b. Install power compensation and harmonic filtering systems across 39 properties of our retail and office properties which will result in an estimated reduction of 6,016.20 tonCO₂e which also represents a decrease in 10% less kWh consumed per occupied sqm for these properties
 - c. Automation and monitoring systems on 33 properties in order to control remotely and more efficiently electric systems, with an estimated reduction of 6,348.14 tonCO₂e, which also represents a decrease in 11.9% less kWh consumed per occupied sqm for these properties.
 - d. Provide tenants with natural lighting systems in 70% of our industrial portfolio.
 - e. Invest in the installation of a heating, ventilation and air conditioning (HVAC) chiller optimization units at 20 properties to reduce electricity consumption by better managing chiller demands and loads.
 - f. Best practice operational workshops designed to educate our property managers and maintenance chiefs on the best practice operational protocols and methodologies required to achieve optimal efficiency on electrical equipment and lighting systems.
2. Climate Change and Emissions Efficiency: Reduce 20% our Carbon footprint by 2030
 - a. Continued the installation of electric vehicle charging stations across our retail and office portfolio, bringing our total to 110 electric vehicle charging ports in 30 properties.
 - b. Started a Net Zero Waste Pilot at Portal San Angel, bringing on board 5 of our key and largest tenants.
 - c. Rehabilitation and restoration of approximately 50 km² with Mexican endemic biodiversity.
 - d. Implement 100% of our energy efficiency initiatives, which will save approximately 18, 034.25 TonCO₂e emissions in the first year, once all of them are implemented.
3. Building certifications
 - a. Have 100% of our office portfolio under ARC energy star performance tracking
 - b. Retrofit office buildings to improve their energy, water and waste efficiency in order to certify them
 - c. Continue building and designing only certified office properties
 - d. Renovate as needed all current building certifications
 - e. Reduced our current energy intensity in LEED Certified buildings⁷
 - i. Torre Mayor: 124.85(2018) 127.14 (2019)
 - ii. Torre Diana: 75.57 (2018) 71.72 (2019)
 - iii. Torre Reforma Latino: 65.02 (2018) 62.57 (2019)
 - iv. Centrum Park: 43.14 (2018) 42.95 (2019)
 - v. Midtown Jalisco: 33.47⁸

⁷Torre Mitikah and Lerma Park started operations in 2020 hence no comparable data is available yet

⁸This data is not comparable since Midtown Jalisco started operations in July 2019, hence data is only available for 6 months but is normalized without it's full capacity for occupied sqm.

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4. Health and Safety

- a. Increase our investment on building safety, emergency management and improved health and wellbeing spaces, to promote social cohesion in the communities where we operate.
- b. Improve the surroundings and the physical infrastructure to increase public safety, lighting, investments and other improvements on public and recreative areas.
- c. Support social initiatives, for safer communities, with active collaboration with governments and neighbors.
- d. Invest in children and teenagers through NGOs, foundations and civil associations to promote education, sports and emotional development.

5. Diversity and Inclusion

- a. Adapt and improve the infrastructure of existing properties to make them accessible for priority groups.
- b. Promote economic development through accessible leases for vulnerable and/or priority groups.
- c. Affirmative actions in our recruitment and talent attraction strategies
- d. Training and sensibilization of 100% of our employees, on inclusion and diversity.
- e. Partnership with specialized institutions in order to promote inclusion and diversity not only in our workforce but also, throughout our properties in the country.

6. Zero accidents

- a. Increase training
- b. Adapt physical infrastructure in and around our properties to reduce hazards and risks.

Framework overview

For the purpose of issuing Sustainable Bonds, FUNO® has developed the following framework, which addresses the four core components of the ICMA⁹ Sustainable Bond Principles (June 2018)¹⁰, Social Bond Principles (June 2020) or Sustainable Bond Guidelines (June 2018) its recommendations on the use of external reviews and impact reporting:

- I. Use of proceeds
- II. Project selection and evaluation process
- III. Management of proceeds
- IV. Reporting

I. Use of proceeds.

The amount equal to net proceeds of the Sustainable Bonds issued by FUNO will be used to finance and/or refinance, in whole or in part, new or existing Eligible Projects that meet the Eligibility Criteria defined below.

