



**IMPACT  
REPORT  
CMI ENERGY**

**2022**

**A CMI CAPITAL BUSINESS UNIT**  
Investment Energy Resources Limited IERL

# Our purpose is to generate impact investments that drive sustainable development



WE SUPPORT THE  
GLOBAL COMPACT

# Table of contents



## Introduction

- Page 05** Our Impact Report 2022
- Page 06** Governance and Business Structure
- Page 07** Message from CMI Capital's CEO
- Page 08** Message from our General Director
- Page 09** About CMI Capital

## Governance

- Page 12** Governance
- Page 13** CMI Sustainability Approach
- Page 15** Juan Bautista Gutiérrez Foundation
- Page 16** CMI Energy leadership team
- Page 17** Our Value Proposition. Our Solution to Decarbonization
- Page 18** Governance for Sustainability
- Page 19** Our REIR Values
- Page 20** Ethics and Compliance
- Page 21** Non-financial Risk Management
- Page 22** Corporate Policies
- Page 23** CMI Leadership Model
- Page 24** Ucmi
- Page 25** Babson College Entrepreneurship Program
- Page 26** Supply Chain
- Page 27** CMI Supplier Summit: Pa'Lante
- Page 28** CMI Energy History
- Page 29** Global Compact Membership
- Page 30** GIIN Membership
- Page 31** Climate Bonds Award
- Page 32** Other Initiatives
- Page 33** Membership in Boards of Directors

## Our Impact in 2022

- Page 35** Our Impact in 2022
- Page 36** Materiality
- Page 37** Our Stakeholders

## Our Strategy with a Purpose toward 2030

- Page 41** One Single Strategy
- Page 43** Goals Toward 2030
- Page 44** Our Sustainable Solution Goals
- Page 45** CMI Energy Sustainable Solution Goals for 2030
- Page 46** Renewable Energy Matrixes

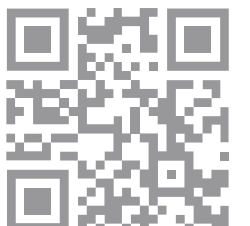
## Our Sustainable Operation Goals

- Page 56** Our Sustainable Development Goals
- Page 57** CMI Capital 2030 Targets that Involve CMI Energy
- Page 58** Target 1: Reduce Our Carbon Footprint
- Page 62** Target 2: Reduce Water Use
- Page 63** Target 3: Limit Waste Sent to Landfills
- Page 64** Target 4: Keep Zero Fatalities In Our Operations
- Page 72** Target 5: Develop Conservation and Regeneration Projects
- Page 73** Target 6: Execute Shared Value Programs and Promote Diversity and Inclusion
- Page 84** Target 7: Assess Our Investments with Environmental, Social, and Governance Criteria

## Appendix

- Page 86** GRI table of contents
- Page 94** SASB table of contents
- Page 96** Independent External Verification

[www.somoscmi.com](http://www.somoscmi.com)



# Introduction

A background image showing a person from the chest up, wearing a white polo shirt with the CMI logo on the left chest. The person is looking towards the right. The background is a blurred outdoor scene with a blue sky and some structures.

# Leaders in impact investments

GRI 2-1, 2-2, 2-3, 2-5

Our 2022 Impact Report reflects the progress achieved by CMI Energy in the advancement of sustainable development through our investments, as well as our commitment to bring about a positive change with our:

## strategy with a purpose

launched last October together with CMI Capital, a business group of Corporación Multi Inversiones, of which we are part.

The report has been prepared in reference to the guidelines of the Global Reporting Initiative (GRI) and using a double materiality

approach which considers how we manage our stakeholders and investors areas of interest. We also use the Sustainability Accounting Standards Board (SASB) indicators and report about our commitment with the Sustainable Development Goals and the United Nations Global Compact.

The reported information corresponds to the CMI Energy (Investment Energy Resources Limited - IERL) operations for the period from January 01 to December 31, 2022. This report covers the goals we defined as part of CMI Capital. Its scope encompasses Phase 1 implementation and considers the initial indicators on material issues. In addition, in some cases, the baseline is being built and the indicator criteria are being standardized.

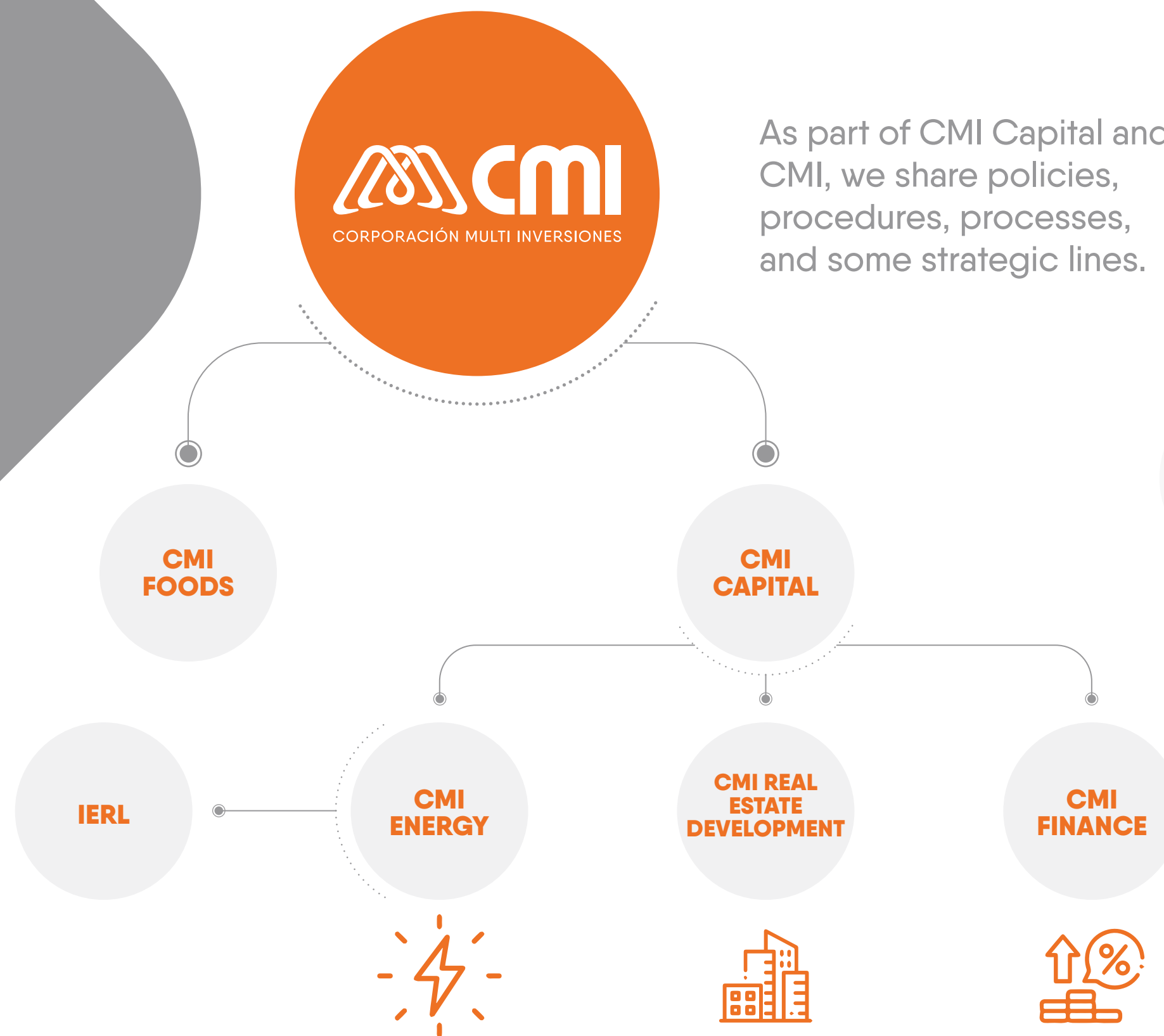
The report has been independently verified by Ética y Estrategia Consultores, S.C.

For inquiries regarding this report, please contact:  
[cmic-relacionespublicas@somoscmi.com](mailto:cmic-relacionespublicas@somoscmi.com)

GRI 2-1

# Governance and Business Structure

CMI Energy is part of CMI CAPITAL, a business group of Corporación Multi Inversiones (CMI), a multinational family-owned business whose corporate structure is the following:





**Enrique Crespo**  
CMI Capital CEO

# Message from CMI Capital's CEO

GRI 2-22

It is with great enthusiasm that we present our 2022 Impact Report, which shows that we are aligned with our purpose of “generating impact investments that drive sustainable development” through our STRATEGY WITH A PURPOSE: our roadmap for our Environmental, Social, and Governance (ESG) business investing toward 2030. We are convinced that, through conscious leadership and investment, we can positively transform the environment for individuals, communities, and the planet.

Our STRATEGY WITH A PURPOSE calls on us to continue furthering decarbonization, sustainable real estate development, and ESG financing. We will continue operating under a responsible business conduct approach and designing sustainable business solutions, while we also strengthen our internal procedures to keep an open dialogue for the benefit of our stakeholders and investors.

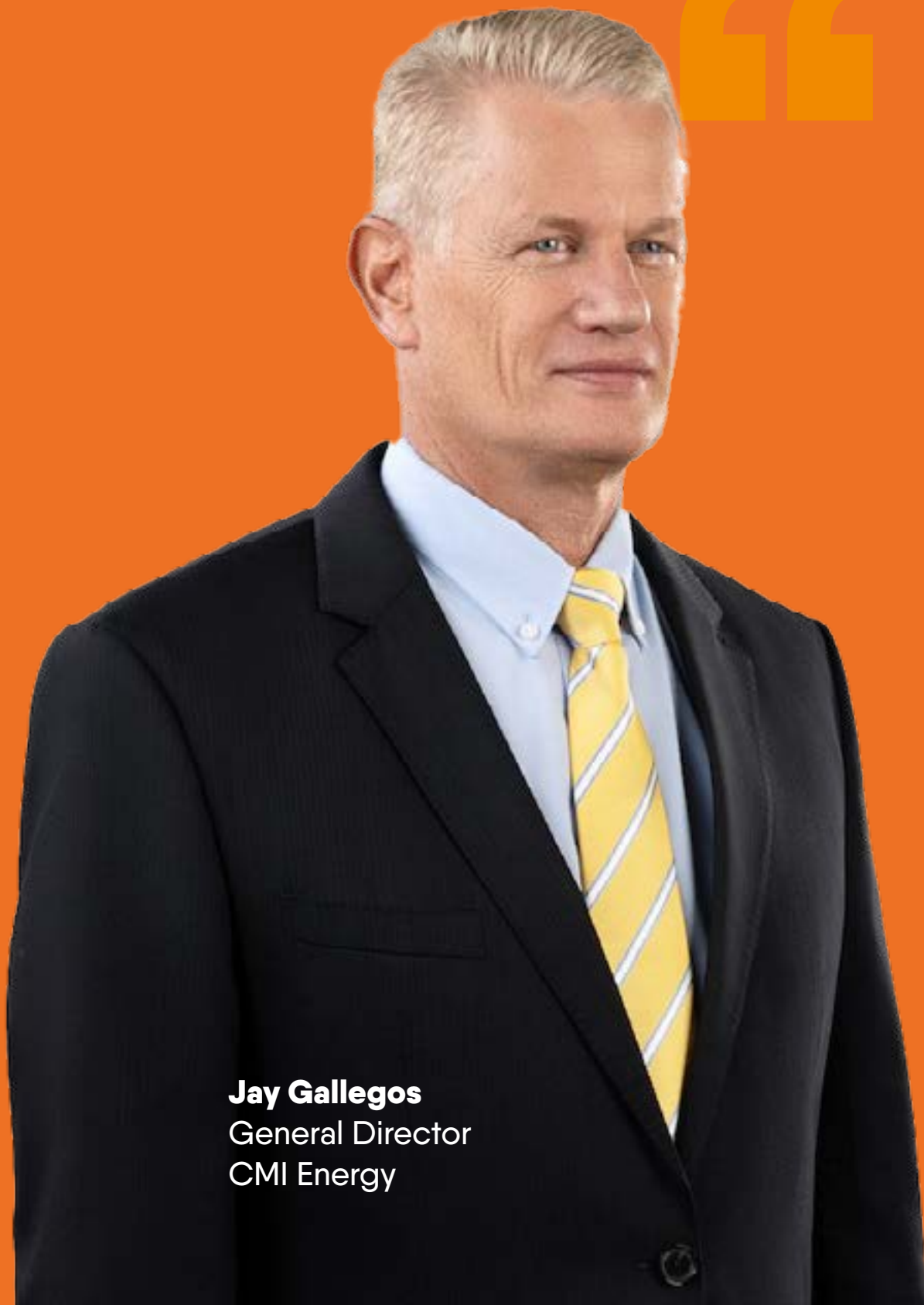
In our 2022 Impact Report, we present our contribution toward achieving the Sustainable Development Goals (SDGs) and our commitment to the ten principles of the United Nations Global Compact.

