

# Sustainalytics Second Party Opinion

## Banco Compartamos Social Bond Framework

1 August 2025

Framework owner and location:  
Banco Compartamos S.A. I.B.M.  
Mexico

Sector:  
Banking

### Overall Assessment

Sustainability Contribution



Principles Alignment

✓ **Aligned**

Social Bond Principles 2025

### Contribution to SDGs



### Assessment Summary

Banco Compartamos has developed the Banco Compartamos Social Bond Framework dated July 2025, under which it intends to issue social bonds to fund projects in Mexico within three social categories.

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's three use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

The Bank intends to finance social expenditures in Employment Generation—Microfinance and Entrepreneurs Financing; Socioeconomic Advancement and Empowerment—Programs to Support Men and Women with Small Businesses; and Access to Essential Services—Financial.

Regarding microfinancing, the Bank will extend loans to underserved individuals. The Bank will also provide microfinancing to entrepreneurs and micro, small and medium enterprises (MSMEs), with a primary focus on women-owned businesses. Both types of financing are offered at below-market interest rates and are accompanied by other financial advantages, although there is a lack of clarity regarding the degree of interest rate concessions that might be offered. Such expenditures will significantly contribute to improving access to finance among the target populations in Mexico.

In addition, the Bank intends to finance assets that enable the provision of microinsurance and transactional banking products and services to individuals and communities that have little or no credit history and face significant barriers to accessing financial services for the first time. The financing will facilitate access to financial operations, service payments, multi-level payments and top-ups with no transaction fees to such individuals. Collectively, such expenditures will notably contribute to improving access to financial services among the target populations.

We have assessed the Framework as **Aligned** with the Social Bond Principles 2025.

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This Second Party Opinion provides our point-in-time independent opinion of the Framework as at the Evaluation Date above and serves as an update to our previous Second Party Opinion dated 29 October 2024. Our assessments of Sustainability Contribution and Principles Alignment are based on our Assessment Framework for Use of Proceeds Instruments (also see Annex 1: Assessment Framework Overview). Our opinion also considers additional information that the Framework owner provided up to the Evaluation Date, as well as public and non-public information.

## Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Significant**, based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Employment Generation— Microfinance and Entrepreneurs Financing	 Neutral      Moderate <b>Significant</b> Strong	33%
Socioeconomic Advancement and Empowerment— Programs to Support Men and Women with Small Businesses	 Neutral      Moderate <b>Significant</b> Strong	33%
Access to Essential Services— Financial	 Neutral      Moderate <b>Significant</b> Strong	33%

## Issuer Overview & Sustainability Strategy

Banco Compartamos S.A. Institución de Banca Múltiple is a financial institution, part of Gentera S. A. B. de C. V. It offers loans and credit—mainly through a group lending methodology—to community groups and low-income individuals, as well as bank accounts, saving products, insurance policies and payment services. The Bank was created as a non-governmental organisation in 1990, but obtained a licence in 2000 to operate as a Limited Object Financial Institution (*sociedad financiera de objeto limitado* or SOFOL). In 2006, Banco Compartamos obtained a banking licence and has since operated as a multipurpose bank. Headquartered in Mexico City, the Bank serves more than 3 million clients as of December 2024. Since 2011, Gentera operates in both Mexico and Peru with its subsidiaries using the “Compartamos” brand.

The Bank’s sustainability strategy focuses on financial inclusion and support for female entrepreneurs and the provision of microfinancing for low-income and underserved populations.<sup>1</sup> In addition, the Bank is aligned with the Gentera Group’s sustainability strategy, which focuses on five strategic areas: i) impact on clients; ii) well-being of employees; iii) corporate citizenship; iv) good governance and integrity; and v) environment and climate change.<sup>2</sup> To deliver on its strategy of financial inclusion and the empowerment of underserved populations, including women and low-income individuals, the Bank has implemented several initiatives such as: i) a digitalisation plan for SMEs, reaching over 62,000 people; ii) a training programme targeted at women of all ages to strengthen entrepreneurial skills, reaching nearly 1,900 women; iii) a business and financial education course reaching 555 micro and small entrepreneurs; and iv) a community development process to empower the grassroots development of social entrepreneurship in fair trade and environmentally conscious practices, targeting 680 people across 19 communities.<sup>3</sup> Additionally, to advance financial inclusion, the Bank has partnered with another Gentera Group company, Yastás, which provides a payment network in Mexico, to increase its service provision to underserved communities through the expansion of electronic and mobile banking systems. In 2024, Banco Compartamos expanded its services in 1,264 municipalities through 5,286 commission agents who are part of the Yastás network and facilitated 26.9 million financial transactions on behalf of the Bank.<sup>4</sup>

