

## REPORT REVIEW

# Fondo Mivienda S.A. Sustainability Bond Allocation and Impact Report

Sustainability Bond Allocation and Impact Report Fondo Mivienda S.A.

7 June 2024

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Sustainability Bond Allocation and Impact Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), as administered by the ICMA (as of June 2023)
- Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), as administered by the ICMA (as of June 2023)

### Scope of verification

- Fondo Mivienda S.A.'s Sustainability Bond Allocation and Impact Report (as of May 17, 2024)
- Fondo Mivienda S.A.'s Sustainable Financing Framework (as of March 29, 2022)
- Bond(s) identification:

ISIN	Bond Maturity	Size (USD)	Framework
US344593AF57	April 12, 2027	600 million	Sustainable Financing Framework (March 2022)

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Sustainability Bond Allocation and Impact Report as of May 17, 2024

## CONTENTS

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SCOPE OF WORK.....	3
ASSESSMENT SUMMARY.....	4
REPORT REVIEW ASSESSMENT.....	5
PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCING FRAMEWORK .....	5
PART II: ASSESSMENT AGAINST THE ICMA HARMONISED FRAMEWORK FOR IMPACT REPORTING (HFIR) AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS (HFIRSB).....	8
PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS.....	15
ANNEX 1: Methodology .....	20
ANNEX 2: Quality management processes .....	21
About this Report Review .....	22

## SCOPE OF WORK

Fondo Mivivienda S.A. (“the Issuer” or “the Company” or “FMV”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Sustainability Bond Allocation and Impact Report by assessing:

1. The alignment of FMV’s Sustainability Bond Allocation and Impact Report with the commitments set forth in FMV’s Sustainable Finance Framework (as of March 29, 2022).<sup>2</sup>
2. Fondo Mivivienda S.A.’s Sustainability Bond Allocation and Impact Report - benchmarked against Capital Market Association (ICMA) Handbook Harmonised Framework for Impact Reporting and Harmonised Framework for Impact Reporting for Social Bonds updated as of June 2023.
3. The disclosure of proceeds allocation and soundness of reporting indicators – whether the impact metrics align with best market practices and are relevant to the Sustainability Bond issued.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Fondo Mivivienda S.A. Sustainability Bond Allocation and Impact Report. A review of the use of proceeds’ allocation and impact reporting is solely conducted against ICMA’s Standards (Green and Social Bond Principles) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer [or Fondo Mivivienda S.A.] is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green and Social Bond Principles as of March 29, 2022.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part 1.</b></p> <p><b>Alignment with the Issuer’s commitments set forth in the Framework</b></p>	<p>The Fondo Mivivienda S.A.’s Sustainability Bond Allocation and Impact Report meets the Issuer’s commitments set forth in the Sustainable Financing Framework. The proceeds have been used to (re)finance Affordable and Green Housing in accordance with the eligibility criteria defined in the Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part 2.</b></p> <p><b>Alignment with the ICMA’s HFIR and HFIRSB</b></p>	<p>The Sustainability Bond Allocation and Impact Report is in line with ICMA’s Harmonised Framework for Impact Reporting and Harmonised Framework for Impact Reporting for Social Bonds. The Issuer follows core principles and where applicable key recommendations.</p> <p>Fondo Mivivienda S.A. reported the allocation of proceeds annually, illustrated the environmental impacts of the eligible green project(s), and managed the ESG risks accordingly on the eligible project(s). The allocated proceeds are reported on a project-by-project basis.</p>	<p><b>Aligned</b></p>
<p><b>Part 3.</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown across different eligible projects categories as proposed in the Framework.<sup>3</sup></p> <p>The Fondo Mivivienda S.A.’s Sustainability Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies, and granularity reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The assessment is based on the information provided in the Issuer’s report. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCING FRAMEWORK<sup>4</sup>

The following table evaluates the Sustainability Bond Allocation and Impact Report against the commitments set forth in Fondo Mivivienda S.A.’s Framework, which are based on the core requirements of the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as well as best market practices.