Over the years, we have confirmed how investing with a purpose positively transforms realities. Our renewable energy projects not

only contribute to mitigating climate change, but also have corporate citizenship initiatives in place to improve the quality of life of the communities where we operate. Moreover, our real estate solutions have the additional objective of generating safe spaces for public use that improve the environment and promote wellbeing. Similarly, our finance services have the goal of supporting our business growth and profitability. To the extent that we are committed to sustainability and our strategy with a purpose, we will have a greater positive impact on our investments and access to lower capital costs and tangible benefits for all our stakeholders.

Our purpose guides our decision-making and encourages us every day to seek sustainable solutions that have a double positive impact as we believe in continuous improvement. The transition to more sustainable, resilient, and conscious economies requires constant innovation and business reinvention, something that we are working on but about which we already have experience as a Corporation.

Let's be agents of change and let's invite others to work for a world where we all win. Our company was founded on that vision, with the idea that through work, collaboration, and ethics we can reach and reap great successes for the benefit of others.



**Jay Gallegos**  
General Director  
CMI Energy



## Message from our General Director

GRI 2-22

Our 2022 Impact Report reflects the commitment that as CMI Energy we have toward decarbonization and the diversification of the energy grid in Central America and the Caribbean to improve not only the environmental but also the socioeconomic context of the countries where we operate. Generating renewable energy using hydro, solar, and wind technologies in Guatemala, El Salvador (operated by AES), Honduras, Nicaragua, Costa Rica, and the Dominican Republic requires the commitment and dynamism of a team that is fully devoted to efficiency, operational quality, and the best practices regarding the environmental, social, and governance spheres.

For us, our human talent is our most important asset, and we are proud of being part of CMI, a corporation with the warmth of a family that focuses on all our associates' wellbeing. We have challenges to overcome, but with a dedicated team, anything is possible, something we have shown by having a centralized operating model that monitors the optimum operation of our wind, hydro, and solar plants and substations in real time. This is also possible thanks to our environmental and social management, which allows us to implement the best practices and

maintain close relationships with the neighboring communities.

Furthermore, the STRATEGY WITH A PURPOSE that we share with CMI Capital presents challenging goals to us which we are sure we will achieve. As stated in the strategy, from now until 2030, we will expand the renewable energy matrix in at least 330 MW. We also have the aspiration of becoming carbon neutral and supporting others to also become carbon neutral through the purchase of carbon credits, the IREC renewable energy certification, or the installation of onsite solar panels.

We are a business unit that specializes in renewable energy which is constantly innovating to offer sustainable solutions in favor of our environmental, social, and economic wellbeing. We believe in being agents of change in the areas where we operate; therefore, we support our various stakeholders through initiatives that add value.

In this report we present the most outstanding achievements of 2022, which would not have been possible without CMI Energy's human team.



GRI 2-1

# About CMI Capital

Our purpose: Generate impact investments that drive sustainable development.

At CMI Capital we develop, finance, and manage capital-intensive investments that contribute to decarbonization, sustainable construction and sustainable finances. We are committed to utilizing the best Environmental, Social, and Governance practices that add value to individuals, the planet, and the economy.



WE ARE CMI

CMI Capital is one of the two business groups of Corporación Multi Inversiones (CMI), a multi-Latin family-owned corporation with presence in 16 countries, more than 40,000 associates, and a history of 101 years.

# About Corporación Multi Inversiones

GRI 2-1

We are a multi-Latin family-owned corporation with a history of over a century built around our two large business groups: CMI Capital and CMI Foods. As CMI we share corporate directives and our values, mission, vision, and citizenship principles.



### CMI Mission

Our mission is to become an international corporation that is a leader in relevant and selectively diversified businesses that provide sustained value to our shareholders, consumers, clients, suppliers, associates, and communities.



### CMI Vision

Be a world-class organization in products, processes, and human capital by significantly participating in multiple markets and growing strategically with outstanding and sustainable profitability.

# About CMI Food

CMI Food is the business group of Corporación Multi Inversiones that develops products that focus on feeding and nourishing Latin American families and whose purpose is **to feed the world to fill it with wellbeing.**





# Governance



**CMI General Shareholders' Meeting:**

All shareholders participate in the General Shareholders' Meeting, whose functions include selecting the General Meeting representatives to the General Shareholders' Representatives Meeting.

**General Shareholders' Representatives Meeting:**

Representatives designated by the CMI General Shareholders' Meeting participate at the General Shareholders' Representatives Meeting who, according to its Charter, can make equity decisions. One of the functions of the General Shareholders' Representatives Meeting is to select the Chairperson of the CMI Groups (Food and Capital).

**Corporate Board of Directors:**

The Corporate Board of Directors consists of the chairperson of CMI Capital, the chairperson of CMI Food, two directors who represent the shareholders, the CEOs of both Units, a Secretary, and three outside directors. The Corporate Board of Directors monitors the Unit's strategic plans and results.

**Audit and Compliance Committee:**

The Audit and Compliance Committee is composed by members of the Corporate Board of Directors and outside directors. The Committee's role is to oversee compliance with the Stakeholder Relationship and Anti-bribery Policy, and the Internal Audit Bylaws.



**CMI Capital Delegate Commission:**

The Delegate Commission is made up by the two chairpersons, CMI Capital's CEO, and one outside director. The Delegate Commission approves CMI Capital's strategy plan of and oversees its compliance. It also approves large-scale projects.

**CMI Capital Leadership Team:**

The Leadership Team is composed by the directors of the CMI Capital business units.

To support these processes, we have a Corporate Governance Director who oversees compliance with each governance body's bylaws. We also have policies on good governance and transparency.

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-23, 2-26, 205-1

# Governance

The governance structure of Corporación Multi Inversiones, which includes CMI Capital and CMI Energy, is the following:

# CMI Sustainability Approach

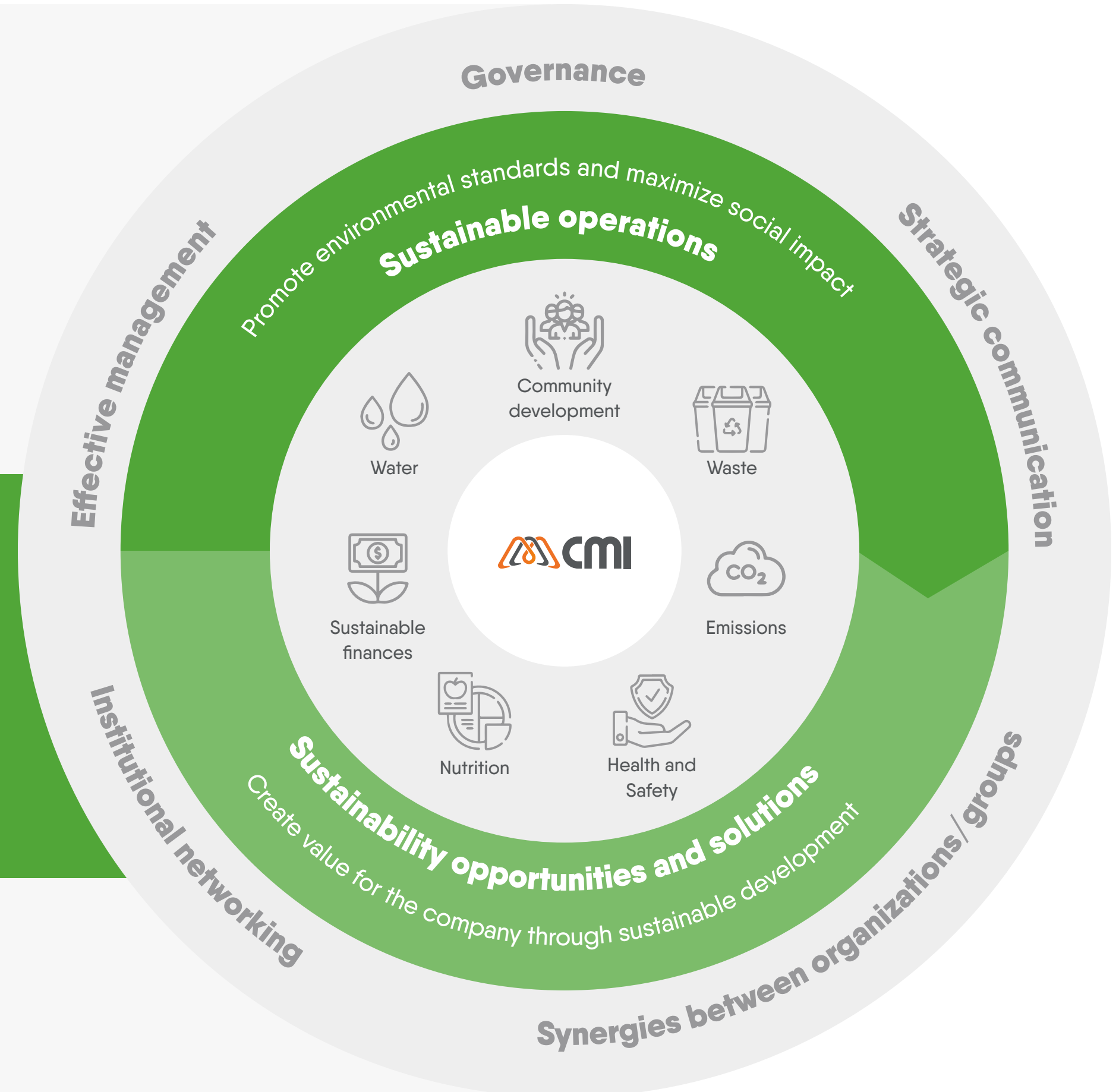
GRI 2-22

The sustainability vision of Corporación Multi Inversiones is the following:

**Promote the generation of a positive impact in the region through a robust sustainability strategy and an effective governance structure.**

**This is achieved through two objectives:**

- Promote our environmental standards and maximize our social impact.
- Create value for the company through its sustainability performance.



# CMI ranked second among the **top 100 corporations** with the best reputation in Guatemala

According to the 440th issue of Revista Summa published in September 2022, CMI entered the ranking of the “**corporations with the best corporate reputation.**” CMI ranked second among the Top 100 Guatemalan corporations with the Best Corporate Reputation in 2022.

## CMI, among the best employers in the region

Similarly, in December 2022, CMI stood out as one of the best employers in the region thanks to its People+ program that seeks to **ensure the wellbeing and professional development of all our Corporation’s associates.**





# FOUNDATION JUAN BAUTISTA GUTIÉRREZ

The Juan Bautista Gutiérrez Foundation seeks to transform lives by means of high impact social programs in the communities where CMI is present, thus becoming the bond whereby CMI expresses its appreciation to the society at large and continues the family legacy and REIR – Responsibility, Excellence, Integrity, and Respect – values.

In this sense, it is a family-corporate foundation that focuses on resolving problems from their root through replicable, self-sufficient comprehensive programs in health, nutrition, and entrepreneurship with the collaboration of CMI and other strategic partners to transform lives.

**JBGF's main programs are:**

- College scholarships
- Nutrition and Entrepreneurship
- My Health ... My Responsibility

Some programs are also implemented throughout the corporation, including, for instance, the School for Parents and the Adolescent Education programs, which also benefit the company's associates.