As a subsidiary of Gentera, Banco Compartamos’ sustainability governance aligns with the Gentera Group framework and operates across two levels. The Group’s Sustainability Operating Committee oversees the implementation of its actions to ensure they align with its Strategic Sustainability Policy. The committee comprises the Group’s senior management including the Chief Executive Officer, Chief Financial Officer, Director of Management, Balance and Investor Relations, and Sustainability Leader. The environmental and social risk management is overseen by the Group’s Risk Committee.

Gentera publishes an annual Sustainability Report as per the Global Reporting Initiative Standards, outlining the Group’s targets and performance on its key ESG topics. It also details the Group’s ESG governance structure and risk management frameworks.

<sup>1</sup> Banco Compartamos, “Social Bond Framework 2024”

<sup>2</sup> Gentera, “Annual and Sustainability Report 2024”, at: [https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24\\_Ingles\\_1.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24_Ingles_1.pdf?MOD=AJPERES)

<sup>3</sup> Gentera, “Annual and Sustainability Report 2023”, at: [https://www.gentera.com.mx/wcm/connect/0978ed40-fa21-49d0-943b-25fed3eec701/Gentera\\_IA+English.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/0978ed40-fa21-49d0-943b-25fed3eec701/Gentera_IA+English.pdf?MOD=AJPERES)

<sup>4</sup> Gentera, “Annual and Sustainability Report 2024”, at: [https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24\\_Ingles\\_1.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24_Ingles_1.pdf?MOD=AJPERES)

## Principles Alignment

We have assessed the Banco Compartamos Social Bond Framework as follows:

### Social Bond Principles 2025 – **Aligned**

Banco Compartamos intends to issue social bonds under the Framework.

## Principles Alignment Detailed Evaluation

### Use of Proceeds

#### **Aligned**

##### *Alignment with core requirements*

- ▶ The Framework describes eligibility criteria appropriately.
- ▶ The Framework identifies relevant target populations for social projects.
- ▶ All expenditures are expected to provide clear social benefits.

### Project Evaluation and Selection

#### **Aligned**

##### *Alignment with core requirements*

- ▶ The Framework describes a governance process for the evaluation and selection of eligible projects.
- ▶ The Framework communicates the social sustainability objectives of eligible projects.
- ▶ The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

##### *Additional considerations*

- ▶ The Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Bank describes how eligible projects support its overarching sustainability objectives and strategy.
  - ▶ The Bank indicates the SDGs to which it expects to contribute through eligible projects.
  - ▶ The Bank will exclude the financing of activities related to nuclear power, weapons, alcohol, gambling, adult entertainment, mining and the extraction, storage, transportation or manufacture of fossil fuels.

### Management of Proceeds

#### **Aligned**

##### *Alignment with core requirements*

- ▶ The Framework describes a governance structure for the management of proceeds.
- ▶ The Framework describes the processes and systems that will be used to track the proceeds.
- ▶ The Framework describes the intended temporary placement for the balance of unallocated proceeds.

*Additional considerations*

- ▶ The Bank will manage the proceeds from the financing using a portfolio approach.
- ▶ The Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Bank intends to fully allocate all proceeds to eligible assets immediately after the issuance or within one year of issuance.
  - ▶ Proceeds will be temporarily held as cash or cash equivalents in accordance with the Bank's portfolio policies and will be used to refinance debt and maintain the growth of its portfolio. The Bank will not use the temporary proceeds to refinance debt that is linked to carbon intensive assets or activities.
  - ▶ The Bank will obtain on an annual basis assurance from a third party for its allocation of proceeds.

## Reporting

**Aligned***Alignment with core requirements*

- ▶ The Bank will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.

