2019 SUSTAINABILITY REPORT

CMI
CORPORACIÓN MULTI INVERSIONES
CAPITAL

TABLE OF CONTENTS

6 *Committed to the Development of Our Neighbors*

7 *We care for the planet*

8 *About the report*

9 *Indexes*

ACKNOWLEDGEMENTS

After a strenuous effort to have our first 2019 Sustainability Report for CMI Capital, I want to express my sincere thanks for the intense work and determined support of each of the people who contributed to its development. This shows that, from each area and region, we are committed to CMI's sustainable development and that of the countries in which we operate.

- Rodolfo Echeverría
- Renato Salvatores
- Aldo Vallejo
- Francisco Villela
- Sergio Alonzo
- Ruben Contreras
- Carlos Santiago
- Christopher Albrigo
- Javier Fortín
- Maria Gabriela Rivas
- Maria Fernanda Molina
- Paola Quintero
- Ana María Ventura
- Ricardo González
- Pablo Solórzano
- Luis Villela
- Juan Pablo Caballeros
- Alejandro Cancinos
- Natalia Cozza
- Andrea Lemus
- Glenda López
- Mario Moller
- Otto Velásquez
- Glendy Farfán
- Jay Gallegos
- Sean Porter
- Alex Rojo
- Carolina Baltodano
- María Fernanda Barrera
- Salvador Del Valle
- Fernando García
- Renato García
- Carlos Mérida
- Henry Ramírez
- Ingrid Regidor
- Omar Rodríguez
- Yohainer Solano
- María Fernanda Archila
- Juan Gómez
- Laura Madrigal
- Danilo Perdomo
- Luis Ramazinni
- Raúl Ruíz

MESSAGE FROM OUR CEO
TO OUR STAKEHOLDERS:

(GRI 102-14)

On this occasion, because of the crisis we are going through we have to reinvent ourselves, and we urge CMI Capital's clients, leaders and strategic partners to build partnerships to overcome the pandemic that has impacted everyone. Hence, as part of the commitment to human rights, caring for the planet and rejecting corruption, we submit the first sustainability report. This document contains the Global Reporting Initiative Standards (GRI) and the progress being made as a contribution to the Sustainable Development Goals (SDGs) and the United Nations Global Compact.

At CMI Capital we are a company with a purpose, we promote that the impact of our investments must drive sustainable development in the countries where we operate. All of this is linked to the importance of making a positive impact on the people who are part of our environment. Through our three departments, we contribute to progress by generating electricity, improving safer homes and public spaces that allow a better quality of life, and accessing funding sources that make these investments viable.

From the business side, corporate governance is aligned with our REIR (LAUGH in spanish) values: Responsibility, Excellence, Integrity and Respect, these are our guiding principles which are present in each of the activities we perform. Innovation that is part of the company across the board, is aimed at generating efficiency and our commitment to provide solutions that contribute to mitigate the impact of climate change in order to use cutting-edge technological tools to enhance the talent of our associates. That is why our approach is focused on renewable energy, minimizing greenhouse gas emissions.

It is important to highlight that for CMI Capital, sustainability is an important part of the business strategy, a distinctive element that gives us reputation and relevance in the market, to ensure long-term permanence. Because of our geographical footprint the operations must be sustainable and contribute substantially to the development of the countries in which we operate.

(GRI 102-14)

The SDGs that we consider relevant for our work are:

- 6 Clean water and sanitation, to promote sustainable use of water resources.
- 7 Affordable and clean energy, to facilitate access to clean energy.
- 8 Decent work and economic growth, to contribute to job creation, drive entrepreneurship and the growth of MSMEs.
- 9 Industry, innovation and infrastructure, to generate investments in resilient infrastructure.
- 11 Sustainable Cities and Communities, in order to access sustainable housing and public spaces.
- 13 Climate Action, to contribute to mitigate climate change by generating renewable inputs.

With these activities, our purpose is not only to support the achievement of the UN Global Compact and become agents of change in the region by positively investing in the economic, environmental and social fields "generating impact investments that drive sustainable development." Our investments also give us a competitive profitability with which measurable social and environmental benefits are obtained. For several years, we have been offering business solutions to the problems that afflict our countries with our capacity for innovation and finding cost-effective solutions.

Through our Energy Department, we invest in renewable energy that avoids the emission of 1153000 tons of CO2 per year, for 2019, according to the latest data, given by local teams. This is an important contribution to the mitigation of climate change and the easy access to clean technologies. Our contribution focuses on the diversification and decarbonization of energy matrices so that people in the countries in which we operate may access renewable and affordable technologies.

Through the Real Estate Development Business Unit we contribute to the development of real estate projects, promoting access to housing for the population segments at the base of the pyramid. With the network of shopping malls we support the social and economic development of more than 600 small and medium-sized companies.

With the Finance Business Unit , we make high-impact investments viable with the use of alternative funding sources. We want to become a benchmark for high-impact investments, increase the value of our equity and mitigate risk with an ecological and socially responsible footprint.

Today, more than ever, we continue to work for the health and safety of our associates, neighbors and strategic partners to remain agents of change providing solutions to some of the problems in the region.

Let's move forward!

ENRIQUE CRESPO
CEO CMI Capital

*Total emissions avoided by CMI Capital, including the solar plants of Bósforo - El Salvador (CMI owns 50% of the shares). Because these plants are operated/managed by our partner, they are not part of this report.

HOW TO READ
THIS REPORT?

This Sustainability Report, the first report of CMI Capital and the third consecutive one of the Energy Business Unit, shows the company's actions on social, environmental and governance matters (ESG) performed during 2019. The content is compliant with the Global Reporting Initiative – GRI, standards in the essential option. In line with them, and with the principle of materiality, the main ESG impacts of the company are identified, in relation to its interest groups or stakeholders. The detail in this process can be found in the last chapter of this document.

It should be noted that GRI standards, as well as their contents, are directly related to other global benchmarks for corporate responsibility and sustainability, such as the principles of the UN Global Compact, an initiative to which we have been committed for 3 years, as well as the Sustainable Development Goals, which we refer to throughout the document.

So, as a company we align our commitment to sustainable development, for the development of the countries in which we operate. So that our stakeholders can easily locate the content of their interest, we created multiple indexes, which can be found at the end of this report:

- Topics index, related to the development of the identified material topics
- GRI Standards Index
- Global Compact Principles Index
- Sustainable Development Goals – SDGs Index

1 WE ARE *CMI CAPITAL*

(GRI 102-1, 102-2, 102-3, 102-4)

Torre Real, Guatemala

(GRI 102-1, 102-2, 102-3, 102-4)

Corporación Multi Inversiones (CMI) is a Latin-American family organization, of Central American origin, that generates investment, employment and development in the region. We operate in more than 15 countries on three continents, through two large business groups: CMI Capital and CMI Foods (Alimentos).

Each CMI project has a sustainable effect on the populations living in its environment. By combining efficiency, values and team spirit, we have become one of the most important business groups in the region because of the ethical principles that have been crucial to its growth. In addition, we offer excellent, quality products and services.

> *We operate in more than 15 countries on three continents, through two large business groups: CMI Capital and CMI Foods (Alimentos).*

WIND PLANT PESRL, Costa Rica

CORPORACIÓN MULTI INVERSIONES

(GRI 102-16) (SDG 16.3)

Mission

CMI seeks to be an international corporation, leader in relevant and selectively diversified businesses that generate sustained value for its shareholders, consumers, customers, suppliers, associates and the community.

Vision

CMI aims to be a world-class organization in products, processes and human capital, significantly participating in multiple markets and growing strategically with outstanding and sustainable profitability.

Curently, CMI Capital consists of three business units: Renewable energy generation, Real Estate Development and Finance.

1.1.CMI CAPITAL: *¨SUSTAINABILITY IS OUR BUSINESS¨*

(GRI 102-16) (SDG 16.3)

El Pulté, Guatemala

The private sector together with governments assumes responsibility to achieve sustainable economic, social and environmental success, and because of the inequality that exists in the Central America and the Caribbean countries, becomes a support for economic growth.

At CMI Capital, we invest with the Energy, Real Estate Development and Finance Business Units to improve the quality of life of thousands of people by providing essential public services, such as renewable energy or creating sustainable spaces where people can meet. It is clear that we seek to achieve greater impacts and integrate our activities in a complementary way.

Each one of CMI Capital's business units focuses on being an agent of change:

- Mitigate climate change and facilitate access to clean and affordable energy.
- Provide access to housing and public spaces that promote progress and well-being.

We promote funding sources that make these investments viable, driving sustainable development in the countries where we work. In order to be a model in Latin-America on financial value with a positive impact on social and environmental matters. In this respect, the commitment to adopting global sustainability work practices is important.

The sustainability strategy is based on the following pillars: impact investment, sustainable operations and cross-cutting, value-sharing programs. These pillars address six of the 17 SDGs and are grouped into two major areas: Opportunities for Progress, Environment and Resilience.

FOCUS ON 6 SUSTAINABLE DEVELOPMENT GOALS AND TWO MAJOR AREAS: ENVIRONMENT / RESILIENCE AND OPPORTUNITIES FOR PROGRESS

(GRI 102-16) (SDG 16.3)

Take urgent action to combat climate change and its impacts.

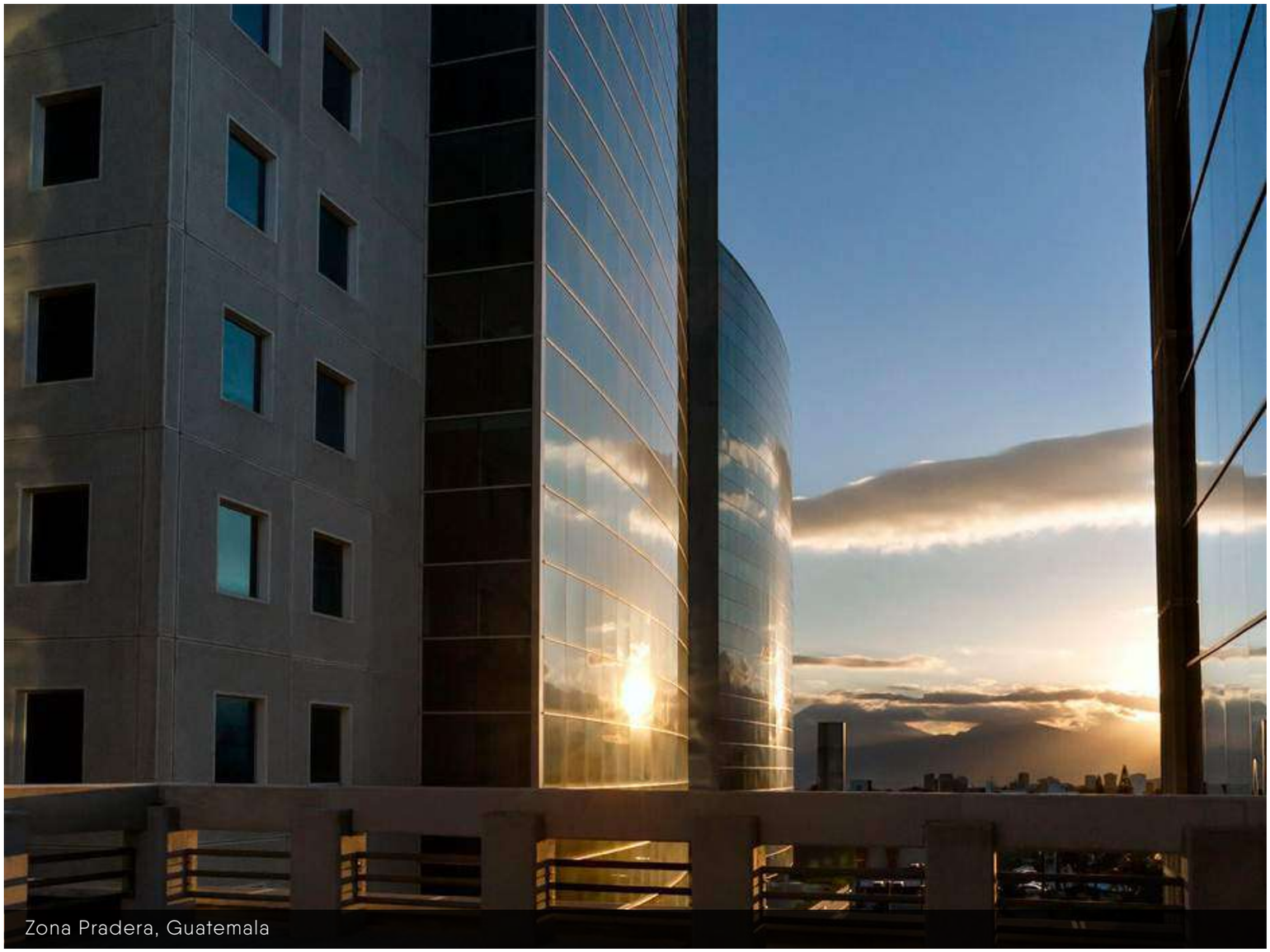
Ensure availability and sustainable management of water and sanitation.

Make cities inclusive, safe, resilient and sustainable.

Ensure access to affordable, reliable, sustainable and modern energy.

Build resilient infrastructure, promote sustainable industrialization and foster innovation.

Promote inclusive and sustainable economic growth, employment and decent work for all.



Zona Pradera, Guatemala

1.1.1. OUR IMPACT INVESTMENTS

(GRI 102-16) (SDG 16.3) T: Impact investments T : Resilient Infrastructure

With the investments of CMI Capital we seek to have an impact on sustainable development that will enable us to be an agent of change, while at the same time contributing to the positive achievement of the SDGs. We also intend to contribute to the adaptation to climate change, promote the competitiveness of the countries where we work and stimulate opportunities for progress and well-being.

Wind plant PESRL, Costa Rica

Energy Business Unit

(GRI 102-3, 102-4, 102-6, 102-16) (SDG 16.3) T: Impact investments T : Resilient Infrastructure

With operations in Guatemala, Costa Rica, Honduras, Nicaragua and El Salvador, CMI Capital is the largest private, renewable energy generator in Central America, promoting sustainable development in each country.

In addition, focused on the production of renewable energy and environmental care to provide efficient energy services, we seek leadership in the sector. By offering comprehensive solutions in this field, we guarantee the reliable supply of renewable energies, with high standards of service quality. For this effort, we are a value benchmark for shareholders, customers, suppliers, associates and neighboring communities.

> *we seek leadership in the sector. By offering comprehensive solutions in this field, we guarantee the reliable supply of renewable energies, with high standards of service quality.*

Prados de San Cristóbal, Guatemala

Real Estate Development Business Unit

(GRI 102-3, 102-4, 102-6, 102-16) (SDG 16.3) T Impact investments T : Progress and social welfare

Its main objective it to provide access to housing and public spaces that promote progress and well-being. By constructing, selling and renting projects it transcends people's lives, creating innovative and safe real estate concepts. Due to the fact that there is a committed, motivated team focused on excellence, it has achieved leadership in the real estate sector in Guatemala, while clients and visitors are the main promoters of the projects. It is important to highlight that we revitalize the local economy by giving priority to buying goods and services from micro, small and medium-sized companies in the area, providing them with the corresponding support to boost their businesses.

In addition, with the network of shopping malls we support the social and economic development of more than 600 small and medium-sized companies.

Finance Business Unit

(GRI 102-3, 102-4, 102-6, 102-16) (SDG 16.3)

The finance and investment platform in Guatemala and Anguilla has been supported by long-term funding solutions, savings, credit and insurance easy terms that are offered to customers, suppliers and executives. The main customers are the companies that integrate CMI Capital, clients in the industry, food, energy, and construction sectors and individuals.

> *“funding solutions, savings, credit and insurance easy terms that are offered to customers, suppliers and executives.*

1.1.2. OUR SUSTAINABLE OPERATIONS

T : Impact investments T : Occupational health and safety

Responsible action, as well as comprehensive management, means that we have preventive, proactive and emergency planning for possible eventualities. When facing these events we make careful decisions that seek efficient actions to minimize possible consequences on social and environmental aspects. Local legislation is the first option to comply with any legal requirements where we operate. These regulations are embodied in Environmental Impact Studies (EIA), with which we establish measures for the prevention and reduction of socio-environmental impacts that have been identified by the corresponding authorities.

With regard to the environment, we are making constant efforts to reduce the carbon footprint by reducing energy consumption, the emission of greenhouse gases and their compensation. In addition, in the search to reduce the water footprint, water effluents are treated efficiently and water consumption is reduced. We are working on waste management in order to minimize waste in the short-term and reach zero waste in the medium-term. In addition, there are a number of biodiversity conservation programs, promoting policies and guidelines, previously adapted by operations and suppliers, establishing monitoring metrics.

In the social sphere, projects and actions are developed to create proximity with the communities neighboring the projects. Work is being done creating policies and guidelines in the Energy Business Unit to control noise or the effect of shadows in wind farms; it will also include transit during construction, among others. For CMI Capital, dialog with indigenous communities and peoples is important in order to efficiently deal with incidents and claims arising from interaction with the social and natural environment.

Cultural heritage conservation and employment programs have policies and guidelines according to the needs of each community.

we are making constant efforts to reduce the carbon footprint by reducing energy consumption, the emission of greenhouse gases and their compensation.

1.1.3. CREATING CROSS-CUTTING, VALUE-SHARING PROGRAMS

T : Impact investments T : Occupational health and safety

The programs implemented are based on the Sustainable Social Development Model to promote self-management for social development in the areas surrounding the projects. Planning is made according to the reality of each area where CMI works. Its impact is related to the SDGs and the Social Progress Index (IPS) as a macro indicator.

Public-private partnerships allow developing rural electrification projects and the efficient use of energy in places where this service is poor or non-existent. Energy saving is focused on the groups that benefit from corporate social programs, customers and shopping mall users.

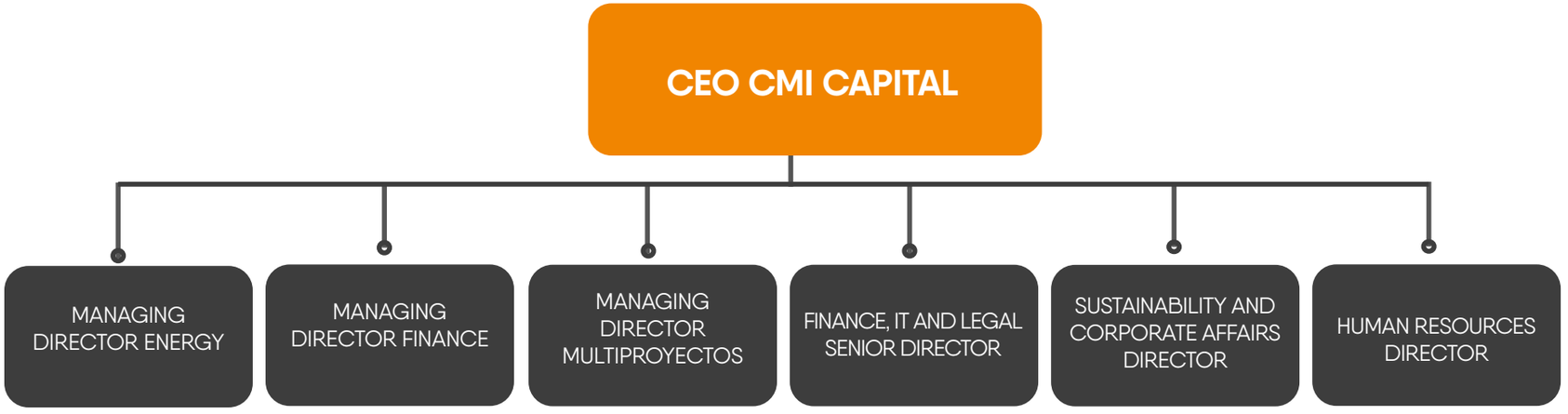
We also have water access and water resource conservation programs. Conservation work is directed to basins where there is a significant water footprint or there are conflicts related to this resource.

The approach aimed at generating both human and economic well-being contributes to strengthening capacities, technical skills, employment promotion and entrepreneurship by supporting SMEs located in neighboring areas to the projects.

1.2. ORGANIZATIONAL STRUCTURE

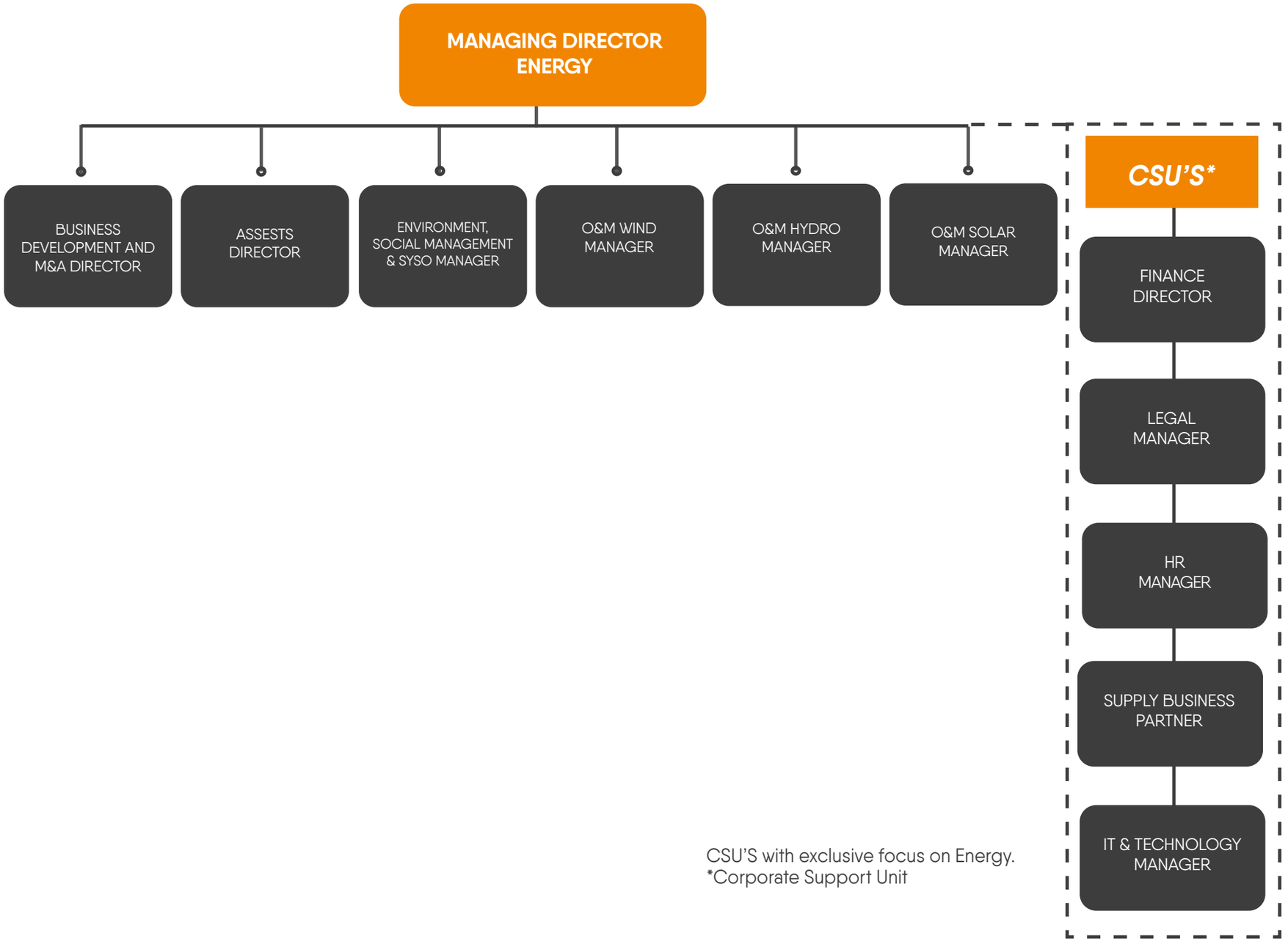
(GRI 102-18)

CMI Capital Leadership Team



Energy Business Unit

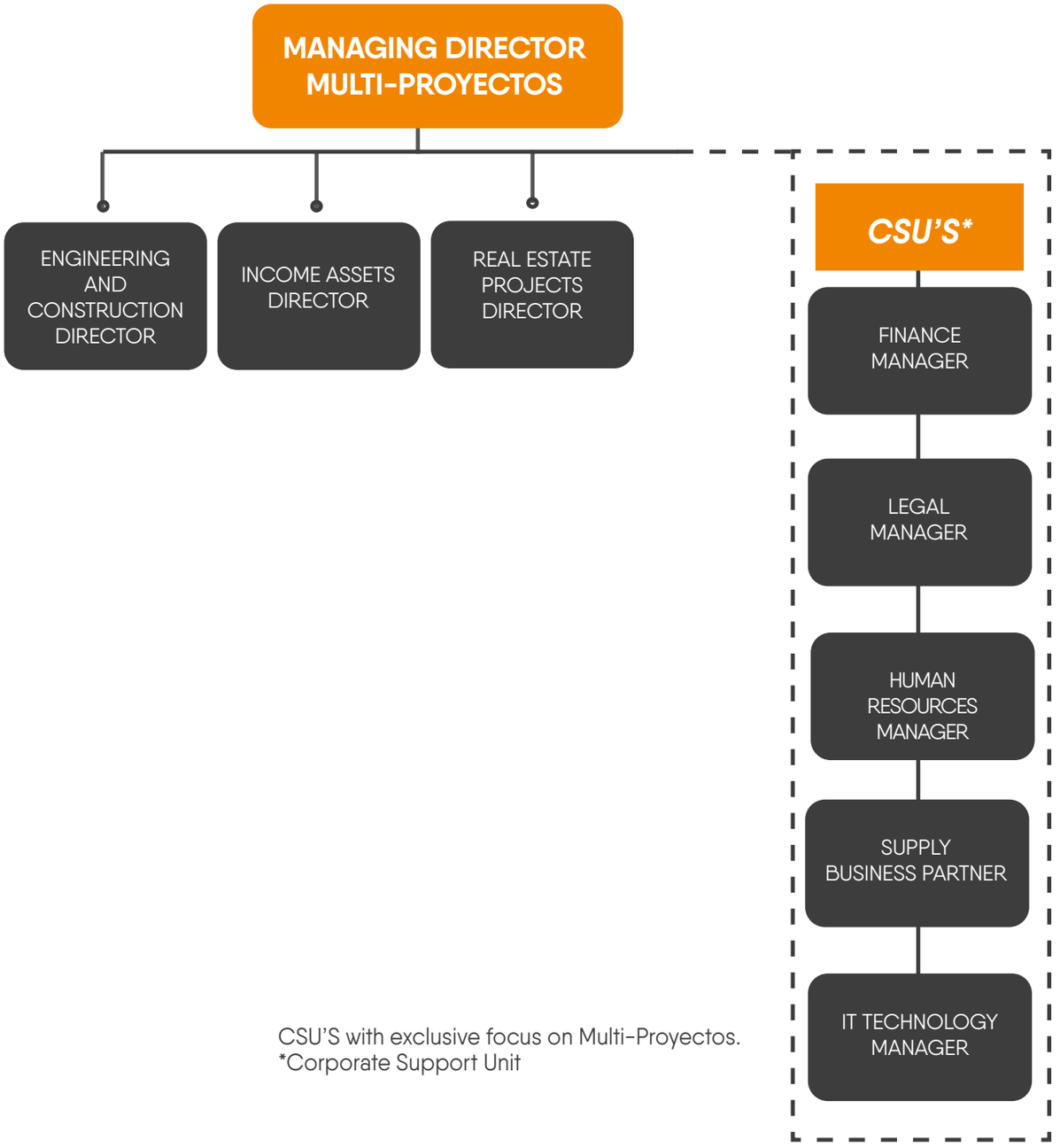
(GRI 102-18)



CSU'S with exclusive focus on Energy.
*Corporate Support Unit

Real Estate Development Business Unit

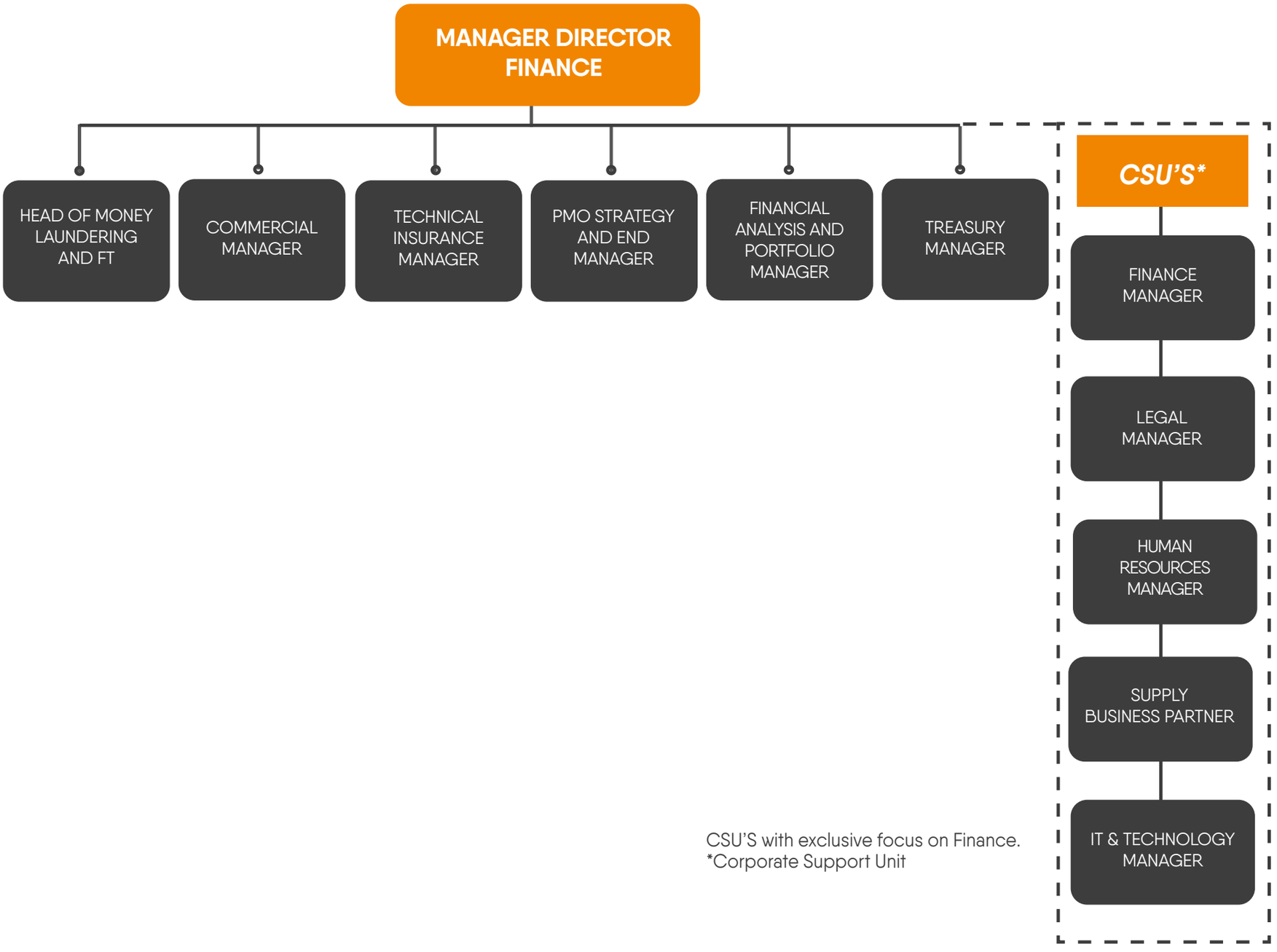
(GRI 102-18)



CSU'S with exclusive focus on Multi-Proyectos.
*Corporate Support Unit

Finance Business Unit

(GRI 102-18)



CSU'S with exclusive focus on Finance.
*Corporate Support Unit

Committees

(GRI 102-18)

We have the following forums or committees in order of hierarchy and importance, which include the main strategic themes of the company, as well as social, environmental and governance issues:

- Monthly Activity Reporting Forum - RMA.
- Capital Leadership Team Forum - ELCAPI.
- Investment Committee.
- Crisis Committee.
- Central Corporate Ethics Committee.

1.3. REIR CORPORATE VALUES

(GRI 102-16) (Global Compact – Principles 1, 10) (SDG 16.3) T : Anti-corruption

The REIR (Responsibility, Excellence, Integrity and Respect) values are those that govern the behavior we expect from our associates. These were conceived, at the time, by our founder Juan Bautista Gutiérrez and have been part of CMI's operational culture since its foundation, although they were incorporated at the corporate level in 2010. The ultimate goal is that all associates live these values in their work and personal lives, being reflected in their attitudes, behaviors, motivations and results.

