

REPORT REVIEW

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

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

26 June 2023

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 2022)
- Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), as administered by the ICMA (as of June 2022)
- Fondo Mivivienda S.A.'s Sustainability Bond Allocation and Impact Report (as of June 14, 2023)

Scope of verification

- Fondo Mivivienda S.A.'s Sustainability Bond Framework (as of March 29, 2022)
- Bond(s) identification:

ISIN	Maturity	Size (USD)	Framework
US344593AF57	5 years	600 million	Sustainable Bond Framework

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 June 14, 2023

CONTENTS

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'S HANDBOOK HARMONISED FRAMEWORK FOR IMPACT REPORTING AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS.....	8
PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS	15
DISCLAIMER.....	19
ANNEX 1: Methodology	20
ANNEX 2: Quality management processes	21
About this Report Review	22

SCOPE OF WORK

Fondo Mivivienda S.A. (“the Issuer”, “the company”, or “FMV”) commissioned ISS Corporate Solutions (ICS) to provide a Report Review¹ 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)².
2. FMV’s Sustainability Bond Allocation and Impact Report – benchmarked against the International Capital Market Association (ICMA) Handbook Harmonised Framework for Impact Reporting and Harmonised Framework for Impact Reporting for Social Bonds, updated June 2022, administered by the ICMA³.
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.

¹ 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 Bond 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.

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

³ Please note that the issuance was for a Sustainability Bond with a category covering both green and social eligibility criteria, thus the impact reporting has been divided into green and social reporting sections.

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part 1. Alignment with the Issuer's commitments set forth in the Framework	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.	Aligned
Part 2. Alignment with the ICMA's HFIR and WTHFIR for Social Bonds	The Sustainability Bond Allocation and Impact Report is in line with ICMA's Harmonised Framework for Impact Reporting (HFIR) and Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB). The Issuer follows core principles and where applicable key recommendations. 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.	Aligned
Part 3. Disclosure of proceeds allocation and soundness of reporting indicators	The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible green projects by category as proposed in the Framework⁴. The Fondo Mivivienda S.A.'s Sustainable Bond Framework 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.	Positive

⁴ 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 FRAMEWORK⁵

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
1. Use of Proceeds	FMV confirms to follow the Use of Proceeds' description provided by FMV's Sustainable Bond Framework. The report is in line with the initial commitments set in the FMV's Sustainable Bond Framework: 15.5% of proceeds was allocated to financing new projects, (84.5% was dedicated to refinancing existing projects) in the Affordable Housing and Green Housing project categories. 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 FMV's Sustainable Bond Framework. The environmental and social benefits at the category level are described and quantified.	✓
2. Process for Project Evaluation and Selection	FMV confirms to follow the Process for Project Evaluation and Selection description provided by FMV's Sustainable Bond Framework. The report is in line with the initial commitments set in FMV's Sustainable Bond Framework: 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. Afterwards, FMV's operations department accounted for the	✓

⁵ The Fondo Mivivienda S.A. Sustainable Financing Framework was assessed as aligned with the GBP, SBP, and SBG (as of June 2021) as of 31 March 31, 2022.

	associated disbursements to eligible borrowers and representatives from Finance reviewed and selected the assets to which an amount equivalent to the proceeds from the Sustainable Financing would be allocated to. All projects were developed in accordance with FMV's Environmental and Social Risk Policy Framework. The projects selected were defined and structured in a congruous manner. The Issuer ensured compliance with the Eligibility Criteria. ESG risks associated with the project categories were identified and managed through an appropriate process. FMV confirmed that the stakeholders involved throughout the process is as stated in the Framework.	
3. Management of Proceeds	FMV confirms to follow the Process for Management of Proceeds description provided by FMV's Sustainable Bond Framework. The report is in line with the initial commitments set in FMV's Sustainable Bond Framework: 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 Bond Framework will be allocated and managed by FMV's Finance department according to internal practices. The proceeds allocated to eligible projects (US\$413M), represents 69% of the amount collected (US\$596M). The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds, including investment in high quality financial instruments, repaying, or repurchasing outstanding debts.	✓
4. Reporting	FMV's Sustainability Bond Allocation and Impact Report is coherent with the Reporting description provided by FMV's Sustainable Bond Framework. The report is in line with the initial commitments set in FMV's Sustainable Bond Framework: FMV will report the amount allocated to eligible green or social projects by project category;	✓

	▪ The amount pending allocation is to be updated at least annually until full allocation ▪ 15.5% of proceeds dedicated to financed vs 84.5% dedicated to refinanced projects ▪ Commit to report until the proceeds have been fully allocated The impact report is in line with the initial commitment set in the FMV's Sustainable Bond Framework: ▪ 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 ▪ The Impact Report uses impact metrics as defined in the Sustainable Bond Framework ▪ 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. The sections "Allocation reporting" and "Impact Reporting" of the Sustainability Bond Allocation and Impact Report comply with the pre-issuance commitment expressed in the framework. The report is intended to be publicly available. <i>Further analysis of this section is available in Part III of this report.</i>	
5. Verification	ICS has provided A Second Party Opinion (SPO) on FMV's Sustainable Bond Framework.	