*Additional considerations*

- ▶ The Bank has committed to the following practices, which go beyond the core requirements:
  - ▶ The Bank will report on allocation and impact via an Annual Social Bond Report published on its website until full allocation.
  - ▶ The Bank will publish a category-level allocation report that lists the amount of net proceeds allocated to each eligible category, a brief description of selected assets and the outstanding amount of net proceeds yet to be allocated to assets at the end of the reporting period.
  - ▶ The Bank will report on the quantitative impact of projects using relevant metrics.
  - ▶ The Framework indicates at least one impact metric for each category.

## Sustainability Contribution

Banco Compartamos intends to use the proceeds from social bonds issued under the Framework to finance and refinance existing and future lending to increase access to finance for individuals, entrepreneurs and MSMEs through direct lending or investment in assets that enable such access.

We have assessed the overall Sustainability Contribution of the Framework as **Significant** based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution



### Sustainability Contribution per Use of Proceeds Category

Employment Generation —  
Microfinance and  
Entrepreneurs Financing



We have assessed the Sustainability Contribution of the Employment generation — Microfinance and Entrepreneurs Financing category as **Significant**. Investments under this category include direct loans or microfinance to individuals in Mexico's C-, D+ and D socioeconomic segments and individual entrepreneurs. These loans will be offered by the Bank at interest rates that are lower than prevailing market rates along with other financial advantages, although there is a lack of clarity regarding the degree of interest rate concessions. The expenditures in this category are expected to significantly increase access to financial services among underserved individuals in Mexico.

#### Category Expenditures

Expenditure	Description
Provision of loans to underserved individuals	► Financing to underserved individuals from the C-, D+, and D socioeconomic segments, with loans ranging from approximately USD 5,393 to USD 26,965.
Provision of loans to underserved entrepreneurs	► Financing to entrepreneurs from the C-, D+, and D socioeconomic segments, with loan amounts of USD 323 up to USD 4,853. ► For entrepreneurs, the number of employees will not exceed 10 members, and the total assets will be less than USD 100,000.

#### Analytical Commentary

In Mexico, access to financing for underserved groups, especially women, small or individual entrepreneurs, and marginalized populations, remains a persistent challenge. As of 2021, only 32% of adults in Mexico had access to formal credit. Women entrepreneurs face even greater exclusion. Less than 11% of women-owned businesses have access to formal financing, largely due to factors such as lack of collateral, informality and gender bias.<sup>5</sup> Women also have more limited access to financial products, with only 61% having access to at least one formal financial product, compared

<sup>5</sup> World Bank, "Expanding Financial Access for Mexico's Poor and Supporting Economic Sustainability", (2021), at: <https://www.worldbank.org/en/results/2021/04/09/expanding-financial-access-for-mexico-s-poor-and-supporting-economic-sustainability>

to 74% of men.<sup>6</sup> The impact of microfinance is multi-faceted, as access to finance plays a key role in building financial resilience and empowerment. It enables savings, insurance uptake, adoption of digital transactions, and provides financial education in marginalized communities.<sup>7</sup> Microcredit can also support entrepreneurial growth and empower individuals by enabling small-scale investments and business activity, leading potentially to sustained poverty reduction, especially in rural regions.<sup>8</sup>

Banco Compartamos will provide loans or microfinance to underserved individuals and entrepreneurs from the C-, D+, and D socioeconomic segments in Mexico. This classification has been developed by the Mexican Association of Marketing Research and Public Opinion Agencies (AMAI), which classifies households using Mexico's Socioeconomic Level Index (Nivel Socioeconómico or NSE). The index groups households on their ability to meet certain needs, determined by factors such as a) educational level; b) number of bedrooms and bathrooms in the home; c) employment; d) access to vehicles; and e) internet access. For example, in 2024, 67% of households in level C- had a head of household with maximum secondary education, and 78% lived in one- or two-bedroom homes, spent 38% of income on food and 20% on transportation and communication. For households in level D, 55% of households had a head of household with primary education, 17% had internet access at home, and 46% of their income was allocated to food.<sup>9</sup> The Bank will provide loans to these target groups with interest rates that are lower than prevailing market rates, along with other financial advantages such as no administrative fees and no early repayment penalties. These measures help reduce barriers in accessing financial products for underserved individuals and entrepreneurs. Banco Compartamos also adheres to the Client Protection Principles<sup>10</sup> to promote responsible lending and avoid predatory practices in its financial lending programmes. In addition, the Bank provides financial literacy support to help the target group track their loans.

