ANNUAL GREEN, SOCIAL AND SUSTAINABLE BOND REPORT 2024

August 2024

CFE

Comisión Federal de Electricidad®

Santa Rosalía, Baja California Sur |

Content

Federal Electricity Commission Message

The entire world is facing the growing impacts of climate change and social inequality, due to the high costs they generate for the environment, today's society and future generations.

In Mexico, the Federal Electricity Commission (CFE) has worked hard before, and is working now, and will work in the future to mitigate these impacts through different actions and projects aimed at increasing the share of renewable technologies in the generation portfolio, without compromising the safety, reliability and quality of the public power supply in the country.

Programs and projects are also developed to improve energy efficiency in its different production processes. In addition, training is provided to governmental and educational institutions, private companies and households under the principle that sustainability includes the rational and efficient use of available natural resources.

In the social area, CFE continues to carry out permanent works and actions that contribute to improve social welfare in the different regions of the country. The public supply of electricity and telecommunications services, which are fundamental for the development of human capabilities that have an impact on higher levels of income, employment, and standard of living in the different localities, stands out.

Looking to the future, the *"Fair Energy Transition"* is the central axis of our strategy to expand the infrastructure for generation, transmission, and distribution of power electricity, with all our efforts focused on strengthening productivity, meeting the growing demand for energy in conditions of efficiency, quality, reliability, continuity, safety and sustainability, in an affordable manner for all our users, and to be a trigger for a more sustainable and equitable Mexico.

In line with international lending trends, in 2022 the CFE developed the "*Sustainable Financing Reference Framework*" to mobilize resources to help accelerate the energy transition and achieve the Sustainable Development Goals established by the United Nations. Derived from this framework, the CFE presents the first "*Annual Green, Social and Sustainable Bond Report 2024"* which provides information on the use of the resources of the thematic bonds issued in 2022 and 2023 in environmental and social actions, programs, and projects, as well as their related benefits.

Through this report, we strengthen communication and trust with investors and society in general, by reporting the traceability of our resources and their impact on the environment and Mexican society. Recognizing the relevance of this financing tool, CFE is committed to update this report on an annual basis.

Corporate Finance Management

Wind Power Plant, La Venta II Oaxaca.


CFE Rural Electrification.

Executive Summary

Mexico, like other developing countries, has the dual challenge of addressing the adverse effects of climate change and closing the social gaps that result from economic growth. On one hand, the impacts of increasing human activities on the environment are manifested as climate change phenomena that affect all countries, such as: global warming due to greenhouse gases (GHG); contamination of soil, air and bodies of water; increased desertification and water stress; rising sea levels; loss of biodiversity; the appearance of new diseases; and extreme weather events such as hurricanes and tropical storms, among other effects.

On the other hand, these increasingly frequent and severe climate change processes generate growing negative impacts on the population, particularly in those regions, communities and areas whose inhabitants experience the highest levels of poverty, marginalization and vulnerability, which translates into greater social, regional, sectoral, ethnic, and gender inequalities, among others.

For Mexico, in particular, these challenges are even greater, given its high exposure and vulnerability to climate change. Due to its geographic location, demographics and productive structure, it is estimated that around 68% of the population and 71% of its GDP are exposed to the adverse effects of climate change[1]. This situation is further aggravated by the increase in the intensity and frequency of hydrometeorological events that has been perceived in recent years, generating significant risks for people, productive systems, strategic infrastructure and ecosystems in Mexico[2].

In this context, several countries, including Mexico, have joined the need to subscribe to initiatives, agreements, rules, and commitments, with the purpose of coordinating mechanisms and policies to establish objectives and meet common goals to combat climate change and social inequality. The broadest political agreement among the international community is the United Nations Agenda for Sustainable Development, which establishes 17 Sustainable Development Goals (SDGs) for 2030. These universally applicable goals seek to eradicate poverty in all its forms, reduce inequality, and combat climate change.

[1] Federal Official Gazette. (2020) Federal Official Gazette Retrieved from Environment and Natural Resources Sector Program: https://www.dof.gob.mx/nota_detalle.php?code=5596232&date=07/07/2020#gsc.tab=0
[2] National Atlas of Vulnerability to Climate Change, INECC, Mexico, 2019.

Wind power plant, La Venta | CFE

In the particular case of Mexico, the Government of the Republic adopted the SDGs as a State commitment, integrating its Goals to address the climate adversities that affect the various regions and populations of the country.

Due to its strategic importance in terms of electric power generation capacity and deployment of the associated transmission and distribution infrastructure, as well as its scope in the coverage of the public electric power service to more than 99% of the population in practically the entire national territory, the Federal Electricity Commission (CFE) plays a fundamental role in the fulfillment of these commitments, given that the electricity sector is one of the main sources of GHG emissions, but also contributes with fundamental actions and projects that accelerate the energy transition and allow achieving a more inclusive and just society.

With regard to financing, CFE has adopted the concept of *Climate Finance*, a term used by the "*Conference of the Parties*" of the Paris Agreement (COP) to establish a wide variety of sources, instruments and channels aimed at attracting and channeling resources for the development of social impact and climate change mitigation projects. As part of this strategy, in alignment with the Environmental, Social, and Governance (ESG) criteria to contribute to the fulfillment of national and international commitments on environmental and social sustainability that the Mexican State has subscribed, in January 2021 the CFE published the *"Sustainable Financing Reference Framework" ("Reference Framework"*) as a mechanism for raising and applying resources through sustainable financing instruments in the debt markets. To ensure compliance with the highest international standards, the Framework has the external opinion of *MORNINGSTAR|SUSTAINALYTICS*, a firm with internationally recognized expertise in ESG matters.

The *Reference Framework* employs an eligibility methodology based on the evaluation and selection of those options to be financed that demonstrate positive environmental and social impacts. The methodology classifies actions, programs, and projects that have interrelated objectives under two main headings: 1) *Green*, which include Renewable Energy, Energy Efficiency, Green Buildings and Electromobility projects, and 2) *Social*, which entails actions, programs, and projects aimed at mitigating social inequalities through preferential Access to Basic Public Services.

Hydroelectric Power Plant, Chicoasén, Chiapas

At the international level, the *Reference Framework* is aligned with the "*Green Bond Principles*" and the "*Social Bond Principles*" of the "*International Capital Markets Association*"[3], as well as to the "*Green Lending Principles*" of the "*Asia Pacific Loan Market Association*" and the "*Loan Syndication and Trading Association*"[4], which contributes to transparency and accountability in the use of proceeds to enhance investor and public confidence.

Likewise, the *Reference Framework* is aligned with the SDGs, particularly Goal 7: Affordable and Non-Polluting Energy; 9: Industry, Innovation and Infrastructure; 10: Reduction of Inequalities; 11: Sustainable Cities and Communities, and 13: Climate Action, given the use and impact of resources from actions, programs, and projects in the categories of renewable energy, energy efficiency, clean transportation and access to essential services.

At national level, the *Reference Framework* is aligned with the ESG financing instruments published by the Treasury Department (SHCP), such as, in particular, the "*Sustainable Financing Mobilization Strategy*" (EMFS, Spanish Acronym); the "*Sustainable Taxonomy of Mexico*" (TSM, Spanish Acronym), and the "*Reference Framework for Sovereign Bonds linked to the Sustainable Development Goals*", through which certainty is provided to the investing public, and to society in general, on the origin, allocation and impact of financing towards sustainable projects, through transparent definitions, criteria and classifications that are homologated to the best international practices.

The *Reference Framework* has established to disclose, through an annual report, the results of the investments captured and carried out by CFE in actions, programs, and projects in accordance with the eligibility criteria considered.

[3] English Acronym: Global Bond Principles (GBP), Social Bond Principles (SBP), and International Capital Markets Association (ICMA), respectively.
[4] English Acronym: Green Loan Principles (GLP), Asia Pacific Loan Market Association (APLMA) and Loan Syndications & Trading Association (LSTA).

In this context, and as part of CFE's commitment to transparency, integrity and accountability, this first ***"Annual Report on Green, Social, and Sustainable Bonds 2024"*** (*Report*) is presented, which reports on the use, allocation, and social and environmental impact derived from the use of the proceeds in the aforementioned projects.

This "*Report*" is aligned with national and international standards on the subject, which allows us to provide traceability of resources, in a clear and truthful manner, throughout the process of fundraising, allocation, exercise and impact, which contributes to provide confidence and certainty to the investing public on the destination and impact of their proceeds on the environment and Mexican society.

It is important to note that this *Report* also has the external opinion of the *Reference Framework*, MORNINGSTAR|SUSTAINALYTICS, which has issued an independent verification, auditing the management, use and impact of the resources obtained by the CFE in actions, programs and eligible projects in terms of environmental and social sustainability.

In this sense, the *Report* is a fundamental tool for transparency and accountability, through which CFE informs and communicates to savers and investors, financial institutions, and society in general, the use, destination and impact of the resources raised in 2022 and 2023 in the domestic and international capital markets through thematic bonds, which were intended to finance actions, programs and environmental and social projects eligible under the *Reference Framework*.

Thus, based on the "*Reference Framework*", during the 2022-2023 period, the CFE issued thematic bonds on four occasions:

Transmission Towers Tula Hidalgo Wind Power Plant, Oaxaca
CFE.

Electrical substation, Tuxpan Veracruz | CFE.

Thematic bonds issued by CFE in 2022-2023:

i. Bond in the international market in February 2022 for a total of 1,750 million dollars with Sustainable label, equivalent to 35.73 billion pesos [5].

ii. CEBURES issued in November 2022 in the local market for 498 million dollars, with Green and Social labels.*

iii. CEBURES issued in June 2023 in the local market for 531 million dollars, with Green, Social, and Sustainable labels.*

iv. CEBURES issued in December 2023 in the local market for 531 million dollars, with Sustainable labels.*

The total amount raised was 3,309 million dollars, of which 14.2% (471 million dollars) are bonds labeled **Green**; 11.4% (379 million dollars) labeled **Social**, and 74.3% (2,460 million dollars) with **Sustainable** label

From these resources, **84% (2,755 million dollars)** were allocated to 99 actions, programs, and projects. The remaining **16% (554 million dollars)** will be allocated to projects that meet the eligibility criteria for 2023-2024 according to the "*Reference Framework"* and will be considered in the *Report* 2025.

Allocation of resources raised through the 2020-2022 thematic bonds:

a) **95 Sustainable Projects: 2,460 million dollars (89.2%),** in the Renewable Energy subcategory.

b) **2 Green Projects: 152 million dollars (5.5%)**, in the Energy Efficiency subcategory.

c) **2 Social Projects: 143 million dollars (5.3%)**, in the subcategory Free Internet Service Access in marginalized communities.

The execution of the aforementioned Sustainable, Green, and Social actions, programs, and projects allowed us to reduce negative environmental externalities, while favoring and enhancing the provision of public goods that favorably affect Mexican society, particularly those inhabitants living in remote and marginalized regions and localities.

[5] At a FIX exchange rate of 20.4188 recorded on February 15, 2022, corresponding to the day of disbursement.

*10,000 million pesos each | Exchange Rate 2022 -20.0863 2023- 18.8447

These impacts can be translated into the following equivalences:

Impact of eligible actions, programs, and projects:

a) Renewable energy

Period 2020-2022:

- 26.5 GWh average annual energy generated and acquired through renewable sources: solar (30.7%), hydroelectric (30.6%), wind (21.8%), and geothermal (16.9%), which represents the supply of electricity to 8.9 million inhabitants (7% of Mexico's total population).
- 11,905,699 tons of CO_2 avoided on average per year, which is equivalent to taking 2.83 million vehicles off the road or planting 198.4 million trees.

b) Energy Efficiency

- 22.4 MWh of energy saved in 2022 due to energy improvement.
- 130 GWh of average energy saved in 2020-2022, equivalent to the annual electricity consumption of 48,507 people in Mexico.
- 5,020 additional km-c of General Distribution Networks.
- 9.5 tons of CO_2 avoided in 2022.

c) Social Actions, Programs, and Projects

Achievements in 2021:

- 5,594 Internet access points installed.
- 41,816 connections with 4G LTE technology.
- 4,133 connections with satellite technology.
- 3,848 localities served with Internet service.
- 1.5 million inhabitants benefited in 2021, representing 1.2% of Mexico's total population.

Aware of the positive impact that sustainable financing has on mitigating the effects of climate change and reducing socioeconomic inequalities through the development of environmental and social actions, programs and projects, CFE will continue to publish its annual report on the use and impact of resources from the contracting of thematic credits.

Future publications of the Report will consider the **previous update of the *Reference Framework*"**, in order to include new categories of programs and projects, which reflect in a broader and more complete way the actions and scope of the State Productive Enterprise, in accordance with the functions and purpose entrusted to it by Law. These improvements in the "*Reference Framework*" and the continuity in the reporting of the destination and impact of financial resources contribute to combating the negative effects of climate change and the growing social inequalities prevailing in the country.

CFE
Comisión Federal de Electricidad

ANNUAL GREEN, SOCIAL AND SUSTAINABLE BOND REPORT 2024

CFE has integrated innovative Sustainable Financing schemes, mobilizing investments that contribute to achieving Mexico's environmental and social objectives and commitments subscribed by the Federal Government at the national and international level.in 2022 and 2023 it had four debt issues with "ESG" label for a total of 3,309 million dollars.

Origin of Resources

Sustainable: 2,460 million dollars
Green: 152 million dollars
Social: 143 billion dollars

2,755 million dollars (84%) were allocated to 99 actions and 554 million dollars (16%) are pending allocation.

Resource Allocation 2020-2022

95 Sustainable Projects 2,460 md

Renewable Energy

Renewable Energy Actions that improve the supply of energy from renewable and low-carbon sources, as well as energy purchasing.

- Wind, Solar.
- Geothermal.
- Hydroelectric.

2 Green Projects 152 md

Energy Efficiency

Actions to ensure the most efficient use of electricity. .

- Energy improvement projects.
- Energy loss reduction.

319 md to be allocated.

2 Social Projects 143 md

Social

Actions to provide digital services in areas where the Service is not available.

- Access to Basic Telecommunications Services.

236 md bp to be allocated.

Environmental and social impacts 2020-2022

- 26.5 GWh average annual energy generation through renewable sources: wind, hydroelectric, solar, and geothermoelectric.
- 11,905,699 tons of CO2 avoided, annual average
- 8,946,594 Average annual benefited population.
- 22.4 MWh of energy saved in 2022 due to energy improvement
- 130,000 MWh average annual reduction in energy losses.
- 5,020 additional km-c of General Distribution Networks.
- 9.5 tons of CO2 avoided in 2022.

The following achievements were obtained by 2021:

- 5,594 installed internet access points.
- 41,816 connections with 4G LTE technology.
- 4,133 connections with satellite technology.
- 3,848 localities served with internet service.
- 1,520,317 population benefited.

Acronyms

APLMA	Asia Pacific Loan Market Association
ASG	Environmental, Social and Governance
BMV	Bolsa Mexicana de Valores
CE	Wind Power Plant
CEBURES	Structure Stock Certificates
CEL	Clean Energy Certificates
CET	Technical Evaluation Criteria
CFE	Federal Electricity Commission
CFE TEIT	CFE Telecomunicaciones e Internet para Todos
CFV/CF	Photovoltaic/Solar Power Plant
CG	Geothermal Power Plant
CH	Hydroelectrical Power Plant
CIE	Investment and Strategy Committee
CO2	Carbon Dioxide
COP	Strategy & Investment Committee
CRE	Energy Regulatory Commission
DCF	Corporate Finance Management
DCPE	Corporate Management of Strategic Planning
EF	CFE Subsidiary Company
EMFS	Sustainable Finance Mobilization Strategy
EPE	State Productive Company
EPS	CFE's Subsidiary Productive Company
ESG	Environmental, Social and Governance
GBP	Green Bond Principles
GHGs	Greenhouse Gases
GLP	Green Loan Principles
GW	Giga Watts
GWh	Giga Watts Hour
HVAC	Heating, ventilation, and air conditioning system
ICMA	International Capital Markets Association
KV	Kilovolt
Km-C MV	Kilometer Circuit of the General Medium
RGDs	Voltage Distribution Network
LATAM	Latin America
LAPEM	Equipment and Materials Testing Laboratory
LGCC	General Law on Climate Change
LIE	Electricity Industry Act
LMA	Loan Market Association
LSTA	Loan Syndication & Trading Association
LTE	Energy Transition Act
Mdd	Million dollars
Bd	Billion dollars
Mdp	Million pesos
Bp	Billion pesos
MW	Mega Watts
MWh	Mega Watts Hour
NDC	Nationally Determined Contributions
NYSE	New Your Stock Exchange
ODM	Millennium Development Goals
ODS	United Nations Sustainable Development Goals
OIT	International Labor Organization
UN	United Nations
USD	United States Dollar
PAESE	Electricity Sector Energy Savings Program
PICS	Institutional Program for Competitiveness and Sustainability
PIE	Independent Power Producer
PNAA	National Environmental Audit Program
PRODESEN	National Electric System Development Program
PROFEPA	Federal Attorney for Environmental Protection
RNT	National Transmission Network
SBP	Social Bond Principles
SE	Substation
SEMARNAT	Department of Environment and Natural Resources
SEN	National Electrical System
SEPI	Investment Project Evaluation Subcommittee
SLP	Long-term Auctions
SHCP	Secretaría de Hacienda y Crédito Público (Ministry of Finance)
SPO	Second Party Opinion
TSM	Sustainable Taxonomy of Mexico
UDI	Investment Units
BU	CFE Business Units
UNESCO	United Nations Educational, Scientific, and Cultural Organization

1. Introduction

Since its creation on August 14, 1937, the CFE's mission has been to promote the social and economic development of Mexico through the provision of public electric power services throughout the country.

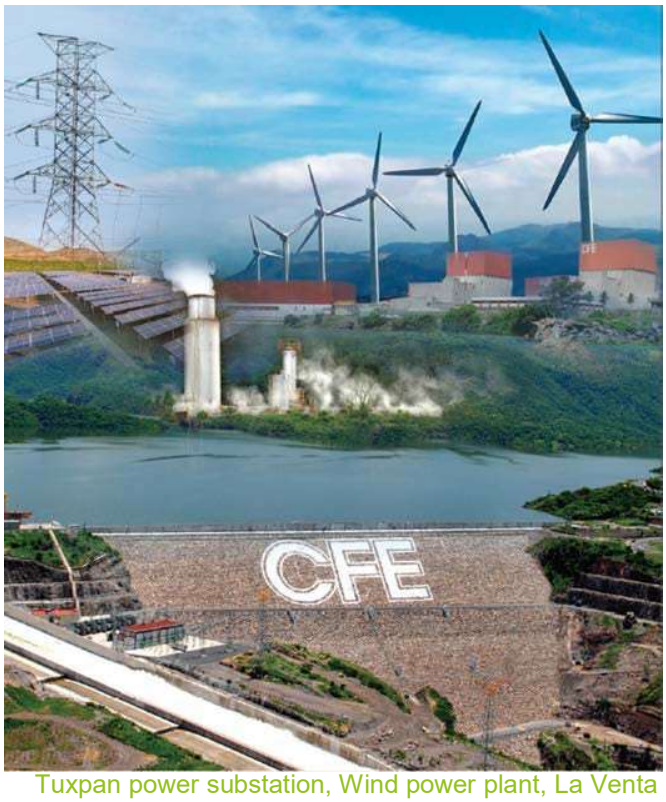
For this task, the CFE has built a diverse portfolio of generation plants, transmission lines and distribution networks throughout the country, according to the geographical, environmental and socioeconomic specificities of Mexico, including the availability of natural resources, access to different energy sources, location and level of electricity demand in consumption centers in rural and urban locations.

From the beginning, CFE's infrastructure development focused on access to and use of renewable resources available in the country's diverse geography. Hence the early adoption of sustainable generation technologies, such as hydroelectric and geothermal. Subsequently, the CFE ventured into other clean and environmentally friendly technologies, including nuclear, solar and wind energy.

The adoption of these technologies responds to the need to meet the growing demand for electricity under conditions of efficiency, quality, reliability, continuity, safety, sustainability, and social inclusion.

The development of CFE's activities responds to the commitment to reduce Greenhouse Gas (GHG) emissions, contribute to the fight against climate change and mitigate its impacts on society, as well as to increase the population's welfare levels and promote inclusive development.

To finance the investments considered in the Business Plan for the expansion, modernization, rehabilitation and maintenance of the generation, transmission and distribution infrastructure, CFE has accessed different financing schemes, markets, instruments and vehicles.



Tuxpan power substation, Wind power plant, La Venta
Photovoltaic power plant, Santa Rosalía,
Nuclear power plant, Alto Lucero,
Geothermoelectric power plant, Chignautla,
Hydroelectric power plant, Santa Ma. Del Oro.
CFE

Since 2022, consistent with the regulations and trends in Sustainable Financing, the CFE has raised resources through thematic bonds to develop Green, Social, and Sustainable projects, through the "*Reference Framework*", which serves as a guide for the issuance of Sustainable Financing instruments.

Beyond current trends, CFE has adopted Sustainable Finance as part of its institutional culture, policies, and practices. This initiative shows the CFE's commitment to broaden the base of renewable energy, energy efficiency and high social impact projects. In turn, these efforts are aligned with *"Environmental, Social, and Governance" (ESG) criteria* and contribute to compliance with national and international environmental and social sustainability commitments to which the Mexican government has subscribed.

Image: Linieros, CFE.

“ANNUAL REPORT OF SOCIAL AND SUSTAINABLE GREEN BONDS 2024”

As part of CFE's commitment to transparency, the integrity and accountability, this first ***"Annual Report on Green, Social, and Sustainable Bonds 2024"*** *is presented,* "which contains the report on the use and allocation of resources in the various actions, projects and programs based on the eligibility criteria of the “*Reference Framework*". Likewise, metrics of social and environmental impact derived from the use of proceeds are reported.

This Report will be updated annually to ensure adequate monitoring and evaluation of the resources captured by the CFE in accordance with the labels indicated in the "*Reference Framework*".

2. Sustainable Financing

Source: National Atlas of Vulnerability to Climate Change, INECC, Mexico, 2019.

2.1. International Climate Commitments for Sustainable Development

Pantanos de Centla, Tabasco | SEMARNAT.

Currently, the impacts of increasing human activity on the environment are manifested as climate change phenomena that affect all countries and populations. These include global warming due to GHGs, desertification and soil erosion, sea level rise, loss of biodiversity, water stress, new diseases, and extreme weather events such as hurricanes and tropical storms, mainly.

The scale, frequency and severity of these events are increasing, generating growing negative impacts on the population, public and private infrastructure, and socioeconomic activities. In turn, they materialize in greater social, regional, sectoral, ethnic and gender inequalities, among others. They also imply higher costs and risks for governments and companies, forcing them to come up with more efficient solutions for mitigation and adaptation in society.

For Mexico this challenge is even greater, since it is one of the countries with high vulnerability to the impacts of climate change due to its geographical location and socioeconomic characteristics [6], which puts the natural environment, population and infrastructure at risk, particularly in the most vulnerable regions. Faced with this challenge, the Mexican government has signed international commitments and agreements to implement binding mechanisms to mitigate these impacts.

[6] Source: National Atlas of Vulnerability to Climate Change, INECC, Mexico, 2019.

It is important to note that the repercussions of climate change are differentiated according to the level of development of the countries, with the regions of the Global South being the most vulnerable to these impacts and whose populations suffer the most from their consequences. In Latin America in general, and Mexico in particular, the most backward and marginalized populations reside in the region's most susceptible to these impacts, so the challenge is twofold: environmental and social.

In this context, various public, private and social institutions have joined the need to sign initiatives, agreements, standards and commitments, both nationally and internationally, with the aim of coordinating mechanisms and policies among countries to meet common goals to combat climate change and reduce social backwardness.

Image: United Nations

The broadest political agreement among the international community is the United Nations Agenda for Sustainable Development. In September 2015, the UN leaders' summit approved the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda, which officially came into force on January 1, 2016. These universally applicable goals seek to eradicate poverty in all its forms, reduce inequality and combat climate change, among others.

Image: iusnatura.org.br

The SDGs build on the Millennium Development Goals (MDGs), calling on all countries, regardless of their income level, to subscribe to international climate commitments and targets.

The 17 SDGs are interrelated, requiring coordination among public, private and social actors to address a range of needs such as education, health, social protection and employment opportunities, while taking action to mitigate climate change and promote environmental protection.

Today, the SDGs are the broadest framework for international climate initiatives and actions, as well as measures to reduce social inequalities. Therefore, governments are expected to adopt the Goals as their own and adjust their national policies to achieve them. Countries have the responsibility to monitor their progress, for which it is necessary to develop relevant, objective and transparent metrics to periodically report progress in meeting the SDGs.

The Government of Mexico adopted the SDGs as a State commitment, integrating its Goals to address the climate adversities that affect the various regions and populations of the country.
[7] The CFE plays a relevant role in the fulfillment of these commitments. This is due to its particular characteristics as a Public Service Company, among which the following stand out:

[7] Agenda 2030 MX, "National Strategy for the Agenda 2030 Commissioning". Accessed March 4, 2024: https://www.gob.mx/agenda2030/documentos/estrategi a-nacional-para-la-puesta-en-marcha-de-la-agenda-2030-documento-de-trabajo-con-los-resultados-de-la-consulta-publica·

- It is the only Mexican state-owned productive enterprise in the electricity sector, with strategic importance in terms of its generation capacity and the transmission and distribution infrastructure installed in the country.
- It provides public electricity service coverage to more than 99% of the population, covering the entire national territory.
- Its activity generates environmental, social and economic impacts in the areas where it develops infrastructure projects in the generation, transmission and distribution of electricity.
- It has a relevant role in the GHG emission reduction goals and in the fight against climate change in Mexico.

Therefore, CFE's actions, programs and projects in this *Report* are aligned with the SDGs, particularly goals 7, 9, 10 and 13, which are divided into two main areas according to their scope:

CFE projects on environmental matters

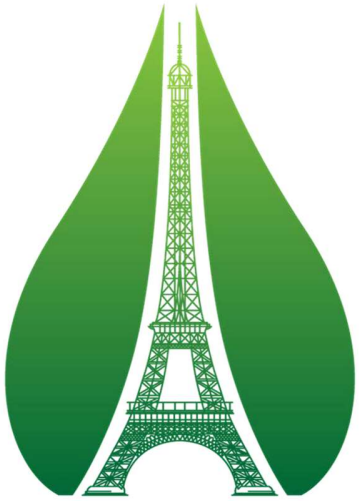
1) **Renewable Energy:**
   - Development, refurbishment, and/or maintenance of wind, photovoltaic, geothermal and hydroelectric power plants.
   - Acquisition of renewable electricity through long-term contracts with third parties.
2) **Energy Efficiency:**
   - Energy efficiency and electricity loss reduction projects.

CFE projects in social matters

1) Access to Free or Subsidized Essential Services

- Fixed wireless broadband service in areas without availability of cable services.
- Satellite Internet Connectivity Service for Rural Communities.

2.2. The Paris Agreement and International Trends in “Climate Finance” Investment Mechanisms



Every year, the United Nations (UN) holds the Conference of the Parties (COP), where negotiations and evaluations on the progress of climate agreements signed by member countries take place. Unlike the breadth of the SDGs, the COP introduces linkage mechanisms that result in concrete policies and initiatives to meet the Goals. Among them, the Sustainable Financing instruments and schemes that facilitate the obtaining of resources to develop social impact and climate change mitigation projects stand out.

In its Section 9, COP21 (the 2015 Paris Agreement) provides that developed countries shall provide financial resources to support developing countries in mitigating and adapting to climate change. Hence the concept of "Climate Finance", which encompasses a wide variety of sources, instruments and financing channels with the aim of attracting and channeling resources to new areas of sustainable investment. This involves a series of financial innovations, including the emerging market for thematic bonds to increase environmental actions and improve social development.

Currently, there is international liquidity in search of investment opportunities in emerging countries offering high returns and developing low carbon and/or high social impact projects. For investors, Climate Finance has meant not only a renewed concern for environmental issues, but also a sensitivity to the social lags that accompany them. This makes it possible to attract investment to countries such as Mexico, a country with high vulnerability to climate change and high social inequalities.

Image: www.canva.com

Mexico, along with 195 other nations, signed the Paris Agreement, adopting the commitment to introduce linkage mechanisms that emanate from the COP agreements and updates. This implies carrying out proposals and innovations that allow the transition to projects of environmental improvement and high social impact, involving all productive agents and sectors of the economy.

In this context, the CFE promotes the "*Reference Framework*" as a binding Climate Finance tool to generate interest and confidence of investors, savings funds, banks and financial institutions in the development of renewable energy projects, energy efficiency programs, reduction of social inequalities and guaranteeing access to basic public energy services and information technologies (ICTs). This contributes to a Fair Energy Transition by providing measurable, reliable, transparent and tangible results on the use, incidence and impacts of the resources captured.

Commitments established at the COP Paris 2015: The NDCs and their adoption in Mexico

2015

As a result of the Paris Agreement, national commitments known as "Nationally Determined Contributions" (NDCs) were established, through which signatory countries set specific GHG emission reduction commitments, action plans, and financing measures. In Mexico, the first publication was in March 2015.

[8]

2020

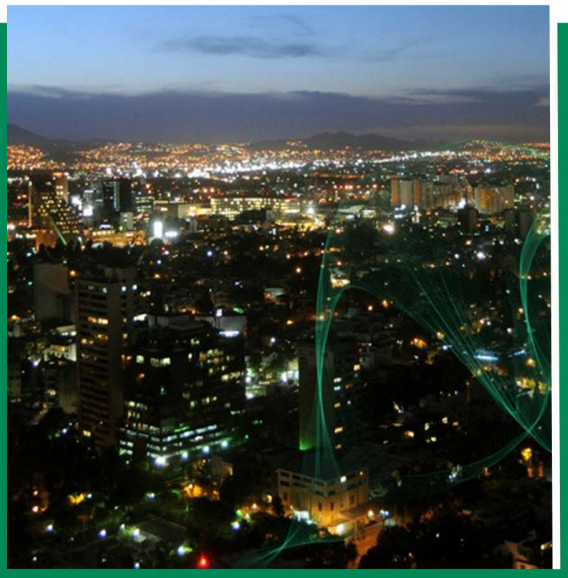
The NDCs were updated in December 2020, reinforcing four priority areas for climate action.

2023

In November 2022, during COP 27, the Government of Mexico presented the update of its NDCs, committing to:

- Voluntarily increase its GHG reduction target from 22% to 35% [9] by 2030, and up to 40% conditionally
  [10] for the same year (data with respect to its baseline) [11].
- By 2030, reduce black carbon emissions 51% unconditionally and 70% conditionally [11].

[8] NDC image: https://cambioclimatico.gob.mx/NDC/que-es-la-ndc.html#:~:text=The%20contribution%20determined%20at%20the%20level,Compound%20of%20the%20Greenhouse%20Effect%20(GyCEI
[9] Domestic resources will contribute at least 30% of the emission reductions and the remaining 5% will come from international cooperation and financing foreseen for clean energy.
[10] The 35% reduction in emissions by 2030 implies a reduction of 347 MtCO2e in that year, while the 40% reduction amounts to 397 MtCO2e (with respect to the baseline).
[11] The Mexican NDC update quantified the baseline under a 2030 trend scenario, i.e., without mitigation policy intervention. In this scenario, 991 MtCO2e were quantified as a baseline without mitigation policies in 2030.
[11] https://unfccc.int/sites/default/files/NDC/2022-11/Mexico_NDC_UNFCCC_update2022_FINAL.pdf



The NDCs and the electricity sector in Mexico

In terms of electricity generation, the Ministry of Energy (SENER) establishes guidelines and directives to reduce GHG emissions through the National Electricity System Development Program, which are considered in the CFE's Business Plan.

In accordance with the NDCs adopted by Mexico, the country has three main lines of action in the energy sector [12]:

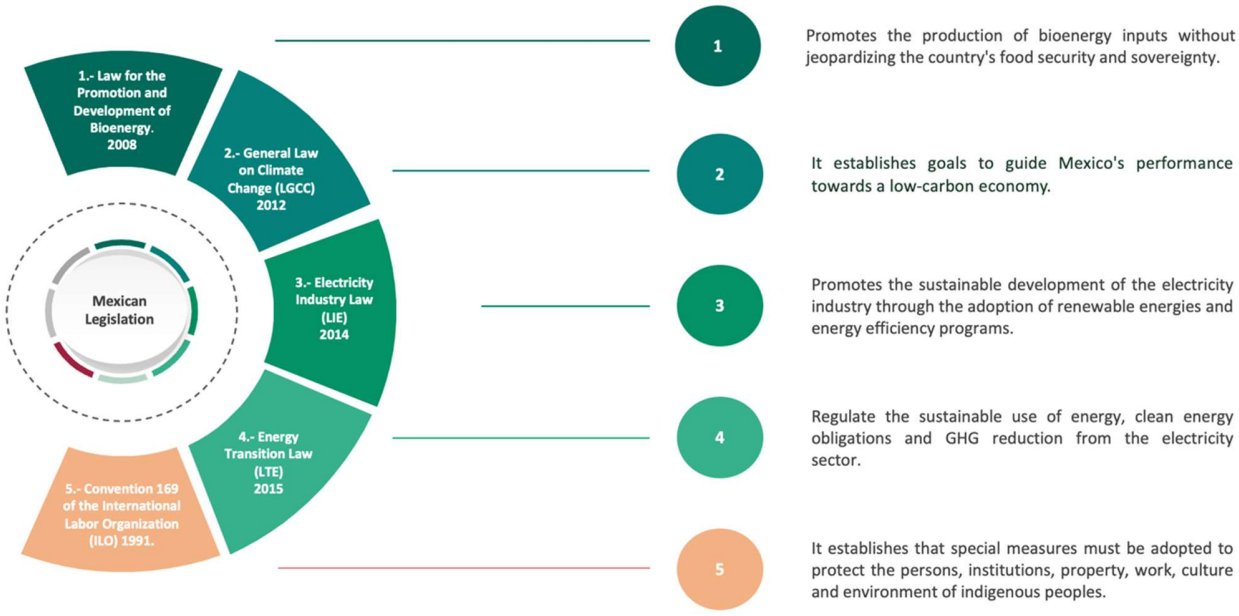
- **The integration of clean energy in electricity generation.**
- **The substitution of high-carbon fuels for natural gas in high-efficiency power plants.**
- **The reduction of technical losses in the electrical network.**

The CFE's actions include the *"Hydroelectric Power Plant Modernization Plan"* through the rehabilitation and repowering of its main equipment such as turbines, control panels, substations, including the draining of reservoirs, among other actions, with the objective of modernizing more than 40% of its hydroelectric generation park. In addition, four new hydroelectric power plants with a capacity of 284 MW are being developed. The aim is to increase the generation of renewable energy and extend the useful life of the infrastructure.