Similarly, some CMI programs, such as the Entrepreneurs' Fair (organized by the Pradera Mall) and the Nutrition program within the neighboring communities of Renace, are supported by the Foundation.

GRI 2-9












# CMI Energy leadership team

The CMI Energy team is made by the



Moreover, the CMI Energy team receives support from CMI Capital's Corporate Support Units (CSUs), namely, the Finance CSU, the IT CSU, the Corporate Affairs and Sustainability CSU, and the HR CSU.

The CSUs support the CMI Energy team on compliance, risk management, and sustainability matters and work in coordination with the Corporate Team of Corporación Multi Inversiones to ensure alignment throughout the organization.

-  CMI Energy General Director
-  Asset Management Director
-  Environment, Social Management, Occupational Health and Safety Manager
-  Hydro O&M Manager
-  Solar O&M Manager
-  Development, New Business, and Commercial Director
-  Wind O&M Manager
-  Investment Analysis Manager
-  Energy HR Manager
-  Energy Legal Manager
-  Energy Finance Director

GRI 2-6

# Our value proposition

At CMI Capital we provide integrated solutions to lead sustainable transformations.

At CMI Energy we provide solutions to decarbonization through renewable energy projects that utilize hydro, wind, and solar technologies. CMI Energy also supports clients in the acquisition of renewable energy through ION and IELOU, companies which offer distributed energy services and carbon bonds.

# Our solution to decarbonization



# Governance for Sustainability

GRI 2-12, 2-13, 2-24

To drive our sustainability strategy, we have a structure to support and follow-up our commitments which are aligned with CMI Corporate Team.

## CMI Corporate

Senior Director of Corporate Affairs and Sustainability



Director of Sustainability and Corporate Citizenship

The CMI Corporate team supports the governance bodies, directs the strategy, and the policy framework related to environmental, social, and governance matters.

## CMI Capital

CMI Capital Director of Corporate Affairs and Sustainability



Sustainability and Shared Value Manager



CMI Capital Social, Environmental, and Occupational Health & Industrial Safety Manager

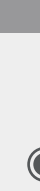
CMI Capital team manages the business and operationalizes the scope of the commitments set out in the sustainability strategy.

## CMI Energy

CMI Energy Environment and Social Manager



Plant Coordinators



# Our REIR Values

CMI's Code of Ethics is based on our REIR VALUES: Responsibility, Excellence, Integrity, and Respect. We not only promote these values among our associates, but also among our suppliers through training. We also promote our citizenship principles and expected and unacceptable behaviors applicable to CMI Energy.



- I make decisions as if the business were mine, with a cross-cutting, long-term vision and a desire to transcend
- I take responsibility for my actions and my own development as well as that of others to grow together
- I keep our clients and consumers in mind whenever I make decisions
- I always use a win-win approach and take into account the impact of my decisions on the planet, our associates, and other stakeholders



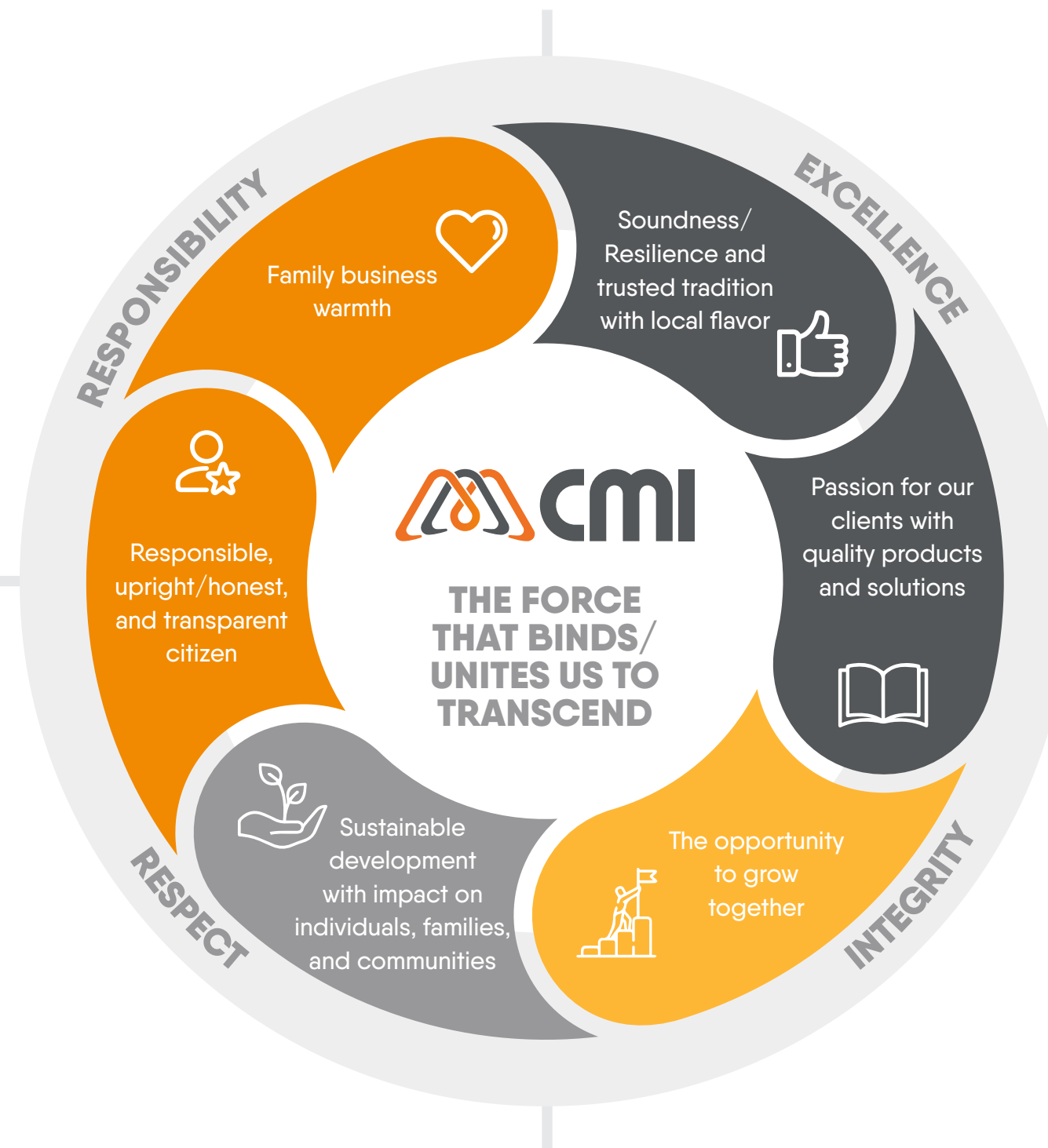
- Apportioning blame and seeking justifications not to accept the consequences of my actions
- Carry out activities or make decisions that threaten my own and others' health and safety
- Promote silos rather than working as a team and fail to comply with our commitments with our stakeholders
- Manage the company's information improperly



- I act according to our legacy, with family warmth, and genuine interest in people
- I listen attentively, and I am capable of putting myself in the other's shoes
- I promote an environment in which "people come to work happy and go back home happy"
- I value people who are different from me for their ideas and contributions rather on how I would like them to be



- Discrimination, harassment, or violence in any of their forms
- Abusive and discourteous relationships
- Arrogance and sense of superiority
- Derision or mockery of those who think differently



- I show passion for what I do, and I always give my best
- I achieve outstanding and sustainable results working as a well coordinated team
- I am nimble, efficient, and disciplined at work
- I am committed to change and innovation; I take risks and learn from my hits and misses



- Indifference and mediocrity
- Stay in the comfort zone or cling to the past
- Hide rather than face problems
- Underestimate or discredit the competition



- I do the right thing and follow the organization's policies and the law even if no one is looking at me
- I strive to see the positive in the others and to build trust because "we are good people"
- I communicate openly, honestly, transparently, and respectfully
- I passionately care for our associates, business, and CMI's image



- Act dishonestly
- Act thinking that the end justifies the means
- Not take action when I something wrong around me
- Put my personal interest above that of my colleagues and the corporation's

GRI 2-15, 2-16, 2-25, 2-26, 2-27, 205-1, 205-3

# Ethics and compliance



The Ethics and Compliance Management, which directly reports to CMI Corporate Governance Director, annually trains 100% of our associates in the Code of Ethics. There is also a central Ethics Committee and ethics committees by geography in the countries where we operate.

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independent third-party where employees, clients, and suppliers may report behaviors that do not adhere to our REIR values and/or violations to the legislation, regulations, or our internal policies.

Failure to comply with the Code of Ethics may be reported through the CMI Te Escucha (CMI Listens) hotline. This is a confidential platform implemented by CMI and managed by an

In 2022, CMI Listens received 58 complaints about CMI Capital related to labor issues and noncompliance with the Code of Ethics, which were immediately followed up until they were closed.



For more information about CMI Listens, visit: [www.cmiteescucha.com](http://www.cmiteescucha.com)

GRI 201-2, 205-1

# Non-financial risk management

As part of our strategy to reduce vulnerabilities at CMI Capital, we have a risk management area that monitors non-financial risks to eliminate, reduce, or mitigate them as applicable.

The risk area has a Risk Forum, where CMI Capital Leadership Team participates to analyze the different types of risks we are exposed to. Each risk has a specific management plan, which is incorporated into Promapp, the software used to monitor them.

A total of 29 risks have been identified; of them, 22 are transversal to CMI Capital and have action plans to eliminate, reduce or mitigate them.

**The environmental, social, and governance risks that are monitored are the following:**

- 1. Climate change
- 2. Illicit practices and bribery
- 3. Money laundering
- 4. Organizational management
- 5. Business continuity



**Risks by Project:**

Furthermore, a risk analysis, which incorporates economic, social, and environmental variables, is applied to all our projects. The analysis is carried out by our teams using a standard methodology.

**Risk Community:**

To strengthen risk management, the Corporation created a risk community where good practices, opportunities for improvement and knowledge are shared. The finance, environment, occupational health, sustainability, and other areas are involved in the risk community.



GRI 2-15, 2-23

# Corporate Policies

In addition to the Code of Ethics, CMI Capital has developed a series of corporate policies that direct our actions. They include:

1. Integrated Policy on Quality, Health, Safety & Environment
2. Respect for Human Rights Corporate Policy
3. Donation Protocol
4. CMI Relationship and Anti-bribery Policy
5. Procurement Policy
6. Internal Audit Bylaws

In 2022, our associates were asked to once again confirm their knowledge of our Procurement Policy with their signatures.

Our associates are also asked to sign a Declaration of Conflict of Interest when they join the corporation or whenever they believe it is important to renew it.





# CMI Leadership Model

In 2022, we launched our CMI Leadership Model which is aligned to our REIR values and our citizenship principles.

According to our CMI Leadership Model, our leaders are responsible for **CREATING** the future, **MAXIMIZING** talent and **INSTITUTING** our business as part of our **WE ARE CMI** culture.

### CREATING THE FUTURE

CMI Leaders have a strategic vision, keep themselves up to date with regards to the context and clients, foster change and learning, make decisions, and promote sustainability.

### MAXIMIZING TALENT

CMI Leaders manage our culture, encourage the WE ARE CMI culture, maintain their warmth and proximity, coordinate effective teams, manage and develop our talent, and empower others.

### INSTITUTING OUR BUSINESS

CMI Leaders simplify, prioritize, execute, communicate, and achieve results.

# UCMI

GRI 404-2



CMI Corporate University (Ucmi) is a corporate university certified by The Learning and Performance Institute (LPI). It teaches online and in-person courses to reinforce CMI's associates' competencies and skills.

One of the courses taught in 2022 focused on Shared Value, which invited teams to identify initiatives that could resolve a social, environmental, or economic issue.

Courses are taught not only to our internal stakeholders, but also to external ones. Sixty-seven percent of the courses were about self-development and 33% about learning initiatives. There is a 93% satisfaction level with the courses.