ICMA HFIR	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>1. Use of Proceeds</b></p>	<p>FMV confirms to follow the Use of Proceeds’ description provided by FMV’s Sustainable Financing Framework. The report is in line with the initial commitments set in the FMV’s Sustainable Financing Framework:</p> <p>41.4% of proceeds was allocated to financing new projects, (58.6% was dedicated to refinancing existing projects) in the Affordable Housing and Green Housing project categories.</p> <p>The Issuer has also committed to provide analysis of the environmental and social benefits of the project categories, focusing on (i) quantitative environmental impacts of the eligible green and social projects, and (ii) case studies with additional information on highlighted projects. The Issuer’s green and social categories align with the project categories and are in accordance with the eligibility criteria set in the FMV’s Sustainable Financing Framework. Environmental and social benefits at the category level are described and quantified.</p>	<p>✓</p>
<p><b>2. Process for Project Evaluation</b></p>	<p>Fondo Mivivienda S.A. confirms to follow the Process for Project Evaluation and Selection description provided by Fondo Mivivienda S.A.’s Sustainable Bond Framework. The report is in line with the initial commitments set in the FMV’s Sustainable Financing Framework:</p>	<p>✓</p>

<sup>4</sup> The Fondo Mivivienda S.A.’s Sustainability Bond Framework was assessed as aligned with the GBP/SBP/SBG (as of June 2021) as of as of March 31, 2022.

<p><b>and Selection</b></p>	<p>Representatives from the Real Estate Projects Department (REPD) verified that housing projects submitted by developers met the required sustainability criteria to be certified as Green Eligible Projects.</p> <p>Afterwards, FMV’s operations department accounted for the associated disbursements to eligible borrowers and representatives from the finance department reviewed and selected the assets to which an amount equivalent to the proceeds from the Sustainable Financing would be allocated to. All projects are developed in accordance with FMV’s Environmental and Social Risk Policy Framework.</p> <p>The projects selected are defined and structured in a congruous manner. The Issuer ensured compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>FMV confirmed that the stakeholders involved throughout the process are as stated in the Framework.</p>	
<p><b>3. Management of Proceeds</b></p>	<p>FMV confirms to follow the Process for Management of Proceeds description provided FMV’s Sustainable Financing Framework. The report is in line with the initial commitments set in the FMV’s Sustainable Financing Framework Sustainable Financing Framework:</p> <p>As long as a Sustainable Financing Instrument remains outstanding, FMV internal records will show the amount of the net proceeds from the issuance of such instrument allocated to eligible projects, as well as the amount of net proceeds pending allocation. Pending allocation, an amount equivalent to the net proceeds from any future Sustainable Financing under FMV’s Sustainable Financing Framework will be allocated and managed by FMV’s Finance department according to internal practices.</p> <p>The proceeds allocated to eligible projects (US\$596M), represent more than 100% of the amount collected. The proceeds are tracked in an appropriate manner and attested in a formal internal process.</p>	<p style="text-align: center;">✓</p>

<p><b>4. Reporting</b></p>	<p>The FMV Sustainability Bond Allocation and Impact Reports coherent with the Reporting description provided by FMV’s Sustainable Financing Framework. The report is in line with the initial commitments set in the FMV’s Sustainable Financing Framework:</p> <ul style="list-style-type: none"> <li>▪ FMV will report the amount allocated to eligible green or social projects by project category;</li> <li>▪ The amount pending allocation is to be updated at least annually until full allocation</li> <li>▪ 41.4% of proceeds dedicated to financed vs 58.6% dedicated to refinanced projects</li> <li>▪ Commit to report until the proceeds have been fully allocated</li> </ul> <p>The impact report is in line with the initial commitment set in the FMV’s Sustainable Bond Framework:</p> <ul style="list-style-type: none"> <li>▪ The Impact Report will include, on a best-effort basis, (i) reporting focusing on quantitative environmental impacts of the Eligible Green or Social Projects, and (ii) case studies with additional information on highlighted projects.</li> <li>▪ The Impact Report uses impact metrics as defined in the Sustainable Bond Framework</li> <li>▪ For projects that are not yet operational or an asset that is still in the development phase, FMV will strive to provide estimates of expected impacts.</li> </ul> <p>The section “Allocation and Impact Reporting” of the Sustainability Bond Allocation and Impact Report complies with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	<p style="text-align: center;">✓</p>
<p><b>5. Verification</b></p>	<p>ISS-Corporate has provided a Second Party Opinion (SPO) on FMV’s Sustainable Financing Framework.</p>	