It also seeks to increase generation capacity through photovoltaic, wind and geothermal power plants, while promoting renewable distributed generation. In addition, the CFE will promote new technologies for electricity generation, such as green hydrogen in hybrid power plants, among others. In addition, some programs linked to the "*Reference Framework*" have an impact on social development by promoting universal access to basic services, for example, the provision of broadband and internet, and the electrification of low-income neighborhoods.

[12] Government of Mexico, SEMARNAT, INECC. "Nationally Determined Contribution. Update 2022". Accessed March 04, 2024: https://unfccc.int/sites/default/files/NDC/2022-11/Mexico_NDC_UNFCCC_update2022_FINAL.pdf

Mexican legislation includes four environmental laws and one social agreement:



Source: own creation.

2.3. Context of Sustainable Financing in Mexico

Financial institutions and markets in Mexico are increasingly aware of the importance of Sustainable Finance, although there are still challenges for the implementation, financing, management and development of environmental and social projects. The new financial ecosystem creates opportunities for the adoption and innovation of instruments and mechanisms to channel investment resources to these projects in an effective and efficient manner.

Mexico's government bond market has seen an expansion in the number of participants, amounts issued, instruments, liquidity and maturity, among other factors. This has made it possible to generate conditions for raising resources and innovating instruments such as environmental and social thematic bonds.

Image: Real Estate Market & Lifestyle

In addition to the certainty and profitability of Mexican bonds, there are now criteria to generate the desired environmental and social impacts for investors, while the CFE strengthens its strategic programs in this area.

- In Latin America, the amount of labeled debt in 2024 will reach between 45- 55 billion dollars. Brazil, Chile and Mexico are likely to remain the market leaders, particularly through sustainable and sustainability-linked bond issuance [13].

- The Federal Government has been the main issuer of such bonds, with a 37.4% share [14], a market in which banks (commercial, development and multilateral) and the State Productive Enterprise (EPE) participate in a relevant way in the electricity sector.

- Between 2015 and February 2024, a total of 188 **Thematic Bonds** issues have been made in the country, amounting to a total of 911.24 billion pesos [15].

- The CFE has participated in the **Green, Social, and Sustainable Debt** market with four issues. In 2022 and 2023, it ranked fourth and second in terms of placement volume on the BMV, achieving a share of 11% and 15%, respectively [15].

[13] Data as of the end of the second half of 2021. Climate Bonds:. "State of the market in Latin America and the Caribbean 2021". Accessed March 04, 2024: ttps://www.climatebonds.net/files/reports/cbi_lac_2020_sp_02d_fv.pdf
[14] "MX Bonds. Labeled debt market in Mexico". Accessed March 05, 2024: https://cmfs.org.mx/bonos-mx/.
[15] Bolsa Mexicana de Valores

2.4. Mechanisms Implemented by the SHCP to Promote and Mobilize Sustainable Finance

The Mexican Government, through the SHCP, has developed two instruments to channel financing to sustainable projects, providing certainty to the investing public through transparent definitions, criteria and classifications that are in line with international best practices. The instruments are the Sustainable Financing Mobilization Strategy (EMFS, Spanish Acronym) and the Sustainable Taxonomy of Mexico (TSM, Spanish Acronym), both published in 2023.

Sustainable Financing Mobilization Strategy (EMFS)

Purpose

Promote the mobilization and reorientation of financing from public and private sources, both national and international, to develop activities and projects that generate positive impacts on the environment and society.

- It has the potential to mobilize up to **15 trillion pesos by 2030**.
- The **CFE makes synergy with this program** by promoting investments through bonds that support the transition to renewable energies and projects that promote the social welfare of the population.

Pillars

The Strategy has three pillars:

I. Create an enabling institutional and regulatory environment for activities and projects with a sustainable approach to access low-cost financing.

II. Ensure the disclosure and transparency of strategic information on Sustainable Finance to assist decision making and redirect capital flows.

III. Promote the creation of new investment instruments to diversify sources of resources and mitigate risks.

The EMFS has three specific goals:

I. Mobilize financing from the implementation of the actions defined by the Strategy.

II. Present public policy information and results to provide certainty for sustainable investments.

III. Create mechanisms, plans, platforms, or governance and collaboration schemes to facilitate the involvement of diverse actors and institutions in sustainable issues.

Sustainable Taxonomy of Mexico (TSM)

Purpose

The TSM provides criteria for classifying economic activities according to their contribution to sustainability objectives, helping to reduce the risk of "Greenwashing" practices. The following advantages stand out:

- It provides a framework for the CFE to align with best practices in reporting and disclosure of information on financing of sustainable activities, providing certainty and transparency to the investing public.
- CFE is aligned with the mitigation objectives of the Taxonomy through the generation of electricity from renewable sources and low GHG emissions, reducing the carbon footprint of the Mexican energy sector.

Pillars

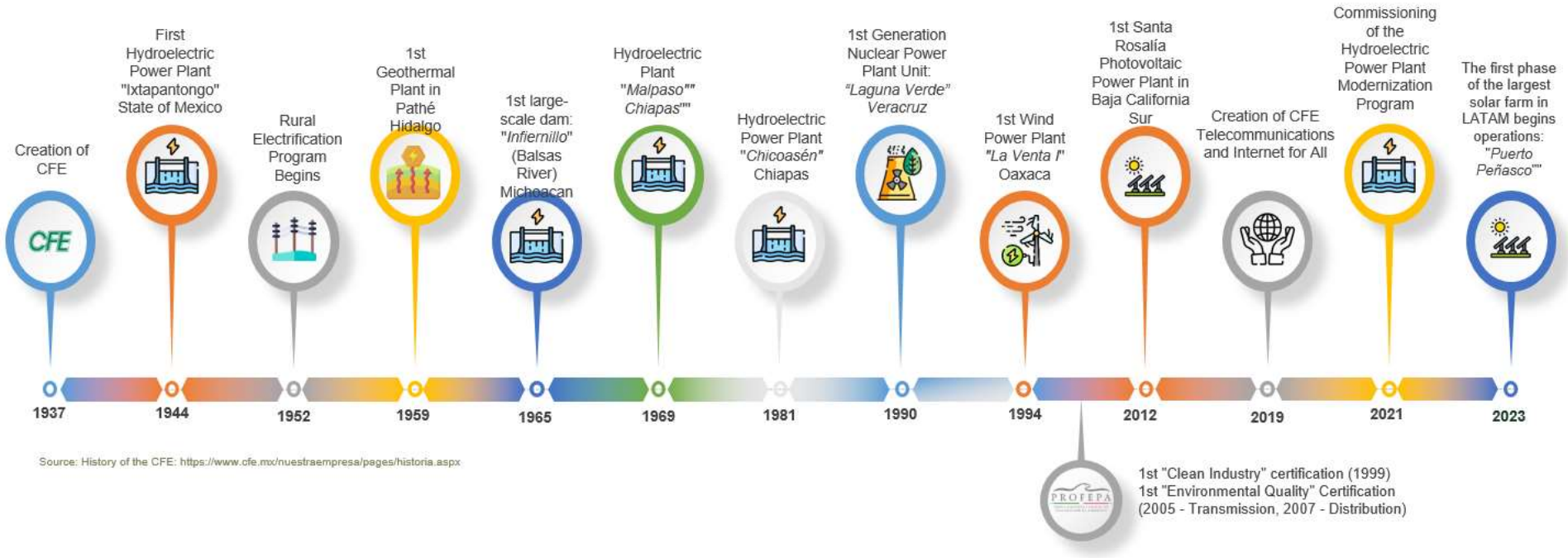
It incorporates Technical Evaluation Criteria (TEC) that ensure that the activities evaluated not only contribute to one objective, but also do not harm the other environmental and social objectives of the taxonomy.

- The Technical Evaluation Criteria also seek to safeguard minimum social standards and basic human rights.
- It incorporates gender equity criteria among its climate change mitigation and adaptation objectives.

3. General Context of the Mexican Electricity Sector and the CFE

3.1. Relevant CFE milestones in terms of sustainability: 1937 - 2023

Since its creation, the CFE's objective has been to promote social development through the provision of electric energy services throughout the country, under principles of efficiency, reliability, continuity and sustainability through clean and renewable generation sources.



Source: History of the CFE: https://www.cfe.mx/nuestraempresa/pages/historia.aspx

1938

One of the first electricity generation projects developed by the CFE was the construction of the first hydroelectric power plant "Ixtapatongo", in the municipality of Valle de Bravo, State of Mexico. The work began with the excavation of the El Durazno canal and ended in 1944.

This project was one of the most ambitious at the time and was very difficult for the Mexican technicians, who had no previous experience in this type of work.

Infrastructure of Ixtapantongo, first hydroelectric power plant | CFE.

1952

The rural electrification program begins, a project that fulfills the primary objective of supplying electricity to the country's entire population, to improve the living conditions and well-being of Mexican families.

1959

The first geothermal explorations begin for the development of the Pathé Geothermal Power Plant in Hidalgo. It is the first power plant of its kind in the Americas.

Pathé Geothermoelectric Power Plant, Hidalgo | CFE.

1965

In the 1960s, in order to take advantage of the country's hydroelectric potential, the construction of large-scale reservoirs began.

The first major project was the Infiernillo Hydroelectric Power Plant, on the Balsas River, which began operating in 1965 with a curtain 148.5 meters high and a capacity of 672 Megawatts. It was followed by Malpaso (720 MW, 1969) and Chicoasén (2,400 MW, 1981).

1990

The First Generation Unit of the Laguna Verde Nuclear Power Plant in Veracruz starts up, with an initial capacity of 675 MW.

Laguna Verde Nuclear Power Plant - Veracruz | CFE.

1994

The first wind power plant "La Venta" was installed in the Isthmus of Tehuantepec, Oaxaca, with a capacity of 1.5 MW.

1999

The CFE achieves the first voluntary "Clean Industry" certification through PROFEPA's National Environmental Audit Program (PNAA), awarded to two Power Plants: Guadalupe Victoria (Durango) and Felipe Carrillo Puerto (Yucatán).

2005

The CFE obtained the first voluntary environmental performance certification through PROFEPA's "Environmental Quality" (PNAA) for two transmission substations in 2005 and two distribution substations in 2007.

2007

This same year, the "La Venta II" wind power plant was inaugurated with 98 wind turbines for a total capacity of 83.3 MW.

Transmission Substation | CFE.

2012

The first Santa Rosalía Photovoltaic Power Plant in Baja California Sur, with a generation capacity of 1 MW, begins operations.

2019

Reinforcing CFE's social commitment, the Board of Directors of CFE Telecomunicaciones e Internet Para Todos (TEIT) is installed and meets for the first time, with the objective of providing telecommunications services to guarantee the right of access to information and communication technologies, including broadband and Internet service.

Board of Directors of CFE Telecomunicaciones e Internet Para Todos | CFE.

2021

The bidding process to develop, modernize, rehabilitate and repower the CFE's hydroelectric plants begins.

La Yesca hydroelectric power plant, Nayarit | CFE.

2022

The CFE issues its first Sustainable Bond in the international market based on the "*Reference Framework*".

2023

The first phase of the largest solar plant in Latin America begins operations: "Puerto Peñasco" (Sonora), with 120 MW, of a total of five phases to reach a total capacity of 1,000 MW in 2028.

CFV Puerto Peñasco, the largest solar power plant in LATAM | CFE.

3.2. Organization and Structure of the CFE

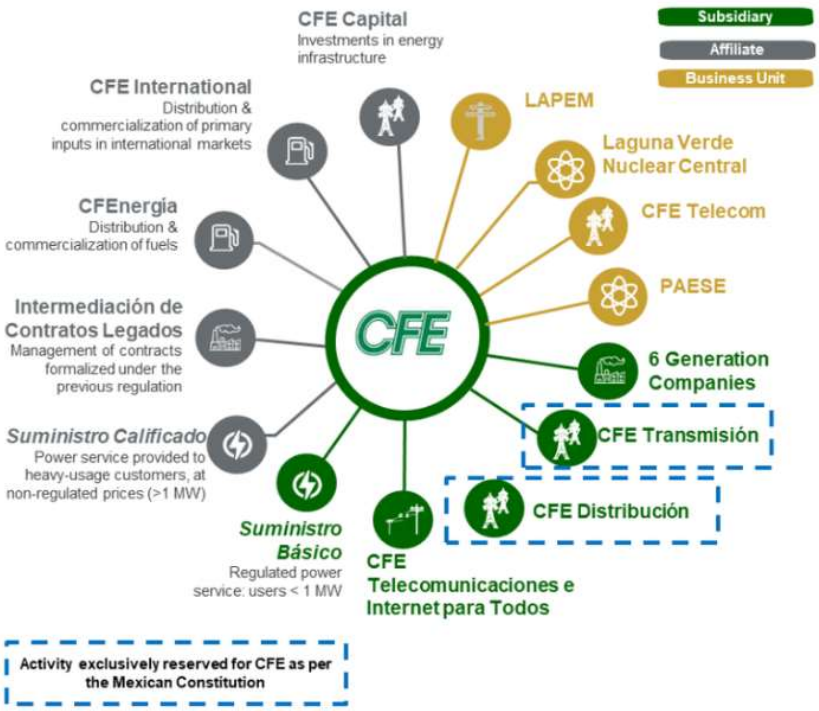
The CFE is a State-owned Productive Company comprised of the Corporation and 10 Subsidiary Productive Companies (EPS), five Subsidiary Companies (EF) and four Business Units (UN).

The EPS are responsible for the public electric power service, through six companies responsible for electricity generation, three for transmission, distribution and basic supply (commercialization), and one for the provision of telecommunication services in remote communities.

The EFs are responsible for complementary activities for the adequate supply of electric energy, such as the commercialization and transportation of fuel; the commercialization of electric energy to qualified users; the administration of legacy interconnection contracts and agreements for the purchase and sale of surplus electric energy subscribed by CFE prior to the 2015 Energy Reform, as well as the administration of capital-based financial vehicles to promote infrastructure projects for the processes of generation, transmission and distribution of electric energy.

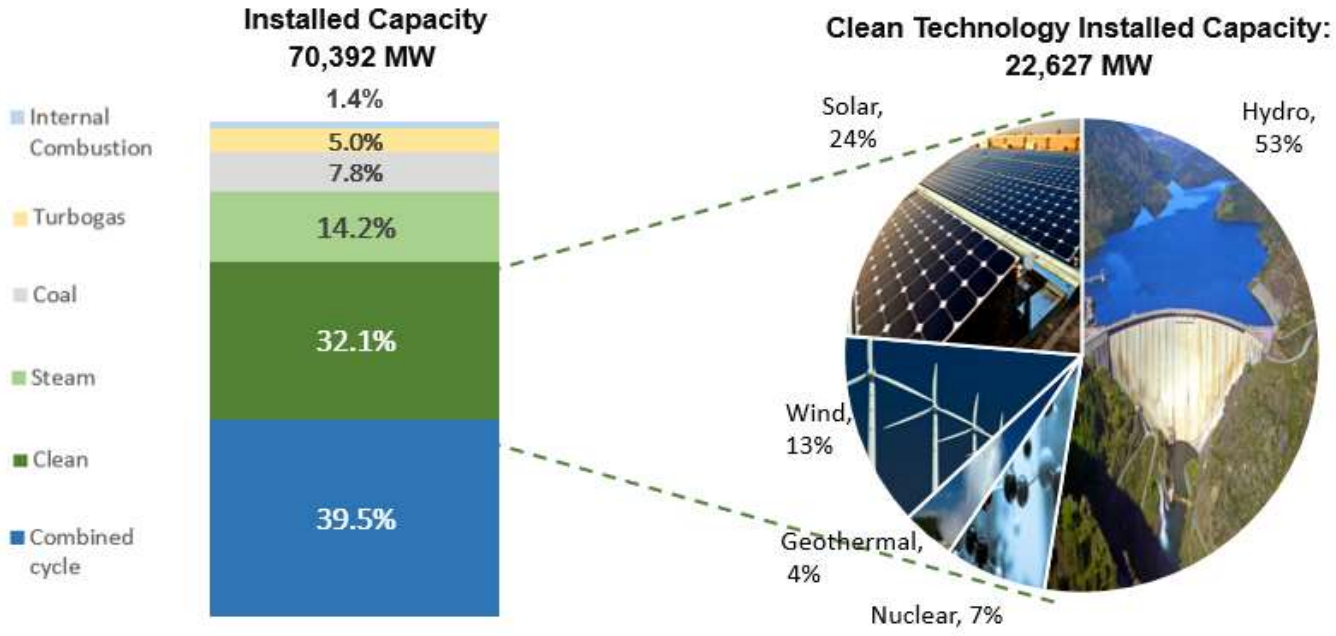
The BUs are responsible for supporting the CFE through specific activities relevant to the fulfillment of the purpose entrusted to it by law.

Organization and Structure of the CFE



CFE's Generation Matrix as of Q1 2024

At the end of March 2024, the installed power generation capacity of the CFE was 70,392 MW, of which 32.1% corresponds to clean and renewable energy (hydroelectrical, geothermal, photovoltaic, wind* and nuclear plant).



As of the first quarter of 2024, CFE's generation was 57,764 GWh, of which 18.6% came from clean energy sources.

Energy generated at the close of 1Q 2024: 57,764 GW/hour

Clean Generation	Hydroelectric	Nuclear	Geothermal Electric	Wind Power	Photovoltaic
10,728 GWh	3,055	2,926	974	1,411	2,362

Own creation. CFE.

The CFE seeks to increase the participation of clean and renewable energies to accelerate the Fair Energy Transition in Mexico.

*It includes CFE, PIEs and SLP

Coverage of public electric power service

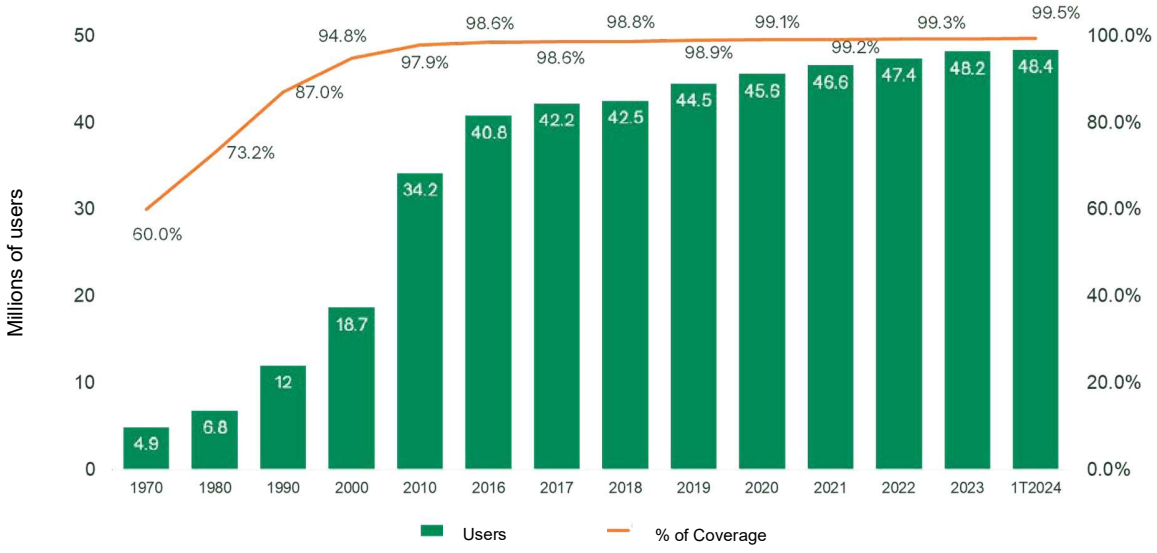
99.5%

As of the first quarter of 2024, the CFE serves more than 48 million users, which represents a coverage of 99.5% of Mexico's total population.

Image: Liniero maneuvering on energized line | CFE

The CFE has the challenge of providing electricity to approximately 1 million inhabitants who still do not have this service.

Evolution of the Number of Users and Population Coverage as of 1Q 2024



Own creation. CFE.

3.3. Program for social inclusion and mitigation of the digital divide in Mexico

On August 2, 2019, by means of a Creation Agreement published in the DOF, the CFE created the EPS CFE Telecomunicaciones e Internet Para Todos (CFE TEIT), with the purpose of guaranteeing the population's right to access information and telecommunications technologies. This EPS has the mission of combating marginalization and the digital divide by integrating isolated or excluded populations from the national telecommunications network, through the provision of public wireless broadband, mobile telephony and Internet services.

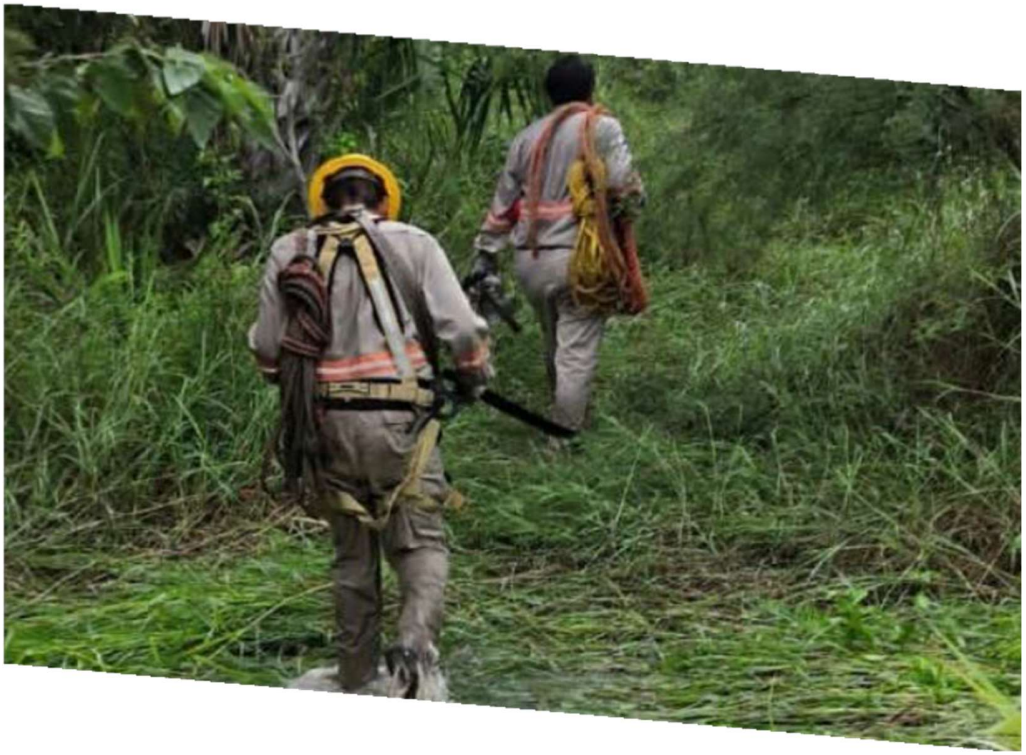
In the long term, EPS CFE TEIT's priority is to create a telecommunications network that covers all excluded and/or lagging areas and regions, providing accessible services for vulnerable populations and reinforcing social justice in telecommunications.

CFE Telecomunicaciones e Internet para Todos

"Greater population with access to electricity allows for greater digital inclusion and Internet access"

Image: CFE TEIT Annual Report 2022.

4. Environmental, Social, and Governance Policies of the CFE



CFE is developing a cross-cutting ESG strategy to incorporate criteria and policies that, in a standardized manner, contribute to the alignment of environmental and social efforts along the value chain in the supply of electricity.

Linieros crossing the Veracruz mountain range to reach the site of Grace's damage, August 2021 | CFE.

In terms of financing, the "*Reference Framework*" is an instrument that allows CFE to obtain and channel economic resources to encourage the development of actions, programs and projects in environmental and social matters, in line with the growing ESG requirements of society, as well as those of investors, banks and financial markets. In this sense, this *Report* integrates the information on the use of resources and the measurement of the impact of the programs that have been financed through the issuance of Bonds under this "*Reference Framework".*"

The *Report* consists of the collection, systematization, and disclosure of financial and operational information from the different areas of the CFE involved in the execution of environmental and social actions, programs, and projects. The *Report* is an exercise of analysis, evaluation and presentation of information through a range of financial, environmental and social indicators. It includes information on the sources of financing and use of resources for the development, expansion, modernization and rehabilitation of renewable energy generation plants and the reconversion of existing projects with decarbonization and energy efficiency objectives. It also provides information on the volume of GHG emissions avoided and the population benefited from the expansion of Free Basic Services, such as broadband access and internet connectivity.

Wind power plant, La Venta, Oaxaca, CFE.

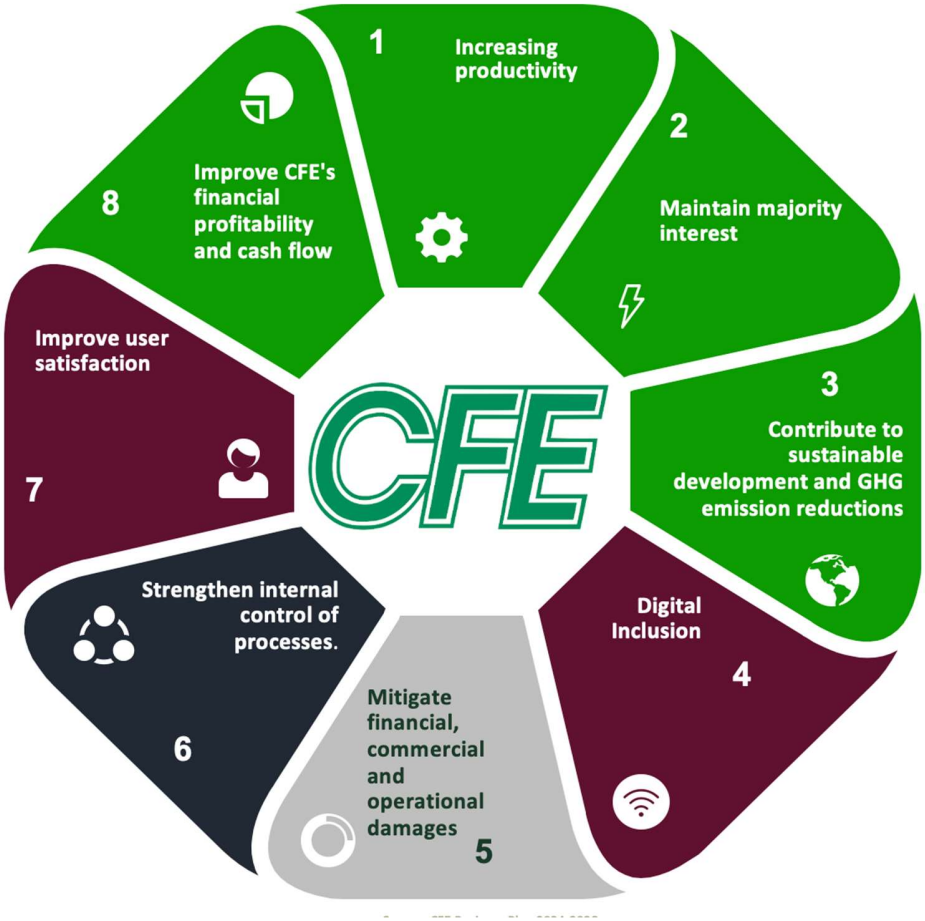
In sum, this *Report* contributes to the transparency and accountability of CFE to society in general and the investing public in particular, by making available systematized and understandable information on the traceability of its resources towards ESG goals.

4.1. CFE's Environmental, Social, and Governance (ESG) Objectives and Strategies

The Business Plan 2024-2028 is the guiding document that integrates, coordinates and directs CFE's actions, programs and projects [16]. This Plan contains eight Strategic Objectives that are linked to the National Development Plan 2019-2024, the Energy Sector Program 2020-2024 and the PRODESEN 2024-2038. Each of the Objectives presents lines of action, indicators and sustainability goals, aligning the CFE Plan with ESG criteria.

[16] The Business Plan (PDN) of the Federal Electricity Commission (CFE) published on January 11, 2024 (digital version)

Strategic Objectives of the CFE Business Plan 2024-2028



Source: CFE Business Plan 2024-2028.

Sustainable

Objectives **1, 2, 3 and 8** have lines of action on **Sustainable** matters.

Social

Objectives **4 and 7** have lines of action on **Social** matters.

Governance

Objective **6** describes the lines of action in the area of **Governance**.

Strategic Objectives of the Business Plan and Lines of Action in Sustainable Matters

Sustainable

Objectives **1, 2, 3 and 8** have lines of action on **Sustainable** matters.

Strategic Objective and line(s) of action	Indicator(s):	Goal
1. Increase Productivity		
Expansion and modernization of the National Transmission Network	RNT growth (kilometers of new transmission lines)	Annual compounded average rate of 1.5%
Reduction of technical and non-technical losses in the NSS	Percentage of energy losses (Distribution)	9.36% in 2028 for energy losses
2. Maintain the company's majority participation in the generation of electric power at the national level		
Build or acquire new generation plants	Percentage share of electric power generation	42.4% of sharing
Implement a maintenance program that guarantees the availability of the generation plants	Self-availability	Year 2024 2025 2026 2027 2028 Goal 84.7% 88.0% 88.5% 90.3% 90.0%
3. Contribute to sustainable development and GHG emission reductions		
Reducing CO2 emissions in power generation	Reducing CO2 emissions in power generation	324 gr/KWh in 2028
Energy savings through energy efficiency projects	Energy saved through projects carried out during the year	2024-2028 Implement 139 energy efficiency projects, to generate savings of 64,441.44 MWh and avoid the emission of 27,253.73 tons of CO2
Promote clean energy generation projects.	Percentage of net energy generated with clean and/or diverse energies.	27.10% of total energy generated in 2027
Modernize and upgrade hydroelectric power generation plants	Additional MW of hydroelectric generation capacity	540.6 MW 2024-2028
Set of programs and actions that generate direct benefits to society	Percentage of progress of Social Responsibility and Cultural Dissemination actions carried out by CFE work center areas	90% compliance in the programs and actions of Social Responsibility and Cultural Dissemination, in charge of the areas and CFE work centers
8. Improve CFE's financial profitability and cash flow		
ESG bond issuance in domestic and international markets	Financial cost of bonds issued in the international capital markets	Price similar to the interest rate curve of the CFE in its different terms

Social

Strategic Objectives of the Business Plan and Lines of Action in Sustainable Matters

The Objectives **4 and 7** have lines of action on **Social** matters.

Strategic Objective and line(s) of action	Indicator(s):	Goal
4. Digital Inclusion		
Promote Internet and broadband access as fundamental services for social welfare and inclusion.	Free Internet connection	140 thousand access points activated by
	Locations with cellular and internet coverage through commercial and/or governmental operators, including CFE TEIT.	122 thousand locations
7. Improving user satisfaction		
Set of programs and actions that generate direct benefits to society.	% progress of Social Responsibility and Cultural Dissemination actions carried out by CFE work center areas.	90% of compliance in Social Responsibility and Cultural Dissemination programs and actions by CFE areas and work centers.

Governance

Strategic Objectives of the Business Plan and Lines of Action in Sustainable Matters

The objective **6** describes the lines of action in the area of **Governance**.

Strategic Objective and line(s) of action	Indicator(s):	Goal
6. Strengthen internal control of processes.		
Implementation of the Gender Equality and Inclusion program.	Support in cases of gender violence in the workplace.	100% of complaints handled by the end of 2028.
	Staff trained in gender equality.	70% by the end of 2028.
Fighting corruption.	Update of the Anticorruption Program.	Progress in the update.
Update of the Anticorruption Program.	Compliance with the implementation of the Anticorruption Program.	Implementation of the Anticorruption Program in all areas of CFE, its EPS and EF
Optimize CFE's contracting resources.	Optimize CFE's contracting resources.	Difference of 8% between the amount budgeted and the

Image: Los Azufres geothermal power plant, Michoacán, CFE. Certified by the PROFEPA with the distinctive Clean Industry.

4.2. CFE's participation in the National Environmental Audit Program (PNAA)

The National Environmental Audit Program (PNAA) was created in 1992 under the initiative of PROFEPA [17]. In its beginnings, the Program focused on auditing the environmental impact of various processes in branches and activities of the industrial sector. To date, it includes the trade, services and tourism sectors, as well as small and medium-sized companies.

The Program also establishes preventive and corrective measures necessary to protect the environment and achieve environmental certification. PROFEPA issues three types of certifications: *Clean Industry, Environmental Quality, and Environmental Quality in Tourism*. PROFEPA's audits are based on international parameters and good operating practices and self-regulatory processes.

[17] National Environmental Audit Program, available at: https://www.gob.mx/profepa/acciones-y-programas/programa-nacional-de-auditoria-ambiental-56432.

On a voluntary basis, CFE participates in the Program Certifications by reviewing the degree of compliance and environmental risk of its generation assets, aligning itself with the requirements established by the regulations on the matter. The environmental audit includes variables such as air quality, pollutant and noise emissions, water use, soil and subsoil conditions, natural resource and waste management, energy consumption, biodiversity management, and attention to environmental risks and emergencies, among others.

CFE Voluntary Environmental Certifications

EPS	Effective Certificates	Certification in process
Generation	73	35
Transformation	60	71
Distribution	896	438
Total	1,029	544

These certifications, granted by Mexico's federal environmental authority, provide certainty about CFE's compliance with environmental obligations and the adoption of best practices.

5. CFE´s Sustainable Financing Framework

5.1. Objectives and Characteristics

On January 31, 2022, on its website, the CFE published its "*Reference Framework*", which is intended to be a roadmap for the issuance of debt instruments [18]. These instruments are placed in the capital markets as thematic bonds, raising funds from investors that must be allocated to CFE actions, programs and projects that comply with the social and environmental criteria set forth in the "*Reference Framework"*.

To this end, the "*Reference Framework*" employs an eligibility methodology based on the evaluation and selection of those projects to be financed that demonstrate net positive environmental and social impacts.

Image: CFE.

The methodology groups the projects under three main headings: Green, Social, and Sustainable, which have intertwined objectives that encompass the incorporation of renewable energy projects and energy efficiency programs, as well as the mitigation of social inequalities through access to basic public services.

[18] Sustainable Financing Reference Framework published on January 31, 2022 (digital version)

The "*Reference Framework"* has established the disclosure of the results of these investments, using transparency standards and best practices through the publication of results reports and environmental and social impact indicators. Unlike traditional debt issues, where the investor does not have a complete picture of the use of its resources, the *"Reference Framework"* has eligibility criteria for the environmental and social projects to which these funds are allocated.

Main Characteristics of the "*Reference Framework*"

1. It is aligned with ICMA standards and best practices in national and international sustainable financing instruments.

2. It allows raising liquidity from investors and financial institutions seeking to finance projects that meet ESG criteria.