While Banco Compartamos' loans to underserved individuals and entrepreneurs, combined with affordability measures, will help improve financial access for the target populations, there is a lack of clarity regarding the degree of interest rate concessions. Nonetheless, this financing is expected to make a significant contribution to improving access to finance among the target populations.

#### Socioeconomic Advancement and Empowerment — Programs to Support Men and Women with Small Businesses



**Significant**

We have assessed the Sustainability Contribution of the Socioeconomic Advancement and Empowerment — Programs to Support Men and Women with Small Businesses category as **Significant**. The Bank intends to finance loans to MSMEs in Mexico, which are either primarily owned by women, or by individuals who are classified in the C-, D+ and D socioeconomic segments in Mexico. The loans will be offered at lower-than-market interest rates along with other

<sup>6</sup> Mexico Business News, "Only 61% of Women in Mexico Use Financial Products", (2024), at: <https://mexicobusiness.news/finance/news/only-61-women-mexico-use-financial-products>

<sup>7</sup> Mexico News "Microfinance Changes Peoples' Lives", (2023), at: <https://mexicobusiness.news/finance/news/microfinance-changes-peoples-lives>

<sup>8</sup> Mexico Historico, "Microfinance as a Tool for Poverty Alleviation in Mexico", 2023, at: <https://www.mexicohistorico.com/paginas/microfinance-as-a-tool-for-poverty-alleviation-in-mexico-2b8daef9.html>

<sup>9</sup> AMAI, "Descriptivo De Cada Uno De Los NSE AMAI Estimación 2024", at: <https://www.amai.org/NSE/index.php?queVeo=niveles>

<sup>10</sup> Cerise+SPTF, "The Client Protection Principles", at: [https://cerise-spm.org/wp-content/uploads/2021/01/The-Client-Protection-Principles\\_EN.pdf](https://cerise-spm.org/wp-content/uploads/2021/01/The-Client-Protection-Principles_EN.pdf)

financial benefits. While there is a lack clarity on the degree of interest rate concessions, the expenditures in this category are expected to notably increase access to financial services and bank credit for MSMEs in Mexico.

#### Category Expenditures

Expenditure	Description
Microfinancing for MSMEs	<ul style="list-style-type: none"> <li>► Finance loans to support MSMEs owned by women and men entrepreneurs based in Mexico.</li> <li>► Eligible business owners are defined using the following criteria: i) they are between the ages of 18 and 98 years old; ii) they must be part of a group consisting of a minimum of five entrepreneurs; iii) they must start or own a business; and iv) they must have valid identification (ID) and proof of a current address.</li> <li>► Eligible businesses are defined using the following criteria: i) the number of employees should not exceed 10; and ii) total assets must be under USD 100,000, in accordance with the National Institute of Statistics and Geography's (INEGI)<sup>11</sup> definition of micro enterprise and informed by the International Finance Corporation's (IFC)<sup>12</sup> criteria for MSMEs.</li> </ul>

#### Analytical Commentary

MSMEs represent a vital part of Mexico's emerging market economy and overall employment.<sup>13</sup> In 2022, Mexico had 4.86 million SMEs, generating 14.6% of the national GDP and employing nearly 50% of the total workforce.<sup>14</sup> In 2021, only about 11% of MSMEs in the country had access to bank credit due to the low affordability of loans, insufficient documentation and low or non-existent credit scores. These barriers push MSMEs towards informal lending sources that lack safeguards and scalability.<sup>15,16</sup>

The lack of access to finance for MSMEs has become a significant impediment to employment, economic development and shared prosperity in Mexico. MSMEs in the country face a financing gap of USD163.9 billion,<sup>17</sup> equivalent to 14% of the national GDP. This is the second-highest gap by volume among all Latin American countries.<sup>18</sup> Limited access to finance also poses productivity challenges and hinders the growth and competitiveness of SMEs.<sup>19</sup> In Mexico, MSMEs operate at just 47% of the productivity level of large companies.<sup>20</sup> Increasing access to financial services for

<sup>11</sup> INEGI, "Censos Económicos 2019: Micro, pequeña, mediana y gran empresa Estratificación de los establecimientos", at:

[https://www.inegi.org.mx/contenidos/productos/prod\\_serv/contenidos/espanol/bvinegi/productos/nueva\\_estruc/702825198657.pdf](https://www.inegi.org.mx/contenidos/productos/prod_serv/contenidos/espanol/bvinegi/productos/nueva_estruc/702825198657.pdf)

<sup>12</sup> IFC defines micro enterprises using two out of three criteria, namely i) the number of employees of are less than 10 people, ii) the total asset value is less than USD 100,000, or iii) annual sales is less than USD 100,000.