## PART II: ASSESSMENT AGAINST THE ICMA HARMONISED FRAMEWORK FOR IMPACT REPORTING (HFIR) AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS (HFIRSB)

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond Issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. ICMA’s HFIR and HFIRSB have been chosen as benchmark for this analysis as they represent the most widely adopted standards.

### FOR GREEN BONDS

The table below evaluates FMV’s Sustainability Bond Allocation and Impact Report against ICMA’s Handbook Harmonised Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	FMV. has reported annually since the issuance and 82% of the proceeds have been allocated to eligible green project categories. 100% of the proceeds have been allocated. The report will be available on FMV’s website. <sup>5</sup>	✓
Illustrating the environmental impacts or outcomes	<p>The assessment and measurement of the impacts generated by FMV’s Sustainability Bond covered the following areas:</p> <ul style="list-style-type: none"> <li>a. Financed 13,041 sustainable affordable housing units</li> <li>b. Energy use reduced by 27.44% compared to local baseline</li> <li>c. 0.5% of renewable energy generated on-site</li> </ul>	✓

<sup>5</sup> Please refer to Fondo Mivivienda S.A. website:  
<https://www.Mivivienda.com.pe/PORTALWEB/inversionistas/pagina.aspx?idpage=52>

	<ul style="list-style-type: none"> <li>d. 3,928.80 tCO<sub>2</sub>e annual GHG emissions reduced compared to local baseline (EDGE Certificate level)</li> <li>e. 30.47% of water reduced compared to local baseline</li> <li>f. 1% of the total 88,136.08 tons of waste, reduced, reused, and recycled.</li> </ul>	
ESG Risk Management	As stated in the FMV's Sustainable Financing Framework (March 2022), all projects will be developed according to FMV's internal Environmental and Social Risk Policy Framework.	✓
Allocation of proceeds - Transparency on the currency	The Issuer reports the cash flow related to the Sustainability Bond and the allocations to the projects in PEN. The currency has been converted to USD for the purposes of allocation reporting using the exchange rate of the disbursed date of each credit.	✓

**RECOMMENDATIONS**

ICMA HFIR	SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Define and disclose period and process for Project Evaluation and Selection	<p>82% of the proceeds have been allocated to eligible green project categories. New projects have been added.</p> <p>FMV followed a transparent process for the selection and evaluation of Eligible Green Projects. Projects financed through the Sustainability Bond issued under the Sustainability Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	✓
Disclose total amount of proceeds allocated	A total of USD \$596 million of net proceeds has been raised through the Issuer's Sustainability Bond. 82% of the proceeds have been allocated	✓

to eligible disbursements	to eligible green projects, detailed by the level I+, II+, and III+.	
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds. Projects financed through the Sustainability Bond issued under the Sustainable Financing Framework were evaluated and selected in accordance with the process described in the Offering Memorandum dated April 7th, 2022, involving key representatives from Real Estate Projects Department ("REPD"), operations, and finance departments.	✓
Report at project or portfolio level	The Sustainability Bond Allocation and Impact Report includes the total amount of proceeds allocated per eligible project category.	✓
Describe the approach to impact reporting	The Issuer identifies the specific eligible projects and clearly defines, for each project, the total project's allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	The Issuer does not report on the estimated lifetime results or project economic life.	-
Ex-post verification of specific projects	Ex-post verification of projects are verified by a third party.	✓
Report on at least a limited number of sector-specific core indicators	A description of core environmental impacts for each target area is available in the report: <ul style="list-style-type: none"> <li>▪ % of energy use reduced vs local baseline</li> <li>▪ % of renewable energy generated on-site</li> <li>▪ Annual GHG emissions reduced in tCO<sub>2</sub>e vs local baseline (EDGE certification level)</li> <li>▪ % of water reduced vs local baseline</li> <li>▪ Amount of waste reduced, reused, or recycled in % of total waste</li> <li>▪ Waste removed in tons</li> </ul>	✓

