



## **OMA Green Bond Framework**

**March 2021**

## 1. Introduction

### 1.1 Company Background

Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. (“OMA” or “the company”), holds the concessions to operate, manage, and develop 13 international airports in central and northern Mexico carrying more than 23.2 million passengers in 2019. OMA also develops business opportunities in logistic, industrial park and hotel industries. OMA has been a public company since 2006 and is listed on the Mexican Stock Exchange, as well as on the Nasdaq Stock Exchange of New York. OMA’s Mission is to develop world class airport facilities and services in terms of quality and safety that meet the needs of clients and promote sustainable development.

### 1.2 OMA’s Commitment to Sustainability

At OMA, we commit to be an engine that drives Mexico. We look to do this through the transformation of our airports in cities that meet the demands of users and passengers, while at the same time generating benefits for the communities and environment in which we are present, as well as for all of our stakeholders. In the first years of operation, we implemented local actions on behalf of the community and the environment and later in 2007 we set up guidelines at the airports of the Group. This is how we created OMA’s Sustainability Policy and its commitments, which have evolved according to the performance of our organization.

#### **OMA’s Sustainability Policy<sup>1</sup>**

OMA will contribute to the well-being and satisfaction of our employees and their families, customers, shareholders and business partners, through the development of airport infrastructure and quality services based on: **respect for human rights, the mitigation of the environmental impact of our operations, the care of the quality of life at work and the balance in the use of our economic, social and environmental resources preserving them for future generations.** In the same manner, OMA will collaborate to achieve a socio-economic development of the surrounding communities of the airports.

In addition to our Sustainability Policy, OMA has a Business Ethics and Conduct Code<sup>2</sup> which govern our daily actions. It is a guide that promotes honesty and ethical behavior--values that define the company. OMA’s employees, management, and members of the board of directors, comply, both in word and deed, with this Code.

#### **OMA’s Sustainability Commitments**

##### Corporate Governance:

- Establish economic, corporate, environmental and social performance in line with the OMA Code of Ethics, the adoption of best practices and compliance with applicable national and international standards.
- Effectively control the risks for which the company is directly responsible.
- Promote a culture against corruption.
- Be accountable to stakeholders on a regular and transparent basis.

##### Environment:

- Systematically integrate a preventive approach that favors the care of the environment in all our activities.
- Promote values and disseminate best environmental practices to stakeholders.
- Establish objectives to prevent pollution to the environment.
- Favor the reuse, recovery and recycling of materials.
- Mitigate the environmental impact of our operations in terms of water, air, soil, biodiversity, noise, waste and energy.

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<sup>1</sup> OMA’s Sustainability Policy: <https://www.oma.aero/en/oma-group/sustainability/sustainability-policy.htm>

<sup>2</sup> OMA’s Ethics Code: <https://www.oma.aero/en/oma-group/organization/governance/ethics-code.htm>

#### Biodiversity:

- Mitigate the impacts on biodiversity derived from our operations.
- Inform employees about the importance and benefits of the protection and conservation of biodiversity in airports and areas of influence.
- Identify species of flora and fauna present at airports to establish conservation priorities.
- Collaborate with external organizations and government agencies for the protection and recovery of areas of ecological importance inside and outside our facilities.

#### Social:

- Respect universally recognized fundamental human rights.
- Operate within a framework of Social Responsibility.
- Collaborate in the social balance between our stakeholders.
- Respect diversity and promote equal opportunities.
- Promote the labor inclusion of people with disabilities.
- Promote a work environment that contributes to improving the quality of life of employees.
- Establish objectives to prevent occupational hazards that allow us to achieve the goal of zero work accidents and zero occupational diseases.
- Stimulate individual and collective effectiveness by motivating and developing the skills of employees.
- Train our employees in the principles of Quality, Health and Safety, Environment and Social Responsibility, to face the challenges of our business and our community.

In terms of risk management, OMA identifies and evaluates both environmental aspects and impacts resulting from its processes considering the severity of the effects and probability of the occurrence of an event<sup>3</sup>.

#### **OMA's Certifications and Sustainability Awards**

OMA accounts with the Environmental Quality Certificate issued by the Federal Environmental Protection Agency ("PROFEPA") for 12 of its airports. In addition, the Monterrey airport is in the final stages of the process to obtain this certification in 2021. This distinction is obtained in recognition of the implemented actions to improve environmental quality in the fields of water, air, soil, and subsoil, handling of hazardous and non-hazardous waste, electricity and training.

In 2018, PROFEPA awarded OMA a recognition of Environmental Commitment, as a result of OMA's environmental best practices that contribute to sustainable development.