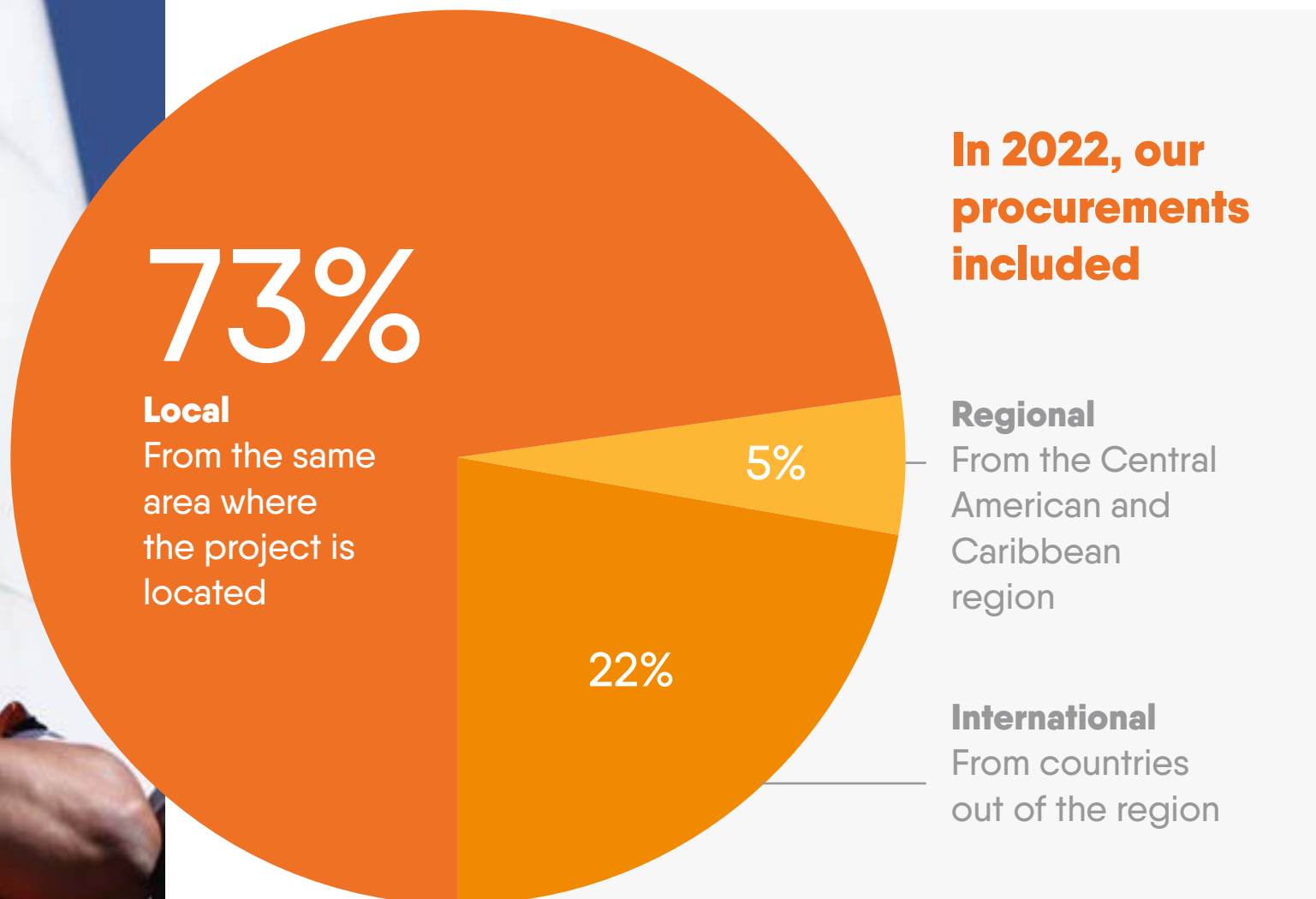
# Babson College Entrepreneurship Program

In May 2022, the Ucmi launched an Entrepreneurship Program with Babson College. A total of 50 entrepreneurs (external to CMI) received a scholarship to strengthen their entrepreneurial capacities. In the process, several CMI executives who had previously been certified by Babson participated as instructors and tutors on some of the subjects.

GRI 204-1, 308-1, 414-1

# Supply chain

We have a complex procurement system that requires supplies for our operations.



### In 2022, our procurements included

# 73%

**Local**  
From the same area where the project is located

**Regional**  
From the Central American and Caribbean region

**International**  
From countries out of the region

Our suppliers, for instance, supply our needs for machinery and spare parts for the three renewable energy technologies we utilize. We also have suppliers that support our corporate citizenship initiatives.

All our suppliers must abide by our Code of Ethics and our environmental and occupational health & safety procedures. All purchases must follow our Procurement Policy, which includes transactional purchases and negotiations.

Our negotiations are filtered by our Corporate Compliance Unit that analyzes the suppliers in order to vet them. All negotiations go through a series of tender steps using the Aura Portal.

# CMI Supplier Summit: Pa'Lante

In coordination with Corporate, in 2022 we held our first CMI Supplier Summit, where our suppliers were recognized in the following categories:

- Strategic management
- Productive relevance
- Operating agility
- Innovation and creativity
- Sustainable development

The goal of the CMI Supplier Summit was to raise awareness among our supplier on matters of importance to CMI that need to be shared, such as ethics and values, sustainable development, occupational health and safety, continuous improvement, and others.





# CMI Energy History



CMI Capital, Report 3



IERL, Report 1



1991

The negotiations of the Renace Hydropower Plant started to commission CMI's first renewable energy project.



2016

In 2016, wind and solar projects were added to CMI Energy matrix.



2018

CMI Capital was created to integrate the energy, real estate development, and finance businesses.



2019

We defined CMI Capital's purpose: "generate impact investments that drive sustainable development."



CMI Capital, Report 1

2020

We responded to the pandemic by taking care of our most important asset: our associates.



CMI Capital, Report 2

2021

We issued our first Green Bonds for US\$700 million. We also defined our value proposition: "provide integrated solutions to lead sustainable transformations."

2022

As part of CMI Capital, we launched our **STRATEGY WITH A PURPOSE** that includes our sustainable operation goals and solutions and updated our materiality analysis.

GRI 2-23

# Global Compact Membership

In 2018, CMI Energy joined the Global Compact.

In 2022, we delisted CMI Energy to consolidate our commitment to the Global Compact through CMI Capital. Our commitment with the Ten Principles of the Global Compact may be found at:

**CMI Capital, S.A. | UN Global Compact**

Furthermore, as leaders of the Communication on Progress Early Adopter Program, in 2022 we presented our 2021 progress report in this format.



GRI 2-28

# We were the first company to join the Global Impact Investing Network (GIIN)

In August 2022, CMI Capital joined the Global Impact Investment Network (GIIN), becoming the first private company to subscribe to this initiative, to which development banks, financial institutions, investment funds, and others belong.

GIIN is an impact investment network devoted to increasing the scale and effectiveness of impact investments worldwide. Its goal is to promote impact investments that generate positive, measurable social and environmental benefits alongside a financial return.

About 360 organizations from 50 countries participate in the GIIN to deepen their commitment with impact investment by developing alliances, building an investment community, and accelerating the industry's development.



# We were recognized by Climate Bonds as a green finance pioneer in Guatemala

Our successful green bond placement that amounted to US\$ 700 million in 2021 was acknowledged by Climate Bonds which awarded us a recognition as a Green Finance Pioneer in Guatemala.



The Climate Bonds Awards are organized by the Climate Bonds Initiative and are awarded to organizations that demonstrate their leadership in financing low-carbon, climate-change resilient projects.

Being recognized as a Green Finance Pioneers in Guatemala encourages us to continue seeking solutions that add more environmental and social value.

GRI 2-28

# We also belong to the following initiatives

We currently participate in several business committees, associations, and initiatives. Some of them are listed below:

(all acronyms are in Spanish)



- Coordinating Committee of Farming, Trade, Industrial, and Financial Associations (CACIF), Guatemala
- Center for Corporate Social Responsibility Action in Guatemala (CENTRARSE)
- Honduran Foundation for Corporate Social Responsibility (FUNDAHRSE)
- Managers Association of Guatemala
- Guatemalan Association of Human Management Professionals
- Guatemala Green Building Council
- Costa Rican Association of Energy Producers
- American Chamber of Commerce in Nicaragua
- Dominican Association of the Electricity Industry
- Honduran Association of Electric Power Producers
- Alliance for Nutrition
- Electric Mobility Association of Guatemala
- Association of Renewable Energy Generators of Guatemala
- National Association of the Industrial Sector of Honduras
- Electric Power Council of Guatemala
- Association of Large Electric Power Users of the Chamber of Industries of Guatemala
- Foundation of Development of Guatemala

GRI 2-28

# We actively participate in boards of directors

Over the years we have been founding members of different organizations. In 2022, we actively participated in the following Boards of Directors:

Global Compact

Electric Mobility Association of Guatemala

Chamber of Industries of Guatemala

Electric Power Council of Guatemala

Honduran Association of Electric Power Producers

Board of Directors of the Honduran System Operator

Costa Rican Association of Energy Producers

The background of the slide is a close-up photograph of a leopard's face. The leopard is looking slightly to the right of the camera with a calm expression. Its fur is a mix of brown, black, and tan, with distinct dark spots and stripes. The background is a soft-focus green, suggesting a natural habitat with trees and foliage. A large, semi-transparent green graphic element, resembling a stylized leaf or a large number '4', is overlaid on the left side of the image.

# Our impact in 2022

# Our impact in 2022

In 2022 we continued driving decarbonization.

**CMI Energy:**

## 818 MW

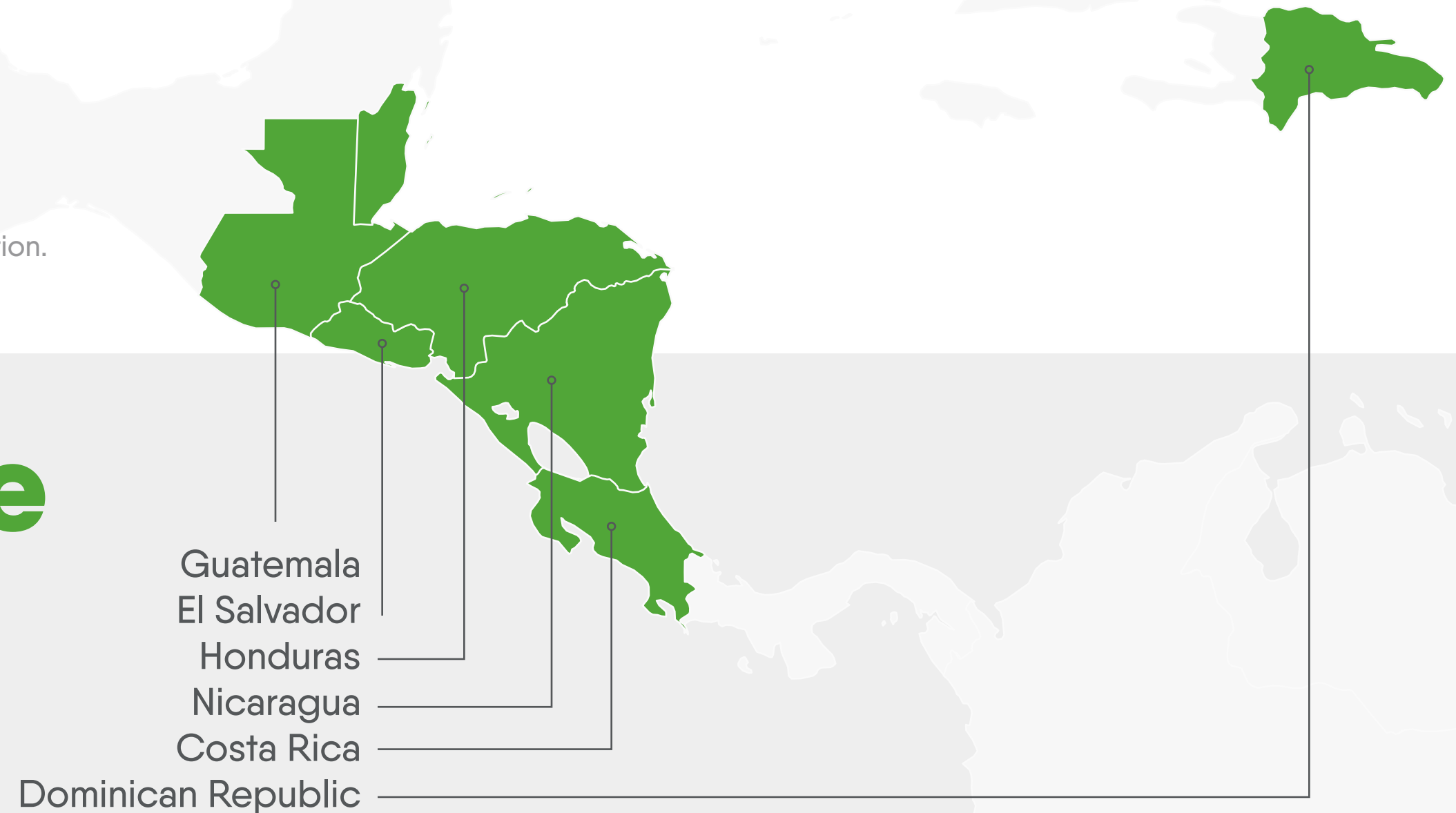
of effective capacity in the system through wind, solar, and hydro technologies.