The Corporate Ethics Code was published in 2017, its introduction states:

"Adhere to the experience of our REIR values, gives us the certainty of complying with the code of ethics and be part of better companies, better communities and better countries."

R

RESPONSIBILITY

Is the ability to assume and meet our individual commitment, be responsible for our actions and their consequences.

E

EXCELLENCE

Is to strive to be the best and reach perfection in what we do, it is to seek continuous improvement, give exceptionally good results and be efficient.

I

INTEGRITY

To speak and act in a manner consistent with our values.

R

RESPECT

Consideration that we give to the rights of others and the legal system that supports these rights.

(GRI 205-2)

Compliance with this Code of Ethics is an effort to make families progress, training entrepreneurs in order to improve the countries in which we operate. By teaching ethics, we encourage interpersonal motivation to stimulate a healthy and pleasant organizational climate.

In this sense, each year we implement two workshops that aim to train and inspire all workers without distinction. We also run an annual competition to reward those who put them in practice. We communicate them through internal bulletins and campaigns such as "Zero Tolerance" and "Living our REIR Values". We also have the program with "Ethics Trainers" who are the workshop's internal facilitators. The workshops also include anti-corruption issues.

1.3.1. CMI LISTENS TO YOU

(GRI 205-3, 103-2, 103-3) (Global Compact – Principles 1, 10) (SDG 16.5)
T : Anti-corruption

This is our corporate platform, managed by an independent company, that allows associates, customers and suppliers to report, confidentially, any complaints related to conducts that are not aligned with the REIR values. In addition, complaints are received for violations of domestic legislation, regulations or internal policies.

CMI Te escucha (Listens to you) is available through multiple channels such as the telephone, email, website, WhatsApp and voicemail. The platform receives, records and classifies complaints confidentially, and then forwards them to a committee, made up of CMI appointed associates. They evaluate the complaints.

We urge our collaborators, at all levels, to report on actions that go against our REIR values that cause harm to the working environment. Those who witness these acts should communicate immediately, through the CMI Te escucha or verbally with any authority in their Business Unit, who will report to the corresponding Ethics Committee, and then scale it up to the Corporate Ethics Committee.

1.3.2. CORPORATE ETHICS COMMITTEE

This committee is responsible for following up complaints of non-compliance with the Code of Ethics and REIR values, in order to establish their legitimacy and reasonableness. The criteria that we use to make decisions about each case are the person's dignity, prudence and fairness, the demand, memory of the act and legality.

After following the appropriate procedures, the Committee, determines whether or not there was a breach of the Code of Ethics and its opinion is subject to the application of sanctions ranging from a call of attention (verbal or written) to a dismissal. If this is considered, civil or criminal actions can be taken. In high impact cases, the Committee recommends a sanction, which is analyzed by the Directorates or the Board of Directors.

1.4. ANTI-CORRUPTION AND *REGULATORY COMPLIANCE*

1.4.1. REGULATORY COMPLIANCE

(GRI 419-1, 103-1, 103-2, 103-3) (Global Compact – Principle 10) (SDG 16.3) T : Anti-corruption

The activities of all our business units are subject to national and local legislation and regulations, issued by administrative authorities and government entities such as the Ministries of Labor, Environment and Natural Resources, Interior; CONRED - in Guatemala, SINAGER and COPECO in Honduras, CNE in Costa Rica, SINAPRED in Nicaragua; the corresponding Tax Administration Superintendence of each country; municipalities of each area where we work; the property registries of the corresponding countries, Special Verification Administration and their respective counterparts where we operate; and IGSS in Guatemala, IHSS in Honduras, CCSS in Costa Rica and INSS in Nicaragua. Interaction with multiple government agencies forces us to have a Compliance Policy, which is communicated permanently, and its training is conducted twice a year.

Our activities, in Guatemala, are subject to national and local legislation and regulations issued by administrative authorities and government entities such as: Coordinadora Nacional para la Reducción de Desastres -CONRED-, Superintendencia de Administración Tributaria -SAT-, municipalities, Registro General de la Propiedad, Intendencia de Verificación Especial -IVE-, and the Instituto Guatemalteco de Seguridad Social -IGSS-.

1.4.2. FIGHT AGAINST CORRUPTION

(GRI 205-3, 103-1) (Global Compact – Principles 10) (SDG 16.5)

As part of a corporation committed to integrity, we at CMI Capital act in order to preserve this value in an unwavering and unchanging manner in any situation. We seek consistency in our acts and words with our REIR values and the Code of Ethics in all our operations. To this end, we conduct workshops in values that address this topic, which are complemented by outreach activities that allow us to avoid and/or mitigate negative impacts on the subject.

Our fight against corruption uses the Money Laundering Prevention Policy, applied to our client operations. This execution is carried out by management officials called Compliance Officers, both in the Real Estate Development and Finance Business Units. These positions report to Senior Management and keep a close link with the Legal Area to ensure compliance with current regulations.

We do not do business with people of dubious reputations or financing, on which there are suspicions of illegal activities. The Real Estate Development Business Units holds the chairmanship of the Committee of Real Estate Compliance Officers, which unites criteria with the Bank Superintendence.

Through the "CMI Te Escucha" platform it is possible to denounce any act that may be considered to be in conflict with our Anti-Corruption and Money Laundering Policy. Also, at the beginning of the year, we ask our associates to submit a declaration of their Patrimonial Status.

In 2019, we did not record any corruption cases at CMI Capital and, it is worth noting that the Real Estate Development Business Unit terminated a contract with a supplier that had a shareholder, accused of corruption.

1.4.3. PREVENTING MONEY LAUNDERING

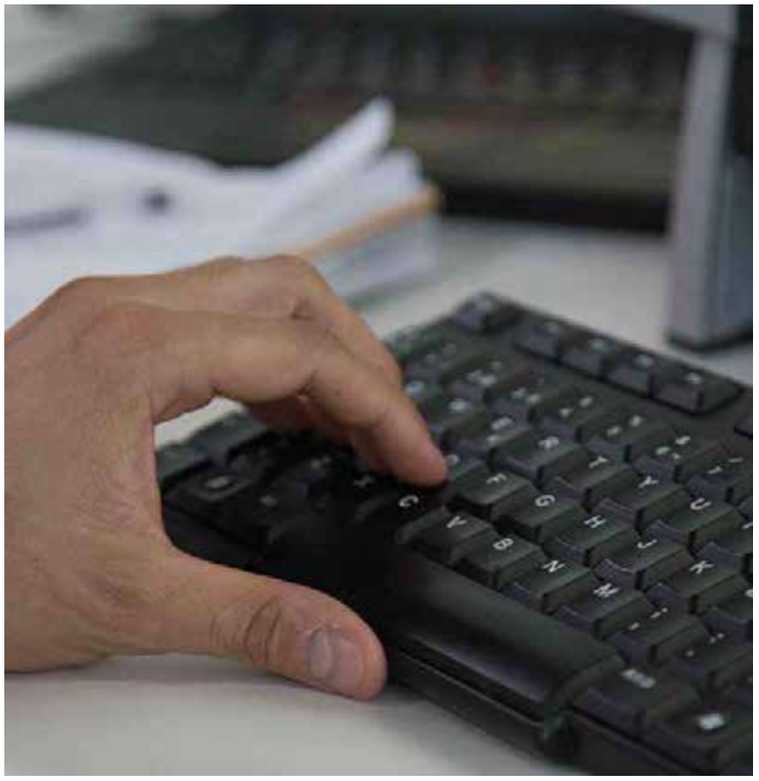
(GRI 205-3, 103-1, 103-2, 103-3) (Global Compact – Principle 10) (SDG 16.5)

As for CMI Capital, it is important to comply with the regulatory framework in force in each of the countries in which we operate, for example, in Guatemala, to prevent money laundering or other assets and financing terrorism, we must ensure that all negotiations with business partners, for example, tenants in shopping malls, are approved by the Compliance Officer, who is responsible for reviewing their records. This regulation also applies to those who purchase a house in our residential complexes; the companies that provide us with goods or services; and our partners. In the face of any reasonable evidence, we cut off the existing link with the person indicated in order to safeguard our corporate image by being sure that we are not exposed to or lend ourselves to committing this crime.

To reinforce the importance of these prevention actions by training on corporate values, we use the case analysis methodology. The cases are presented so that the assistants themselves can determine whether or not the values have been violated. In addition, we invite our team to review the Money Laundering or Other Assets Prevention Policy and Terrorism Financing. This document integrates multiple measures aimed at preventing operations that could launder the origin of goods and capital of dubious origin. This is a risk control measure of this practice, based on the review of relevant and detailed information.

In addition, training is conducted aimed at the prevention of money laundering or other assets and the prevention of terrorist financing.

In the face of any reasonable evidence, we cut off the existing link with the person indicated in order to safeguard our corporate image by being sure that we are not exposed to or lend ourselves to committing this crime.



1.4.4. COMMUNICATION AND TRAINING IN SPECIFIC AREAS: PREVENTING FRAUD

(GRI 205-3, 103-1, 103-2, 103-3) (Global Compact – Principle 10) (SDG 16.5)

At the beginning of 2019, a Learning Workshop on Fraud Risks was held, on preventing fraud, aimed at the population considered vulnerable in the various countries in which we operate. The workshop aimed to provide information on the definition, types, possible causes and consequences of fraud; their detection and prevention, through the application of our case method. With this methodology, it was possible to put into practice the acquired knowledge in order to be able to provide examples of the theory, putting into practice our REIR values.

1.5. ECONOMIC PERFORMANCE

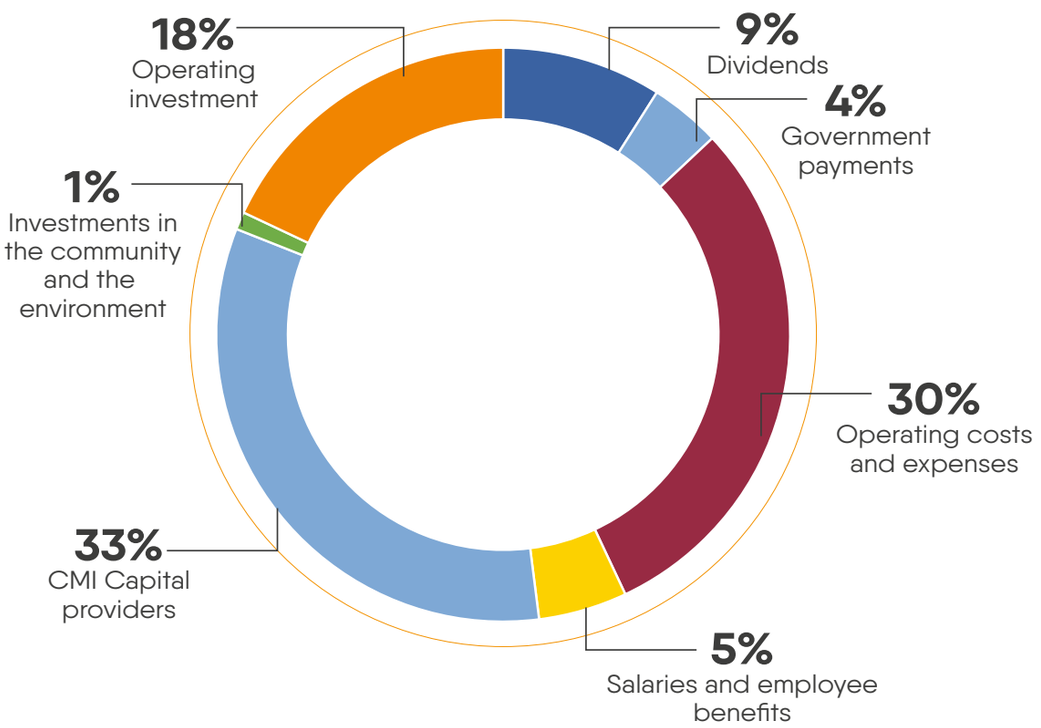
(GRI 201-1, 103-1, 103-2, 103-3) (SDGs 8.1, 8.2, 9.1, 9.4, 9.5) T :Progress and social welfare

Each year, our Energy, Real Estate Development and Finance Business Units have economic-financial goals, which are achieved through the execution of business plans, investment in future projects and human resources management. Adequate monthly monitoring of these results allows a comprehensive business management, which is recorded in the Activity Report. The Financial Planning area is in charge of the corresponding reports and controls.

The policies relevant to the economic aspect of our company are dividends, financing and investments. They materialize our commitment of profitability for our shareholders, associates, suppliers and creditors, which must be fulfilled and executed by every level of the company.

At CMI Capital, we are also committed to the socio-economic development of the countries in which we operate. The impact is positive as can be seen in the following chart, which shows the distribution of the company's revenue, which amounts to US$437,283,662.00.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED



It can be seen that more than US$21 million are allocated to the company's workers, and more than US$128 million to supplier companies. We provide work for thousands of people and boost the economy of the countries where we operate. The State was paid almost US$17 million in taxes, and we assigned more than half a million in investments for communities and environmental care. The retained value for the year was US$7.9 million for CMI Capital.

ENTITIES THAT ARE PART OF THE FINANCIAL STATEMENTS REPORTED

(GRI 102-5, 102-45)
Companies that are part of the financial statements reported by CMI Capital and the Sustainability Report.

ENERGY BUSINESS UNIT

GUATEMALA

- Multienergía S.A.
- ION Energy S.A.
- Renace S.A.
- Agro Comercializadora del Polochic S.A.
- IELOU Energy S.A.

EL SALVADOR

- IELOU Energy S.A.

HONDURAS

- Energía Eólica de Honduras S.A.
- Soluciones Energéticas Renovables S.A. de C.V. (SERSA)
- Sistemas Fotovoltaicos de Honduras S.A. (FOTERSA)
- Honduras Operación y Mantenimiento S.A.

NICARAGUA

- Eolo de Nicaragua S. A.
- Nicaragua Operación y Mantenimiento S. A.

COSTA RICA

- Vientos del Volcán S. A.
- Inversiones Eólicas de Guanacaste S. A.
- Inversiones Eólicas Campos Azules S. A.
- Inversiones Eólicas de Orosí Dos S. A.
- Plantas Eólicas SRL
- TCR Holdings S. A.
- CR Operaciones y Mantenimiento S. A.

(GRI 102-5, 102-45)

REAL ESTATE DEVELOPMENT BUSINESS UNIT

COMPANY	PARTICIPATION
Inversiones Pradera Concepción, S.A.	50 %
Servicios Pradera Concepción, S.A.	50 %
Eduparques de Guatemala, S.A.	50 %
Inmobiliaria Luna de Xelaju, S.A.	51 %
Inmobiliaria Fagu, S.A.	99 %
Inmobiliaria Mármol, S.A.	85 %
Inmobiliaria Vistares, S.A. (Uso Mixto)	51 %
Alderaban, S.A.	71 %
Sistemas y Equipos, S.A.	77 %
Servicios Administrativos Pradera Xela, S.A.	70 %
Tiecac, S.A.	33 %
La Q de Desarrollo, S.A.	33 %
Inmobiliaria Torre Real, S.A.	50 %
Inmobiliaria Pradera Xela, S.A.	100 %
Inmobiliaria Amber, S.A.	100 %
IQ10, S.A.	100 %
Arrendadora Las Plazas, S.A.	100 %

FINANCE BUSINESS UNIT

COMPANY
Negocios Bursátiles, S.A.
Trento, S.A.
Financiera Consolidada, S.A.
Corredores de Seguros, S.A.
Valores CMI, S.A.
FCB Foreing Commerce Bank
FCR Foreing Commerce Reinsurance
Inversiones Agroindustriales
Inversiones Pálamos

1.6. STRATEGIC PARTNERSHIPS

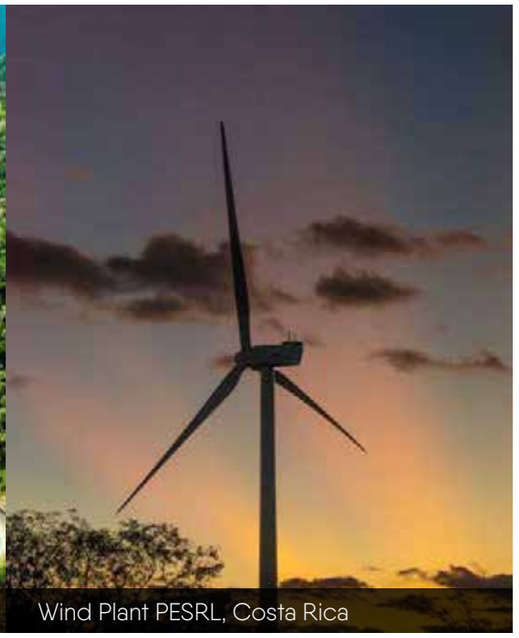
(GRI 102-12, 102-13)

As part of our operation, we consider it necessary to build strategic partnerships for sustainable development that will enable us to collaborate with other industries and respond to the needs of the stakeholders. In this regard, as CMI Capital we are affiliated with the following national and international initiatives:Asociación Hondureña de Productores de Energía -AHPEE-

- Honduran Association of Energy Producers-AHPEE-
- Chamber of Commerce and Industry of Tegucigalpa -CCIT-
- Nicaraguan Association of Renewable Energies -RENOVABLES-
- Nicaraguan foundation for Social and Economic Development-FUNIDES-
- Superior Council of the Private Sector, Nicaragua -COSEP-
- American Chamber of Commerce, Nicaragua -AmCham-
- Chamber of Energy of Nicaragua -CEN-
- Chamber of Commerce and Services of Nicaragua -CCSN-
- Association of Renewable Energy Generators, Guatemala -AGER-
- National Association of Generators, Guatemala -ANG-
- Coordinating Committee of Agricultural, Commercial, Industrial and Financial Associations, Guatemala - CACIF
- Center for the Action of Corporate Social Responsibility, Guatemala -CentraRSE-
- Institute of Social Progress, Guatemala -IPS-
- The Chamber's Guild of Large Electric Power Industry Users of Guatemala
- Trader's Guild
- Table of Competitiveness of Alta Verapaz promoted by FUNDESA
- United Nations Global Compact
- Nutrition Alliance, Guatemala
- Entrepreneurs for Education in Guatemala
- Fordham University Leading for Wellbeing -L4WB-
- Well Being Economics for All
- Regional Urban and Rural Development Councils for the regions of Alta Verapaz and Baja Verapaz, Guatemala - COREDUR-
- Departmental Urban Development Councils for the Department of Alta Verapaz, Guatemala – CODEDE-
- Civil Society Group of the Department Governor's Office of Alta Verapaz, Guatemala
- Guatemala's Decentralization Commission
- Economic Development, Competitiveness and Decent Employment Commission
- Cooperating Partners for Education
- Municipal Development Committee of the Municipality of San Pedro Carchá, Guatemala -COMUDE-
- Competitiveness Council and Board of the Competitiveness Table of Alta Verapaz, Guatemala -FUNDESA-
- Central American Housing Association (ACENVI)
- Association of Real Estate Developers Guatemala -ADIG-
- National Association of House Builders - ANACOVI -
- Guatemalan Real Estate Administration Chamber - CADIG
- Chamber of Commerce of Guatemala
- Guatemalan Chamber of Construction
- Promotion of Insured mortgages (FHA)
- Funcagua
- GRI Club
- International Council of Shopping Centers -ICSC-
- Costa Rican Association of Energy Producers-ACOPE-
- Guatemalan Banks Association -ABG-,
- Chamber of Finance,
- Guatemalan Managers Association -AGG


Solar Plant Bósforo, El Salvador


Hydroelectric Renace I, Guatemala


Wind Plant PESRL, Costa Rica

1.7. OUR SYNERGIES: *ENERGY SUSTAINABILITY*

(GRI 102-6) (GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6, EU8) (SDG 7) T :Research and development T : Resilient infrastructure

In the energy generation distribution projects, which were implemented during 2019, solar panels have been installed on the roofs of some of our real estate compounds to complement the electricity purchased. In addition, the business complexes, built by our Real Estate Development Business Unit, house the administrative offices of the rest of our business units.

We ensure the long-term sustainability of the business, through activities related to Innovation and Development -I&D-. Staying ahead is very important for us, understanding our consumer, and exploring new business models to match the technological progress to generate electricity.

Therefore, the Adjacent Business and Energy Sustainability management is in charge of seeking the right way to quickly adapt to the needs of the market to ensure business continuity, environmental care and positive impact in the countries in which we operate. In addition, it must provide intelligent solutions for our customers to use energy efficiently and ensure business sustainability. This allows us to be a catalyst for the green image of CMI with options that complement Business As Usual -BAU-.

BUSINESS APPROACHES

- Constant innovation: Always creating and changing.
- Agile processes: We adapt quickly to capitalize on opportunities.
- Strategic communication: Internal and external.
- Long-term partnerships: We strive to win and keep the trust of our customers.
- Flexibility: To capture and implement comprehensive, tailored solutions.
- Business and market intelligence: We stay informed of what is happening in the world so that we can advise our customers with the best information and tools.
- Search for synergies: To maximize the use of the company's resources

We believe in the value of energy, as the engine of the world, contributing positively to the environment.

Our value proposition: A sustainable energy future; environmentally friendly; beneficial to society and profitable.

GOALS AND TARGETS FOR 2020

(GRI 201-1, 103-2, 103-3) (GRI EU6, EU8) (SDG 7) T :Research and development T : Resilient infrastructure T : Access to clean energy and efficient use

- Reduce the energy bill of CMI Foods by US$500 thousand through energy reduction initiatives, energy generation distribution projects, among others.
- Design the road map to implement Energy Sustainability projects together with CMI Foods' Technical Committee to save US$5 million in energy by 2025.
- Implement strategies to market green energy certificates (CERS, VERS, RECs) for internal CMI Capital and external clients.
- Evaluate and implement the electric mobility pilot project with delivery motorcycles for the Restaurant Business Unit, which will replace the current flotillas.
- Enable the development and implementation of the energy management and training methodology to raise awareness at CMI Capital on issues related to energy sustainability. The companies that are committed will have clear processes and objectives on how to manage their energy, reduce their consumption and use more environmentally friendly energy sources.

OUR SERVICES TODAY

(GRI 102-6) (GRI 416-1, 103-1, 103-2, 103-3) (GRI EU8)

CMI Capital companies, from CMI Foods to the Real Estate Development Business Unit, have been provided with the installation of photovoltaic solar self-generating projects and ISO50001 energy management systems have been implemented. Testing with companies of the same corporation, generates trust among customers, so the projects are monitored and evaluated to ensure the results before offering the service.

- By designing, integrating and installing solar photovoltaic systems on roofs, tailored for each customer, we generate savings and have a positive impact on the environment.
- By driving good practices and new uses for energy, we contribute to strengthening the productive capacity of our strategic partners.
- We develop and implement educational programs and communication campaigns.
- We achieve the highest efficiency in the generation and use of our customers' energy by giving them advice and support, becoming their Energy Partner.

Photovoltaic installation in Pradera Shopping Mall in Zacapa

SOME OF THE INITIATIVES WE HAVE BEEN WORKING ON IN IELOU ENERGY :

(GRI 102-6) (GRI 416-1, 103-1, 103-2, 103-3) (GRI EU8)

- Construction of three generation distribution projects with an installed capacity of 1.7 MW of solar panels on the roofs of corporation's plants and shopping malls in El Salvador and Guatemala.
- Support for the implementation of ISO 50000 in CMI Capital's production plants in Costa Rica.
- Pilot project for intelligent and remote measurements in Pollo Campero restaurants, owned by our corporation.
- Investment in smart meters for tracking energy management and savings at other CMI Capital plants as part of the ISO 50000 implementation.
- Webinars were held on the Energy Sustainability Training Program for CMI Capital, which included energy management, efficiency and use of renewable energy.
- An energy sustainability strategy was created to support other plants. This was approved by the Foods Leadership Team - ELA and the Capital Leadership Team - ELCAPI.

Distributed generation

(GRI EU6, EU8) (ODS 7) T : Research and development T : Resilient Infrastructure

Wind Plant PESRL, Costa Rica

Known as in-situ generation,embedded generation,decentralized generation,dispersed generation or distributed energy. It is the generation of electricity by small energy sources located in the places closest to where it will be used. It is also defined as the electric power distribution network that is characterized by being installed at points close to consumption, in this case solar panels on roofs of commercial and/or production centers.

Its general characteristics are as follows:

- It reduces network losses by reducing power flows through the network.
- Its poured energy does not reverse flows to the transmission network.
- It usually has power below 3 KW but does not exceed 10 KW of installed power.

Distributed generation systems contribute to the stability of the network, to reduce demand on distribution lines and reduce future investments in expansion. Our systems work parallel to the grid and support generator systems, ensuring customers have electricity, despite any failures.

BACKGROUND STORIES OF OUR COMMITMENT

(GRI EU6, EU8) (SDG 7)
T:Research and development
T:Resilient infrastructure
T: Access to clean energy and efficient use

Pradera Zacapa Project

Our IELOU Energy and Real Estate Development engineering teams worked together to build the mall, where the challenge was installing solar panels and designing an anchor to minimize the risk of leaks in the ceilings. Thanks to this combination of efforts, it was possible to install the solar photovoltaic system ready for operation, before opening the shopping mall.

ISO Project 50000

In an effort to promote the efficient use of resources and industry, the Government of Costa Rica granted a rate reduction incentive for companies certified ISO 50001 . In this regard, the ¨ISO 50K¨ project was launched in 2019, led by the Energy Unit's Adjacent Business and Energy Sustainability team with the support of five CMI Foods process plants. The certification project took nine months and achieved savings of US $700 thousand per year for CMI Foods. This was the first joint work between the two business units in Costa Rica, obtaining excellent results and consolidating trust for long-term relationships.

Pradera Shopping Mall in Zacapa, Guatemala

301.07 kWp
Incubadora II
El Salvador

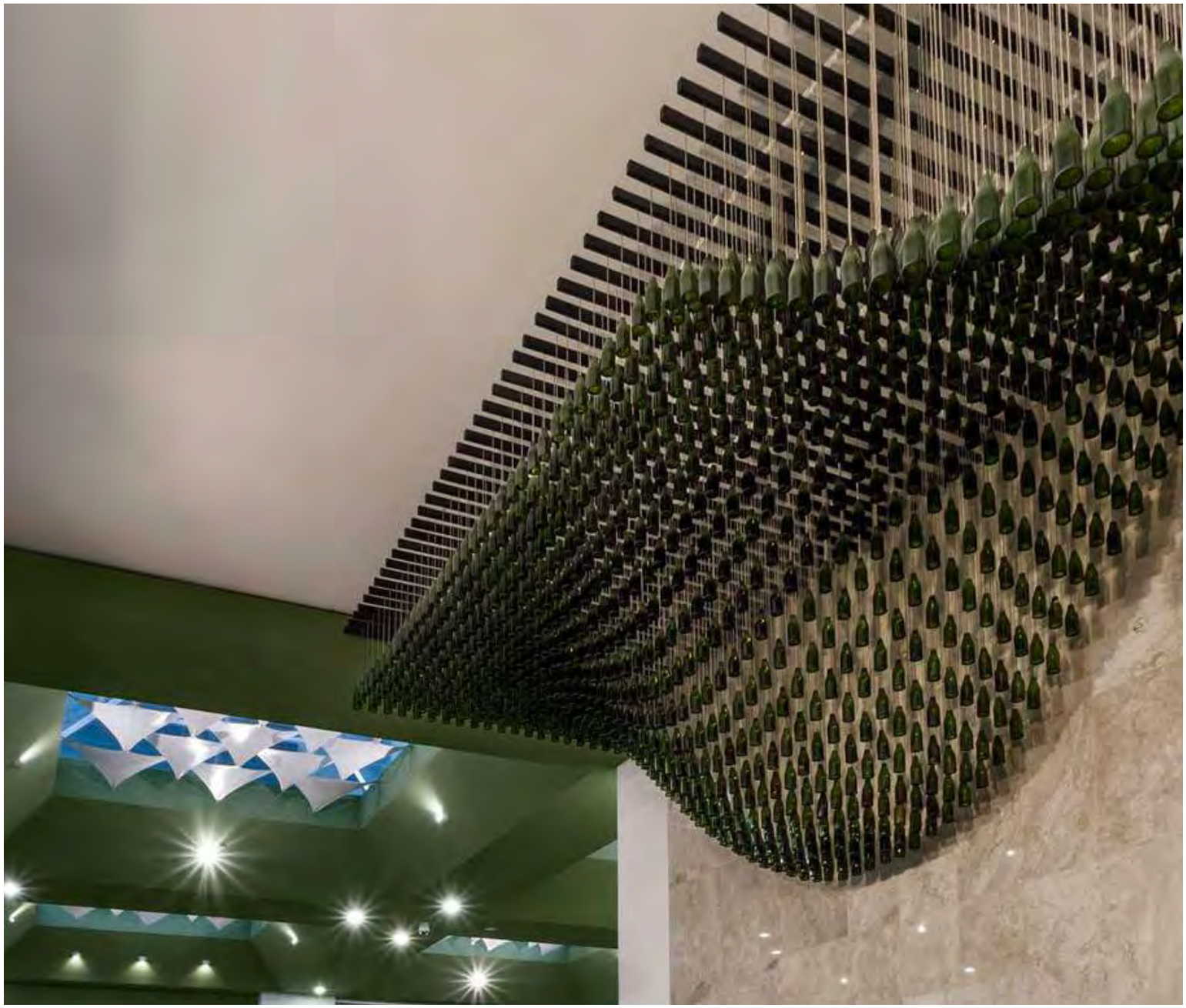
665.25 kWp
Pradera in Zacapa
Guatemala

769.23 kWp
Avícola Salvadoreña
El Salvador

Other Synergies

Access to funding from the Finance Services Unit, which provides income via interest for the Energy and Real Estate Development Business Units.

2 OUR OPERATIONS
OUR CAPITAL



(GRI 102-6) T : Progress and social welfare T: Access to clean energy and efficient use

At CMI Capital we are committed to the development of the countries where we operate and we positively impact millions of people to have access to electricity. Also, through the Real Estate Development Business Unit we provide safer and healthier places to live, improving the quality of life and well-being of many people. The effort is complemented by the Finance Business Unit of CMI Capital.

Hydroelectric Renace I, Guatemala

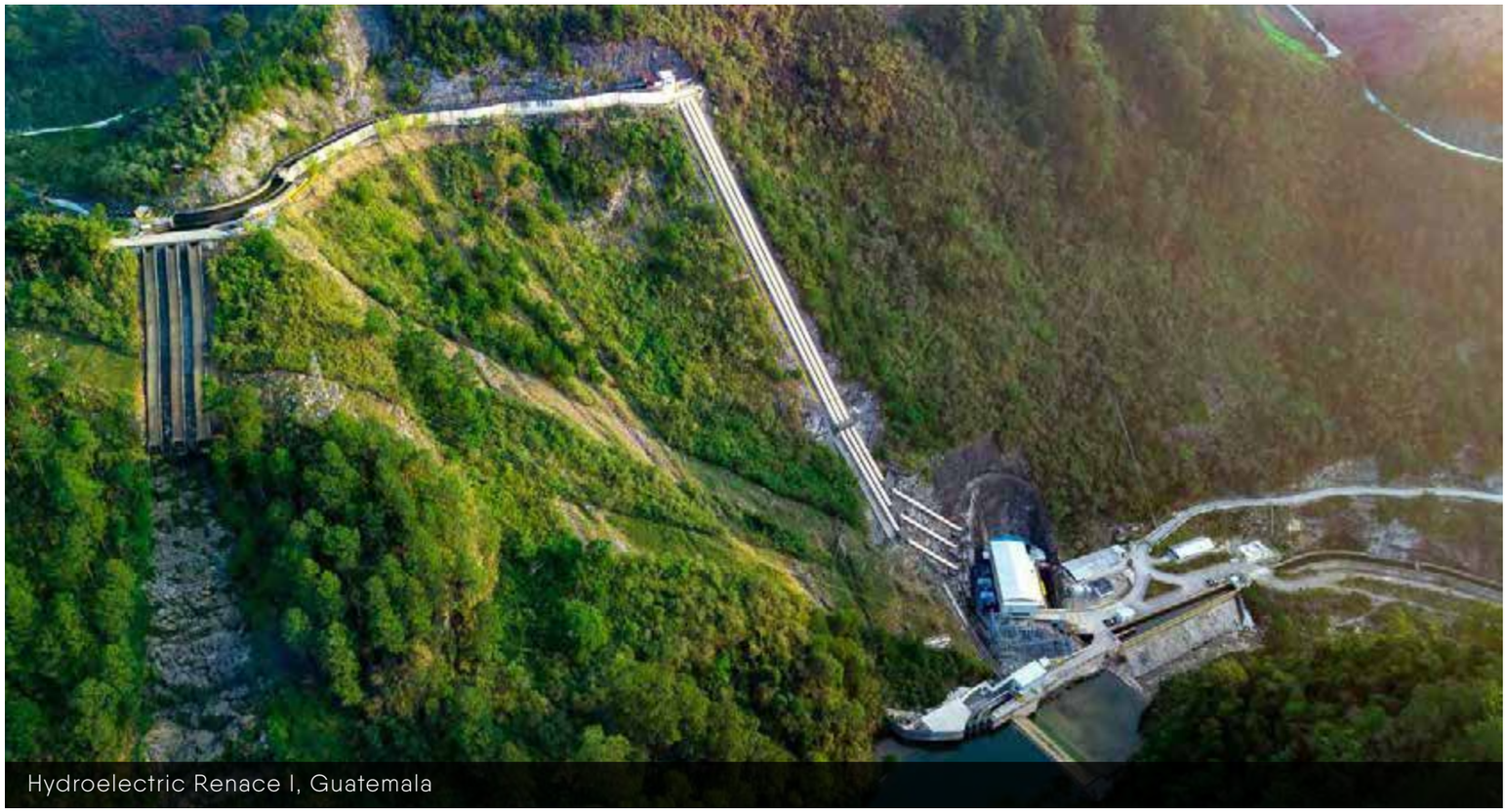
2.1. ENERGY BUSINESS UNIT

(GRI 102-6) (SDG 7) T : Access to clean energy and efficient use

We are the energy of Central America. Our focus is on the generation of renewable energy, at the forefront of technology and caring for the environment. Today, as the Energy Business Unit of CMI Capital, we are the largest private, renewable energy generator in Central America with operations in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and starting operations in the Dominican Republic.

