FibraShop's Sustainability-Linked Financing Framework (FSHOP)

FIBRA SHOP

FSHOP's Sustainability-Linked Financing Framework

Based on the ICMA's[1] 2020 Guidelines for Sustainability-Linked Bonds and the LMA's Guidelines for Sustainability-Linked Loans of March 31, 2022

This Framework provides investors and lending institutions with a better understanding of sustainability-linked financing instruments that FSHOP can issue and/or loan agreements that it can enter into as of publication of this document. Our objective is to be transparent regarding how sustainability fits into our strategy, including the use and administration of funds raised, and our overall Environmental, Social and Governance (ESG) strategy. Selecting the key performance indicators (KPIs), measuring sustainability performance targets (SPTs), and the reporting methodology are all part of this objective.

September 2022

General Description of FSHOP

FSHOP is a real estate investment trust in Mexico – known as a Fibra – and the first Fibra in the country specializing in commercial properties that was created mainly to acquire, own, build, lease, and operate shopping malls.

Our main objective at FSHOP is to provide our bondholders with attractive returns through a diversified portfolio of properties that are strategically located in desirable locations, both in underserved and in densely populated markets, employing the organization's characteristic quality and design that allow optimal and flexible use of the property.

FSHOP is administered by a specialized team of experts who have extensive experience in the industry, whose expertise is supported by outside advisory services provided by Fibra Shop Portafolios Inmobiliarios, S.C. FSHOP's objective is to provide attractive yield to CBFI holders through stable appreciation and distribution of capital. We have also established the goal of becoming leaders in Mexico and in the industry in sustainability matters. As will be discussed below, our comprehensive strategy has clear, objective, and ambitious goals.

Mission

To grow quickly, taking advantage of the best opportunities to consolidate in the Mexican commercial sector, employing our multi-platform concept. To offer maximum operating efficiency, creating high yields for our investors.

Vision

To revolutionize the shopping mall market, creating a flexible multi-platform vehicle that meets the needs of consumers and tenants in Mexico. To become the leading operator and the largest owner of shopping malls in Mexico.

Values

- Integrity: Authentic and honest in all our processes
- Passion: Commitment and follow-through on everything we do
- Competitiveness and innovation: We are constantly imagining projects that lead to process improvements and higher quality of service
- Teamwork: We share knowledge, experience, and commitment with our employees to reach our goals
- Effectiveness: We are proactive and demanding with our objectives

At FSHOP we are firmly committed to being a leading real estate company, improving and innovating in different social, environmental, and governance (ESG) areas through our sustainable strategy.

Portfolio

Our portfolio is comprised of 18 properties we fully own and one that is a joint venture, located in 12 states throughout Mexico. We currently have gross leasable area (GLA) of 659,232 m^2, while our total managed area is 735,496 m^2, not including the joint venture property. Including the joint venture property, the area managed with FSHOP's participation is 767,554 m^2.

FSHOP's Focus on Sustainability

We are always striving to improve and to be innovative in order to be sector leaders in sustainability matters. Our focus is based on the ESG strategy we have been working on, which we formalized and began reporting according to the different standards that were recognized in 2020. The objective is to create a culture that contributes positively to the environment and to society through our operations. Based on our strategy, we manage the environmental, social, and governance matters that are most relevant to us, which were identified in our materiality study, in order to meet the expectations, requirements, and needs of all our stakeholders.

We are creating a new concept we call a "Lifestyle Center," which responds to the changing paradigm of the sector and is in harmony with our ESG strategy. This concept mainly consists of environmentally friendly spaces where we can bring the community together.

Our robust ESG strategy is based on our policies and procedures, which will be detailed below. The strategy comprises specific KPIs and measurable and attainable SPTs in the short, medium, and long term, whose purpose is to manage, measure, and monitor our performance periodically. Our strategy is based on the following national and international methodologies and standards:

- Global Reporting Initiative (GRI)
- Sustainability Reporting Standards Board (SASB)
- Global Real Estate Sustainability Benchmark (GRESB)
- Task Force on Climate-Related Financial Disclosure (TCFD)
- Sustainable Development Goals (SDG)
- AMEFIBRA Manual

Our ESG strategy is based on our policies and procedures, which are comprised of specific KPIs and measurable and attainable SPTs.

ESG Policies and Governance

At FSHOP, we are aware of the accelerated changes in sustainability matters worldwide, thus we must be alert in order to remain in the forefront and to be able to adapt to the new global trends and expectations of our stakeholders. We also recognize that ESG risks require action by the organization, which must be driven at the director level and adopted throughout the entire organization.

We have defined the following specific structure as part of our ESG management strategy:

- ESG Committee: Responsible for approving and overseeing the ESG strategy and risk management, as well as assigning responsibility in ESG matters, and communicating actively with stakeholders.[1]
- ESG Area: Responsible for implementing and overseeing ESG strategy, and preparing communications regarding sustainability progress and performance, both within and outside of the organization.