In addition, 12 of our airports have been granted the "S Distinction" ("Distintivo S") by the Ministry of Tourism, which recognizes the good practices under global sustainability criteria with the objective of having a sustainable tourism sector in Mexico. The Monterrey airport is currently in the process of obtaining the "S Distinction", which requires to have the Environmental Quality Certificate which the airport is also in the process of obtaining.

With respect to occupational health and safety, 10 of OMA's airports (Acapulco, Cd. Juárez, Culiacán, Monterrey, Mazatlán, Reynosa, San Luis Potosí, Torreón, Zacatecas and Zihuatanejo) have the "Safe Company" accreditation granted by the Ministry of Labor; the other three airports are in the process of obtaining this accreditation.

With respect to good labor practices that foster the integral professional and personal development of its employees, six of OMA's airports (Acapulco, Culiacán, Chihuahua, Mazatlán, Reynosa and Tampico) have the Family Responsible Company (Empresa Familiarmente Responsable) granted by the Ministry of Labor.

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<sup>3</sup> OMA's Significant Environmental Aspects: <https://www.oma.aero/assets/001/5134.pdf>

## 1.3 Sustainability Governance

In 2008 OMA established The Corporate Practices, Finance, Planning and Sustainability Committee (“Sustainability Committee”) to support OMA’s Board of Directors fulfill their duties. The Committee is composed of three independent directors, one of whom acts as chairman.

OMA’s Sustainability Committee is responsible for:

- Overseeing ethical principles on which OMA operates
- Assessing the investment and financing policies
- Establishing long-term strategic planning and identifying risks to which the company is exposed at all levels that include sustainability; economic, financial, social, and environmental
- Responsible for the evaluation and compensation of the relevant members of the Board of Directors

### **Specific sustainability features from the committee**

The actions carried out by the Sustainability Committee have the objective of the protection of the environment and sustainable development in all the projects of the Company, as well as the identification of the risks to which the Company is subject in matters of sustainability. The functions carried out by the Committee are the following:

- Define the concepts of sustainability and their application within the Company.
- Create, propose and submit to the Board of Directors for consideration and approval the sustainability guidelines to be followed by the Company (in accordance with internal regulations).
- Evaluate that the sustainability guidelines are in accordance with the Company's Strategic Plan approved by the Board of Directors.
- Assist the Board of Directors with regard to sustainability.
- Support the Subsidiaries of the Company in the definition of sustainability objectives.
- Support the Board of Directors in the preparation of reports that must be presented to the Shareholders' Meeting on sustainability.
- Identify risks in terms of sustainability, propose and submit the actions to be followed for consideration and approval by the Board of Directors.
- Be aware of the national government regulations and policies on sustainability as well as the international guidelines adopted by the company.
- Evaluate that the policies issued by the Company meet, where appropriate, the minimum criteria established in relation to social responsibility, relations with employees, suppliers and communities impacted by the Company

## 2. OMA Green Bond Framework

In order to meet the commitments described above, and finance projects that will deliver environmental benefits to support OMA’s business strategy and vision, OMA has elected to create a Green Bond Framework (the “Framework”), under which it can issue Green Bond(s) where the bond proceeds are used to finance ‘Eligible Green Projects’ as defined in section 2.1 ‘Use of Proceeds’ of this Framework.

This Framework is in accordance with the ICMA Green Bond Principles<sup>4</sup> (GBP) 2018. In alignment with these Principles, for each Green Bond issued, OMA asserts that it will adopt the following, as set out in this Framework:

- 1) Use of Proceeds

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<sup>4</sup> Green Bond Principles (GBP) 2018 - <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp>

- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

This Framework also describes the manner in which an OMA Green Bond support and contribute towards meeting the United Nations Sustainable Development Goals (UN SDGs).

## 2.1 Use of Proceeds

An amount equivalent to the net proceeds raised from any OMA Green Bond issued under this Green Bond Framework will be allocated, in part or in full, to finance or refinance the following Eligible Green Projects:

Eligible Category per ICMA Green Bond Principles	Green Assets Eligibility Criteria
1. Renewable Energy  	Investments dedicated to generation of energy from renewable sources, mostly solar power and battery banks using solar power
2. Energy Efficiency 	Investments that reduce energy consumption, including: <ol style="list-style-type: none"> <li>i. Energy efficient heating, ventilation, air conditioning, refrigeration, lighting and electrical equipment that result in energy savings</li> <li>ii. Projects that enable monitoring and optimization of the amount and timing of energy consumption such as smart meters, load control systems, sensors or building information systems</li> </ol>
3. Sustainable Water & Wastewater Management 	Investments that improve water quality or water efficiency, including: <ol style="list-style-type: none"> <li>i. Technologies and projects for collection, distribution, treatment, recycling or reuse of water, rainwater or wastewater</li> </ol>
4. Biodiversity 	Investments related to the preservation of biological diversity in or near OMA airport facilities, including: <ol style="list-style-type: none"> <li>i. Conservation and study plan related to wild endangered flora and fauna</li> <li>ii. Preservation of local vegetation, such as wetlands and mangroves</li> </ol>

## 2.2 Project Evaluation and Selection Process

Eligible Green Projects will be subject to the following due diligence, which ensures that they meet the criteria set out above in section 2.1 ('Use of Proceeds').

