

# Sustainable Financing Report 2023

**américa**   
**móvil**



# América Móvil's Sustainable Financing Framework

In 2022, América Móvil published its Sustainability Financing Framework<sup>1</sup>, under which Green, Social and/or Sustainability Financing Instruments can be issued. It contains several eligible categories which are fundamental elements of the business model and deliver the most positive social and environmental impacts.

América Móvil seeks to attract investors which are supportive of these objectives and continues to focus on enlarging our sustainable financing investor base. These stakeholders will be valuable allies in supporting our journey and contributions to a more just and sustainable society.

A **Second Party Opinion<sup>1</sup> (SPO)** from **S&P Global Ratings** confirmed América Móvil's Sustainable Financing Framework alignment to the 2021 Green and Social Bond Principles (ICMA), the 2021 Sustainability Bond Guidelines (ICMA), and the 2021 Green- and Social Loan Principles (LMA/LSTA/APLMA).

<sup>1</sup> For more information, please refer to America Movil's Sustainable Financing Framework: <https://sustainability.americamovil.com/portal/su/pdf/Sustainable-Financing-Framework-10.22.pdf>

<sup>2</sup> For more information, please refer to America Movil's Sustainable Financing Framework SPO: <https://sustainability.americamovil.com/portal/su/pdf/2022-11-17-second-party-opinion-sustainable-financing-framework-of-america-movil.pdf>

**This Framework outlines the criteria for eligibility in the following domains:**

Green Eligible Projects	América Movil's Sustainability Objective	SDG Alignment
<b>Renewable Energy</b>	• Become Net Zero by 2050	7 ENERGÍA RENOVABLE Y NO CONTAMINANTE, 13 ACCIÓN POR EL CLIMA
<b>Energy Efficiency</b>	• Reduce absolute (Scope 1 and 2) GHG emissions, by 52% • Reduce scope 3 GHG emissions by 14% by 2030 (vs. 2019) • Become Net Zero by 2050	7 ENERGÍA RENOVABLE Y NO CONTAMINANTE, 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA, 11 CIUDADES Y COMUNIDADES SOSTENIBLES, 12 PRODUCCIÓN Y CONSUMO RESPONSABLES, 13 ACCIÓN POR EL CLIMA
<b>Sustainable Water Management</b>	• Improve water efficiency and reduce our water use year on year	6 AGUA LIMPA Y SANEAMIENTO, 12 PRODUCCIÓN Y CONSUMO RESPONSABLES
<b>Pollution Prevention and Control</b>	• Reduce the generation of electronic waste in the operation • Promote reuse and recycling in our value chain • Minimize the disposal and emissions generated, as well as inappropriate waste management	11 CIUDADES Y COMUNIDADES SOSTENIBLES, 12 PRODUCCIÓN Y CONSUMO RESPONSABLES, 13 ACCIÓN POR EL CLIMA
<b>Clean Transportation</b>	• Reduce emissions related to the production and transportation of goods and services	7 ENERGÍA RENOVABLE Y NO CONTAMINANTE, 11 CIUDADES Y COMUNIDADES SOSTENIBLES, 13 ACCIÓN POR EL CLIMA
<b>Green Buildings</b>	• Minimize our environmental footprint	11 CIUDADES Y COMUNIDADES SOSTENIBLES, 13 ACCIÓN POR EL CLIMA
<b>Biodiversity</b>	• Generate a positive impact in the environment by integrating mobile technologies in the protection of species, such as: the monarch butterfly, the jaguar and marine species in the Mar de Cortés.	14 VIDA ACUÁTICA, 15 VIDA DE ECOSISTEMAS TERRESTRES