Our focus is on operational excellence in our management, by increasing efficiency and minimize potential risks. We are aware of the importance of our work and positive impact on the development of the countries in which we operate.

Our focus is on operational excellence in our management, by increasing efficiency and minimize potential risks. We are aware of the importance of our work and positive impact on the development of the countries in which we operate.



Hydroelectric Renace I, Guatemala

i HYDROELECTRIC GENERATION

(GRI 102-10) (GRI EU1, EU2, EU28, EU29, EU30)
T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

In Guatemala we have the Renace Hydroelectric Complex and the Santa Teresa Hydroelectric Power Plant whose primary source of energy generation is water.

At the beginning of 2019, Renace IV starting fully operating, reaching a total installed capacity of 322 MW.

Installed capacity per plant (MW):

(GRI EU1)

Renace I: 68 100MW
Renace II: 114 784MW
Renace III: 66 000MW
Renace IV: 57 000MW
Santa Teresa: 17 000MW

2019 Generation

(GRI EU2) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

The total electricity generated in 2019 was 861 47GWh.

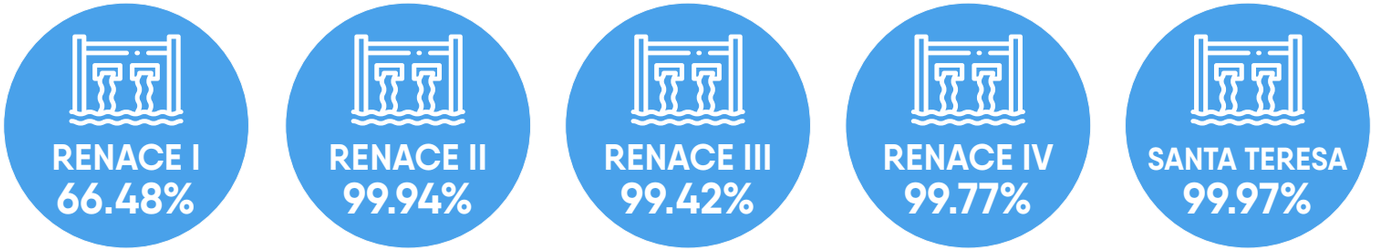
PLANT	2018	2019
Renace I	22 550	16 755
Renace II	42 957	33 116
Renace III	24 988	19 119
Renace IV	-	12 564
Santa Teresa	5857	4593
Total (Annual)	**96 352**	**86 147**

Due to climate conditions and an erratic rainy season affecting river water levels, hydroelectric generation decreased by 10%. This situation can be seen in the amount of time the units were generating power during the year and their plant factor.

2019 Availability

(GRI EU30)

The average availability factor per energy source and regulatory regime during 2019 was as follows:



(GRI EU 28, EU 29)

The frequency of power outages is due to once a year maintenance. To carry out this action it is necessary to stop each plant's activity for an average of three days (72 hours). This is done on a scheduled basis after the maintenance schedule is approved. In total, the outage time in 2019 was 3 131.59 hours, including all the business unit's plants (14 generators).

In order to generate the least impact and minimize ooutages due to maintenance, in 2019, maintenance was scheduled in different months of the year, as follows:

Outages due to scheduled maintenance.

- **Renace I: May**
- **Renace II: April**
- **Renace III: March**
- **Saint Teresa: October/November.**

Likewise, there were 9,018.93 hours of unscheduled outages, mainly due to the lack of operation throughout the year of Renace I, Unit 3. This means that 97 percent of the total outage time was not programmed.

The power generating companies in Guatemala are governed by the policies of the Wholesale Market Administrator- AMM-, the regulatory body for the electricity market in the country.

Wind Plant Cerro de Hula, Honduras

ii WIND GENERATION

(GRI EU1) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

Our eight wind power plants are located in Costa Rica, Honduras and Nicaragua. We have a total capacity of 323.7 MW, which are distributed as follows:

Installed Capacity 2019 (MW)

(GRI EU1)

Costa Rica

PESRL: 23.7 MW

Orosí: 50 MW

La Perla: 20 MW*

Miramar: 20 MW*

Campos Azules: 20 MW*

Altamira: 20 MW*

*These four plants are known as Alisios.

Honduras

Cerro de Hula: 126 MW

Nicaragua

Eolo: 44 MW

2019 Generation

(GRI EU2) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

Wind power produced during 2019 amounted to 1,341.21 GWh, which was generated as follows:

PLANT	2018	2019
PESRL	84.03	81.67
EOLO	200.28	174.30
Orosí	262.32	265.36
ALISIOS	441.58	415.13
Cerro de Hula	466.91	404.76
Total (Annual)	**1455.12**	**1341.21**

For 2019, total generation for the year decreased by 113.9 GWh, which is -7.8% compared to 2018. The main cause of this reduction was there were less resources available to convert to energy. However, 2018 was an exceptional year in terms of resources for generation almost 8% above the budget. From this information, it follows that the results for 2019 are satisfactory and in line with the objectives set for generation.

2019 Availability

(GRI EU28, EU29, EU30)

Plant availability for PESRL, Orosí and Cerro de Hula reached the targets set, in line with the average for the sector of areas characterized by high winds. The availability of Alisios and Eolo in 2019 was impacted by some unforeseen events. Its solution involved moving large spare parts such as blades and high-capacity cranes to perform the work. If faults occur during the high wind season, the speed of the response is affected because optimal weather conditions are required to perform repairs safely for company personnel and assets.

Although availability is an important indicator for the management of plant operations and maintenance, the company uses, among other things, production indicators to evaluate the efficiency of the use of the resource. This means that greater attention is paid to the availability of the resource, as well as taking advantage of periods of low wind to carry out preventive maintenance.

Wind Plant Orosí, Costa Rica

(GRI EU28, EU29, EU30) (SDG 7) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

During 2019, plant maintenance was scheduled as follows:

Costa Rica

- PESRL: September, 23.5 hours
- Orosí: October, 37.6 hours
- La Perla: May and October, 61.5 hours
- Miramar: May and October, 61.5 hours
- Campos Azules: August, 8.2 hours
- Altamira: September, 10.1 hours

Honduras

- Cerro de Hula: May and October, 23.1 hours

Nicaragua

- Eolo: September, 29.65 hours

The scheduled cuts are carried out in order to provide preventive maintenance to the interconnection equipment, whether they are substations, transmission lines, transformers and other auxiliary equipment. The time of each stage varies between one and three days, but depends on the work scope. The cuts are scheduled for the time when there is little wind, to reduce the costs of opportunity.

Despite these organizational efforts, there is a possibility of unscheduled outages, which can be caused by internal or external events. The equipment, or the power grid may fail or incidents caused by third parties can cause these failures, among others.

During 2019, the following unscheduled outages were the following.

Costa Rica

- PESRL: 12 outages, 16.4 hours offline.
- Orosí: 3 outages, 8.8 hours offline.
- La Perla: 5 outages, 14.3 hours offline.
- Miramar: 1 outage, 4.5 hours offline.
- Campos Azules: 11 outages, 27.5 hours offline
- Altamira: 11 outages, 49.1 hours offline.

Honduras

- Cerro de Hula: 1 outage, 2.7 hours offline.

Nicaragua

- Eolo: 4 outages, 8.48 hours offline.

Solar Plant Choluteca, Honduras

iii SOLAR GENERATION

(GRI EU1) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

CMI's solar park portfolio consists of large-scale (>10 MW) distributed generation projects. The large-scale parks are located in Honduras and El Salvador:

Installed Capacity 2019 (MW)

(GRI EU1)

Honduras

Choluteca (81.7 MWp, 70 MWac) consists of three projects:

- Choluteca I (23.3 MWp, 20 MW)-In commercial operation since 2015, acquired in 2016.
- Choluteca II (35.1 MWp, 30 MW)- In commercial operation since 2015, acquired in 2016.
- Pacific 1 (23.3 MWp, 20 MW) - In commercial operation since 2015, acquired in 2016.

(GRI EU1) (SDG 7)T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

Although this sustainability report does not include solar plants in Bósforo (El Salvador), because CMI Capital is not responsible for its operations, we consider it important to include their annual capacity and production, as well as emissions avoided (Page 132).

El Salvador

- Bósforo (142.4 MWp, 100MW) Joint Venture 50% with AES. This project consists of 10 projects of 10MW each, divided in three phases:
  - Bósforo I (30 MW) Plants Pasaquina, La Unión, El Carmen-commercial operations in 2018
  - Bósforo II (40 MW) Plants Jiquilisco, Santa Ana, Sonsonate and San Sebastián- commercial operations in 2018
  - Bósforo III (30 MW) Plants Nejapa, Guazapa, Apopa, will start operations in Q1, of 2020

Distributed generation projects are in El Salvador and Guatemala. They are installed on the roofs of project buildings of the Real Estate Development Business Unit and at CMI Foods. They aim to generate a benefit by saving energy for the group companies and get additional income for the Energy Business Unit.

El Salvador:

- Avícola Salvadoreña (0.77 MWp, 0.6 MW) operating since 2019.
- Incubadora (0.30 MWp, 0.24 MW) due to start commercial operations in 2020.

Guatemala:

- Pradera Zacapa (0.67 MWp, 0.48 MW) operating since 2019.

BÓSFORO AES

Project located in El Salvador, has 10 photovoltaic plants of 10 MW each and with an estimate of three phases for the following years. Its operation began with Bósforo 1 (30 MW) in 2018 and by the end of 2019 Bósforo II (40 MW) was already operating. Bósforo III (30 MW) is in advanced construction. The Energy Business Unit has 50% of the shares of this project in partnership with AES El Salvador, which is in charge of asset management, operation and maintenance of this project.

Production 2019

(GRI EU2) T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use

The total production of our solar plants was:

PLANT	2018	2019
Choluteca	154.7	157.9
Bósforo	44.5	153.5
Distributed generation	NA	0.6
Total (Annual)	**199.2**	**312.0**

**2019 data have been converted to GWh for comparison*

As can be seen, the increase in the generation of Bósforo is due to the completion of the construction of Bósforo II, implemented in 2019.

2019 Availability

(GRI EU28, EU29, EU30)

At the Choluteca plant, there was a recurrent failure of the station transformers, which was a challenge for their maintenance. This incident allowed opening new possibilities to repair the equipment and the negotiations of the warranty allowed to keep the availability levels of the plant high.

In the Bósforo plants, which were less than a year old, the inverters had to be corrected. In the field, the maintenance team is ready for predictive, preventive and corrective tasks.

The Operations team is responsible for prioritizing services, managing remote asset monitoring, and tracking performance variables. Since photovoltaic solar power plants only work during the day, maintenance is performed at night, which minimizes the impact on their production without interrupting their operation. However, there are power outages that can occur due to external events or failures of the interconnection equipment.

Due to technological advances in the industry, maintenance efficiency has been maximized, using equipment such as drones for inspections and aerial photographs of solar panels.

The frequency of power outages per plant in 2019 was as follows:

Total interruptions:

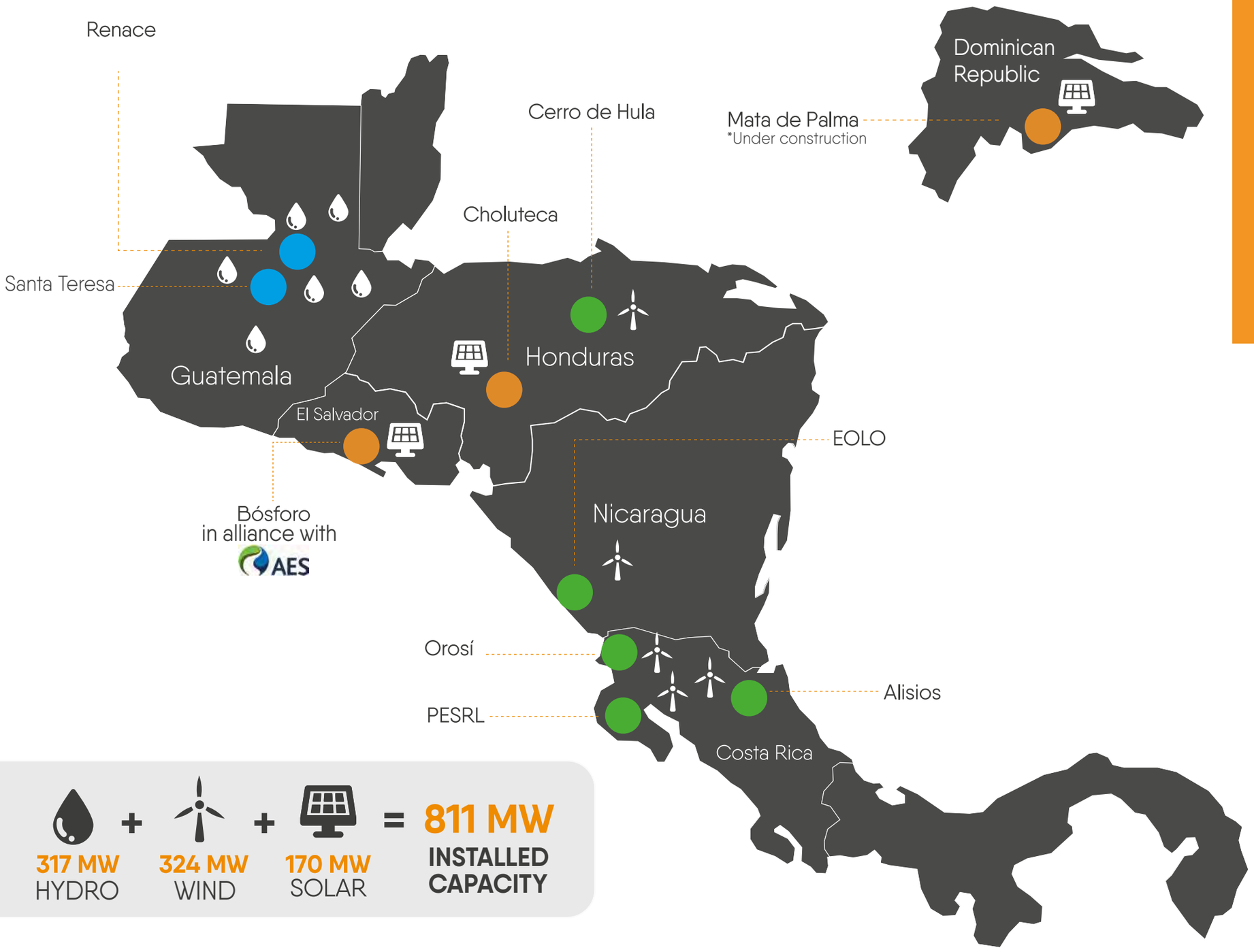
Choluteca 43.9 hours.
Bósforo: 31.3 hours.
Distributed generation 20.86 hours

Partial capacity interruptions (curtailment):

Choluteca: 113.8 hrs.

CMI ENERGY OPERATION

T :Impact investments T : Climate change T : Resilient infrastructure T : Access to clean energy and efficient use



317 MW HYDRO + 324 MW WIND + 170 MW SOLAR = 811 MW INSTALLED CAPACITY

2.1.1. OUR BUSINESS MODEL: MARKETING

(GRI 102-6) (GRI 416-1, 103-1, 103-2, 103-3)
T : Access to clean energy and efficient use

i. ENERGY: ENERGY ACQUISITION AGREEMENTS -PPAS-

In order to optimize the profitability of existing power generation assets and promote the development of new projects in the markets in which we operate, our objective is to analyze, validate and operate sustainable energy purchase and sales business opportunities to be active with the agents in the electricity market.

Each of the group's companies in charge of certain generating plants has Power Purchase Agreement (PPAs) contracts. The terms for these PPAs range from 15 to 25 years, since the plants started operating. However, there is often a possibility for renewal at the end of the corresponding period. If it is not renewed, the commercial area can take responsibility for selling the energy, because the useful life of the assets with proper maintenance, can reach up to 30 years.

In order for our company to operate properly and follow industry best practices, PPAs must meet technical, legal, environmental, financial, and other requirements. The requirements established in the financing contracts of our projects have a socio-environmental approach and our Corporate Policies go beyond all these requirements. This makes the Energy Business Unit a regional, and sometimes global, point of reference for its good operational practices.

Currently the customers of the plants in each of the countries are as follows:

(GRI EU3)

- **Guatemala:** Main distributors and private market.
- **Costa Rica:** Costa Rican Electricity Institute (ICE).
- **Honduras:** National Electric Energy Company -ENEE-.
- **Nicaragua:** Electricity distributor -DISNORTE-DISSUR-.

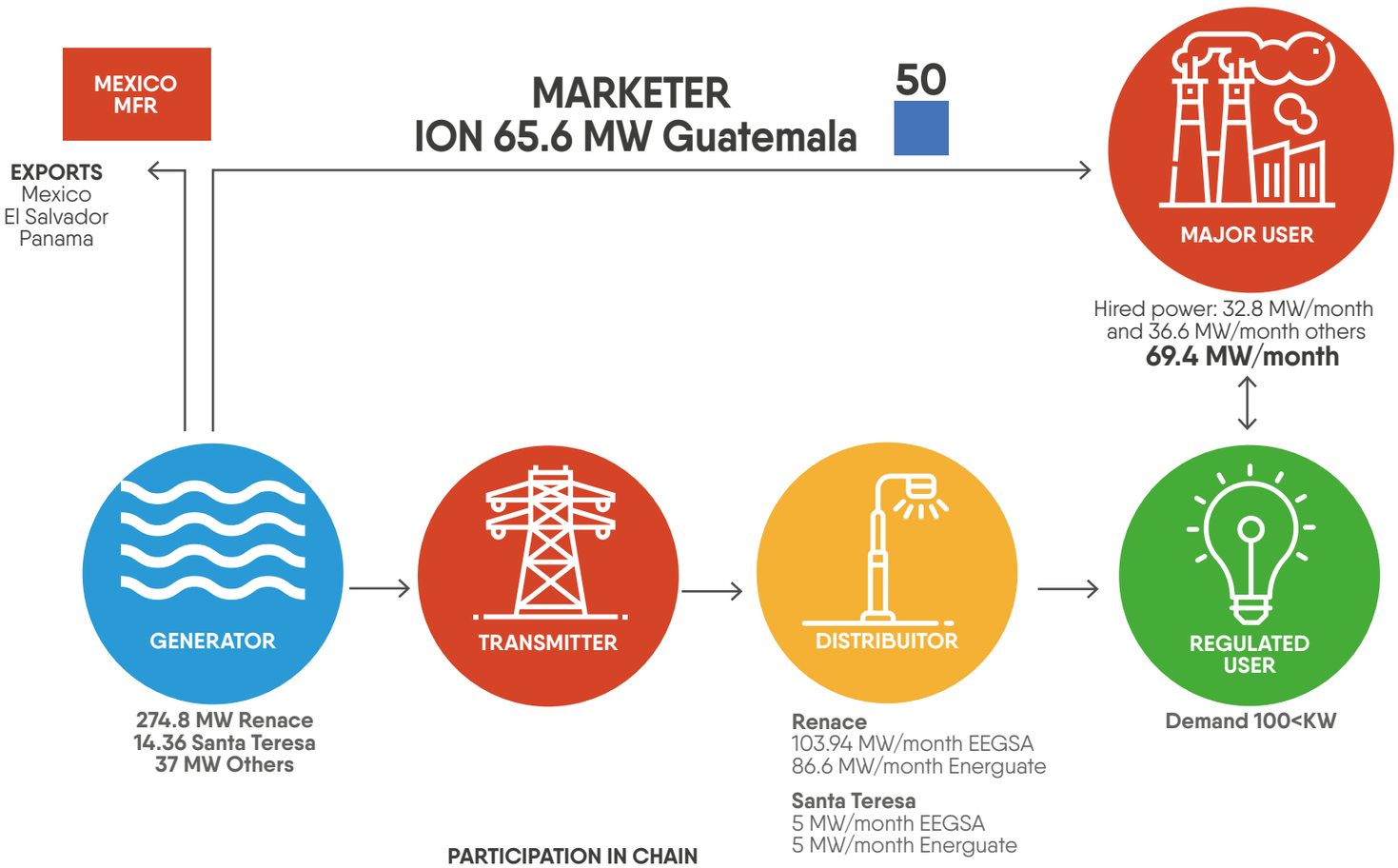
Each of the group's companies in charge of certain generating plants has Power Purchase Agreement (PPAs) contracts. The terms for these PPAs range from 15 to 25 years, since the plants started operating.

ii. OTHER TYPES OF ENERGY MARKETING

(GRI 102-6, GRI EU6) T : Access to clean energy and efficient use

In Guatemala , energy is not only sold through PPAs. That is why we export renewable electric energy to the Regional Electricity Market - MER-. The Regional Operator Entity (EOR) manages the office and the Regional Electric Interconnection Commission(CRIE) regulates it. We export energy to the Mexican market, based on the agreement signed between the Wholesale Market Administrator (AMM) and the National Energy Control Center (CENACE).

The following graphic shows the electricity service value chain.



PARTICIPATION IN CHAIN

The value chain of the electric power sector is made up of a generator, a carrier, a distributor, a marketer and a large user. The companies that carry out these activities are called “sector agents”.

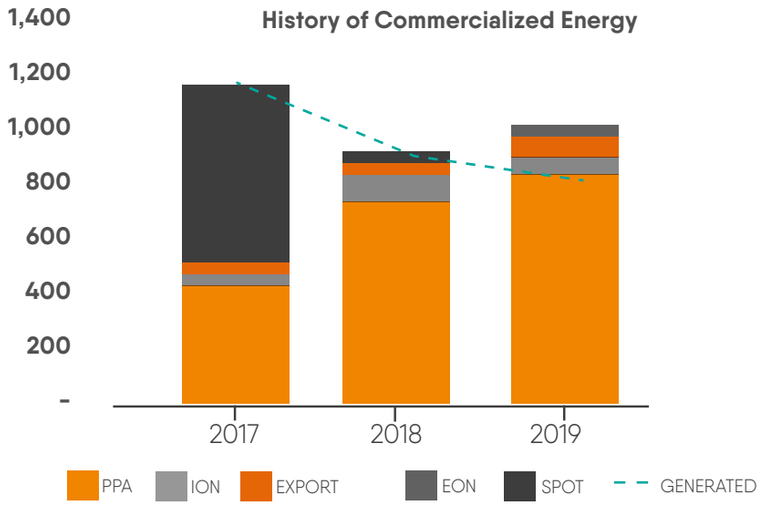
The participation of the Energy Business Unit in the chain is as follows:

1. Power is generated by the Renace and Santa Teresa hydroelectric plants, that in addition to serving agents in the Guatemalan electricity market (distributors, marketers, generators), export electricity to the Regional Electricity Market (MER) and the Mexican electricity market.
2. It is marketed to large users through EON Energy in Guatemala and EON Energy in El Salvador. This channel facilitates the execution of the final power delivery process from generation to large customers.

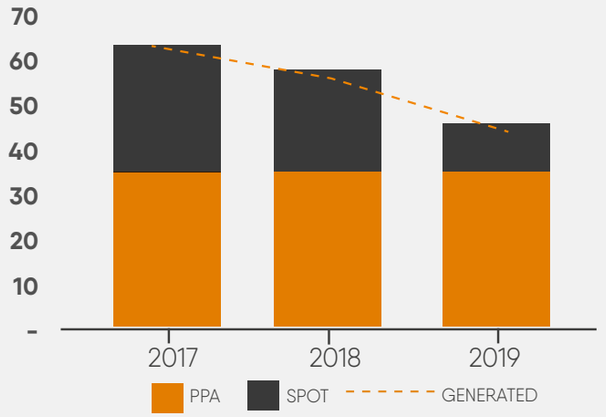
(GRI 102-6, GRI EU6) (SDG 7) T : Access to clean energy and efficient use

During 2019 we marketed the following:

Renace Hydroelectric Complex

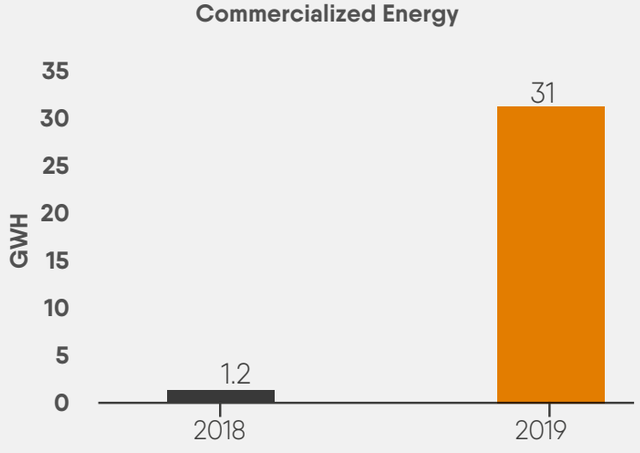


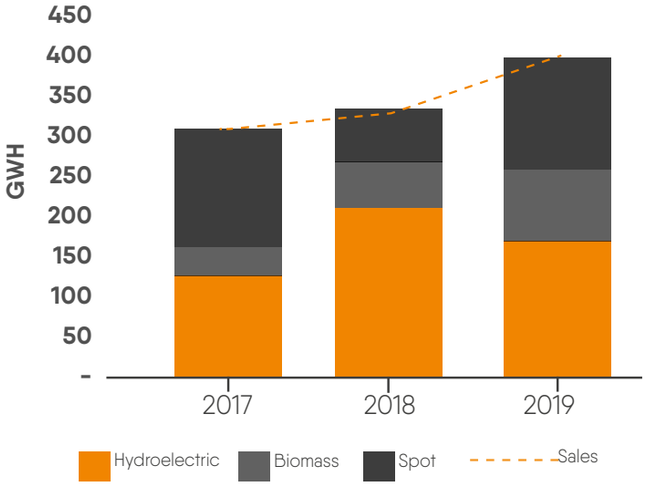
Santa Teresa Hydroelectric



EON Energy

We operate in the commercial area of the Energy Business Unit with EON Energy, which buys electricity from Renace for transactions in the MER and the Salvadoran opportunity market. EON Energy is in the process of expanding its scope to offer a comprehensive model of selling power to large users in the Salvadoran market.





ION Energy

ION Energy operates in the commercial area of the Energy Business Unit with a comprehensive and specialized model that serves large companies to provide energy and power sales services at competitive prices.

ION Energy supplies our customers with energy by centralizing it, in an optimal way, acquiring the surplus energy from renewable sources of Renace and other generators, at competitive prices.

ION PRODUCT SERVICE PORTFOLIO

(GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6) (SDG 7)
T : Access to clean energy and efficient use

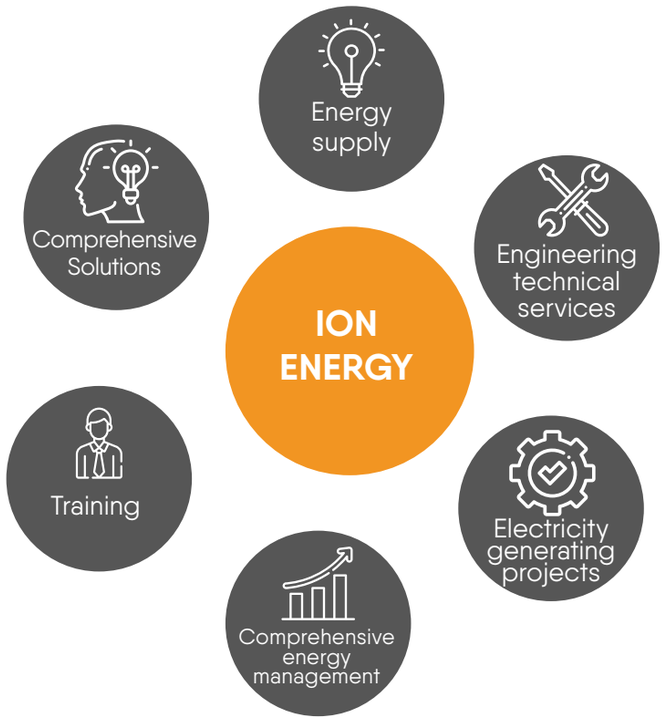
Energy Monitoring and Management

Energy audit.

Implementation of monitoring tools.

Electricity Generating Projects

Electricity generating infrastructure in medium voltage from its individual design stages to engineering or supervision to key on hand.



Energy and Power

Electricity generating supplier mainly from renewable origin at competitive prices and added value services.

Engineering Tech. Serv.

To ensure the electric operation and to guarantee optimal operative conditions.

iii ION ENERGY – A COMPREHENSIVE SERVICE

(GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6)

ION Energy, in addition to providing energy, provides comprehensive solutions to ensure continuity of electricity.

We are committed to the development of the countries in which we operate, our approach ensures operational electrical parameters by taking advantage of energy supply in the best way, minimizing losses and optimizing energy use.

Our vision was to design a new, simple and innovative proposal; with competitive market prices, delivering a better service experience, tracking, technology and data.

(GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6) (SDG 7)
T : Access to clean energy and efficient use

Power Service

We offer different recruitment options that make us competitive in the market by providing businesses a smart way to manage their energy through comprehensive solutions, including renewable sources.

Milestones 2019

- We carried out a strategic negotiation of supply contracts with biomass of the sugar mills Pantaleon and Concepción.
- We want our customers to generate a positive impact on local and global society, by guaranteeing that the energy contracted comes from 100% renewable sources. During 2019, ION Energy completed the Trader Account enablement process at The International Rec Standard, which allows it to offer its customers renewable energy certificates at competitive prices.
- We increased our power sales possibilities, to have more options adapted to the needs of our current and potential customers.
- We conducted five trainings, including: Electricity Markets, Energy Management, Knowing Your Bill and Energy Quality.
- We closed an agreement with Cecacier , who supports us to strengthen the 2020 training program, through a group of experts from the regional electricity sector. The trainings are virtual and open to regional forums.