PART II: ASSESSMENT AGAINST THE ICMA'S HANDBOOK HARMONISED FRAMEWORK FOR IMPACT REPORTING AND HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

FOR GREEN BONDS

Reporting is a core component of the GBP and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Sustainability Bond Issuers are required to report on both the use of Sustainability Bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. The Harmonized Framework for Impact Reporting (HFIR) has been chosen as the benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Fondo Mivivienda S.A. Sustainability Bond Allocation and Impact Report against ICMA Harmonized Framework for Impact Reporting (HFIR).

CORE PRINCIPLES		
ICMA HFIR	SUSTAINABILITY BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	Fondo Mivivienda S.A. has reported within one year from issuance and 69% of the proceeds have been allocated to eligible green categories. Approximately, 31% of the proceeds has not been allocated, and Fondo Mivivienda S.A. states that the unallocated amount is expected to be invested in the next year. The report will be available on Fondo Mivivienda S.A.'s website ⁶ .	✓
Illustrating the environmental impacts or outcomes	The assessment and measurement of the impacts generated by Fondo Mivivienda S.A. Green Bond covered the following areas: a. Financed 9,863 sustainable affordable housing units b. Energy use reduced by 34.71% compared to local baseline c. 0.5% of renewable energy generated on-site d. 3,254.79 tCO₂e annual GHG emissions reduced compared to local baseline (EDGE Certificate level) e. 31.32% of water reduced compared to local baseline	✓

⁶ Please refer to Fondo Mivivienda S.A. website: <https://www.Mivivienda.com.pe/PORTALWEB/inversionistas/pagina.aspx?idpage=52>

	f. 1% of the total 66,377.99 tons of waste, reduced, reused, and recycled.	
ESG Risk Management	As stated in the FMV's Sustainable Financing Framework (March 2022), all projects will be developed according with 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 Green 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	69% of the proceeds have been allocated to eligible green categories. Approximately, 31% of the proceeds has not been allocated and are expected to be invested in the next year. The Issuer followed a transparent process for the selection and evaluation of Eligible Green Projects. Projects financed through the Sustainability Bonds issued under Sustainability Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.	✓
Disclose the total amount of proceeds allocated to eligible disbursements	A total of USD \$596 million of net proceeds has been raised through Issuer's Sustainability Bond. 69% of the proceeds have been allocated to eligible green projects, detailed by the level I, II, and III+.	✓
Formal internal process for the allocation of proceeds and to	The Issuer followed a transparent process for the allocation of proceeds. Projects financed through Sustainability Bonds issued under the Sustainable Financing Framework	✓

report on the allocation of proceeds	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 is not specified.	-
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: ▪ % of energy use reduced vs local baseline ▪ % of renewable energy generated on-site ▪ Annual GHG emissions reduced in tCO₂e vs local baseline (EDGE certification level) ▪ % of water reduced vs local baseline ▪ Amount of waste reduced, reused, or recycled in % of total waste ▪ Waste removed in tons	✓
If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies	For below impact indicators: % of energy use reduced vs local baseline, Annual GHG emissions reduced in tCO ₂ 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.	✓
Disclosure on the conversion approach (if applicable)	The Issuer has elected to convert GHG emissions impact metrics into tCO ₂ e, however the conversion approach is not disclosed.	-

Projects with partial eligibility	The Issuer has not financed partially eligible projects.	-
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The impact of eligible projects is reported separately per category on an aggregated basis.	✓

OPINION

Fondo Mivivienda S.A. follows the Harmonized Framework for Impact reporting's (HFIR) core principles and most of the key recommendations. The issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best practices. The Issuer reported on an annual basis and illustrated environmental impacts of the projects. In addition, the Issuer disclosed the ESG Risk Management system in place and the total amounts disbursed on eligible projects with associated currency.