Social Eligible Projects	América Móvil's Sustainability Objective	SDG Alignment
<b>Access to Essential Services - Digital Inclusion and Reducing Inequalities</b>	• Invest in the expansion and modernization of our network, to provide Internet and digital services to a greater number of people	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO, 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA, 10 REDUCCIÓN DE LAS DESIGUALDADES
<b>Socioeconomic Advancements &amp; Empowerment - Supporting Growth and Development</b>	• Promote economic development and inclusion, contributing to fight poverty and generate greater opportunities in the region	8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO, 10 REDUCCIÓN DE LAS DESIGUALDADES

# Sustainable Financing

**On November 24th, 2022, América Móvil issued its first ESG-labelled issuance in any capital market and had the largest-ever labelled bond issuance for a public company in the Mexican market. The bond raised over \$27,152 Million Mexican pesos in four tranches, two of which were labelled as sustainable for an amount of \$24,896 million Mexican pesos.**

**On July 27th, we placed a long seven-year, \$17,000 million Mexican pesos sustainable bond, which is part of a Global Peso Program. The program was launched on June 9th, 2023, and will raise up to \$130,000 million Mexican pesos in five years. The global peso-denominated notes with maturities of more than five years will be sustainable bonds.**

**The proceeds of the aforementioned transactions were used to refinance the outstanding balances as of the date of each issuance, related to environmental and social impact projects in accordance with our Sustainability Framework<sup>1</sup>**

The funds from any ESG issuance will be allocated towards two of our key pillars: caring for the planet and enabling a better society (promoting connectivity). We plan to use part of the proceeds to support projects consistent with our emissions reduction strategy, such as migrating to renewable energies and improving energy efficiency. In addition, we aim to accelerate digital inclusion by

providing Internet access in underserved communities, promoting information technologies among vulnerable groups of society, and offering digital skills training programs and job opportunities so they can benefit from all aspects of connectivity.

A Sustainable Financing Committee comprised mainly of staff members from different departments, including the sustainability operations team and financial experts, was appointed to supervise allocation decisions while third-party auditors are to ensure compliance annually.

We have allocated 100% of the net proceeds from our 2022 and 2023 Sustainability Notes to Eligible Projects in the Green and Social Eligible Categories as defined in our Framework. There are no net proceeds remaining to be allocated as of December 31, 2023. We've received an Independent Assurance Report providing assurance of management's assertion that \$41,896 million Mexican pesos in net proceeds were allocated to Eligible Projects—made in 2020 and 2021 in two of our main operations: Mexico and Brazil—related to Renewable Energy, Energy Efficiency and Access to Essential Services.

## Issuance Summary

Format	Senior Unsecured Sustainable Notes		
<b>Issuances</b>	AMX-22X ISIN MX91AM0500P3	AMX-22UX <sup>3</sup> ISIN MX91AM0500R9	Global Peso Notes ISIN XS2645737003
<b>Issue Date</b>	November 24, 2022		July 27, 2023
<b>Maturity</b>	November 15, 2032	November 9, 2037	January 27, 2031
<b>Currency</b>	Mexican Pesos		
<b>Amount Issued</b>	\$14,679 million pesos	\$7,067 million pesos Bond Retap <sup>4</sup> on November 11, 2023: \$3,150 million pesos	\$17,000 million pesos
<b>Coupon</b>	9.52%	4.84%	9.50%
<b>Ratings</b>	AAA.mx (Moody's) / mxAAA (S&P Ratings) / AAA(mex) (Fitch Ratings)		
<b>Use of Proceeds</b>	The net proceeds were allocated to refinance Eligible Green and/or Social projects as stated in section 2.1 Use of Proceeds of the Framework, 36 months before the issuance. <sup>2</sup>		

<sup>1</sup> For more information, please refer to America Móvil's Sustainability Report 2022: <https://sustentabilidad.americamovil.com/portal/su/pdf/2022-Sustainability-Report.pdf>

<sup>2</sup> Part of the proceeds were used to refinance debt which was allocated in Eligible Green and/or Social projects made in 2020 and 2021.