## 6.47 MW

capacity of distributed generation.

## Countries where we operate

Currently CMI Energy has operations in:



GRI 3-1,3-2, 3-3, 2-23, 2-24

# Materiality

In 2022, we updated our materiality through an exercise that included a benchmarking process with companies in the same sectors and a consultation with key stakeholders.

CMI Energy and CMI Capital materiality was also aligned with Corporate and the Food business group to use the same terms.

The ten relevant issues identified include the double materiality; so, we are also guided by the Sustainability Accounting Standards Board (SASB) indicators pertinent to our industry.

This report shows our performance on the indicators corresponding to phase 1 of the implementation of the material issues, which will gradually become more exhaustive as we advance to later stages.

In addition, in some cases, the baseline is being built and the indicator criteria are being standardized.



- Corporate Governance
- Sustainable Investment
- Ethics and Transparency
- Emissions and Climate Change
- Occupational Health and Industrial Safety
- Human Rights
- Diversity and Inclusion
- Community Development
- Responsible Supply Chain
- Environmental Management (water, waste, and biodiversity)

The ten issues we identified as relevant relate to the Global Compact Principles and the Sustainable Development Goals.

**1** **2** **3** **4** **5**

Relevant Issue	Corporate Governance	Sustainable Investment	Ethics and Transparency	Emissions and Climate Change	Occupational Health and Industrial Safety
<b>Our Approach</b>	Have a governance structure, governing bodies, corporate and family governance policies and rules to take care of the long-term legacy of our family-owned company with efficiency, transparency, timely and truthful information, and accountability.	Invest in impact initiatives that drive sustainable development in line with our citizenship principles and use Environmental, Social, and Governance criteria.	Live our REIR (Responsibility, Excellence, Integrity, and Respect) values as set in our Code of Ethics and strengthen trustworthy relationships with our stakeholders.	Reduce Greenhouse Effect Gases (GHG) through renewable energy, efficient energy use, technology and innovation, and seek resilience to climate change.	Ensure optimum occupational health and industrial safety conditions for our associates, contractors, visitors, and everyone who is part of our operations.
<b>Global Compact Principle</b>	Principle 10	Principle 7 Principle 8 Principle 9	Principle 10	Principle 7 Principle 8 Principle 9	Principle 1 Principle 2
<b>Sustainable Development Goal</b>					

# 6

# 7

# 8

# 9

# 10

Relevant Issue	Human Rights	Diversity and Inclusion	Community Development	Responsible Supply Chain	Environmental Management		
<b>Our Approach</b>	Respect and promote Human Rights in all aspects of our business.	Actuar de acuerdo con nuestro legado con calidez familiar e interés genuino por las personas, brindando oportunidades sin distinción, sino solo, por sus ideas y contribuciones.	Collaborate with the communities related to our operations through corporate citizenship initiatives that have a positive impact in their development.	Work with our supply chain to warrant that they comply with our ethics and transparency standards.	Water Reduce the water footprint of our operations by using water efficiently and guaranteeing the quality of our wastewater.	Waste Reduce the generation of waste by applying circular economy processes.	Biodiversity Promote biodiversity conservation and preservation by reducing and mitigating potential negative impacts.
<b>Global Compact Principle</b>	Principle 1, Principle 2, Principle 3, Principle 4, Principle 5, Principle 6	Principle 1, Principle 2, Principle 6	Principle 1	Principle 2	Principle 7, Principle 8	Principle 7, Principle 8, Principle 9	Principle 7, Principle 8
<b>Sustainable Development Goal</b>							



# Our stakeholders

GRI 2-29

Since the beginning, we have approached our different stakeholders to keep a close relationship with them. All our clients, suppliers, and neighbors can use the CMI Listens hotline to contact us about any matters of their interest.

The material issues of interest to our stakeholders are the following:

Material Issue	Stakeholders
Corporate Governance	Shareholders   Investors   Associates
Sustainable Investment	Shareholders   Investors   Governments
Ethics and Transparency	Shareholders   Investors   Associates   Communities
Emissions and Climate Change	Investors   Governments
Occupational Health and Industrial Safety	Shareholders   Associates   Communities
Human Rights	Investors   Governments   Society   Communities   Associates
Diversity and Inclusion	Investors   Associates
Community Development	Investors   Communities
Responsible Supply Chain	Shareholders   Suppliers
Environmental Management	Shareholders   Investors   Communities   Society Governments



# Our strategy with a purpose toward 2030

GRI 2-23, 2-24 SASB IF-EU-110a.3

# One single strategy with the purpose of “generating impact investments that drive sustainable development”

In 2022, as part of CMI Capital, we defined our business and sustainability goals in what we call our STRATEGY WITH A PURPOSE, which incorporates our endeavors as a business to act as an agent of change. The analysis and definition process of our goals started in the fourth quarter of 2021 and concluded in October 2022, when we presented our strategy to several stakeholders.



Our **Strategy with a Purpose** encompasses two main pillars and ambitious goals toward 2030. It is our commitment with the investors who have trusted us by purchasing the green bonds that we successfully placed in 2021 in the amount of US\$ 700 million. It also shows our commitment with the communities where we act as development allies, as well as to our clients, associates, suppliers, shareholders and investors.

Through our STRATEGY WITH A PURPOSE, we seek to catalyze sustainable transformation in the countries where we operate by promoting conscious capitalism where, through comprehensive economic development, individuals’ and the planet’s conditions improve.

**In this sense, the strategy has a double mandate and, with regards to sustainability, two pillars:**

**Growth and diversification mandate**

**Sustainability mandate**  
• Sustainable operations  
• Sustainable solutions

“Todo el mundo debe respirar para vivir, pero el propósito de vivir no es respirar...”

REIMAGINING CAPITALISM  
A WORLD ON FIRE

Rebecca Henderson



## Presentation of our strategy with a purpose

Our STRATEGY WITH A PURPOSE was presented to several stakeholders in an event where we had the participation of PwC that stressed our positive impact of US\$ 265 million in 2021, estimation made using the Total Impact Measurement and Management methodology used as the basis to define our strategy.

Moreover, our presentation was also attended by CentraRSE and the Business Alliance for Development (AED, acronym in Spanish) of Costa Rica and representatives of the governments, the civil society, and the private sector who, in addition

of learning about our STRATEGY WITH A PURPOSE, familiarized themselves with CMI's sustainability approach.

Aligned with our purpose, this event was certified carbon neutral.

GRI 2-24, SASB IF-EU-110a.3

# Goals toward 2030

To consolidate our commitment with the Sustainable Development Goals, our STRATEGY WITH A PURPOSE uses the same 2030 horizon, although we are striving to reach some goals before that deadline.

Therefore, we will be reviewing our goals every year to measure our progress and assess if any adjustments are needed.

Our goal advances will be communicated in our annual reports, as well as in the Global Compact Communication on Progress (COP). Our intention is to also keep permanent communication with our stakeholders to create the most positive impact possible.

The two large pillars of our sustainability goals are the following:



## SUSTAINABLE SOLUTIONS

Refers to the contributions we make in terms of decarbonization, sustainable cities, and access to financing with Environmental, Social, and Governance criteria.



## SUSTAINABLE OPERATIONS

Are all those actions that we will be promoting to reduce to the maximum any negative externality and create shared value.

# Our sustainable solution goals

In line with our value proposition of “promoting integrated solutions to lead sustainable transformations,” CMI Capital has three business capabilities aimed at providing services for decarbonization, sustainable cities, and ESG finances.

SASB IF-EU-110a.3

# CMI Energy sustainable solutions goal for the year 2030

Expand the renewable energy matrixes in the region in at least 330 MW; this would prevent 500,000 tons of CO2 emissions per year (in addition to the about 1.7 million tons that we already prevent each year).



GRI EU1, 201-2, 305-5 SASB: IF-EU-110a.3, IF-EU-240a.4

# Goal: Expand the renewable energy matrixes for decarbonization

We are committed to decarbonization and reducing Greenhouse Effect Gases through renewable energy generation.

We are committed to expanding the clean energy matrix in Central America and the Caribbean by developing and operation hydro, wind, and solar energy projects. Our goal is to expand in at least 330 MW our installed capacity by 2030. This would allow us not only to contribute to reduce

greenhouse effect gases, but as we have already been doing, we will continue contributing to the development of the communities where we operate. Furthermore, we will contribute to conserve natural resources and having the best operation and maintenance practices.



### 2030 GOAL

Expand the renewable energy matrix in the region in at least 330 MW which will prevent 500,000 tons of CO2 emissions per year (in addition to the approximately 1.7 million tons which we already prevent annually).

### RENEWABLE ENERGY MATRIX 2022

818 MW of renewable energy in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and the Dominican Republic





**aes** In partnership, we operate 50% of the 110 MW.



GRI 2-1, 2-6, EU1, EU2 SASB IF-EU-000.D

Our decarbonization projects add up to an effective of 818 MW capacity in the system through hydro, solar, and wind technologies.

We have operations in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and the Dominican Republic. In 2022, we generated 2,892,196.20 MWh of net renewable energy.

			
<b>317MW</b>	<b>324MW</b>	<b>177MW</b>	<b>818MW</b>
<b>HYDRO</b>	<b>WIND</b>	<b>SOLAR</b>	<b>EFFECTIVE CAPACITY IN 2022</b>

GRI EU8

# Centralized operations model



Our energy plants use a centralized operations model that monitors the optimum operation in real time of our wind, hydro, solar plants and substations.

In this way, we obtain relevant information from each equipment to reduce downtime and losses, improve generation efficiency, reduce maintenance costs, optimize staff performance, and improve the useful life of the equipment, among other benefits.

The centralized operations model has two sites: one in Guatemala and another in Costa Rica, but monitoring can actually be done from any remote area.



# We continue expanding our contribution to decarbonization

In December 2022 we were awarded the contract of El Quijote wind project which will be built in the canton of Bagaces, Guanacaste, Costa Rica. It will add an effective capacity to the system of about 33 MW, contributing to the energy matrix of the utility called Empresa de Servicios Públicos de Heredia.

With this award, we will be expanding our matrix to about 850 MW.

Our commitment is to expand the renewable energy matrix in at least 330 MW more by 2030. Our team is constantly work to identify initiatives that will allow us reach this goal.



GRI 2-6, 201-2, EU8,

# Solutions for Sustainable Transformation

As part of our value proposition of supporting others in their sustainable transformation, we have two businesses that support other companies in their decarbonization goals:

**Through IELOU, we offer the following services:**

- Renewable energy generation with turnkey on-site and off-site projects
- PPAs for 100% renewable energy
- Energy use and monitoring
- Identification and implementation of energy efficiency opportunities
- Demand management
- Innovation in energy use
- Batteries
- Electric vehicles



We currently have an installed capacity of 6.47 MWp and generate 6,478,485.24 MWh, which prevented 4,640.26 tons of CO2 emissions in the planet.