Technical Services

> ¨Once energy reaches your business make sure that its use is optimal and never stops.¨

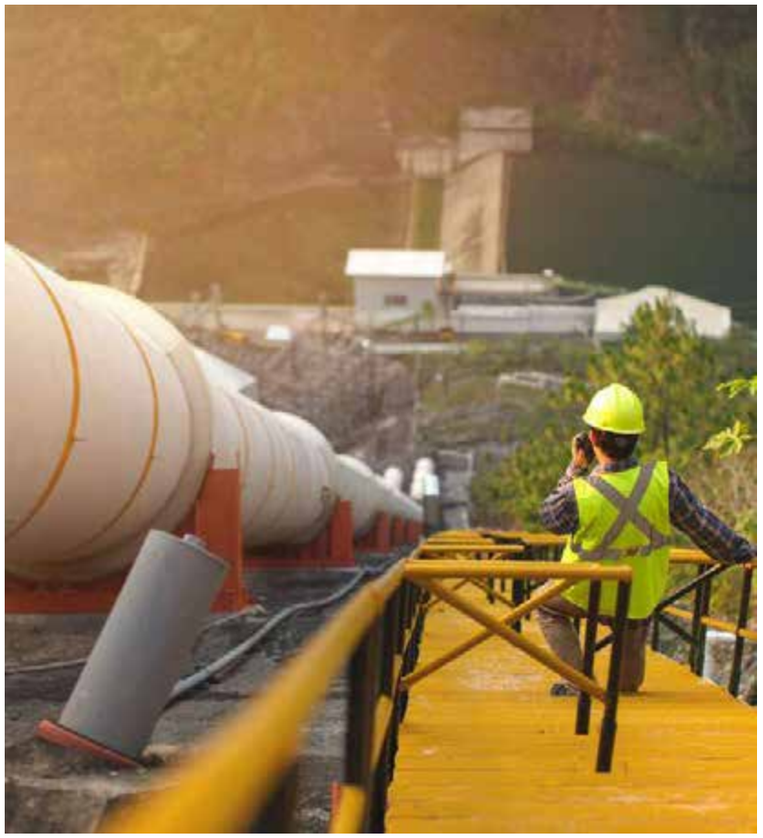
We ensure the optimal functioning of our customers' electrical operating parameters so that they can take advantage of their energy supply contract and minimize their losses.

Milestones 2019

- We developed the electrical infrastructure diagnostic service, in order to detect and classify the level of risk, and propose improvements at the points of risk of the electrical installations of our customers.

Electrical Projects

We develop medium voltage electrical infrastructure projects, from the individual design and engineering and supervision phases, to turnkey



projects . If necessary, we include comprehensive advice on economic, regulatory, institutional and contract factors.

Milestones 2019

- We began building the electric distribution lines project at CMI Foods.

Electricity Management and Monitoring Service

Each case is specifically studied to provide comprehensive solutions in contracts and optimized energy use. To do this, we monitor the company's energy management.

Milestones 2019

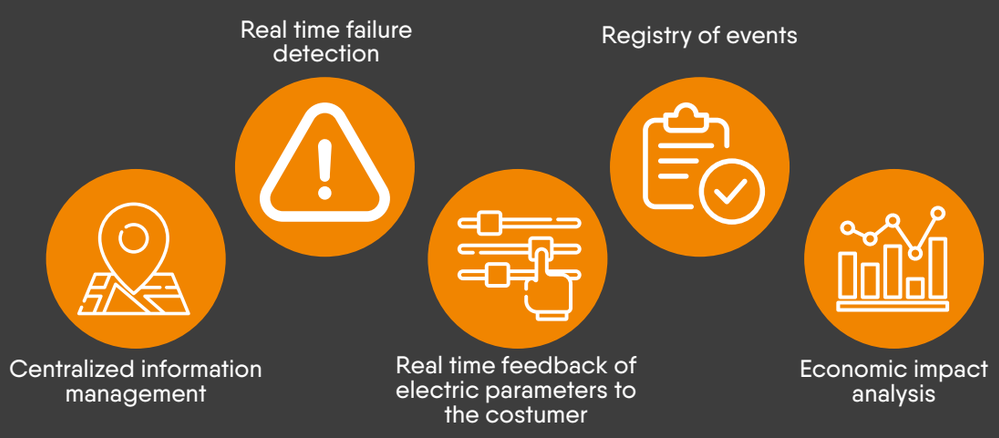
- We implemented nine real-time monitoring systems for electric power supply through the PME tool, as a complement to the PRIME Web monitoring tool.

(GRI EU8) (SDG 7)
T : Access to clean energy and efficient use T : Research and development

PRIME WEB

Is an application that allows independent and personalized access to meter information, at any time and from anywhere, via an internet connection and the three most widely used browsers in the world, from any mobile device. Among the benefits of this system are the detection of unnecessary consumption and the projection of annual consumption.

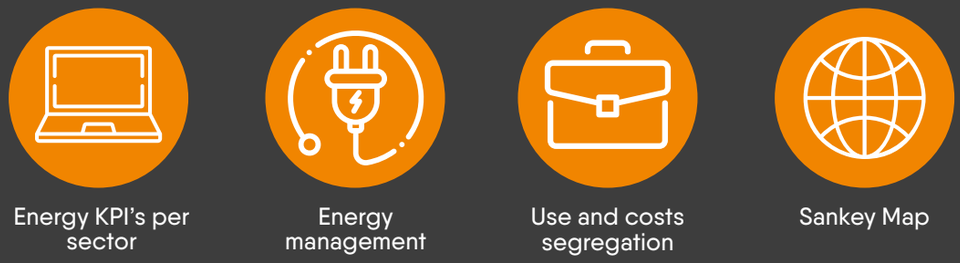
Current application



PME

This system aims to reduce interruption time by extending analysis capabilities. It allows remote monitoring and diagnosis of electrical phenomena that can cause inconveniences to our customers.

Being Developed



2.1.2. STRATEGIC PROJECTS FOR SUSTAINABLE ENERGY DEVELOPMENT

(GRI EU6, EU8) T : Access to clean energy and efficient use T : Research and development

Our main objective is to ensure the continuity of our renewable energy generation plants. The fulfillment of this objective is not only a purely operational task, but a

a challenge of continuous improvement, promotion of organizational talent and generation of efficiencies, using cutting-edge technologies.

i APOLLO PROJECT

Our operational excellence and competitiveness allows us to be a leading energy operator in the region. A business model formed by strengthening two major capabilities is the basis of our strategy:

- Generation plants focused on maintenance management.
- A multi-technology Operations and Reliability Center that uses SCADA's integration tools , Analytics and Artificial Intelligence, to monitor and control generation plants and determine the condition of the equipment.

The Apollo Project is planned to centralize the operations of our plants and maximize the efficiency of the generation equipment, increase the talent of the company, in a cross- cutting way, through the use of tools and technology of data analysis of the latest generation. This is intended to increase the level of revenue, reduce costs, and create a growth platform that allows making a PLUG & PLAY -PnP- without any higher operational costs on future projects.

In order to meet our operational objectives that are aligned with the Apollo Project, the following actions will be carried out:

- Implement a technology platform that integrates SCADA s from different generation plants and other support systems such as CMS , CMMS as well as other operational data. This platform provides operational data management tools such as Artificial Intelligence and Machine Learning.
- Create approved processes for managing operations and reliability of the generation equipment.

(GRI 416-1, 103-1, 103-2, 103-3)(GRI EU6, EU8) (SDG 7)

- Look for synergies by creating centralized groups to exercise operations and reliability for the entire project portfolio.
- Evolve towards a “maintenance per condition” for the entire Energy Business Unit.
- Create cross-cutting capacities in the analysis of generation assets, electrical infrastructure, resource forecasting, and the like.
- Create natural work teams between operations, reliability, and maintenance (generation plants) that create value and continuous improvement.

The direct benefits we will gain through the Apollo Project are as follows:

- Increased productivity and efficiency in power generation in the plants.
- A PnP-type platform for future growth in operations to reduce costs and increase competitiveness.
- Greater knowledge through the centralization of talent and the use of tools from Analytica and Machine Learning.
- Professionals better prepared in technology.
- Increased efficiency in resource utilization across operations.

In 2019, we defined the strategic project as a natural progression after completing the migration to Self-Operation in most projects. With this practice, we have developed internal knowledge to be applied crosswise.

As part of the implementation of Apollo (operations centers), during 2019 we migrated operations of the solar parks in Choluteca to the control center of park Cerro de Hula in Tegucigalpa, Honduras. Much of the infrastructure for the Operations Centers in Tilarán (Costa Rica) and San Pedro Carchá (Guatemala) was created with the construction of the Alisios and Renace projects, respectively.

OPERATIONAL DATA ANALYSIS AND DIGITIZATION TOOLS

(GRI EU6, EU8) T : Acceso a energía limpia y uso eficiente T : Investigación y Desarrollo

The Apollo Project uses tools such as Analitica, Big Data, and Machine Learning to increase equipment efficiency and reduce plant maintenance costs. Machine efficiency is projected to improve by 0.2 percent, equivalent to more than 3 million kWh of clean energy each year.

What is Big Data?

It is the large volume of structured and unstructured data, which through the analysis of Artificial Intelligence algorithms, can lead to decisions to improve the competitiveness of companies.

(GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6, EU8) (SDG 7)

Some of the expected benefits of Big Data and the use of Artificial Intelligence, such as Machine Learning, are:

Increased efficiency in power generation

With the amount of operational data and tools like Machine Learning to make better forecasts of breakdowns, we know the state of the equipment, increase its performance and exercise "condition maintenance" that reduces costs and increases revenues.

Reduced Plant Maintenance Costs

By integrating all the plants, the use of Big Data enables the modeling and development of predictive diagnostic algorithms, anticipating detection of operating problems, which reduces more costly corrective maintenance. With better planning and a cross-cutting vision, we optimize the use of resources.

Less time to attend faults

The diagnoses made through centralized remote tracking help detect irregularities or potential damages and to forecast results with high accuracy. With digital predictive maintenance we have the advantage of detecting on time and planning better. For example, in wind power plants we request new spare parts in advance, to plan maintenance even during low wind season. For each problem identified, a diagnostic case is recorded that provides immediate advice on remote management of a particular equipment.

Improving the time to care for failures reduces potential environmental damage, such as waste of repair materials, oil spills, personnel transportation, and more.

Data Management to optimize decision making

The operation centers will use a state-of-the-art tool that will integrate SCADAs and other complementary operational information systems so that, with the expertise of the talent we already have, the state of the equipment is better understood and "condition maintenance" is carried out. The Data Analysis Tool consists of three modules:

- Real-Time Operation and Monitoring Module
- Analytics Studio Module enables advanced SCADA data analysis: alarm analysis, productions, power curves, power losses, detection of anomalies, automatic reporting, integration of forecasting, budgets, and more.

- Ingeboard is an intelligent asset monitoring tool that links different databases for comprehensive analysis to support decision-making.

Improved Resource Management

As part of the operational data that we will centralize is all the information of the meteorological equipment of the Energy Business Unit. With this information, we hope to have a clear understanding of climate patterns that allow better maintenance planning and more accurate generation and income forecasts.

Opportunities to enhance expert knowledge and job growth

Forming centralized operations and reliability groups that will work with a technological platform, will allow building more internal capacities and job growth.

The Operations and Reliability Center impacts the way we manage the business and dispatch energy. As a best practice in world-class companies, there will be greater confidence in the region in the use of renewable energy to reduce the use of fossil fuels and their impact on the environment.

(GRI 416-1, 103-1, 103-2, 103-3) (GRI EU6, EU8) (SDG 7)

OPPORTUNITIES FOR OUR PEOPLE

(GRI EU6, EU8) (SDO 7) T : Access to clean energy and efficient use T : Creating jobs

With this new technology, we are moving from an outsourcing to an insourcing model with talent that has been already developed by CMI Capital. This opens up great opportunities for growth for our staff as, in this new scenario, the role of our workers is more active. It enables them to build new capacities focused on operational excellence, training them for world-class technology tasks.

The objective for 2020 is to reach full implementation of the Apollo project.

ii OTHER PROJECTS 2019

Job stability: Self-operation of the Choluteca, Orosí and Eolo projects.

Throughout the year, the Energy Business Unit negotiated with operating and maintenance service providers O&M and financial entities, the end of the O&M contracts to manage these activities directly with our own staff. This strategy provides job stability to many technicians and business operators to extend the life of assets with long-term maintenance strategies to generate savings in unnecessary service and spare parts costs.

Inventory and Warehouse Management

Our warehouses are managed by different platforms, which is why it is necessary to create uniform and approved processes. To serve several projects at the same time, the aim is to store the spare parts in places where they can be easily moved. This initiative, together with process standardization, will have a positive financial impact, reduce risks, generate greater efficiency in purchases and provide greater control over management. This will reduce the impact on the use of resources and provide simplified logistics to reduce emissions generated on the planet.

Distributed Generation – Integrating projects at the corporate level

In 2019, the implementation of three out of ten distributed generation projects began. This consists of placing solar panels in different operations of the CMI Corporation, generating efficiency at a low price.

More information about distributed generation can be found in section 2.4.3 of this chapter.

Hydroelectric Renace III, Guatemala

2.1.3. NEW BUSINESS DEVELOPMENT

(GRI EU6, EU8) (SDG 7) T : Access to clean energy and efficient use T : Impact investments T :Resilient infrastructure T : Research and development

The Development and New Business area guarantees sustainable growth, focused on the Energy Business Units and implemented in the other business units of CMI Capital.

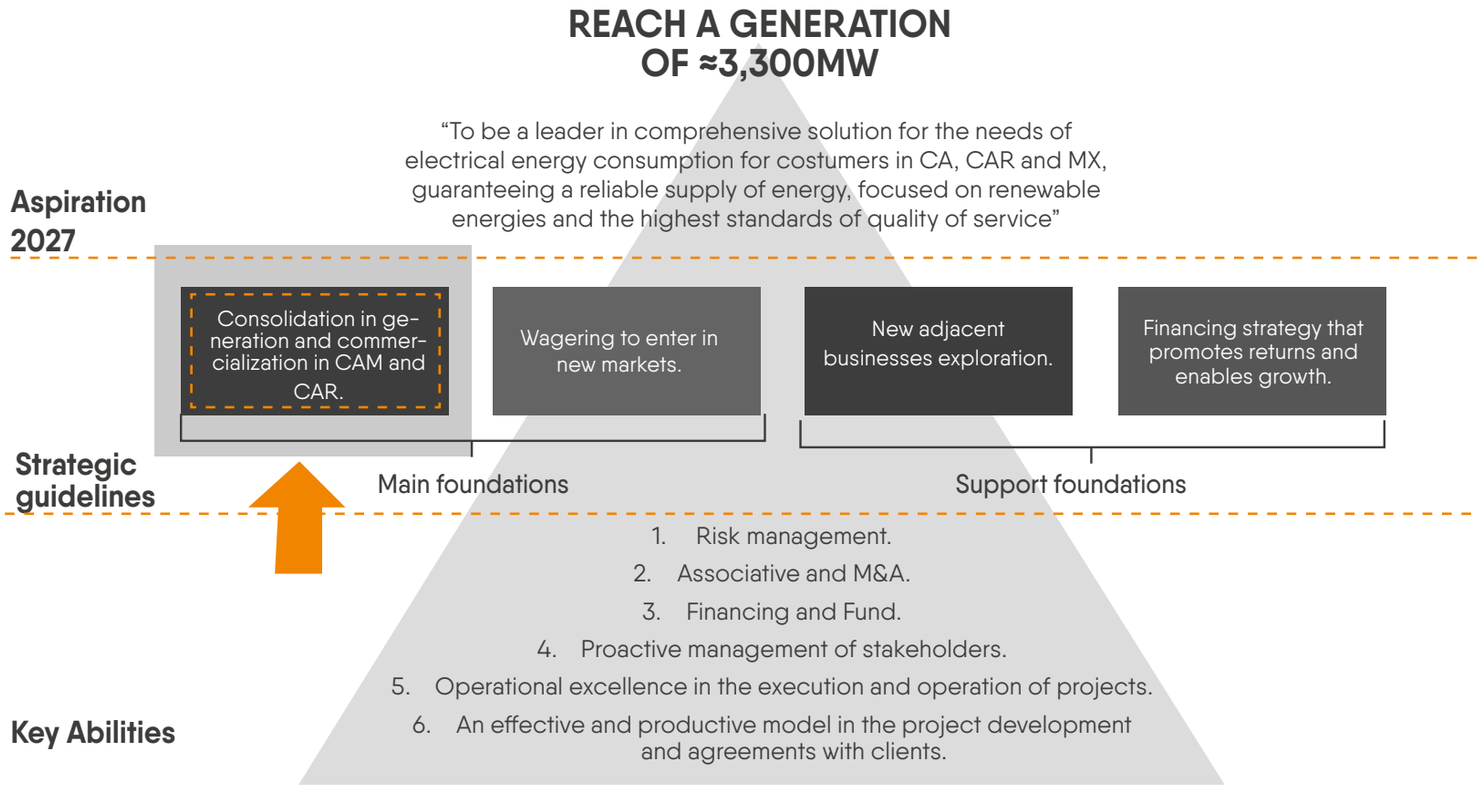
We are responsible, from the conception of new projects, whether they are organic development (known as greenfield-to open field) or through acquisitions, to their implementation; trying to minimize their environmental impact and maximize their profitability. It should be noted that we keep a pipeline of generation projects, executing them and securing the sale of clean energy to reliable and competitive customers.

Our design, engineering and construction team frequently evaluates new industry options to keep us at the forefront of renewable generation technology. Also, we keep informed of market changes to adapt to the needs of our customers: distributors, regulated or unregulated users to serve them in the best way possible and build mutually beneficial relationships. That is why we are looking for new ways to diversify our services, including products for self-sufficient energy, technical services and commercial advice, as well as selling additional energy attributes, such as renewable energy certificates and carbon bonds. On the other hand, we have the demand for energy generated by the commercial area, through large users, distributors, marketers, generators and exporters. This situation promotes building new projects and regional energy transactions, which are profitable and sustainable.

i DEVELOPMENT STRATEGY

(GRI EU6, EU8) (SDG 7) T : Access to clean energy and efficient use T : Impact investments T :Resilient infrastructure T : Research and development

Our strategy focuses on conceiving our own energy projects, whether on a large scale, for improvement or as adjacent market businesses to serve other business units of the corporation. In addition, it includes the design, financing and construction of all these initiatives, to put them at the service of users, with high operational efficiency processes.



In line with our strategy, we work on a variety of activities throughout the region where CMI works including the following:

- Power generation: Development (organic growth), M&A and Nuevos Negocios (New Businesses); business area that focuses on fostering the growth of the company in its main area of large-scale power plants connected to the grid.
- Adjacent Market Businesses and Energy Sustainability: Self-supply and energy sustainability initiatives for other areas of CMI.

ii ORGANIC GROWTH, M&A AND NEW BUSINESSES

(GRI EU6, EU8) T : Access to clean energy and efficient use T : Impact investments T :Resilient infrastructure T : Research and development

For our company, development is crucial, as it allows to ensure long-term growth. We provide projects that guarantee quality and low cost energy, for users in the countries where we operate, as well as a future source of work for all our associates.

The Energy Business Unit's area of Development, Procurement and New Business aims to generate a ~3.300MW proposal for CMI.

In this area of development we seek to increase the capacity of the company in searching for projects, whether they grow organically or through acquisitions, until their construction is completed and they start operating as soon as possible. This increases the value of the company, while satisfying the need for electricity in the markets where we work, through renewable energy, at an efficient cost. This allows us to achieve a high degree of satisfaction and reliability in the electrical system, for which we are based on sustainable development.

The normal activities of the company continue growing through organic development. This is achieved by identifying renewable energy generation projects from early stages; identifying sites, owners, permits and the initial studies of the local energy sales market until financing and construction is completed; and is later transferred to the operations area.

The projects that are under development and that have been worked as organic growth during the year 2019 are distributed as shown in the following illustration and are due to be implemented, shortly, the solar project Mata de Palma in the Dominican Republic, and two additional ones in Guatemala (a solar and a wind farm).

"To be a leader in integral solutions for the use of electricity necessary for our Central America and Caribbean customers, guaranteeing a reliable energy supply, with focus on renewable generation and the highest standards of quality of service."

Solar Plant Choluteca, Honduras

Wind Plant Orosí, Costa Rica

(GRI EU6, EU8) (SDG 7) T : Access to clean energy and efficient use T : Impact investments T :Resilient infrastructure T : Research and development

INTRODUCTION TO NEW MARKETS: MATA DE PALMA (ACQUISITION PROJECT)

The Mata de Palma generation plant is a solar photovoltaic project under construction during 2019, by BAS Corporation. It is located in San Antonio de Guerra, Dominican Republic. An estimated annual generation of approximately 105,400 MWh is estimated with a potential to serve 52 thousand homes and create 100 jobs in the area of influence. The social commitment includes medical examinations for its neighbors.

The acquisition of this project allows the Energy Business Unit to enter the Caribbean market, where it was not operating, taking advantage of the high reputation and penetration of the CMI Foods Business Group in the Dominican market.

There are also about seven solar and wind projects, which are in process and will be implemented in the medium term. These projects are located in Costa Rica, Nicaragua and Panama.

SUPPORT TO LOCAL OWNERS: WIND PROJECT IN PANAMA

With the implementation of the Wind Project in Panama, CMI is supporting more than 10 land owners to formalize their properties, a process that has involved the participation of government entities such as the Ministry of the Environment, the Land Administration and the municipalities. Some of them have been allowed to have their registered title of ownership, guaranteeing their possession and legal property of the land.

To undermine the risk of invasions, the project has legal certainty on the land where it will be installed.

Residential complex Prados de San Cristóbal, Guatemala

2.2. REAL ESTATE DEVELOPMENT BUSINESS UNIT

2.2.1. PRODUCTS AND SERVICES

(GRI 102-2, 102-4, 102-6, 102-7, 102-10) T: Progress and social welfare

By the end of 2019, we had the following infrastructure either in the construction stage, renting spaces in shopping centers or offices in corporate centers and selling apartments or houses. Because we are located in different departments of Guatemala, our customers include small and large business owners who rent or buy our offices or stores, and anyone who wants to improve their way of life by purchasing our apartments or houses.

As CMI Capital we have a real estate business model that is divided in two: Rents and sales. The first one is carried out in shopping malls under the brand Pradera, while the second one is concentrated in homes and offices.

PRADERA SHOPPING MALLS NETWORK

(GRI 102-2, 102-4, 102-6, 102-7, 102-10) T : Progress and social welfare

La Pradera

- Located in Guatemala City.
- It was opened in 1993.
- It has 170 shops and various service venues.

Pradera in Chimaltenango

- Located in Chimaltenango.
- It was opened in 2005.
- Construction: Between January and October 2019, 9,998.76 m2 of the complex was remodeled and its extension expanded by 18,139.17 m2, with an investment of US$16.3 million.
- Remodeling of 58 premises, 230 parking spaces for cars and 198 for motorcycles.
- Addition: 42 premises, 4 basement premises, 10 food court premises, 5 dessert premises, 200 parking spaces for cars and 74 for motorcycles.
- Income: Area for rent 14,300.57 m^2.

Pradera in Chiquimula

- Located in Chiquimula.
- It was opened in 2007.
- It has 134 premises, 34 kiosks, 535 parking spaces for cars and 358 for motorcycles.

Pradera Concepción

- Located in Guatemala City.
- It was opened in 2005.
- It has 220 commercial premises and 54 kiosks.

Pradera in Escuintla

- Located in Escuintla.
- It was opened in 2006.
- Construction: Between January and October 2019, 17,545 m2 of the complex was remodeled and its parking was expanded by 3,000 m^2, with an investment of US$3.5 million.
- Remodeled: 83 premises, 259 parking spaces for cars and 220 for motorcycles.
- Added: 13 premises, 2 in the current aisle, 4 food court premises, 7 premises in the financial plaza (2 floor), 165 parking spaces for cars and 185 for motorcycles.
- Currently the shopping mall has 96 premises and 424 parking spaces for cars and 405 for motorcycles, with a total area of 39 995m^2.

Pradera in Huehuetenango

- Located in Huehuetenango
- It was opened in 2008.
- It has 172 premises, , 45 kiosks, 404 parking spaces for cars and 450 for motorcycles.

Pradera in Puerto Barrios

- Located in Puerto Barrios, department of Izabal.
- It was opened in 2006.
- It has 77 premises, 31 kiosks, 347 parking spaces for cars and 560 for motorcycles.

Pradera in Vistares

- Located in Zone 12 of Guatemala City. It is part of the mixed real estate concept (commerce and housing) Vistares.
- Construction: Performed between October 2018 and November 2019, with an investment of US$53 million.
- Two levels and two basements with 98 premises, 23 kiosks, 950 parking spaces for cars and 200 for motorcycles, with an extension of more than 70 thousand m^2.
- Income: It started operations in November 2019, creating more than 700 jobs, under a leased area of 20,016 m^2.

Pradera in Xela

- Located in Zone 3 in the city of Quetzaltenango,
- It was opened in 2001.
- Construction: Between May and November 2019, the restaurant area was built. At the close of this edition, the cinema area is still under construction.
- It has 165 premises, 36 kiosks, 170 parking spaces for motorcycles and 845 for cars.
-

Pradera en Zacapa

- Located at the northern end of the city of Zacapa.
- Construction: Carried out between January and October 2019, with an investment of more than US$16 million, generating 1,200 jobs.
- It has 69 premises and 20 kiosks, 300 parking spaces for cars and 75 for motorcycles, with an extension of more than 14,800 m^2. It also includes a green area of 1,500 m^2.
- Its efficient lighting with LED lamps, energy efficient air conditioning system and treatment plants stand out.
- Income: It started operations at the end of October 2019, with a rent area of 8,800m^2.

Pradera Express

- Three complexes that are located in the localities of:
- Palín, opened in 2007, it has 27 premises and 12 kiosks, 55 parking spaces for motorcycle and 96 for cars.
- Saint Lucia Cotzumalguapa, inaugurated in 2007, has 13 premises and 7 kiosks, 100 parking spaces for motorcycles and 60 for cars.
- Villa Nueva, opened in 2008, has 22 premises and 10 kiosks, 80 parking spaces for motorcycles and 256 for cars.

BUSINESS CORPORATE COMPLEXES

(GRI 102-2, 102-4, 102-6, 102-7, 102-10) T : Progress and social welfare

Business Corporate Complex Zona Pradera, Guatemala

Telus (Torre Pradera Xela II)

Located in Quetzaltenengo.

Building that houses eight levels of business offices and a call center, plus two and a half basements.

Construction: Its first phase was built between January and September 2019, with an investment of US$ 6.1 million. At the close of this report, the second phase was under development.

Zona Pradera

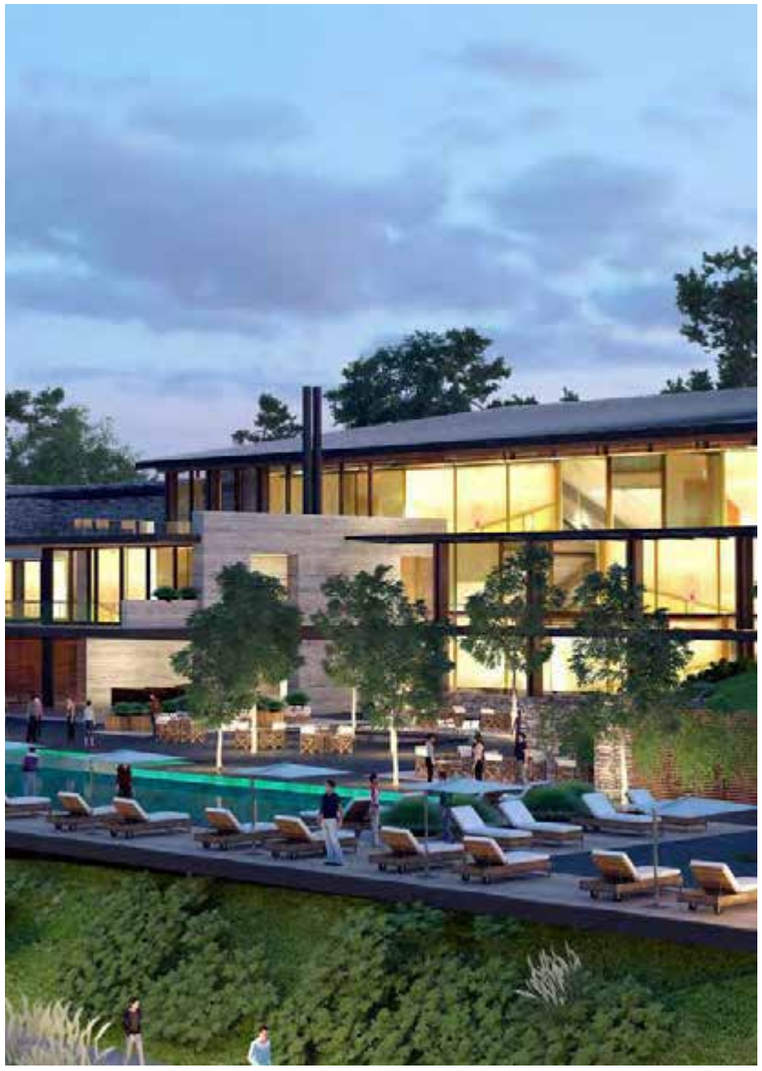
Located in Boulevard Los Proceres zone 10, Guatemala City.

Prestigious Corporate Center with multiple access facilities and services.

It is home to national and international front-line companies: It houses four towers between 18 and 20 levels and 1 five-level tower with a total of 744 offices. The towers have five unified basements for more than 2700 vehicles.

RESIDENTIAL COMPLEXES

(GRI 102-2, 102-4, 102-6, 102-7, 102-10) T : Progress and social welfare



El Pulté Golf

Located in Zone 16 of Guatemala City.

It was opened in 2018.

Exclusive residential community, located around forests in a privileged area. Its design has been planned around a golf course and has five-star quality amenities and comfort.

It is not included in this report because it is not managed by the Real Estate Development Business Unit.

Prados de San Cristóbal

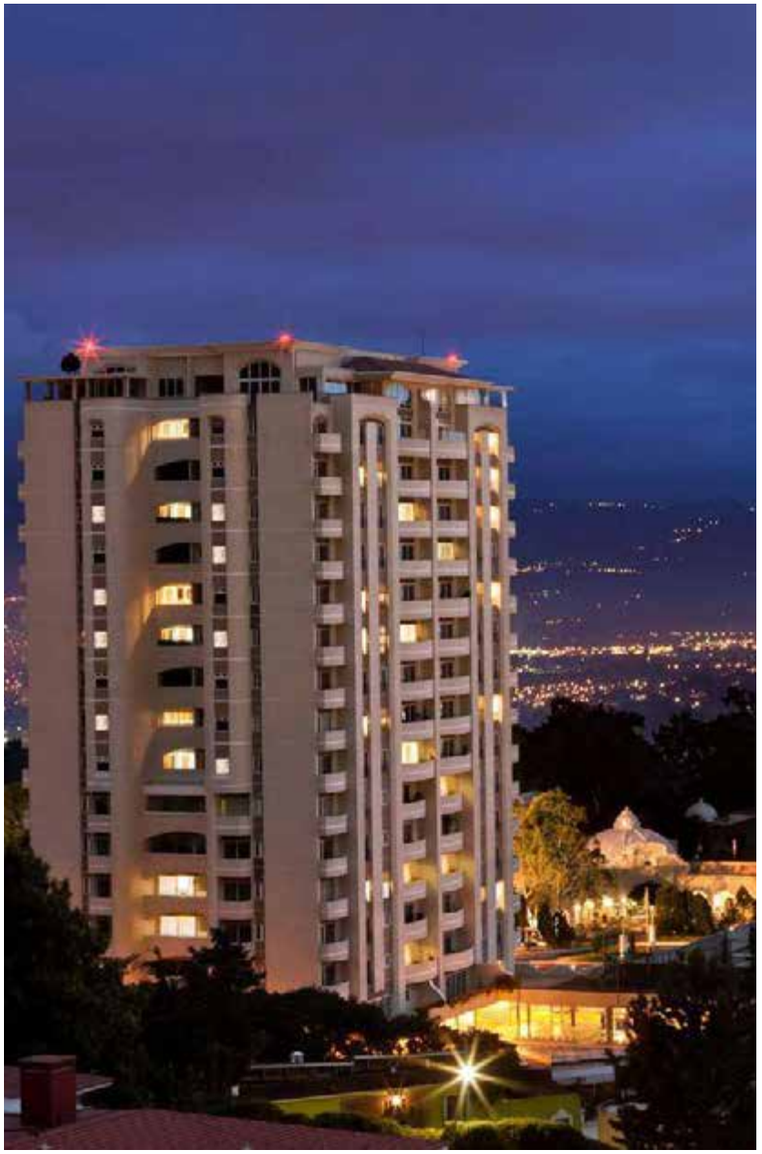
Located in Ciudad San Cristobal, Mixco, Guatemala.

Opened in 2007 and reactivated in 2013.

Real estate project with 808 houses, two social areas, a sports center and green areas aroound it, including its own ecological path. Its construction required an investment of US$58 million.

Construction: Between January and November 2019 we invested US$2.34 million for the final stage of the project, building 13,177 m^2 distributed in 36 houses, common green areas and games for children, 58 parking spaces for visitors and a warehouse for maintenance of the condominium.