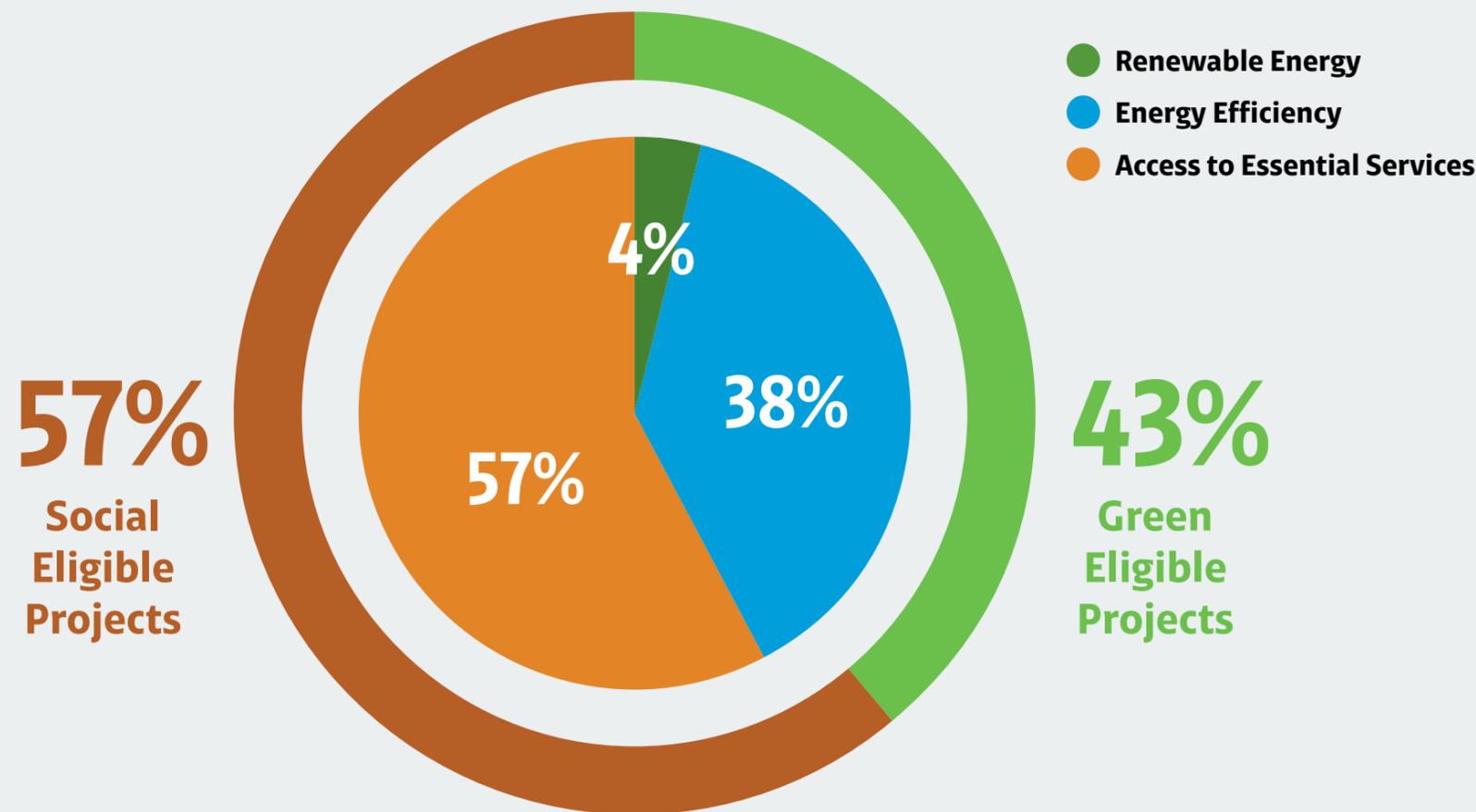
<sup>3</sup> UDIs value determined as of the issue date: November 28th, 2022. UDI= 7.610446

<sup>4</sup> UDIs value determined as of the issue date: November 21st, 2023. UDI= 7.922072