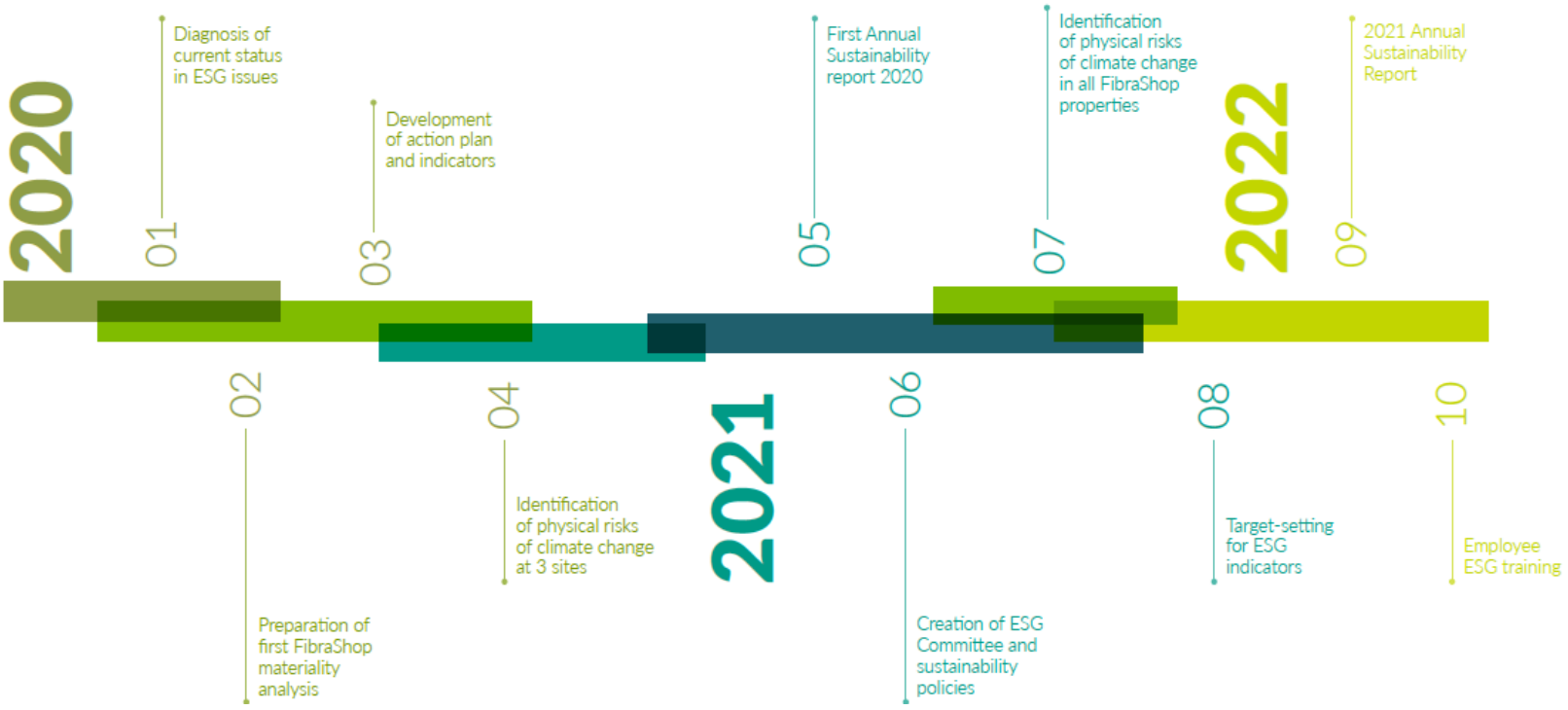
Improving our ESG strategy, in 2021 we developed a series of policies focused on our key issues that are in line with our organizational values and our sustainability commitments, both inside and outside the organization. The policies we implemented are listed below:[2]

- **Environmental Policy**, focused on protecting and preserving the environment in all our activities and operations.

[1] See sustainability reports for more Information on members and functions.
[2] Please see our policies on our web page: www.fibrashop.mx

- **Responsible Purchasing Policy**, which extends our ESG commitment to the supply chain
- **Social Policy**, focused on developing talent and creating a healthy and safe work environment
- **Community Involvement Policy**, which focuses on creating positive impacts on society, and showing our commitment to the communities where we operate by creating strong and lasting ties

SUMMARY OF CURRENT STRATEGY:



Materiality

We have defined the material issues for FSHOP and our stakeholders, considering the risks and opportunities that impact our ability to comply with our sustainability strategy and business model.[3] In 2020, we conducted a materiality analysis to identify the most relevant issues and to provide detailed reports of our ESG performance to all stakeholders. Additionally, in order to reflect the needs and expectations of our stakeholders regarding the organization's relevant issues, in 2022 we updated our 2020 materiality analysis, surveying our providers and tenants about how they intend to prioritize ESG issues.[4]

[3] Material issues are those that significantly impact, or that may impact our business directly or indirectly, as well as our ability to create value for our stakeholders.
[4] Our external sustainability advisor, Deloitte, provides us with support for these projects.