⁹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

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| Project Category as per SDGs ¹¹ | Project Category as per Sustainable Bond Guidelines | Eligible Projects | KPIs |
|--|---|---|---|
|  | Energy Efficiency | <p>Expenditures related to the development, construction, acquisition, installation, operation, and upgrades of projects that reduce energy consumption or improve the efficiency of resources, including:</p> <ul style="list-style-type: none"> i. projects involving the installation, maintenance or replacement of old heating, ventilation, air conditioning, refrigeration, lighting and electrical equipment, only when the new technology does not involve any fossil fuel. i. projects which allow the monitoring and modeling of energy performance such as the design and installation of digital controls, sensors or building information systems. ii. projects that optimize the amount and time of energy consumption by minimizing peak loads, such as design and installation of energy storage, | <p>% Reduction in energy intensity vs 2018.</p> <p>% Reduction in GHG emissions intensity vs 2018.</p> <p>MXN invested on energy efficiency.</p> |
| | Renewable Energies | <p>Expenditures related to the construction, development, acquisition, maintenance and operation of clean energy projects, such as solar, wind, low impact hydro¹³. Such projects can be but are not limited to:</p> <ul style="list-style-type: none"> • Purchase and acquisition of renewable energy from third parties in Compliance with FUNO®'s ESG criteria, under Power Purchase Agreements for at least a 5-year term. • Generation and/or storage of renewable energies. • Development of solar, wind and low impact hydro projects. | <p>% kWh from clean energies</p> <p>Investment in MXN for generation and transmission of energy from renewable sources.</p> <p>Estimation of avoided CO2e emissions</p> |

¹¹ The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, including Mexico <https://sustainabledevelopment.un.org/?menu=1300>

¹² Harmonic filters, automation and control systems

¹³ Hydroelectric projects that are 1) <25 MW (or run-of-river projects) , OR 2) have a life-cycle carbon intensity of <100gCO₂e/kwh, OR a power density of >5W/m² to be aligned with market practice. Selected projects must have a completed environmental and social assessment, as well as ongoing mitigation plans.

| | | | |
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| | Green buildings | <p>Purchase, construction, development, operation, upgrades and investment of new or existing commercial buildings or industrial facilities that:</p> <ul style="list-style-type: none"> i. have achieved, based on third-party assessment greenhouse gas emission performance in the top 15% of their city, or ii. have received, or expect to receive based on their design, construction and operational plans, one or more of the following green building certifications: LEED Gold or Platinum, EDGE [Advanced or above] or BOMA BEST (Gold or above) | <p>Certified LEED GOLD or LEED Platinum sqm BOMA BEST certified sqm EDGE [Advanced or above] certified sqm</p> |
| | Clean transportation | <p>Development, construction, acquisition, installation, operation, and upgrades to:</p> <ul style="list-style-type: none"> Install electric vehicle charging stations Retrofitting and upgrades to the use of bicycles, such as cycling lanes and cycling parking. | <p># of installed charging vehicle station Invested MXN in infrastructure retrofitting to promote mobility through electric vehicles, bicycles, metro, trains, buses, or any other collective transportation system.</p> |
| | Sustainable water and wastewater management | <p>Development, construction, acquisition, installation, operation, and upgrades of waste water treatment plants (WWTP).</p> <p>Development, construction, acquisition, installation, operation, and upgrades for rainwater harvesting systems.</p> | <p>Water withdrawals or treatment capacity (m3 / year) Invested amount in MXN. # Of operated and/or maintained WWTP # Installed WWTP. m3 of harvested rain water amount of MXN invested on the installation, operation and maintenance of rainwater harvesting system.</p> |

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| | <p>Access to essential services</p> | <p>Property retrofitting for universal accessibility for priority groups: People with disabilities, families with strollers, little people, large size people, amongst others.</p> <p>Investments to guarantee health and wellbeing for tenants, neighbors and guests to our properties.</p> | <p># Of adapted sqm for universal accessibility.</p> <p># Of direct and indirect employees with medical coverage</p> <p>Amount in MXN invested on health and wellbeing initiatives in the communities where we operate.</p> |
| | <p>Socioeconomic advancement and empowerment</p> | <p>Provide access to financing for: (i) MSMEs¹⁴ that are owned or managed (at the most senior level) by >50% women; or</p> <p>Provide access for MSMEs owned or managed (at the most senior level) by people from marginalized populations.</p> | <p># of affordable rents for women led MSMEs.</p> <p>Training hours directed at improving employability, by priority group.</p> |

¹⁴ As stated by the Mexican [Secretary for Economics](#): Micro enterprises refers to those with less than 10 employees and make less than 4 million pesos; Small enterprise refers to those with 11-30 employees and make between 4 and 100 million pesos; medium enterprise refers to those with 31 – 100 employees and make between 100-250 million pesos.