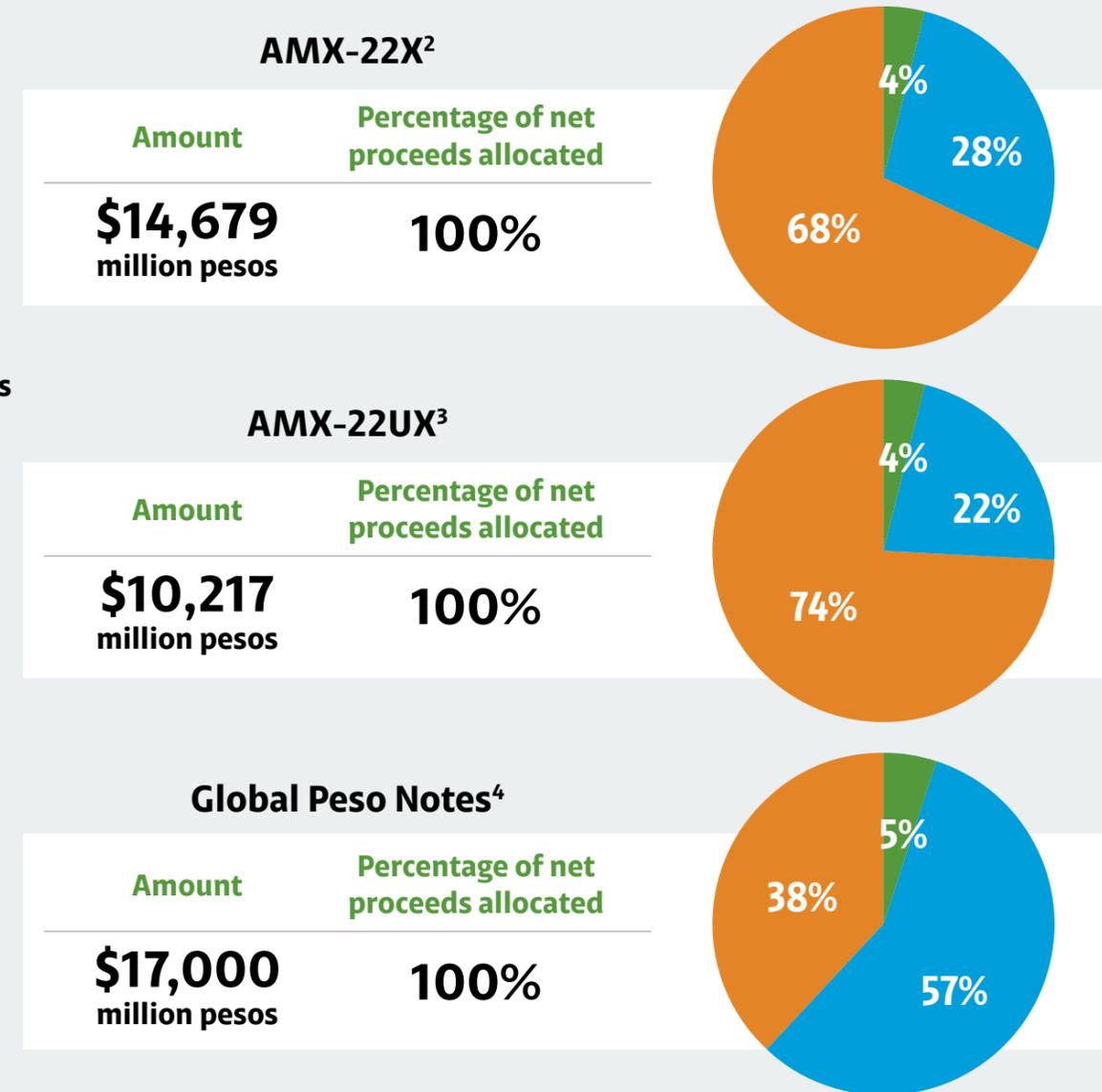
# Allocation of Proceeds and Impact Report

**AMOUNT ISSUED** **\$ 41,896 Millions of MxP**

**PERCENTAGE OF PROCEEDS ALLOCATED IN 2020 & 2021<sup>1</sup>**



## ALLOCATION OF PROCEEDS BY CATEGORY FOR EACH ISSUANCE



<sup>1</sup> We identified eligible green and social projects in the amount of 43.4 billion pesos during 2020 and 2021. The allocation by category for each issuance only considers the total amount issued of 41.9 billion pesos.