(GRI 102-2, 102-4, 102-6, 102-7, 102-10) T : Progress and social welfare



Torre Real

Located in Km 9 Carretera a El Salvador in Guatemala.

It was opened in 2010.

Tower of 70 luxury residences with high quality services. It has a gym, indoor heated swimming pool, sauna, massage lounge, and social lounges.

San Isidro 20|21

Located near Blvd San Isidro zone 16 Guatemala.

It was opened in 2006.

Complex of five towers of 14 levels with 387 apartments surrounded by 23,000 m^2 of green areas, including a social lounge, a multisport court, swimming pool, play areas and trails.

Project is being developed in five phases having already delivered phase 1 and phase 2 is under construction.

Residential Complex El Pulté, Guatemala

2.2.2. WE PROVIDE QUALITY AND SAFETY TO OUR CUSTOMERS

(GRI 416-1, 103-1, 103-2, 103-3) T :Impact investments T :Resilient infrastructure

The priority of our Real Estate Development Business Unit is to build environmentally friendly and safe projects for those who occupy or visit them. To do this, we comply with current government standards, and implement voluntary high-quality controls.

We use some of the parameters that include verification of proctor compaction tests on platform, PSI resistance, and concrete coating on foundations and slabs. We also X-ray the metal structures, supervise welding, purchase finishing materials with low volatile organic compounds, perform quality control in air conditioning, and quality control in drinking water with physical-chemical analysis, acoustic controls and power supply of electromechanical equipment.

The Pradera complexes in Zacapa, Chimaltenango, Escuintla and Xela were constructed with metallic steel frame designs and anti-seismic structures. Pradera in Vistares and the Telus building were built with reinforced concrete structures, with a structural anti-seismic metal design to allow for wider corridors and premises.

In Pradera Puerto Barrios, we implemented occupational and safety risk prevention programs for our business partners and guests to take the utmost precautions, which would allow to eliminate or minimize factors that could cause accidents. In line with our commitment to ensure prevention of occupational risks and reduce them to zero percent probability, we analyze their nature and the measures that need to be taken to neutralize them. We check that these measures are appropriate and produce the desired effect.

In Pradera in Vistares the safety and integrity of visitors is safeguarded by signaling electric stairs, emergency exits, fire extinguishers, elevators and their maximum capacity. In addition, children's amenities and areas have relevant signage. This commercial center, like the rest of our complexes, meets the guidelines indicated by the National Coordinator for Disaster Reduction (CONRED).

THE CASE OF PRADOS DE SAN CRISTÓBAL

(GRI 102-12, 416-1, 103-1, 103-2, 103-3) (GRI CRE 8, 103-1, 103-2, 103-3)
T :Impact investments T :Resilient infrastructure
T : Research and development T : Occupational health and safety

The project has been characterized by excellence and innovation in construction issues. This is evident with the various awards obtained in recent years, such as those awarded by the Guatemalan Green Building Council (GGBC). The initiative ensures the development of sustainable projects in Guatemala. In 2017, Prados de San Cristóbal obtained third place, while in 2018 it obtained first place for its good environmental practices and sustainability, such as recycling programs, work order and cleaning, and installations for renewable energies.

In addition to these distinctions, in 2017 Prados de San Cristóbal received the "Award for Excellence", a contest organized by Cementos Progreso and the Guatemalan Chamber of Construction, in the category "Housing Condominium higher than US$120 thousand". Both awards gave Prados de San Cristobal the status of a sustainable, innovative and excellent project.

Improvements to this project include:

- Improvements in energy consumption, by using LED technology lamps in green areas.
- Savings in the amount of water used by implementing specific schedules for water testing and regulating the number of tests and the time.
- Design of piping so that owners can install solar heaters.
- Design of green and common areas in the construction area.
- Recycling process with work waste, paper, cardboard and aluminum (beverage cans).

It is important to note that the designs of the houses of Prados de San Cristobal are approved structurally and architecturally, by different authorities, in order to guarantee both the satisfaction of the clients and their safety. This is done through stable designs and structures, as well as by an environment surrounded by nature and hiking paths so that families have a place for physical activities. We carry out constant quality reviews of these buildings, which ensures that we do not have post-delivery claims. In the event of any claim, we serve them immediately as part of our warranty.

Among the quality controls considered are:

- Verification of concrete resistance in PSIs, with witnesses of the cast-in-place for the houses.

- Validation, of the quality of the materials used and the blueprint design at each stage of construction.
- Water tests to validate the absence of leaks in slabs, walls or windows.
- Tests all artifacts to check that there are no plugs from construction material in the drains.
- Cleaning of drains when delivering the urbanization.
- Manuals for the quality control equipment, including points to improve and constant revisions for the finishing stage.

2.3. FINANCE BUSINESS UNIT

(GRI 102-12, 416-1, 103-1, 103-2, 103-3) (GRI CRE 8, 103-1, 103-2, 103-3)

T : Progress and social welfare

One of our main objectives is to provide long-term funding solutions to facilitate the growth of all CMI companies. We also want to provide savings, loan and insurance facilities for our executives, suppliers and customers.

Financial products are targeted not only at group collaborators, to whom we offer benefits and facilities as members of the corporation, but also to our customers and suppliers. Some of the advantages we provide are first-home financing for many families and financing for buying equipment to make their business grow. The corporation's supplier financing includes support for SMEs that sometimes do not have access to bank financing, and taking advantage of the CMI ecosystem, they can be served with solutions that provide them with working capital to grow.

It is important to note that we are actively involved in renewable energy financing of the Energy Business Unit that not only comply with local standards, but also with best practices from entities such as the IFC and IDB.

3 OUR PEOPLE

(GRI 102-7, 102-8) (SDG 8.5, 10.3)

(GRI 102-7, 102-8) (SDG 8.5, 10.3) T : Human rights T : Inclusion T : Indigenous people

We have achieved innovative, efficient and exceptionally good results from the work of people who are proud, committed, passionate and dedicated. There are 726 workers who apply our REIR values in all our operations. For us the managing human resources is extremely important, here we ensure the development of their skills and abilities, and at the same time, we encourage them and value their contributions.

3.1. HUMAN RIGHTS AND OUR REIR VALUES

(GRI 408-1, 103-1, 103-2, 103-3)(GRI 409-1, 103-1, 103-2, 103-3) (Global Compact - Principle 1, 6) (SDG 8.7, 16.2)

For us, the human rights of our workers and other stakeholders we relate to, are important. This topic is included and highlighted in our Code of Ethics which emphasizes our REIR values: Responsibility, Excellence, Integrity, and Respect, which our collaborators live by freely and voluntarily.

We are convinced that these values must be lived both at the family and the work level, in order to be stronger and be consistent in their daily lives. To ensure knowledge of the Code of Ethics and our values, two in-person, four hour trainings are conducted each year, where all CMI Capital associates have access.

In this code, the policies derived from each REIR value are explicitly stated. As far as respect is concerned, it states:

"Respect is the consideration that we give to the rights of others and the legal system that supports these rights. Respect implies understanding that every person has an intrinsic dignity, independent of the circumstances such as socioeconomic status, individual preferences, ethnic origin, educational level, or location in or outside the organizational structure."

Code of Ethics - CMI

With respect, CMI Capital promotes work environments free of threats or violence in any of its forms, to avoid actions related to verbal, physical harassment, intimidation, hostility, solicitation of favors or sexual behaviors.

The following policies derived from Respect stand out:

- Respect for the person and his rights
- Respect for individual freedom
- Policy against sexual abuse and harassment

Although our REIR values include human rights at the general level, with respect to the value of Excellence, there is a policy to support the eradication of child labor aligned with one of the principles of the United Nations Global Compact. Thus, in Guatemala, at the end of 2019, we gave an award which recognized associates who live and represent our REIR values. The award was granted in public during our company's Christmas party. The winners were chosen by all associates in Guatemala and the winners were those who obtained the most votes.

3.1.1. CHILD LABOR

(GRI 408-1, 103-1, 103-2, 103-3) (Global Compact - Principle 5) (SDG 8.7, 16.2) T : Human rights T : Inclusion T : Indigenous people

At CMI Capital we have a strict policy of not recruiting minors, as we believe that we have a responsibility to protect and care for the safety and physical integrity of children and adolescents. The profiles of our jobs demand years of experience and willingness to work in particular working days.

Policy to support the eradication of child labor

CMI Capital is committed to complying with existing national and international laws that tend to eradicate child labor, consistent with ILO Convention 182 on the Worst Forms of Child Labor and ILO Convention 138 on the Minimum Age for Admission to Employment. In addition, our corporation invites its customers and suppliers to follow these good practices.

On this, we report that we do not have any minors employed in any of our operations. It has been established that if applications from minors are received, they are rejected because at the time of hiring, the Human Resources area requests and reviews all the documents that show and support the applicants' age of majority . Because of the type of work we do and the controls we implement, there is no risk of having child labor in our operations. We make sure our suppliers and strategic partners know our Code of Ethics and our REIR values. However, we will continue to analyze the criteria for a social assessment in order to prevent them from being at risk of hiring child labor. In this sense, our contracts include the following clause:

¨The contractor opposes child and forced labor, so the contractor shall not employ persons who are minors for the execution of the contracted work, and the contractor shall undertake to comply with the provisions of the Political Constitution of the Republic of Guatemala, International Labor Organization Labor Code and Standards ILO, as well as any other law, regulation, decree or resolution issued by the competent authorities.¨

3.1.2. FORCED LABOR

(GRI 409-1, 103-1, 103-2, 103-3) (GlobalCompact - Principle 4) (SDG 8.7)
T : Human rights T : Inclusion T : Indigenous people

To comply with the Guatemalan Labor Code of the Ministry of Labor (MINTRAB), the General Regulations on Occupational Health and Safety of the Guatemalan Social Security Institute (IGSS), and Government Agreement 229-14 and 33-16 of the Ministry of Labor, MINTRAB, our projects do not carry out forced labor in our facilities, nor are there any procedures that might encourage it. In addition, we organize working hours to avoid working additional hours according to contract, taking care of the health of our workers. With our providers we carry out preventive actions that we implement through our Occupational Health and Safety (training, active breaks, equipment and assistance resources) department, which prevents and makes sure that forced labor is not carried out.

3.1.3. FREEDOM OF COLLECTIVE ASSOCIATION

(GRI 102-41) (Global Compact- Principle 3) (SDG 8.8)

Although we are respectful of the constitutions of each country in which we operate and the labor regulations in force, we do not have collective bargaining agreements between the company and its workers or with trade unions.

3.1.4. DIVERSITY AND GENDER

(Global Compact - Principle 6) (SDG 5.1, 5.5, 8.5)

At CMI Capital, we comply with the labor legislation that corresponds to each country in which we operate and our processes and procedures comply with our Code of Ethics and REIR Values: Responsibility, Excellence, Integrity and Respect. In each country, we have an Ethics Committee that reports monthly to the Corporate Ethics Committee to disclose the cases of complaints that may have been filed. In these committees, complaints filed for breaches of the code are properly followed up, in order to establish their legitimacy and reasonableness.

The criteria used for decision-making regarding a complaint are as follows:

- Dignity of the person
- Prudence and equity
- Demand
- Actuation memory
- Legality

On December 9, 2015, in Costa Rica, Law No. 9343 Labor Procedure Reform Law was enacted, which aims to expand the criteria of non-discrimination, increasing the criteria from 4 to 14. Such criteria prohibit any discrimination at work based on age, ethnicity, sex, religion, race, sexual orientation, marital status, political opinion, national ancestry, social origin, affiliation, disability, union membership, economic status or any other similar form of discrimination.

Female personnel play an important role in the business unit , and the recruitment and selection processes and practices of CMI Capital, although our recruitment process is aimed at both genders.

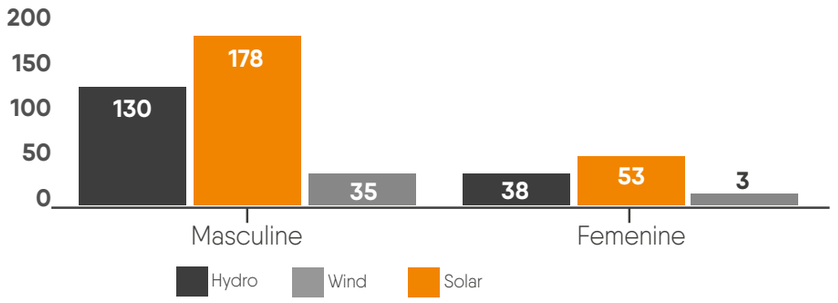
3.1.4.1. DIVERSITY AND GENDER – ENERGY BUSINESS UNIT

In the Energy Business Unit, 21% percent of our associates in our operations are women, and we will continue with our efforts to increase the number of female staff.

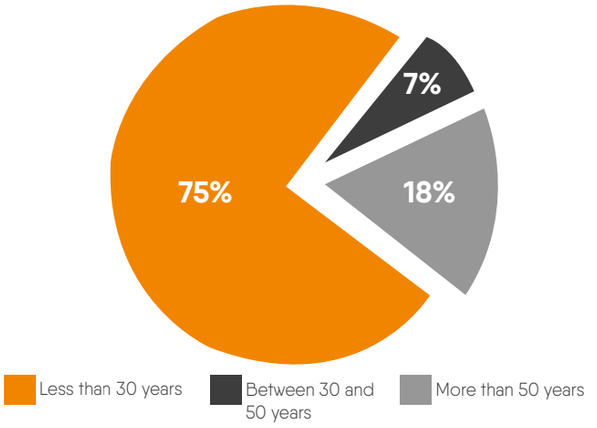
With regard to the age of the people we work with, 75% of them are between 30 and 50 years old, followed by younger people.

(GRI 102-7, 102-8)
T : Human rights T : Inclusion T : Indigenous people

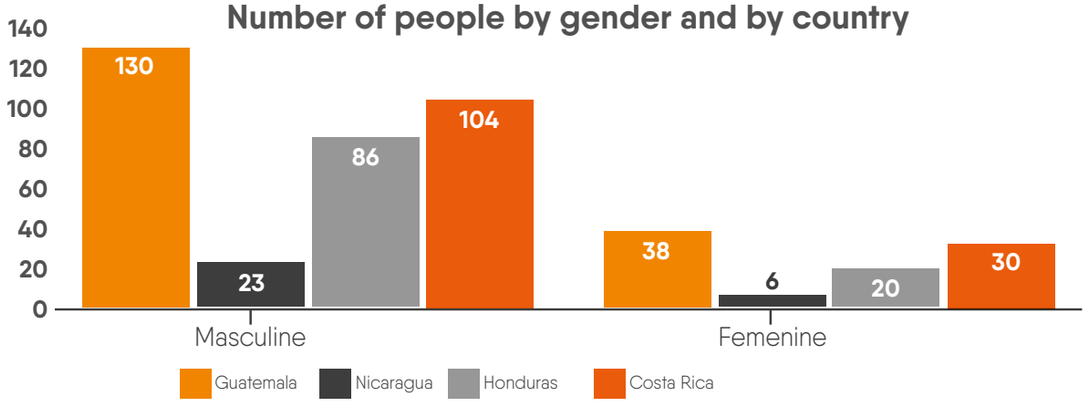
Number of people by gender and type of operation



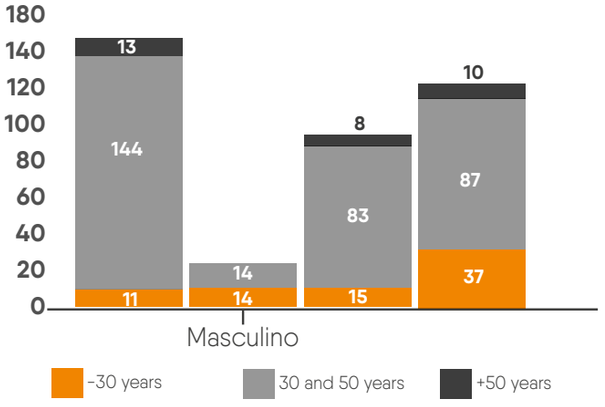
Porcentage of people by age range



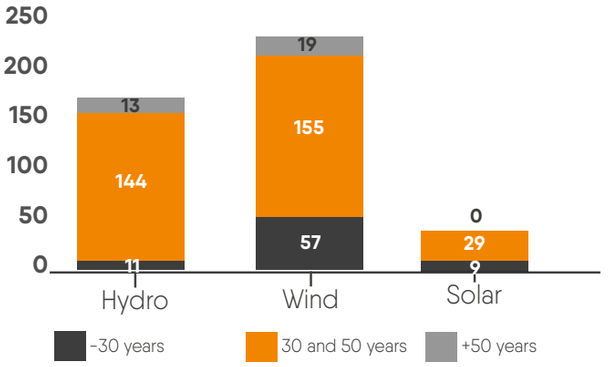
Number of people by gender and by country



Number of people by age range and country



Number of people by age range and type of operation



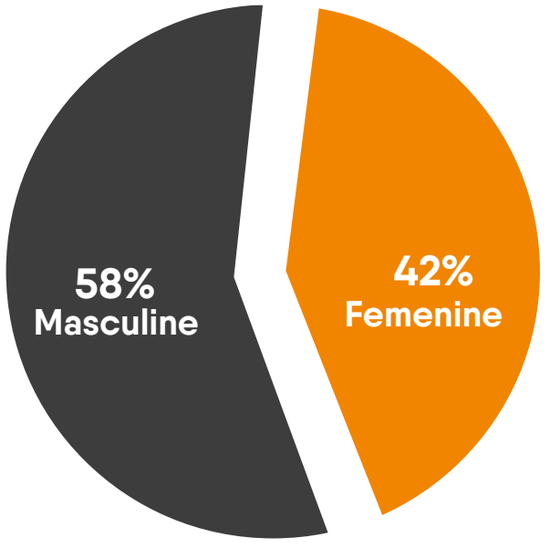
3.1.4.2. DIVERSITY AND GENDER – REAL ESTATE DEVELOPMENT BUSINESS UNIT

(GRI 102-7, 102-8)
T : Human rights T : Inclusion T : Indigenous people

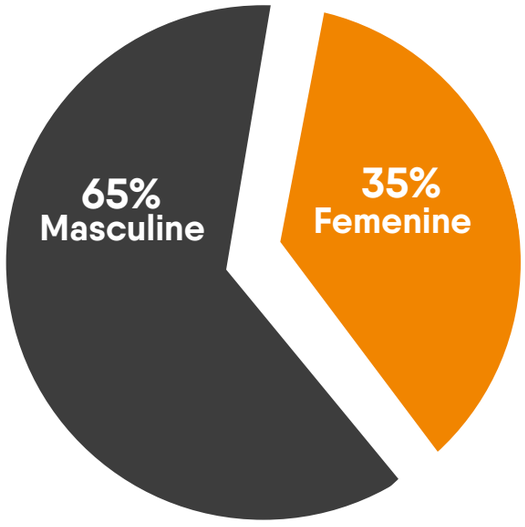
The female staff of the Real Estate Development Business Unit represents 42% of the total number of employees, which has been increasing over the years.

With regard to the age of the associates, the group with the largest number of workers is in the range of 30 to 50 years, followed by the younger people in the Energy and Real Estate Development Business Units.

Staff by gender 2019



Permanent contract and full time by gender



3.1.4.3. DIVERSITY AND GENDER – FINANCE BUSINESS UNIT

In this business unit, of a total of 79 workers, 35% are women.

3.1.5. PARENTAL LEAVE

(SDGs 5.1, 5.4, 8.5) T : Progress and social welfare

3.1.5.1. Parental Leave – Energy Business Unit

Associates on the roster have the right to parental leave. During 2019, 18 workers benefited from this right, including 15 women and three men. They all remained working for more than 12 months after their return to labor.

3.1.5.2 Parental Leave – Real Estate Development Business Unit

During 2019, five pregnant associates were given maternity l leave, according to the time allowed by law. Although they all returned to their work, one of them resigned four months after having resumed her duties.

In the case of the men, four took paternity leave and used the two days according to law.

3.1.5.3.Parental Leave – Finance Business Unit

In this area, during 2019, no one took parental leave, no women or men.

Article 152 of the Labor Code: The working mother shall be entitled to maternity leave with one hundred percent (100%) of her salary during the thirty (30) days preceding the birth and the following 54 days, the days that she cannot leave before the birth, shall be accumulated during the post-partum stage, therefore, the working mother has eighty-four (84) effective days of maternity leave.. Men are entitled to two days of paternity leave after the birth of their child.

3.1.6. ASSOCIATE BENEFITS

(GRI 401-2, 103-1, 103-2, 103-3) (SDG 3.2, 5.4, 8.5) T : Progress and social welfare

Committed to the well-being of our associates and their quality of life, during 2019, we strive to standardize benefits in all the countries where we operate. The following table shows the detail:

BENEFITS	Guatemala		Honduras		Nicaragua		Costa Rica	
	Permanent	Temporary*	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Life insurance	X	n/a	X	n/a	X	n/a	X	n/a
Health insurance	X	n/a	X	n/a	X	n/a	X	n/a
Disability coverage	X	X	X	x	X	X	X	x
Parental Leave	X	X	X	x	X	X	X	x
Retirement provisions	X	n/a	X	n/a	X	n/a	X	n/a
Dental policy	X	n/a	X	n/a	X	n/a	X	n/a

(GRI 401-2, 103-1, 103-2, 103-3) (SDG 3.2, 5.4, 8.5)

*In the Real Estate Development Unit, with operations only in Guatemala, both fixed and temporary staff are provided with all the benefits mentioned in the table above.

Also, all the associates of CMI Capital participate in the Life and Work Balance Program, which seeks a balance between their personal and professional life, in order to promote their permanence at work, motivation and sense of belonging. This undoubtedly contributes to an adequate working climate and thus improves productivity. This program offers the following:

- Home Office: Work outside the office once a week.
- Flexible schedule: Check-in time can be between 7:00 and 09:00 a.m. and check-out can be between 16:00 and 18:00 p.m., so that the eight working hours are met.
- Birthday Day Off: can't be exchanged for pay or be linked to holidays.
- Five paid days off per year : They can't be exchanged for pay or be linked to holidays.
- Flexible Friday: It is possible to leave before the time established.
- CMI Discounts: Better prices on corporation products, like in the restaurants Pollo Rey, as well as on real estate.
- Loans from our Finance Business Unit: We offer to purchase loans at a better interest rate compared to other banks in the country. The benefit is obtained one year after beginning work in the company.
- Savings promotion: Through financial education campaigns, as well as the generation of short- and medium-term investment options.
- IGSS Suspension Reimbursement: In the event associates are suspended for accident or common illness by IGSS, we reimburse them for the amount not covered by this institution, so that their salary is not affected. These efforts are carried out by the Human Resources department in the shortest possible time. This benefit is only provided to the Real Estate Development Business Unit workers.
- Life insurance and medical expenses: We offer individual and family insurance for those with spouses and children. They pay 20 percent of the fee according to the worker's position and category.
- Medical, optical and vaccination days: We have days focused on health care for our associates. In order to prevent our employees from getting sick, we identify their needs and call in specialists.
- Free parking: For our associates in the company's main offices.

These benefits are viable, provided project operations allow it and the immediate manager of each associate must approve it.

In addition, there are benefits that only apply to certain CMI Capital companies as is the case with the Real Estate Development Business Unit, which provides the following:

- Friday Pass: We grant a Friday pass as a reward for fulfilling an outstanding project or task, which involves hours of work and an extra mile for their achievement. Each associate can receive up to two passes per year.
- Time Out: An area in our headquarters where associates can enjoy a drink or snack to relax from daily tasks.
- Welcome Voucher: On on-boarding day, our new associates receive a voucher for a Super Campero Menu (corporation owned restaurant).

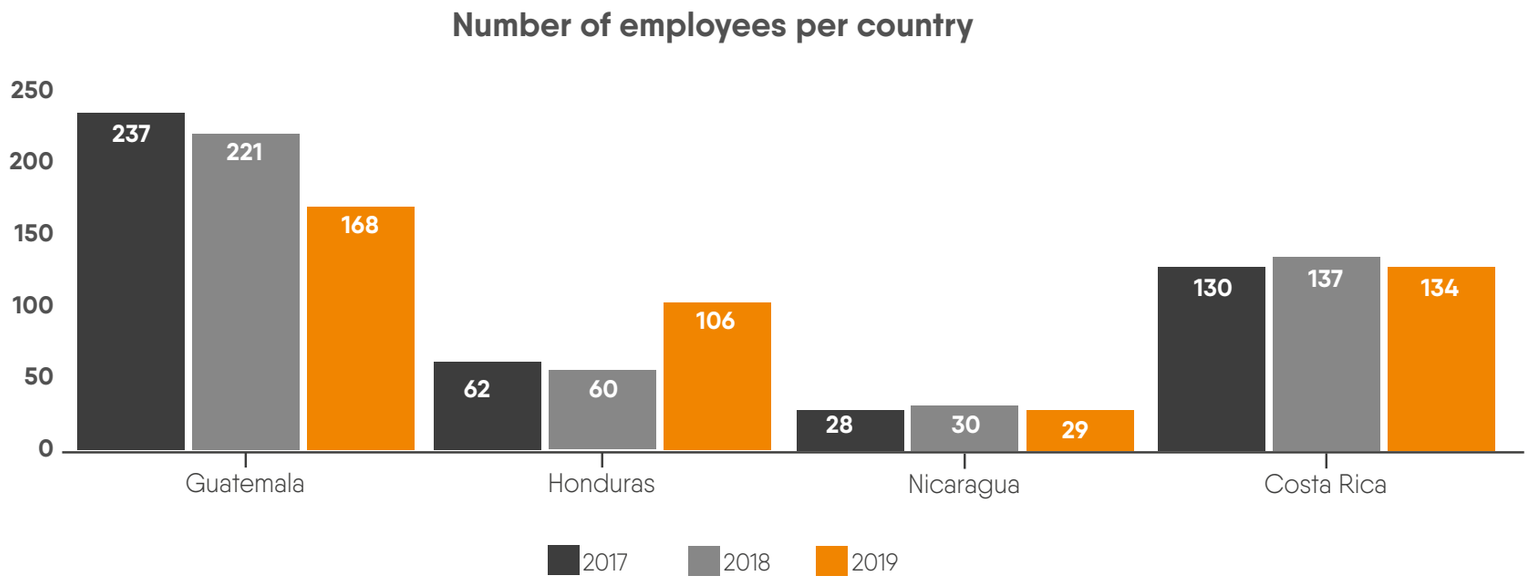
3.2. GENERAL ASSOCIATE INFORMATION

(GRI 102-7, 102-8) (SDG 8.5, 10.3) T : Creating jobs

When CMI Capital and CMI Foods groups were consolidated in 2019, there were structural changes in the support areas, which were implemented in a cross-cutting manner. By the end of that year, supply and finance areas were integrated at the level of CMI Capital.

3.2.1. ENERGY BUSINESS UNIT

These changes in structure led to a new focus on the company's strategy and vision. In the Energy Business Unit, we moved from cluster or country operations to a technology-based operation: hydraulic, wind and solar generation. A total of 437 workers were registered by the end of 2019.



The main changes are seen in Guatemala and Honduras. In Guatemala, we only operate hydroelectric plants and during 2019, we had 168 associates compared to our 221 associates in 2018. This was due to two main reasons: A change in the organizational structure and the end of the construction of the Renace IV hydroelectric plant.

In Honduras we have 106 employees, compared to 60 in 2018. This increase was due to the temporary staff required to carry out maintenance work, according to the annual schedule and the needs of the wind and solar businesses, especially the former one.

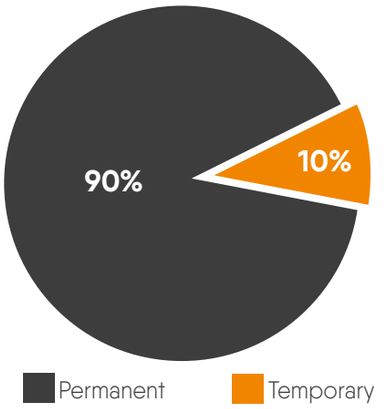
In this country, we have wind farms, whose tasks represent a greater complexity due to the need for mechanical, high-altitude work and our dependence on weather conditions. In addition to the characteristics of the wind turbines, as well as the fact that they are geographically dispersed, they demand a greater number of employees. There are cases such as the solar park of Choluteca that has trackers (or followers) and mobile elements that demand maintenance.

Types of Contracts

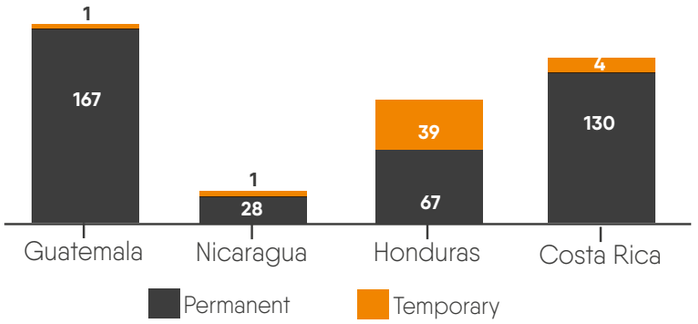
(GRI 102-8) (SDG 8.5, 10.3) T : Creating jobs

Ninety percent of our associates have a permanent contract, and Honduras is our operation with the highest number of associates on a temporary regime. This is due to maintenance work needs, at specific times of the year characteristic of the business model. One-hundred percent of our associates are working full-time.

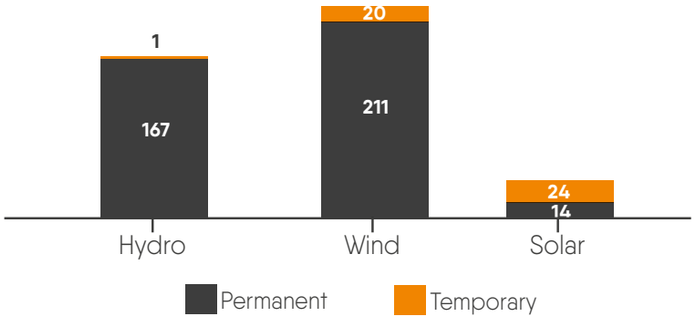
Porcentage of people per type of contract



Number of people per type of contract and by country



Number of people per type of contract and operation



Staff Turnover

(SDGs 5.1, 8.5, 8.6, 10.3)

Costa Rica and Honduras had a higher number of new associates because in these countries the number of positions that had to be filled increased, due to maintenance plans according to the cycles defined by the business.

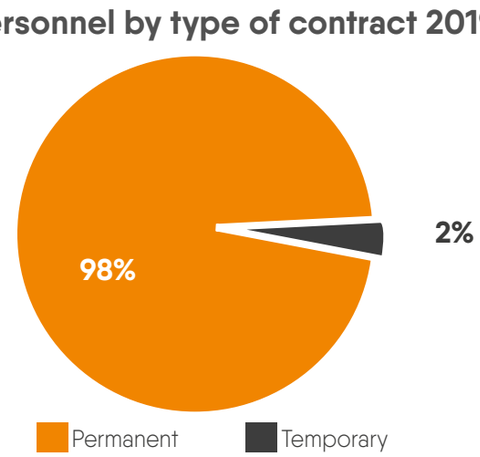
Also, due to a strategy approach and business requirement, more human resources were assigned for wind and solar technologies.

3.2.2. REAL ESTATE DEVELOPMENT BUSINESS UNIT

(GRI 102-7, 102-8) (SDGs 8.5, 10.3) T : Creating jobs

In this unit we have 296 workers on the roster. However, due to the nature of our operations, construction contractors are used for sales and rental; operating shopping centers and corporate complexes; and safety and cleanliness.

Guatemala has a total of 125 women and 171 men with permanent contracts, 98%.



Personnel of third-party companies

(GRI 102-8) (SDGs 8.5, 10.3)

As is known, to operate our real estate complexes it is necessary to hire cleaning and security personnel, while construction requires the employment of construction specialists (bricklayers), hired through service provider companies, depending on the size of the building. In Guatemala, all persons hired, under this modality, receive legal benefits.

In the construction sector, the recruitment of personnel amounted to 6,257 persons, representing 96% and 99.5% of them are full-time employees. Because of the nature of the work, 99% are men; 69% are under 30, 28% are between 20 and 50, while 3% are over 50.

For cleaning and security, 356 people worked in the different shopping malls that we operate, with 96% with a permanent contract, all located in Guatemala. It should be noted that 80% of these workers are men and 61% are under 30 years old.

Staff Turnover

(SDGs 5.1, 8.5, 8.6, 10.3)

The Corporate Policy defines the guidelines for recruitment and selection processes to attract, develop and retain the best talent and drive their effectiveness.