# ION Energy

As an energy marketer that belongs to CMI Energy, it works with a diverse portfolio of industrial, commercial, and service clients and is constantly exploring new products and services. It also participates in international transactions through the Regional Electricity Market of Central America and in Mexico.

**In 2022, ION Energy marketed 530,929,159.89 Kwh**

## Carbon credits

We have plants certified to issue Certified Emission Reductions (CERs), Verified Emission Reductions (VERs), and Renewable Energy Certificates (RECs). Thus, these companies may support your carbon neutral certification process.



# Congress: New energy trends

In November 2022 we successfully held the Congress: “New Energy Trends,” whose objective was to promote the growth of the electric sector through a series of talks by panelists who are experts in the energy industry.

More than 100 people participated in the congress; they deepened their knowledge in a variety of current issues, such as the green hydrogen industry in Latin America and the Caribbean, the impact of commodities in the energy sector, and the digitalization of the industry.



# Integrated Management System

GRI 2-24, 302-1, 303-2, 304-1, 305-1, 305-2, 305-5, 306-2, 403-1

CMI Energy has an Integrated Management System based on three standards: ISO 14001:2015 (Environmental Management Systems), ISO 45001:2018 (Occupational Health and Safety Management Systems), and ISO 9001:2015 (Quality Management Systems). The plants that are currently certified are:

Plant	Standard
Renace I, Guatemala	ISO 14001: 2015, ISO 9001:2015, ISO 45001:2018
Santa Teresa, Guatemala	ISO 14001: 2015, ISO 9001:2015, ISO 45001:2018
Eolo, Nicaragua	ISO 14001: 2015, ISO 45001:2018
Cerro de Hula, Honduras	ISO 14001: 2015, ISO 45001:2018

Although only four energy plants are certified, the Integrated Management System is used in all our operations.

GRI 2-24, 302-1, 303-2, 304-1, 305-1,  
305-2, 305-5, 306-2, 403-1

# Internal Audits

As part of the Integrated Management System, internal and external audits are carried out to verify compliance with the three standards: ISO 14001:2015, ISO 45001:2018, and ISO 9001:2015. The internal audits are performed by a team of 47 internal auditors.

The scope of the Integrated Management System includes operation and administration processes, which are constantly being improved. However, there are still some challenges, such as the standardization of the methodology to identify work hazards and environmental aspects.

The certifying entity that grants these certifications is SGS.



# Our sustainable operation goals

# Our sustainable operation goals



**Our sustainable operation goals seek to achieve two objectives:**

- Reduce any negative externalities of our operations to the maximum and
- Generate shared value for our various stakeholders.

In this line of action, we have incorporated targets about our carbon footprint, water, waste, conservation and regeneration, occupational health and industrial safety, diversity and inclusion, shared value, and Environmental, Social and Governance (ESG) criteria in our investments. Some of these targets are quantitative and others qualitative.

The targets are global for all CMI Capital, but we have the objective of fine tuning them specifically for each business unit, including CMI Energy.

GRI 2-24, 203-1, 302-1, 303-2, 304-1, 305-1, 305-2, 306-2, 403-1  
SASB IF-EU-110a.3

# CMI Capital 2030 Targets that Involve CMI Energy



Reduce our emissions in 30%



Reduce water use in 20%



Limit waste sent to the landfills to 28%



Maintain 0 fatalities in our operations



Develop conservation and regeneration projects



Execute shared value programs and promote diversity and inclusion



Assess 100% of our investments using ESG criteria

These targets are global for all CMI Capital, but we have the objective of fine tuning them for each business unit, including CMI Energy.

GRI 2-24 SASB IF-EU-110a.3



# Target 1: Reduce our carbon footprint

Through our renewable energy plants, CMI Capital prevents about 1,700,000 tons of CO2 emission a year. However, we want to go a step further and reduce the carbon footprint of our own operations, especially our real estate development unit.



### CARBON FOOTPRINT IN 2021\*

CMI Capital:  
7,065.49 t CO2e

\* In 2022, we measured the 2021 footprint.

### 2030 GOAL

Reduce our emissions in 30%

In 2023, we will calculate the target per business unit and some of our companies such as Investment Energy Resources Limited (IERL).

We are in the process of relativizing the target.

GRI 305-1, 305-2 SASB IF-EU-110a.1, IF-EU-110a.3

# CMI Energy Carbon Footprint

In 2022 we took a detailed measurement of the Greenhouse Effect Gas emissions in all our projects for the year 2021 according to ISO 14064:2006 and the GHG Protocol, as the data we had earlier was an estimate.



We also measured Scopes 1, 2, and 3. For this purpose, we quantified greenhouse effect gas emissions for 2021 (not including office buildings):

In 2023, we will measure the 2022 footprint and fine tune the reduction targets.

Project / Country	Scope 1*	Scope 2*	Scope 3*	Total*
Renace and Santa Teresa, Guatemala	660.61	180.91	34.87	876.39
Cerro de Hula, Honduras	152.98	83.83	43.67	280.48
Choluteca, Honduras	54.48	122.21	17.47	194.16
Eolo, Nicaragua	147.23	72.36	25.13	244.72
Wind plants, Costa Rica	295.51	6	71.04	372.55
Mata de Palma, Dominican Republic	16.6	37	6.82	60.42
<b>Total</b>	<b>1327.41</b>	<b>502.31</b>	<b>199</b>	<b>2028.72</b>



SASB IF-EU-110a.3

# CO2 tons prevented



Although, as CMI Capital we generate a carbon footprint especially in our real estate operation, our energy operation prevents about 1.7 million tons of CO2 emissions a year:

	2022	2021	2020
<b>CO2 tons prevented by the renewable energy plants</b>	1,769,836.74 t CO2	1,683,284 t CO2	1,578,480 t CO2
<b>CO2 tons prevented by the distributed energy projects</b>	4,640.26 t CO2	1,833 t CO2	
<b>Total</b>	<b>1,774,477 t CO2</b>	<b>1,685,117 t CO2</b>	<b>1,578,480 t CO2</b>

With this information and other activities that we are currently promoting, we aspire to be certified Carbon Neutral.



GRI 305-1, 305-2 SASB IF-EU-110a.1, IF-EU-110a.3

# Energy consumption

The electric energy consumed from external sources is for our CMI Energy office buildings. The external energy uptake can vary according to the energy generation. If more energy is generated, less electricity from external sources is needed. Fossil fuels (diesel and gasoline) are used by vehicles and some machinery.

Plant	Country	2022
Renace and Santa Teresa	Guatemala	249 927 kWh
Cerro de Hula	Honduras	577 882 kWh
Choluteca	Honduras	759 250 kWh
Eolo	Nicaragua	426 398 kWh
Alisios and Orosi	Costa Rica	1 183 183 kWh
Mata de Palma	Dominican Republic	493 kWh

EXTERNAL ELECTRICITY UPTAKE (kWh)

Plant	Country	2022
Renace y Santa Teresa	Guatemala	7 316.7 GJ
Cerro de Hula	Honduras	1 033.14 GJ
Choluteca	Honduras	1 392.21 GJ
Eolo	Nicaragua	838.22 GJ
Alisios and Orosi	Costa Rica	2 043.25 GJ
Mata de Palma	Dominican Republic	523.18 GJ

FUEL CONSUMPTION (GJ)



GRI 303-1, 303-3 SASB IF-EU-140a.3 IF-EU-140a.1

# Target 2: Reduce water use

According to the Water Resource Institute, none of our operations is in a high-water risk area.

We currently measure water consumption in m3. Water consumption for this period was 24,097.14 m3. We are working to consolidate the data about our operations.

Plant	Country	2022
Renace and Santa Teresa	Guatemala	13,155.35
Cerro de Hula	Honduras	2 753
Choluteca	Honduras	5 305
Eolo	Nicaragua	649.8
Alisios and Orosi	Costa Rica	2 129
Mata de Palma	Dominican Republic	104.99

WATER CONSUMPTION (m3)

# Water quality

GRI 303-2, 303-4

All our operations have treatment plants for wastewater discharges. Our discharges are regulated by the corresponding regulations of each country. None of our operations consumes water for industrial processes, so the discharged water comes from toilets and kitchens. Furthermore, our energy projects reuse wastewater.

GRI 306-2, 306-4

# Waste management plans

In average, the CMI Energy recycles 29% of its waste and composts 7%. Paper recycling at the offices in the headquarters in Guatemala is done with the support of Red Ecológica, S.A.

## Target 3: Limit waste sent to landfills

Our aspiration is to be more efficient in our waste management; thus, reducing the waste sent to the landfills.





# Target 4: Keep zero fatalities in our operations

For CMI our people are our most important asset, as is the wellbeing of all those who visit our operations.

Therefore, every day we work on strengthening our occupational health and industrial safety (OHIS) measures. However, we still have some challenges to overcome to continue improving.

## 2030 Goal

**Keep 0 fatalities in our operations.**

GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-9, 403-10

# We want people to come to work happy and go back home happy

Occupational Health and Industrial Safety (OHIS) is a fundamental pillar of our operations. Within the framework of our Code of Ethics we strive to keep a work atmosphere where “people come to work happy and go back home happy,” which means having a safe and healthy place to work.

**In our operation we use preventive and reactive indicators. Some of the preventive activities we do are the following:**

- Training en ergonomics
- Talks on HIV-AIDS prevention
- Education in healthy lifestyles
- Hearing conservation measures
- Talks on breast cancer prevention
- Inspections
- 5-minute talks before operative works
- Training in operating processes to work safely
- Internal audits
- Training program in OHIS matters
- Internal communication program on OHIS matters
- Others

Moreover, CMI Energy has a competencies program called “Passport” which seeks to guarantee that all associates are apt to carry out their work safely. This program applies to 100% of the operations positions in CMI Energy.

All our organizations provide medical care. In 2022, 870 doctor appointments, 830 lab tests, 671 nutritional assessments, and 672 medical checkups were made.



GRI 403-2

# Health Care

**In addition to the habitual doctor's appointments, the following care is provided:**

- Occupational health medical checkups
- Nutritional assessments
- Lab tests
- Audiometry exams
- Health and Wellbeing Talks



GRI 403-10

# COVID 19

In 2022 we continued providing attention to COVID 19 alerts; antigen and PCR tests and medication, if necessary, were provided.

In the year, 46% of our associates were diagnosed with COVID 19, but we kept zero fatalities, situation that makes us feel very grateful.



GRI 403-6

# Nutritional Assessments

As part of our disease prevention activities, we perform nutritional assessments and clinical lab tests to our associates to help them improve their health and encourage them to mend their eating habits and to exercise more.

During the year, 81% of the CMI Energy associates participated in this program. The nutritional assessment is done to those who want to improve their nutritional health.

The nutritional assessment results identified challenges, such as obesity, overweight, and metabolic syndrome, so an action plan was developed to support our associates improve these results.



# Supervision of Working Conditions

GRI 403-2, 403-7

As part of our safety at the workplace, we periodically supervise our working conditions to ensure they are safe.

**Some of the processes evaluated are the following:**

- Lightning measurements
- Non-iodizing radiation monitoring
- Noise measurements
- Heat stress monitoring
- Particle measurements
- Ergonomic evaluations
- Working at heights
- Working in confined spaces

GRI 403-5, 403-7

# Competence and Skill Strengthening and Preventive Measures

A key occupational health and industrial safety component is the strengthening of the team's competencies and skills through training and awareness talks.

In 2022, a total of 98 trainings in different topics aimed at preventing occupational illnesses and improving occupational health conditions were given. Their ultimate goal is to have and maintain safe and healthy working environments.

Furthermore, 16 multithread drills were organized to active the emergency committees and plans and identify opportunities for improvement. A total of 13,825 health and safety inspections were also carried out.





GRI 403-6

# Occupational Health and Industrial Safety Week

Every year we organize an occupational health and industrial safety week. In 2022, talks on nutritional tips for healthy lifestyles and physical fitness were given as part of the awareness raising process about the importance of habits.

GRI 403-9 SASB IF-EU-320a.1

# Continuous Improvement Processes for Occupational Health and Industrial Safety

Our continuous improvement processes involve monitoring reactive indicators that allow us to correct practices that may endanger our associates or our operations.