<sup>2</sup> Considers the allocation of proceeds in the following categories: 625 million pesos in renewable energy, 4.0 billion pesos in energy efficiency and 10.0 billion pesos in access to essential services.

<sup>3</sup> Includes the bond retap in November, 2023. Considers the allocation of proceeds in the following categories: 407 million pesos in renewable energy, 2.2 billion pesos in energy efficiency and 7.6 billion pesos in access to essential services.

<sup>4</sup> Considers the allocation of proceeds in the following categories: 832 million pesos in renewable energy, 9.7 billion pesos in energy efficiency and 6.4 billion pesos in access to essential services.

Note: All amounts were subjected to a third party limited assurance for the period November 23, 2022 to December 31, 2023.

# Impact Report



	Renewable Energy <sup>1</sup>	Energy Efficiency	Access to Essential <sup>2</sup>
	Annual renewable energy produced in 2021 vs. 2020 (thousand of KWh)	Annual GHG emissions reduced in 2021 vs 2020 (tones CO <sup>2</sup> e)	Population covered with broadband networks in unconnected or underserved communities (2020 and 2021)
<b>AMX-22X</b>	<b>51,573</b>	<b>34,061</b>	<b>212,441</b>
<b>AMX-22UX<sup>3</sup></b>	<b>48,208</b>	<b>26,675</b>	<b>231,873</b>
<b>Global Peso Notes</b>	<b>59,281</b>	<b>70,873</b>	<b>117,915</b>
<b>Total Impact</b>	<b>159,062</b>	<b>131,609</b>	<b>562,229</b>

<sup>1</sup> Brazil information only. Brazil has moved 49% of its electricity consumption to renewable sources, a 10 percentage points change from 2020 to 2021. Mexico invests on combine cycles which already represents 16% of the total energy bought as of 2022.

<sup>2</sup> Mexico information only.

<sup>3</sup> Includes the bond retap in November, 2023.

# Methodology

**Emissions and Renewable Energy:** América Móvil's direct emissions are comprised by Mobile combustion where our operations report data from fuel payment receipts & invoices or vehicle distance traveled reports. In the case of stationary combustion and fugitive emissions of refrigerant agents, the data is extracted from payment receipts & invoices, internal systems, or from vendors' logs.

While indirect emissions represent the energy consumption from (i.) local grid, (ii.) Green and clean energy agreements, and (iii.) purchased heat or steam. In all four cases, the data is extracted from payment receipts & invoices, internal systems, or from vendors' logs. The total energetic consumption comes from Base stations, Data Centers, Centrals (Fixed and Mobile Networks), Corporative Offices, Warehouses, among others small points consumption.

In both cases, Scope 1 & 2, emissions are reported under Greenhouse Gas Protocol (GHG Protocol) methodology and employing internationally recognized public emission factors, such as those from the International Energy Agency (IEA) to report our official Carbon Footprint as América Móvil Group.

**Undeserved Communities:**

Low-income population which comprises indigenous communities, and communities with certain density population according to the Statistic and Geographic Institute of each country.

In the case of Mexico, we applied the Marginalization Index in order to identify underserved communities. This Index uses socio-economic indicators obtained from the Population and Housing Census Institute in Mexico. These indicators represent nine ways of measuring exclusion due to marginalization in the dimensions of education, housing, population distribution and income<sup>1</sup>.