Materiality Matrix

- Energy
- Water
- Waste
- Climate change
- Work environment
- Corporate Governance
- Community engagement
- Diversity and inclusion
- Emissions
- Health and safety
- Risks and crisis
- Employee lifecycle
- Biodiversity
- Supply chain
- Human rights
- Communication, transparency and accountability
- Anticorruption
- Stakeholders
- Information security
- Sustainable spaces
- Ethics and regulatory compliance

Sustainable Development Goals (SDG)

As we continue developing our ESG strategy, we have improved our alignment with the SDG by diagnosing and analyzing our peers and the industry. We have identified our strengths and areas of opportunity for alignment and impact with the SDG that we identified as being a priority for the organization, considering sector best practices and based on our operations.

Our Priority SDG

Having a strategy that is in line with the SDG creates benefits both within and outside of the organization, enhancing the positive impact we can have on the environment and on society, and identifying areas in our activities where we can attract more investors, aligning ourselves with the requirements and expectations of our interest groups, and creating a competitive advantage by creating greater value throughout the life cycle of our properties.

Our performance in terms of our priority SDG was evaluated considering the four following areas so that we would have an overall perspective of our scope and operations:

1. Business model: focused on our organization's strategy in managing SDG
2. Internal operations: in reference to managing direct impacts from our activities
3. Supply chain: focused on managing our providers and how they intend to implement SDG 4. Collective action: refers to creating partnerships that impact SDG 17

Climate Change

Climate change is a global challenge. Carbon emissions are currently contributing to global warming, resulting in increased frequency and intensity of adverse climate events worldwide. Leadership and action to slow emissions are essential; market expectations and government policies are now changing to meet this challenge on an urgent and priority basis.

At FSHOP we are developing a climate change strategy using the four TCFD recommendations as the main guideline. In 2020, we performed a preliminary analysis on physical climate risks aligned with our 2020 Sustainability Report, at our three main properties: Plaza Kukulcán, Puerta La Victoria, and Puerto Paraíso. The analysis focused mainly on the projected exposure from climate risks using the timelines of years 2030, 2050, and 2100 for each location.

The study conducted in 2021 quantifies the change in exposure to physical climate hazards at FSHOP's 19 properties, and describes the potential impacts on a regional scale. Physical climate risks (such as decreased precipitation, heat waves, floods, cyclones, and rising sea levels), have direct impacts on infrastructure, health, agriculture, and productivity. We use forecasting tools (such as scenario analysis and climate models) to adapt to climate change before significant environmental crises occur, and thus develop climate resilience.

FUTURE CHANGES IN 2030 UNDER A HIGH-EMISSION SCENARIO

OVERVIEW

- **Northern Mexico**
  - Shopping centers here are exposed to sharp increases **in hot days, extreme wildfire days, hurricanes, extreme rains and water stress**, particularly at Puerto Paraíso. The frequency of category 4 and 5 hurricanes increases the most along the Pacific coast.
  - For **Puerto Paraíso**, water stress is projected to **double** by 2030, and this area also has a high wildfire risk.
- **Central Mexico**
  - Shopping centers in Central Mexico are exposed to future increases in **extreme dry and wet conditions**. Water stress rises, particularly in Plaza Cibeles and La Perla. Various properties are exposed to an increase of around 25% in **extreme wildfire days**, particularly UC Nima Shops, La Perla, Plaza Cibeles, Cruz del Sur and UC Xalapa.
- **Southern Mexico**
  - The shopping centers in this part of the country are exposed to future increases in **hot days and hurricanes** (Kukulcán), **storm surges and high intensity of extreme rainfall** (Galerías Tapachula) as well as **water stress** (UC Xalapa).
  - **Plaza Kukulcan** has the greatest risk of high intensity category 4 and 5 hurricanes, currently and in the future.
  - **Galerías Tapachula** has the greatest risk of an increase in the frequency of storm surge events, previously seen only once in a century, and which are expected to be occurring annually by 2050.

Metrics and Goals in our Environmental Strategy Focused on Energy, Emissions, and Climate Change

FSHOP relies on natural resources for activities at each of its properties. The resilience of these resources and environmental processes is fundamental to our ability to create value and generate financial returns. We share the responsibility for reducing the environmental impact of our commercial activities, therefore we strive to use resources sustainably.