<p>If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies</p>	<p>For below impact indicators: % of energy use reduced vs local baseline, Annual GHG emissions reduced in tCO<sub>2</sub>e vs local baseline EDGE, and the % of water reduced vs local baseline, the Issuer has adopted to use the EDGE online calculator to report on impact metrics.</p>	<p>✓</p>
<p>Disclosure on the conversion approach (if applicable)</p>	<p>The Issuer has elected to convert GHG emissions impact metrics into tCO<sub>2</sub>e, however the conversion approach is not disclosed.</p>	<p>-</p>
<p>Projects with partial eligibility</p>	<p>The Issuer has not financed partially eligible projects.</p>	<p>-</p>
<p>When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach</p>	<p>The impact of eligible projects is reported separately per category on an aggregated basis.</p>	<p>✓</p>

OPINION

*FMV follows ICMA's HFIR and HFIRSB core principles and key recommendations. FMV provides transparency on the level of expected reporting as well as on the frequency, aligned with best practices. FMV has reported on an annual basis since the issuance of the bond two years ago, illustrated the environmental impacts, and provided transparency on ESG risk management and transparency on the currency used.*

FOR SOCIAL BONDS

The table below evaluates Fondo Mivivienda S.A. Sustainability Bond Allocation and Impact Report against ICMA HFIRSB.

CORE PRINCIPLES		
ICMA HFIRSB	SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	FMV has reported on an annual basis, and 18% of the proceeds have been fully allocated to social projects. The report will be available on Fondo Mivivienda’s website. <sup>6</sup>	✓
Formal internal process to track proceeds	FMV confirms project selection and management of proceeds to be in line with the criteria set forth in the underlying Framework.	✓
Allocation of the proceeds to social project categories	In accordance with the criteria established within the Framework, in compliance with the Social Bond Principles issued by the ICMA, FMV has allocated the net proceeds of the bond issued under this Framework to new and/or existing eligible assets within the Affordable Housing project category.	✓
Target Population(s) identified	The Issuer defined targeted populations for the Affordable Housing project categories.  The Issuer refers to Individuals who are considered to be underserved in quality access to affordable housing, including first-time homeowners in low- and moderate-income areas <sup>7</sup> in Peru.	✓
Output, outcome and/or impact of projects at project or portfolio level	The Issuer referred to existing indicator lists and catalogs from Annex III of the HFIRSB: (i.e. the number of sustainable units financed and the dollar-amount of financing).	✓

<sup>6</sup> Please refer to Fondo Mivivienda S.A.

website: <https://www.Mivivienda.com.pe/PORTALWEB/inversionistas/pagina.aspx?idpage=52>

<sup>7</sup> As defined by the World Bank’s INEI institute in Peru ELL methodology. In 2020 geographical urban areas were grouped according to 5 ranges based on economic strata – SES (Upper, Upper Middle, Middle, Lower Middle, and Low). Due to the values of the homes financed, borrowers generally will reside in geographic areas designated as Middle and Lower Middle (Moderate), and Low stratus.