| | | | |
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| | <p>Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance</p> | <p>Expenditures related to the following:</p> <ul style="list-style-type: none"> • Waivers of rent or long-term interest-free loans to cover at least 25% of rents for the Identified MSMEs¹⁵. • Waivers of rent or short-term interest-free loans to cover at least 25% rents for MSMEs that are economically or operationally affected by COVID-19. • Initiatives that promote local employment or support local Identified MSMEs as well as those affected by COVID-19. • Activities to revitalize and/or stabilize economic activity in Qualified Areas¹⁶. | <p># of Identified MSMEs supported.</p> <p>Amount in MXN from affordable rents given to Identified MSMEs and MSMEs that are economically or operationally affected by COVID-19.</p> <p># of employments created through MSMEs supported by our initiatives.</p> <p>Amount in MXN to revitalize and stabilize economic activities in Qualified Areas.</p> <p># of benefited people</p> <p>Training hours on each concept</p> <p>Amount in MXN towards supporting MSMEs</p> |
|--|---|--|---|

¹⁵ Identified MSMEs are defined as those MSMEs that are (i) owned or managed (at the most senior level) by >50% women, and/or (ii) led by sexual and gender minorities, and/or (iii) led by excluded and/or marginalized populations, and /or (iv) led by communities, people with disabilities, undereducated, and /or (v) situated in Low-income Areas. “ Low-Income Areas” are defined as municipalities living in poverty and extreme poverty, as defined by [CONEVAL](#):. “The Official multidimensional poverty measure combines income-based monetary poverty with non-monetary dimensions of wellbeing, called social deprivations. Defined in the Constitution, these are education, health, food, social security, quality and space of the dwelling, and basic services in the dwelling. According to Mexico’s methodology, an individual is considered poor if living below the wellbeing line and with at least one social deprivation. An individual is considered extremely poor if living below the minimum wellbeing line and with three or more social deprivations.”

¹⁶ Qualified Areas can include (i) Low-income Areas (as defined in the Framework), or (ii) areas affected by natural disasters, or (iii) non-metropolitan or underserved communities, owing to a lack of quality access to essential goods and services; or located in medium or low income, in accordance with the [INEGI](#) (Migrants, poverty levels, unemployment, population density).

Other Eligibility Criteria

- Projects must be implemented in properties located in areas that increase the positive spillover in communities (number of people benefited)
- Projects should be implemented in office, industrial or retail properties only, in order to ensure highest ROI
- Projects should represent benefits for FUNO and at least one of the following stakeholders: tenants, guests, surrounding communities and/or employees.

Exclusion criteria

The net proceeds of the Sustainable Bond shall not be used towards financing of:

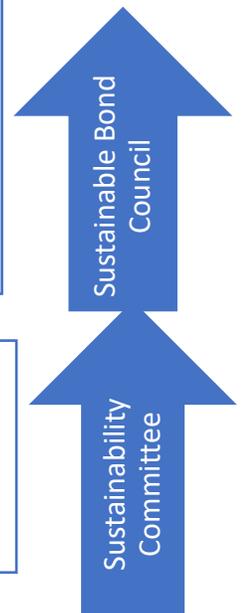
- Nuclear or fossil fuel energy operations
- Operations in the Coal Mining or Tobacco sector.
- Projects not in alignment to FUNO’s Code of Ethics or Sustainability Policy
- Thermal power plants
- Infrastructure for internal combustion engine vehicles
- Forced labor or child labor.

II. Project selection and evaluation process

FUNO has designed a two-phase selection process:

This Sustainable Bond Council will be responsible for the ultimate review and selection of the financing and investments that will qualify as Eligible Projects in accordance with this Framework, as well as the tracking of all Sustainable Bond disbursements. The vote of both independent members of the Sustainable Bond Council, is required for the approval of any money allocation.