3. It provides confidence, transparency and certainty to the investing public, demonstrating the traceability of flows throughout the process of fundraising, allocation, exercise, monitoring, and reporting.

4. It uses methodologies for the evaluation and eligibility of projects, ensuring compliance with environmental and social goals.

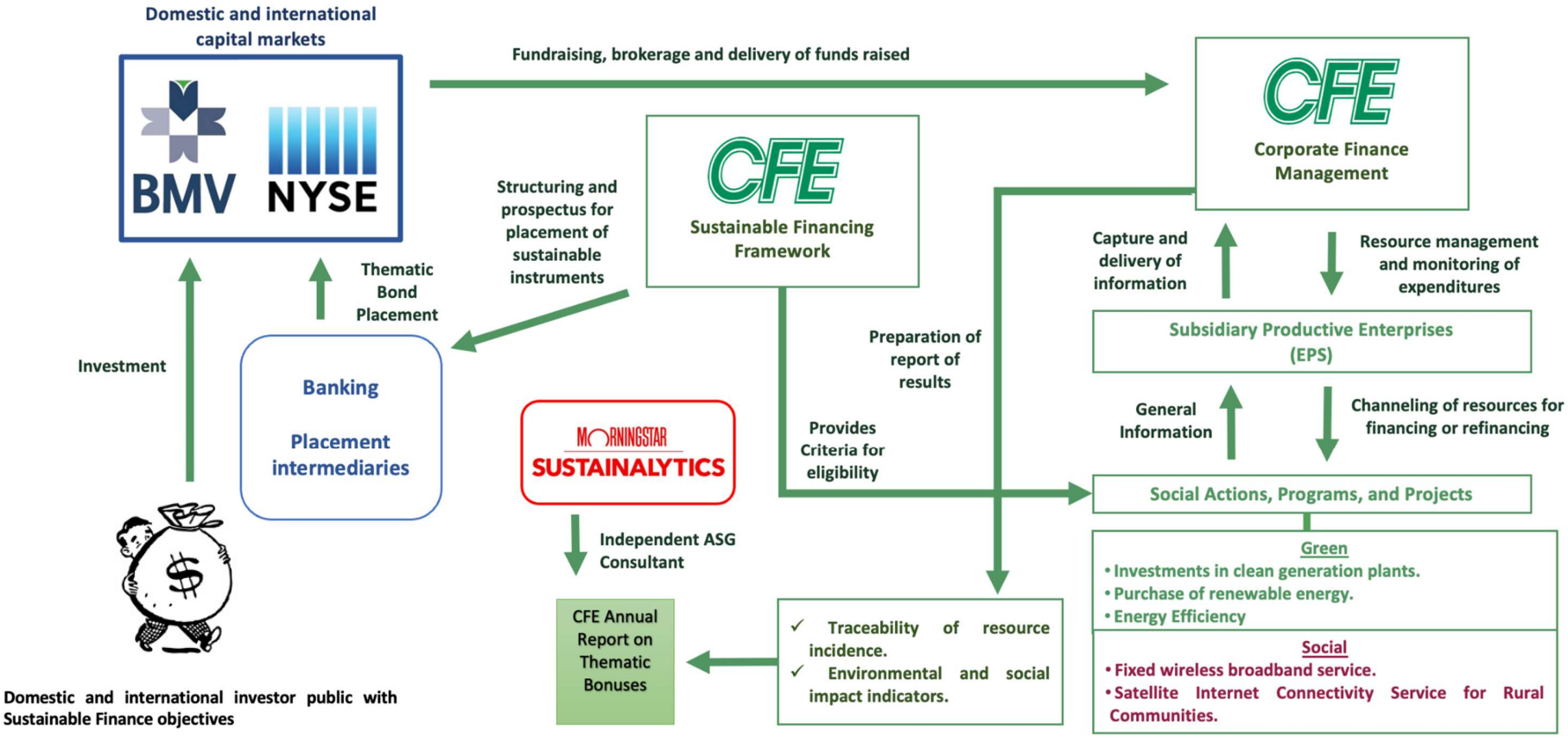
5. The actions, programs and projects in question have a commitment to environmental and social impact that can be measurable and replicable.

6. It establishes transparent measurement of environmental and social results and impacts through disclosure reports and indicators evaluated by an External ESG.

The *"Reference Framework"* is an important articulating tool between the CFE and the investing public, since through this structure it is possible to know the destination and impact of the resources that are invested in the company to develop environmental and social actions, programs and projects, as illustrated below.

Flow structure of CFE´s Sustainable Financing Framework

The Report will allow domestic and foreign investors to know the destination and environmental and social impact of their resources invested in CFE bonds through the capital markets.



Components of the "*Reference Framework*""

1 Use of proceeds

The resources obtained from the issuance of CFE's Sustainable Financing instruments will be used to finance or refinance, in part or in full, new or existing eligible projects and activities.

2 Process for evaluation and selection

The CFE has established methodologies and processes to evaluate and select eligible projects to be financed with the resources raised by the Thematic Bonds.

3 Management of Proceeds

The management of resources from financing is carried out by the DCF, through unique expenditure identifiers for actions, projects, and programs that allow monitoring the funds during their execution period.

4 Report

The CFE reports on the use and impact of the resources obtained from its Sustainable Financing instruments through annual reports under strict standards of transparency and accountability.

5 External Review

The *Report* is subject to an External Audit by a Qualified Institution, giving an opinion on the allocation, use and environmental and social benefits achieved, confirming that it complies with the "*Reference Framework*".

Transmission Tower | Chignautla Geothermal Power Plant, Puebla | CFE.

5.2. Alignment with National and International ESG Financing Methodologies

CFE.

The "*Reference Framework*" is aligned with an architecture integrated by national and international institutions that use methodological, regulatory and best practice criteria to manage the performance of Sustainable Finance in CFE's actions, programs and projects in environmental and social matters.

With this, the CFE seeks to show the different actions carried out in these fields to identify, quantify and assess the impacts they have on environmental and social improvement, in a reliable, objective and transparent manner.

Alignment with National and International ESG Financing Methodologies

The CFE's "*Reference Framework*" aligns with ICMA's GBP and SBP Principles, as well as APLMA's GLP, LMA, and LSTA, which contributes to transparency and accountability in the use of proceeds to strengthen investor and public confidence.

Various international organizations have published different frameworks for the issuance of labeled financing.

International Capital Market Association
(ICMA)

In 2014 they were published for the first time, having as last publication was in 2021 [19]:

- Green Bond Principles (GBP)
- Social Bond Principles (SBP)

The Bonds categories are:

- Green, Social, Sustainable

PRINCIPLES COMPONENTS

- Use of proceeds
- Process for evaluation and selection
- Management of proceeds
- Reporting

Green Loan Principles
(GLP)

Asia Pacific Loan Market Association

Loan Market Association

Loan Syndication and Negotiation Association

They coordinate loan market participants, facilitating fair and equitable market principles.

The CFE aligns with the principles, categories, and eligible components of the Principles outlined for resource management.

Additionally, CFE verified the use and management of the resources obtained through its labeled bonds, based on the "*Reference Framework"* with the international company Sustainalytics (a leading provider of ESG research and ratings).

Image: www.canva.com

[19] ICMA. 2021. "Principles of Green Bonds - Guide to the Voluntary Procedure for the Issuance of Green Bonds" | "Principles of Social Bonds - Guide to the Voluntary Procedure for the Issuance of Social Bonds". APLMA, LMA, LSTA. "Guidance on Green Loan Principles."

Alignment with national and international ESG financing methodologies

	GBP	SBP	GL	*" CFE´s Sustainable Financing Framework "*
Use of proceeds	✓	✓	✓	Resources obtained through sustainable financing from CFE will be used to finance or refinance, in part or in full, new or existing eligible projects and activities that meet the eligibility criteria set forth in this "*Financing Framework"*, in accordance with the following categories: ***Green Projects:*** ● Renewable energy projects ●Energy efficiency projects. ● Clean transportation projects ●Green construction projects ***Social projects*:** Projects for access to free or subsidized essential services (digital inclusion)
Process of assessment and selection of projects	✓	✓	✓	The CFE has a process of technical, legal, environmental, social, and economic-financial evaluation for the selection of eligible projects to be developed with the Sustainable Financing instruments.
Management of Proceeds	✓	✓	✓	The Office of the Corporate Finance Officer will track the use of resources from sustainable financial instruments in eligible green or social projects. For this, a special folder is created with all the documentation and unique identifiers for each project.
Report	✓	✓	✓	The CFE commits to prepare an annual report on the Use of Resources obtained from its Sustainable Financing instruments, in accordance with the provisions of the "*Reference Framework'"*
External review	★	★	★	The CFE obtains an External Review from a qualified provider to confirm that resource management complies with the criteria and procedures of the *Reference Framework*.

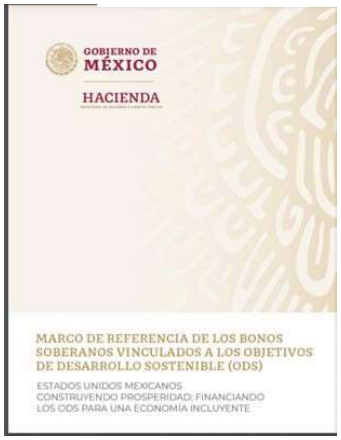
Own creation based on GBP, SBP, and the "*Reference Framework*" of the CFE.

✓ Mandatory according to the "*Reference Framework'"*.

★ Recommended by the "*Reference Framework*".

Images: Sol de Morelia | Infraestructura.com Magazine

Alignment with national and international ESG financing methodologies



SDG Sovereign Bond Framework - SHCP

The "*Sustainable Development Goals Sovereign Bond Framework"* was published by the SHCP in 2020 and is an innovative instrument that provides a conceptual and flexible structure for issuing various types of bonds such as green, social or sustainable bonds, as long as they are linked to the fulfillment of the SDGs and allow for budgetary alignment towards that purpose.

Bonds issued under this structure aim to close social gaps and reduce the negative externalities of human activity on the environment.

The "*Reference Framework" of the CFE* is aligned with the "*Sustainable Development Goals Sovereign Bond Framework*" of the SHCP, by following international guidelines and good practices for the issuance of labeled bonds. They establish similar categories for resource use with respect to renewable energy, energy efficiency, clean transportation and access to essential services; they also coincide in their contribution towards meeting SDGs 7, 9, 11 and 13.

MR CFE Eligible Categories	SDGs MR Bonds Eligible Categories	Alignment	Linked SDGs
Renewable Energy	Access to modern, affordable, and liable technology for the power generation. Increase the participation of renewable energies and improve power efficiency in their processes.	There is alignment ✓	SDG 7. Affordable and non-pollutant energy. SDG 13. Action by climate*
Energy Efficiency	Increase the participation of renewable energy and improve energy efficiency	There is alignment ✓	SDG 7. Affordable and non-pollutant energy.
Clean Transportation	Increase the use of mass and trail transportation to move people and goods.	The is alignment ✓	SDG 11. Sustainable cities and communities.
Access to essential services	Access to the basic infrastructure and public services.	There is alignment ✓	SDG 9. Industry, innovation and infrastructure SDG 10. Reduction of inequalities

* For the "Reference Framework" of the CFE, it only considers alignment with SDGs 7, 9, 10, and 11. However, funding in the eligible energy and energy efficiency categories is also identified as having a contribution to SDG 13.
Own creation based on the "*Reference Framework*" of the CFE and the "SDG Sovereign Bond Framework".

Alignment with national and international ESG financing methodologies

For the CFE, it is essential to ensure its alignment with the main national instruments in the area of sustainable finance, as this allows its contribution to national social and environmental development goals to be observed. Returning to the objectives of the EMFS and the TSM, both of them are aimed at promoting sustainable financing in a timely manner. The following is the specific relationship between these instruments and the "*Reference Framework*" of the CFE.

EMFS | SHCP

Pillar 1 "Sustainable public financial management""

1.7 "Financing fair transition in Mexico".

For its strong commitment in promoting compliance with the country's decarbonization goals and the provision of electricity from clean and renewable sources.

Pillar 2 "Mobilization of sustainable financing""

2.1 "Consolidation of the sustainable debt market".

Alignment with the consolidation of the debt market and mobilization of financial resources

TSM | SHCP

Alignment in green project categories with one or more SST substantial contribution criteria:

-Renewable Energy

-Energy Efficiency

-Clean transportation

-Green buildings

High voltage lines Champotón, Campeche 200 | CFE.

The TSM establishes technical criteria to identify and define whether investment activities or projects make a substantial contribution to environmental and social objectives. By basing such criteria on evidence, it provides certainty and transparency as to what can be considered sustainable.

Alignment with the "Sustainable Taxonomy of Mexico" of the SHCP

Categories	Eligible projects "Reference Framework" of the CFE	Alignment	*Linkage factors*
Renewable Energy	Solar: (photovoltaic and CSP13 technology)	There is alignment ✓	They establish that electricity generation from solar energy (solar concentrators) is directly eligible and exempt from submitting a product life cycle assessment, including a carbon footprint assessment.
	Geothermal Power Plants	There is alignment	They share the same GHG emissions threshold of less than 100 gCO2e/ KWh.
	Hydroelectrical Power Plant	There is alignment ✓	They propose a threshold lower or equal to 100gCO2e/KWh/greater than or equal to 5W/m2: Activities with a power per unit area greater than or equal to 5W/m2 are directly eligible and are exempt from submitting a product life cycle assessment, including a carbon footprint assessment.
	Investments in the installation of electricity transmission lines	There is alignment ✓	The following investments in electric power distribution are considered: ● Direct connection of renewable energy sources. ● Equipment whose main purpose is to increase the generation or use of renewable electricity generation (indirect connection). ● Vehicle recharging stations and electric infrastructure for public transportation, including transmission and distribution equipment necessary for the proper operation of the recharging stations.
Energy Efficiency	Expenditures related to projects that could result in energy efficiency gains	There is alignment ✓	Certain energy transmission expenses, such as the installation of safety and energy efficiency transformers, are considered eligible.
Clean transportation	Acquisition, modernization and maintenance of transportation fleet, including transport with zero direct emissions and low GHG emissions.	There is alignment ✓	Fleet of electric or low-carbon hydrogen vehicles or rolling stock are automatically eligible. On the other hand, conventional hybrid vehicle fleets will be eligible only until 2025 and plug-in hybrids until 2030. Expenditures related to this type of fleet are considered eligible projects in the "*Reference Framework"* although in the case of hybrids, it is not specified until which year.
Green Buildings	Expenditures related to the acquisition, financing, construction or rehabilitation of buildings	There is alignment ✓	Recognizing eligible certification standards such as LEED and BREEAM

Own creation based on the "*Reference Framework*" of the CFE and the "Sustainable Taxonomy of Mexico", SHCP.

5.3. Eligible Categories and Their Criteria

"La Venta I y II" Wind Power Plant, Oaxaca | CFE.

The *"Reference Framework"* has a structured methodology to define the eligibility criteria that should govern CFE actions, programs and projects subject to sustainable financing.

The focus of this methodology consists of, on the one hand, mitigating negative environmental externalities, in order to increase the population's well-being and conserve the environment. On the other hand, in reducing inequalities in access to essential public services for the most vulnerable communities in order to promote a more inclusive and equitable society.

Additionally, these criteria must be translated into a series of indicators to determine the CFE's contribution to the environmental and social objectives established in the *"Reference Framework"*.

The variables that make up the categories and the eligibility criteria for sustainable projects are detailed below.

NOTE: GREEN projects were chosen for the resource labeled as SUSTAINABLE, considering its environmental and social impact.

"Categories and eligibility criteria of the "*Reference Framework*"

GREEN PROJECTS
RENEWABLE ENERGY

Resources are used to finance projects that improve the supply of energy to users from renewable and low-carbon sources. These include:

	CATEGORY	ELIGIBILITY CRITERION
 **Wind**	Construction, development, expansion, maintenance or repowering of wind power plants.	
 **Solar**	Construction, development, expansion, maintenance or repowering of solar energy plants.	Eligible as long as at least 85% is generated from this source.
 **Geothermal**	Construction, development, expansion, maintenance or repowering of geothermal power plants.	Eligible as long as its direct emissions are less than 100 g CO2/kWh.
 **Hydroelectric**	Construction, development, expansion, maintenance to increase generation efficiency, service life or energy production.	Plants operating before 2020 are eligible if they have: - A power density >5W/m2, or - GHG emissions intensity <100g CO2e/kWh. Plants operating as of 2020 are eligible if they have: - A power density >10W/m2; or - GHG emissions intensity <50g CO2e/kWh.
 **Purchase of Renewable Energy**	Expenditures for the purchase of energy from renewable and low-carbon sources.	Pursuant to long-term (≥ 5 years) power purchase agreements, including those entered into prior to the issuance of the Sustainable Financing, as well as subsequent extensions.
 **Energy Efficiency**	It includes optimization and reduction of energy losses in heating, ventilation, air conditioning (HVAC19), refrigeration and energy efficient electrical equipment	The resources are used to finance projects that guarantee at least a 30% improvement in energy efficiency."

Categories and Eligibility Criteria of the "*Reference Framework*"

SOCIAL PROJECTS

ACCESS TO BASIC FREE OR SUBSIDIZED SERVICES

Resources are used to finance the construction, improvement, acquisition, maintenance and/or operation of facilities and equipment necessary to provide fixed wireless broadband service in areas without service availability.

CATEGORY	ELIGIBILITY CRITERION
 **Digital Inclusion**	The expansion of CFE Telecomunicaciones e Internet para Todos, which seeks to create 200,000 access points to provide internet service to 130,000 locations throughout Mexico by 2025.	Target population: low-income people and marginalized and isolated localities in Mexico. The *Framework* is based on the definition of "income poverty" and data collected through the Population and Housing Census, analyzed by the National Council for the Evaluation of Social Development Policy, CONEVAL, 2021.

Own creation based on the "*Reference Framework*" of the CFE.

5.4. Independent Expert's Opinion: Second Party Opinion (SPO)

To ensure the alignment of the "*Reference Framework"* with the highest international standards, in January 2022 Morningstar Sustainalitycs, a firm with internationally recognized expertise and experience in ESG matters, issued the following independent opinion:

" Sustainalytics believes that the CFE's Framework is credible and" impactful and aligns with the Sustainable Bond Guidelines 2021, the Green Bond Principles 2021 and the Social Bond Principles 2021."[20]."

MORNINGSTAR | SUSTAINALYTICS

[20] Second Party Opinion of the CFE Sustainable Financing Reference Framework, January 2022"

Result of the evaluation of the "*Reference Framework*" of the CFE by the SPO MORNINGSTAR | SUSTAINALYTICS

1 Use of proceeds

Sustainalytics believes that investments in the eligible categories will generate positive environmental impacts and advance the UN SDGs, specifically numbers 7, 9 and 11.

2 Process for evaluation and selection

Sustainalytics considers that environmental and social risk management processes are adequate, and project selection is aligned with market practices.

3 Management of Proceeds

CFE intends to allocate all funds within 24 months of issuance and has established a 24-month retrospective period prior to each issuance. This is in line with market practice.

4 Report

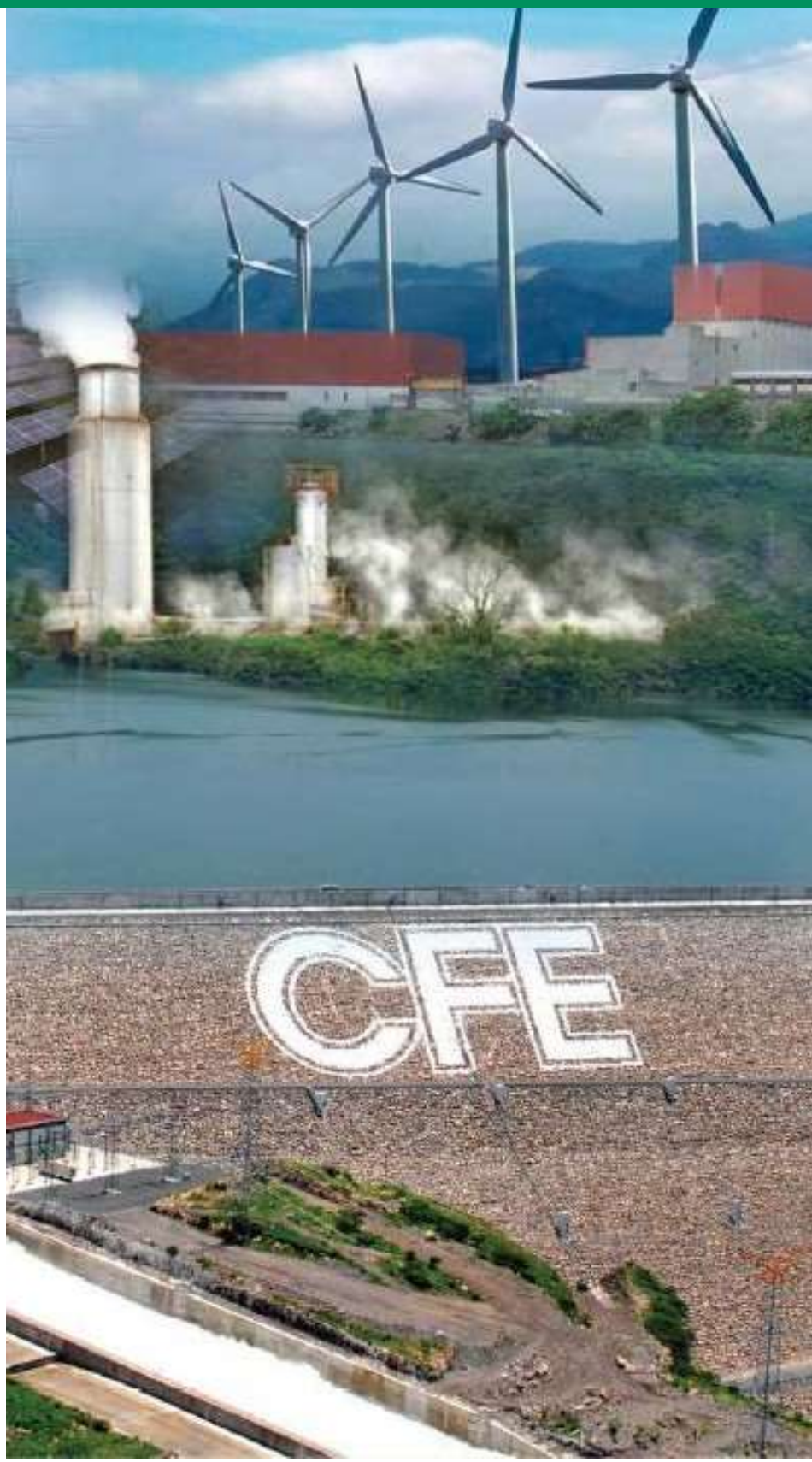
Sustainalytics considers CFE's allocation and impact reporting to be in line with market practice.

5.4. Verification of the Report by an Independent Expert

In addition to the external opinion of the *"Reference Framework"*, ***Morningstar | Sustainalitycs*** has also issued an independent verification of this Report, reviewing the management, use and impact of the resources obtained by the CFE in its actions, programs and projects in terms of environmental and social sustainability.

The external verification reinforces the confidence and security of the procedures used by the CFE in accordance with the "*Framework*"" in the use of resources, communicating to the investing public the commitment of the CFE to align with the principles of green and social bonds and loans, as well as best practices in sustainable financial markets. This milestone marks the path to be followed in the coming years, where CFE will continue to rely on the opinion of external organizations to validate its processes and objectives.

6. Report on the Allocation of the Bonds issued in 2022-2023



6.1. Thematic bonds issued by the CFE

The CFE has three categories for the issuance of labeled bonds that determine the use of the resources raised:

GREEN BONDS: investment in renewable energy and GHG mitigation.

SOCIAL BONDS: financing aimed at mitigating social lags that impede the equitable development of society.

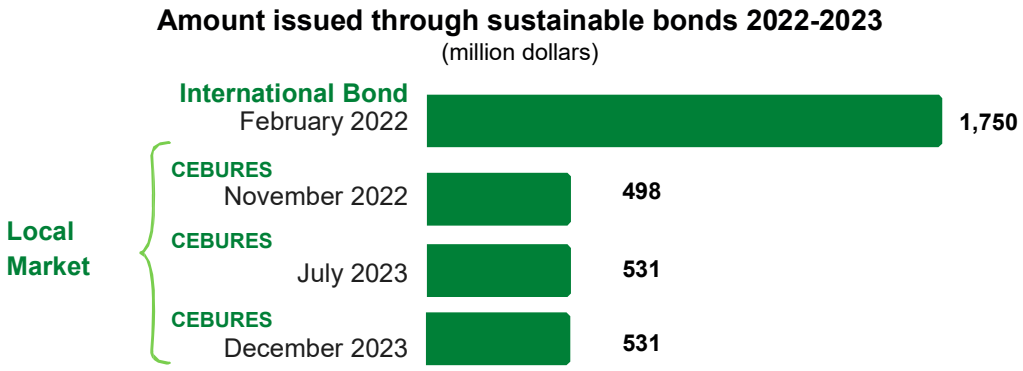
SUSTAINABLE BONDS: this is a combination of actions, programs and projects with Green and Social labels.

The resources raised for the different environmental and social items of the 2022 and 2023 emissions are reported below.

6.1.1. CFE Sustainable Bond Issuances

Since 2022, CFE has tapped the international and domestic debt markets on four occasions through the issuance of sustainable bonds totaling 3,309 million dollars.

- International issuance (2022)
- Three local issues (2022 and 2023)



The CFE is one of the most important issuers of Sustainable Bonds in Latin America and the only one in the energy sector in Mexico.

The CFE has the international bond with sustainable label with the longest term and amount for a Corporate in Latin America.

In 2022, the CFE ranked fourth in terms of the volume of labeled debt placement, with a share of 11%.

Characteristics of the Sustainable Bonds issued by the CFE 2022-2023

	Bond	Issue Date	Contracted Amount	Coupon	Maturity		Label	Resources Allocated	Pending Assignment
	International Bonds		**Million dollars**					**Million dollars**	
International 2022 ~35,733 mdp	**CFELEC 4.688% 2029**	Feb-22	1,250	4.69%	05/15/2029		Sustainable	1,250	0
	CFELEC 6.264% 2052	Feb-22	500	6.26%	02/15/2052		Sustainable	500	0
	Local Bonds		**Million dollars**					**Million dollars**	
			First issue						
CEBURES November 2022 ~10,000 mp	**CFE 22-S**	Nov-22	145	TIIE + 0.48%	05/29/2026		Social	143	2
	CFE 22-2S	Nov-22	66	10.82%	11/08/2030		Social	0	66
	CFE 22-UV	Nov-22	122	6.30%	03/07/2033		Green	122	0
	CFE 22-2UV	Nov-22	164	6.72%	10/24/2042		Green	30	134
			Second issue						
CEBURES July 2023 ~10,000 mp	**CFE 23-X**	Jul-23	179	TIIE + 0.35%	12/16/2024		Sustainable	179	0
	CFE 22-2S Re-opening	Jul-23	167	10.82%	11/08/2030		Social	0	167
	CFE 22-UV Re-opening	Jul-23	184	6.30%	10/24/2042		Green	0	184
			Third issue						
CEBURES December 2023 ~10,000 mp	**CFE 23-2X**	Dec-23	151	TIIE + 0.56%	12/07/2026		Sustainable	151	0
	CFE 23-3X	Dec-23	133	10.88%	03/04/2030		Sustainable	133	0
	CFE 23-UX	Dec-23	246	6.10%	11/26/2035		Sustainable	246	0

Own creation based on the "*Reference Framework*" of the CFE. *Exchange rate 2022:20.0863 and 2023: 18.8447*

International Bond

The First Bond with Sustainable label issued by the CFE was in the international market on February 8, 2022

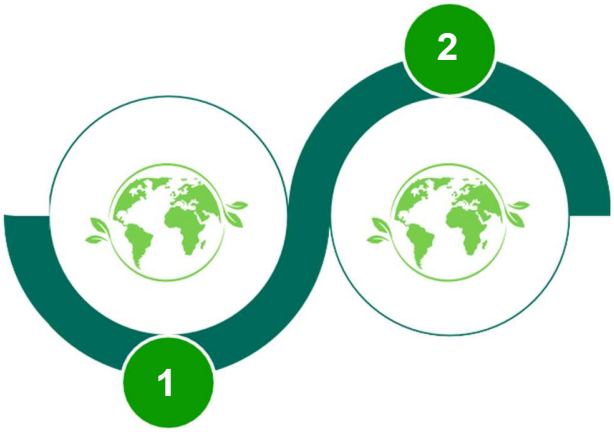
1,750 md

The total amount of CFE's Sustainable Bond issuance under the 144A/Reg S format was 1,750 million dollars, the largest from a Latin American corporate.

The issuance considered **two tranches**, the first of **1,250 million dollars for 7.3 years** and the second of **500 million dollars for 30 years**:

- The first tranche represents the largest single bond issued in Latin America.
- The second tranche is the Sustainable Bond of longer duration.

CFELEC 6.264% 2052
Sustainable Bond
500 md (~10.20 bp) 30 years| 6.26%.
Longest duration sustainable bond in Latin America



CFELEC 4.688% 2029
Sustainable Bond
1,250 md (~25.52 bp)
7.3 years| 4.69%.
Bond with the largest single issue amount in the region

The CFE received the **"Quasi-Sovereign Sustainable Bond of 2022"**award from LatinFinance at the "2022 Deals of the Year Awards".

2022 Deals of the year, Latin Finance
https://energiaadebate.com/premian-a-cfe-por-coloccion-de-bono-sustentable/

1st Issue with Sustainable Label in the Local Market

First placement of Stock Market Certificates in the local market with a Social and Green focus.

498 md

On November 16, 2022, the CFE made its first placement of Stock Market Certificates in the local market with a Social and Green focus for an amount of 498 million dollars in the Mexican Stock Exchange.

The issue consisted of **four tranches**:

- two with **social** medium-term label
- two with **green** long term labels

With this issuance, the CFE is the first corporate to access 20-year term financing in Mexico's public debt market.

The transaction was oversubscribed by 2.5 times the target amount, reflecting investor confidence in the SOE's environmental and social policies.

2nd Issue with Sustainable Label in the Local Market

Second placement of CEBURES in the local market with Sustainable label

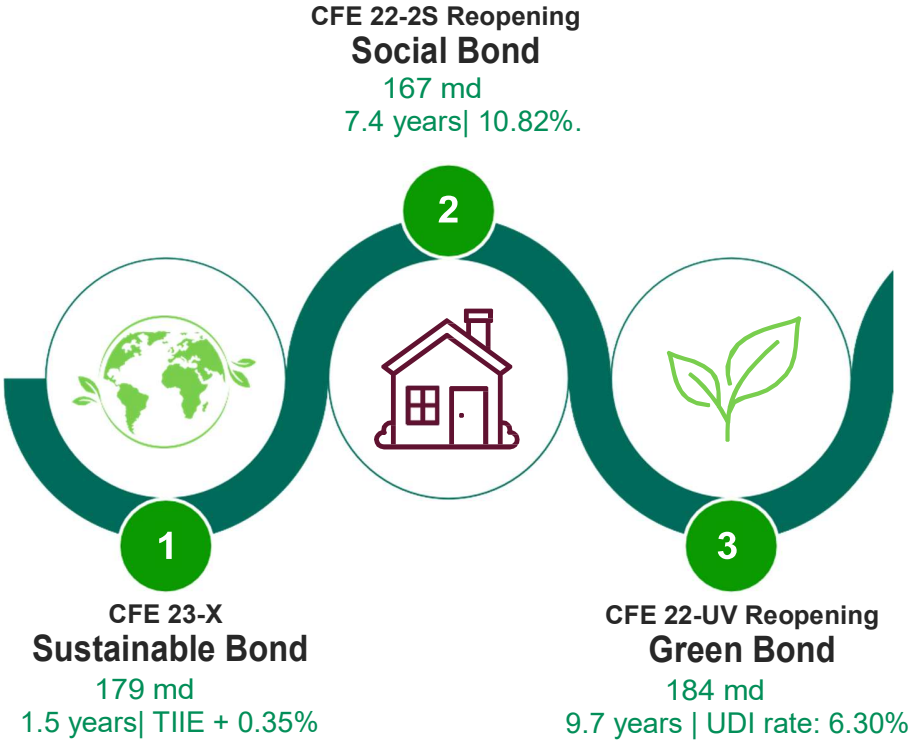
531 md

On June 29, 2023, the CFE made its second placement of CEBURES in the local market with a Sustainable label for a total amount of 531million dollars.

The issuance consisted of **three tranches** in the following installments:

- 1.5 years with sustainable label
- 7.4 years with social label
- 9.7 years with green label

The issuance had a demand of 2.4 times the total amount, one of the highest in recent years, which shows the interest of investors in accelerating the energy transition and promoting social inclusion in Mexico with the support of the CFE.



3rd Issue with Sustainable Label in the Local Market

Third placement of CEBURES in the local market with Sustainable label

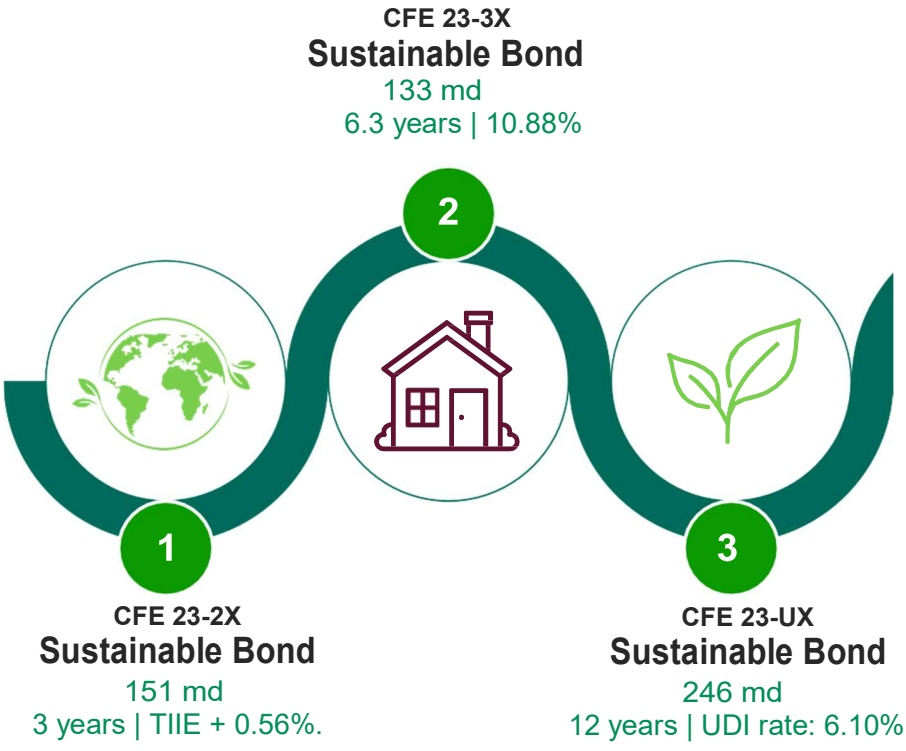
531 md

On December 11, 2023, CFE made its third placement of CEBURES in the local debt market with Sustainable label for a total amount of 531 million dollars.