FOR SOCIAL BONDS

Reporting is a core component of the SBP, and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Sustainability Bond Issuers are required to report on both the use of sustainability bond proceeds, as well as the social impacts at least on an annual basis until full allocation. The Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Fondo Mivivienda 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	Fondo Mivivienda has reported within one year from issuance and 69% of the proceeds have been fully allocated. The report will be available on Fondo Mivivienda's website ⁷ .	✓
Formal internal process to track proceeds	Fondo Mivivienda 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, Fondo Mivivienda has allocated the net proceeds of the bond issued under this Framework to new and/or existing eligible assets within the Affordable Housing category.	✓
Target Population(s) identified	The Issuer defined targeted populations for the Affordable Housing project categories. The Issuer refers to definitions and thresholds for targeted populations in its financial inclusion glossary.	✓
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). A detailed analysis of impact indicators is available in Part III of this report.	✓

⁷ Please refer to Fondo Mivivienda S.A. website: <https://www.Mivivienda.com.pe/PORTALWEB/inversionistas/pagina.aspx?idpage=52>

Illustrating of the social impacts	The assessment and measurement of the impacts generated by Fondo Mivivienda Social Bonds covered the following area: - Number of Sustainable Affordable Housing units financed - Amount of financing for Sustainable Affordable Housing in USD⁸	✓
------------------------------------	--	---

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	There is no defined or estimated lifetime for projects.	-
Assumptions and ex-post verification	The Issuer has not indicated that it uses assumptions and ex-post verification for projection estimates.	-
Report Period	The Issuer has not indicated whether any modifications on projects has been planned.	-

⁸ The Issuer has stated that credit disbursements are PEN denominated and have been converted to USD for the purposes of this allocation report using the exchange rate of the disbursed date of each credit.

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

Fondo Mivivienda follows the Harmonized Framework for Impact Reporting for Social Bonds 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.

FMV has issued one Sustainable Bond in 2022. The Use of Proceeds allocation reporting occurred within one year from the issuance. USD\$413 million, 69% of the net proceeds (USD\$596 million) have been allocated to eligible green projects.

The Issuer also transparently disclosed the amount of unallocated proceeds and the temporary investments. Proceeds that have not been allocated have been temporarily used for investing in financial instruments defined by company's internal liquidity policy, repaying, or repurchasing outstanding debt.

Proceeds allocated to eligible projects/assets

The proceeds' allocation is broken down at the green criteria level (I+, II+, III+). 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 (USD \$ million) allocated to each level of eligible green projects (I+, II+, III+)

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
Relevance	The impact indicators chosen by the Issuer for this bond are the following: - Number of Sustainable Affordable Housing units financed - Amount of financing for Sustainable Affordable Housing (USD) % of energy use reduced vs local baseline % of renewable energy generated on-site - Annual GHG emissions reduced in tCO₂e vs local baseline (EDGE certification level) % of water reduced vs local baseline - Amount of waste reduced, reused, or recycled in % of total waste - Waste removed in tons 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 Harmonized Framework for Impact Report for Environmental and Social Bonds. 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.
Data sourcing and methodologies of quantitative assessment	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 projects certification by FMV. The impact metrics calculation below are based on ex ante estimates of annual impact related to the requirements of FMV's certification procedure. An 18 projects sample size is used to quantify the impacts on the below indicators with a confidence level of 95% and margin of error of 2.5%: For Annual GHG emissions reduction indicator, the Issuer has adopted the EDGE certification requirement as the local baseline, and used the EDGE online calculation tool to evaluate the annual GHG emissions reduction. The tCO₂e emission reduction was calculated using the lowest value per year per housing project.

	For % of energy reduced vs local baseline, the calculation is composed using the EDGE online calculator. For % of water reduced vs local baseline, the calculation is composed using the EDGE online calculator. 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 18 sample projects using the EDGE online tool.
Baseline selection	The impact metrics such as the % of energy use reduced, the % of water reduced and annual GHG emissions reduced in tCO ₂ are compared with local baseline ⁹ .
Scale and granularity	The impact data are presented at the Use of Proceed category level for the indicator(s).

⁹ The issuer adopted the IFC EDGE online calculation tool, which provides the baseline for the consumption of water and energy for Peru in 2015.