Our environmental policy lays out our objective of revolutionizing the shopping mall market towards a sustainable future, involving our employees, and contributing positively to the environment and to the communities where we operate, with the following focus:

- Management and mitigation of environmental impacts arising from our operations, and reducing consumption of water and energy resources
- Reducing greenhouse gas emissions (GHG) to comply with the Paris Agreement
- Identifying and responding to the physical risks to our properties associated with climate change, based on TCFD recommendations
- Complying with legal requirements in environmental matters

Energy costs are a challenge for the real estate sector and for FSHOP's stakeholders. By improving energy efficiency, we seek to reduce the operating costs of our assets and to reduce our tenants' energy requirements, as well as GHG.

	2019	2020	2021	Variation of energy consumption 2021 vs. 2019 (GJ)	Units
Electricity consumption from non-renewable sources	20,656.21	11,612.86	12,551.94	-39%	MWh
	74,362.34	41,806.30	45,186.984		GJ
Electricity consumption from renewable sources*	0	553,201	2,923.16	428%	MWh
	0	1,991.52	10,523.376		GJ
Total electricity consumed	74,362.34	43,797.82	55,710.36	-25%*	GJ
Total LP gas	0	117.00	1,576.71	1250%**	Liters
	0	3.05	41.18		GJ
Total natural gas	37.54	31.82	13.92	-66%	m^3
	1.55	1.32	0.53		GJ
Total diesel	9,760.00	8,460.66	5,568.59	-44%	Liters
	372.01	322.49	209.8		GJ
Total gasoline	27,601.00	21,415.91	11,153.31	-62%	Liters
	970.97	753.38	369.63		GJ
Total consumption of fuels	1,344.53	1,080.24	621.14	-54%	GJ

*The variation is with respect to 2020, as no energy from renewable sources was consumed in 2019

** The variation is with respect to 2020, as LP Gas was not consumed in 2019, and the increase corresponds to consumption at our new property, La Perla

Consumption from renewable sources was 19% of our annual energy consumption in 2019, which was five times greater than renewable consumption in 2020. Energy consumption from non-renewable sources dropped 39% over 2019.

Variation of non-renewable energy consumption (GJ)

Shopping malls	2019	2020	2021	Variation in energy consumption 2021 vs. 2019
Plaza Cibeles*	9,391.39	4,697.40	4,510.55	-52%
La Luciérnaga	1,192.31	760.77	593.79	-51%
Puerto Paraíso	15,678.80	10,303.67	10,303.67	-30%
Kukulcán Plaza*	12,296.17	6,416.13	6,913.09	-44%
Puerta Texcoco	2,324.36	1,700.96	1,516.52	-35%
UC Xalapa	269.19	236.09	225.17	-16%
UC Jurica	783.90	507.35	755.89	-4%
UC Juriquilla	648.95	580.92	590.04	-9%
Nima Shops	136.81	121.31	134.18	-2%
Plaza Los Atrios	1,446.18	927.17	873.48	-40%
Galerías Mall Sonora*	9,746.46	2,699.21	3,728.76	-62%
Galerías Tapachula*	3,354.68	1,190.10	54.46	-98%
Las Misiones	4,752.90	2,385.18	3,413.76	-28%
City Center Esmeralda	2,067.95	1,709.70	1,510.68	-27%
Plaza Cedros	681.75	460.72	454.90	-33%
Cruz del Sur	1,333.91	1,285.46	1,220.22	-9%
Puerta La Victoria	9,553.13	6,867.74	7,364.32	-23%
La Perla	NA	NA	1,044.10	NA
Total	75,706.31	42,885.22	45,808.13	-39%

The increased energy consumption at some of our properties is due to the return of regular operations after pandemic-related restrictions. The results are the sum of electricity consumption and fuel consumption per property stated in GJ.

*In the second half of 2020, these four properties installed photovoltaic systems, resulting in a significant decrease in comparison with their base year (2019).

Energy intensity

To identify the properties with the most efficient renewable and non-renewable energy consumption, we calculated energy intensity, which is the result of the relationship of energy consumption (GJ) and the constructed area of each property (m^2). FibraShop's average energy intensity is 0.04033 GJ/m^2 constructed area, also stated as 11.08 kWh/m^2 of constructed area, which is a 6% reduction over the previous year, and a 44% reduction over 2019.