The issuance consisted of **three tranches,** all with Sustainable label, with the following terms:

- 3 years
- 6.3 years
- 12 years

The transaction was oversubscribed by 1.9 times the total amount, with more than 100 bids from financial institutions such as AFORES, insurance companies, investment companies, commercial banks, development banks, private banks, public agencies, investment funds and brokerage firms, among others.



Sustainable Bond Issues

The Thematic Bond Program issued by the CFE in the four issues mentioned above has the following conditions:

471 md 14.2%

Green labeled bonds

A weighted average term of 14 years, in line with the useful life of the assets related to the programs, projects and investments developed to increase energy efficiency and reduce electricity losses.

379 md 11.4%

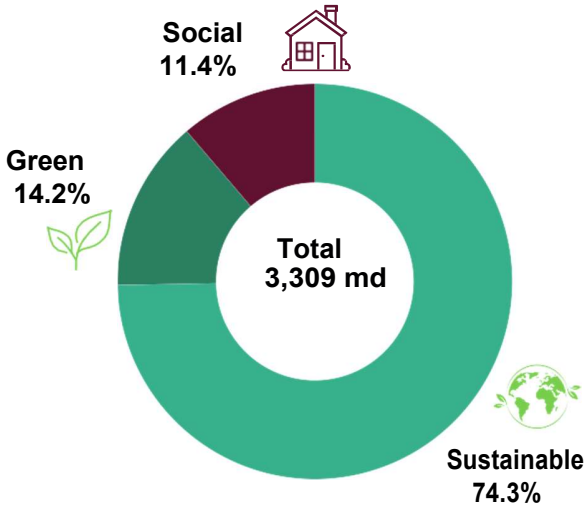
Bonds with Social label

A weighted average term of 6 years, consistent with the actions and investment projects carried out to reduce the digital divide in the country's most remote and marginalized communities.

2,460 md 74.3%

Bonds with Sustainable label

A weighted average term of 12 years, aligned to the type of actions, programs and projects to increase the use of renewable energies with high environmental and social impact.



Geothermal Power Plant Los Humeros Puebla | CFE.

6.2 Destination of Sustainable Bond Proceeds

In accordance with the "*Reference Framework*", the resources obtained in the issuance of Sustainable Bonds have been allocated to actions and projects under the Green, Social, and Sustainable categories. The selected projects comply with the eligibility criteria set forth in section 5.1 of said "*Reference Framework"*.

The crediting period established in the "*Reference Framework*" considers the expenses and investments in actions and projects carried out in a period of 24 months prior to and 24 months after the date of issuance of each Bond.

This document reports the disbursements made from 2020 to 2022, in accordance with the crediting period of each bond. Likewise, the potential projects subject to assignment for the remainder of the accreditation period are indicated.

Sustainable
- Renewable Energy

Green
- Energy Efficiency

Social
- Access to Basic Telecommunications Services

Geothermal Power Plant | CFE.

Allocation of proceeds from the Bonds issued*

	Bond	Issue Date	Amount contracted (million dollars)	Label	Allocated Resources (million dollars) 2020	2021	2022	Resources pending to be allocated (million dollars)
Fully Allocated	CFELEC 4.688% 2029**	02/15/2022	1,250	Sustainable	704	546		
	CFELEC 6.264% 2052	02/15/2022	500	Sustainable		290	210	
	CFE 22-UV	11/16/2022	122	Green	49	48	26	
	CFE 23-X	06/29/2023	179	Sustainable			179	
	CFE 23-2X	12/05/2023	151	Sustainable			151	
	CFE 23-UX	12/05/2023	246	Sustainable			246	
	CFE 23-3X	12/05/2023	133	Sustainable			133	
Partially Allocated	CFE 22-S	11/16/2022	145	Social	57	86		2
	CFE 22-2S	11/16/2022	66	Social				66
	CFE 22-2S Reopening	06/29/2023	167	Social				167
	CFE 22-2UV	11/16/2022	164	Green			30	134
	CFE 22-UV Reopening	06/29/2023	184	Green				184
					810	970	975	
		TOTAL	3,309			2,754.9		554

*Partial sums and totals may not coincide with the totals presented due to rounding.

To date, a total of **2,755 million dollars** have been allocated, representing **84%** of the total proceeds of the Bonds issued.

In the case of seven Bonds, 100% of the amount has been allocated to actions, programs and projects executed in the following years:

2020: 810 million dollars
2021: 970 million dollars
2022: 975 million dollars

554 million dollars are pending allocation corresponding to three Social Bonds and two Green Bonds issued in 2022 and 2023:

- CFE22-S: 2 million dollars
- CFE 22-2S: 66 million dollars
- CFE 22-2S Reopening: 167 million dollars
- CFE 22-2S: 134 million dollars
- CFE 22-2S Reopening: 184 million dollars

Amount allocated by category of the eligible projects 2020 – 2022

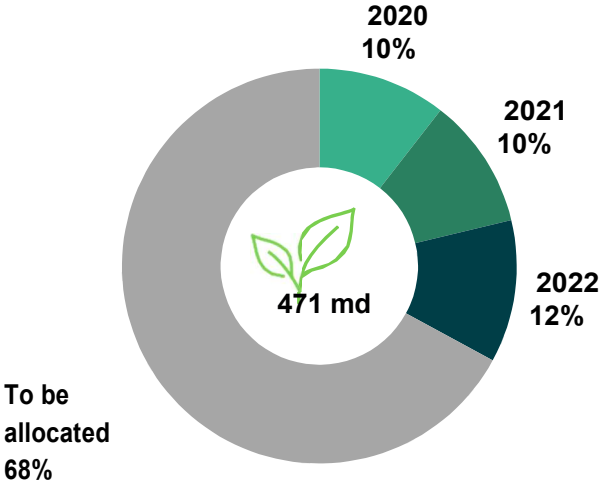
(md)

Sustainable **Green** **Social**

	RENEWABLE ENERGY	ENERGY EFFICIENCY	SOCIAL PROJECTS	TOTAL
2020	704	49	57	810
2021	836	48	86	970
2022	920	55	0	976
TOTAL	**2,460**	**152**	**143**	**2,755**
	(89.2%)	**(5.5%)**	**(5.3%)**	**(100%)**

"La Venta I y II" Wind Power Plant, Oaxaca | CFE.

Total amount issued and allocated by label for eligible projects (bp)

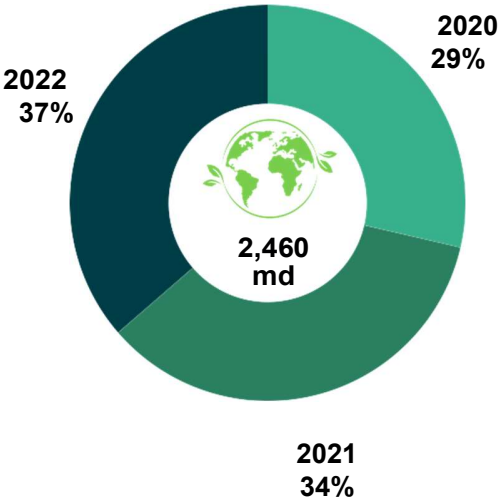


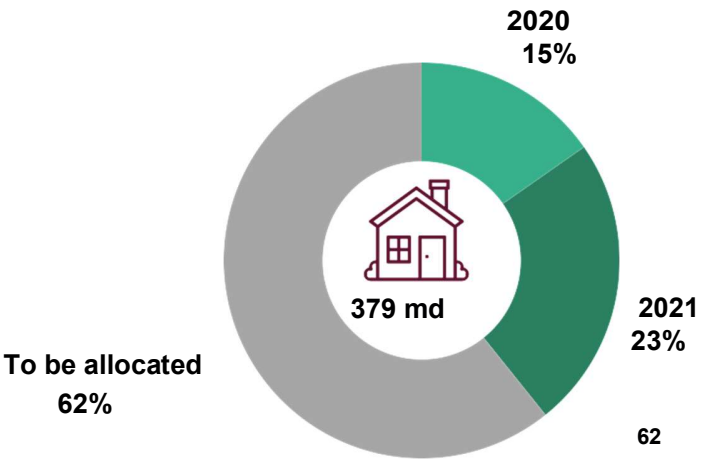
Green

Total Bonds Issued:	471 md
Total Allocated:	152 md
To be allocated:	319 md

Sustainable

Total Bonds Issued:	2,460 md
Total Allocated:	2,460 md





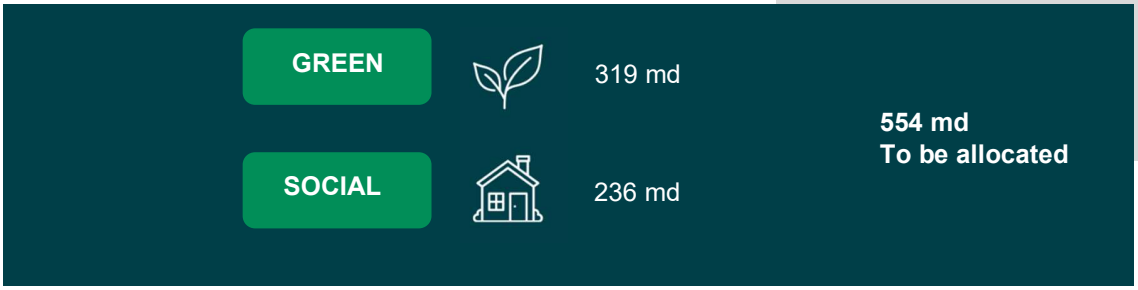
Social

Total Bonds Issued:	379 md
Total Allocated:	143 md
To be allocated:	236 md

Pending Allocations

The resources pending allocation of the Green and Social Bonds will be used to finance ongoing or new investment actions, programs and projects, in accordance with the categories and eligibility criteria defined in the "*Reference Framework*", which may include, among others, the following:

PROJECT
C.H. Santa Maria
C.H. Picachos
C.H. Amata
Rehabilitation and modernization of C.H. El Caracol
C.F.V. Puerto Peñasco Section II
C.F.V. Puerto Peñasco Section III
C.F.V. Puerto Peñasco Section IV
C.F.V. Nachi Cocom
S.E. Nachi Cocom (Chichi Suarez Bco. 1)
Interconnection to Santa Maria Hydroelectric Power Plant (30 MW)
Associated Transmission Network Rafael Galván Maldonado Photovoltaic Power Plant (Puerto Peñasco 880 MW)
National Access Network and Addition of “Internet para Todos”
Subway Distribution Lines Modernization Program in Cancun Underground Distribution Lines Modernization Program in Acapulco

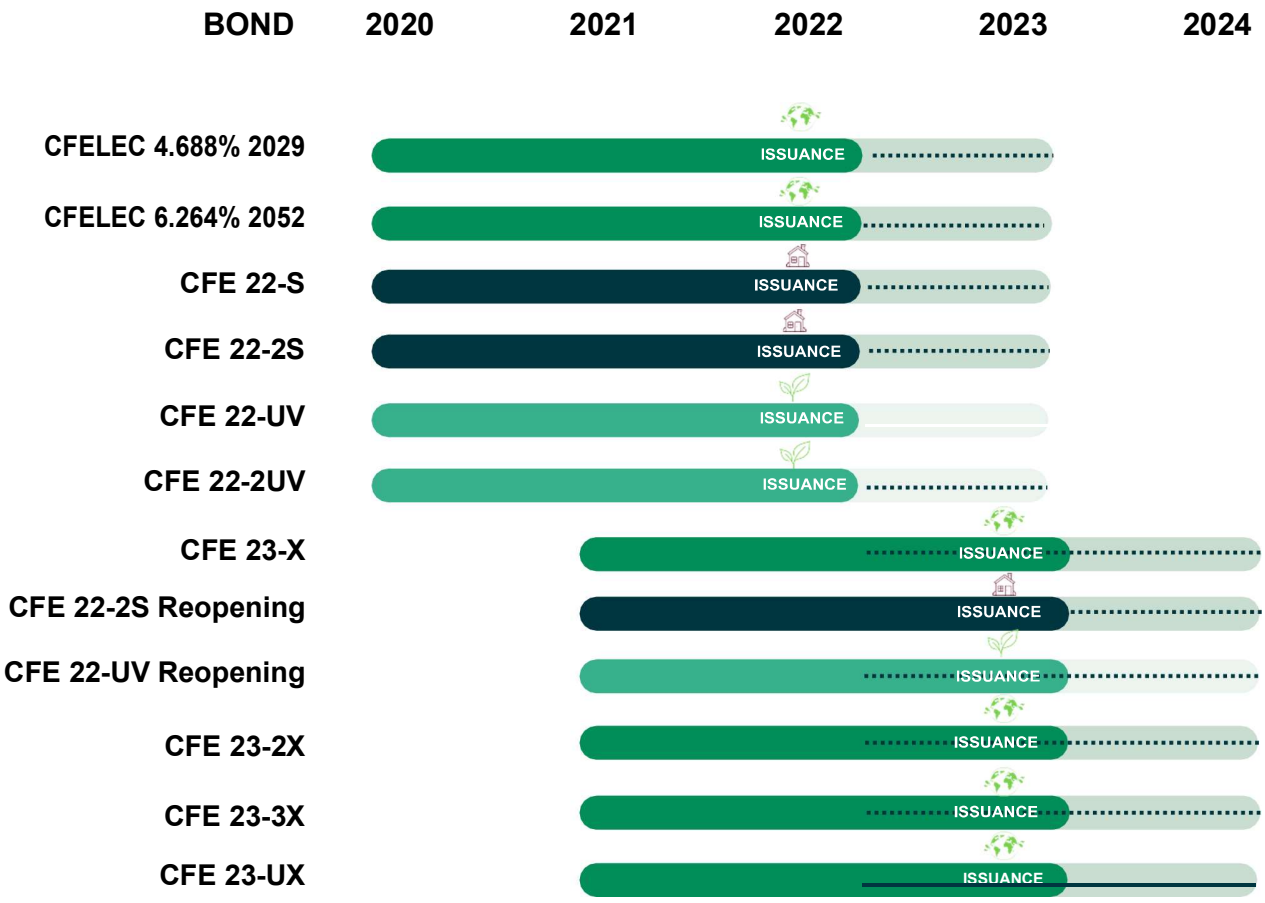


The information on the projects and their allocation will be included in the following report on the use of resources.

Layout for components lifting at "La Venta I and II" Wind Power Plant, Oaxaca | CFE.

Sustainable Bond Crediting Period

The crediting period for Sustainable Bonds corresponds to the two years before and after each issue, as shown in the following chart:



The proceeds from the International Bond and the first local issuance of CEBURES were allocated to expenditures of 2,045 million dollars during the period 2020 to 2022.

- Pending allocation 203 million dollars for 2023.

The second and third issuance of CEBURES in the local market reported disbursements of 710 million dollars in 2021 and 2022.

- Pending allocation 351 million dollars for 2023 and 2024.

6.3 Amount allocated for eligible projects 2020-2022

The CFE has **allocated an amount of 2,754.9 million dollars** to actions, programs and investment projects that meet the eligibility criteria defined in our "*Reference Framework*".

90% of the resources have been allocated for actions and projects in 2020 and 2021 (refinancing), which correspond to disbursements made prior to the issuance of the Sustainable Bonds, which has allowed freeing up financial resources and, thus, expanding CFE's investment spending.

The remaining 10% was allocated for financing new actions, programs and investment projects in the eligible categories for the year 2022.

REFINANCING

Actions, programs and projects carried out 24 months prior to issuance for **2,490 md.**

FINANCING

Actions, programs and projects carried out 24 months prior to issuance for **265 md.**

Wind Power Plant, Oaxaca

Geothermal Power Plant Los Humeros Puebla CFE.

Green and Social Projects 2020-2022

A. Green Projects	Number of projects	Total Resources Allocated (Million dollars) 2020	2021	2022	Total Resources Allocated (million dollars)
1. Renewable Energy	**95**	**704**	**836**	**920**	**2,460**
1.1 Development, refurbishment, maintenance, and repowering of wind and photovoltaic power plants.	6	5	1	75	81
1.2 Development, refurbishment, and/or maintenance of geothermoelectric and hydroelectric power plants	43	60	151	64	275
1.3 Purchase of renewable energy from wind and photovoltaic power plants	46	639	684	781	2,104
2. Power Efficiency	**2**	**49**	**48**	**55**	**152**
2.1 Projects of power efficiency	1	0	0	2	2
2.2 Energy loss reduction	1	49	48	53	150
A= (1+2) TOTAL GREEN	**97**	**753**	**884**	**975**	**2,612**
B. Social Projects					
1. Access to Free or subsidized essential services					
1.1 Fixed wireless broadband service in areas without cable service availability	1	57	84	0	141
1.2 Satellite Internet connectivity service for rural communities	1	0	2	0	2
B = (1) TOTAL SOCIAL PROJECTS	**2**	**57**	**86**	**0**	**143**
TOTAL = (A+B)	**99**	**810**	**970**	**975**	**2,755**

NOTE: due to the high environmental and social impact, this Report considers that the category "Renewable Energy" (1.1, 1.2, 1.3) of the "Reference Framework" is related to the Sustainable Bonds Principles.

La Venta, Chicoasén, Los Humeros | Puerto Peñasco | El Cajón | CFE.

A1. Renewable Energy Projects Green label

A. Green Projects	Number of projects	Total Resources Allocated (million dollars)			Total Resources Allocated (million dollars)
		2020	2021	2022	
1. Renewable Energy	**95**	**704**	**836**	**920**	**2,460**
1.1 Development, refurbishment, maintenance, and repowering of wind and photovoltaic power plants.	**6**	5	1	75	81
1.2 Development, refurbishment, and/or maintenance of geothermoelectric and hydroelectric power plants	**43**	60	151	64	275
1.3 Purchase of renewable energy from wind and photovoltaic power plants	**46**	639	684	781	2,104

Central Fotovoltaica Cerro Prieto, Baja California | CFE.

A1.1 Wind and photovoltaic summary

In Category A. "Green Projects", the first line of action corresponds to the development, refurbishment and/or maintenance of wind and photovoltaic power plants for a total of 81 million dollars for the 2020-2022 period.

A. Green Projects	Number of projects	Total Resources Allocated (million dollars)			Total Resources Allocated (million dollars)
		2020	2021	2022	
1. Renewable Energy	95	704	836	920	2,460
1.1 Development, refurbishment, maintenance, and repowering of wind and photovoltaic power plants.	6	5	1	75	81

WIND	Number of projects	Amount of Investment (million dollars)	% of Refinancing	% of Financing
PHOTOVOLTAIC	2	70.5	100%	0%
	4	10.5	100%	0%

A1.1.a Wind

Development, expansion, production, maintenance, refurbishment, and/or repowering of existing wind energy facilities.

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
1. CE Yuumil'iik Quintan Roo	Maintenance of generating units.	1.5	0.5	2020-2022	100% refinancing
2. CE La Venta Baja California	Maintenance of Generating Units, to maintain the 91.15 MW of integrated Effective Capacity.	84.2	10	2020-2022	100% refinancing

Total number of projects	**2**
Total investment	**10.5 md**

A1.1.b Photovoltaic

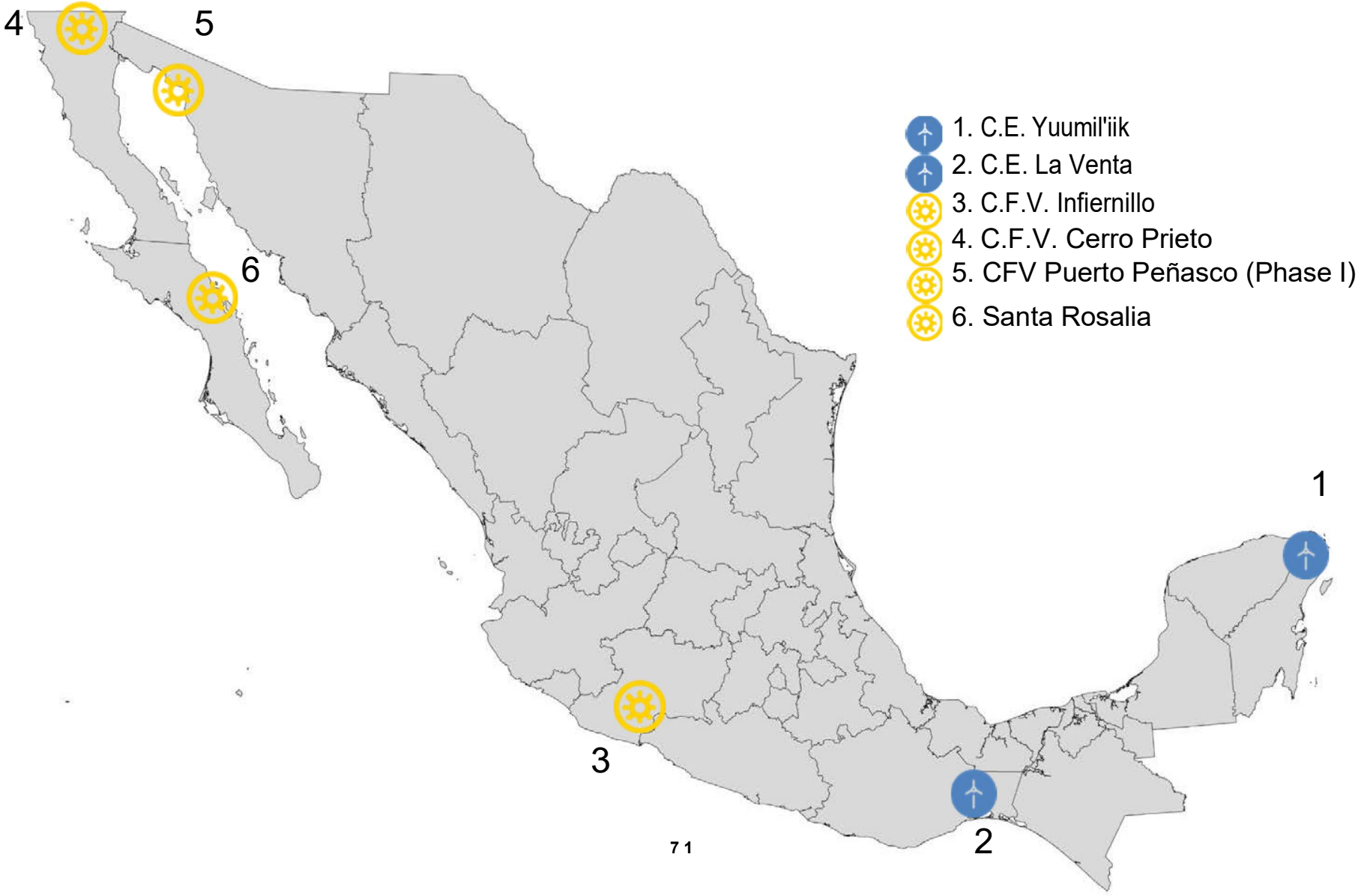
Development, expansion, production, maintenance, refurbishment and/or repowering of photovoltaic facilities.

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
3. CFV Infiernillo **Michoacán**	Development of the interconnected photovoltaic system for distributed generation. 500 kWp.	0.5	0.3	2020-2021	100% refinancing
4. CFV Cerro Prieto **Baja California**	Plant maintenance.	5	0.001	2020-2021	100% refinancing
5. CFV Puerto Peñasco (Phase I) **Sonora**	Development of a new Photovoltaic Power Plant.	120	70.2	2022	100% refinancing
6. CFV Santa Rosalía **Baja California Sur**	Plant maintenance.	1	0.01	2020	100% refinancing

Total number of projects	**4**
Total investment	**70.5 md**

A1.1.a and b Location of wind and photovoltaic plants

Development, expansion, production, maintenance, remodeling and/or repowering of wind and photovoltaic energy facilities.



Pathé Geothermoelectric Power Plant, Hidalgo | IMAGE: https://www.onexpo.com.mx/

A1.2 Geothermoelectric and hydroelectric summary

In Category A. "Green Projects", the second line of action corresponds to the development, refurbishment and/or maintenance of geothermal and hydroelectric power plants for a total of 275 million dollars from 2020-2022.

A. Green Projects	Number of projects	Total Resources Allocated (million dollars)			Total Resources Allocated (million dollars)
		2020	2021	2022	
1. Renewable Energy	**95**	**704**	**836**	**920**	**2,460**
1.1 Development, refurbishment, maintenance, and repowering of wind and photovoltaic power plants.	**6**	5	1	75	81
1.2 Development, refurbishment, and/or maintenance of geothermoelectric and hydroelectric power plants	**43**	**60**	**151**	**64**	**275**

	Number of projects	Investment Amount (md)	% Refinancing	% Refinancing
GEOTHERMOELECTRIC	4	76.6	100%	0%
HYDROELECTRIC	39	197.9	100%	0%

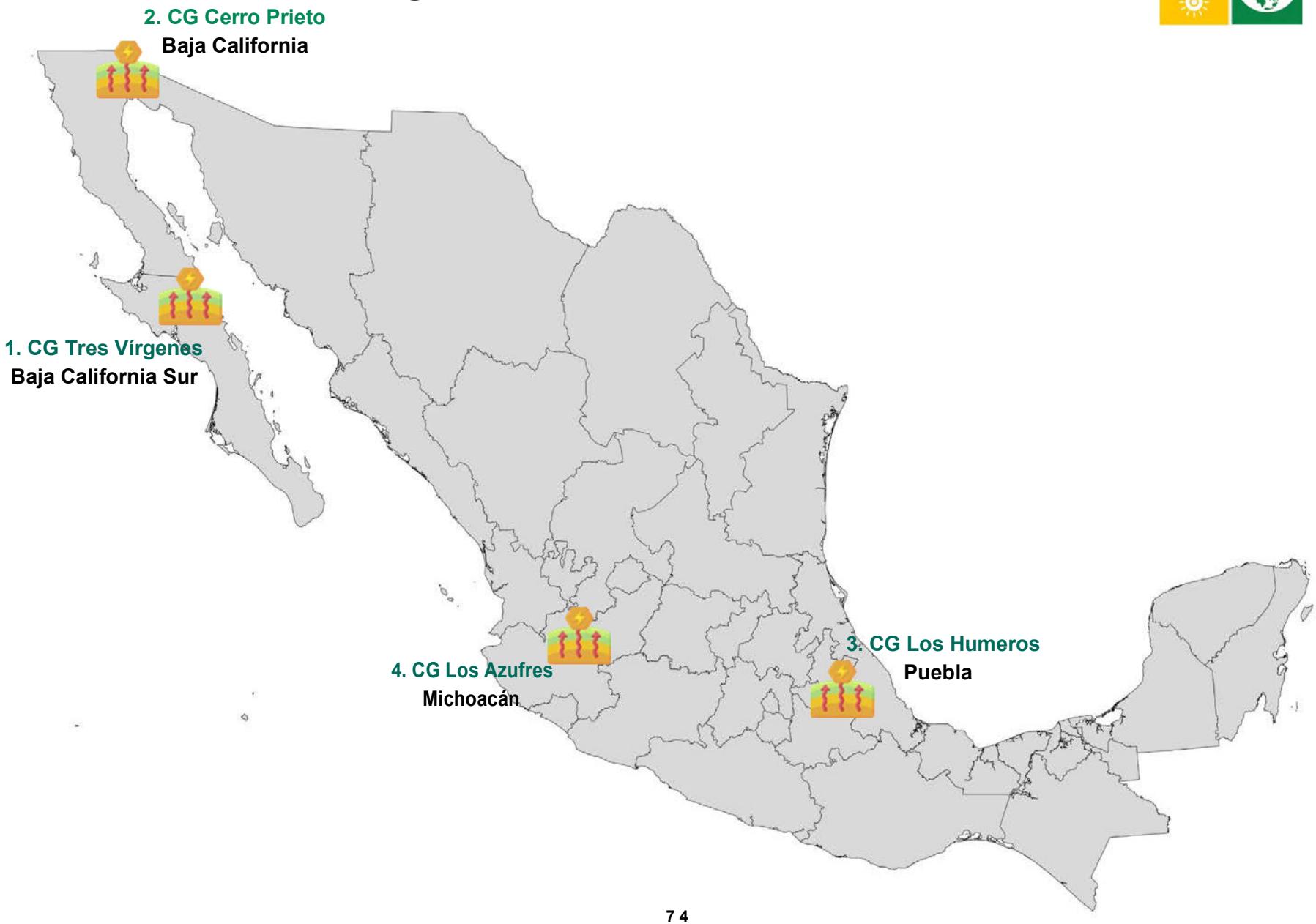
A1.2.a Geothermoelectric Plant

Development, expansion, production, maintenance, refurbishment, and/or repowering of existing geothermal energy facilities.

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
1. CG Three Virgins. **Baja California Sur**	Maintenance to improve the operating reserve margin of the Mulegé Interconnected System.	10	3.2	2020-2022	100% refinancing
2. CG Cerro Prieto **Baja California**	Maintenance to improve the operating reserve margin of the Isolated System.	460	24.9	2020-2022	100% refinancing
3. CG Los Humeros **Puebla**	System maintenance.	95.72	29.9	2020-2022	100% refinancing
4. CG Los Azufres **Michoacán**	System maintenance.	242.4	18.6	2020-2022	100% refinancing

Total number of projects	**4**
Total Investment	**76.6 md**

A1.2.a Location of geothermal power plants



A1.2.b Hydroelectric Power Plants

Development, rehabilitation, modernization, and/or maintenance of hydroelectric facilities to increase the efficiency and level of renewable energy generation and/or operational life and safety.

	Projects	Federal Division	Municipality	Location	Amount (md)	Allocation Term	Allocation Type (Financing / Refinancing)
1	C.H. Ing. Carlos Ramírez Ulloa "El Caracol"	Guerrero	Heliodoro Castillo	El Caracol	4.7	2020-2022	Refinancing
2	C.H. Tingambato	Estado de México	San Martin Otzoloapan	San Martin Otzoloapan	4.0	2020-2022	Refinancing
3	C.H. Ambrosio Figueroa "La Venta"	Guerrero	Acapulco	La Venta, Tierra Colorada	1.2	2020-2022	Refinancing
4	C.H. Santa Bárbara	Estado de México	Santo Tomas	Salitre Terreros	2.0	2020-2022	Refinancing
5	C.H. Colotlipa	Guerrero	Quechultenango	Colotlipa	0.5	2020-2022	Refinancing
6	C.H. Portezuelo I	Puebla	Atlixco	Santa Clara Ocoyucan	0.0	2020-2021	Refinancing
7	C.H. Portezuelo II	Puebla	Atlixco	Santa Clara Ocoyucan	0.1	2020-2021	Refinancing
8	C.H. Aguamilpa-Solidaridad	Nayarit	Tepic	El Colorín	4.5	2020-2022	Refinancing
9	C.H. Alfredo Elías Ayub (La Yesca)	Jalisco/Nayarit	La Yesca / Hostotipaquill	La Yesca / Hostotipaquillo	3.2	2020-2022	Refinancing
10	C.H. Leonardo Rodríguez Alcaine - El Cajón	Nayarit	Santa María del Oro	Santa María del Oro	3.4	2020-2022	Refinancing
11	C.H. Valentin Gomez Farias (Agua Prieta)	Jalisco	Zapopan	Zapopan	1.0	2020-2022	Refinancing
12	C.H. Cupatitzio	Michoacán	Charapendo	Gabriel Zamora	0.5	2020-2022	Refinancing
13	C.H. Santa Rosa - Gral. Manuel M. Diéguez	Jalisco	Amatitán	Amatitán	0.4	2020-2022	Refinancing
14	C.H. El Cóbano	Michoacán	Gabriel Zamora	Gabriel Zamora	3.2	2020-2022	Refinancing
15	C.H. Colimilla	Jalisco	Tonalá	Guadalajara	0.2	2020-2022	Refinancing
16	C.H. Botello	Michoacán	Panindícuaro	Panindícuaro	0.1	2020-2022	Refinancing
17	C.H. Platanal	Michoacán	Jacona	Jacona	0.1	2020-2022	Refinancing
18	C.H. Puente Grande	Jalisco	Tonalá	Tonalá	0.0	2020-2022	Refinancing
19	C.H. Zumpimito	Michoacán	Uruapan	Uruapan	0.0	2020-2022	Refinancing
20	C.H. Intermedia - Luis Marcial Rojas	Jalisco	Tonalá	Tonalá	0.0	2020-2022	Refinancing
21	C.H. San Pedro Poruas	Michoacán	Villa Madero	Villa Madero	0.0	2020-2022	Refinancing
22	C.H. Jumatan	Nayarit	Tepic	Tepic	0.0	2020-2022	Refinancing
23	C.H. Tirio	Michoacán	Morelia	Tiripetio	0.0	2020-2022	Refinancing
24	C.H. Bartolinas	Michoacán	Tacámbaro	Tacámbaro	0.0	2020-2022	Refinancing
25	C.H. Itzícuaro	Michoacán	Los Reyes	Peribán de Ramos	0.0	2020-2022	Refinancing
26	C.H. Luis D. Colosio Murieta (Huites)	Sinaloa	Choix	Choix	0.9	2021	Refinancing
27	C.H. El Retiro - José Cecilio del Valle	Chiapas	Tapachula	Tapachula	11.8	2020-2022	Refinancing
28	C.H. Bombaná	Chiapas	Soyaló	Soyaló	5.9	2020-2022	Refinancing
29	C.H. Tamazulapan	Oaxaca	Tamazulapan	Tamazulapan	2.7	2020-2022	Refinancing
30	C.H. Schpoiná	Chiapas	Venustiano Carranza	Venustiano Carranza	3.2	2020-2022	Refinancing
31	C.H. Tuxpango	Veracruz	Ixtaczoquitlan	Ixtaczoquitlan	14.4	2020-2022	Refinancing
32	C.H. El Salto - Camilo Arriaga	San Luis Potosí	El Naranjo	El Naranjo	4.2	2020-2022	Refinancing
33	C.H. Las Minas	Veracruz	Las Minas	Las Minas	4.8	2020-2022	Refinancing
34	C.H. El Encanto	Veracruz	Tlapacoyan	Tlapacoyan	4.4	2020-2022	Refinancing
35	C.H. Texolo	Veracruz	Xico	Xico	1.6	2020-2022	Refinancing
36	C.H. Ixtaczoquitlán	Veracruz	Ixtaczoquitlán	Ixtaczoquitlán	2.9	2020-2022	Refinancing
37	C.H. Electroquímica	San Luis Potosí	Ciudad Valles	El Platanito	0.8	2020-2022	Refinancing
38	C.H. Micos	San Luis Potosí	Ciudad Valles	Ciudad Valles	0.6	2020-2022	Refinancing
39	C.H. Chicoasén II	Chiapas	Chicoasén	Chicoasén	110.5	2020-2022	Refinancing
				Total	**197.9**		

A1.2.b Hydroelectric Power Plants

Refurbishment and/or maintenance of hydroelectric power plants.