IFC, "IFC's Definitions of Targeted Sectors", at: <https://www.ifc.org/en/what-we-do/sector-expertise/financial-institutions/definitions-of-targeted-sectors>

<sup>13</sup> OECD, "Financing SMEs and Entrepreneurs 2024 – Full Country Profile: Mexico", (2024), at: <https://www.oecd-ilibrary.org/docserver/06ac4535-en.pdf?expires=1729101327&id=id&accname=guest&checksum=B74AD022A6ADE2E69AA9D90B89ED18EF>

<sup>14</sup> OECD, "Financing SMEs and Entrepreneurs 2022: An OECD Scoreboard. Full Country Profile: Mexico", (2022), at: [https://read.oecd-ilibrary.org/industry-and-services/financing-smes-and-entrepreneurs-2022\\_53f52411-en#page2](https://read.oecd-ilibrary.org/industry-and-services/financing-smes-and-entrepreneurs-2022_53f52411-en#page2)

<sup>15</sup> World Bank, "Expanding Financial Access for Mexico's Poor and Supporting Economic Sustainability", (2021), at:

<https://www.worldbank.org/en/results/2021/04/09/expanding-financial-access-for-mexico-s-poor-and-supporting-economic-sustainability>

<sup>16</sup> Accion, "This tool puts financial health first for microentrepreneurs in Mexico", (2020), at: <https://www.accion.org/this-tool-puts-financial-health-first-for-microentrepreneurs-in-mexico/>

<sup>17</sup> SME Finance Forum, "MSME Finance Gap", at: <https://www.smefinanceforum.org/data-sites/msme-finance-gap>

<sup>18</sup> IFC, "MSME Finance Gap- Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets", (2017), at: <https://www.smefinanceforum.org/sites/default/files/Data%20Sites%20downloads/MSME%20Report.pdf>

<sup>19</sup> Mexico Business, "Mexican SMEs Struggle with Credit and Digitalization Gaps", (2024), at: <https://mexicobusiness.news/entrepreneurs/news/mexican-smes-struggle-credit-and-digitalization-gaps>

<sup>20</sup> McKinsey Global Institute, "A microscope on small businesses: The productivity opportunity by country: Data snapshot for Mexico", (2024), at: <https://www.mckinsey.com/mgi/our-research/a-microscope-on-small-businesses-the-productivity-opportunity-by-country/>



small businesses has been identified as a means of reducing unemployment and fostering a more inclusive and sustainable economy, ultimately reducing poverty in the long run.<sup>21</sup>

Banco Compartamos offers loans to micro enterprises, as defined by the National Institute of Statistics and Geography in Mexico and broadly informed by IFC's definition of such businesses. The targeting criteria effectively concentrate on MSMEs in Mexico, which are either primarily owned by women, or by individuals who are classified in the C-, D+ and D socioeconomic segments and most likely to be excluded from traditional banking channels. By requiring entrepreneurs to form groups and provide valid ID and proof of address, the Bank also encourages business formalisation. This allows entrepreneurs to build a credit history, ultimately facilitating access to broader financial services over time. The Bank adheres to responsible lending practices to address the risk of over indebtedness for MSMEs. Finally, while the loans will be offered at interest rates that are lower than prevailing market rates with no administrative and early repayment fees, there is a lack of clarity regarding the degree of interest rate concessions. Nonetheless, we expect Banco Compartamos' financing, combined with the noted affordability measures, to contribute significantly to increasing access to financial services and bank credit for MSMEs in Mexico.