	2019	2020	2021
Energy intensity (GJ/m^2 of constructed area)	0.07	0.043	0.040

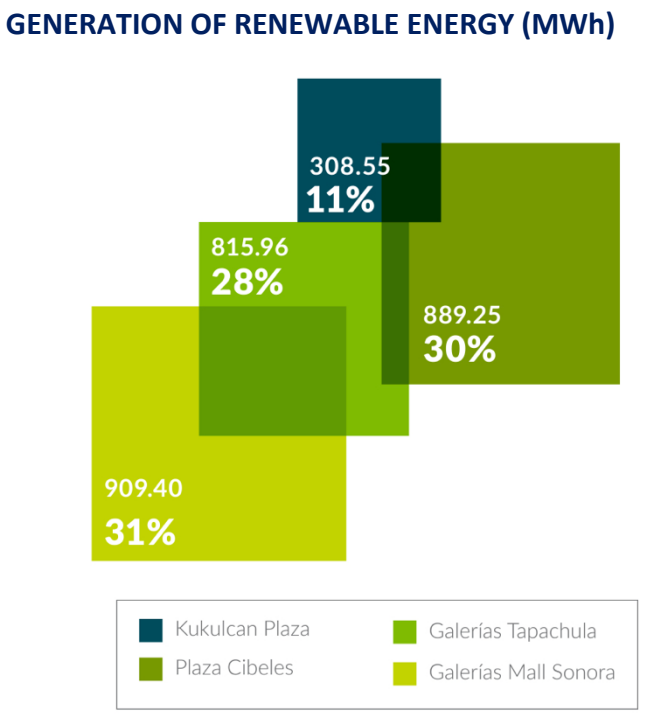
The following table shows energy intensity only considering non-renewable electricity consumption per property, in order to allow comparability between the years 2019 and 2020.

Shopping malls	Total constructed area (m^2)	Consumption 2021 (GJ)	GJ/m^2 per year (2021)
Plaza Cibeles	116,820.94	4,419.70	0.037
La Luciérnaga	31,964.00	548.37	0.017
Puerto Paraíso	117,347.03	10,760.70	0.091
Kukulcán Plaza	63,822.05	6,874.59	0.107
Puerta Texcoco	75,879.50	1,506.99	0.019
UC Xalapa	10,335.11	222.33	0.021
UC Jurica	33,412.92	729.21	0.022
UC Juriquilla	20,435.00	573.12	0.028
Nima Shops	5,229.00	133.59	0.025
Plaza Los Atrios	58,205.00	834.19	0.014
Galerías Mall Sonora	87,121.72	3,718.60	0.042
Galerías Tapachula	39,277.87	15.96	0.0004
Las Misiones	85,547.00	3,405.45	0.039
City Center Esmeralda	54,410.94	1,490.63	0.027
Plaza Cedros	26,227.14	435.35	0.016
Cruz del Sur	37,160.59	1,217.20	0.032
Puerta La Victoria	179,092.00	7,301.24	0.040
La Perla*	354,265.72	999.65	0.00282*

*La Perla reports information as of 2021.

Photovoltaic Systems

In 2021, FSHOP consumed a total of 2,923.16 MWh from our solar panel installations located at four properties. Shown below is energy generation as a percentage of total consumption per property:



LED lighting at our properties

Shopping malls	Percentage of progress	Areas not yet installed
Plaza Cibeles	80%	Parking and commercial track in the old area
La Luciérnaga	100%	
Puerto Paraíso	90%	Covered parking
Kukulcán Plaza	100%	
Puerta Texcoco	100%	
UC Xalapa	100%	
UC Jurica	100%	
UC Juriquilla	100%	
Nima Shops	100%	
Plaza Los Atrios	100%	
Galerías Mall Sonora	90%	Parking
Galerías Tapachula	100%	
Las Misiones	100%	
City Center Esmeralda	100%	
Plaza Cedros	100%	
Cruz del Sur	90%	Parking
Puerta La Victoria	100%	
La Perla*		

*The percentages shown are on the total gross leasable area (GLA) of the shopping mall.

Energy Goals

We at FSHOP are committed to protecting the environment, therefore, within our priority SDG we have proposed ambitious, quantifiable, and measurable targets that we believe will significantly reduce our energy consumption, and consequently contribute positively to climate change and to reducing GHG. These targets are:

1. Decreasing energy intensity by 45% by 2024.
2. Generating at least 45% of our energy needs from renewable sources by 2024.
3. Having 100% LED lighting throughout all of our properties by 2024

For the second goal, we will continue with the project we started in 2019, which focuses on considerably decreasing our energy consumption and the related operating expenses. Given the conditions of luminosity and space available for installation, the project was structured in stages. In the first stage, four properties were selected, which are currently in operation and producing approximately 13% of FSHOP's total annual consumption.

Throughout the remainder of this year and continuing into 2023, additional solar panels will be installed at 13 properties. The project will take 52 weeks to complete, including installation, testing, and operation, with an investment of approximately 100 million pesos. Once installed and operating, the total photovoltaic system will have the capacity to generate up to 52.6% of the energy FSHOP consumes in a year, which is more than 11.8 million kWh per year. This will result in a considerable decrease in GHG.