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
1. CH Ing. Carlos Ramírez Ulloa "El Caracol" Guerrero	Modernization of three electric generators.	630	4.7	2020-2022	100% refinancing
2. CH Tingambato State of Mexico	Modernization of the Automatic Voltage System, SCADA system, control panel.	42	4.0	2020-2022	100% refinancing
3. CH Ambrosio Figueroa "La Venta" Guerrero	Acquisition of movable blades for replacement in U4.	30	1.2	2020-2022	100% refinancing
4. CH Santa Barbara State of Mexico	Maintenance to turbo-group and auxiliary equipment, replacement of expansion joint seal.	22.5	2	2020-2022	100% refinancing
5. CH Colotlipa Guerrero	Hydraulic power unit with servomotor and mechanical overspeed device for speed	8	0.5	2020-2022	100% refinancing

GREEN PROJECTS

RENEWABLE ENERGY

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
6. CH Portezuelo I **Puebla**	Modernization of electric generators, turbines, transformers, and auxiliary systems.	2	0.05	2020-2022	100% refinancing
7. CH Portezuelo II Puebla	Modernization of electric generators, turbines, transformers, and auxiliary systems.	2.1	0.1	2020-2022	100% refinancing
8. CH Aguamilpa-Solidaridad **Nayarit**	Maintenance and modernization of U1, U2, U3.	960	4.5	2020-2022	100% refinancing
9. CH Alfredo Elías Ayub (La Yesca) **Nayarit/Jalisco**	Minor and major maintenance to U1 and U2.	750	3.2	2020-2022	100% refinancing
10. CH Leonardo Rodriguez Alcaine **(El Cajón) Nayarit**	General maintenance to turbo U1 and U2.	750	3.4	2020-2022	100% refinancing
11. CH Valentín Gómez Farías (Agua Prieta) **Jalisco**	General maintenance U1 and U2.	240	1	2020-2022	100% refinancing

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
12. CH Cupatitzio **Michoacán**	General maintenance U1 and U2.	80	.05	2020-2022	100% refinancing
13. CH Gral. Manuel M. Diéguez (Santa Rosa) **Jalisco**	General maintenance U1 and U2.	70	0.4	2020-2022	100% refinancing
14. CH El Cóbano **Michoacan**	Major and minor maintenance to U1 and U2.	60	3.2	2020-2022	100% refinancing
15. CH Colimilla **Jalisco**	Major and minor maintenance to U1, U2 and U4.	51.2	0.2	2020-2022	100% refinancing
16. CH Botello **Michoacán**	General maintenance U1 and U2.	18	0.1	2020-2022	100% refinancing
17. CH El Platanal **Michoacán**	General maintenance U1 and U2.	12.6	0.1	2020-2022	100% refinancing

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
18. CH Puente Grande **Jalisco**	Major and minor maintenance to U5.	9	0.04	2020-2022	100% refinancing
19. CH Zumpimito **Michoacán**	Minor maintenance to U4 and U5.	8.4	0.04	2020-2022	100% refinancing
20. CH Luis Marcial Rojas (Intermediate) **Jalisco**	Maintenance major and minor to U1.	5.3	0.02	2020-2022	100% refinancing
21. CH San Pedro Poruas Michoacán	Major and minor maintenance to U3.	2.6	0.01	2020-2022	100% refinancing
22. CH Jumatan **Nayarit**	Minor maintenance to U1, U2, U3 and U4.	2.2	0.01	2020-2022	100% refinancing
23. CH Tirio **Michoacán**	Major and minor maintenance to U2 and U4.	1.1	0.005	2020-2022	100% refinancing

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
24. CH Bartolinas **Michoacán**	Minor maintenance to U1 and U2.	0.8	0.003	2020-2022	100% refinancing
25. CH Itzícuaro **Michoacán**	Minor maintenance to U1 and U2.	0.6	0.003	2020-2022	100% refinancing
26. CH Luis D. Colosio Murieta (Huites) **Sinaloa**	Minor maintenance to U1 and U2.	422	0.09	2021	100% refinancing
27. CH José Cecilio del Valle - (El Retiro) **Chiapas**	Minor maintenance to U2 and U3.	21	11.8	2020-2022	100% refinancing
28. CH Bombaná **Chiapas**	Minor maintenance to U3 and U4.	5.2	5.9	2020-2022	100% refinancing
29 CH Tamazulapam **Oaxaca**	Major and minor maintenance to U1 and U2.	2.5	2.7	2020-2022	100% refinancing

Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
30. CH Schpoiná **Chiapas**	Minor maintenance to U1, U2 and U3.	2.2	3.2	2020-2022	100% refinancing
31 CH Tuxpango **Veracruz**	Minor maintenance to U1, U2, U3 and U4.	39	14.4	2020-2022	100% refinancing
32. CH Camilo Arriaga (El Salto) **San Luis Potosí**	Minor maintenance to U1 and U2.	18	4.2	2020-2022	100% refinancing
33. CH Las Minas **Veracruz**	Minor maintenance to U1, U2 and U3.	15	4.8	2020-2022	100% refinancing
34. CH El Encanto **Veracruz**	Minor maintenance to U1 and U2.	10	4.4	2020-2022	100% refinancing
35. CH Texolo **Veracruz**	Minor maintenance to U1 and U2.	1.6	1.6	2020-2022	100% refinancing

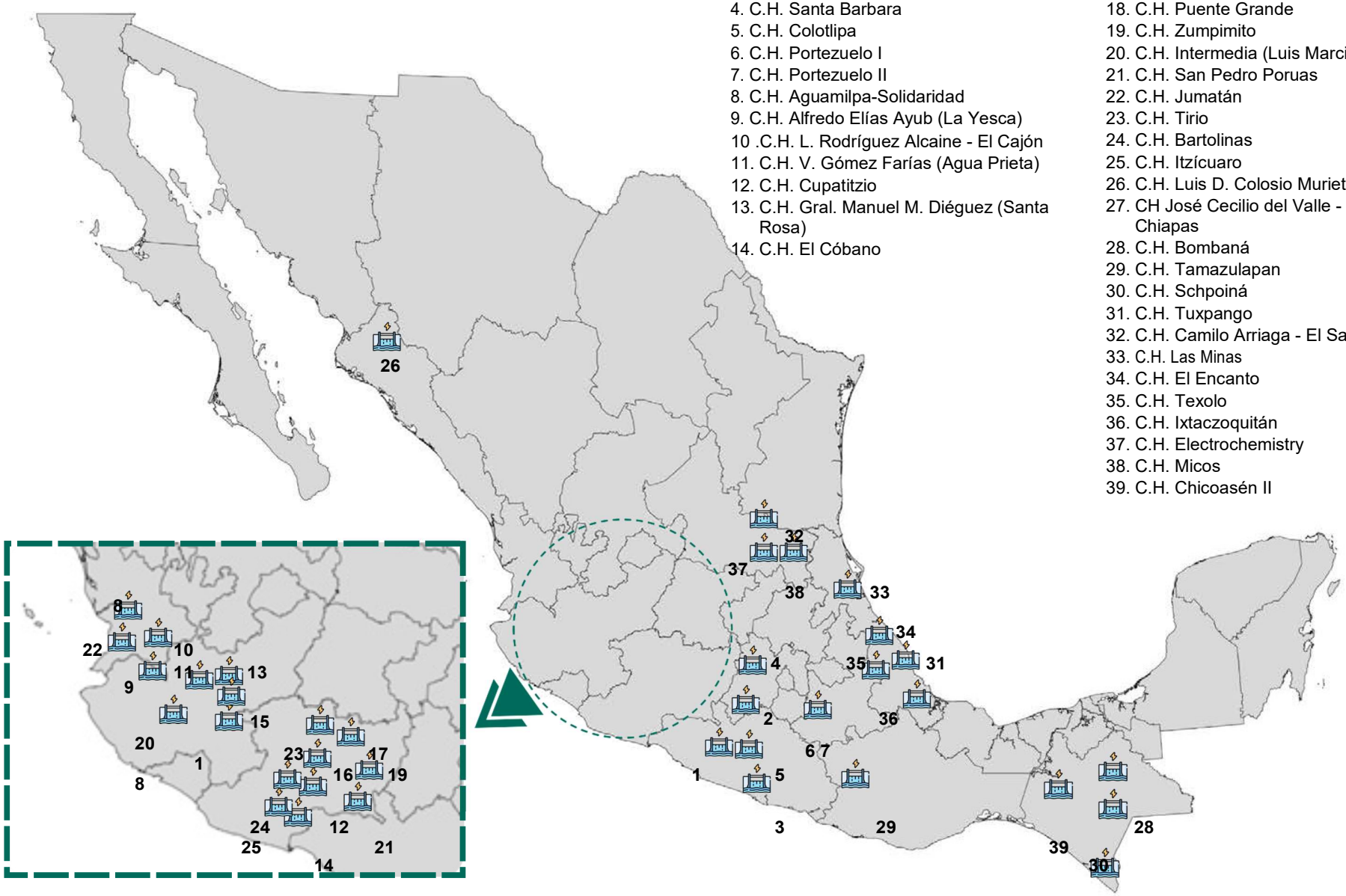
Project and location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
36. CH Ixtaczoquitlán Veracruz	Minor maintenance to U1.	1.6	2.9	2020-2022	100% refinancing
37 CH Electroquímica San Luis Potosí	Minor maintenance to U1.	1.44	0.8	2020-2022	100% refinancing
38. CH Micos San Luis Potosí	Minor maintenance to U2.	0.69	0.6	2020-2022	100% refinancing
39. CH Chicoasén II Chiapas	Construction of hydroelectric power	240	110.5	2020-2022	100% refinancing

Total number of projects	**39**
Total investment	**197.9 md**

A1.2.b Location of hydroelectric power plants

Hydroelectric power plant

1. C.H. Ing. Carlos Ramírez U. "El Caracol"
2. C.H. Tingambato
3. C.H. Ambrosio Figueroa "La Venta"
4. C.H. Santa Barbara
5. C.H. Colotlipa
6. C.H. Portezuelo I
7. C.H. Portezuelo II
8. C.H. Aguamilpa-Solidaridad
9. C.H. Alfredo Elías Ayub (La Yesca)
10. .C.H. L. Rodríguez Alcaine - El Cajón
11. C.H. V. Gómez Farías (Agua Prieta)
12. C.H. Cupatitzio
13. C.H. Gral. Manuel M. Diéguez (Santa Rosa)
14. C.H. El Cóbano
15. C.H. Colimilla
16. C.H. Botello
17. C.H. Platanal
18. C.H. Puente Grande
19. C.H. Zumpimito
20. C.H. Intermedia (Luis Marcial Rojas)
21. C.H. San Pedro Poruas
22. C.H. Jumatán
23. C.H. Tirio
24. C.H. Bartolinas
25. C.H. Itzícuaro
26. C.H. Luis D. Colosio Murieta (Huites)
27. CH José Cecilio del Valle - (El Retiro) Chiapas
28. C.H. Bombaná
29. C.H. Tamazulapan
30. C.H. Schpoiná
31. C.H. Tuxpango
32. C.H. Camilo Arriaga - El Salto
33. C.H. Las Minas
34. C.H. El Encanto
35. C.H. Texolo
36. C.H. Ixtaczoquitán
37. C.H. Electrochemistry
38. C.H. Micos
39. C.H. Chicoasén II



Wind power plant, La Venta, Oaxaca | CFE.

A1.3 Purchase of renewable energy summary

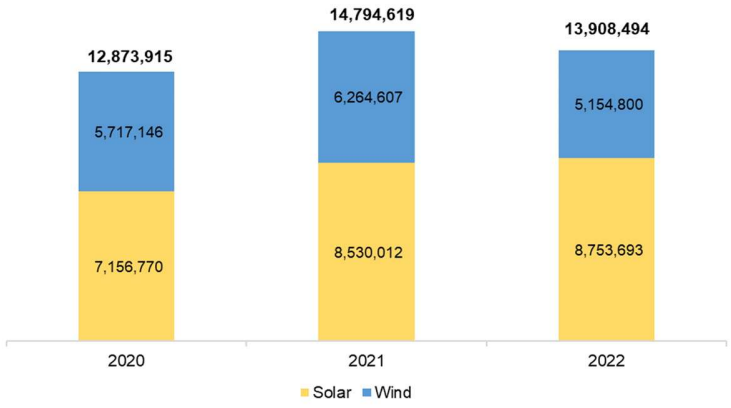
In Category A. "Green Projects", the third line of action is the purchase of renewable energy from wind and photovoltaic plants through contracts with a term of more than five years. The amount acquired from 2020-2022 was 2,104 million dollars for both electric energy and CELs.

A. Green Projects	Number of projects	Total Resources Allocated (million dollars) 2020	2021	2022	Total Resources Allocated (million dollars)
1. Renewable Energy	**95**	**704**	**836**	**920**	**2,460**
1.1 Development, refurbishment, maintenance, and repowering of wind and photovoltaic power plants.	**6**	5	1	75	81
1.2 Development, refurbishment, and/or maintenance of geothermoelectric and hydroelectric power plants	**43**	60	151	64	275
1.3 Purchase of renewable energy from wind and photovoltaic power plants	**46**	**639**	**684**	**781**	**2,104**

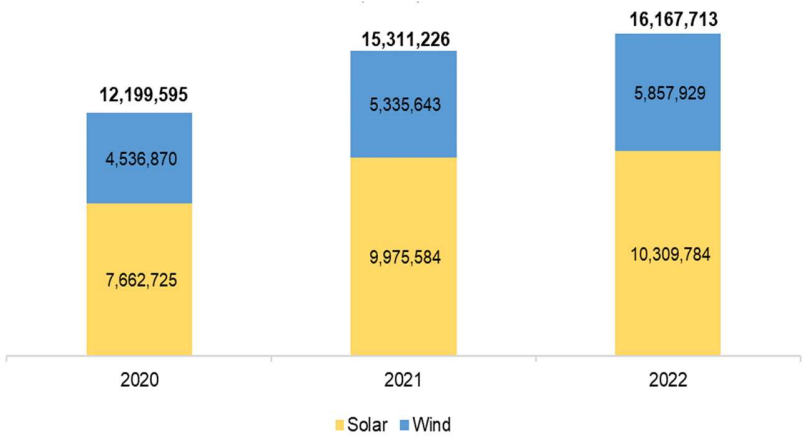
	Number of projects	Investment Amount (md)	% Refinancing	% Refinancing
LONG-TERM AUCTIONS	40	1,611.5	85%	15%
INDEPENDENT POWER PRODUCERS	6	493	100%	0%

A1.3 Purchase of Renewable energy 2020- 2022

Energy purchased through the LTA and IPP by technology 2020-2022 (MWh)



Clean Power Certificates purchased by technology through LTA and IPP 2020-2022 (Units)



Clean Energy Certificates (CEL, Spanish Acronym) are certificates issued by the Energy Regulatory Commission (CRE, Spanish Acronym) that certify the production of a determined amount of electric energy from Clean Energies and serve to meet the requirements associated with the consumption of Load Centers. 17

17. https://www.cenace.gob.mx/Paginas/SIM/MercadoCEL.aspx

A1.3.a Purchase of renewable energy

Wind and solar energy purchase contracts in **Long-Term Auctions (SLP, Spanish Acronym)** with a period greater than or equal to (≥5 years), including those entered into prior to the issuance of the Sustainable Financing Instrument, as well as subsequent extensions.

	Projects	Energy purchased in the term (MWh)			CEL's purchased in the period			Amount Allocated (md)			Allocation Type (Financing / Refinancing)
		2020	2021	2022	2020	2021	2022	2020	2021	2022	
1	CE El Cortijo	611,417	604,467	636,210	644,304	644,304	644,304	30	27	31	Refinancing
2	CE Parque Eólico Tizimín	314,721	303,733	295,623	321,090	321,090	321,090	25	23	24	Refinancing
3	CE Energía Renovable de la Península	106,609	271,490	266,395	104,284	287,602	254,709	9	21	22	Refinancing
4	CFV Aguascalientes Potencia 1	147,010	140,025	146,945	158,732	140,970	140,970	8	7	8	Refinancing
5	CFV Guajiro 2	263,453	255,374	258,459	272,801	262,939	269,113	14	12	13	Refinancing
6	CFV Kambul	57,913	58,136	55,201	53,477	53,477	53,477	4	4	4	Refinancing
7	CFV Parque Solar Don josé	513,516	547,231	574,088	577,580	658,493	592,937	28	25	35	Refinancing
8	CFV Parque Solar Villanueva	1,011,723	1,025,466	1,008,572	1,052,543	1,188,599	1,070,207	41	42	42	Refinancing
9	CFV Parque Solar Villanueva 3	768,821	787,255	749,438	768,818	893,154	811,798	34	34	34	Financing
10	CFV San Ignacio	38,734	47,947	47,737	45,369	47,948	53,096	3	4	4	Refinancing
11	CFV Sol de Insurgentes	0	35,273	72,032	0	31,503	60,518	0	2	4	Financing
12	CFV Las Viborillas	280,742	269,149	284,347	280,741	269,148	293,412	16	14	16	Refinancing
13	CFV La Pimienta (Antes Ticul 1)	0	0	516,241	0	304,093	689,726	0	0	29	Refinancing
14	CE Parque Eólico el Mezquite	718,269	746,832	768,724	774,938	774,938	774,938	35	32	36	Financing
15	CE Parque Eólico Reynosa I, Parque	1,526,138	1,395,141	743,638	1,493,497	1,594,528	1,765,459	62	53	50	Refinancing
16	CE Salitrillos	307,820	351,727	382,581	467,084	439,042	439,042	15	14	15	Refinancing
17	CE TRES MESAS 3	184,752	208,866	222,555	223,010	223,010	223,010	9	9	10	Refinancing
18	CFV Alten 1, 2, 3, 4, 5	341,265	321,154	344,191	420,335	420,335	420,335	17	14	16	Refinancing
19	CFV Alten 6	320,181	302,622	323,563	392,082	392,082	392,082	13	11	13	Refinancing
20	CFV Andalucia II	208,798	217,353	221,420	200,777	213,655	213,655	7	7	8	Refinancing
21	CFV AT SOLAR I, II, III, IV y V	515,795	483,539	484,144	478,260	478,260	478,260	22	20	22	Refinancing
22	CFV Bluemex	238,503	257,099	249,530	259,352	249,982	249,982	11	11	11	Refinancing
23	CFV El Trompezón	276,832	298,740	329,277	317,499	338,851	338,851	11	11	12	Refinancing
24	CFV Mex Solar I y FV Mex Solar II	165,335	160,110	156,661	146,957	146,957	146,957	7	6	7	Refinancing
25	CFV Orejana	361,497	344,631	344,471	353,466	353,466	353,466	15	14	15	Refinancing
26	CFV Parque Solar San Miguel de	0	29,097	68,148	0	59,734	72,919	0	0	3	Refinancing
27	CFV Potosí Solar	150,745	658,933	2,129	183,583	779,161	779,161	5	21	8	Refinancing
28	CFV PS Aguascalientes Sur I	72,571	76,090	78,329	72,944	75,853	75,853	3	3	3	Refinancing
29	CFV Rumorosa Solar	98,517	105,812	105,828	117,064	117,064	117,064	4	4	4	Refinancing
30	CFV Santa María	400,654	391,702	374,334	393,611	393,611	393,611	17	15	16	Refinancing
31	CFV Tepezala II	105,370	250,756	275,089	128,327	285,606	285,606	4	9	11	Refinancing
32	CFV Torreon-HQ100	265,793	267,738	243,646	252,444	252,444	252,444	10	9	11	Refinancing
33	CFV PS Xoxocotla	69,085	168,740	165,698	135,028	169,365	169,365	3	6	6	Refinancing
34	CFV Conejo	0	0	86,390	0	143,868	193,771	0	0	4	Refinancing
35	CFV Planta solar FV Bacabachi I	200,502	441,817	376,128	245,177	440,622	60,335	0	12	20	Refinancing
36	CFV Pachamama	0	232,303	315,619	0	353,972	702,173	0	0	20	Refinancing
37	CFV Villa Ahumada	283,416	322,425	295,499	355,758	395,768	327,789	0	0	15	Refinancing
38	CFV Abril 99	0	33,493	200,539	0	64,603	250,851	0	6	0	Refinancing
39	CE TM4 V150 4.0 105 V1	111,102	244,457	85,092	180,890	356,891	356,891	0	0	10	Financing
40	CE Dolores	0	273,567	0	0	389,797	773,239	0	15	0	Financing
		11,037,598	**12,930,293**	**12,154,512**	**11,871,822**	**15,006,786**	**15,862,467**	**480**	**518**	**613**	

A1.3.a Purchase of renewable energy

Purchase of renewable energy from wind and photovoltaic plants - **Long-Term Auctions**

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
1. CE El Cortijo Tamaulipas"	56 model wind turbines AW125-3000 of 3MW.	2020-2022	168	1,852,095	1,932,912	88.5	100% refinancing
2. CE Parque Eólico Tizimín" Yucatán	36 GAMESA generators.	2020-2022	76	914,076	963,270	71.1	100% refinancing
3. CE Renewable Energy of the Peninsula Yucatán	36 wind generation units.	2020-2022	90	644,494	646,595	51.0	100% refinancing
4. CFV Aguascalientes Power 1 Aguascalientes	Photovoltaic field associated with an inverter.	2020-2022	63	433,980	440,672	24.3	100% refinancing

GREEN PROJECTS

RENEWABLE ENERGY

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
5. CFV Guajiro 2 **Hidalgo**	45 generating units.	2020-2022	100	777,286	804,853	39.0	100% refinancing
6. CFV Kambul **Yucatán**	Generating units 750 Inverters.	2020-2022	30	171,249	160,431	13.2	100% refinancing
7. CFV Parque Solar Don José **Guanajuato**	Generating units 250 inverters @ 1,000 kW.	2020-2022	207	1,634,836	1,829,010	87.8	100% refinancing
8. CFV Parque Solar Villanueva **Coahuila**	Generating units 330 inverters @ 1,000 kW.	2020-2022	330	3,045,760	3,311,349	125.7	100% refinancing
9. CFV Park Solar Villanueva 3 **Coahuila**	Generating units 248 inverters @ 1,000 kW.	2020-2022	250	2,305,514	2,473,770	102.3	100% financing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
10. CFV San Ignacio Yucatán	Generating units 18x1165 KW.	2020-2022	18	134,417	146,413	10.5	100% refinancing
11. CFV Sol de Insurgentes Baja California Sur	39 generating units.	2020-2022	23	107,305	92,021	6.4	100% financing
12. CFV Las Viborillas Jalisco	Generating units 86 x Ingeteam 1165 inverters.	2020-2022	100	834,238	843,301	45.5	100% refinancing
13. CFV La Pimienta (formerly Ticul 1). Campeche	134 generating units.	2022	500	516,241	993,819	29.0	100% refinancing
14. CE Mezquite Nuevo León	83 generating units with a capacity of 3 MWac.	2020-2022	249	2,233,825	2,324,814	103.4	100% financing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
15. CE Reynosa I, II, III, IV, V **Tamaulipas**	Generating units	2020-2022	388	3,664,916	4,853,484	166	100% refinancing
16. CE Salitrillos **Tamaulipas**	29 generating units with a capacity of 3.45 Mwac.	2020-2022	100	1,042,129	1,345,168	42.7	100% refinancing
17. CE Tres Mesas 3 **Tamaulipas**	15 generating units of 3.3 MWac.	2020-2022	50	616,174	669,030	27.1	100% refinancing
18. CFV Alten 1, 2, 3, 4 and 5 **Aguascalientes**	30 Generating units	2020-2022	150	1,006,610	1,261,005	47.0	100% refinancing
19. CFV Alten 6 **Aguascalientes**	83 units with 3 MWac generator capacity.	2020-2022	140	946,366	1,176,246	37.8	100% refinancing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
20. CFV Andalucía II **Coahuila**	72 generating units	2020-2022	83	647,572	628,087	22.6	100% refinancing
21. CFV AT Solar I, II, III, IV, and V **Sonora**	Generating units with 52,32,32,32,32,41 of capacity	2020-2022	180	1,483,479	1,434,780	64.2	100% refinancing
22. CFV Bluemex **Sonora**	Generator unit 36 inverters with 2.5 Mwac capacity.	2020-2022	90	745,131	759,316	32.5	100% refinancing
23. CFV El Trompezón **Aguascalientes**	Generating unit 189 inverters with 0.67 Mwac capacity.	2020-2022	126	904,848	995,201	33.8	100% refinancing
24. CFV Mex Solar I and F.V. Mex Solar II **Guanajuato**	Two generating units with a capacity of 30 MW.	2020-2022	60	482,106	440,871	20.0	100% refinancing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
25. CFV Orejana **Sonora**	Generating unit, 63 units (62 have capacity of 2 Mwac and 1 of 1 Mwac).	2020-2022	125	1,050,599	1,060,398	43.7	100% refinancing
26. CFV Parque Solar San Miguel de Allende 5 Guanajuato	Power plant unit, 27 inverters.	2020-2022	30	97,245	132,653	2.8	100% refinancing
27. CFV Potosí Solar **San Luis Potosí**	Generating units, 100 units with a capacity of 3 MWac.	2020-2022	300	811,807	1,741,905	33.3	100% refinancing
28. CFV PS Aguascalientes Sur I **Aguascalientes**	26 generating units	2020-2022	30	226,990	224,650	9.6	100% refinancing
29. CFV La Rumorosa Solar **Baja California**	11 generating units with a capacity of 3.73 MWac.	2020-2022	41	310,157	351,192	11.9	100% refinancing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
30. CFV Santa María **Chihuahua**	74 generating units with a capacity of 2 MW.	2020-2022	148	1,166,690	1,180,833	48.7	100% refinancing
31. CFV Tepezalá II **Aguascalientes**	34 generating units with a capacity of 2.94 MW.	2020-2022	100	631,215	699,539	24.6	100% refinancing
32. CFV Torreon-HQ100 **Coahuila**	Power plant unit, 27 inverters.	2020-2022	101	777,177	757,332	29.8	100% refinancing
33. CFV PS Xoxocotla **Morelos**	Generating units, 70 inverters with a capacity of 1 MWac.	2020-2022	70	403,523	473,758	14.4	100% refinancing
34. CFV Conejo **Chihuahua**	Generating units, 70 inverters with a capacity of 1 MWac.	2020-2022	80	86,390	337,639	4.3	100% refinancing

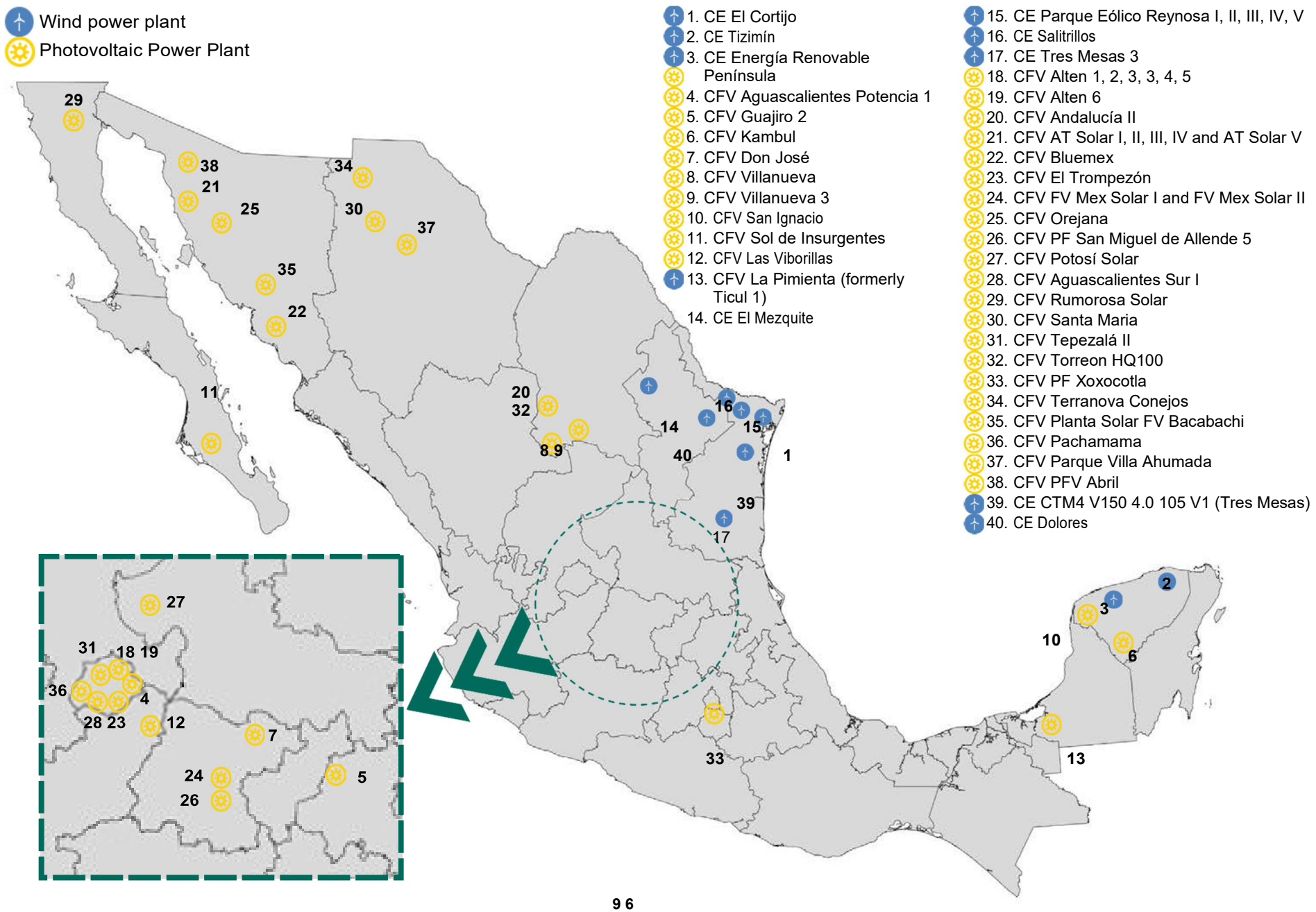
Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
35. CFV Solar PV plant Bacabachi I **Sonora**	80 generating units	2021-2022	200	1,018,447	746,134	32.0	100% refinancing
36. CFV Pachamama **Aguascalientes**	162 generating units	2020-2022	200	547,922	1,056,145	20.0	100% refinancing
37. CFV Villa Ahumada **Chihuahua**	54 generating units	2020-2022	150	901,340	1,079,316	15.0	100% refinancing
38. CFV Abril **Sonora**	37 generating units	2021	99	234,032	315,454	5.9	100% refinancing
39. CE TM4 V150 4.0 105 V1 **Tamaulipas**	24 generating units	2022	97.5	440,652	894,673	9.8	100% financing

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
40. CE Dolores **Nuevo León**	61 generating units	2021	244	273,567	1,163,037	14.6	100% financing

Total number of projects	**40**
Total investment	**1,611.5 md**

A1.3.a Location of wind and photovoltaic projects

Purchase of power purchase (Long-term auctions)



A1.3.a Purchase of renewable energy

Contracts for the purchase of wind energy from **Independent Power Producers** (≥ 5 years).

	Projects	Technology	Federal Division	Capacity MW	Purchased energy (MWh)			CEL's purchased			Amount Allocated (md)	Allocation Term	Allocation Type (Financing / Refinancing)
					2020	2021	2022	2023	2024	2025			
1	OAXACA I	Wind	Oaxaca	102.0	252,089	258,518	237,603	-	-	-	65.2	2020-2022	Refinancing
2	OAXACA II	Wind	Oaxaca	102.0	348,143	360,098	326,353	-	-	-	93.3	2020-2022	Refinancing
3	OAXACA III	Wind	Oaxaca	102.0	291,086	309,010	284,427	-	-	-	81.7	2020-2022	Refinancing
4	OAXACA IV	Wind	Oaxaca	102.0	399,068	400,503	378,287	-	-	-	103.0	2020-2022	Refinancing
5	SURESTE I FASE II	Wind	Oaxaca	102.0	327,772	304,440	305,246	327,773	304,440	305,246	61.4	2020-2022	Refinancing
6	LA VENTA III	Wind	Oaxaca	102.9	218,160	231,757	222,067	-	-	-	88.4	2020-2022	Refinancing
			Total	**613**	**1,836,317**	**1,864,326**	**1,753,982**	**327,773**	**304,440**	**305,246**	**493.0**		

A1.3.a Purchase of renewable energy

Purchase of renewable energy from wind power plants - **Independent Power Producers**

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
1. CE Oaxaca I **Oaxaca**	Purchase of energy.	2020-2022	102	748,209	0	65.2	100% refinancing
2. CE Oaxaca II **Oaxaca**	Purchase of energy.	2020-2022	102	1,034,594	0	93.3	100% refinancing
3. CE Oaxaca III **Oaxaca**	Purchase of energy.	2020-2022	102	884,523	0	81.7	100% refinancing
4. CE Oaxaca IV **Oaxaca**	Purchase of energy.	2020-2022	102	1,177,857	0	103.0	100% refinancing

GREEN PROJECTS

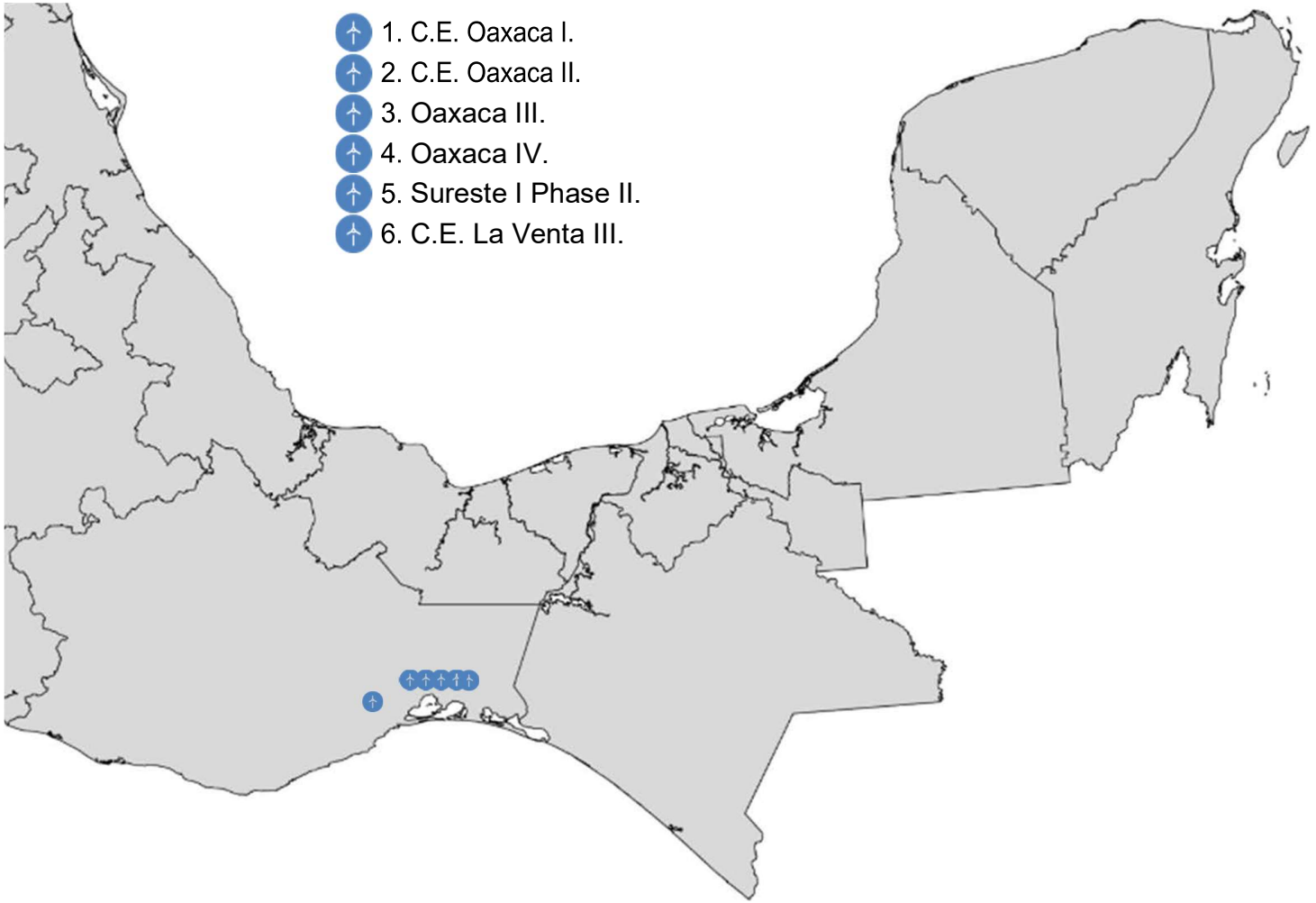
RENEWABLE ENERGY

Project and location	Description	Acquisition Term	Capacity (MW)	Total energy purchased (MWh)	Total CELs purchased (units)	Allocation (million dollars)	Modality
5. CE SURESTE I PHASE II **Oaxaca**	Power purchase	2020-2022	102	937,458	937,459	61.4	100% refinancing
6. CE LA VENTA	Power purchase	2020-2022	102.9	671,984	0	88.4	100% refinancing

Total number of projects	**6**
Total investment	**493 md**

A1.3.b Location of wind power plants

Purchase of renewable energy from **Independent Power Producers** with resource allocation.