#### Access to Essential Services— Financial



We have assessed the Sustainability Contribution of the Access to Essential Services —Financial category as **Significant**. Investments under this category include assets that enable the provision of microinsurance and transactional banking products, and services to underserved individuals and communities with no transaction cost. The category also includes loans to microbusinesses,<sup>22</sup> entrepreneurs and underserved individuals offered at concessional interest rates — although there is no clarity on the degree of concessions — along with other financial benefits.<sup>23</sup> These expenditures are expected to contribute significantly to increasing access to financial services and fostering financial inclusion for individuals and microbusinesses in Mexico.

#### Category Expenditures

Expenditure	Description
Development of assets that enable microinsurance and transactional banking products	<ul style="list-style-type: none"> <li>Investments to expand access to a wide range of microinsurance products and transactional banking products and services through Yastás, a payment network in Mexico.</li> <li>Yastás targets underserved individuals and communities, with little or no credit history, who face barriers accessing financial services for the first time.</li> </ul>
Provision of loans to underserved individuals	<ul style="list-style-type: none"> <li>Lending to underserved individuals from the C-, D+, and D socioeconomic segments, with loans ranging from approximately USD 5,393 to USD 26,965.</li> </ul>

<sup>21</sup> EconJournals, "The Impact of Financial Inclusion on Unemployment Rate in Developing Countries", (2021), at:

<https://econjournals.com/index.php/ijefi/article/view/10871?>

<sup>22</sup> The microbusinesses share the same definition criteria with ones in the "Socioeconomic Advancement and Empowerment - Programs to Support Men and Women with Small Businesses" category above. The only difference between these microbusinesses under this category and the ones under the "Socioeconomic Advancement and Empowerment - Programs to Support Men and Women with Small Businesses" category is the size of the loans the Bank provides to them.

<sup>23</sup> The only difference between the financing of entrepreneurs and individuals under this category and the "Employment Generation - Microfinance and Entrepreneurs Financing" category is the size of loan the Bank provides to them.

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Provision of loans to microbusiness and entrepreneurs	<ul style="list-style-type: none"> <li>▶ Lending to entrepreneurs with loan amounts of USD 323 to USD 4,853.</li> <li>▶ For entrepreneurs, the number of employees will not exceed 10 members, and the total assets will be less than USD 100,000.</li> </ul>
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### *Analytical Commentary*

As of 2024, 23.5% of adults in Mexico are financially excluded and do not have access to formal financial services.<sup>24</sup> Globally, women are more likely to be “unbanked” than men, even when an economy has successfully increased account ownership. This trend persists in Mexico, where there is an 8.1 percentage point gender gap for accessing financial services.<sup>25,26</sup> Access to a bank account represents the first step toward building an inclusive and functional economy where individuals can safely save, make digital payments, and access credit and insurance.<sup>27</sup> Of the adults living in Mexico in 2024, 36.6% relied exclusively on informal methods of savings and had never had a formal savings account, highlighting a need for financial infrastructure.<sup>28</sup> Without a functional banking ecosystem, businesses may face challenges in expanding, creating employment opportunities and ultimately, driving economic development. Investments in mobile banking infrastructure present a meaningful opportunity to address these inequalities. Adults in low-income countries are twice as likely to have a mobile money account than a traditional bank account.<sup>29</sup> In some regions, mobile money accounts have created opportunities to better serve marginalized groups such as women, low-income individuals and others traditionally excluded from the formal financial system.<sup>30</sup>

The Bank intends to finance assets that enable the provision of microinsurance and transactional banking products and financial services targeting underserved individuals and communities, through Yastás. Yastás is an administrator of banking correspondents that facilitates access to financial operations, service payments, multi-level payments and top-ups in communities where banking infrastructure is limited or absent. Half (50%) of Yastás’ operations are in municipalities with insufficient infrastructure resulting from medium to high degrees of marginalization. Yastás has implemented two key measures in these areas to reduce barriers to accessing financial infrastructure. First, the financial services offered through Yastás are provided with no transaction cost to the Bank’s clients. Second, Yastás offers free courses to its users through an online platform, Enko, covering topics such as marketing, financing and sales.<sup>31</sup> Together, these initiatives contribute to expanding the accessibility of financial services. Banco Compartamos has committed to the Client Protection Principles<sup>32</sup> to mitigate risks in relation to its financial inclusion programmes. This commitment informs its collaborations with other institutions, including Yastás. With Banco Compartamos’ support, Yastás has implemented practices to prevent over-indebtedness and promote competitive pricing, fair and respectful treatment of clients, client data privacy and mechanisms for resolving complaints.