<sup>1</sup> For more information, please refer to the Marginalization Index at the following link: <https://www.gob.mx/conapo/documentos/indices-de-marginacion-2020-284372>



# Projects

## Renewable Energy

América Móvil is transitioning away from fossil fuels and migrating to renewables or cleaner energy sources where possible, through Power Purchase Agreements (PPAs) and investments in diverse initiatives such as photovoltaic solutions.

Ensuring sufficient availability and affordability of renewable energy sources is still a challenge. Therefore, through the GSMA, we engage in public policy discussions on climate change mitigation measures at both national and international levels, advocating for policies that support increased investment into clean technology solutions.

## Energy Efficiency

Enhancing efficiency through the operation is another key element of América Móvil's strategy to mitigate climate change. Therefore, we seek to update the company's software features to optimize the radio electrical consumption during night hours without compromising customer service quality. Additionally, we employ dual-band technology that minimizes energy consumption, replace legacy equipment with Optic Fiber developments, and invest in the modernization of hardware and cooling systems.

## Sustainable Water Management

At América Móvil, we recognize that the quality and granularity of water data is fundamental for proper water management, which is why through the years we have been dedicating more efforts in our water data collection process. The company is also committed to improving water efficiency and reducing its water yearly consumption; which is primarily used for human intake and data center cooling systems, where high-efficiency closed-cycle systems are employed.

## Pollution Prevention and Control

We strive to minimize the environmental impact of our operations while preserving resources for future generations. Our goals include reducing emissions, conserving resources, promoting sustainable practices within our organization, supporting other industries' carbon reduction efforts, and providing digital solutions that help users reduce their own environmental footprint.

Such commitment is overseen by specific board member responsible of leading América Móvil's Climate Strategy, backed by the Sustainability Committee and the Emissions and Energy Task Force. This strategy, is focused on reducing the company's emissions, increasing its efficiency across all operations.

Additionally, we annually report our carbon footprint in alignment to GHG Protocol under operational control approach.

## Biodiversity

América Móvil provides financial support for research projects related to species conservation efforts in communities where we operate. This includes funding scientific studies into new methods of preserving biodiversity or developing strategies aimed at reducing human-wildlife conflicts in areas where they occur frequently due to habitat destruction or other factors associated with development activities taking place nearby.

In addition, we strive to promote public awareness about the importance of protecting wildlife through education initiatives such as workshops and seminars held in collaboration with our partners. Through these activities, we aim to raise awareness among citizens about the need for responsible stewardship of natural resources so that future generations may continue to enjoy them as well.

## Social Projects - Digital Inclusion, Socioeconomic Advancements & Empowerment

As the world shifts rapidly towards digitalization, we recognize that inequalities have increased significantly for those sectors of our community who remain unconnected. In response to this challenge, we strive to bring Internet access and connectivity opportunities to underserved communities around the globe.



América Móvil's social strategy focuses on three pillars: bringing Internet access; promoting its adoption in vulnerable groups such as women, people with disabilities or rural populations; and helping these groups capitalize on all the benefits of connectivity by offering digital skills training and education programs. We believe that providing equal opportunity for everyone is essential in order for them to reach their full potentials while contributing positively towards economic growth worldwide.



## **América Móvil, S.A.B de C.V.**

Limited assurance report for the use of proceeds related to the Sustainable Bonds included in the Sustainable Financing Report 2023 for the period from November 23, 2022 to December 31, 2023.



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## **Independent Practitioner's Limited Assurance Report for the use of proceeds related to the Sustainable Bonds included in Sustainable Financing Report 2023 of América Móvil, S.A.B de C.V.**

### **Information Subject to the Assurance Engagement**

We have been engaged by América Móvil, S.A.B de C.V. ("América Móvil" or the "Entity") to perform a limited assurance engagement in relation to the use of Proceeds of the Sustainable Bonds included in the Sustainable Financing Report 2023 ("the subject that matter") in accordance with requirements defined and detailed in América Móvil Sustainable Financing Framework 2022 for the period from November 23, 2022 to December 31, 2023.