Energy storages: Image www.canva.com

A2. Projects of Energy efficiency Green Label

A. Green Projects	Number of projects	Total Resources Allocated (million dollars) 2020	2021	2022	Total Resources Allocated (million dollars)
Power Efficiency	**2**	**49**	**48**	**55**	**152**
2.1 Projects of power efficiency	1	0	0	2	2
2.2 Energy loss reduction	1	49	48	53	150

CFV Puerto Peñasco | CFE.

A2. Energy Efficiency Summary

In the energy efficiency, section of "Green Projects," it had a total allocation of 152 million dollars for 2020-2022.

A. Green Projects

Power Efficiency	2	49	48	55	152
2.1 Projects of power efficiency	1	0	0	2	2
2.2 Energy loss reduction	1	49	48	53	150

	Number of projects	Investment Amount (billion pesos)	% Refinancing	% Refinancing
ENERGY EFFICIENCY	40	2	85%	15%
ENERGY LOSS REDUCTION	6	150	100%	0%

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A2.1 and A2.2 Energy Efficiency

Expenses related to energy efficiency projects, consumption optimization, and loss reduction. These include heating, ventilation, air conditioning (HVAC19), refrigeration, electronic equipment, energy management systems for POPs and automated metering.

Project	Location	Description	Capacity (MW)	Allocation (million dollars)	Execution	Modality
1. Energy Efficiency	Ags., BC., BCS., Camp., Coah., Col., Chis., Chih., CDMX., Dgo., Gto., Gro., Hgo., Jal., Mex., Mich., Mor., Nay., NL., Oax., Pue., Qro., Q. Roo, SLP., Sin., Son., Tab., Tamps., Ver., Yuc.	Energy saving projects. Modernization of the facilities through efficient technologies that increase reliability and optimize the use of electric energy of the Generating Units.	33 energy efficiency actions.	2	2022	100% refinancing
2. Reduction of energy losses	All the country	Reduce technical losses of electric energy in the CFE's General Distribution Networks.	5,020 Km-C Network General Medium Voltage	150	2020-2022	100% refinancing

CFE TEIT.

B1. Social projects

B. Social Projects	Number of projects	Total Resources Allocated (million dollars) 2020	2021	2022	Total Resources Allocated (million dollars)
2. Access to Free or subsidized essential services					
1.1 Fixed wireless broadband service in areas without cable service availability	1	57	84	0	140.4
1.2 Satellite Internet connectivity service for rural communities	1	0	2	0	2.4
B = (1) TOTAL SOCIAL PROJECTS	**2**	**57**	**86**	**0**	**143**

Total number of projects	**2**
Total investment	**152 md**

Central Fotovoltaica Cerro Prieto, Baja California | CFE.

B1.1 | B1.2 Social projects summary

In Category B. "Social Projects" 143 million dollars were allocated from 2020-2022.

B. Social Projects	Number of projects	Total Resources Allocated (million dollars) 2020	2021	2022	Total Resources Allocated (million dollars)
1. Access to Free or subsidized essential services					
1.1 Fixed wireless broadband service in areas without cable service availability	1	57	84	0	140.4
1.2 Satellite Internet connectivity service for rural communities	1	0	2	0	2.4
B = (1) TOTAL SOCIAL PROJECTS	**2**	**57**	**86**	**0**	**143**

	Number of projects	Investment Amount (md)	% Refinancing	% Financing
Fixed wireless broad band services in areas with no cable services available	1	140.4	100%	0%
Satellite Internet Connectivity Service for Rural Communities	1	2.4	100%	0%

B1. Access to Free or Subsidized Essential Services

Expenses related to the financing of the construction, improvement, acquisition or maintenance and operation of facilities and equipment necessary to provide fixed wireless broadband in areas without prior wiring availability.

Project	Location	Description	Allocation (million dollars)	Execution	Modality
1.1. Fixed wireless broadband service in unserved areas	Chiapas, Guerrero, Oaxaca, Tabasco, Veracruz	Implementation of technology that allows the transport of high bandwidth, as well as the transport of any type of signal.	140.4	2020-2021	100% refinancing
1.2. Satellite Internet Connectivity Service for Rural Communities	All the country	Satellite Internet Connectivity Service for Rural Communities.	2.4	2021-2022	100% refinancing

Total number of projects **2**

Total investment **143 md**

7. Report on the Impacts of the Actions, Programs, and Projects by Category

Complejo Eólico “La Venta I y II”, Oaxaca | CFE.

Air View Complejo Eólico “La Venta I y II” CFE.

The CFE complies with the commitment to report the environmental and social impacts of the actions, programs and projects chosen in accordance with the "*Reference Framework*" associated with the resources captured in the markets with sustainable label during 2020-2022.

This section presents, on an annual basis, indicators and impact metrics of the actions, programs and projects in renewable energy, energy efficiency and internet service provision that have been financed or refinanced through Green, Social, or Sustainable Bonds.

Some of the indicators considered refer to GHG reduction, savings in energy supplied, increase in energy generated by renewable technologies, population benefited and internet service coverage, for example.

The methodology for estimating impacts can be found in Exhibit 10.4.

Impact Metrics

Green label
A1.1 Wind and photovoltaic power plants

Amount Allocated	81 million dollars
Number of projects	4 Photovoltaic Power Plants 2 Wind Power Plants
Power generation	80,391 MWh
Average GHG emissions avoided annual equivalent to:	36,023 tons. of CO2 equiv.
Average cars withdrawn from circulation	8,577
Average trees planted	1,801,163
Average annual benefited population	45,386

Puerto Peñasco: https://www.uniradiosonora.com/sociedad/segunda-etapa- planta-fotovoltaica-puerto-penasco-iniciara-primer-bimestre-2024-n718530

Impact of green projects

A1.1. Renewable Energy

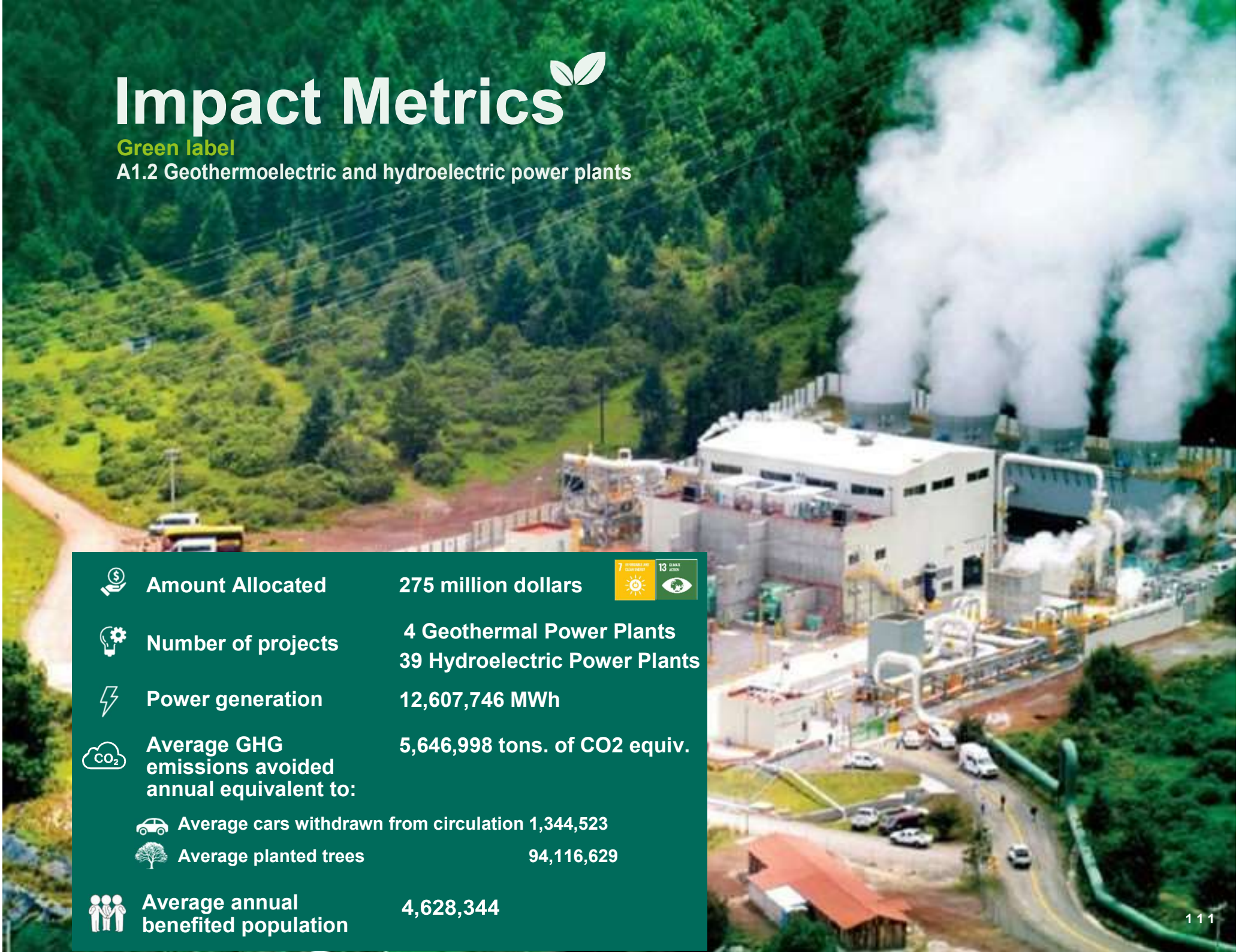
Refurbishment and/or maintenance of wind and photovoltaic power plants.

Projects	Technology	Federal Division	Capacity MW	Annual Power Generation (MWh)			Annual Emissions of GEI avoided (tons of Co_2 equivalent			Total Population Benefited (inhabitants)		
				2020	2021	2022	2020	2021	2022	2020	2021	2022
Wind and photovoltaic												
CFV Infiernillo	Fotovoltaica	Michoacán	0.5				**Proyecto en desarrollo**					
CFV Cerro Prieto	Fotovoltaica	Baja California	5.0	7,438	6,313	5,573	3,674	2,670	2,424	1,792	1,521	1,343
CFV Puerto Peñasco Fase I	Fotovoltaica	Sonora	120.0				**Proyecto en construcción**					
CFV Santa Rosalía	Fotovoltaica	Baja California Sur	1.0	1,783	1,732	1,493	881	733	650	427	414	357
CE Yuumil'iik	Eólica	Quintana Roo	1.5	821	714	492	406	302	214	269	234	161
CE La Venta	Eólica	Oaxaca	84.2	62,215	83,259	69,340	30,734	35,219	30,163	37,547	50,247	41,847
		Total	**212.2**	**72,257**	**92,018**	**76,899**	**35,695**	**38,924**	**33,451**	**40,035**	**52,416**	**43,708**

Impact Metrics

Green label

A1.2 Geothermoelectric and hydroelectric power plants



Amount Allocated	275 million dollars
Number of projects	4 Geothermal Power Plants 39 Hydroelectric Power Plants
Power generation	12,607,746 MWh
Average GHG emissions avoided annual equivalent to:	5,646,998 tons. of CO2 equiv.
Average cars withdrawn from circulation	1,344,523
Average planted trees	94,116,629
Average annual benefited population	4,628,344

Impact of green projects

A1.2.a Renewable Energy

Refurbishment and/or maintenance of geothermal power plants.

Projects	Technology	Federal Division	Capacity MW	Annual Power Generation (MWh)			Annual Emissions of GEI avoided (tons of Co_2 equivalent			Total Population Benefited (inhabitants)		
				2020	2021	2022	2020	2021	2022	2020	2021	2022
Geothermal Power Plants												
CG Tres Vírgenes	Geotermoeléctrica	Baja California Sur	10.0	54,030	43,067	44,739	26,691	18,217	19,461	12,926	10,303	10,703
CG Cerro Prieto	Geotermoeléctrica	Baja California	460.0	2,611,570	2,510,583	2,325,710	1,290,116	1,061,977	1,011,684	629,294	604,960	560,412
CG Los Humeros	Geotermoeléctrica	Puebla	95.7	377,078	479,706	453,777	186,277	202,916	197,393	227,567	289,503	273,855
CG Los Azufres	Geotermoeléctrica	Michoacán	242.4	1,464,636	1,370,574	1,718,861	723,530	579,753	747,705	528,749	494,792	620,527
		Total	**808.1**	**4,507,314**	**4,403,930**	**4,543,087**	**2,226,613**	**1,862,862**	**1,976,243**	**1,398,536**	**1,399,558**	**1,465,497**

Impact of green projects

A1.2.a Renewable Energy

Refurbishment and/or maintenance of hydroelectric power plants.

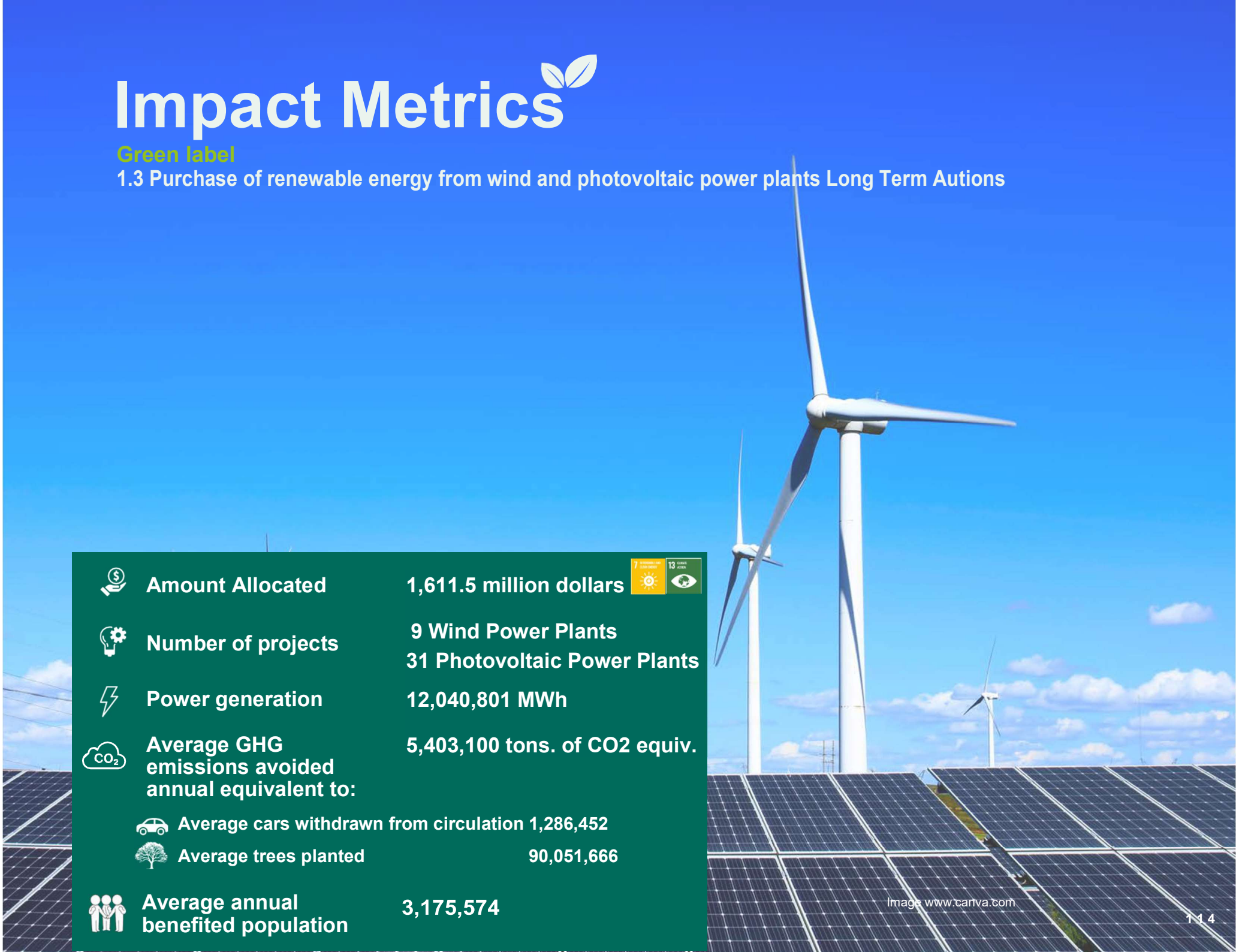
	Projects	Technology	Federal Division	Capacity MW	Annual Power Generation (MWh)			Annual Emissions of GEI avoided (tons of Co_2 equivalent			Total Population Benefited (inhabitants)		
					2020	2021	2022	2020	2021	2022	2020	2021	2022
1	C.H. Ing. Carlos Ramírez Ulloa "El Caracol"	Hidroeléctrica	Guerrero	630.0	958,136	1,063,939	845,709	473,319	450,046	367,883	578,235	642,088	510,386
2	C.H. Tingambato	Hidroeléctrica	Estado de México	42.0	33,801	52,811	23,265	16,698	22,339	10,120	18,789	29,356	12,932
3	C.H. Ambrosio Figueroa "La Venta"	Hidroeléctrica	Guerrero	30.0	130,929	86,489	156,096	64,679	36,585	67,902	79,016	52,196	94,204
4	C.H. Santa Bárbara	Hidroeléctrica	Estado de México	22.5	3,908	11,588	1,759	1,931	4,902	765	2,172	6,441	978
5	C.H. Colotlipa	Hidroeléctrica	Guerrero	8.0	29,585	31,753	32,691	14,615	13,432	14,221	17,854	19,163	19,729
6	C.H. Portezuelo I	Hidroeléctrica	Puebla	2.0	11,943	5,531	9,950	5,900	2,340	4,328	7,208	3,338	6,005
7	C.H. Portezuelo II	Hidroeléctrica	Puebla	2.1	4,907	4,556	4,896	2,424	1,927	2,130	2,961	2,750	2,955
8	C.H. Aguamilpa-Solidaridad	Hidroeléctrica	Nayarit	960.0	1,285,081	2,539,671	2,170,680	634,830	1,074,281	944,246	463,928	916,849	783,639
9	C.H. Alfredo Elías Ayub (La Yesca)	Hidroeléctrica	Jalisco/Nayarit	750.0	729,490	1,517,888	1,130,083	360,368	642,067	491,586	263,354	547,974	407,972
10	C.H. Leonardo Rodríguez Alcaine - El Cajón	Hidroeléctrica	Nayarit	750.0	711,499	1,544,318	1,275,036	351,480	653,246	554,641	256,859	557,515	460,302
11	C.H. Valentin Gomez Farias (Agua Prieta)	Hidroeléctrica	Jalisco	240.0	212,281	183,094	181,261	104,867	77,449	78,849	76,636	66,099	65,437
12	C.H. Cupatitzio	Hidroeléctrica	Michoacán	80.0	439,827	391,960	468,780	217,274	165,799	203,919	158,782	141,502	169,235
13	C.H. Santa Rosa - Gral. Manuel M. Diéguez	Hidroeléctrica	Jalisco	70.0	211,609	255,146	242,842	104,535	107,927	105,636	76,393	92,110	87,668
14	C.H. El Cóbano	Hidroeléctrica	Michoacán	60.0	231,636	214,890	240,327	114,428	90,898	104,542	83,623	77,578	86,761
15	C.H. Colimilla	Hidroeléctrica	Jalisco	51.2	53,839	56,946	57,940	26,596	24,088	25,204	19,436	20,558	20,917
16	C.H. Botello	Hidroeléctrica	Michoacán	18.0	58,990	76,460	67,482	29,141	32,342	29,355	21,296	27,603	24,362
17	C.H. Platanal	Hidroeléctrica	Michoacán	12.6	41,177	43,436	37,868	20,341	18,373	16,473	14,865	15,681	13,671
18	C.H. Puente Grande	Hidroeléctrica	Jalisco	9.0	29,356	20,456	29,057	14,502	8,653	12,640	10,598	7,385	10,490
19	C.H. Zumpimito	Hidroeléctrica	Michoacán	8.4	44,073	47,803	48,549	21,772	20,220	21,119	15,911	17,257	17,527
20	C.H. Intermedia - Luis Marcial Rojas	Hidroeléctrica	Jalisco	5.3	8,267	8,638	9,275	4,084	3,654	4,034	2,984	3,118	3,348
21	C.H. San Pedro Poruas	Hidroeléctrica	Michoacán	2.6	2,223	4,385	3,980	1,098	1,855	1,731	802	1,583	1,437
22	C.H. Jumatan	Hidroeléctrica	Nayarit	2.2	10,276	10,214	12,252	5,076	4,321	5,330	3,710	3,688	4,423
23	C.H. Tirio	Hidroeléctrica	Michoacán	1.1	1,297	1,106	1,298	641	468	565	468	399	469
24	C.H. Bartolinas	Hidroeléctrica	Michoacán	0.8	1,477	994	1,337	730	420	581	533	359	483
25	C.H. Itzícuaro	Hidroeléctrica	Michoacán	0.6	2,839	3,221	2,651	1,402	1,362	1,153	1,025	1,163	957
26	C.H. Luis D. Colosio Murieta (Huites)	Hidroeléctrica	Sinaloa	422.0	788,775	604,165	885,629	389,655	255,562	385,249	174,508	133,665	195,936
27	C.H. El Retiro - José Cecilio del Valle	Hidroeléctrica	Chiapas	21.0	93,206	83,662	97,502	46,044	35,389	42,413	56,250	50,490	58,842
28	C.H. Bombaná	Hidroeléctrica	Chiapas	5.2	25,401	27,300	24,493	12,548	11,548	10,654	15,329	16,476	14,782
29	C.H. Tamazulapan	Hidroeléctrica	Oaxaca	2.5	4,660	5,021	4,704	2,302	2,124	2,046	2,812	3,030	2,839
30	C.H. Schpoiná	Hidroeléctrica	Chiapas	2.2	9,477	7,536	7,678	4,682	3,188	3,340	5,719	4,548	4,634
31	C.H. Tuxpango	Hidroeléctrica	Veracruz	39.0	167,281	171,394	183,827	82,637	72,500	79,965	100,954	103,436	110,940
32	C.H. El Salto - Camilo Arriaga	Hidroeléctrica	San Luis Potosí	18.0	57,197	75,087	66,401	28,255	31,762	28,884	11,986	15,735	13,915
33	C.H. Las Minas	Hidroeléctrica	Veracruz	15.0	77,430	80,753	74,764	38,250	34,159	32,522	46,729	48,735	45,120
34	C.H. El Encanto	Hidroeléctrica	Veracruz	10.0	49,886	61,083	55,522	24,644	25,838	24,152	30,106	36,864	33,507
35	C.H. Texolo	Hidroeléctrica	Veracruz	1.6	10,064	10,302	8,960	4,971	4,358	3,897	6,073	6,217	5,407
36	C.H. Ixtaczoquitlán	Hidroeléctrica	Veracruz	1.6	11,225	12,068	12,073	5,545	5,105	5,252	6,775	7,283	7,286
37	C.H. Electroquímica	Hidroeléctrica	San Luis Potosí	1.4	8,236	6,960	8,473	4,069	2,944	3,686	1,726	1,458	1,776
38	C.H. Micos	Hidroeléctrica	San Luis Potosí	0.7	3,206	3,535	3,170	1,584	1,495	1,379	672	741	664
39	C.H. Chicoasén II	Hidroeléctrica	Chiapas	240.0				**En proceso de construcción**					
			Total	**4,539**	**6,554,489**	**9,326,158**	**8,488,259**	**3,237,917**	**3,944,965**	**3,692,393**	**2,637,079**	**3,682,430**	**3,301,932**

Impact Metrics

Green label

1.3 Purchase of renewable energy from wind and photovoltaic power plants Long Term Autions

Amount Allocated	1,611.5 million dollars
Number of projects	9 Wind Power Plants 31 Photovoltaic Power Plants
Power generation	12,040,801 MWh
Average GHG emissions avoided annual equivalent to:	5,403,100 tons. of CO2 equiv.
Average cars withdrawn from circulation	1,286,452
Average trees planted	90,051,666
Average annual benefited population	3,175,574



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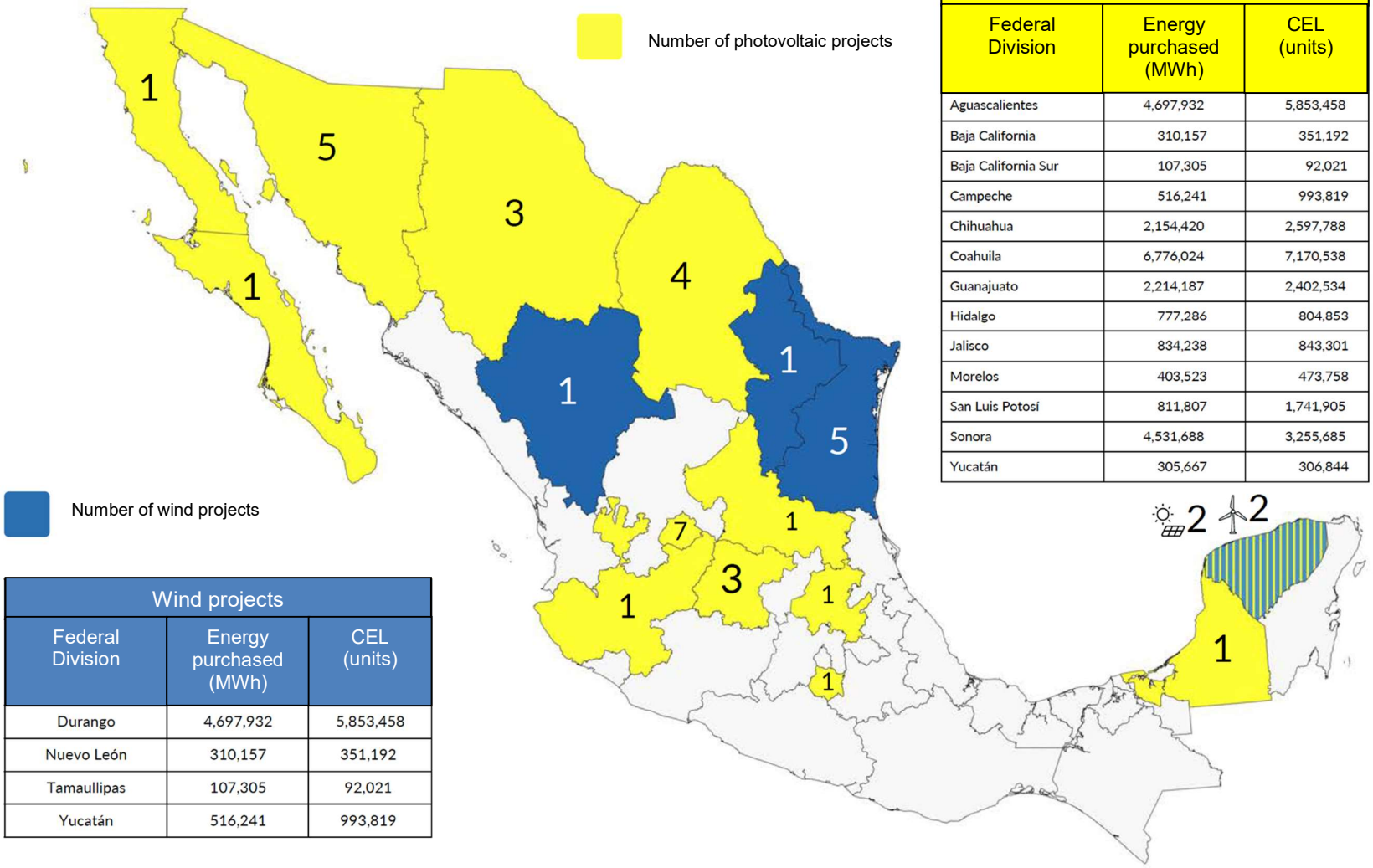
Impact of green projects

A1.3.a Renewable Energy

Purchase of renewable energy from wind and photovoltaic power plants - Long-term Auctions

Projects	Federal Division	Capacity MW	Energy purchased with the term (MWh)	Total CEL	Annual Emissions of GEI avoided (tons of Co_2 equivalent			Total Population Benefited (inhabitants)		
					2020	2021	2022	2020	2021	2022
1 CE El Cortijo	Tamaulipas	168	1,852,095	1,932,912	302,040	255,690	276,751	128,126	126,670	133,321
2 CE Parque Eólico Tizimín	Yucatán	76	914,076	963,270	155,472	128,479	128,596	103,119	99,519	96,862
3 CE Energía Renovable de la Península	Yucatán	90	644,494	646,595	52,665	114,840	115,882	34,931	88,955	87,285
4 CFV Aguascalientes Potencia 1	Aguascalientes	63	433,980	440,672	72,623	59,230	63,921	53,072	50,550	53,049
5 CFV Guajiro 2	Hidalgo	100	777,286	804,853	130,146	108,023	112,430	95,109	92,193	93,306
6 CFV Kambul	Yucatán	30	171,249	160,431	28,609	24,591	24,012	18,975	19,048	18,087
7 CFV Parque Solar Don josé	Guanajuato	207	1,634,836	1,829,010	253,677	231,479	249,728	185,385	197,556	207,252
8 CFV Parque Solar Villanueva	Coahuila	330	3,045,760	3,311,349	499,791	433,772	438,729	216,226	219,163	215,553
9 CFV Parque Solar Villanueva 3	Coahuila	250	2,305,514	2,473,770	379,797	333,009	326,006	164,313	168,253	160,171
10 CFV San Ignacio	Yucatán	18	134,417	146,413	19,134	20,281	20,766	12,691	15,710	15,641
11 CFV Sol de Insurgentes	Baja California Sur	23	107,305	92,021	-	14,921	31,334	-	8,439	17,233
12 CFV Las Viborillas	Jalisco	100	834,238	843,301	138,687	113,850	123,691	101,351	97,166	102,652
13 CFV La Pimienta (Antes Ticul 1)	Campeche	500	516,241	993,819	-	-	224,565	-	-	169,148
14 CE Parque Eólico el Mezquite	Nuevo León	249	2,233,825	2,324,814	354,825	315,910	334,395	150,517	156,503	161,091
15 CE Parque Eólico Reynosa I, II, III, IV, V	Tamaulipas	388	3,664,916	4,853,484	753,912	590,145	323,482	319,811	292,360	155,834
16 CE Salitrillos	Tamaulipas	100	1,042,129	1,345,168	152,063	148,781	166,423	64,505	73,706	80,172
17 CE TRES MESAS 3	Tamaulipas	50	616,174	669,030	91,268	88,351	96,811	38,716	43,769	46,638
18 CFV Alten 1, 2, 3, 4, 5	Aguascalientes	150	1,006,610	1,261,005	168,585	135,848	149,723	123,200	115,940	124,257
19 CFV Alten 6	Aguascalientes	140	946,366	1,176,246	158,169	128,009	140,750	115,589	109,250	116,810
20 CFV Andalucia II	Coahuila	83	647,572	628,087	103,146	91,941	96,318	44,625	46,453	47,322
21 CFV AT SOLAR I, II, III, IV y V	Sonora	180	1,483,479	1,434,780	254,803	204,537	210,603	114,114	106,978	107,112
22 CFV Bluemex	Sonora	90	745,131	759,316	117,820	108,753	108,545	52,766	56,880	55,206
23 CFV El Trompezón	Aguascalientes	126	904,848	995,201	136,755	126,367	143,235	99,939	107,848	118,872
24 CFV Mex Solar I y FV Mex Solar II	Guanajuato	60	482,106	440,871	81,676	67,726	68,148	59,688	57,801	56,556
25 CFV Orejana	Sonora	125	1,050,599	1,060,398	178,579	145,779	149,845	79,977	76,246	76,210
26 CFV Parque Solar San Miguel de Allende 5	Guanajuato	30	97,245	132,653	-	12,308	29,644	-	10,504	24,602
27 CFV Potosí Solar	San Luis Potosi	300	811,807	1,741,905	74,468	278,729	926	54,420	237,882	769
28 CFV PS Aguascalientes Sur I	Aguascalientes	30	226,990	224,650	35,850	32,186	34,073	26,199	27,469	28,277
29 CFV Rumorosa Solar	Baja California	41	310,157	351,192	48,667	44,759	46,035	23,739	25,497	25,501
30 CFV Santa María	Chihuahua	148	1,166,690	1,180,833	197,923	165,690	162,835	85,628	83,715	80,003
31 CFV Tepezala II	Aguascalientes	100	631,215	699,539	52,053	106,070	119,664	38,040	90,526	99,310
32 CFV Torreon-HQ100	Coahuila	101	777,177	757,332	131,302	113,253	105,986	56,806	57,221	52,072
33 CFV PS Xoxocotla	Morelos	70	403,523	473,758	34,128	71,377	72,079	41,693	101,835	99,999
34 CFV Conejo	Chihuahua	80	86,390	337,639	-	-	37,580	-	-	18,463
35 CFV Planta solar FV Bacabachi I	Sonora	200	1,018,447	746,134	99,048	186,889	163,616	44,359	97,747	83,214
36 CFV Pachamama	Aguascalientes	200	547,922	1,056,145	-	98,264	137,294	-	83,864	113,942
37 CFV Villa Ahumada	Chihuahua	150	901,340	1,079,316	140,008	136,386	128,542	60,572	68,909	63,154
38 CFV Abril 99	Sonora	99	234,032	315,454	-	14,168	87,234	-	7,410	44,367
39 CE TM4 V150 4.0 105 V1	Tamaulipas	97.5	440,652	894,673	54,885	103,405	37,015	23,282	51,227	17,832
40 CE Dolores	Nuevo León	244	273,567	1,163,037	-	115,719	-	-	57,327	-
	Total	**5,587**	**36,122,402**	**42,741,076**	**5,452,573**	**5,469,514**	**5,287,213**	**2,831,485**	**3,428,091**	**3,267,145**