Because of this recruitment and selection policy we have trained ideal staff for the different positions that need to be covered. This aspect is important because we meet the requirements of the different areas in time to hire professionals who have the ideal profile to adapt themselves and deliver results.

In Guatemala, the law provides for two months of proof for dismissal with no compensation payment. Other scenarios to take into consideration for the termination to a position may be due to poor performance, which is analyzed in a feedback meeting with the boss or leader, to identify opportunities for improvement in a reasonable period of time. If there are no improvements, a written or verbal attention call is issued. Finally, if termination is decided, it is evaluated together with the Human Resources area.

If the worker resigns voluntarily, he must submit a letter to his immediate superior, and then the Human Resources area is notified and they conduct an exit interview to find out the reasons for said decision. Employees who retire receive support in the procedures and documentation requirements to complete their file.

3.3. TALENT DEVELOPMENT, TRAINING AND EVALUATION

(GRI 404-2, 103-1, 103-2, 103-3) (SDG 8.2, 8.5) T : Training and teaching (technical training)

At the corporate level, at CMI Capital we use the Talent Development Model, a corporate and business strategy for the continuous development of those who are part of our company. This model is accompanied by a platform based on learning from experience, relationships and formal learning.

DEVELOPMENT ACTIONS PORTFOLIO

- **IDEAS THAT WORK**
  Project execution
- **MY TEMPORARY CHALLENGE**
  Cross Training
- **IN THE ROLE OF**
  Assignments and replacements
- **VALUABLE SOLUTIONS**
  Business cases
- **DIRECTIVE EXPOSITION**
  Forum participation

- **MANAGING MY COMPETENCES**
  Coaching
- **EXPERT ACCOMPANIMENT**
  Mentoring
- **LISTENING OTHERS**
  Feedback
- **OBSERVATION FOR ACTION**
  Job Shadowing

- **UCMI LEARNING CATALOGUE**
- Virtual Ucmi
- Readings

Performance and Development System -SDD-

(GRI 404-2, 103-1, 103-2, 103-3) (SDG 8.2, 8.5)

The Performance and Development System (SDD) provides benefits for both the company and its associates. Through this system, all members of our team align themselves with the strategy of CMI Capital. It is an excellent input for human resource processes such as training; career and succession plans; compensation and benefit determination; and retention actions. It is a tool that facilitates and makes decision-making more objective, makes the status of the associates visible, and allows a strategic and structured development of people.

On the other hand, this system helps associates to have greater clarity about the business's destination in an integral way: the business unit and the department to which they belong. It allows them to understand how each person's work impacts business strategy, the expectations of their work, the rules of the game, and what to do in every situation they face.

In particular, our SDD model is divided into three phases:

1. Goal Setting: Makes sure that each employee has clear objectives, to focus his work, and are a parameter to measure his performance and contribution to the company.
2. Mid-term feedback: An employee-higher manager meeting is held to review the objectives outlined; provide feedback on performance results and behaviors –hard and soft skills – and provide follow-up actions.
3. Annual Assessment: Analyzes the fulfillment of annual objectives and skills. An annual objective performance rating is issued to calibrate or guide development actions for the associate.

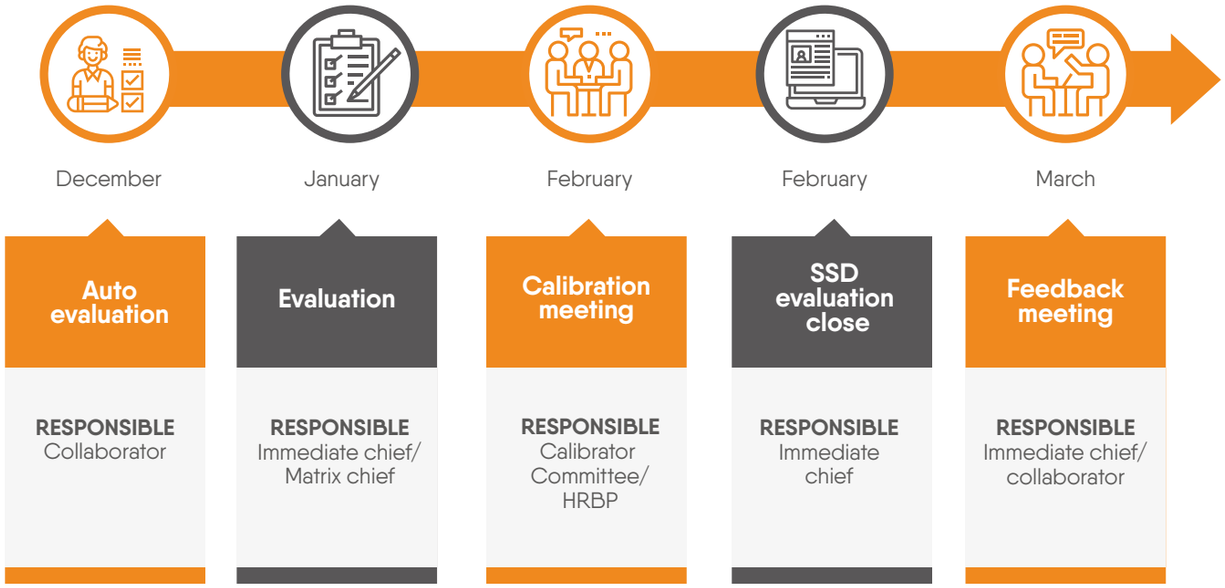
Individual Development Plan

(GRI 404-2, 103-1, 103-2, 103-3) (SDG 8.2, 8.5) T : Training and teaching (technical training)

With this plan, each partner gives priority to the skills they should work on, according to the talent needs of the company and the activities they should develop in their work area. For this, the following steps are performed:

1. 1. **Reflect:** iIdentify development needs and potential personal barriers that explain areas for opportunities.
1. 2. **Planning:** Analyze priority aspects for development, impact, and relevant change, associated to corporate competencies, potential indicators, performance factors, and change goals. In addition, the actions associated with these objectives are defined.
1. 3. **Implement:** Once the priorities and actions have been defined, a development plan is validated, implemented and regular feedback is promoted, and is followed-up.

In the annual evaluation, we analyze the fulfillment of the objectives we set ourselves each year, and establish actions to guide the development of those who work with us. This is executed in the following order:



At this stage, we analyze a rating scale ranging from 1, associated with non-compliance of objectives and expectations, to 5, which shows that they have been exceeded with exceptional performance.

We also identify those workers with the potential to grow in our company. We promote available vacancies in all our other business units, allowing our associates to pursue growth to positions of greater responsibility.

Each year, based on this plan and SDD, we conduct the Learning Needs Detection process -DNA- to identify and analyze the issues where teams require training in soft and hard skills, focused on achieving business results and aligned to the overall strategy. This process provides inputs to prepare the Annual Training Plan, which is prioritized according to the budget allocated for the year.

4 OUR SUPPLY CHAIN

(GRI 102-9, 102-10) (GRI 204, 103-1,103-2, 103-3) (Global Compact– Principle 2)

(GRI 102-9, 102-10) (GRI 204, 103-1,103-2, 103-3) (Global Compact– Principle 2)

Suppliers play an important role in keeping our operations and fulfilling our purpose of generating clean energy for Central America. This way we can deliver value to our Real Estate Development Business Unit and CMI Foods business partners and customers. We have a Corporate Supply Policy, which allows us to execute a standardized, cross-cutting and centralized process.

In order to be more efficient, we classify purchases as strategic, transactional, and emergency. The latter are important when operations, safety or the environment are at risk. Likewise, we rank our relationship with suppliers in four ways: transactional, volume, strategy, and partnerships.

We have a Corporate Supply Policy, which allows us to execute a standardized, cross-cutting and centralized process.

The evolution and growth of the company has had a direct relationship with the new role demanded from the supply area. It is essential to be more efficient in our management and optimize resources through a centralized business group model.

The centralized supply project came up as one of the first initiatives that seek to optimize resources and processes for the procurement company in a cross-cutting manner. During 2019, a central team began to manage the purchases of the Real Estate Development Business Unit and the operations of the Energy Business Unit of Costa Rica, Honduras and Nicaragua. This allows generating economic benefits and the efficient implementation of policies, expenditure analysis, trade terms negotiations, process standardization and the adequate management of suppliers and other best practices.

4.1. LOCAL SUPPLIERS

(GRI 204-1) (SDG 8.3) T : Progress and social welfare T : Creating jobs

We are aware of the impact that we generate in the different places in which we operate by our contribution to the local economy, purchasing products and services from the countries in which we are located.

- In Guatemala 97% are local suppliers.
- In Nicaragua 88% are local suppliers.
- In Honduras 64% are local suppliers.
- In Costa Rica 97% are local suppliers.

In order to collaborate with the development of local suppliers in the areas where we operate, we are working on the Supplier Development Program, which seeks to provide support to improve local supplier processes and generate positive impacts in our company, neighboring communities, the environment and safety.

4.2. SOCIAL AND ENVIRONMENTAL SUPPLIER ASSESSMENT

(GRI 308-2 103-1, 103-2, 103-3)(GRI 414-1, 103-1, 103-2, 103-3) (SDG 5.2, 8.8, 16.1)

For us, it is important to assess the behavior of our suppliers and the impact on the environment, because this can have an impact on our reputation.

In Guatemala, we have begun to perform this type of evaluation, focusing on critical suppliers, according to our Integrated Management System (SIG). During their selection, these suppliers are evaluated under environmental, quality, occupational health and safety criteria.

In 2019, in the Energy Business Unit we were able to evaluate 30 suppliers with significant risks of possible negative environmental impacts. In the next stage we are responsible for defining and identifying the specific environmental risks of the supply chain and preparing the corresponding risk matrix. The Real Estate Development Business Unit makes sure that its contractors comply with the current environmental regulation, in addition to the internal criteria that we handle, such as environmental management plans or agreements with the authorities of the environments in which we operate.

With regard to social assessments, although we have a clause to rejecting child and forced labor, we are working on identifying in our suppliers, the social criteria to consider.

Finally, in the procurement area we perform a legal analysis of all our suppliers and, in some specific cases, a financial, quality and technical analysis. Through these studies, we determine whether bidding companies may be eligible to provide their services or supply goods to our company.

5 WORK SAFETY AND HEALTH

(GRI 403-1, 103-1, 103-2, 103-3) (ODS 8.8)

(GRI 403-1, 103-1, 103-2, 103-3) (SDG 8.8) T : Occupational health and safety

In all the business units of CMI Capital we protect the life and health of our team members, whether they have been hired directly or indirectly by us. To do this, we comply with the current legislation governing Occupational Safety and Health issues - OHS - in the countries where we operate. We have policies, safety manuals, procedures, inspection forms and other tools to manage this topic. As a priority we also instruct all workers in physically protecting themselves, we comply with the requirements of OHS and the prevention of occupational risks. Finally, we monitor the compliance of scheduled and unscheduled inspections, mandatory monthly reports, and follow-up on the findings identified in those activities.

The OHS approach is not limited to the building stage of the Energy Business Unit's infrastructures or our real estate complexes. We also keep this approach during the operating stage of these facilities. In shopping malls and corporate complexes we provide safety to our visitors and customers through clean environments, ordered with all civil defense standards.

5.1. ENERGY BUSINESS UNIT

Health and safety management system at work

(GRI 403-2, 403-7) (SDGs 3.2, 5.4, 8.5, 8.8)

Our Integrated Management Systems (SIG) are certified and implemented to provide greater support to the company's strategies in terms of quality, occupational health, environment and safety. The certified plants are: Renace I and Santa Teresa hydroelectric plants in Guatemala; Cerro de Hula in Honduras, Eolo in Nicaragua and PESRL wind farms in Costa Rica.

We currently have the following certifications:

TRI-NORM

SIG certified by ICONTEC since december 2017

3 locations certified

Central offices | **Renace I** | **Santa Teresa**

BI-NORM

(ISO 14001 and OHSAS 18001)

SIG certified by SGS since 2013

3 wind plants certified

EOLO Nicaragua | **EEHSA Honduras** | **PESRL Costa Rica**

The scope of our management systems is defined by the activities of each of the processes. In some cases, we take into consideration the place or environment where the activities of each operation are being performed. It is important to note that, in line with our SIG certifications, we produce periodic reports for senior management review. We also conduct internal and external follow-up or recertification audits at certified plants. In this way, we evaluate if the system complies and help keep plants certified, while setting the standard for the adjustments required in the procedures implemented in the other plants.

In order to comply with the legal requirements, in 2019, an external legal audit was carried out for all operations in the region. All audits were satisfactory, but there were a few cases where recommendations were given and the opportunity to improve occupational safety and health compliance.

This occurs in 100% of our operations because we comply with the laws of each country in which we operate. In addition, we take special care, implementing initiatives in activities identified as "high risk" by each of the generation plants in which we operate.

(GRI 403-2, 403-7) (SDGs 3.2, 5.4, 8.5, 8.8) T: Occupational health and safety

Wind Technology

- **Working at heights:** It is one of the most important and high risk activities, since many of the work must be carried out at a height of between 80 and 90 meters, where the nacelle and the bushing of the wind turbine are. The blades are at the same height.
- **Load lifting:** to carry out the maintenance and equipment change processes at a height of between 80 and 90 meters, we must ensure compliance with a number of operational controls to prevent risks. On this, we ensure compliance with the following:
  - Work permit with cranes.
  - Load elevation plan.
  - Capacity of participating employees to work at heights.
  - Inspection of all elements to lift the load. The cranes used in this process are between 400 and 500 tons in order to be able to carry out the work safely.

Solar technology

The main activity in solar operations is cleaning the solar panels to ensure their capacity to generate.

Hydraulic technology

- The main risk is the water, since work needs to be carried out in dams, canals and reservoirs of the hydroelectric plants.
- There is less work at heights and lifting loads, complying with all operational controls, especially in the execution of major maintenance.

For every types of technology we use, we have specific activities in the substations, where we carry out cleaning work and inspections of major equipment such as transformers, disconnectors and transmission lines. In some places, there is a risk of contact with wildlife that might be dangerous. For all of this, the operational control we use is labeled and blocked to prevent accidents, which means de-energizing the facility while performing maintenance work.

In the case of wind and solar parks, fire prevention is one of the great activities that we work on, we frequently weed the parks to prevent fire risks.

T: Occupational health and safety

Worker participation, consultation and communication on health and safety at work

(GRI 403-4) (SDGs 8.8, 16.7)

Our company workers and contractors are covered by our SIG, in all the countries where we operate.

In 2019, the Occupational Safety and Health team of the Energy Business Unit was consolidated, which consists of 10 people who perform occupational health and safety management in our 16 renewable energy generation plants.

In each of our operations in the region, we have a safety committee that complies with the laws of each country. The workers actively participate in these committees and become promoters of OHS, as indicated in the following table:

COUNTRY – OPERATIONS	Country – Operations	Total workers
Guatemala Central offices, Renace hydroelectric complex	3	18
Honduras Cerro de Hula and Choluteca	2	8
Nicaragua	1	4
Costa Rica Liberia – Tilarán	2	4

In Central America, the legislation around the OHS committees is similar among the different countries. Overall, all countries require that these committees consist of 50% of the workers' representatives and 50% of employers' representatives.

The members representing the workers of each committee are elected by means of a summons among all the workers of the operation, or by means of a personal proposal in which they express their interest in participating in an OHS committee.

Usually, each committee has a coordinator, a secretary, and members of the board from I to IV. These positions on the committee are filled by associates, both representing the employer and the employees. The meetings of the committee are at least once a month and have the following objectives:

- Review progress on commitments made at previous meetings.
- Identified risk analysis.
- Review monthly statistics.
- Operation inspection verification.

Decisions within each committee are taken by consensus and ratified by the minutes of the meeting.

The responsibilities of each committee are described in the following documents:

- **Guatemala**: Ministerial Agreement 23-2017. Manual for the Organization and operations of bipartite committees on Occupational Health and Safety.
- **Honduras**: Executive Agreement No. STSS-053-04 General Regulations on Preventive Measures of Occupational Accidents and Diseases Reformed Chapter 6.
- **Nicaragua**: Reformed Ministerial Resolution on the Joint Commissions on Occupational Health and Safety (c.m.h.t.s.l.) in companies.
- **Costa Rica**: No. 39408-mtss of The President of the Republic and the Minister of Labor and Social Security.

To communicate occupational health and safety issues to associates and contractors, we use the internal communication process. By this means, both occupational health and safety issues are communicated in a constant way, in line with our REIR values.

The media used for this purpose are: E-mail, digital displays, communication boards and/or blackboards.

Training:

(GRI 403-5) (SDG 8.8)

In 2019,security talks were set up and held for five minutes before morning operations began throughout the region. This led to 245 talks for all associates in the 16 plants in the countries where we operate.

19.29 hours of training were spent on training and education issues for staff. These hours of training were provided by in-person courses, field and virtual trainings, through our web platform.

T: Occupational health and safety

Injuries due to work accident

(GRI 403-9) (SDGs 3.3, 3.4, 3.6, 3.9, 8.8, 16.1)

The objectives for the region, in both proactive and reactive indicators, are listed below.

PROGRAM	GOAL
OHS Recognition	Quarterly Award
Occupational Health	100%
Training	90%
Routine inspections	85%
Drills	100%
Industrial Hygiene	90%

With regard to reactive indicators, major efforts were made at the end of 2019 and according to the proposed measurement at the beginning of the year. At the regional level, there were three accidents. Statistically, 2019 finished at the lower limit of the proposed interval, which was between three and six accidents. All initiatives contributed to achieve the objective. In terms of severity, less than or equal to 40. In addition, strategies, programs and plans contributed so that no fatalities were recorded.

	2019	
	Reactive Indicator	Reactive indicator closed
Fatalities	0	0
Frequency index	0.67-1.33	0.32
Severity Index	40	19

Note1: Frequency rate, for every 100 employees, 0.32 employees are involved in an accident.

Note2: Severity index, for each accident registered at the company, there were 19 average days of suspension or days lost due to injury.

Risks and initiatives

- The mechanical risks identified were as follows:
- Falling at the same level
- Falling down to a different level
- Contact with sharp surfaces
- Contact with hot surfaces
- Getting trapped by or between objects
- Trapped by a heavy machinery turning over
- Hit by a vehicle
- Crashing into or hitting objects that become loose
- Crashing into stationary objects
- Falling objects
- Flying particles

According to the risks identified, some of Renace's initiatives in Guatemala were a follow-up to the activities implemented in 2018. The continuity of the Local Coordinators for Disaster Reduction (COLRED) was verified, because in some cases, the authorities of the communities have been changed. Likewise, the programming of the formation of other groups of COLRED was carried out for 2020, with this the communities of Santa María Julha, Chirrequín, Sequim and Chicuis, would be supported to reach in total eight COLRED groups in the surrounding areas.

During 2019, the model for the evaluation of occupational safety and health culture was generated. Several survey-level tests were conducted in Guatemala and Honduras, the results of which served to improve the safety culture measurement model. The evaluation at the regional level was carried out in 2020, the data collected was used to generate a plan to close gaps and improve occupational safety and health management, as well as to build the Dupont Curve for our power generation operations throughout the region.

On the other hand, in Honduras and Costa Rica, training platforms were built to work at heights, through which the practical training part of this type of activity is performed (the employees use the equipment normally used to work in the wind turbine). In addition, each one has a self-healing equipment and a drill of this activity is carried out. The platform has a height of 10 meters. This form of staff training has been very effective and economically viable, since groups of 10 or 12 can be trained. It should be noted that this also contributes to the certification of each worker's annual competencies.

T: Occupational health and safety

Injuries due to work accidents Statistics 2019

Country	Women (number)	Types of accidents	Accident Frequency Rate (TFA)	Occupational Disease Incidence Rate (TIEP)	Lost Days Rate (TDP)	Deaths due to occupational accidents or illnesses
Guatemala	44	0	0	0	0	0
Honduras	16	0	0	0	0	0
Costa Rica	34	0	0	0	0	0
Nicaragua	5	0	0	0	0	0

Country	Men (number)	Types of accidents	Accident Frequency Rate (TFA)	Occupational Disease Incidence Rate (TIEP)	Lost Days Rate (TDP)	Deaths due to occupational accidents or illnesses
Guatemala	153	0	0	0	0	0
Honduras	44	0	0	0	0	0
Costa Rica	103	Leve a/	0,59	0	15	0
Nicaragua	25	0	0	0	0	0

Note: Accident frequency rate calculation based as specified by the Occupational Safety and Health Administration of the United States (Number of lost day accidents / total of man hours worked * 200 000)

(GRI 403-9) (SDGs 3.3, 3.4, 3.6, 3.9, 8.8, 16.1) T: Occupational health and safety

The following tables detail the incidents and/or accidents that occurred during 2019:

Energy Business Unit Associates

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of deaths resulting from work accidents	0	0	0	0	0	0	0
Number of worked hours	378,811	42,774	160,815	65,145	225,960	101,340	748,885
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Death rate resulting from work accidents	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of injuries due to work-related accidents with great consequences	0	0	0	0	0	0	0
Number of worked hours	378,811	42,774	160,815	65,145	225,960	101,340	748,885
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Injury rate from work-related accidents with great consequences	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of occupational accident injuries	0	0	1	0	1	1	2
Number of worked hours	378,811	42,774	160,815	65,145	225,960	101,340	748,885
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Workplace injury rate	0.00	0.00	1.24	0.00	0.89	1.97	0.53

(GRI 403-9) (SDG 3.3, 3.4, 3.6, 3.9, 8.8, 16.1) T: Occupational health and safety

Workers not direct employees, but their jobs or workplaces are controlled by the Energy Business Unit

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of deaths resulting from work accidents	0	0	0	0	0	0	0
Number of worked hours	516,367	216,439	65,975	119,166	185,141	32,765	950,712
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Death rate resulting from work accidents	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of injuries due to work-related accidents with great consequences	1	0	0	0	0	0	1
Number of worked hours	516,367	216,439	65,975	119,166	185,141	32,765	950,712
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Injury rate from work-related accidents with great consequences	0.39	0.00	0.00	0.00	0.00	0.00	0.21

	Guatemala	Nicaragua	Honduras			Costa Rica	Total
	Hydraulic	Wind	Wind	Solar	Total	Wind	2019
Number of occupational accident injuries	1	0	0	0	0	0	1
Number of worked hours	516,367	216,439	65,975	119,166	185,141	32,765	950,712
Worked hours (base)	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Workplace injury rate	0.39	0.00	0.00	0.00	0.00	0.00	0.21

Injuries from work-related accidents were as follows:

Guatemala	Honduras	Costa Rica
Hydraulic	Wind	Wind
Left upper limb fracture	Lumbar fall injury	Sprain Grade 1

(GRI 403-9) (SDGs 3.3, 3.4, 3.6, 3.9, 8.8, 16.1)

T: Occupational health and safety

Actions taken to eliminate occupational hazards and minimize risks:

Guatemala
Hydraulic

The activities performed by the injured person were re-evaluated and the following actions were taken: Changing the safety shoes for ones with better soles for the cleaning activities. The company responsible for pest control was asked to change the oil base used for nebulization to a water base to avoid slippery surfaces. An update training was conducted for all the cleaning staff on the safety measures to perform these activities.

Honduras
Wind

A training was carried out to update forest fire-fighting techniques and drill practices, and to create the requirements that must be met by people who want to be part of the forest crews, who participate in fire-fighting. Provide the fire-fighters with personal protective equipment, like helmets for working at heights.

Costa Rica
Wind

Staff was trained in risk assessment of the work area, especially looking for irregularities on the ground, to avoid falls or tripping. Thus, the incident reporting procedure was reinforced where it states that when an incident occurs, however simple, it should be reported immediately in order to receive first aid.

Hearing Program at Hydroelectric Power Plants, Energy Business Unit

(GRI 403-3, 403-6) (SDGs 3.3, 3.5, 3.7, 3.8, 8.8)

Occupational noise can cause alterations in human hearing and other types of illnesses if adequate control measures are not taken. Our program, for hydropower plant operations in Guatemala, was implemented from 2017. The cases identified are taken as a baseline, since there was no pre-employment baseline, this means that it cannot be assured that employees arrived with injuries or that they were injured in our operations.

Objectives:

1. Prevent and control hearing loss caused by exposure to industrial noise.
2. Implement the necessary control measures for emission reduction in our operations and noise exposure for our associates.

Program phases:

1. **Noise measurement**:
   - Exact noise measurement to identify the equivalent continuous noise level, Lmax and Lpk, of each equipment in the operation.
   - Review noise exposure during the working day, according to the working positions that are more exposed.

2. **Training for associates:**
   - Trainings planned in the training program.
   - Specific surveys to assess knowledge of the hazard and methods of protection.
   - Assessment of personal protective equipment using EAR Fit. Feedback at the moment.

3. **Annual Occupational Medical Assessment:**
   - Medical evaluation to rule out noise-related illnesses.
   - Audiometry to rule out hearing damage.

Results:

Parameters	2017	2018	2019
Total of associates exposed	92	71	71
New cases of hearing damage	73	10	9
Normal audiometries	19	6	41
Possible occupational cause hearing damage	58	24	18
Total of associates (Renace-Santa Teresa)	148	126	109

During 2019, all phases of the program and specific control measures were implemented, achieving a reduction in the incidence rate and prevalence of hearing damage among our associates. Efforts are continuing to reduce new cases of hearing damages to zero, related to our operations.

Pradera Shopping Mall in Chimaltenango, Guatemala

5.2. REAL ESTATE DEVELOPMENT BUSINESS UNIT

(GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7) (SDGs 3.3, 3.5, 3.7, 3.8, 8.8) T: Occupational health and safety

Our OHS system strictly complies with the governing regulations. It allows us to identify critical risks in the activities carried out by personnel in order to establish control strategies to ensure a safe working environment and prevent occupational accidents or illnesses. Its scope reaches all our activities, and all staff (own or external), without exemptions. In addition, we are subject to internal and external audits, as well as supervision by the relevant government authority.

Our policy is to ensure the well-being of our associates by providing them with the right conditions for their work. Mechanisms were established to minimize the hazards and risks inherent in our activity in each of the different projects and operations, ensuring our safety and health to avoid any damage that might occur as a result of a work activity.

To this end, we promoted a culture of occupational risk prevention and a management system that allowed us to prevent various risks, in accordance with the valid regulations. This is reinforced by the procedures, instructions and different actions that are being taken.

We have established a number of security protocols in our commercial and corporate centers due to the massive interaction we have with customers and the general public. For this, we have an efficient response plan for an emergency, natural disaster or risk situation.

Significant hazards and risks are detailed in the Hazard Identification and Risk Assessment Matrix (IPERC), through which we execute control plans, in line with a hazard identification procedure. Also, our team has general good practice general guidelines, in which we identify safe jobs and keep the periodic risk assessment up-to-date. Through this type of controls, we seek to increase the level of protection for the safety and health of our workers.

In our evaluation process we consider the following reports:

- Finding report
- Incident report
- Preliminary accident report
- Final accident report

We identify the causes of the events and establish and implement the necessary measures to prevent them from happening again.

(GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7) (SDG 3.3, 3.5, 3.7, 3.8, 8.8)

In line with our good practices, before starting work on any of our projects, every contractor must submit his Occupational Safety and Health Plan (OHS), which must include all the safety measures that will be taken during construction. It must also have OHS monitors, trained in the aspects required for the position, according to Article 302 of the Ministry of Labor's (MINTRAB) Occupational Safety and Health Regulations. As is mentioned in our Supplier Occupational Safety and Health Manual:

"In case of medical care coverage for work accidents, before entering our facilities all third-party personnel must be registered with the Guatemalan Social Security Institute (IGSS), they also must have an insurance policy covering accidental death."

Contractors' OHS trainings should be targeted at workers and provide basic knowledge on this subject, starting with elementary first aid and preventive issues. In our case, according to our training matrix, courses are assigned depending on the risks, in addition to other factors such as changing jobs, reinforcing an issue due to its high frequency by type of accident, among others.

We have a wellness program, focused on health activities in general, such as promoting nutrition, promoting preventive checks-ups, ophthalmological and dental medical days and massage campaigns, among others. With these activities, we complement occupational health and wellness management because we measure the impact of chemical, physical and ergonomic risk agents through the annual occupational monitoring. , We meet a specific program through the indicators.

Our real estate complexes operate in compliance with the regulations and standards in force in the field, which are executed under a Health and Safety System at Work, thus the integrity and health of all the people who work in our company is protected:

- Occupational Health and Safety Regulations (Government Agreement 229-2014, and its reform 33-2016)
- General Regulations on Sanitation and Safety at Work
- IGSS Guidelines
- Manual for the Organization and operations of bipartite committees on Occupational Health and Safety (Ministerial Agreement 23-2017)
- Labor Code and its Specific Amendments (Governmental Agreement 7-2017)
- Standard for Disaster Reduction - NRD2 by CONRED

Occupational Health and Safety Committees

(GRI 403-4) (SDGs 8.8, 16.7) T: Occupational Health and Safety

Aligned with current legislation and our corporate policy, each project has a Health and Safety Committee in which we prepare, review,

approve and implement OHS policies, under the consensus of all its members. In these spaces, we monitor compliance with the relevant agreements and regulations, also in response to workers' concerns and requests.

Likewise, we have safety monitors, who have the primary responsibility tor:

- Analyze and submit the monthly findings of epidemiological surveillance of occupational accidents and diseases at the bipartite committee meeting to establish preventive measures in the control or elimination of identified risks.
- Surveillance of occupational accidents and illnesses, which must be registered and reported in accordance with the regulations in force.

Injuries, risks and hazards

As part of our SST system, the main types of injuries identified were; blows, intoxication, cuts, and the most frequent ones cuts in hands, minor blows, falls.

In addition, we have identified hazards that are a risk for our workers that could cause great consequences, such as: working at heights with poorly assembled scaffolding, not using a lifeline when working at heights, neglected or improperly installed electrical equipment, steel rods placed in dangerously, excavations without signaling , electrical work and work with moving equipment. It has been established that not using a life line when working at heights has caused work accidents.

That is why we have established administrative controls, signage, periodic eye inspections, working procedures and implement sanctions. We implemented an access protocol, which includes identifying people who work at heights, establishing timetables and environmental conditions to work safely. In addition, we verify the correct use of the corresponding Personal Protection Equipment – PPE-.

With regard to other possible work hazards, we have the following support documents:

- Manual on Occupational Safety and Health,
- Crisis Manual,
- Specific Work Procedures,
- Inspection Formats,
- Reports, Equipment Review, Work Tools, and Work Areas.

All this information can be collected by having adequate records and controls such as: Minutes of meetings, e-mails, logbook and minutes book of the committee.

6 COMMITTED TO THE DEVELOPMENT *OF OUR NEIGHBORS*

6.1. NEIGHBORING COMMUNITIES TO OUR POWER GENERATION PLANTS

(GRI 413-1, 103-1, 103-2, 103-3) T : Progress and social welfare

In the Energy Business Unit we promote responsible social management in the communities around our power generation plants. We also ensure the efficient use of natural resources, minimizing any impact that could be generated on the environment, while promoting the quality of life of the communities.

The social management we carry out is a strategy for the sustainability of the company, especially as it is a practice that creates shared social value. We consider it to be a primary factor in ensuring business continuity, because many of our power plants are located in rural or semi-rural areas, with populations whose basic needs are not covered, in most cases.

That is why, it is important for us to have a good relationship with the communities in our environment and to create bonds with the different social actors in our value chain. For this reason, it is essential to keep the social license in the areas where we operate.

We have keep relations and communication between the community and the company. In addition, we have an Integrated Management System Policy, based on ISO 9001, ISO140001 and OHSAS1800,1 standards, which consider the effects of plant operations on the social environment. Two of our operations in Guatemala are certified under this three standards and three of our wind power plants have two standards (ISO14001 and 45001); while the rest of our operations are standardized.

We are committed to creating bilateral agreements related to the community and the company, so that Community investments have a positive long-term impact. As good neighbors, social investment goes beyond philanthropy or charity, because they are practical and strategic. We make commitments to the development and social change of nearby communities, as we help them improve their quality of life and create relationships that remain over time. That is why we created a document in which the guidelines for the social management of the projects and operations of the Energy Business Unit have been established, which applies to all the countries in which we operate. The manual has seven action axes, applied to all the social efforts we carry out:

Governance the system of CMI Energy management by which the commitment with ethics and the law fulfillment is shown, of the Code of Conduct and Ethics, and the policies implemented by CMI.

Internal Audience all the actions appointed to the CMI Energy human talent, including Employees and their family groups, the stockholders, officials, and directors, including the Human Resources Policies.

Environment the CMI Energy permanent commitment, established in their Management Policy with the sustainable use of natural resources and the pollution prevention.