Our work was performed by an independent, multidisciplinary team, including assurance practitioners and sustainability specialists.

Our limited assurance engagement was performed solely in relation to the use of proceeds defined in Appendix A. Our assurance report does not extend to other information, including other information related to such report that may contain images, audio or videos.

### **Criteria used for the preparation of the information subject to the assurance engagement ("Criteria")**

The criteria used by the management of América Móvil to prepare the information subject to assurance in the Sustainable Financing Report 2023 were established in accordance with the requirements defined and detailed in América Móvil Sustainable Financing Framework 2022.

### **América Móvil's Responsibility for the Sustainable Financing Report 2023**

América Móvil is responsible for the preparation of the Sustainable Financing Report 2023. This responsibility includes the design, implementation, and execution of internal controls over the relevant information for the preparation of the selected information that is free from material misstatement, whether due to fraud or error.

### **Inherent Limitations to the Assurance Engagement**

Selected sustainability information is subject to inherent uncertainty due to the use of non-financial information, which is subject to greater inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In preparing the selected information, the Entity makes qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.



## Deloitte.

### Our Independence and Quality Control

We have complied with the independence and ethical requirements of the *Code of Ethics for Public Accountants* issued by the *International Ethics Standard Board for Accountants* (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The Firm applies *International Standard on Quality Management 1 (ISQM 1)* and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the use of proceeds included in the Sustainable Financing Report 2023 for the period from November 23, 2022 to December 31, 2023, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with *International Standard on Assurance Engagements 3000- Assurance Engagements other than audits or reviews of historical financial information ("ISAE 3000")*, issued by the International Auditing and Assurance Standards Board (IAASB). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of América Móvil's use of *América Móvil Sustainable Financing Framework 2022* as the basis for the preparation of the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluation of the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Performed inquiries, through which we obtained an understanding of the Entity's internal policies related to the use of proceeds of the Sustainable Bonds.
- Performed inquiries, through which we obtained an understanding of América Móvil's control environment and information systems relevant to calculating the use of proceeds of the Sustainable Bonds but did not evaluate the design of particular control activities, obtain evidence about their implementation or test operating effectiveness.
- Performed substantive tests on the use of Proceeds of the Sustainable Bonds included in the Sustainable Financing Report 2023, to corroborate that the data has been adequately measured, recorded, compiled, and reported through:
  - Inspection;
  - Observation;
  - Re-calculations;

The procedures performed in a limited assurance engagement vary in nature and opportunity from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether América Móvil's use of proceeds of the Sustainable Bonds has been prepared, in all material respects, in accordance with the guidelines provided by *América Móvil Sustainable Financing Framework 2022*.



## Deloitte.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected sustainability information for the period from November 23, 2022, to December 31, 2023, was not prepared in all material aspects, in accordance with the Criteria section of this report.

### Restriction on Use and Distribution

Our report is intended solely for the management of América Móvil, S.A.B de C.V., in accordance with the terms of our engagement letter and should not be used by, or distributed to any other party.

Galaz, Yamazaki, Ruiz Urquiza, S.C.  
Member of Deloitte Touche Tohmatsu Limited

C.P.C. David Alejandro Solano Zúñiga  
Mexico City, Mexico  
January 15, 2024



## Appendix A

These are the use of proceeds of the Sustainable Bonds by Category for Each Issuance for the period from November 23, 2022 to December 31, 2023.

Sustainable Bonds Issued by América Móvil	Use of Proceeds* (Amounts in millions of Mexican pesos)
AMX-22X ISIN MX91AM0500P3	\$ 14,679
AMX-22UX ISIN MX91AM0500R9	\$10,217
Global Peso Notes ISIN XS2645737003	\$17,000

\*The scope was limited to the operations in Mexico and Brazil.

\* \* \* \* \*



# Disclaimer

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