Purchase of wind and photovoltaic power from Long-Term Auctions, 2020-2022



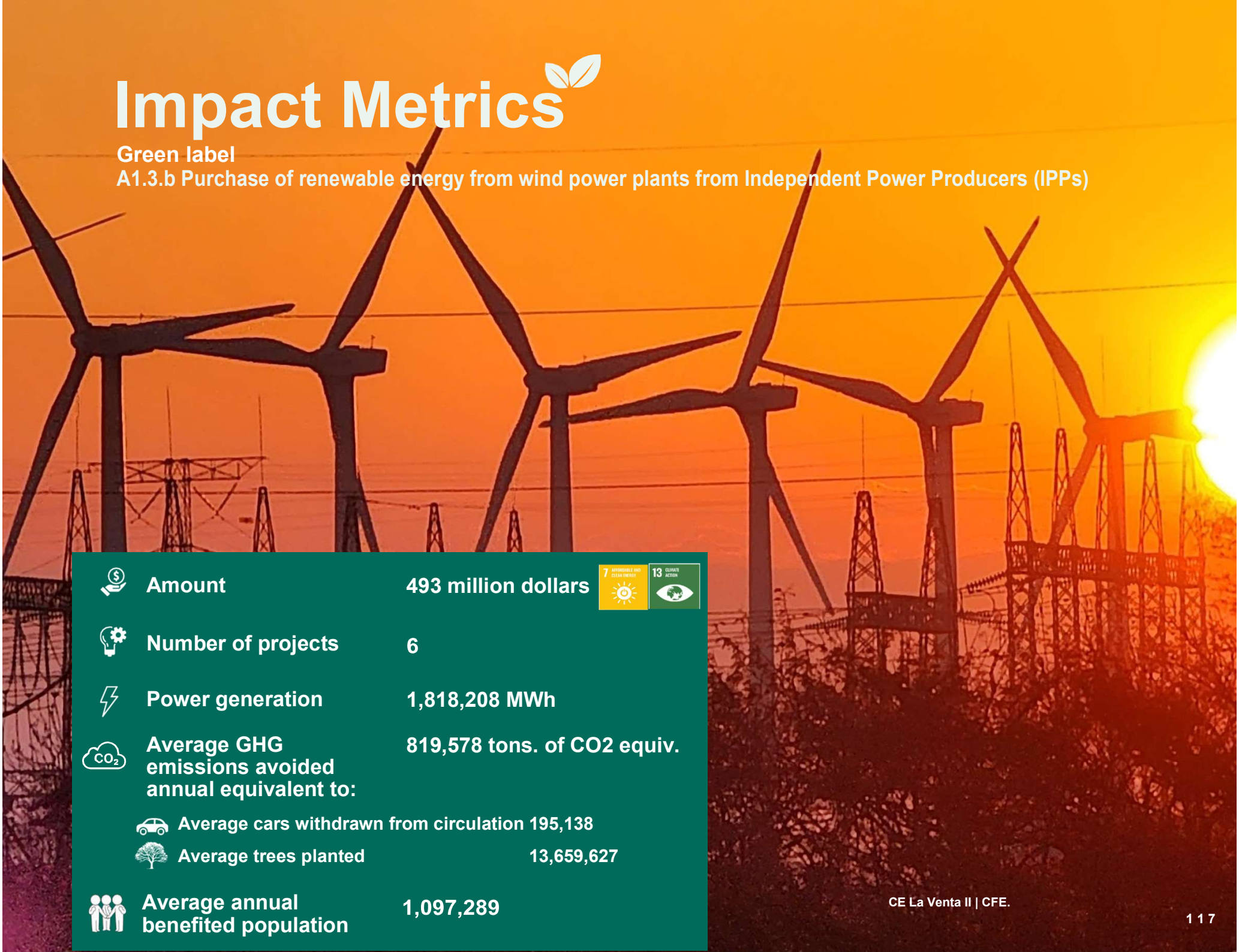
Photovoltaic projects		
Federal Division	Energy purchased (MWh)	CEL (units)
Aguascalientes	4,697,932	5,853,458
Baja California	310,157	351,192
Baja California Sur	107,305	92,021
Campeche	516,241	993,819
Chihuahua	2,154,420	2,597,788
Coahuila	6,776,024	7,170,538
Guanajuato	2,214,187	2,402,534
Hidalgo	777,286	804,853
Jalisco	834,238	843,301
Morelos	403,523	473,758
San Luis Potosí	811,807	1,741,905
Sonora	4,531,688	3,255,685
Yucatán	305,667	306,844

Wind projects		
Federal Division	Energy purchased (MWh)	CEL (units)
Durango	4,697,932	5,853,458
Nuevo León	310,157	351,192
Tamaullipas	107,305	92,021
Yucatán	516,241	993,819

Impact Metrics

Green label

A1.3.b Purchase of renewable energy from wind power plants from Independent Power Producers (IPPs)



Amount	493 million dollars
Number of projects	6
Power generation	1,818,208 MWh
Average GHG emissions avoided annual equivalent to:	819,578 tons. of CO2 equiv.
Average cars withdrawn from circulation	195,138
Average trees planted	13,659,627
Average annual benefited population	1,097,289

CE La Venta II | CFE.

Impact of green projects

A1.2.a Renewable Energy

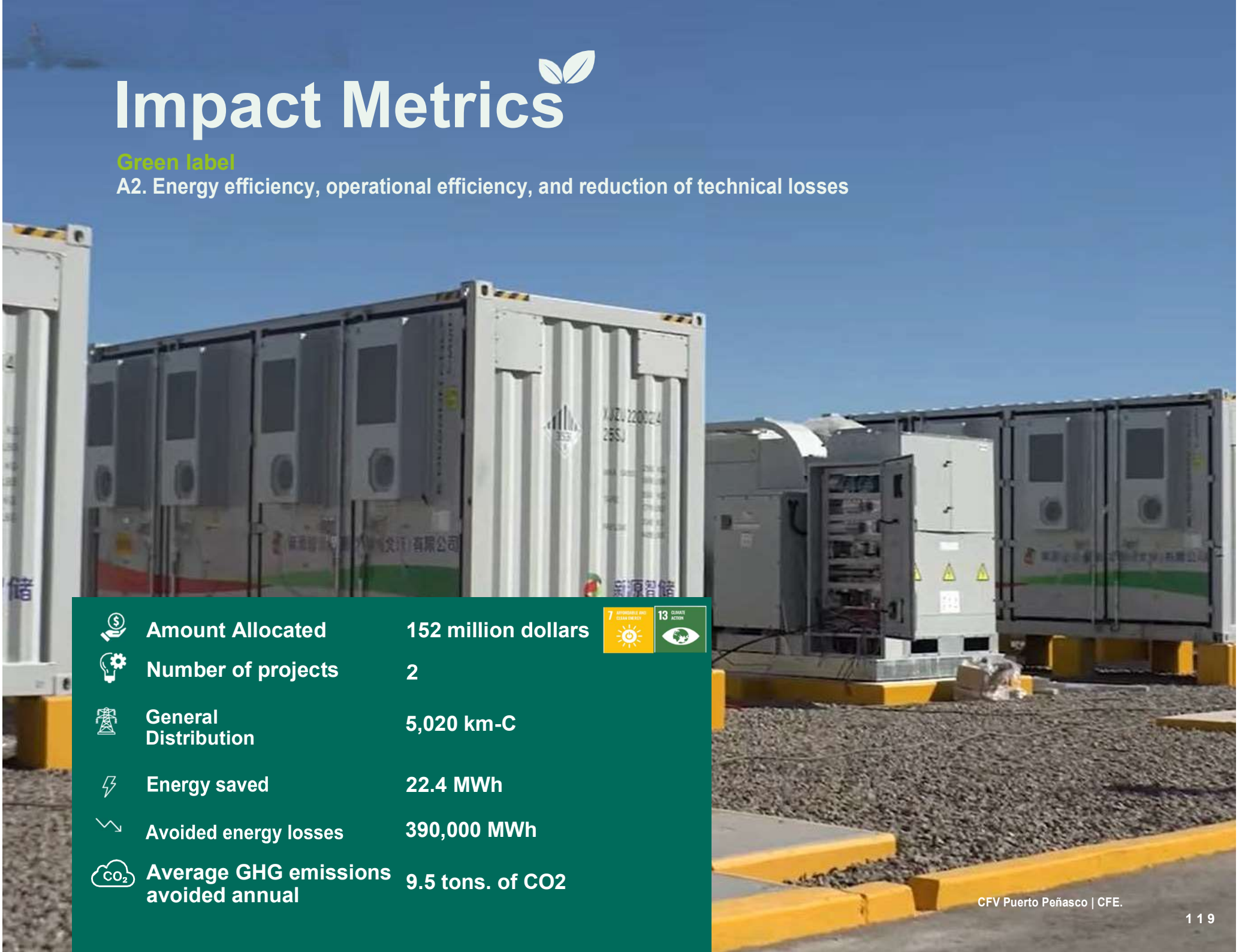
Purchase of renewable energy from wind power plants from Independent Power Producers (IPPs)

	Projects	Federal Division	Capacity MW	Energy purchased (MWh)	CEL (CEL/year)	Annual Emissions of GEI avoided (tons of Co2 equivalent)			Total Population Benefited (inhabitants)		
						2020	2021	2022	2020	2021	2022
1	OAXACA I	Oaxaca	102.0	748,209	-	124,532	109,353	103,357	152,136	156,016	143,393
2	OAXACA II	Oaxaca	102.0	1,034,594	-	171,983	152,322	141,964	210,104	217,319	196,954
3	OAXACA III	Oaxaca	102.0	884,523	-	143,797	130,711	123,726	175,671	186,488	171,652
4	OAXACA IV	Oaxaca	102.0	1,177,857	-	197,139	169,413	164,555	240,837	241,703	228,296
5	SURESTE I FASE II	Oaxaca	102.0	937,458	937,459	161,919	128,778	132,782	197,811	183,729	184,216
6	LA VENTA III	Oaxaca	102.9	671,984	-	107,771	98,033	96,599	131,659	139,866	134,017
		Total	**613**	**5,454,625**	**937,459**	**907,141**	**788,610**	**762,982**	**1,108,218**	**1,125,121**	**1,058,529**

Impact Metrics

Green label

A2. Energy efficiency, operational efficiency, and reduction of technical losses



Amount Allocated	152 million dollars
Number of projects	2
General Distribution	5,020 km-C
Energy saved	22.4 MWh
Avoided energy losses	390,000 MWh
Average GHG emissions avoided annual	9.5 tons. of CO2

CFV Puerto Peñasco | CFE.

2.1 ENERGY EFFICIENCY | Energy Efficiency Increase

In 2022, the Electricity Sector Energy Saving Program (PAESE) implemented 2 types of projects with 33 energy efficiency actions.

Energy Efficiency Projects and Solutions

Project "Supply and/or replacement of Air Conditioning Systems in industrial and office equipment" (28 actions).

Benefits

- Reduction of energy consumption by efficiency in air conditioning systems.
- Improvement of the operating conditions of Transmission Substation Control Rooms.
- Improved temperature conditions in Corporate Administrative Offices, CFE Basic Service Provider Offices and Service Centers, and CFE Generation I Camp and Offices.

Project *"Transformer Cooling Systems"* (5 actions):
Supply of high energy efficiency motor fans that replaced obsolete equipment installed in the radiators of the power transformers of the CFE Transmission Electrical Substations.

Benefits

- Savings in energy consumption.
- Improved operation of the cooling system of the power transformers of the CFE Transmission Substations.

2.2 ENERGY EFFICIENCY | Projects for the reduction of technical losses of the General Distribution Networks.

One of the main problems is energy losses in the General Distribution Networks, which are classified as technical and non-technical. Technical losses are related to the obsolescence of electrical conductors and transformers.

The objective of the project is to contain or reduce the technical losses of electric energy in the General Distribution Networks (RGD) for each of the CFE Distribution Divisions.
Through this program, energy losses averaging 130,000 MWh have been avoided in the 2020-2022 period.

Project	Energy losses avoided (MWh)			Km-C RGDs of MT *			Low Voltage in Distribution Transformers (MVA)			% de Instalación de Equipos Adquiridos		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Increased operational efficiency of the General Distribution Networks by reducing technical losses.	131,000	113,000	146,000	1,659	1,418	1,943	63	46	47	8%	30%	51%

*Kilometer Circuit of the Medium Voltage General Distribution Network

Impact Metrics

Social Label
B1: Access to Free or Subsidized Essential Services
B1.1 | B1.2 Broadband services and connectivity in areas with no Internet

SDGs 9, 10, 11

Amount Allocated	143 million dollars
Number of projects	2
Installed access points	5,594
Number of 4G LTE technology connections	41,816
Number of connections with satellite technology.	4,133
Locations served by Internet service	3,848
Users in condition of poverty	51,949
Total Population Benefited	1,520,317

B1: Access to Free or Subsidized Basic Services
B1.1 | B1.2 Broadband services and connectivity in areas with no Internet

CFE Telecomunicaciones e Internet Para Todos (CFE TEIT) makes possible the **integration of the population** to information and communication technologies, including broadband and internet service; extending financial inclusion and ensuring the possibility of bringing all social welfare programs directly to the beneficiaries, that is, **contributing to a balanced economic growth that guarantees equitable, inclusive and sustainable development.**

The network meets the need for nationwide connectivity, reducing the digital divide in regions, areas, localities and communities that do not have service from a private operator and bringing quality communications to every corner of the country.

This project offers **four types of services**:

- free access points,
- cellular coverage with social rates,
- fiber optic network,
- last mile project.

The **free Internet service** is provided through Wi-Fi access points in public places such as schools, community spaces, hospitals, health centers, and public squares.

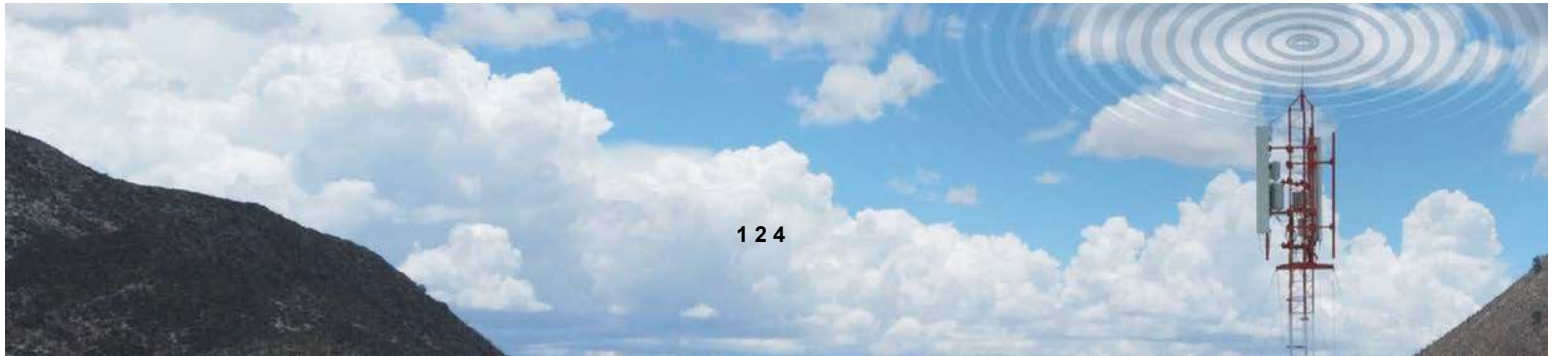
We also install and provide constant maintenance to **Telecommunication Towers that offer cellular coverage** in remote locations that did not have this service.

With the installation of **fiber optic network** you have the capacity to transport a high volume of data in milliseconds. The last mile team is in charge of **installing the infrastructure to provide telecommunications services that are used by end users, with special emphasis on the inhabitants of the most remote communities of the country** always taking care of the proximity and coordination with the population, adapting the technology to their needs.

B1: Access to Free or Subsidized Basic Services
B1.1 | B1.2 Broadband services and connectivity in areas with no Internet

Indicators and Goals of CFE TEIT	Goal as of 2025	Advance 2022	% Advance
Free Internet connections.	140,000	63,011	45%
Locations with cellular and internet coverage through commercial and/or governmental operators, including CFE TEIT.	122,000	113,070	92.6%
Number of users with active mobility service in authorized locations: mobile telephony, wireless broadband and IoT (Internet of Things) service offered by EPS CFE Telecomunicaciones e Internet para Todos.	1,000,000	6,361	0.63%
Number of kilometers of fiber optic characterized for the development of the National Data Transport Network through CFE TEIT.	The topology consists of 77 routes for phase 0 and 1. 90 routes for phase 2 and 3. 57 routes for phase 4.	77 routes and 197 segments characterized for phase 0 and 1. 79 routes and 169 segments characterized for phase 2 and 3.	67%
Development of the Public Telecommunications Network	Telecommunications towers 2,542	770 completed. 380 in equipment assembly. *176 in operation	*6.92%

CFE TEIT.



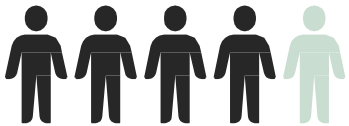
Impact of social projects

Free or Subsidized Basic Services Access Programs, and Broadband and Connectivity Services in Areas without Internet

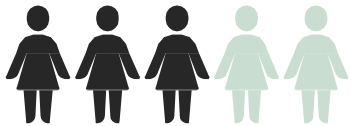
	Number of access points installed in locations	Number of connections with technology (4G LTE)	Number of connections with technology (Satellite)	Number of locations served by CFE TEIT	Number of users from locations under poverty conditions served by CFE TEIT	Total of population benefited (inhabitants)
	2021	2021	2021	2021	2021	2021
1	17	743	-	-	-	-
2	31	1,044	2	2	-	851
3	9	-	9	8	-	1,456
4	93	710	81	68	-	37,877
5	978	1,993	964	17	-	4,700
6	645	1,193	24	-	-	-
7	16	1,837	-	907	6,376	448,985
8	24	641	17	24	-	2,592
9	8	665	-	-	-	-
10	75	767	63	61	-	14,463
11	1	2,698	-	-	-	-
12	160	1,620	160	150	-	47,399
13	130	899	91	88	-	26,636
14	55	3,787	50	49	-	7,616
15	59	2,234	49	49	-	8,891
16	279	2,150	276	264	3,746	42,721
17	25	739	1	1	-	1,036
18	36	803	32	32	-	8,404
19	23	1,037	-	-	-	-
20	923	962	923	869	31,357	358,691
21	384	1,446	358	322	8,598	148,752
22	64	750	60	59	-	12,718
23	145	650	120	111	-	57,913
24	136	590	133	131	-	35,763
25	35	1,744	12	12	-	2,361
26	83	1,272	1	1	-	74
27	13	530	-	-	-	-
28	38	1,030	17	17	67	3,872
29	66	646	66	46	-	28,134
30	379	3,833	345	337	-	136,215
31	475	1,870	111	91	1,021	46,727
32	189	933	168	132	784	35,470
	5,594	**41,816**	**4,133**	**3,848**	**51,949**	**1,520,317**

B1: Access to Free or Subsidized Basic Services
B1.1 | B1.2 Broadband services and connectivity in areas with no Internet

TOTAL POPULATION BENEFITED: 1,520,317 inhab.



MEN
747,223

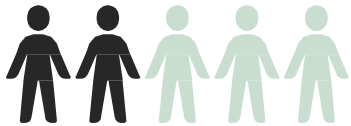


WOMEN
773,094

CFE TEIT.

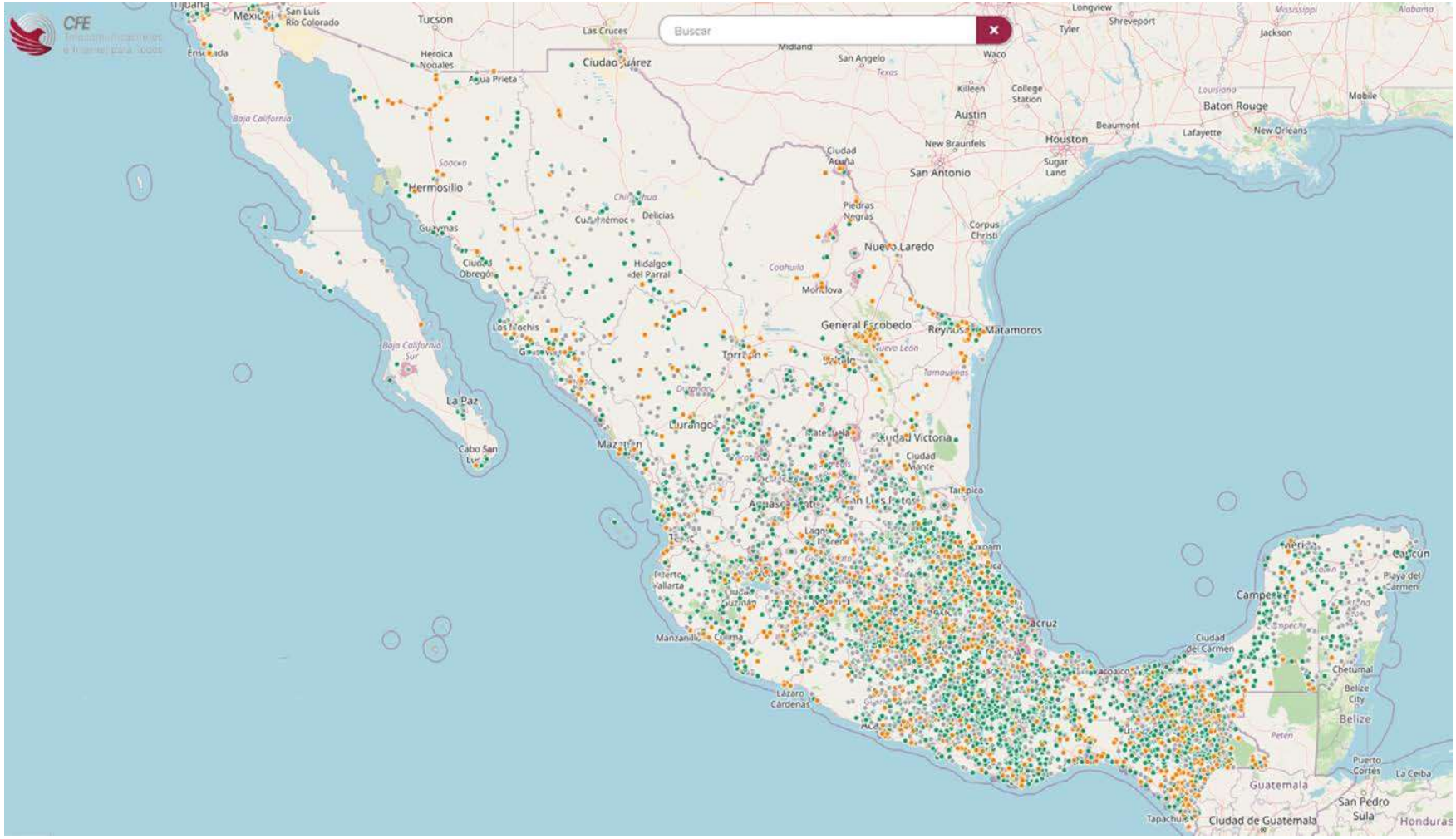
NUMBER OF BENEFICIARIES IN INDIGENOUS CONDITION:

847,183 inhab.



126

B1: Access to Free or Subsidized Basic Services
B1.1 | B1.2 Broadband services and connectivity in areas with no Internet



Source: https://mapabts.cfeteit.mx/

8. Overall Evaluation of the CFE's Actions

"La Venta I y II" Wind Plant, Oaxaca | CFE.

This *"**Annual Report on Green, Social and Sustainable Bonds 2024"*** ("Report") is a fundamental tool for transparency and accountability, through which CFE informs and communicates to savers and investors, financial institutions, and society in general, the use, destination and impact of the resources raised in 2022 and 2023 in the domestic and international capital markets through thematic bonds, The use, destination and impact of the resources raised in 2022 and 2023 in the national and international capital markets through thematic bonds, which were destined to finance eligible environmental and social actions, programs and projects according to the "*Sustainable Financing Reference Framework" ("Reference Framework")* published in 2021.

This "*Report*" is aligned with best practices and national and international standards on Sustainable Finance, and also has the independent verification and external opinion of the specialized firm with internationally recognized experience in ESG matters MORNINGSTAR | SUSTAINALYTICS, which allows the traceability of resources, in a truthful, clear and precise manner, throughout the process of fundraising, allocation, exercise and impact on eligible green and social projects. In this way, the "*Report*" contributes to provide confidence and certainty to the investing public by satisfying their needs and concerns about the destination and impact of the actions, programs and projects carried out by the CFE with its funds on the environment and Mexican society.

Thus, based on the "*Reference Framework*", during the period 2022- 2023, the CFE issued thematic bonds on four occasions:

i. **Bond in the international market in February 2022** for a total of 1,750 million dollars with Sustainable label, equivalent to 35.73 billion pesos [5].

ii. **CEBURES issued in June 2022** in the local market for 498 million dollars, with **Green and Social** labels.

iii. **CEBURES issued in June 2023 in the local market** for 531 million dollars, with **Green, Social, and Sustainable** labels.

iv. **CEBURES issued in December 2023 in the local market** for 531 million dollars, with **Sustainable** labels.

* At a FIX exchange rate of 20.4188 recorded on February 15, 2022, corresponding to the disbursement date.

The total amount raised was 3,309 million dollars, of which 14.2% (471 million dollars) are bonds labeled **Green**; 11.4% (379 million dollars) labeled **Social**, and 74.3% (2,460 million dollars) with **Sustainable** label.


CE La Venta, Oaxaca | CFE.

From these resources, **84% (2,755 million dollars) were allocated to 99 actions, programs, and projects.** The remaining 16% (554 million dollars) will be allocated to projects that meet the eligibility criteria for 2023-2024 according to the "*Reference Framework*" and will be considered in the Report 2025.

The allocation of the 2,755 million dollars in actions, programs and projects was made in accordance with the **following categories**:

a) 95 Sustainable Projects: 2,460 million dollars (89.2%), particularly in the subcategory **Renewable Energies.** This corresponds to actions and projects that improve the supply of electricity from renewable sources and low CO2 emissions. Within this subcategory are considered:

a.1. Development, refurbishment and/or maintenance of wind and photovoltaic power plants: 81 million dollars.

a.2. Development, refurbishment and/or maintenance of geothermoelectric and hydroelectric power plants: 275 million dollars.

a.3. Purchase of renewable energy from wind and photovoltaic power plants, 2,104 million dollars.

b) 2 Green Projects: 152 million dollars (5.5%), in the **Energy Efficiency** subcategory. It comprises actions and projects that contribute to a more efficient use of electric energy. In particular, this subcategory includes:

b.1 Energy efficiency projects: 2 million dollars.

b.2 Reduction of energy losses: 150 million dollars.

c) 2 Social Projects: 143 million dollars (5.3%), in the subcategory Free Internet Service Access in marginalized communities. It entails Access to Internet Service in marginalized communities. In particular:

c.1. Fixed wireless broadband service in areas where cable services are not available: 140 million dollars.

c.2. Satellite Internet Connectivity Service for Rural Communities: 2 million dollars.

The execution of the aforementioned Sustainable, Green, and Social actions, programs, and projects allowed us to reduce negative environmental externalities, while favoring and enhancing the provision of public goods that favorably affect Mexican society, particularly those inhabitants living in remote and marginalized regions and localities.

As shown in the following diagram, these impacts are quantified as follows, according to the categories, subcategories and type of actions, programs, and projects financed:

a) Sustainable Projects (Renewable Energy)

Period 2020-2022:

· 26.5 GWh average annual energy generated and acquired through renewable sources: solar (30.7%), hydroelectric (30.6%), wind (21.8%), and geothermal (16.9%), which represents the supply of electricity to 8.9 million inhabitants (7% of Mexico's total population).

· 11,905,699 tons of CO_2 avoided on average per year, which is equivalent to 2.83 million vehicles withdrawn from circulation or planting 198.4 million trees.

b) Green projects (Energy Efficiency)

· 22.4 MWh of energy saved in 2022 due to energy improvement.

· 130 GWh of average energy saved in 2020-2022, equivalent to the annual electricity consumption of 48,507 people in Mexico.

· 5,020 additional km-c of General Distribution Networks.

· 9.5 tons of CO_2 avoided in 2022.

c) Social Actions, Programs, and Projects

Achievements in 2021:

· 5,594 Internet access points installed.

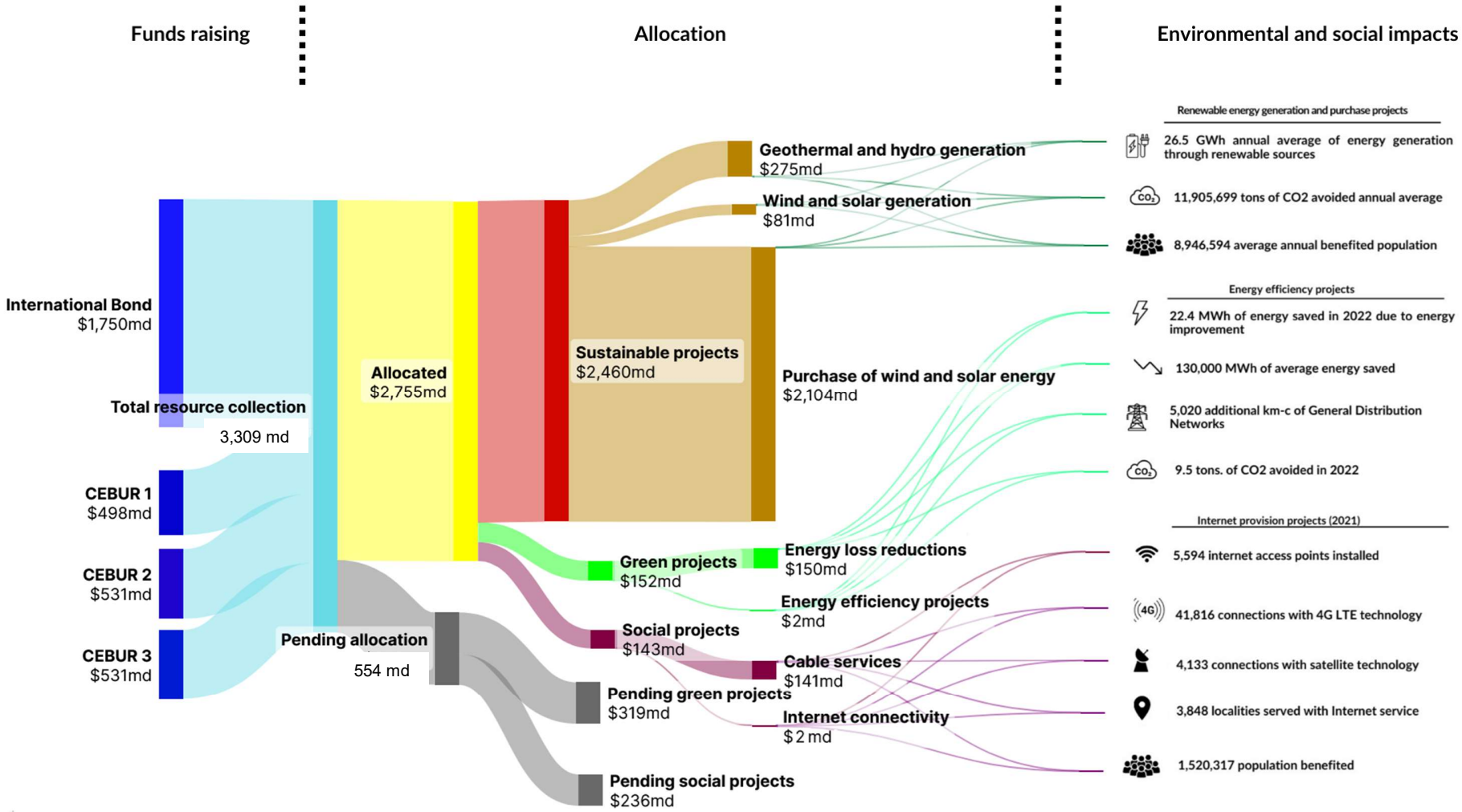
· 41,816 connections with 4G LTE technology.

· 4,133 connections with satellite technology.

· 3,848 localities served with Internet service.