	A detailed analysis of impact indicators is available in Part III of this report.	
Illustrating of the social impacts	<p>The assessment and measurement of the impacts generated by FMV's Social Bond covered the following areas:</p> <ul style="list-style-type: none"> <li>▪ Number of Sustainable Affordable Housing units financed</li> <li>▪ Amount of financing for Sustainable Affordable Housing in USD</li> </ul>	✓
Pro-rated share of the overall impact results of the projects or portfolio of projects	Being the only financing entity of the projects in question the Issuer reports 100% of the overall impact results.	✓

**RECOMMENDATIONS**

ICMA HFIRSB

SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT

ASSESSMENT

Disclose the methodology and the assumptions used for the calculation of impact indicators

The Issuer has disclosed the methodology and the assumptions used for the calculation of impact indicators.

✓

When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach

The Issuer does not use the attribution approach.

-

Disclose the methodology used to determine the share of eligible project financing being applied to impact calculation

The Issuer does not apply any methodology used to determine the share of eligible project financing being applied to impact calculation.

-

Collaborating with experts if reporting on the estimated lifetime impacts and/or project economic life in years

The impacts reported were ex-ante estimated of annual impacts. An external international certifier, AENOR, evaluates a sample of projects using EDGE online tool.

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Assumptions and ex-post verification	Ex-post verification of projects is specified. The issuer verifies that the beneficiary complies with the social and financial requirements. If beneficiaries pay the mortgage in advance, they get the financing taken back. Plus, the beneficiaries are not allowed to apply for other mortgages.	✓
Report Period	The Issuer has indicated the number of projects that have been added to the portfolio from January 1, 2021- August 31, 2023.	✓
Disbursement reporting	The proceeds from the social bond issuance were used to finance new loans or refinance existing loans. New loans are those where disbursements have been made no more than one year before the issue of the respective bond or at any time from the date of the issuance. Existing are those which have reached financial close one year or more before the issuance.	✓
Projects with partial eligibility	Not applicable because there are no projects with partial eligibility	-

**OPINION**

*FMV follows the HFIRSB core principles and one key recommendation. The Issuer provides transparency on the frequency of reporting, on the formal internal process to track proceeds, as well as on the allocation of the proceeds to social project categories. Moreover, the Issuer identifies the target population, the output, outcome, and impact of projects at project level, as well as illustrating social impacts, aligned with best market practices.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' eligible sustainability projects.

The Use of Proceeds allocation reporting occurred on an annual basis since the bond was issued two years ago.

This is the second year of allocation reporting and the 100% of allocation in 2024 compares with the 69% of allocation in 2023. The Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

### Proceeds allocated to eligible projects/assets

The proceeds' allocation is broken down at the green criteria level (I+, II+, III+) and the sustainable affordable housing units financed. The Issuer has provided details about the different types of sustainable technology embedded in each level within the eligibility criteria of the Green Housing Project Category.

The allocation report section of the Sustainability Bond Allocation and Impact Report of Fondo Mivivienda S.A. aligns with best-market practices by providing information on:

- The total amount and % of proceeds (in million of USD) allocated to each level of eligible green projects (I+, II+, III+)
- The total amount and % of proceeds (in million of USD) allocated to affordable housing projects

### Impact Reporting Indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome, and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicator chosen by the Issuer for this bond is the following:</p> <ul style="list-style-type: none"> <li>▪ Number of Sustainable Affordable Housing units financed</li> <li>▪ Amount of financing for Sustainable Affordable Housing (USD)</li> <li>▪ % of energy use reduced vs local baseline</li> <li>▪ % of renewable energy generated on-site</li> <li>▪ Annual GHG emissions reduced in tCO<sub>2</sub>e vs local baseline (EDGE certification level)</li> <li>▪ % of water reduced vs local baseline</li> <li>▪ Amount of waste reduced, reused, or recycled in % of total waste</li> <li>▪ Waste removed in tons</li> </ul> <p>Most of the indicators are quantitative and material to the Use of Proceeds categories financed through this bond and are broadly in line with the Suggested Impact Reporting metrics for Green Building Projects and Affordable housing projects by the ICMA HFIR and HFIRSB.</p> <p>The impact indicators illustrate the reduced environmental impacts by the purchasing, construction, renovation, or maintenance of certified sustainable housing units under FMV’s definition of green housing project category.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For the Number of Sustainable Affordable Housing units financed and the dollar-amount of financing for Sustainable Affordable Housing, these impact metrics are evaluated through project certification by FMV.</p> <p>The impact metrics calculations below are based on ex-ante estimates of annual impact related to the requirements of FMV’s certification procedure. A 14-project sample size is used to quantify the impacts on the below indicators with a confidence level of 95% and a margin of error of 2.5%:</p> <p>For the Annual GHG emissions reduction indicator, the Issuer has adopted the EDGE certification requirement as the local baseline</p>