For strategic purposes, and to be able to compare reductions, the decision was made to use 2019 as the base year, as that was prior to the COVID-19 pandemic. During 2020, 2021 and 2022, the properties were partially closed and therefore do not represent a normal year of energy consumption.

Shopping malls	Annual kWh consumption without photovoltaic system (base year)	Guaranteed annual kWh production with existing systems	Annual kWh production with systems to be installed in 2022-2023	Total estimated production with all systems	% generation with photovoltaic systems
Puerto Paraíso	4,314,511		836,257	836,257	19.4%
Kukulcán Plaza	3,414,574	516,390		516,390	15.1%
La Perla*	2,424,837		842,837	842,837	34.7%
Plaza Cibeles	2,571,740	876,210	1,679,434	2,555,644	99.4%
Galerías Mall Sonora	2,708,381	885,250	592,289	1,477,539	54.6%
Puerta La Victoria	2,043,238		894,886	894,886	43.8%
Misiones	1,303,697		1,303,697	1,303,697	100.0%
Galerías Tapachula	871,308	770,250		770,250	88.4%
Puerta Texcoco	663,963		564,870	564,870	85.1%
City Center Esmeralda	560,249		566,565	566,565	101.1%
Cruz Del Sur	419,640		419,640	419,640	100.0%
Plaza Atrios	338,466		338,466	338,466	100.0%
UC Jurica	204,720		174,275	174,275	85.1%
Plaza Cedros	182,551		182,551	182,551	100.0%
UC Juriquilla	151,440		138,400	138,400	91.4%
Plaza La Luciérnaga	159,273		159,273	159,273	100.0%
UC Xalapa	72,080		71,605	71,605	99.3%
Nima Shops	36,360				0.0%
Total	22,441,028	3,048,100	8,765,045	11,813,145	52.6%

*Estimated consumption

Although we stated in our 2020 Sustainability Report that installing solar panels was not viable at all properties, we reviewed this conclusion with experts and realized that the only property where installing solar panels is not feasible is Nima Shops.

Reasons to Take Out Loans or to issue Sustainability-Linked Bonds

As has been stated throughout this Framework, electricity consumption is a very important part of FSHOP's ESG strategy, as it contributes to reducing GHG and mitigating adverse impacts from climate change.

With this strategy and our progress to date in implementing our ESG strategy, in which we have reported very specific metrics and clear goals in our sustainability reports, FSHOP is ready to take out loans or issue debt linked to KPIs that are measured with SPTs and that are in line with our priority SDG.

However, Fibras are growth vehicles that distribute dividends periodically, which means that a central part of our business model is to raise financing through the capital markets (whether by raising capital or issuing debt) and bank loans.

The company's debt issuances under this Framework will follow the guidelines established by the ICMA 2022 for "Sustainability-Linked Bonds" or "SLBs," and "Sustainability-Linked Loans" or "SLLs," by the LMA in March 2022, which guidelines recommend characteristics in line with good practices for structuring, releasing, and reporting related to SLBs and SLLs.

Sustainability-Linked Bond Principles (SLBPs) and Sustainability-Linked Loan Principles (SLLPs) are voluntary process guides that describe best practices for financial instruments to incorporate future milestones within the scope of ESG, encouraging commonality in the development of sustainability-linked bonds and loans, providing a detailed description of the process of issuing an SLB/SLL. Our Framework, which is based on the five components of SLBPs/SLLPs, will be used for future debt issuances:

1. Selecting KPIs
2. Measuring SPTs
3. Bond and/or bank loan characteristics
4. Reporting
5. Verification

At FSHOP energy use is extremely relevant, and we believe that by increasing the use of renewable and clean energies we can have a large positive impact on the environment, and contribute significantly to reducing greenhouse gases. Therefore, for this Framework we will use some of our priority SDG:

SDG	Description
	Affordable and Clean Energy
	Sustainable Cities and Communities
	Responsible Consumption and Production
	Climate Action

Sustainability-Linked Financing Framework

1. Selecting Key Performance Indicators (KPIs)

KPI: Clean and Renewable Energy as a Percentage of the Total Electricity Consumed

KPI rationale

For the bank loans that we will enter into under this Framework, we are focusing on the efficient use of clean and renewable energy, as we are committed to substantially increasing the use of clean and renewable energies throughout our properties.

Reaffirming our commitment to continue increasing the use of clean and renewable energy, and to decrease electricity consumption, which is one of the most important inputs in our industry, we will be able to increase our positive impact on the environment as we fulfill our commitment to upholding the sustainability goals established by the United Nations (SDG 7 – Affordable and Clean Energy, SDG 11 – Sustainable Cities and Communities, SDG 12 – Responsible Consumption and Production, and SDG 13 – Climate Action).