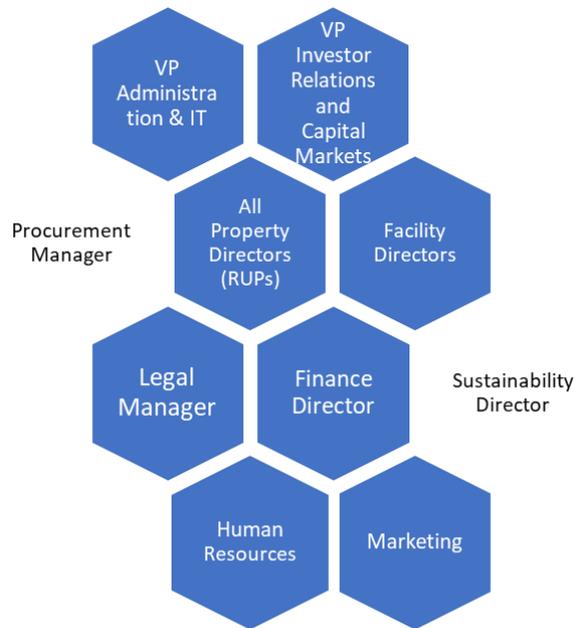
The corresponding Departments will provide information to the Sustainability Committee so that it can filter and select projects that have a positive environmental and / or social impact according to the Eligible Categories described on the previous component. This selection will be presented to the Sustainable Bond Council.



Sustainable Bond Council



Sustainability Committee

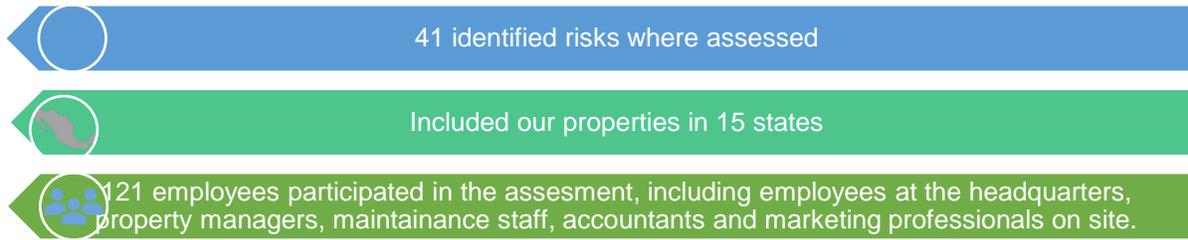


Risk Mitigation

We updated our 2016 materiality analysis – which is the basis for our sustainability strategy- in 2018 with the results of a companywide risk assessment, including environmental, social, human rights and labor practices risks.

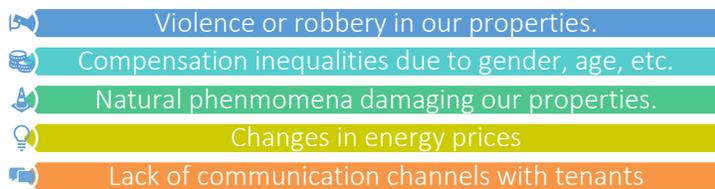
This process included:

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- Our assessment shows the following risks as most likely to occur:
- Natural phenomena damaging properties
- Theft, robbery or violence within our properties.
- Accidents in our properties
- Change in water prices
- Change in energy prices

However, our matrix of probability vs impact, shows the following as the risks with highest threats:



Our identified emerging risks are:

- Community inconveniences around our properties
- Waste management
- Lack of training on water issues
- Water scarcity or excessive use of water.
- Accidents or injuries in our properties.

For risks deriving directly from applying the proceeds of the Sustainable Bond issuance, we have identified the following:

In general, FUNO must meet certain administrative regulations in Mexico related to environmental protection: operating licenses, declaration of production of hazardous waste, declaration of delivery, transportation and disposal of hazardous waste, risk assessment for high-risk activities and, in the case of new facilities or expansions, environmental impact assessment and risk analysis, as well as land use licenses.

Risk for Renewable Energy and Energy Efficiency Categories:

Risks in energy related projects usually involves uncertainty collecting additional data so that informed inputs and assumptions can be introduced into the project, there are also uncertainties in modeling inputs, occupancy rates, or the future cost of energy in Mexico.

Political risks are also relevant when it comes to energy projects; in addition to damages by natural phenomena.

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Changes in current regulations which may turn into subsidies for non-renewable energy investments.

Risks for Sustainable Water Management Category:

Risks include the release of certain volatile chemicals into the air in the process of water collection and treatment, as well as generation of large quantities of solid waste that may not always be discharged in an environmentally friendly way. In addition, some rainwater harvesting systems may seep chemicals and other substances that can harm plants and animals depending on the use.

Risks for Sustainable Infrastructure Category:

Main risks identified include last-minute challenges to acquire or develop LEED certified buildings, such as negative outcomes on licensing, permits, environmental audits, etc.

Changes in costs for energy-efficient construction, certification fees for new buildings and auditing for existing ones.