	<p>and used the EDGE online calculation tool to evaluate the annual GHG emissions reduction. The tCO<sub>2</sub>e emission reduction was calculated using the lowest value per year per housing project.</p> <p>For % of energy-reduced vs local baseline, the calculation is composed using the EDGE online calculator.</p> <p>For % of water reduced vs local baseline, the calculation is composed using the EDGE online calculator.</p> <p>The following impact metrics – % of renewable energy generated on-site, Amount of waste reduced, reused, or recycled in % of total waste, and Waste removed in tons –are also calculated from the 14 sample projects using the EDGE online tool.</p>
<b>Baseline selection</b>	The impact metrics such as the % of energy use reduced, the % of water reduced, and annual GHG emissions reduced in tCO <sub>2</sub> are compared with the local baseline. <sup>8</sup>
<b>Scale and granularity</b>	The impact data is presented at the Use of Proceed category level for the indicator(s).

### High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Sustainability Bond Allocation and Impact Report, the impact indicator(s) adopted by FMV for its Sustainability Bond can be mapped to the following SDGs, according to ISS ESG SDG Solutions (SDGA), a proprietary methodology designed to assess the impact of an Issuer’s product or services on the UN SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Number of Sustainable Affordable Housing units financed</b></p> <p><b>Amount of financing for Sustainable Affordable Housing (USD)</b></p>	 <p>The icons represent the following Sustainable Development Goals: 1 (No Poverty), 7 (Affordable and Clean Energy), 10 (Reduced Inequalities), 11 (Sustainable Cities and Communities), and 13 (Climate Action).</p>

<sup>8</sup> The issuer adopted the IFC EDGE online calculation tool, which provides the baseline for the consumption of water and energy for Peru in 2015.

<p><b>% of energy use reduced vs local baseline based on EDGE certification level</b></p>	 
<p><b>Annual GHG emissions reduced in tCO<sub>2</sub>e vs local baseline based on EDGE certification level</b></p>	 
<p><b>% of water reduced vs local baseline based on EDGE certification level</b></p>	
<p><b>Amount of waste reduced, reused or recycled in % of total waste</b>  <b>Waste removed in tons</b></p>	

OPINION

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different levels of eligible green projects as proposed in the Framework, and FMV's Sustainable Bond Allocation & Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies, and granularity reflecting best market practices. Besides, the impact indicators used are mostly aligned with best market practices using ICMA's recommended metrics, in both the HFIR and the HFIRSB.*

**DISCLAIMER**

1. Validity of the External Review ("External Review"): Valid as long as no changes are undertaken by the Issuer to its Sustainability Bond Allocation and Impact Report as of May 17, 2024.
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labelled transactions reporting against international standards using ISS-Corporate proprietary [methodology](#).

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social, and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to which the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Sustainability Bond Allocation and Impact Report
- Sustainable Financing Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Fondo Mivivienda S.A. took place from April to June 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability, and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess the alignment of the Issuer's report with external principles (e.g., ICMA Green / Social Bond Principles, ICMA Green Bond Principles, Social Bond Principles, and Sustainable Bond Guidelines), analyze the alignment of the Issuer's Report against the commitments in the respective Framework, and analyze the disclosure of proceeds allocation, the data source, and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well as informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: [SPOsales@isscorporatesolutions.com](mailto:SPOsales@isscorporatesolutions.com)

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