Suppliers it means the CMI Energy compromise to stimulate, value and evaluate que responsible behavior of their activity through the Contractors, Consultans or suppliers according to the Hiring Policy.

Marketing the CMI Energy commitment to build, develop and mantain trustable relationships with its clients.

Communities the CMI Energy compromise to encourage and support the communities' development in economic, social, and environmental matters.

It involves the communities closer to the influence zone of its plants.

Public policy the CMI Energy commitment to align their interest with the public interest, which influences and contributes with the sustainable development of the country where they operate..

(GRI 413-1, 103-1, 103-2, 103-3)

Through donation agreements with several municipalities of the populations close to our operations and with their own activities, we serve their needs directly and indirectly as we allocate economic resources for this item. To achieve this goal, at the beginning of each year, we hold community meetings or assemblies to prioritize the investments that will be implemented. The company and the community build the plans together; and sometimes, with a third member, the State, with a share of the investment. All the agreements have been monitored and their closure at the end of the year is performed in a public event, so that the actions implemented are of general knowledge. In each operation, we have a work team with high values of responsibility and diligence to properly manage the community relationship.

In this way, we promote sustainable development in its three dimensions: Economic, environmental and social equity. For this reason, we design and implement social programs based on the different stages of the person's development, to contribute to the development of children, adolescents, youth and the community leadership. On the other hand, we make investments aimed at improving infrastructure and services for health, education and community development.

This chapter describes the social management of each of the countries in which we operate, which in turn fall into four major issues:

- Investment in infrastructure
- Employment generation
- Social programs
- Constant relation

We also generate employment options that allow families to earn better economic incomes. When we have vacancies available, we post them on social media, so that the communities are aware and can participate in the process if they meet the requirements of the desired profile, thus providing direct employment in the communities neighboring our plants. We also support the generation of productive ideas that allow communities better self-management and economic diversification, combined with an approach to the booming centers in the region.

Our social management is assessed through community interactions, attention to complaints and measuring progress while developing investment projects and the execution of the corresponding budgets. Likewise, our evaluation and monitoring system for filing requests, and complaints is carried out in accordance with the internal procedure of Communications, Participation and Consultation, which is part of the SIG. It includes various mechanisms for filing complaints, such as a complaint box, a telephone line, and directly with company representatives in the communities.

Investment in infrastructure and services is a financial support, with materials for building and improving basic infrastructure for the communities. With this type of support, we create the minimum conditions of access to services for the communities with which we guarantee human rights, education, health, recreation and entrepreneurship training, among others.

6.1.1. GUATEMALA

There are 33 neighboring communities to the Renace Hydroelectric Complex and the Santa Teresa Hydroelectric Complex.

6.1.1.1. Investment in infrastructure and services

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5) T : Impact investments T : Social impacts

In the work area of these complexes, during 2019, we invested US$ 640,300.00 in different infrastructure projects and community partnerships. As a company, we provide materials and the villagers contribute with their labor.

Projects in communities neighboring Renace

Close to the Renace Hydroelectric Complex, we executed 95 projects during 2019, benefiting 20,200 people, as follows:

- Improvements in pedestrian (1,400m) and vehicular accesses (6,000m): 4,750 people benefited because we contributed directly to pedestrian safety with 15 projects.
- Water access and availability by building water collection tanks: 2,300 people benefited from 11 projects for the well-being of the whole community and the existing water tanks were improved.
- Rebuilding schools: 4,690 people benefited from 36 renovating projects in 18 schools. Safe spaces for teaching and learning processes were guaranteed. We contributed by building classrooms, hallways, extending kitchens, water access and availability to build bathrooms.
- Infrastructure: 6,780 villagers benefited from 29 infrastructure projects. We contributed to improving community, social and religious meeting spaces by restoring and providing maintenance for community areas.
- Health Project: 1,700 beneficiaries with four health projects in three neighboring communities, which consist of perimeter walls, guaranteeing the safety of the equipment.
- Electrification project: 165 families benefited. Through the electrification project access to electricity for two communities has been arranged. 175 households in two communities have electricity in their homes. Access to local economic development is a right exercised from the project's contribution. SDG 7.
- Agricultural Excellence Project: 3,000 families benefited. This project promotes crop strengthening through good agricultural practices and diversification of crops such as coffee, cocoa, cardamom, and family gardens in neighboring communities.

- Socio-environmental awareness program through a radio program called "Living Nature, The Voice of the Hummingbird". This environmental-oriented radio program covers topics such as integrated watershed management, water resource management, forest fire prevention, waste management, restoration, sustainable agriculture, soil recovery, use of organic fertilizers and agro-forestry systems. The program is broadcasted weekly in the whole department of Alta Verapaz, in language Maya Q'eqchi'.

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

Projects in communities neighbors ofSanta Teresa

In the communities near the Santa Teresa Hydroelectric Plant, certain needs of the inhabitants of the area were met, benefiting 14,156 inhabitants. The detail is mentioned below.

- Pedestrian accesses were improved: 2,164 persons were benefited with nine projects to improve pedestrian and vehicular access in five communities of influence, contributing with 885 meters of paved pedestrian roads and 3,500 meters of improvement for roads.
- Projects that guarantee water access and availability: 1,613 people benefited from the removal of the water catchment tank in the Pantic community and the donation of pipes and glue for improvements in the water distribution tanks of the Chintun Jalaute and Nuevo Chintun communities.
- Renovation in six schools in the communities of Hidroeléctrica Santa Teresa: 3,133 persons benefited with 15 projects, contributing to the expansion of kitchens, building canteens, roofs for school hallways, that will provide safe spaces for sociocultural activities and classrooms were built to strengthen the teaching and learning processes.
- Infrastructure projects: 3,133 people in six communities. Through |6 projects, community, social and religious meeting spaces were improved, as well as the restoration and maintenance of community areas.
- Health Project: 4,113 people benefited in four communities of influence, by renovating and expanding health posts,guaranteeing safe spaces for timely care on preventive healthcare issues.

6.1.1.2. Creating jobs

(GRI 203-2, 103-2, 103-3) (GRI 413-1,103-2, 103-3) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5) T : Creating jobs T : Impact investments

T : Social impacts T : Training and teaching (technical training)

The same infrastructure projects and social programs that we implemented in coordination with the communities, created jobs for the people of the neighboring communities of each plant where we operate.

During the year 2019, there was a boost to the Community economy of US$ 684,755.00, generated through temporary community employment, directed exclusively to Maya Q'eqchi' people, from the nearby communities. Temporary employment was generated for 3,856 people, with wage conditions in accordance with the law.

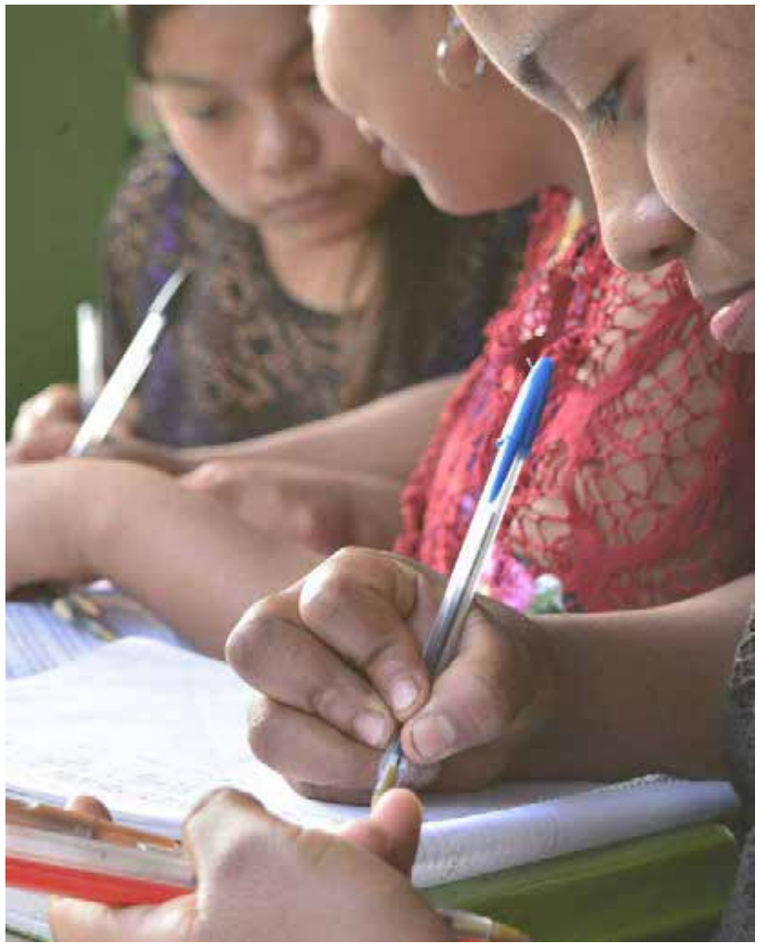
The radio program named ¨ Xhonalil li wotzok na`leb¨ which in Spanish means ¨We share our knowledge¨ is broadcasted twice a week in the Mayan language Qéqchi and is aimed at indigenous men and women, girls and boys in the area of influence of the Renace Hydroelectric Complex. Through this program, training and information content is transmitted in order to generate knowledge about issues such as the operation of the Renace Hydroelectric Complex, the investments and socio-environmental strategies performed by CMI Capital; and issues of cultural interest among others.

The format of these programs is interactive including interviews, information capsules, curiosities, local stories and contests, always with folk music playing in the background.

6.1.1.3. Social programs

(GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDGs 2.3)

Guatemala's hydroelectric power plants are located in the midst of 100% indigenous communities. We are respectful of their culture, traditions, language and beliefs. For this reason, we have a social management strategy, which includes a team of company community relations made up of indigenous professionals that, as they are part of the same culture, allows them to have a better relationship with the people of the area, who identify with them. It is also our duty to ensure that 100% of the Community Relations team speak the language of the area of influence of our operations. By doing so, we ensure the knowledge of different cultures and encourage respect for the communities in the environment.



Over the past eight years, we have invested an estimated US$ 25 million in programs related to local development. It is important to note that we have a radio socio-environmental awareness program in the Maya Q'eqchi' language

Through respect for the rights of indigenous peoples, the promotion of culture and the program of community initiatives, the participation of different leaders of neighboring communities is encouraged (20,200 inhabitants in the neighboring communities of the Renace Hydroelectric Complex and 4,130 in the area around the Santa Teresa Hydroelectric Complex). Their needs are prioritized, managed, they become involved and achieve significant changes for their community; mainly in health, education, basic infrastructure, environment, access to water, as well as support in entrepreneurship.

In this line, we carry out various activities and programs aimed at the protection and development of the communities mentioned below:

GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDG 2.3)

Healthy Families: 750 women and 524 children benefited in the populations near the Renace Hydroelectric Complex and 150 in the Santa Teresa Hydroelectric Complex. The amount invested in the neighborhood of the Renace Hydroelectric Complex is US$ 78,036.76 and in Hidroeléctrica Santa Teresa is US$ 17,773.68.

The Healthy Families program trained women of reproductive age in hygiene, nutrition, breastfeeding, water use and physical care. Learning about gender equity, weight and height of children under five, among others, was important. In 2019, anthropometric examinations and accompaniment were given to children at risk of malnutrition to monitor their situation. There was institutional coordination that allowed having health fairs ranging from teaching contraceptive methods to Pap tests.

Educational Excellence: 4,494 children were benefited and an amount of US$ 61 590.06 was invested.

The Educational Excellence program contributed to access and exercise of the right to education by strengthening education. In 2019, teachers were trained on reading and writing, school government formation and training, awards for excellence (scholarships), communication and information technologies, and they were given school libraries. These interventions contributed to improving educational quality and indicators of school permanence and promotion. SDG 4.

Sport Excellence: 3 ,792 children benefited. The interventions contributed to the right to amusement, recreation, participation and gender equity of children, through processes of formation in principles and values that were strengthened by sports. In 2019, value training workshops were given to 4th, 5th, and 6th grade students, and they also had inter-classroom games. SDG 5.

My Health, my responsibility: 338 young people in the area of the Renace Hydroelectric Complex and 615 in the Hidroeléctrica Santa Teresa plant were benefited. The amount invested in the first area was US$ 26,650.21 and in the second area was US$ 22,119.27. The program is aimed at adolescents with the objective of strengthening self-esteem, assertive communication, decision-making, the life and sexuality project, for the prevention of teenage pregnancies and early marriage. The training processes encourage young people to exercise their right to sexuality in a free and responsible manner. SDG 3.

GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDG 2.3)

Training for Life: 350 women and young people benefited, with an investment of US$ 36,820.04. Its contribution is focused on seeking equal opportunities and local economic growth by strengthening technical and financial capacities of women and young people, to obtain skills and capacities that allow them to enter work or entrepreneurship life. We want to strengthen the production chains in order to influence local economic development in the surrounding area. In 2019, a partnership was created with Swiss Contact to provide traditional textile and crochet garment preparation courses in the region, as well as consultancy and accompaniment to small businesses. SDG 10.

Leadership School: 102 young people in the area of the Renace Hydroelectric Complex and 96 in the Hidroeléctrica Santa Teresa plant were trained. In addition to 10,450 beneficiaries in the first event and 4,130 beneficiaries in the second. The company invested US$ 4,644.12. This program was aimed at strengthening community leadership and citizen participation for good management and governance. Training was given to members of the Community Development Councils and their commissions. Through the training processes, the exercise of the right of participation was encouraged for the inhabitants of the area. As a result, support was given to the implementation of 43 community initiatives, associated with community development issues where leadership management was directly benefited. SDG 14.

Temporary Community Employment: 2536 families from 25 communities of influence of the Renace Hydroelectric Complex and 1,466 families from 14 communities in the maintenance of hydroelectric plants with an investment of US$ 638,527.04 were benefited. In addition, 71 positions were generated at the Hidroeléctrica Santa Teresa with an investment of US$ 46,228.00. Equal respect for existing legislation, the exercise of the right to decent work with fair wages, access to social insurance and labor benefits are promoted. These community initiatives are planned at the beginning of each year, in assemblies aimed at prioritizing the needs of each community. Furthermore, in 2019, Community agreements were concluded, as well as induction and training processes in industrial safety and environmental matters. SDG 8.

GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDG 2.3) T: Human rights T: Inclusion T: Indigenous people

6.1.1.4. Constant relation

During 2019, 79 complaints were received that were addressed and finalized with the agreement of the neighbors, in an average time of four days.

The main complaints in the Renace Hydroelectric Complex area were as follows:

- Employment (18 complaints): High employment expectation of the community, due to the completion of the construction of Renace IV, labor demand was reduced.
- Property Damage (13 Complaints): During road maintenance, these concerns arise from the community.
- Animal abuse (13 complaints): Due to the construction season, heavy machinery traffic is higher and blind spots cause incidents.
- Environment (3 complaints): Floods and droughts attributed to the company, without technical and/or legal support.
- Payment of easement (1 complaint): Agreements between community members associated with external procedures regarding the legal certainty of the property.
- Community issues (28 complaints) that might have an impact on the company in a certain way.

Three complaints were received at Hidroeléctrica Santa Teresa, which were resolved in an average of four days. In Guatemala, during 2019, no social incidents were raised.

6.1.2. HONDURAS

6.1.2.1. Investment in infrastructure and services

(GRI 203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5) T : Impact investments T : Social impacts

Projects in surrounding communities– Wind Plant

In the case of the wind power plant in Honduras, the projects developed had different forms of support. For example:

- Electrification: 1000 beneficiaries of four different communities of Santa Ana.
- Hydraulic concrete paving: 3,000 beneficiaries of the road that leads to the municipality of Santa Ana. We provided financial support for a total of US$ 92,063.14, while the local municipality provided the labor force.
- Maintenance, repair and completion of the water pumping system project: 3,500 beneficiaries among the inhabitants of the urban center of Santa Ana. The municipality and the community provided the workforce, while we gave support with US$ 17,492.92.
- Construction, repair and remodeling of four classrooms at the San Buenaventura Institute: 200 children benefited. We gave material for a total of US$ 75,080.00, while the local municipality provided the labor force.
- Construction of the classrooms in the school of community of Las Quebraditas, San Buenaventura: 26 families benefited. The community gave the property for its construction, while the labor was provided by the municipality. We purchased materials with a total value of US$ 12,507.20.
- Public road maintenance and improvements: 10,000 inhabitants benefited with an 11 kilometers road in the municipalities of Santa Ana and San Buenaventura with an investment of US$ 58,958.65.

The projects implemented have a high impact and as a company, we focus on improving the quality of life of neighboring populations, as specified below.

(GRI 203-1, 203-2, 103-1, 103-2, 103-3) (SDG 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

- In order to facilitate product transportation to promote productive chains, investment was made in road infrastructure that allows to contribute to transportation, reducing transportation costs, saving fuel and reducing vehicle deterioration.
- Access to water in communities contributes to better health conditions, reducing the risk of gastrointestinal diseases.
- Adequate educational infrastructure improves student academic performance and reduces dropout.
- Access to electricity, in addition to generating comprehensive development, extends food storage times, reduces purchasing frequency, and generates business opportunities.

Projects in surrounding communities– Wind Plant

We focus on supporting education, infrastructure, biodiversity, health and the environment through donations and volunteer work. Each year, we develop social investment plans in accordance with the needs of the communities near our projects. We establish the budget necessary to implement social investment plans according to the tax payment on industry and trade that must be paid to the municipal mayor's office in accordance with the Law on the Promotion of Electric Power with Renewable Resources.

We hold an annual meeting with local and municipal authorities, who verbally state their degree of satisfaction with the company to contribute to developing its communities. In addition, some of the company's employees were acknowledged for the social work performed.

During 2019, we collaborated by giving cement, ceramics and the like, to benefit 2116 people, by executing the following:

- Paving a street in the community of Eden: In partnership with the municipal mayor of the area.
- Improvement of the preschool of the community of El Eden. Amount: US$ 1,055.56.
- Improvement of the preschool of the community of El Eden. Amount: US$ 544.07
- Improvement of the soccer field in community Montezillos and El Carrizo. Amount: US$ 1,192.80
- Improvement of the access routes to the Ricardo Andino community. Amount: US$ 248.17
- Donation of material to build a classroom for pre-elementary students from the community of Montecillos (in partnership with the private Solar Energy company Grupo Terra). Improvement of the bathrooms of school José Cecilio del Valle of community Montecillos, for a total of US$ 8,013.53.

On the other hand, fans were donated to school Francisco Rodríguez of the community of El Eden / El Porvenir: 45 children were benefited with an invested amount of US$ 424.35..

The roof of the school hallway Cristo de Esquipulas of community San Jorge was expanded: 200 people benefited from an investment of US$ 787.82.

The construction of the stands and a perimeter fence was designed for the soccer field of El Eden: 559 benefited with a support of US$ 1,018.15 for the design.

With regard to drinking water projects, the following activities were carried out during 2019:

- Drilling of a 510-foot well and building a house for the pumping system and installation of the electricity connection in the community Víctor Manuel Argeñal: 867 beneficiaries with an invested amount of US$ 15,771.29.
- Donation of pipes, fittings, building materials, 16 hours of use of machinery to open trenches and building a booth for a pumping station for the community drinking water project of San José de la Landa: 391 beneficiaries, with an invested amount of US$ 6,826.61
- Donation of tank construction material for the drinking water project of community Minas del Carrizo: 232 beneficiaries, with an invested amount of US$ 10,698.53.
- Donation of PVC pipes for the drinking water project of community Buen Samaritano: 275 beneficiaries, with an invested amount of US$ 3,861.75.

As with the wind power plant in this country, we can see the great impact of the investments made by the company. By improving the conditions of health structures in schools, we have a positive impact on the reduction of morbidity rates among students in schools and, therefore, we have a positive improvement in the quality of life and the economy of families. In addition, the construction of bathrooms in two schools helped improve the economy of 300 families thanks to the reduction of the rate of diseases due to the adequate disposal of excreta. Finally, actions focused on the access to water for the population contributed to improving the health and sanitation of the general population, in an area where this access is limited.

Solar Plant Choluteca, Honduras

6.1.2.2. Creating jobs

(GRI 203-2, 103-2, 103-3) (GRI 413-1,103-2, 103-3) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5) T : Creating jobs

Wind Plant

In Honduras we have a job-creation program with the objective of planning and developing action policies that promote employment initiatives in the direct and indirect influence areas of the wind farms. During 2019, the following activities were carried out:

- Direct hiring of temporary labor for environmental and social management activities, as well as for wind turbine maintenance: 12 families were benefited with an invested amount of US$ 62,903.23.
- Academic training for business owners in accounting, administration, finance and support to legally incorporate their companies.
- Provision of seed capital in companies to start or strengthen already established businesses: 35 families benefited from an investment of US$ 13,965.50.

Solar Plants

In 2019, our job-creating program benefited 181 people who were hired on three solar projects, equivalent to US$ 230,829.00.

6.1.2.3. Social programs

(GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDGs 2.3)
T: Creating jobs T: Impact investments
T : Social impacts y Training and teaching (technical training)

Following the construction of the wind and solar plants, we carried out an environmental impact assessment and keep a permanent monitoring that allows us to know the results immediately and share them with the communities.

To make this information known, we schedule meetings with interest groups including the communities and tenants of the properties where the wind power plant equipment is installed. In these sessions, we report our progress in implementing investment and grant plans, as well as respond to stakeholder questions and concerns.

The largest amount of investment in the donation program is for the wind power plant with US$ 790,000.00. It was carried out by a donation to the municipalities, which integrate it into their municipal social investment of the year

Wind Plant

During 2019, the programs already launched in 2018, related to education, health, food security, culture and art, continued to be implemented.

This year we emphasize education, promote healthy eating through healthy snacks, by doing the following:

- Healthy snack program: 903 students benefited from 6 different elementary schools. Promoting healthy eating.
- Education Projects: 1,537 benefited. It provides socio-economic conditions that promote effective learning.
- Scholarships: 77 children benefited. Municipal offices and schools nominate students with academic excellence.
- Energy-efficient stoves (ecofogones) Project: 200 families benefited. Implementation of energy-efficient stoves. The first phase is training so that beneficiaries can build their own energy-efficient stoves. The approximate cost was US$ 9,368.42. In addition to the environmental benefits, due to the decrease in firewood consumption, the reduction of smoke inside the houses supports health by preventing respiratory illnesses.

Solar Plants

- Education Projects: 200 benefited with an investment of US$ 3,350.70 by providing them with the necessary school supplies among them, backpacks and supplies for children of school Cristo de Esquipulas, of community San Jorge.
- Social and cultural activities: with an amount of US$ 3,774.78, fire prevention and control was supported by donating four backpack pumps to the Honduran fire-fighters. Family baskets for Mother's Day, office materials were also given to the Municipal Environmental Unit and Children's Day was celebrated.

6.1.2.4. Constant relations

The main complaints of the wind farms in Honduras were: 45 for noise, 6 for a shadow effect and 3 for damage to the infrastructure, but they are already under investigation.

In the solar parks, complaints were filed regarding community employment and 3 for damage to the perimeter fence owned by neighbors of the Choluteca solar park, they were solved within 30 days. There was an incident in the aftermath of employment complaints, when 20 people from neighboring communities obstructed the door to the Choluteca I and II solar park. It caused no interruption to our operations and was resolved in less than 24 hours.

Wind Plant Eolo, Nicaragua

6.1.3. NICARAGUA

6.1.3.1. Investment in infrastructure and services

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

For the infrastructure projects developed during 2019, materials were provided and the residents of the community of La Virgen, provided their work, and carried out the following:

- Rehabilitation of the sports field at the Raúl Barrios Torres school: 410 people benefited from an investment of US$ 6,875.00.
- Upgrading classroom infrastructure in five schools: 277 beneficiaries with the repair of windows and roofs, with an invested amount of US$ 763.70.

6.1.3.2. Creating jobs

(GRI 203-2, 103-2, 103-3) (GRI 413-1,103-2, 103-3) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

In the Eolo plant we have 21 people hired from the Rivas department, near the area of our operation. We hired local, skilled and unskilled labor during the rehabilitation of the sports facility. This generated an income for the local families and the investment was US$ 1,124.26.

As part of the social vegetable gardens and beekeeping projects, three qualified technicians from the municipality of Rivas were employed for the transmission of knowledge and the development of technical activities.

6.1.3.3. Social programs

(GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDG 2.3)

T : Human rights T : Inclusion T : Indigenous people

To date, we have approved the Environmental Impact Study as Eolo's social evaluation tool, which includes the evaluation of the potential social impacts of the project. In the analysis that have been made, a high degree of social acceptance and satisfaction of the population regarding the participation of the Eolo plant in community work can be seen.

Because there is quite a distance between the Eolo plant and local communities, it is not necessary to assess the environmental impact of our operations in this area, as there is no direct impact. But, through monitoring and the mechanisms of attention to nonconformities, we follow up on any situation that arises from our operational activities.

In 2019, we had 267 meetings with different community actors and 10 meetings with local institutions or organizations. Also, we had constant interactions through informal communication: Text messages and telephone calls.

We are constantly studying the progress and results of projects implemented in the community, as well as the participants' views indicating the good acceptance of the community and the adoption of practices. We monitor the implementation of the planned activities and provide timely follow-up to guide us towards achieving the proposed objectives.

The programs that we have been running since previous years were due to the following actions determined in 2019:

- Bio-intensive vegetable garden project with micro-irrigation systems: 12 beneficiaries. Its main objective was to strengthen integral production by promoting patio gardens in community groups. This year, the project continued with food preparation workshops with the products harvested in the gardens and follow- up was provided.
- Beekeeping Project: 10 beneficiaries with an invested amount of US$ 1,650.00. Its purpose is to develop knowledge and technical skills on nutrition and bee health for groups of this kind in the community La Virgen. In 2019, training was provided to reinforce beekeeping management, combining beehives, and general aspects of harvesting honey. Technical accompaniment and field experiences were also carried out with the learning by doing method to achieve the proper management of bees, honey production and harvesting.
- Extracurricular Club Program: 230 people benefited from an investment of US$ 19,500.000. Extra-curricular spaces were created that helped strengthen students' knowledge such as the English Club, school reinforcement in mathematics and language, the GLEE Club, (related to singing and dancing), Gender Club and Robotics Club. In addition, club fairs, contests and summer clubs were held at the end of the school year.
- School Donation Plan: 687 people benefited from an investment of US$ 2,501.64. It was done in order to implement school contests, promoting school, social and environmental values. In 2019, we donated cleaning materials to all schools to promote order and cleanliness. We selected a jury and made a tour of the schools to evaluate and determine the winners. We donated the corresponding prizes, according to the needs of the schools.
- Mobile Library Program: 290 people benefited in order to promote reading among young children. With the company's US$ 3,050.00 investment in 2019, we held monthly reading sessions, storytelling, craft development, storytelling contests, manual activities with book topics and book loans.
- School Package Program: 131 children benefited to ensure they remain in school, with an investment of US$ 3,017.00. We provide school materials to preschool children. In 2019, we donated school packages (shoes, uniforms, school supplies) to five rural preschools.
- Community Health Care: 2,478 people benefited. With an investment of US$ 377.77 we improved the health care service at the health post of community La Virgen. We donated minor equipment, periodic replacement materials, stationery and cleaning materials.

In Nicaragua, there are no indigenous communities in the areas of our operations.

6.1.3.4. Constant relation

In Nicaragua, complaints and claims management operations are the same as in the other wind and solar farms in Honduras and Costa Rica. In 2019, no complaint or claim was received, although the populations surrounding the wind farm know how easy it is to do so if necessary.

6.1.4. COSTA RICA

6.1.4.1. Investment in infrastructure and services

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5) T: Creating jobs T: Impact investments
T: Social impacts T: Training and teaching (technical training)

In Costa Rica we have six wind farms operating, which, according to their location, are grouped into two clusters:

- **Clúster Tilarán:** PESRL, Campos Azules and Altamira generation plants.
- **Clúster Liberia:** Orosí, Miramar and La Perla generation plants.

During 2019, 37 social and infrastructure projects were developed in different communities near the wind power plants located in Costa Rica, for a total of US$ 75,877.66, benefiting 46,114 people, students and community in general.

The projects carried out in relation to water access and sanitation are shown below:

- In Cluster Tilarán, we donated a water tank to store rainwater to water the Ranchitos school's greenhouse.
- We provide irrigation system repairs and supplies for the Tilarán cluster's multi-purpose sports center.
- We provided materials to build toilets in the Sabalito community park located in the Tilarán area.
- We donated material necessary for the construction of the water connection to the aqueduct of community La Palma.
- We built sewers for the wastewater of community Los Angeles.
- We improved the multi-sports and park Quebrada Grande watering system at Cluster Liberia.

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

We execute the following projects related to local education infrastructure improvements:

- We upgraded the special care student classroom at Quebrada Grande school, Cluster Liberia
- We repaired the children's kindergarten dining room ceiling at the Madres Marcelinas Center, Cluster Tilarán.
- We restored the computer room window in Liceo dos Rios, Cluster Liberia.
- We supported by giving furniture for the meeting room (one-person desks) in the community room of Quebrada Grande, Cluster Liberia.
- We contributed by purchasing the necessary material to build the greenhouse of Liceo Maurilio Alvarado Vargas school, Cluster Tilarán.
- We donated surveillance cameras to improve the security system for school El Consuelo,, Cluster Liberia.

With regard to local church improvements, the following activities were carried out:

- We supported the beginning of the proceedings for the development of a catechism classroom in community Ranchitos, Cluster Tilarán.
- We repaired the floor, improved the gutters and rainwater drainpipes, drains, washbasins and toilets of the Church of Quebrada Grande, Cluster Liberia.
- We donated fans to improve ventilation for the Church of Quebrada Grande, Cluster Liberia.
- We donated fans for the pastor's hall of the Church of Quebrada Grande, cluster Liberia.
- We improved the electrical installation of the communal hall in partnership with the Municipality of Upala, which provided the labor and materials. From CMI Capital we support the payment of the engineer for proper inspection. This room functions as a contingency shelter in the face of an eventual volcanic eruption. Comunidad Dos Ríos, Cluster Liberia.

At the general level, we have other projects related to communal infrastructure, such as:

Wind Plant PESRL, Costa Rica

(203-1, 203-2, 103-1, 103-2, 103-3) (SDGs 5.4, 9.1, 9.4, 11.2, 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

- Building four new bus stops in Quebrada Grande, Cluster Liberia.
- Materials for the construction of two bus stops in neighborhood Los Moisos, Cluster Tilarán.
- Support for improvements in the cell of the police delegation of Quebrada Grande, Cluster Liberia.
- Infrastructure Improvement of Basic Comprehensive Healthcare Teams - EBAIS - from Quebrada Grande, Cluster Liberia.
- Repairs at the community hall San Antonio in Quebrada Grande, Cluster Liberia.
- Support for improvements in the perimeter wall of the police delegation of Quebrada Grande, Cluster Liberia.
- Maintenance for the blade donated for the remodeling of the park in Quebrada Grande, Cluster Liberia. This contribution contributes to the construction of the theme park design related to wind generation.
- Support for improvements in the cell of the police delegation of Quebrada Grande, Cluster Liberia.

Arrangements were also made on three kilometers of roads in the community Parcelas de Quebrada Azul in Tilarán, benefiting 1800 people, which meant an investment of US$ 68,365.00.

6.1.4.2. Creating jobs

(GRI 203-2, 103-2, 103-3) (GRI 413-1,103-2, 103-3) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5)

We also generate employment throughout the year, hiring up to 81 people, through the operation and maintenance company of CMI Capital, CROMSA. In Cluster Liberia, 83 percent of our total workers are residents of the area near this operation. While 17% are employees hired from the Guanacaste area. In Cluster Tilarán, 90% are local workers and 10% are hired from the Guanacaste area.

6.1.4.3. Social programs

(GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDG 2.3)

In the wind operations of Clusters Liberia and Tilarán, we work with community development associations, education centers and municipalities.

In addition to the investment that was made in infrastructure for the benefit of communities near operations in Costa Rica, we carried out community support activities, training and social programs, as detailed below:

Clúster Liberia:

- We support the participants of the program for entrepreneurial women and the elderly with transportation, guided by the Mixed Institute of Social Assistance -IMAS-.
- We donated a screen for volunteer fire-fighting training programs.
- We strengthen community security, guided by the Ministry of Public Health in vulnerable areas.