In addition to funding assets that facilitate access to financial services, the Bank will also provide personal loans to individuals who have little or no credit history, and microfinancing for

<sup>24</sup> National Institute of Statistics and Geography of Mexico, “National Survey of Financial Inclusion (ENIF) 2024”, (2024), at:

<https://en.www.inegi.org.mx/programas/enif/2024/>

<sup>25</sup> World Bank Group, “The Global Findex Database 2021: Financial inclusion, digital payments, and resilience in the age of COVID-19”, (2021), at:

<https://www.worldbank.org/en/publication/globalfindex>

<sup>26</sup> National Institute of Statistics and Geography of Mexico, “National Survey of Financial Inclusion (ENIF) 2024”, (2024), at:

<https://en.www.inegi.org.mx/programas/enif/2024/>

<sup>27</sup> World Bank Group, “Universal Financial Access 2020”, at: <https://ufa.worldbank.org/en/ufo>

<sup>28</sup> National Institute of Statistics and Geography of Mexico, “National Survey of Financial Inclusion (ENIF) 2024”, (2024), at:

<https://en.www.inegi.org.mx/programas/enif/2024/>

<sup>29</sup> Global Partnership for Financial Inclusion (GPFI), “G20 Financial Inclusion Indicators” <https://datatopics.worldbank.org/g20findex/>

<sup>30</sup> World Bank Group, “Universal Financial Access 2020”, at: <https://ufa.worldbank.org/en/ufo>

<sup>31</sup> Yastás, “Soy Comisionista”, at <https://www.yastas.com/wps/themes/html/YastasOrg/media/Yastas/comisionista.html>

<sup>32</sup> Cerise+SPTF, “The Client Protection Principles”, at: [https://cerise-spm.org/wp-content/uploads/2021/01/The-Client-Protection-Principles\\_EN.pdf](https://cerise-spm.org/wp-content/uploads/2021/01/The-Client-Protection-Principles_EN.pdf)

entrepreneurs and microbusinesses. While such loans will be offered at interest rates that are lower than market rates and no administrative and early repayment fees, there is a lack of clarity regarding the degree of concession on interest rates. Collectively, expenditures under this category are expected to significantly contribute to expanding banking infrastructure, increasing access to financial services, and fostering financial inclusion for individuals and small businesses in Mexico.

## Environmental and Social Risk Management

We have identified the following areas of environmental and social risks associated with the expenditures eligible under the Framework: business ethics; appropriate population targeting and predatory lending; and data privacy and security. Banco Compartamos has the following policies and processes in place to identify and mitigate such risks.

E&S Risk identified	Applicable policies, procedures and measures
Business Ethics	<ul style="list-style-type: none"> <li>► Genera's Strategic Sustainability Policy outlines its social commitments, including those around anti-corruption, non-discrimination, diversity and inclusion, labour rights and human rights stances.<sup>33</sup></li> <li>► The Group's Code of Ethics and Conduct provides ethical conduct guidelines for Banco Compartamos' interaction with peers, suppliers and customers. Every new member of the Group is required to complete a training course on the Code's application and undergo a yearly recertification.<sup>34</sup></li> <li>► The Group's Ethics Committee is tasked with overseeing and penalizing employees or suppliers for activities deemed to be non-compliant with the Code.<sup>35</sup></li> <li>► The Group's Anti-Money Laundering (AML) department, headed by its Compliance Officer, ensures compliance with applicable laws on anti-money laundering and terrorist financing.<sup>36</sup></li> <li>► In line with the Group's Whistleblower Protection Institutional Guidelines, both the Ethics Committee and the AML departments utilize and maintain processes for handling whistleblowing complaints.<sup>37</sup></li> </ul>
Appropriate Population Targeting and Predatory Lending	<ul style="list-style-type: none"> <li>► Banco Compartamos has participated in the SMART Campaign initiative since 2014, which applies to businesses that meet specific standards focused on need-based products, avoidance of predatory lending, pricing transparency and competitiveness, among other practices.<sup>38</sup></li> <li>► Genera's Code of Ethics and Conduct are embedded within Banco Compartamos' Client Protection Principles, aiming to protect clients' vulnerabilities and mitigate risks in relation to its financial inclusion programmes. The principles include: i) appropriate product design and distribution; ii) prevention of over-indebtedness; iii) transparency; iv) reasonable prices; v) fair and respectful treatment of clients; vi) customer privacy protection; and vii) mechanisms for resolving customer complaints.<sup>39</sup></li> <li>► Banco Compartamos has policies and methodologies to analyse customers' information to determine their ability to repay debt and prevent over-indebtedness.<sup>40</sup></li> </ul>