Risk of accidents, adverse impacts on human health and the environment, adverse impacts from pollution and contamination, and other pre-existing liabilities, soils, water resources, materials use, energy use, waste, and hazardous materials.

General Risks

Interest rate fluctuations; currency devaluation, unexpected natural phenomena, impacts on cashflow, civil disturbances and acts of organized crime.

III. Management of proceeds

An amount equivalent to the net proceeds of the Sustainable Bond issuances will be allocated prior to the maturity date of that bond to investments or expenditures for Eligible Projects that:

- 1) Fall under any of the Eligible Categories described in Section I
- 2) Originated and disbursed after the bond issuance.
- 3) Originated before the issue of the bond and disbursed after the issuance of the bond.
- 4) Originated and disbursed up to five 36 months prior to the issuance of the bond and only considering the current amount of outstanding debt.

FUNO® aims for an amount equivalent to the Sustainable Bond net proceeds to be fully allocated within [36 months] of the Sustainable Bond issuance, we believe 90% of the proceeds have already been used either for energy efficiency projects or for developing and retrofitting properties in order to make them resource efficient and achieve a LEED certification. Pending allocation, the amount not yet allocated to Eligible Projects will be temporarily invested in cash or other liquid marketable instruments [or used to refinance outstanding debt] per FUNO's normal liquidity policies.

Payment of principal and interest on any Sustainable Bond issuance will be made from FUNO's general funds and will not be directly linked to the performance of any Eligible Projects.

For the Management of proceeds, the Sustainable Bond Council will:

- 1) Track the outstanding balances of the loans granted to the Eligible Projects on a timely basis, such that the Sustainability Bond proceeds can be allocated toward the financing of these projects.
- 2) Direct the investment of Sustainability Bond proceeds that are not allocated to Eligible Projects in the aforementioned instruments.

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- 3) Prepare a bimonthly report detailing the Sustainability Bond use of proceeds that will be presented periodically to FUNO's Audit committee (100% independent).

Will ensure this information is disclosed to the public investors annually.

IV. Reporting

Allocation Reporting

Within one year of the issuance of a Sustainable Bond, FUNO® will publish a report on its website, <http://en.funomx.com/investors/esg/sustainability-management>. The FUNO® Sustainable Bond report will be updated every year until complete allocation, and thereafter, as necessary in case of new developments.

The FUNO® Sustainable Bond Report will contain at least the following:

1. Confirmation that the use of proceeds of the Sustainable Bond complies with FUNO® Sustainable Bond Framework;
2. The amount of proceeds allocated to each Eligible Project Category;
3. For each Eligible Project Category, one or more examples of Eligible Projects receiving Sustainable Bond allocations, including their general details (brief description, location, stage—construction or operation);
4. The balance of unallocated net proceeds;
5. Impact reporting elements as described below.

Impact Reporting

FUNO® Sustainable Bond Report will include qualitative and (if reasonably practicable) quantitative environmental and social performance indicators. Performance indicators may change from year to year; but we are committed on reporting to at least one relevant indicator per category.

The Report may include some of the following data for Eligible Projects:

- Intensity on Energy consumption (Kwh per occupied sqm)
- Intensity on water consumption (m3 per occupied sqm)
- Intensity on CO2e emissions (TonCo2e per occupied sqm)
- Certified sqm
- Adapted sqm for universal accessibility for priority groups.
- Supports given to SMEs or business led by people from priority groups, through accessible rents.
- Mexican pesos invested in health and wellbeing
- Number of benefited people through social initiatives

The report will contain a third-party assurance letter, issued by a recognized firm.

V. External review

Before issuing its first Sustainable Bond, FUNO® has obtained a Second Party Opinion on its Sustainable Bond Framework which will be published on the FUNO® website prior to Sustainable Bond issuance.



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Prior to the first anniversary of the issuance of the Sustainable Bond, FUNO® will request a qualified external reviewer to review the selected Eligible Projects, in order to assess compliance with the FUNO® Sustainable Bond Framework. This review will be carried out annually until the full allocation of an amount equivalent to the Sustainable Bond net proceeds. FUNO® will post the external review report, on its website, <http://en.funomx.com/investors/esg/sustainability-management>. In the unlikely event that the annual review identifies allocations to projects that do not comply with its Sustainable Bond Framework, FUNO® will allocate the corresponding amounts to different projects that comply with its Sustainable Bond Framework or invest these amounts in liquid instruments until such a time that an Eligible Project can be identified.

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