We believe that maintaining and improving the KPI of clean and renewable energy as a percentage of the total energy consumed is fundamental and material not only for FSHOP, but also for the entire Fibra and real estate industry in Mexico and worldwide. As we strive to meet our ambitious commitments, we will adhere closely to our production and responsible electricity consumption goals. We believe that by increasing our use of clean and renewable energy we can inspire positive movement in our industry. Indeed, we have colleagues in Mexico that are also implementing pilot tests to install photovoltaic systems at their properties.

KPI Methodology

We will include the total number of kWh consumed by all of the properties in FSHOP's portfolio, and we will break down how many of those kWh come from clean and renewable energy sources through the photovoltaic systems that we have, and that we will be installing between 2022 and 2023. The first item will be the meters and receipts from the Federal Electricity Commission (Comisión Federal de Electricidad – CFE), which will provide us with our kWh consumption from the CFE's network, assuming that for the purpose of the KPI goals production does not come from clean and renewable sources. The second input will be electricity generation in kWh for each photovoltaic system that we will install at our properties.

KPI Formula

The formula used to calculate the KPI is as follows:

$$Percentage\ of\ Clean\ and\ Renewable\ Energy\ \frac{kWh\ consumed\ from\ our\ photovoltaic\ systems}{\text{kWh consumed from CFE} + \text{kWh consumed from our photovoltaic systems}}$$

2. Sustainability Performance Measurement Systems (SPMS)

Description of STP

KPI	Clean and Renewable Energy as a Percentage of the Total Electricity Consumed
Goals	STP_{2023}: At least 25% of the total energy consumed will come from clean and renewable energy STP_{2024}: At least 45% of the total energy consumed will come from clean and renewable energy STP_{2030}: At least 50% of the total energy consumed will come from clean and renewable energy FibraShop's overall objective is to attain a metric of at least 50% by 2030.
Base Year	2019
Alignment with SDG	Affordable and Clean Energy 7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services. 7.2 By 2030, considerably increase the proportion of renewable energy in energy sources.
Alignment with SDG	Sustainable Cities and Communities 11.6 By 2030, reduce the negative environmental impact per capita of cities, paying special attention to air quality and management of municipal waste
Alignment with SDG	Responsible Consumption and Production 12.2 By 2030, achieve sustainable management and efficient use of natural resources
Alignment with SDG	Climate Action 13.1 Improve resilience and the ability to adapt to climate-related risks and natural disasters in all countries

The timeframe for observing and measuring KPIs and STPs regarding annual energy consumption will be once per year, from January 1 to December 31 of each year. That is to say, by January 30 of each year, the following will have been measured:

1. Annual energy consumption measured in kWh from our photovoltaic systems.
2. Annual energy consumed that is provided by the CFE.
3. The total energy resulting from the sum of numbers one and two.
4. The percentage of clean and renewable energy.

Evolution of the KPI

	2019	2020	2021	2022	2023	2024	2026	2027	2028 - 2030
Percentage of clean and renewable energy of the total electricity consumed	0.00%	4.55%	18.89%	18.89%	25.00%	45.00%	46.00%	47.00%	50.00%

It should be noted that the historical measurement of the KPI was impacted by the effects of the COVID-19 pandemic. In 2020, 2021 and 2022, most of our properties were partially closed, therefore electricity consumption dropped considerably when compared to pre-pandemic consumption. As mentioned previously, this was the reason we defined 2019 as the base year, as it was a year of normal energy consumption at the properties.

Therefore, the percentages of renewable energy for the years 2020 and 2021 are higher than they would have been if the properties had been at full capacity, and energy consumption had been normal. We estimate that, not including the impacts of the pandemic in 2020, 2021, and 2022, the percentages of renewable energy would have been approximately 2%, 13%, and 14%, respectively. The difference between the years 2021 and 2022 is due to the fact that the photovoltaic systems were already installed, and consumption was gradually normalizing. We estimate that 2023 will be a year of normal energy consumption.

To reach the goals established for the KPI, as stated in the section "Energy Goals," in 2019 we initiated a project to install photovoltaic systems at all of our properties. That strategy began with a first phase that included four properties, and throughout the remainder of 2022 and 2023, we will be installing photovoltaic systems at all of the properties that are currently part of FSHOP's portfolio. The strategy for installing the photovoltaic systems is to first install the largest systems that will contribute the most to generating clean and renewable energy as a percentage of total energy consumption. It should be noted that improving the KPI in 2023 will be impacted by the period of installation and start-up of the systems, therefore the installed systems will not reflect a full year of operation.

By 2026, improvement of this KPI will be smaller, as there will have already been several years of full operation of the photovoltaic systems at the properties.