<sup>33</sup> Genera, "Política Estratégica de Sostenibilidad", (2024), at: [https://www.gentera.com.mx/wcm/connect/16147fa9-1899-4be0-bfedbce46878e37f/Politica+Sostenibilidad\\_Gentera+2024.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/16147fa9-1899-4be0-bfedbce46878e37f/Politica+Sostenibilidad_Gentera+2024.pdf?MOD=AJPERES)

<sup>34</sup> Genera, "Código de Ética y Conducta", (2024), at: <https://www.gentera.com.mx/wcm/connect/a68e2099-a280-4e48-9297-438eaadae12e/C%C3%B3digo+de+%C3%89tica+y+Conducta-Colaboradores+2024.pdf?MOD=AJPERES>

<sup>35</sup> The mandate of the Ethics Committee has been confirmed with Banco Compartamos.

<sup>36</sup> Genera, "Code of Ethics and Conduct for Suppliers and Organizations", (2024), at: <https://www.gentera.com.mx/wcm/connect/a0f690f4-dbc4-48c2-a847-c560ef8bd43f/CEC+Proveedores+y+Organizaciones-Proveedores+y+Organizaciones+Ing%20C3%A9s+2024.pdf?MOD=AJPERES>

<sup>37</sup> Ibid. The presence of procedures to handle whistleblowing has been confirmed as well with Banco Compartamos.

<sup>38</sup> Center for Financial Inclusion, "Smart Campaign", at: <https://www.centerforfinancialinclusion.org/research/consumer-protection/smart-campaign/>

<sup>39</sup> Banco Compartamos, "Social Bond Framework", at: <https://www.gentera.com.mx/wcm/connect/b71ea012-6b1a-4659-a179-e0960203d254/Banco+Compartamos+-+Social+Bond+Framework+2024+clean.pdf?MOD=AJPERES>

<sup>40</sup> Banco Compartamos, "Principles for Responsible Banking Reporting and Self-Assessment Template", (2023), at: [https://www.gentera.com.mx/wcm/connect/16147fa9-1899-4be0-bfed-bce46878e37f/Politica+Sostenibilidad\\_Gentera+2024.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/16147fa9-1899-4be0-bfed-bce46878e37f/Politica+Sostenibilidad_Gentera+2024.pdf?MOD=AJPERES)

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- Banco Compartamos provides educational resources for its clients to learn how to manage their loans and resources, as well for the responsible management of their credit lines.<sup>41</sup>
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#### Data Privacy and Security

- Banco Compartamos has established a Política de Privacidad (Privacy Policy) to responsibly handle the personal data of its customers and mitigate the risk of breaches. The Bank also complies with the provisions of Law No. 29733, the Personal Data Protection Law and its Regulations to safeguard customers' information.<sup>42</sup>
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<sup>41</sup> Gentera, "Annual and Sustainability Report 2024", at: [https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24\\_Ingles.pdf?MOD=AJPERES](https://www.gentera.com.mx/wcm/connect/85e61d3e-5d29-4040-a8fb-aa41b0d1d240/IAS24_Ingles.pdf?MOD=AJPERES)

<sup>42</sup> Banco Compartamos, "Política de Privacidad", at: <https://www.compartamos.com.pe/wcm/connect/a32c7daf-7a58-486b-8a2e-3f8c1b029fe0/Politica+de+Privacidad+de+datos+personales.pdf?MOD=AJPERES>

## Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.





**Principles Alignment** indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.<sup>43</sup> This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- **Aligned:** Meets all requirements across the four components.
- **Partially Aligned:** Meets requirements on two or three of the four components.
- **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

<sup>43</sup> These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

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## Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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