## In 2022, results show:

- 7 accidents with lost time
- 10 accidents without lost time
- No near misses

We are reinforcing the information system to calculate the man-hours and more precise data about the frequency and severity indexes.





GRI 403-9

# Contractor Management

Our management system includes our contractors.

However, in December, an unfortunate fatality occurred in one of our wind parks. As a result, we undertook an investigation to implement immediate corrective measures and make our system more robust.

GRI 304-1, 304-2, 304-4

# Target 5: Develop conservation and regeneration projects

We are committed to nature conservation and regeneration in our neighboring communities.

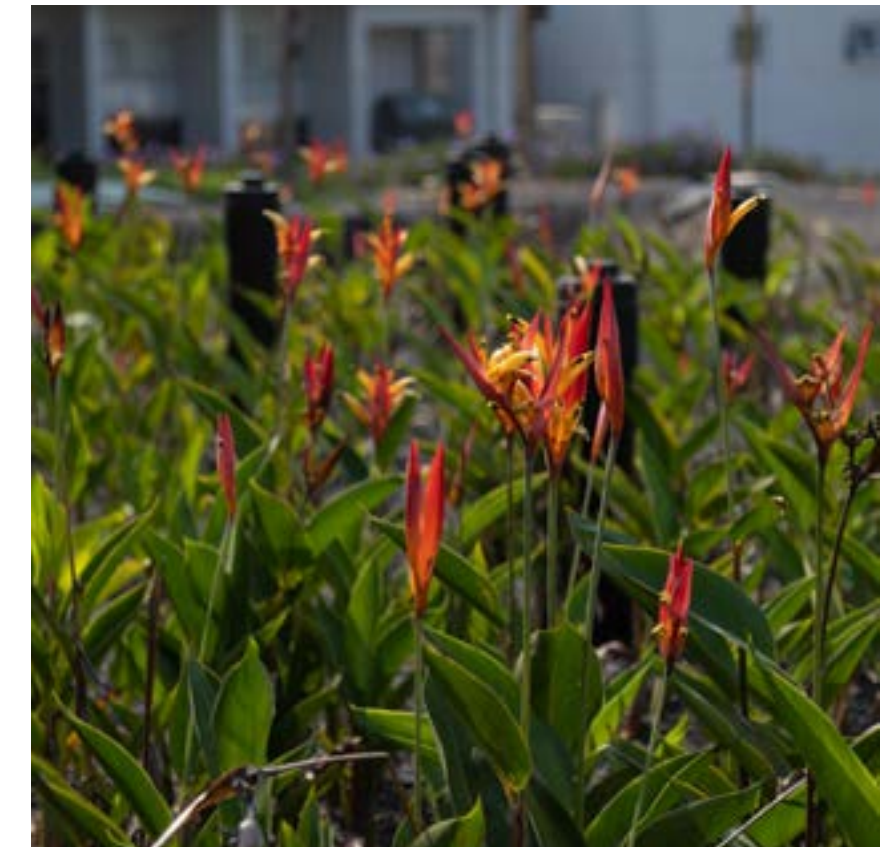
Therefore, we carry out a variety of activities with the objective of improving our surroundings.

All our energy plants have reforestation projects. In Guatemala, we have reforested 215.44 hectares, and in the other countries where we operate, we have planted close to 200,000 trees.



## Biodiversity

At our energy operations we also monitor the biodiversity in our neighboring communities. We have agreements with different organizations to support protect endangered species. For more information about these species, you may check our previous reports.



## Other Environmental Indicators

Our environmental management also seeks to improve practices related to electricity and fuel consumption. We are currently strengthening our management system to get more precise data. In 2022 we were able to standardize some measuring units, which used to vary among our facilities.

GRI 2-23, 2-24, 405-1, 406-1

# Target 6: Execute shared value programs and promote diversity and inclusion

Our Code of Ethics and our REIR values promote equality and zero tolerance against discrimination.

Similarly, our Respect for Human Rights Corporate Policy emphasizes the importance of equality. Even though we do not discriminate, we believe it important to promote diversity and inclusion to

open opportunities to increase women's participation. In this sense, we have the objective of developing a roadmap to allow more women to join the energy sector.

GRI 2-7

# People at CMI Energy

In 2022, CMI Energy associates totaled 487.



# Gender Balance

In 2022, we maintained the same percentage of women's participation as in 2021.





GRI 404-2

# Leadership and Wellbeing

In order to increase women’s leadership, we participated once again in the Women at Work program. We also continue implementing benefits that somehow and as applicable contribute to generate gender balance, such as schedule flexibility.

# Women Reaching their Dreams Program

GRI 404-2

In 2022, we continue the program “Women Reaching their Dreams” at CMI Energy. This year five women participated in internships that allowed them to get competencies to advance their professional careers.



GRI 2-8, 404-2

# Compensation System

At our Company we use the HAY Method as a benchmark for compensation and wage management. In other words, we compensate everyone in the same way according to their job positions without gender or any other sort of discrimination.

Since our Company revises salaries every year, there may be workers in the same position who receive a different compensation. This is due to seniority and not to gender or other kind of discrimination.

CMI compensation distribution is done according to our internal policy that

guarantees job rank competitiveness, where remuneration is based on a market comparison, seniority, and rank. The compensation of our advisers and shareholders also follows our internal policy. Currently, all our associates have a permanent position. There are no collective organizations.

# Capital Recognition Program

During the year we launched the Capital Recognition Program to celebrate our associates in three merit categories: well done, value generation, and operational excellence.

Thus, our associates may recognize and be recognized at different times and for different initiatives in which they are engaged. In total, 2,315 recognitions were given as a person may be recognized several times.



**RECONOCIMIENTOS  
CMI CAPITAL**

# Technical Competencies and Skills Model

CMI Energy uses a Technical Competencies and Skills Model that consists of a passport which is updated to guarantee that our human resources have the necessary and appropriate competencies and skills to do their job efficiently.



# Close to our Associates

CMI Capital strives to create dialogue spaces and build trust to get close to its associates. CMI Energy launched the program called D'Plática (Let's Talk) to identify opportunities for improvement.

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## Well, Be Well Program GRI 403-6

CMI Energy's associates also participate in a program that aims at promoting our associates' physical, financial, emotional, social, and family wellbeing. It includes talks and trainings in occupational health and adaptations to our infrastructure for our associates to do physical exercise and enjoy some leisure time.



# Our Corporate Citizenship Pillars

GRI 203-1, 403-1

The Corporate Citizenship initiatives correspond to our social investment strategy. Activities not related to this strategy are analyzed in our Donation Protocol considering that the activities are carried out within our neighboring communities.

## CMI ENTREPRENEURSHIP

It promotes entrepreneurship and labor formality.

## CMI EDUCATION

It provides personal development opportunities through actions and programs that promote learning.

## CMI AT YOUR SIDE

It supports initiatives that improve people's wellbeing in our neighboring communities on topics such as health, road infrastructure, and solidarity projects.

## CMI ENVIRONMENT

It promotes the care of the natural resources in our neighboring communities through initiatives that go beyond our regulatory commitments.



GRI 203-2, 413-1

# CMI entrepreneurship

We have several programs that support entrepreneurship in our neighboring communities. Some of the initiatives promoted during this year were:



### SUM WANK

The Sum Wank program is an agricultural excellence initiative to build small producers' capacities. They also receive inputs to assist them increase their production. The program has benefitted families in the neighboring communities of our hydro technology to produce eggs, honey, and other agroforestry products.



### Training and seed capital in Honduras

In Santa Ana and San Buenaventura in Honduras we have a program to support young people and women to create microenterprises. Through the support process, the beneficiaries gain knowledge and tools to develop their business, including access to seed capital.



### Life skills education initiatives

Through our social management, young people's life skills are strengthened. The skills learned allow them to be self-employed or have access to a better job. The initiatives are implemented in the different countries where we have operations.



### Economic activation initiatives

In all countries we manage different initiatives for economic activation that promote entrepreneurship. The activities vary from one country to another, but they all include support to develop small businesses and access to seed capital.



GRI 203-2, 413-1

# CMI Education

Through this program we support education initiatives in our neighboring communities through:

- Scholarships
- Improvements to school infrastructure
- Strengthening of teachers' capacities
- Implementation of technology classrooms
- School orchards
- School furniture, equipment, and supplies
- Support to school fairs



## Inauguration of the National Institute of Basic Education in Bancab, San Pedro Carchá, Alta Verapaz Guatemala

As a joint effort between the Ministry of Public Education of Guatemala, the Municipality of San Pedro Carchá, community leaders of Bancab, and CMI Capital, the National Institute of Basic Education was inaugurated in this community for students to be able to continue their studies.



GRI 203-2, 413-1 SASB IF-EU-240a.4

# Cmi at your side



## Rural electrification in Guatemala

With the support of community leaders, municipal authorities, and ENERGUATE, the Rural Electrification Program of San Pedro Carchá continued; CMI Energy participates in this program as a strategic partner.

In December 2022, families of two communities were connected to the electric grid as a result of the Public Private Partnership for the Electrification of San Pedro Carchá. In total, 245 households in the communities of Xicacao and 101

of Rubelcruz were benefitted with this initiative.

In Guatemala, the law distinguishes between energy generators and distributors. In this sense, Renace cannot distribute energy; therefore, as part of its commitment with rural electrification, it establishes partnerships that allow more people to have access to electric power in order to contribute to their development and to reduce poverty.



# CMI at your side

GRI 203-2, 413-1

### Health and nutrition

We support health and nutrition according to the needs of each population in our neighboring communities. To reduce malnutrition, in Guatemala, we have a Healthy Family Program through which we train women in topics such as health and nutrition. In the other countries, we support health campaigns and provide equipment and supplies to strengthen health care services in our neighboring communities.

### Support to health and education services

We support education and health services in all countries where we operate. In Costa Rica, for example, we have made donations to improve and equip health care centers. We have also contributed by delivering health and education supplies.

### COVID 19 prevention

In 2022 we continued contributing with some COVID 19 preventive measures. For instance, the social management area coordinated with the health authorities the delivery of health kits and other inputs to support the communities in our neighboring communities. We also supported a Respiratory Care Center in Alta Verapaz, Guatemala.

### Other initiatives

During the year we supported other initiatives, such as improvements to community infrastructures and roads, delivery of medical equipment, and support to cultural and sports activities. CMI also supported the Join Us Campaign to assist children with cancer and the initiative Everything for My Community through the Real Estate Development Unit.



GRI 203-2, 413-1

# CMI environment

We implement environmental initiatives that go beyond our regulatory commitments. In Costa Rica we collaborate with the National Conservation Area System to protect biodiversity; in Nicaragua we contribute to the maintenance and integral management of beehives and honey production. In total we have planted approximately 180,000 trees and in Guatemala we have a Private Natural Reserve to conserve about 200 hectares.

### Donation of 100 thousand trees

At the Environmental Forum held in Guatemala we donated 100 thousand trees, which were used to reforest four towns in Alta Verapaz. Through small initiatives we have donated more than three thousand trees in our shopping malls and have raised our clients' awareness about the importance of taking care of the environment.

### Biological station

To promote nature's conservation, we established a biological station in our Private Natural Reserve in San Pedro Carchá, Alta Verapaz, Guatemala. This biological station will support research and academic studies in biology, ecology, and agronomy.

GRI 2-24, 2-25

# Target 7: Assess our investments with Environmental, Social, and Governance criteria



We have the commitment of assessing all our investments using environmental, social and governance criteria.

For this purpose, we have developed a framework to analyze our projects. The framework includes, among other criteria, considerations about the environment such as waste management and greenhouse

effect gas emissions, social considerations such as employment and value chains, and governance topics such as social responsibility initiatives.

## Due diligence

All our social investment initiatives are subjected to a due diligence process to assess environmental, social, and governance aspects and guarantee that they are executed under optimal conditions. Similarly, we assess the risks related to each project and create action plans to manage them.



# We act as agents of change

We believe in our purpose and, therefore, in sustainable development. So, we act as agents of change and participate in different forums and spaces that allow the promotion of sustainability to generate better conditions for the planet and its people.