As we continue to incorporate new properties into the portfolio, we will be monitoring and evaluating the goals to identify if they need any adjustment. Any re-evaluation of the KPIs, reformulation of the SPTs, and/or adjustments in scope or to the bases of measuring the KPIs will be reported, and any necessary adjustments to this Framework will be made.

FSHOP will review this Framework, including its alignment to the updated versions of the pertinent principles as they are published, with the objective of adhering to best market practices. FSHOP will also review this Framework if material changes occur to our business, methodology, and particularly the KPIs and/or SPT measurement.

If certain events occur at FSHOP, such as acquisitions, sale of properties, or regulatory changes that materially impact calculation of the defined KPI, we may have to redefine the SPT(s) or adjust the scope or bases of measuring the KPI. Any adjustments will be communicated in FSHOP's annual sustainability report, and in its quarterly reports.

3. Bond and/or Bank Loan Characteristics

The financial characteristics of FSHOP's sustainability-linked bonds and/or bank loans will be linked to at least one of the SPTs defined in this Framework, resulting in adjustment of the coupon and/or interest rate on a bank loan if the respective SPT is not attained. Unless otherwise established in the documents specific to the issuance and/or bank loan, FSHOP will not be obligated to use funds from the sustainability-linked bonds and/or bank loans for investments in green projects (as per our Green Bonds Framework). The corresponding amount of the margin adjustment and the date established for such an adjustment will be specified in the relevant documents of the issuance and/or corresponding loan agreement.

If any of the SPTs are not attained by the established date, in accordance with the report published subsequent to the established date, the penalty specified in the corresponding issuance documents and/or loan agreement must be paid. The penalty payment mechanism must be established in the final terms and conditions of the corresponding instrument that is offered, and/or the loan agreement.

4. Reporting

Every year FSHOP will publish a Sustainability Report on its website, as well as its quarterly reports, which will include:

1. Information on the SPTs as compared to the selected KPIs
2. Any relevant information that will allow investors to monitor other aspects of the progress of the SPTs
3. A verification certificate outlining KPI performance in relation to the SPTs
4.

When possible, the information will include:

1. An illustration of the positive sustainability impacts from improved performance
2. A quantitative and qualitative explanation of the contribution to the principal factors
3. Any re-evaluation of the KPIs, reformulation of the SPTs, and/or adjustments in scope or the bases of measuring the KPIs

5. Verification

The Framework of FSHOP's sustainability-linked bonds will be reviewed by an independent expert who will provide their opinion ("Second-Party Opinion," or "SPO") confirming the Framework's adherence to the SLBPs 2020/SLLPs 2021 administered by the ICMA/LMA.

Every year an external adviser with relevant experience will perform an external and independent verification of the level of performance of the SPTs for the chosen KPIs. The verification will be in the manner of "limited assurance." Verification of performance will be available to the public on our web page www.fibrashop.mx . This verification will also be included in the verification of the Annual Sustainability Report that FSHOP will publish every year.

FSHOP also agrees that the historic indicators (last three years) of the KPI will be independently verified by an external adviser with relevant experience.

DISCLAIMER

The information and opinions contained in FSHOP's Sustainability-Financing Framework (the "Framework") are provided as of the date of this Framework, and are subject to change without prior notice. Neither FSHOP nor any of its affiliates assume any liability or obligation whatsoever to update or revise said statements, regardless of whether or not they are affected by the results of new information, future events, or information of any other type. This Framework represents FSHOP's current policies and intentions, it is subject to change, and it does not seek, nor can it be invoked, to create legal relationships, rights, or obligations. This Framework seeks to provide general and non-exhaustive information. This Framework may contain, or incorporate by reference, public information that has not been reviewed, approved, or backed by FSHOP separately, and consequently no representation, warranty, or commitment whatsoever is provided, express or implied, and FSHOP does not accept any liability whatsoever regarding the impartiality, preciseness, reasonability, or integrity of said information. This Framework may contain declarations on events and future expectations that are "forward-looking statements." Forward-looking statements are usually identified by the inclusion of words such as "objective," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," and "will," or similar statements or variations of those terms and other similar expressions. Forward-looking statements intrinsically imply risks and uncertainties that may cause actual results to differ materially from those provided in such statements. None of the projections, expectations, estimates, or outlooks contained in this document may be considered as projections or promises, nor should they be considered as an indication, security, or guarantee that the assumptions on which said projections, expectations, estimates, or outlooks have been made are correct or all-inclusive, or that such assumptions are fully included within this Framework. Factors including, but not limited to, economic, political, and market conditions, changes in government policies, changes in laws, standards or regulations, lack of available appropriate projects, failure to complete or implement projects or other challenges, could limit the company's attainment of some or all of the benefits expected from these initiatives, including the financing and finalization of the selected projects. This Framework is not a recommendation regarding any security whatsoever of FSHOP, nor that of any member of FSHOP.