In its Business Ethics and Conduct Code, OMA makes a commitment to clients, shareholders, authorities, the community and employees to prevent contamination, as well as continuously improving the environment and comply with all current legal regulations on environmental matters.

OMA will establish a Green Bond Working Group (GBWG), that will be responsible for the review and selection of projects that will qualify as Eligible Green Projects as stated in section 2.1 Use of Proceeds of this Framework. The GBWG will be made up of representatives from the below departments:

- Finance
- Infrastructure and Maintenance
- Airport Operations

The GBWG will be chaired by the CEO and will meet on a semi-annual basis.

### 2.3 Management of Proceeds

The net proceeds of each OMA Green Bond will be earmarked towards Eligible Green Projects as stated in section 2.1 Use of Proceeds of this Framework and will be managed by OMA's Finance Team. In the event that funds cannot be immediately and fully allocated, proceeds will be held in line with OMA's general liquidity guidelines until full allocation to Eligible Green Projects.

In case of asset divestment or discontinuation of an Eligible Green Project, OMA will use the net proceeds to finance new Eligible Green Projects as soon as practicable once an appropriate substitution option complying with the Green Bond Framework has been identified.

OMA intends to allocate the proceeds of a given Green Bond issuance to Eligible Green Projects originated no more than three years prior to the issuance. OMA intends to allocate the proceeds within three years from the date of issuance.

### 2.4 Reporting

On an annual basis, OMA will publish an allocation report and an impact report on its Green Bond(s) issued, as detailed below. This reporting will be updated annually until full allocation of the net proceeds of any Green Bond issued or until OMA has no Green Bonds outstanding.

#### Allocation Reporting

OMA will provide information on the Eligible Green Projects on OMA's website. The information will contain at least the following details:

- The total amount of proceeds allocated to the Eligible Green Projects
- Breakdown of allocation by Eligible Green Project Category
- Allocation by geographic location
- Refinancing versus new financing
- The balance of unallocated proceeds

#### Impact Reporting

Where feasible, OMA will provide reporting on relevant potential impact metrics for Eligible Green Projects including:

Eligible Category per ICMA Green Bond Principles	Potential Impact Reporting data
1. Renewable Energy	<ul style="list-style-type: none"> <li>• Annual renewable energy generation in MWh/GWh (electricity)</li> <li>• Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent</li> </ul>
2. Energy Efficiency	<ul style="list-style-type: none"> <li>• Annual energy savings in MWh/GWh</li> <li>• Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent</li> </ul>

Eligible Category per ICMA Green Bond Principles	Potential Impact Reporting data
3. Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>• Annual absolute (gross) water use before and after the project in m<sup>3</sup>/a</li> <li>• Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m<sup>3</sup>/a</li> </ul>
4. Biodiversity	<ul style="list-style-type: none"> <li>• Registry of protected and/or relocated animals</li> <li>• Hectares of local vegetation preserved</li> </ul>

**3. External Review: Second-Party Opinion**

OMA has appointed Sustainalytics to provide an external review on the OMA Green Bond Framework, and confirm its alignment with the ICMA GBP. This Second Party Opinion document will be made available on OMA’s website.

**4. Amendments to this Framework**

The GBWG will review this Framework on a regular basis, including its alignment to updated versions of the GBP as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of OMA and Sustainalytics. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Reviewer. The updated Framework, if any, will be published on OMA’s website and will replace this Framework.

**Disclaimer:**

*This document may contain forward -looking information and statements. Forward -looking statements are statements that are not historical facts. These statements are only predictions based on our current information and expectations and projections about future events. Forward -looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target,” “estimate,” or similar expressions. While OMA’s management believes that the expectations reflected in such forward -looking statements are reasonable, investors are cautioned that forward -looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and are generally beyond the control of OMA, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward -looking information and statements. These risks and uncertainties include, but are not limited to, those discussed in our most recent annual report filed on Form 20 - F under the caption “Risk Factors.” OMA undertakes no obligation to update publicly its forward -looking statements, whether as a result of new information, future events, or otherwise.*