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 the ICMA "A High -Level Mapping to the Sustainable Development Goals"¹⁰.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
Number of Sustainable Affordable Housing units financed Amount of financing for Sustainable Affordable Housing (USD)	    
% of energy use reduced vs local baseline based on EDGE certification level % of renewable energy generated on site	 
Annual GHG emissions reduced in tCO₂e vs local baseline based on EDGE certification level	 
% of water reduced vs local baseline based on EDGE certification level	
Amount of waste reduced, reused or recycled in % of total waste Waste removed in tons	

OPINION

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different level of eligible green projects as proposed in the Framework, and the Fondo Mivivienda S.A.'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 or the HFIRSB.*

¹⁰ [ICMA's Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds](#)

DISCLAIMER

1. Validity of the External Review ("External Review"): Valid as long as the cited Report issued on June 14, 2023, remains unchanged.
2. ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells/distributes Report Reviews which are prepared and issued by ISS ESG, the responsible investment arm of ISS, on the basis of ISS ESG's proprietary methodology. In doing so, ISS adheres to standardized procedures to ensure consistent quality of responsibility research worldwide. Information on ISS's methodology is available upon request.
3. Report Reviews are based on data provided by the party to whom the Report Review is provided ("Recipient"). ISS does not warrant that the information presented in this Report Review is complete, accurate, or up to date. Neither ISS or ICS will have any liability in connection with the use of these Report Reviews, or any information provided therein.
4. Statements of opinion and value judgments given by ISS are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Report Review is not an assessment of the economic profitability and creditworthiness of a financial instrument but refers exclusively to the social and environmental criteria mentioned above. Statements of opinion and value judgments given by ISS are based on the information provided by the Recipient during the preparation of the Report Review and may change in the future, depending on the development of market benchmarks, even if ISS is requested by the Recipient to provide another Report Review on the same scope of work.
5. This Report Review, certain images, text, and graphics contained therein, and the layout and company logo of ICS, ISS ESG, and ISS are the property of ISS and are protected under copyright and trademark law. Any use of such ISS property shall require the express prior written consent of ISS. The use shall be deemed to refer in particular to the copying or duplication of the Report Review wholly or in part, the distribution of the Report Review, either free of charge or against payment, or the exploitation of this Report Review in any other conceivable manner.

The Recipient that commissioned this report may have purchased self-assessment tools and publications from ICS or ICS may have provided advisory or analytical services to the Recipient. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any Recipient's use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation, or advice to buy or sell securities nor are they intended to solicit votes or proxies.

Deutsche Börse AG ("DB") owns an approximate 80% stake in ISS HoldCo Inc., the holding company which wholly owns ISS. The remainder of ISS HoldCo Inc. is held by a combination of Genstar Capital ("Genstar") and ISS management. ISS has formally adopted policies on non-interference and potential conflicts of interest related to DB, Genstar, and the board of directors of ISS HoldCo Inc. These policies are intended to establish appropriate standards and procedures to protect the integrity and independence of the research, recommendations, ratings, and other analytical offerings produced by ISS and to safeguard the reputations of ISS and its owners. Further information regarding these policies is available at <https://www.issgovernance.com/compliance/due-diligence-materials>.

© 2023 | Institutional Shareholder Services and/or its affiliates

ANNEX 1: Methodology

Review of the post-issuance Reports

The report review of post-issuance reports provides the Issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced. On the basis of the information provided by the Issuer, the alignment of the report is assessed with recognized market guidelines, the metrics chosen by the Issuer and the soundness of process and methodology of reporting. The metrics are analyzed based on specific sets of indicators using proprietary method referring to common market guidelines.

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 the Issuers reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

SCOPE

Fondo Mivivienda S.A. commissioned ICS to compile a Report Review on its Bond Report. The Report Review process includes verifying whether the Bond Report aligns with the Issuer's Green, Social and Sustainability Bond Framework and the respective market standards, i.e. the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and to assess the robustness and completeness of the reporting methodologies.

CRITERIA

Relevant Standards for this Report Review:

- ICMA Green Bond Principles, Social Bond Principles
- ICMA Harmonized Framework for Impact Reporting
- ICMA Harmonized Framework for Impact Reporting for Social Bonds
- ICMA A High -Level Mapping to the Sustainable Development Goals

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 ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis, and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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 Issuer Name took place from April to June 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS 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

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyzes companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent Report Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

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

For information on Report Review services, contact: SPOsales@isscorporatesolutions.com

For more information on this specific Sustainability Bond and Allocation Report Review, please contact: SPOOperations@iss-esg.com

Project team

Project lead

Allen Ng
Associate
ESG Consultant

Project support

Vittoria Favalaro
Analyst
ESG Consultant

Project support

Kushum Mehra
Junior Analyst
ESG Consultant

Project supervision

Marie-Bénédicte Beaudoin
Associate Director
Head of ISS ESG SPO
Operations