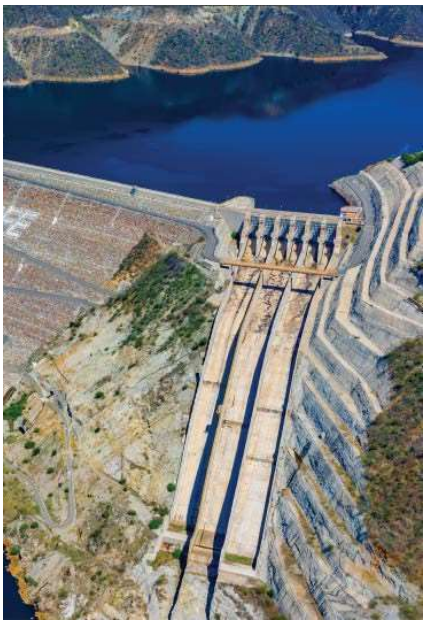
· 1.5 million inhabitants benefited in 2021, representing 1.2% of Mexico's total population.

Traceability of the flows of resources allocated by CFE through thematic bonds in 2020-2022



Aware of the positive impact that sustainable financing has on mitigating the effects of climate change and reducing socioeconomic inequalities through the development of environmental and social actions, programs and projects, the CFE will continue to publish its annual *Report* on the use and impact of resources from the contracting of thematic credits.

The next publications of the "*Report*" will consider the previous update of the "*Reference Framework*", in order to include new categories of programs and projects, which reflect in a broader and more complete way the actions and scope of the State Productive Enterprise, in accordance with the functions and purpose entrusted to it by Law. In addition, the "*Report*" will consider the improvement and expansion of impact indicators and metrics, both in quantitative and qualitative terms, in order to disclose, in a more complete and accurate way, the contribution of the credit resources captured by CFE in its efforts to mitigate the impact of climate change and to combat the social inequalities prevailing in the country.



La Yesca hydroelectric power plant, Nayarit | Saltillo electrical substation, Coahuila | Electrical tower maneuvers, Sonora.

9. Independent ESG Consultant's Report

Complejo Eólico “La Venta I y II”, Oaxaca | CFE.

Federal Electricity Commission

Type of Engagement: Annual Review
Date:12 August 2024
Engagement Team:
Nimisha Shah, nimisha.shah@morningstar.com
Nachiket Goli, nachiket.goli@morningstar.com
Tomya Sardana, tomya.sardana@morningstar.com

Introduction

Since February 2,022, the Comisión Federal de Electricidad ("CFE", or the "Company") issued 12 labelled bonds,[1] (collectively called the "Sustainable Financing Instruments") to finance and refinance projects and assets related to renewable energy, energy efficiency and access to free or subsidized essential services, such as fixed wireless broadband projects. In 2,024, CFE engaged Sustainalytics to review the projects financed with proceeds from the Sustainable Financing Instruments (the "Nominated Projects") and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the CFE Sustainable Financing Framework (the "Framework").[2] Sustainalytics provided a Second-Party Opinion on the Framework in January 2,022.[3]

Evaluation Criteria

Sustainalytics evaluated the Nominated Projects based on whether they:

1. Met the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria
Renewable Energy	Expenditures that help supply energy from renewable and low-carbon sources. Renewable energy sources include: i. **Wind (onshore and offshore)** a. Construction of new wind energy facilities b. Development, expansion, production, maintenance, refurbishment and/or repowering of existing wind energy facilities c. Acquisition of wind energy facilities or business ii. **Solar (photovoltaic and CSP[4])** a. Construction of new solar energy facilities

[1] CFE issued 12 labelled bonds since February 2022: i) in February 2,022, two sustainable bonds of MXN 25,523.5 million and MXN 10,209.4 million with maturity dates of May 2,029 and February 2,052, respectively; ii) in November 2,022, two green and two social bonds of MXN 2,908 million, MXN 1,309 million, MXN 2,459 million, MXN 579 million, with maturity dates of May 2,029, November 2,030, March 2,033 and October 2,042, respectively; iii) in July 2,023, one sustainable bond of MXN 3,378 million, one social bond of MXN 3,154 million, one green bond of MXN 3,468 million, with maturity dates of December 2,024, November 2,030 and October 2,042, respectively; and iv) in December 2,023, three sustainable bonds of MXN 2,844 million, MXN 2,512 million, MXN 4,644 million with maturity dates of December 2,026, March 2,030 and November 2,035, respectively.
[2] CFE, "Sustainable Financing Framework", (2,022), at: https://www.cfe.mx/finanzas/financial-economic-information/Documents/CFE_%20Sustainable%20Financing%20Framework.pdf
[3] Sustainalytics, "Second-Party Opinion, Comisión Federal de Electricidad Sustainable Financing Framework", (2,022), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/comisi%C3%B3n-federal-de-electricidad-sustainable-financing-framework-second-party-opinion-(1)e7891ed4-a369-4c63-8b79-409e0e966b77.pdf?sfvrsn=52ad9871_1
[4] To be eligible, CSP plants must generate at least 85% of electricity from solar sources.

	b. Development, expansion, production, maintenance, refurbishment and/or repowering of existing solar energy facilities c. Acquisition of solar energy facilities or businesses iii. **Geothermal** a. Construction of new Geothermal energy facilities b. Development, expansion, production, maintenance, refurbishment and/or repowering of existing geothermal energy facilities c. Acquisition of geothermal energy facilities or businesses Geothermal projects shall only be eligible if their direct emissions will be less than 100g CO_2/kWh iv. **Hydroelectric** a. Construction of new run-of-river and other hydroelectricity facilities b. Refurbishment, modernization, and/or maintenance of existing hydroelectricity facilities with the purpose of increasing generation efficiency, operational life span and/or renewable energy output while maintaining or improving the level of operational safety c. Acquisition of hydroelectricity facilities or businesses, including pumped storage assets d. A hydropower facility in operation before 2,020 is eligible if it has either: i. A power density > 5W/m_2; OR ii. GHG emissions intensity < 100g CO_2e/kWh e. A hydropower facility commencing operation in 2,020 or after is eligible if it has either: i. A power density > 10W/m_2; OR ii. GHG emissions intensity < 50g CO_2e/kWh. v. The purchase of renewable energy from wind and solar power facilities, pursuant to long-term (≥ 5 years) power purchase agreements (PPAs), including those entered prior to the issuance of our Sustainable Financing Instrument as well as later extensions. vi. Investments in the installation of electricity transmission lines[5] that facilitate increased development and connection of renewable electricity generation sources, including: a. capital investments into integrating the grid through interconnections across Mexico in order to: i. Improve transmission of low-carbon and renewable energy sources into the grid, specifically solar, wind, hydro[6] and geothermal[7] ii. Reduce the curtailment of existing renewable electricity generation capacity iii. Facilitate the development of new renewable energy generation through better connecting regions with high renewable generation potential

[5] To be eligible, transmission lines would be either dedicated exclusively to renewable energy power plants or would carry at least 90% renewable energy.
[6] To be eligible, projects must follow the criteria for Hydro Renewable Energy.
[7] To be eligible, projects must follow the criteria for Geothermal Renewable Energy.

	and low demand with areas of high demand and low potential.
Energy Efficiency	Expenditures related to projects that could result in increased energy efficiency, using best efforts basis to ensure all projects achieve at least a 30% energy efficiency improvement. Eligible Projects include, but are not limited to: i. Financing of electric powered machinery or incorporation of energy saving technologies, including LED lighting technology ii. Energy storage systems and smart grids[8] iii. Energy efficient heating, ventilation, air conditioning (HVAC[9]), refrigeration, and electrical equipment iv. Investments for optimization of energy consumption and reducing energy loss and such as energy management systems for POPs and automated metering v. Investments in energy consumption measurement and control systems, including industrial thermometers vi. Equipment to increase the controllability and observability of the electricity system and enable the integration of renewable energy sources (sensors and measurement tools, including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities)
Access to Free or Subsidized Essential Services (Digital Inclusion)	Expenditures related to funding the construction, improvement, acquisition, or maintenance and operation of facilities and equipment needed to provide fixed wireless broadband service in areas without availability of wired services.

Table 2: Associated KPIs

Use of Proceeds Category	Key Performance Indicators
Renewable Energy	i. Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent ii. Annual renewable energy generation in MWh (electricity) and GJ (other energy) iii. Capacity of renewable energy plant(s) to be served by transmission systems (MW)
Energy Efficiency	i. Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
Access to Free or Subsidized Essential Services (Digital Inclusion)	i. Number of additional low-income and underserved homes with fixed wireless broadband service ii. Number of additional access points created low-income and underserved localities iii. Number of low-income and underserved localities provided with access to internet service

[8] Battery storage will only be applicable to those generated by renewable energy.
[9] HVAC, refrigeration and other equipment powered by fossil fuels are excluded from eligibility.

Issuer's Responsibility

CFE is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from CFE's Sustainable Financing Instruments. The work undertaken as part of this engagement included collection of documentation from CFE and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by CFE. Sustainalytics is not responsible, nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by CFE.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,[10] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework.

CFE has disclosed to Sustainalytics that 83.7% of the proceeds from the Sustainable Financing Instruments were fully allocated as of December 2,023 CFE intends to allocate the remaining proceeds from the social bonds (MXN 1,338.60 million) and green bond (MXN 2,721.30 million) issued in November 2,022 by the end of 2,024 As for the remaining proceeds from the social bond (MXN 3,154.00 million) and green bond (MXN 3,468.00 million) issued in July 2,023, CFE intends to have them fully allocated by the end of 2,025

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Projects to determine alignment with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the Nominated Projects to determine if impact was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

[10] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Since February 2,022, CFE issued 12 Sustainable Financing Instruments, raising MXN 65,733.40 million. 83.7% of the net proceeds from the issuance was used to finance and refinance the Nominated Projects.

Use of Proceeds Category	Eligible Projects	Number of Projects	Net Proceeds Allocated 2,020 (MXN million)	Net Proceeds Allocated 2,021 (MXN million)	Net Proceeds Allocated 2,022 (MXN million)	Total Net Proceeds Allocated 2020-22 (MXN million)
Renewable Energy	Refurbishment and/or maintenance of wind and photovoltaic plants	6	111.34	24.94	1,440.29	1,576.57
	Refurbishment and/or maintenance of hydroelectric and geothermal plants[11]	43	1,193.54	3,095.41	1,248.10	5,537.05
	Purchase of renewable energy from wind and photovoltaic plants	46	12,747.89	14,080.48	15,168.92	41,997.29
Energy Efficiency	Energy efficiency projects[12]	1	0	0	56.69	56.69
	Reduction of technical losses	1	969.51	991.00	1,021	2,981.51
Access to Free or Subsidized Essential Services (Digital Inclusion)	Fixed wireless broadband service in areas without availability of “cable” services	1	1,131.13	1,722.07	0	2,853.20
	Satellite internet connectivity service for rural communities	1	0	49.20	0	49.20
Total		**99**	**16,153.41**	**19,963.10**	**18,935.00**	**55,051.51**
Unallocated proceeds (MXN million)						**10,681.89**

[11] CFE has confirmed to Sustainalytics that all hydroelectric and geothermal plants noted above align with the criteria noted in the Framework.
[12] CFE has communicated to Sustainalytics that the energy-efficient projects are aimed at improving electrical energy efficiency in the company's properties and production processes through energy-saving initiatives and that the projects achieve at least a 30% energy efficiency improvement, in line with the criteria defined in the Framework.

Appendix 2: Reported Impact by Eligibility Criteria

Use of Proceeds Category	Eligible Projects	Reported Impact	2020	2021	2022
Renewable Energy	Refurbishment and/or maintenance of wind and photovoltaic plants Refurbishment and/or maintenance of hydroelectric and geothermal plants	Annual energy generation (MWh)	11,134,060	13,822,106	13,135,245
		Annual GHG emissions reduced/avoided in tCO_2e	5,500,226	5,846,751	5,713,832
		Population benefited	4,075,650	5,134,404	4,817,643
	Purchase of renewable energy from wind and photovoltaic plants	Annual energy generation (MWh)	12,873,915	14,794,619	13,908,494
		Annual GHG emissions reduced/avoided in tCO_2e	6,359,714	6,258,124	6,050,195
		Population benefited	3,939,703	4,553,213	4,325,674
Energy Efficienc	Energy efficiency projects	Annual GHG emissions reduced/avoided in tCO_2e			9.48
	Reduction in technical losses	Avoided energy losses (MWh)	131,100	113,000	146,000
Access to Free or Subsidized Services (Digital Inclusion)	Fixed wireless broadband service in areas without availability of “cable” services. Satellite Internet Connectivity Service for Rural Communities	Number of access points installed in locations		5,594	0
		Number of connections with technology (4G LTE)	0	41,816	0
		Number of connections with technology (satellite)	0	4,133	0
		Number of communication towers in operation	0	0	0
		Number of locations served by CFE TEIT	0	3,848	0
		Number of localities in poverty served by CFE TEIT	0	51,949	0
		Population benefited	0	1,520,317	0

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10. Exhibits

Transmission tower, wind Power Plant. Sureste, Oaxaca | CFE.

CFV Puerto Peñasco | CFE.

10.1. Representative Case Study

The CFE has committed to use the resources to finance investment projects and renewable energy activities.

This case study shows the alignment of the project under the criteria of the "*Reference Framework*" making clear the contribution to national development goals and sustainable financing.

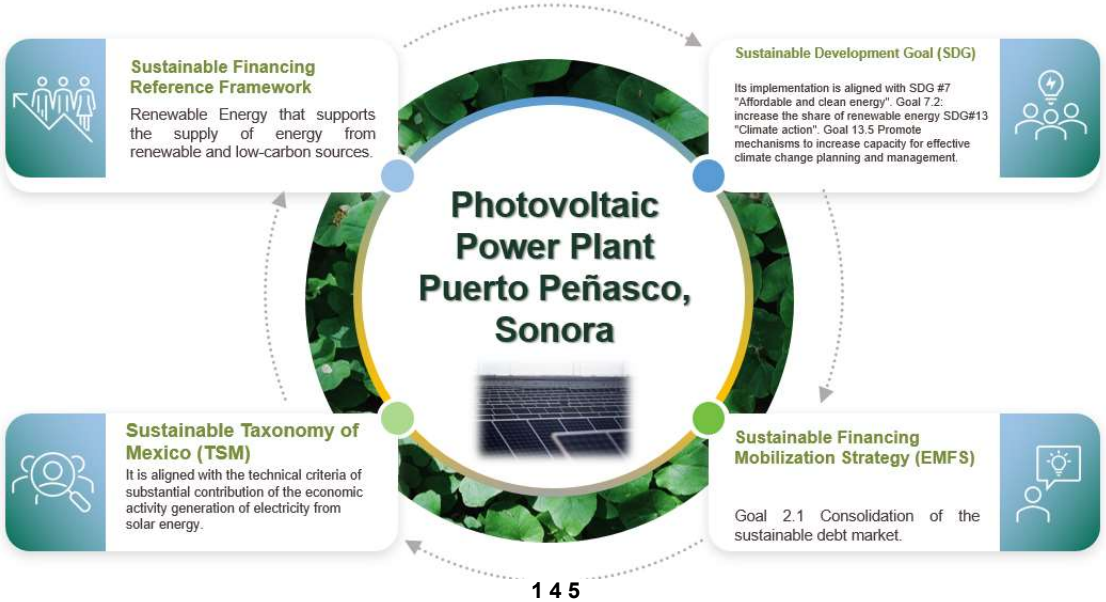
According to the energy demand analysis, the "Puerto Peñasco Photovoltaic Power Plant" project was developed, which will expand the generation park with an estimated investment of 34.45 billion pesos for a net installed capacity of 1,000 MW. Due to its technology, it is unique in Mexico, the largest in the Americas and the fifth largest in the world when considering the contribution of the 300 MW battery storage system.

The transmission lines, which will cross the desert next to the Sea of Cortez to carry the electricity produced at the Solar Power Plant to Mexicali, Baja California, involved the development of highly complex and precise technical works that guarantee respect for the environment in this important region of Mexico, which is a world heritage site due to its exceptional universal value.

This line will be built on the existing right-of-way of the Puerto Peñasco-Golfo de Santa Clara state highway which, due to its geographic location, will pass through protected natural areas in some sections, for which reason it was necessary to notify the United Nations Educational, Scientific and Cultural Organization (UNESCO) and a favorable response was obtained last December 2022, as well as environmental impact authorizations from the Ministry of the Environment and Natural Resources (SEMARNAT).

Thus, the energy produced will be injected into the Baja California Electric System through the construction of three 400 kV electric substations and two 400 kV transmission lines, with a total length of 290 km, of which 215 km are located in Sonora and 75 km in Baja California.

As a result of the colossal work represented by the Puerto Peñasco Solar Power Plant in the state of Sonora, Mexico will have the electricity necessary to drive the economic growth of the industrial, commercial, residential and service sectors of Puerto Peñasco, Caborca, Pitiquito, Altar, Sonoyta and San Luis Río Colorado, in the state of Sonora; as well as Ensenada, Tecate, Tijuana and Mexicali, in the state of Baja California [21]. The following diagram summarizes the described alignment of the Puerto Peñasco photovoltaic power plant project with best practices in sustainability.



[21] https://app.cfe.mx/Aplicaciones/OTROS/Boletines/boletin?i=3788


CFV Puerto Peñasco | CFE.

Impacts of the Puerto Peñasco Photovoltaic Power Plant

The development and operation of the photovoltaic power plant will have favorable economic, environmental and operational benefits at the local, national and global levels, among which the following are estimated:

Growth of economic activity in the industrial and service sectors in the region.

It will be possible to contribute to climate change mitigation by reducing GHGs.

The deficit in electricity generation will be covered, as well as the reduction of electricity costs.

Clean electricity generation capacity will be sufficient for:

- Light up 100 million lamps.
- 10 watt energy savers.
  Benefit 1.6 million people or 536 thousand households.

In its final stage, the plant will prevent the emission of approximately 1.4 million tons of CO_2 per year, which is equivalent to taking approximately 270,000 cars off the road [22].

TOTAL POPULATION BENEFITED

1,520,317

MEN
31,443

WOMEN
30,849

Number of jobs generated in the construction stage 1,084

DIRECT
620

INDIRECT
464

[22] https://seselec.com/wp-content/uploads/2022/11/PRESENTACION-PARQUE.pdf

10.2 Investment project evaluation process

- Projects aligned with the "*Framework*" will be selected and reviewed by different committees authorized by the CFE Board of Directors.

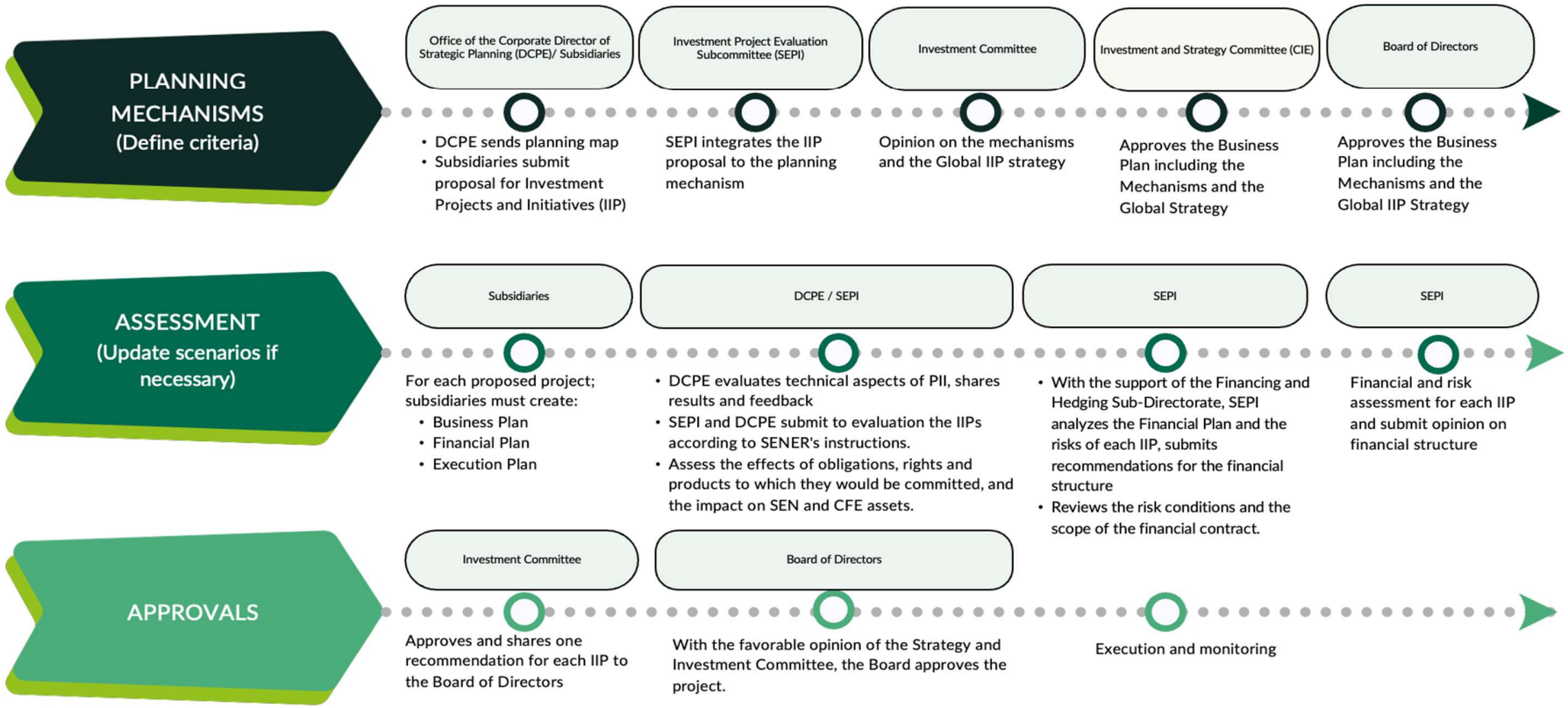
- Eligible projects will be assessed for both environmental and social risks in accordance with CFE-level policies and procedures, and a Business Case, Financial Case and Implementation Plan are developed for each Project.

- The economic-financial and risk assessment of each project is carried out for its consideration and selection.

- The Corporate Finance Department will track the net proceeds of any Sustainable Financing Instruments spent on Eligible Green and/or Social Projects.

- The full allocation of the net proceeds of any Sustainable Financing Instruments must be made within 24 months prior to and 24 months after the date of issuance of each bond.

10.3 Project evaluation and selection process according to the "Reference Framework"



DCPE - Corporate Director of Strategic Planning
SEPI - Subcommittee for the Evaluation of Investment Projects
IIP - Investment Projects and Initiatives
CIE - Investment and Strategy Committee
SENER - Department of Energy

10.4 Methodology for estimating impact indicators

The CFE has committed to report information on the allocation of net income by category and relevant impact metrics.

To report impacts, indicators were chosen according to category:

- Renewable
- Energy Efficiency
- Access to free or subsidized essential services (Digital Inclusion) to low-income and underserved populations

The results of the indicators used to measure the SOE's sustainability performance will be presented annually and may be updated considering objectives and goals in the just energy transition to reduce GHG emissions to 324 gr/KWh in 2028 according to the CFE's Business Plan and to manage the particular challenges faced.

Methodological exhibit for the indicator "CO2 Emissions Avoided"

Indicator Description [23]**:**
The estimate of avoided CO2 emissions is calculated considering the electric energy generated in MWh through renewable energies (corresponding to the years 2020, 2021 and 2022), multiplied by the emission factor of the National Electric System calculated by the Energy Regulatory Commission (tCO2e/MWh) and reported annually to the Ministry of the Environment and Natural Resources.

Formula:

$$E = (E_c * F_{SEN})$$

E= Emisiones evitadas de CO_2 evitadas.

E_c = Generación de energía renovable (MWh).

F_{SEN} = Factor emisión SEN (tCO2e/MWh) correspondiente al año de cálculo.

Emissions Factor: It considers the generation of the power plants that deliver energy to the national electric grid, in accordance with the provisions of Fraction XLIV of Section 3 of the Electricity Industry Act.

Year 2020: 0.494 tCO2e/MWh

Year 2021: 0.423 tCO2e/MWh

Year 2022: 0.435 tCO2e/MWh

[23] It considers the generation of power plants that deliver energy to the national electricity grid, in accordance with the stipulations of fraction XLIV of Section 3 of the Electricity Industry Act (National Emissions Registry: https://www.gob.mx/semarnat/acciones-y-programas/registro-nacional-de-emisiones-rene

Methodological exhibit for indicator "Population Benefited"

Indicator Description:
The estimate of benefited population is calculated considering the energy purchased in MWh (corresponding to the years 2020, 2021 and 2022), multiplied by the per capita electricity consumption according to the PRODESEN demographic region [24].

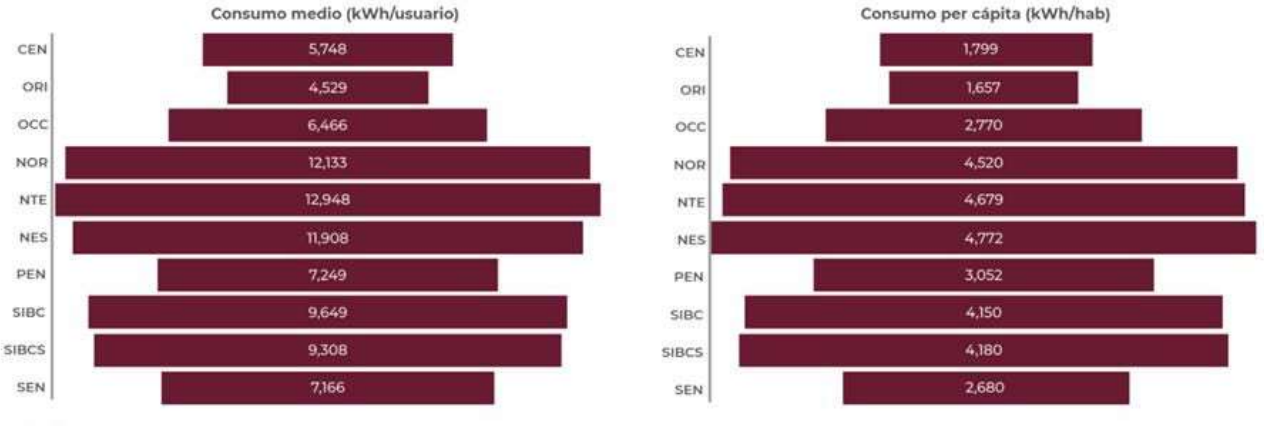
Formula:

$$P = (E_c * C_{PC})$$

P= Población Beneficiada.

E_c = Generación de energía renovable (MWh).

C_{PC} = Consumo Per Cápita (MWh/hab).



SOURCE: PRODESEN 2024-2038

[24] It considers per capita electricity consumption per inhabitant (Figure 3.3) according to Chapter 3: "Demand and Consumption 2024-2038" of PRODESEN (National Electric System Development Program 2024-2038: https://base.energia.gob.mx/PRODESEN2024/prodesen24-38cap3.PDF

Methodological annex for calculating equivalences

EQUIVALENCES			
Concept	Quantity	Metric	Source
Emissions avoided by a removed car.	4.20	Ton CO2 x year	Environmental Protection Agency (EPA), 2023.
Emissions captured by a planted urban tree.	0.06	Ton CO2 x year	Environmental Protection Agency (EPA), 2023.
Emissions captured per hectare of planted trees.	6	Ton CO2 x year	Comisión Nacional de Áreas Naturales Protegidas (CONANP), 2018.
Number of Private Automobiles in Mexico (2024).	36,584,393	Vehicles	Instituto Nacional de Estadística y Geografía (INEGI), 2024.
Mexico population by 2020.	126,014,024	People	Censo de Población y Vivienda 2020 (INEGI, 2021).
Mexico Population Projection 2021-2022.	128,982,939 129,960,600	People	Population projections by Consejo Nacional de Población (CONAPO) 2020-2070.
Locations throughout the country.	189,432	Localities	Censo de Población y Vivienda 2020 (INEGI, 2021).

Hydroelectric Power Plants that meet the eligibility criteria in accordance with the "*Reference Framework.*"

	Hydroelectric Power Plant	Location	Commissioning	Fulfills eligibility criteria	Capacity Installed (MW)
1	C.H. Ing. Carlos Ramírez Ulloa "El Caracol"	Guerrero	1986	✓	630.0
2	C.H. Tingambato	Estado de México	1957	✓	42.0
3	C.H. Ambrosio Figueroa "La Venta"	Guerrero	1964	✓	30.0
4	C.H. Santa Bárbara	Estado de México	1951	✓	22.5
5	C.H. Colotlipa	Guerrero	1946	✓	8.0
6	C.H. Portezuelo I	Puebla	1898	✓	2.0
7	C.H. Portezuelo II	Puebla	1908	✓	2.1
8	C.H. Aguamilpa-Solidaridad	Nayarit	1994	✓	960.0
9	C.H. Alfredo Elías Ayub - La Yesca	Jalisco/Nayarit	2014	✓	750.0
10	C.H. Leonardo Rodríguez Alcaine - El Cajón	Nayarit	2007	✓	750.0
11	C.H. Valentin Gomez Farias (Agua Prieta)	Jalisco	1993	✓	240.0
12	C.H. Cupatitzio	Michoacán	1962	✓	80.0
13	C.H. Santa Rosa - Gral. Manuel M. Diéguez	Jalisco	1964	✓	70.0
14	C.H. El Cóbano	Michoacán	1955	✓	60.0
15	C.H. Colimilla	Jalisco	1950	✓	51.2
16	C.H. Botello	Michoacán	1910	✓	18.0
17	C.H. Platanal	Michoacán	1954	✓	12.6
18	C.H. Puente Grande	Jalisco	1946	✓	9.0
19	C.H. Zumpimito	Michoacán	1949	✓	8.4
20	C.H. Intermedia - Luis Marcial Rojas	Jalisco	1963	✓	5.3
21	C.H. San Pedro Poruas	Michoacán	1928	✓	2.6
22	C.H. Jumatan	Nayarit	1941	✓	2.2
23	C.H. Tirio *	Michoacán	1905	✓	1.1
24	C.H. Bartolinas	Michoacán	1940	✓	0.8
25	C.H. Itzicuaro	Michoacán	1929	✓	0.6
26	C.H. Luis D. Colosio Murieta (Huites)	Sinaloa	1995	✓	422.0
28	C.H. El Retiro - José Cecilio del Valle	Chiapas	1967	✓	21.0
29	C.H. Bombaná	Chiapas	1951	✓	5.2
30	C.H. Tamazulapan	Oaxaca	1962	✓	2.5
31	C.H. Schpoiná	Chiapas	1953	✓	2.2
32	C.H. Tuxpango	Veracruz	1914	✓	39.0
33	C.H. El Salto - Camilo Arriaga	San Luis Potosí	1966	✓	18.0
34	C.H. Las Minas	Veracruz	1951	✓	15.0
35	C.H. El Encanto	Veracruz	1951	✓	10.0
36	C.H. Texolo	Veracruz	1951	✓	1.6
37	C.H. Ixtaczoquitlán	Veracruz	2005	✓	1.6
38	C.H. Electroquímica	San Luis Potosí	1953	✓	1.4
39	C.H. Micos	San Luis Potosí	1945	✓	0.7

Hydroelectric Power Plants

Construction, development, expansion, maintenance to increase generation efficiency, service life or energy production.

ELIGIBILITY CRITERIA

Plants operating before 2020 are eligible if they have:
a) A power density >5W/m2, or
b) GHG emissions intensity <100g CO2e/kWh.

Plants operating as of 2020 are eligible if they have:
a) A power density >10W/m2; or
b) GHG emissions intensity <50g CO2e/kWh.

* Meets GHG Emissions Intensity criterion<100g CO2e/kwh

Geothermal Power Plants that meet the eligibility criteria in accordance with the "*Reference Framework.*"

Central Geotérmica	Location	Commissioning Average Date	Fulfills eligibility criteria	Capacity Installed (MW)	Project
CG Cerro Prieto	Baja California	1988	✓	460	Maintenance to improve the operating reserve margin of the Isolated System
CG Los Azufres	Michoacán	2004	✓	242.36	Maintenance to the system
CG Los Humeros	Puebla	2013	✓	95.72	Maintenance to the system
CG Tres Vírgenes	Baja California Sur	2000	✓	10	Maintenance to improve the operating reserve margin of the Mulegé Interconnected System

*Weighted average of the year of beginning of operations.

Geothermal Plants

Construction, development, expansion, maintenance or repowering of geothermal power plants.

ELIGIBILITY CRITERIA

Eligible as long as its direct emissions are less than 100 g CO_2/kWh.

DISCLAIMER

The information disclosed in the "*Annual Report on Green, Social and Sustainable Bonds 2024*," will be used as a reference document and for informational purposes for bondholders, in accordance with the commitments established by the CFE in its Sustainable Financing Reference Framework published in January 2022, which can be consulted by any interested person on the CFE's website [25].

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This document is not a formal description of the direct and final use of the resources of the Green and Sustainable Social Bonds issued by the CFE. It is imperative that the reader understands that these specific resources were not earmarked for any specific "Eligible Expenditure". Instead, an amount equal to the proceeds of the Bonds was allocated to existing Eligible Expenditures that met any of the categories of the CFE's Sustainable Financing Reference Framework, in accordance with the procedures, criteria and periods set forth therein.

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The CFE is responsible for managing its public debt in accordance with Section 109 of the Federal Electricity Commission Act (CFE Act), pursuant to fraction I of such Act, the CFE's Board of Directors annually approves its Global Financing Proposal, which is sent to the Department of Finance for inclusion in the corresponding fiscal year. The CFE uses the proceeds from the sale of the promissory notes to finance or refinance new or existing investment projects in whole or in part, new or existing, and activities contemplated in its Sustainable Financing Framework, as well as various activities authorized by the CFE Act. Section 109, fractions II and III, of the CFE Act, empowers the CFE to engage internal and external financing without requiring the authorization of the SHCP and, in turn, makes it responsible for ensuring that the obligations it contracts do not exceed its payment capacity; that the resources it obtains are correctly allocated in accordance with applicable legal provisions; that payments are made in a timely manner; and that it supervises the development of its particular financial program. With respect to the formalization before other agencies, in accordance with fraction VI of Section 109 of the CFE Act, related to Section 27 of the Federal Public Debt Act, the CFE coordinates with the SHCP in the scheduling of its financing operations, and when there is a modification, it notifies the SHCP of the operation carried out, for the corresponding registration. Finally, pursuant to Section 7 of the Securities Market Act, the National Banking and Securities Commission is notified of securities offerings made abroad but issued in Mexico by Mexican corporations. In accordance with the above provisions, the issuance of the Green, Social, and Sustainable Bonds complies with the Laws of the United Mexican States.

[25] Sustainable Financing Reference Framework published on January 31, 2022 (digital version) https://www.cfe.mx/finanzas/financial-economic-information/Documents/CFE_%20Sustainable%20Financing%20Framework.pdf
[26] Guidelines for use of the SDGs Logo, including the Color Wheel, and 17 Icons: https://www.un.org/sustainabledevelopment/wp-content/uploads/2019/01/SDG-Guidelines-AUG-2019- Final.pdf.