**During the year, we participated in a series of events that allowed us to share the message of “generating impact investments that drive sustainable development” and foster conscious leadership. These events included:**

- Renpower Central America
- Latin America Energy Forum
- Latam Future Energy
- Trade Talks
- Regional Forum of Sustainable Finances
- 21st Annual Caribbean Energy Conference
- Energy and Mining Resources
- UniveRSE 2022
- Volcano Summit
- National Forum of CentraRSE CSR
- Council of Foreign Trade of France
- Expo Green
- Forest Summit of Guatemala
- Energy Transition in Latin America and Caribbean

# GRI table of contents

**DECLARATION OF USE:** CMI ENERGÍA presents the information in this GRI Table of Contents for the period between January 01 and December 31, 2022, using the GRI Standards as reference.

**GRI 1 USED:** GRI 1: Foundation 2021



GRI Standard	Content	Page	Reason for Omission	Verification
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-1 Organization details	5, 6, 9, 10, 28, 47		✓
	2-2 Entities included in the sustainability reporting	5		✓
	2-3 Reporting period, frequency and contact point	5		✓
	2-4 Restatements of information	does not apply to this report		✓
	2-5 External assurance	5, Appendix		✓
	2-6 Activities, value chain and other business relationships	17, 35, 47, 50		✓
	2-7 Employees	73		✓
	2-8 Workers who are not employees	75		✓
	2-9 Governance structure and composition	12, 16		✓
	2-10 Nomination and selection of the highest governance body	12		✓
	2-11 Chair of the highest governance body	12		✓
	2-12 Role of the highest governance body in overseeing the management of impacts	12, 18		✓
	2-13 Delegation of responsibility for managing impacts	12, 18		✓
	2-14 Role of the highest governance body in sustainability reporting	18		✓
	2-15 Conflicts of interest	20, 22		✓



GRI Standard	Content	Page	Reason for Omission	Verification
<b>General Disclosures</b>				
<b>GRI 2: General Disclosures 2021</b>	2-16 Communication of critical concerns	20		✓
	2-17 Collective knowledge of the highest governance body			Confidentiality restrictions
	2-18 Evaluation of the performance of the highest governance body			Confidentiality restrictions
	2-19 Remuneration policies			Confidentiality restrictions
	2-20 Process to determine remuneration			Confidentiality restrictions
	2-21 Annual total compensation ratio			Confidentiality restrictions
	2-22 Statement on sustainable development strategy	7, 8		✓
	2-23 Policy commitments	12, 13, 22, 29, 36, 41, 73		✓
	2-24 Embedding policy commitments	18, 36, 41, 43, 53, 54, 57, 58, 73, 84		✓
	2-25 Processes to remediate negative impacts	20, 84		✓
	2-26 Mechanisms for seeking advice and raising concerns	12, 20		✓
	2-27 Compliance with laws and regulations	20		✓
	2-28 Membership associations	30, 32, 33		✓
	2-29 Approach to stakeholder engagement	39		✓
2-30 Collective bargaining agreements	73		✓	



GRI Standard	Content	Page	Reason for Omission	Verification
<b>Material Topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	36		✓
	3-2 List of material topics	36		✓
<b>Economic Performance</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	21, 50		✓
<b>GRI 201: Economic performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	21, 50		✓
<b>Market Presence</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	46		✓
<b>GRI 202: Market presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	46		✓
<b>Indirect Economic Impacts</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	57, 78		✓
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Infrastructure investments and services supported	78		✓
	203-2 Significant indirect economic impacts	79, 80, 81, 82, 83		✓
<b>Procurement Practices</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26		✓
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	26		✓
<b>Anticorruption</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	12, 20, 21		✓
<b>GRI 205: Anticorruption 2016</b>	205-1 Operations assessed for risks related to corruption	12, 20, 21		✓
	205-3 Confirmed incidents of corruption and actions taken	20		✓



GRI Standard	Content	Page	Reason for Omission	Verification
<b>Energy</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53, 54, 57		✓
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	53, 54, 57		✓
	302-2 Energy consumption outside of the organization	53		✓
<b>Water and Effluents</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	54, 57, 62		✓
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	62		✓
	303-2 Management of water discharge - related impacts	54, 57		✓
	303-3 Water withdrawal	62		✓
<b>Biodiversity</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53, 54, 57, 72		✓
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	54, 57, 72		✓
	304-2 Significant impacts of activities, products and services on biodiversity	53, 72		✓
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	see last reports, 72		✓
<b>Emissions</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	46, 53, 54, 57, 59, 61		✓
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	53, 54, 57, 59, 61		✓
	305-2 Energy indirect (Scope 2) GHG emissions	53, 54, 57, 59, 61		✓
	305-3 Other indirect (Scope 3) GHG emissions	59		✓
	305-5 Reduction of GHG emissions	46, 53, 54		✓



GRI Standard	Content	Page	Reason for Omission	Verification
<b>Waste</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53, 54, 57, 63		✓
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	53, 54, 57, 63		✓
	306-4 Waste diverted from disposal	63		✓
<b>Supplier Environmental Assessment</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26		✓
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	26		✓
<b>Occupational Health and Safety</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	53, 54, 57, 65, 66, 67, 70, 71, 78		✓
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	53, 54, 57, 65, 78		✓
	403-2 Hazard identification, risk assessment and incident investigation	65, 66, 67		✓
	403-3 Occupational health services	65		✓
	403-5 Worker training on occupational health and safety	65, 68		✓
	403-6 Promotion of worker health	65, 67, 69, 77		✓
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65, 67, 68		✓
	403-8 Workers covered by an occupational health and safety management system	100%		✓
	403-9 Work-related injuries	65, 70, 71		✓
	403-10 Work-related ill health	65, 66		✓



GRI Standard	Content	Page	Reason for Omission	Verification
<b>Training and Education</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	24, 75, 76		✓
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	24, 74, 75, 76		✓
	404-3 Percentage of employees receiving regular performance and career development reviews	100 % of the employees are assessed using the technical competencies model, 76		✓
<b>Diversity and Equal Opportunities</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38, 73		✓
<b>GRI 405: Diversity and Equal Opportunities 2016</b>	405-1 Diversity of governance bodies and employees	73		✓
<b>Non-discrimination</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38, 73		✓
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	No cases were reported in this period.		✓
<b>Freedom of Association and Collective Bargaining</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38, 73		✓
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right of freedom of association and collective bargaining may be at risk	No cases were reported in this period.		✓
<b>Child Labor</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38, 73		✓
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	No cases were reported in this period.		✓



GRI Standard	Content	Page	Reason for Omission	Verification
<b>Forced or Compulsory Labor</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	38, 73		✓
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at risk of significant incidents of forced or compulsory labor	No cases were reported in this period.		✓
<b>Local Communities</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	79, 78		✓
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments and development program	79, 80, 81, 82, 83		✓
<b>Supplier Social Assessment</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26		✓
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	26		✓
<b>GRI Electric Utilities Sector Supplement</b>				
<b>General Disclosures</b>	EU1 Installed capacity broken down by primary energy sources and by regulatory regime	46, 47		✓
	EU2 Net energy output broken down by primary energy source and by regulator regime	47		✓
<b>Availability and reliability</b>	EU6 Availability and reliability	48		✓
<b>Research and Development</b>	EU8 Research and development activities and expenditure aimed at providing reliable electricity and promoting sustainable development	48, 50		✓

# SASB table of contents

ELECTRIC UTILITIES AND  
POWER GENERATORS



Topic	Code	Accounting Metric	Page	Verification	GRI Reference
<b>Greenhouse Gas Emissions &amp; Energy Resource Planning</b>	IF-EU-110a.1	(1) Gross global Scope 1 emissions, (2) percentage covered under emissions-limiting regulations and (3) percentage covered under emissions-reporting regulations	59, 61	✓	305-1
	IF-EU-110a.3	Analysis of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	41, 43, 45, 46, 57, 58, 59, 60, 61	✓	201-2, 305-1, 305-5
<b>Water Management</b>	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	2) 24,097.14 m3, 0%	✓	303-3, 303-5
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations	1) 0	✓	
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	62	✓	303-1
<b>Energy Affordability</b>	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	The core business is power generation	N/A	
	IF-EU-240a.4	Analysis of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	46, 81	✓	EU27
<b>Workforce Health and Safety</b>	IF-EU-320a.1	Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)	70	✓	403-9
<b>Activity Metrics</b>	IF-EU-000.D	Total electricity generated and percentage in regulated markets	47	✓	EU2



### Independent external verification for CMI Energy Impact Report 2022

Ética y Estrategia Consultores S.C, an international firm expert in ESG management, strategy and transparency, has carried out the limited verification process of the 2022 Impact Report for CMI Energy (company name *Investment Energy Resources Limited* -IERL-). This process is not qualified as an audit or assurance process of the data provided, but as the process by which compliance with the provisions of the GRI Standards is reviewed.

The process as well as the methodologies used for it are detailed below.

#### Scope of verification

The verification includes the information published in this 2022 Impact Report, with a cut-off date from January 1 to December 31, 2022. CMI Energy's internal team is the responsibility for the veracity of the data.

#### Verification standards and procedures

The verification process reviews the reporting methodology and adherence to it. Our work is based on the international auditing standards of ISO, specifically ISO 19011:2018 and ISO 26000:2010, in which we are certified auditors.

As well as in the methodology of use of the GRI Standards, in its Contents:

- GRI 1 Foundation 2021.
- GRI 3 Material Topics 2021.
- Particular specifications of each General Content and Performance Content reported.

To carry out the verification, the following steps were followed:

- Review of the adequacy of the structure and contents of the report based on the GRI Standards.
- Review of the application of the Reporting Principles established by the GRI Standards.
- Review of the adequacy of the structure and contents of the report taking as reference the applicable SASB standards defined in the Report.
- Review of the Materiality process described in the Report.
- Review of reported indicators and their compliance with the provisions of the GRI Standards.
- Review of background of preparation of the Report and compilation of the information to be reported.
- Choice of indicators at random, for traceability in obtaining information.

#### Conclusions

We highlight that this is the first report to use the GRI Standards in its new 2021 version. Regarding the revised points, we conclude:

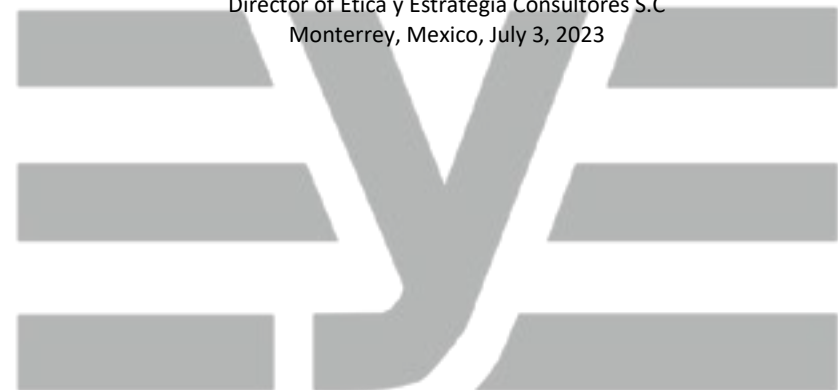
- That they comply with the Principles for the preparation of reports established by the GRI Standards, and will seek to reinforce in future editions of this.
  - Accuracy
  - Balance
  - Clarity
  - Comparability



- Completeness
- Sustainability context
- Timeliness
- Verifiability
- In the general review of compliance with the report of the GRI Contents reported, the verification of the level of reporting corresponds to the level declared by the company.
- It has the Materiality defined and under international standards.

Based on the scope of our verification and the reporting methodology of the GRI Standards used for the preparation of this report, we can conclude that this Impact Report 2022 complies with all requirements of the GRI Standards as a reference.

Karla L. Guerrero Lozoya  
Director of Ética y Estrategia Consultores S.C  
Monterrey, Mexico, July 3, 2023





# **We generate impact investments that drive sustainable development**

CMI CAPITAL, 2022  
CMI ENERGY  
WE ARE CMI



A CMI CAPITAL BUSINESS UNIT

# IMPACT REPORT CMI ENERGY 2022