Clúster Tilarán:

- We support children with autism through an equinotherapy program in partnership with the local municipality. This project focuses on promoting the rehabilitation of children at the neuromuscular, psychological, cognitive and social levels, using a horse as a tool. Our participation in this project is as a sponsor of the permanent sessions of four children, with the commitment that the Municipality, through the Comité Inclusivo Tilaranense, will continue searching for sponsorship for six additional children. This allows us to contribute to the population with disabilities in our area of influence.
- Community safety program, guided by the Ministry of Public Health to strengthen the safety of vulnerable communities. Training reinforces the concept that safety is not only the responsibility of officials but is also responsibility of the population. By the end of 2019, 100 people from five different communities had been trained.

(GRI 411-1, 103-1, 103-2, 103-3) (GRI 413-1, 103-1, 103-2, 103-3) (SDGs 2.3)

On the other hand, the following donations were made to the neighboring communities of our operations in Costa Rica:

- We donate rainwater containers for the school garden, where food is planted for the school dining room of school Gavilán, Liberia.
- We give the prize for the school contest for the development of projects for remodeling in school La Palma, Tilarán.
- We awarded the prize for the school competition for the development of remodeling projects at school Los Ángeles, Tilarán.
- We support the bingo, by giving the prize, this helps pay for electricity, water and telephone services in Liceo Quebrada Grande, Liberia.
- We improve the infrastructure of the area for primates.
- We sponsor calendars, donate transportation, and school tickets for the Las Pumas Rescue Center, Tilarán.
- We purchased the prize for the activity ¨90 minutes for the children of Tilarán¨.
- We sponsor bingos for the benefit of the Sabalito and Sabalito Church Development Association, Tilarán.
- We donate fruit for school activities.
- We support the local municipality of Tilarán by feeding 300 participants in the Environmental Festival for International Environment Day.
- We donated 200 t-shirts for the graduation of volunteer fire-fighters as part of the Guanacaste Conservation Area program for forest fire control in Guanacaste National Parks, Liberia.
- We sponsor zumba classes for children and older adults to promote health through sport in Quebrada Grande, Liberia.
- We support by providing transportation for the Liberian group of older adults for the integration activity of 14 districts of Quebrada Grande, in order to achieve greater community work between the afore-mentioned neighborhoods.

We support 29 school projects, as well as scholarships, with a contribution of US$ 59,197.38 and benefited 23,950 people. The scholarships are awarded to 12 students in the Tilarán area at various levels of education from elementary to university. They were selected by their average score of the last term.

We participated in the execution of 13 trainings with a value of US$ 10,894.18, benefiting 1,243 people, as part of the communities surrounding the different wind farms located in Costa Rica. Support was provided as follows:

- Entrepreneurship course to schools in the PESRL area and recycling workshops and family gardens in three neighborhoods, Tilarán.
- Transportation, tickets and food for different community training courses such as the Pumas Rescue Center, food handling, volunteer fire-fighting programs and programs of the Joint Institute of Social Assistance in Quebrada Grande, Liberia.

It should be noted that in Costa Rica there are no indigenous communities near our operations.

6.1.4.4. Constant relation

The company's complaint handling system is disclosed at annual leaders' meetings. In the case of Costa Rica, complaints can be made through the Development Associations of each location or municipality.

Despite the ease provided to populations surrounding wind farms to file complaints, none were received in 2019. However, complaints filed in previous years for noise (9), one for shadow and one for infrastructure were closed.

Residential Complex Prados de San Cristóbal, Guatemala

6.2. REAL ESTATE DEVELOPMENT: WE IMPROVE THE QUALITY OF LIFE OF OUR NEIGHBORS

(GRI 413-1, 103-1, 103-2, 103-3) T : Progress and social welfare

Impact on infrastructure and creating jobs

(GRI 102-8, 203-2) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5, 10.3)

In its role as a promoter, at CMI Capital we evaluate the social, environmental and economic environment of the societies in which we build each real estate solution. We consider the needs of our neighbors, when designing each project, and implement actions that respond to them appropriately. We build the complementary infrastructure for road management, creating local jobs and promoting trade in the area.

The operation of the Pradera Shopping Malls network requires the work of security and cleaning personnel, to guarantees a pleasant stay for our customers. While these are linked to third-party companies, we believe it is important to highlight the number of persons employed under this heading, as they have legal benefits granted for formal jobs, and in most cases, permanent employment. In 2019, the real estate development business unit hired 344 people in this modality, compared to 2018 when we only had 222. This is the result of opening up new complexes or building extensions of existing ones.

Each project built or remodeled during 2019 created a significant number of on-site jobs, most of them full-time and for people under 30 years old. In total, in 2019, 6,257 jobs were generated in construction activities, 99% for men.

The Environmental Impact Studies developed for each of our construction projects include a process of identifying environmental and social impacts identified by developing matrices. Our shopping malls and other real estate projects directly and indirectly create sources of employment, both in operations, maintenance and security, and administration, greatly contributing to reduce the unemployment rate currently existing in the sector.

Pradera Shopping Mall in Chimaltenango, Guatemala

(GRI 102-8, 203-2) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5, 10.3)

6.2.1. Pradera Shopping Malls Network

Pradera in Chimaltenango

We made an urban intervention in Calle Real, next to this complex. We expanded it to three lanes, built a central median with a deceleration zone for vehicle entry, installed traffic lights, improved and adapted the entrance street to the basement of the shopping mall. All this required an investment of US$ 250 thousand, for a constructed area of 4800 m^2.

CWith this work, we created employment, increased trade and ordered traffic in the area. The works and rearrangement created discomfort in a group of neighbors. However, the positive impacts were greater, such as the increase in surplus value in the nearby land and the improvement of the quality of life of the area's neighbors.

In terms of creating employment, 34 persons (25 men and 9 women) were employed in 2019 for safety and cleanliness, while in the construction phase, 1379 persons were employed in construction work (1361 men and 18 women).

Pradera in Chiquimula

During 2019, this operation employed 40 people (34 men and 6 women) for safety and cleanliness.

Pradera in Escuintla

We mitigated the road impact generated by the entrance to this complex, in coordination with the municipality. The actions carried out in this framework created jobs, increased trade and added value in the area, as well as improved traffic circulation in the surrounding roads.

During 2019, this complex gave jobs to 34 persons (25 men and 9 women) for safety and cleanliness, while in the construction phase, 419 persons were employed in construction work (411 men and 8 women).

Pradera in Huehuetenango

The expansion of the infrastructure of this complex allowed creating a meeting and entertainment point for the area. In addition, it has a secure parking lighted area. Once it started operating it employed 29 people (23 men and 6 women) for safety and cleanliness.

Pradera in Xela

In addition to the remodeling of this complex, we donated land for the construction of a wholesale market, as well as a bicycle lane. In addition, the remodeling of this shopping center employed 176 people in construction work, while, once the complex was operational, it employed 65 people (52 men and 13 women) for safety and cleanliness.

Pradera Shopping Mall in Zacapa, Guatemala

(GRI 102-8, 203-2) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5, 10.3)

Pradera in Vistares

We mitigated the road impact of this project by building an underpass in Avenida Petapa, which allowed to improve circulation and to free up the traffic generated by heavy transportation. This work, built at the request of the municipality, demanded an investment of US$1 408 636.56 for a constructed area of 2,791.48 m^2. It caused unrest in a neighborhood for limiting access to the area during its execution, and because of all the construction noise and dust that every construction entails. However, the improvement generated outweighs any discomfort that was previously created.

In its construction phase, this project employed 2,959 people in construction work, all of them men. Once operational, the complex required 57 people (51 men and 6 women) to work on safety and cleanliness.

Pradera in Zacapa

We mitigated the road impact of this project by paving with concrete an adjacent avenue that was paved with cobblestones and another part had no pavement. Its width was extended to have a third lane used as a loading/parking area. We also built a water collection and drainage system to prevent flooding. We set up a bus stop to order traffic. All this required an investment of US$ 250 thousand, for a constructed area of 910 m2.

Among the positive impacts of the complex are the increase of an estimated 20% of the surplus value in the nearby land, as well as the improvement of the quality of life of the neighbors, by offering commercial services in the area. Some negative reactions were due to the discomfort of some neighbors in the face of the adaptation works in the public area and the noise from the treatment plant of the complex. During 2019 we continued to work in a sound suppression booth to reduce the sound of our compressors by 20 decibels.

In addition, the remodeling of this shopping center employed 1,324 people in construction work, while, once the complex was operational, it employed 29 people (22 men and 7 women) for safety and cleaning tasks.

Business Corporate Complex Zona Pradera, Guatemala

(GRI 102-8, 203-2) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5, 10.3)

6.2.2. Corporate Complexes

Telus Building

We invested in mitigating the road and environmental impact of this complex based on the Land Use Plan in force for the area where it is located. We modified the entrance of the nearby Pradera Xela shopping mall on Las Americas Avenue, zone 3 of Quetzaltenango, with pedestrian sidewalks with decorative cobblestone, a bicycle paved-lane, the extension of a third lane with asphalt, area for planters and horizontal signaling. We also plan to carry out the transfer of an adjacent roundabout, as well as improving the circulation of diagonal 2, zone 3 of Quetzaltenango.

These actions required an investment of US$ 243,325.00, creating jobs, increasing trade and urban development in the area to order traffic. Among the negative reactions were the discomfort generated by street vendors, taxi drivers and business partners, as well as neighbor complaints about the noise during the construction of the complex, which were attended to and noisy night work was avoided.

Zona Pradera

In this complex consisting of four office towers, we improved the infrastructure for the provision of cold and drinking water, so that there are no leaks. In addition, we installed LED lights in basements and the common areas under our administration.

Residential Complex Torre Real, Guatemala


Residential Complex San Isido 20|21, Guatemala

(GRI 102-8, 203-2) (SDGs 1.2, 1.4, 3.8, 8.2, 8.3, 8.5, 10.3)

6.2.3. Residential Complexes

Prados de San Cristóbal

We carried out multiple urban interventions around this complex, such as the construction of a new sentry box in the access to the residential complex Pinares de San Cristobal to improve access security. We invested US$ 40 thousand, and partially covered its maintenance. In addition, we donated material for US$ 3,200 for the construction of a wall on the perimeter of the street "El Campanero", to avoid the accumulation of waste; we donated to the municipality the back street of the complex, which allows easy connection to the village El Campanero. In addition, we ceded a land of 7,839.02 m2 from the project's farm, to convert it into a vehicular access for those who go to San Marino or Balcones de San Cristobal, with an investment of US$ 1,045,202.67.

On the other hand, with the maintenance of the waste treatment plants and a recycling program together with the contractor company, we mitigate the environmental impact. In addition, we built a Soil Nailing (containment wall) in the area affected by a landslide on "El Campanero" street, to contain land and prevent loss of access, to reduce the possibility of another landslide in the area, with an investment of US$ 38,658.08.

These activities had a positive impact on the increase in surplus value in the sector, road improvement for people in the area, relieve traffic congestion and accident prevention. The complex affected the increase in the area's traffic, due to the increase of the number of houses, as well as the bad smell in drains, which was contained by implementing siphons in the pipes from which the gases came.

Torre Real

In the framework of this project, we invested US$ 1,2 million in the development of a underpass at kilometer 8 of the road to El Salvador. This underpass contributes to a greater fluidity of the road and better access to the project, and is under the administration of the municipality of the area. In addition, during the year it favors more than 100 thousand vehicles that go to the capital city.

On the other hand, we installed LED lights in all the basements and common areas of the building, we started measuring water consumption in each apartment, with meters, and we carry out awareness-raising campaigns aimed at reducing water consumption.

San Isidro 20|21

In this complex we installed an automatic garden-watering system to reduce water consumption, built a special tank, installed motion sensors in the duct of the emergency staircase, led lights throughout the complex and its common areas. In addition, we were challenged to contribute to a drainage network and drinking water and sewerage connectors to treat wastewater.

7 WE CARE FOR THE PLANET

(GRI 102-11) (GRI 307-1, 103-1, 103-2, 103-3) (SDG 16.3) T : Compliance

We believe that our contribution to development would be incomplete without the effort to be environmentally sustainable from the heart of our operations. Thus, in all our business units, we ensure that we have profitable projects, which provide quality services, with minimal impact on natural resources. This process begins with the design, as we include the installation of technologies to save electricity and drinking water.

In this chapter, we detail the electricity and water consumption,, emissions and waste generation, as well as the impact on biodiversity of the ecosystems around our projects. It is important to indicate that in the post-operation stage monitoring processes have been performed in all our operations and the results indicated that the ornithofauna has not been significantly affected. We also have management indicators applied in our weekly, monthly, quarterly and annual reports.

The strategy of the Energy Business Unit to generate clean energy is to identify, follow and engage with the different regulatory institutions in each country in which we operate and meet their legal requirements. This way, we prevent and mitigate the risks arising from our operations, while at the same time ensuring our continuity and credibility.

We implement and update compliance matrices by making an assessment through legal managers or consultants who check that each requirement is met. This topic is evaluated by implementing and updating legal compliance matrices, outsourcing the evaluation to legal managers or consultants, and reviewing compliance of each requirement. We are audited and inspected annually by national and international government agencies.

In the Energy Business Unit, during 2019, we performed a legal compliance audit, which allowed us to identify the points for improvement in the mechanism for evaluating environmental legal requirements, applied to each of the plants. This procedure had already been implemented in previous years.

To achieve our objectives, the legal area of CMI Capital assumed greater participation and responsibilities with the environmental management of each of our projects, undertaking corrections when necessary. It is for this reason, and for the commitment and effort of our workers, that we do not have any non-compliances on environmental issues.

7.1. CLIMATE CHANGE

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1) T : Climate change T : Emissions

The increased likelihood of natural disasters caused by climate change is one of the warnings in the report ¨Managing the risks of extreme weather events and disasters to improve adaptation to climate change¨ of the Intergovernmental Panel on Climate Change -IPCC , "(...) There is evidence derived from observations made since 1950 of changes in some extreme climatic phenomena (...)"

Heavy rains and floods, droughts, and forest fires can affect renewable energy generation plants, resulting in medium- and high-probability risks in Central American countries. CMI Capital is aware of these risks that are part of its operation and, for this reason, we make important investments focused on the mitigation or prevention of climate change, to ensure power generation for our stakeholders.

With regard to emissions management, we seek their reduction and/or compensation in order to achieve carbon-neutral operations. Reducing greenhouse gas emissions - GHG - is important for mitigating the impact of climate change.

As we only generate renewable energy, at CMI Capital we have an important role in mitigating climate change, especially in the Energy Business Unit. In this line and committed to the planet, we also make efforts to reduce emissions generated during some of the activities of the generation process, construction and any industrial activity. These emissions include GHGs, which are primarily responsible for climate change through "global warming," so it is imperative to reduce the magnitude of this problem and we do our best to achieve it

Hydroelectric Renace II, Guatemala

7.1.1 ENERGY BUSINESS UNIT

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1)

Although by generating renewable energy we reduce the risks of climate change, we are not exempt from the fact that because of the different sources of renewable generation we use, the negative impacts of climate change can be more intense and recurrent. That is why we have already analyzed, and implemented some alternatives that reinforce the actions we have considered.

We have invested in implementing drainage infrastructure in our photovoltaic solar plants, because of their location, they are prone to flooding, especially during the cyclone season.

7.1.1.1 Hydroelectric impacts

Both droughts and storms are the major risks we face in hydroelectric plants. If there is a drought, losses from low rains have a very high impact, considering that in the Renace hydroelectric complex, three of its plants feed on the water of the river Cahabón, and the fourth plant feeds from one of its effluents. Heavy rains can generate landslides, erosion of the basin and even road blockages. In either case, we have a USD$901-thousand equivalent, all-risk, business interruption insurance to cover material damage and loss of profits for up to 18 months.

During 2019, climate change impacts exceeded estimates made in previous years, reaching financial losses of up to approximately USD$18 million. This situation came from the low generation caused by historically low rains.

The Apollo project, along with other similar projects, detailed in chapter 2, works on generating efficiencies and risk mitigation.

Wind Plant PESRL, Costa Rica

7.1.1.2 Impacts on Wind Plants

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1)

The amount and speed of wind has to do with the optimal operation of wind power generation, not only because of the production itself, but also because of the possibility and risks of carrying out maintenance on wind turbines. The high wind and low wind seasons are a constant variable, these periods might be longer or shorter depending on the climate phenomena, El Niño or La Niña.

We work on different mitigation measures, such as estimates of wind behavior, which work to a better extent, on this type of technology compared to hydroelectric plants.

Maintenance, whether preventive or corrective, especially the latter, access to parks is limited to the hurricane season and, in some cases, the activity could be paralyzed. While this would not affect the operation of wind turbines, it would cause a limitation to taking care of any alarms that may occur, due to the lack of personnel.

The estimates and risks are based on historical information, on the most conservative scenarios that occurred during the plant's operating years.

One impact that has been observed in the last year is the increase of forest fires due to droughts. It should be noted that although fires have occurred in areas near our wind power plants during 2019, we have not had any loss of resources. This is due to the fact that there are contingency plans and strategic partnerships with entities responsible for fighting fires in the areas in which we operate.

El Niño and La Niña in Central America

La Niña is a climate phenomenon that is part of a natural-global climate cycle known asEl Niño-Southern Oscillation-ENOS-,El Niño-Southern Oscillation, -ENSO-. This global cycle has two extremes: A warm phase known asEl Niñoand a cold phase, known as La Niña. When there arestrong trade windsfrom the west, equatorial temperaturesdecrease and the cold or La Niña phase begins. When the intensity of the trade winds (alisios) decreases, the surface temperatures of the sea increase and the warm phase of El Niño begins.

Either of these conditions expands and persists overtropical regionsfor several months and cause significant changes in global temperatures, and especially in global rainfall. These changes occur alternately in periods that vary on average from five to seven years and there are records of their existence from pre-Hispanic times.

Solar Plant Choluteca, Honduras

7.1.1.3 Impacts on Solar Power Plants

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1) T : Climate change T : Emissions

High temperatures could cause a forest fire in solar panel parks, as would be the case in wind power plants. To avoid this, we avoid having fire sources in these areas. During 2019, we managed to control these episodes by working with the company's security area.

Contrary to what is generally accepted, solar parks are located in grasslands or areas that no longer have forest areas. There are cases in which wind towers are located in forest areas that are far away from construction areas or roads. Along this lines, it is important to note that by 2018, the Energy Business Unit has fulfilled its compensation commitment in a ratio of 10 to 1, according to the trees cut in its Choluteca plant. Likewise, at the Cerro de Hula plant, the goal of 54,920 trees was passed, fulfilling more than 100% of the reforestation commitment, by planting 66,489 trees.

7.1.1.4 Social impacts

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1) T: Climate change T: Emissions

For all cases, natural phenomena have a social implication in the area of influence of the plants we operate. In the case of droughts, the social impact that would be generated would be very high, due to the lack of water in the communities. Therefore this would entail an additional investment not only for the plants but also for social investment programs. If there are forest fires, the impact would be greater because both the communities and the wind towers could be affected by the fires.

7.1.1.5 Prevention tools

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1) T: Climate change T: Emissions

As tools to prevent the risks generated by climate change, we are prepared for hurricanes , floods and fires that can originate in neighborhoods and impact our facilities. We have forest brigades in order to address forest fires that can be generated as a result of high temperatures due to climate change.

El Pulté, Guatemala

7.1.2 REAL ESTATE DEVELOPMENT BUSINESS UNIT

(GRI 102-11, 201-2, 103-1, 103-2, 103-3) (GRI 305, 103-1, 103-2, 103-3) (SDG 13.1) T: Climate change T: Emissions

Our real estate complexes require significant amounts of electricity and drinking water. We use electricity generated by hydropower plants, although the reduction of available water as an effect of climate change has a direct impact on our operations. Droughts could raise the cost of such a service, which would be a reason to look for another provider. On the other hand, floods from tropical storms can reduce traffic to our complexes, as well as possible damage to offices, shopping malls and homes. While they are covered by insurances, their destructive capacity should not be ignored.

Climate change also brings opportunities for our businesses. If we incorporate environmental certifications for the complexes we build, this allows us not only to contribute to mitigate our impacts, but also to attract environmentally conscious customers. Another opportunity identified is solar power generation from solar panels installed at our shopping malls. This tool allows us to be more cost-efficient, as well as to reinforce our approach to sustainable construction and operations.

7.1.3 FINANCE BUSINESS UNIT

In a way, climate change is considered, a business opportunity because companies need to hire health insurance and insurance on all sorts of possible risks resulting from climate change.


Wind Plant Orosí, Costa Rica

7.1.4 EMISSIONS AVOIDED AT THE REGIONAL LEVEL IN THE REST OF THE COUNTRIES WHERE WE OPERATE

(GRI 305, 103-1, 103-2, 103-3) T: Climate change T: Emissions

Since 2015, and with the assistance of a consulting firm, we estimate the emissions avoided by hydroelectric power plants, using the methodology ACM0002: This baseline methodology has been developed by the United Nations for the Clean Development Mechanism, for the generation of renewable electricity connected to the grid. In the case of the wind farm Cerro de Hula, these estimates began in 2014. For the rest of the wind and solar plants we perform an estimate according to the United Nations Climate Change Conference-UNFCCC.

Also, in 2019, we helped mitigate climate change by avoiding emissions of more than 978 793.46 tons of CO2 equivalent. In this way, we strengthen our commitment to contribute to the diversification and decarbonization of the energy matrix.

7.2 ENERGY BUSINESS UNIT

7.2.1 GUATEMALA

7.2.1.1 Environmental Compliance

(GRI 307-1, 103-1, 103-2, 103-3) (SDG 16.3) T : Compliance

Our operations in Guatemala use the following procedure for identifying, evaluating and updating legal requirements:

Legal compliance is part of an environmental strategy along with the implementation of best practices and actions of great importance. We can say that it represents a basis that must be kept sound, as it represents not only the fulfillment of what is dictated by institutions such as the Ministry of Environment and Natural Resources - MARN - but also financiers and other interested parties. In all cases, we comply with the legislation, international standards and applicable requirements, and establish annual environmental objectives and programs to define monitoring targets and indicators.

Part of the objectives of the environment department responds to the total fulfillment of the environmental management plans and the validity of all environmental licenses of the operating projects. Likewise, the main objectives are zero fines and sanctions for environmental audits or inspections of any external entity, which ensures the continuity of the operation of the operating centers.

The responsibility for compliance of the legal requirements of the company rests with all personnel working at the hydroelectric plant. Therefore, the environment area with legal support, monitors the information it shares with the Ministry of the Environment and Natural Resources (MARN). In addition, our mechanism for the reception of complaints and non-conformities treats legal requirements in a different way, giving a warning that they are not being met.

We welcome the fact that, during 2019, our operations in this country have not received any fines or sanctions.

7.2.1.2 Emissions

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2) T: Climate change T: Emissions

Since 2015, we have quantified the carbon footprint -CF- and GHG inventories derived from the operation of the Renace Hydroelectric Complex, with which we cover all productive and administrative activities. This exercise allows us to know its impact in terms of direct emissions (generated by the activities under our control) as the indirect (on which we have no control, but are a consequence of the activities we perform) ones.

In 2015, we began measurements in Renace I, Santa Teresa and Central Offices, and then incorporated Renace II Phase 1, in 2016; Renace II Phase 2, in 2017; Renace III, in 2017 ; and Renace IV, in 2019. Each stage was incorporated into the study as it began operations.

According to ISO 14 064:2006, all types of efficiency projects, as well as annual measurement exercises, must be compared with the baseline, since this is the parameter to define any improvement or regression in the impact of the entities, products or events. Under this principle, our baseline was that of 2015, because in that year the issue was incorporated into the environmental strategy. The inventories were developed under the guidelines of ISO 14 064:2006, Part 1. The level of assurance for emission inventories is acceptable, because the information has been audited and verified with a sample reasonable for the dimensions of the study. This activity was carried out by the Guatemalan company Green Development, an organization with experience in measuring the CF.

In addition, the GHG Protocol has been used to measure the CF. This tool is the most widely used worldwide for calculating and communicating the emissions inventory. It has been developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) , together with companies, governments and environmental groups around the world. This protocol enables the preparation of GHG inventories, simplifies and reduces the costs for doing it, because it provides information to prepare risk management strategies, facilitate transparency in the accounting system, and use an intersectoral view for accounting emissions from any sector.

Emissions were calculated by classifying their sources within our limits into primary, secondary, and tertiary ranges. No partial estimation or extrapolation of information was provided, as 100% consumption was supported for each identified emission focus. Nor were any additional on-site measurements or complementary analyzes carried out, since the calculation was based on historical consumption, for which the detail of dispatch or consumption of meters, receipts, warehouse files, maintenance, were used and others necessary to obtain reliable results.

The GHGs included in the calculations are carbon dioxide -CO2-, methane -CH4-, nitrous oxide -N2O-, hydrofluorocarbons -HFCs-, and sulfur hexafluoride -SF6-. The estimates were based on emission factors established by the IPCC, the U.S. Energy Association, the U.S. Environmental Protection Agency (EPA), among others. As an exception, the consulting firm estimated a factor for the National Electric Power Grid, taking as a source of information the one provided by the Wholesale Market Association (AMM) and the Ministry of Energy and Mines (MEM), with the methodology of the UNFCCC.

Hydroelectric Renace IV, Guatemala

As part of the measures of adaptation to climate change, the Renace Hydroelectric Complex carries out activities aimed at the development of good agricultural practices, soil and water conservation, agroforestry systems, reforestation, biodiversity conservation, as well as conservation projects of water recharge zones and landscape restoration with native species. It is all part of a cross-cutting axis of environmental education for stakeholders in every activity.

Hydroelectric Renace III, Guatemala

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2) T: Climate change T: Emissions

Among the main changes in emissions management we can mention:

- **Renace IV:** As of 2019, Renace IV facilities are considered in the CF in Multienergía. The plant is located on Route RN-5, at kilometer 252, crossroaads to Community Chica, Aldea Chicuis, San Pedro Carchá, Alta Verapaz.
- **Stationary energy:** According to the 2019 records, there was an increase in the number of stationary devices. Therefore, tons of carbon dioxide emitted into the atmosphere increased from previous years.
- **Septic tanks:** In 2019, a change was made to calculate the tons of carbon dioxide equivalent -TCO2e- released into the atmosphere, because at the time of performing wastewater sampling there was no flow rate to take the samples or the flow rate was not measured for reasons not related to Multienergía. According to the average number of workers in each plant, an average emission factor per person was used to estimate the tCO2e.
- **Coolants:** at the Renace II Phase 1 facility there was a leak of 39 pounds of R10 of coolant. The emissions that leak from this plant increased significantly from those presented in previous years.
- **Commercial flights:** Due to the fact that a percentage of the flights are made with the purpose of attending situations in the CMI plants located in the rest of Latin America, the emissions of these flights were not charged directly to Multienergía in Guatemala. These emissions were calculated using the same methodology, however, they were included in unit emissions.

Finally, despite a reduction in the energy generated by Hidroeléctrica Santa Teresa compared to 2018, its consumption was reduced, which is a behavior contrary to that of the rest of the plants. The reduction in consumption is due to the fact that during 2019 there was a transfer of personnel from this hydroelectric plant to Renace IV. In addition, electric power wiring was changed to avoid power system losses and optimize consumption.

As part of the measures of adaptation to climate change, the Renace Hydroelectric Complex carries out activities aimed at the development of good agricultural practices, soil and water conservation, agroforestry systems, reforestation, biodiversity conservation, as well as conservation projects of water recharge zones and landscape restoration with native species. It is all part of a cross-cutting axis of environmental education for stakeholders in every activity.

DIRECT GHG EMISSIONS (SCOPE 1), 2019

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2)
T: Climate change T: Emissions

PLANT	Stationary combustion (tCO2e)	Mobile combustion (tCO2e)	Leaks (tCO2e)	Totals (tCO2e)
Renace I	41.9	125.8	6.7	174.4
Renace II	22.4	172.5	40.2	235.1
Renace III	19.5	118.8	3.7	142.0
Santa Teresa	14.8	56.9	2.9	74.6
Renace IV	4.2	13.4	0.9	18.5
Headquarters	0.0	30.9	0.0	30.9
Totals (tCO2e)	**102.8**	**518.3**	**54.4**	**675.5**

INDIRECT GHG EMISSIONS (SCOPE 2), 2019

PLANT	Electricity consumption 2019 (kWh)	Electricity consumption 2019 (tCO2e)
Renace I	230 544	107.5
Renace II	380 960	177.7
Renace III	266 463	117.24
Santa Teresa	82 780	38.61
Renace IV	226 987	105.86
Headquarters	72 489	33.8
Totals (tCO2e)	**1 260 223**	**580.71**

Indirect GHG EMISSIONS (SCOPE 2), 2018

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2)
T: Climate change T: Emissions

PLANT	Commercial flights (tCO2e)	Paper consumption (tCO2e)	Waste (tCO2e)	Helicopter flights (tCO2e)	Totals (tCO2e)
Renace I	15.42	0.6	12.1	3.2	31.34
Renace II	0	0.5	3.9	0.0	4.34
Renace III	0	0.1	3.2	0.0	3.3
Santa Teresa	0	0.2	2.8	0.0	3
Renace IV	0	0.04	0.94	0.0	1.0
Headquarters	56	0.61	0.13	3.5	60.25
Totals (tCO2e)	**15.4**	**2.0**	**23.0**	**6.7**	**103.2**

Note: To estimate emissions, emission factors established by the Intergovernmental Panel on Climate Change -IPCC-, the United States Energy Association, the United States Environmental Protection Agency -EPA-, among others, were taken as a reference. The only emission factor estimated by the Green Development team was that of the National Electrical Power Grid. Taking as a source of information the one provided by the Wholesale Market Association and the Ministry of Energy and Mines (MEM) and following the methodology of the United Nations Framework Convention on Climate Change (UNFCC).

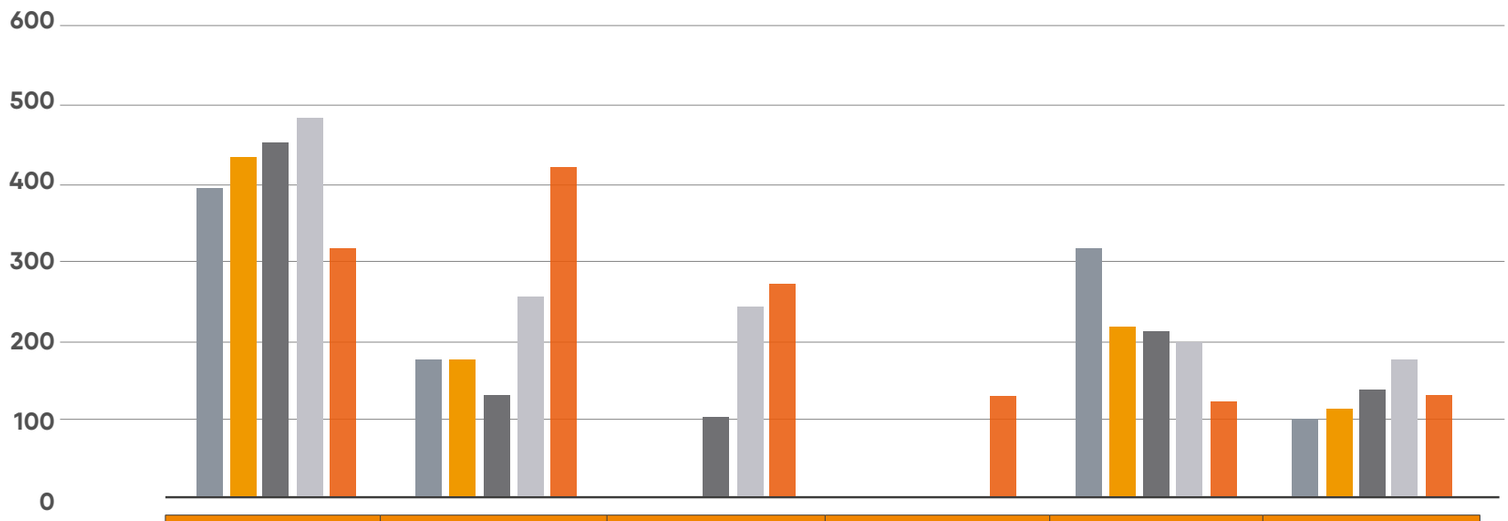
GLOBAL WARMING POTENTIAL (GWP) OF GREENHOUSE GASES (GHG)

GHG GAS	Chemical formula	Global Warming Potential (CO2-eq)
Carbon dioxide	CO2 (g)	1
Methane	CH4 (g)	28
Nitrous oxide	N2O (g)	265
HC-134a	(CH2FCF3) (g)	1300
Sulfur hexafluoride	SF6 (g)	11 100

Emission Reduction

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2) T: Climate change T: Emissions

The main results, consolidated at the level of the Renace Hydroelectric Complex from 2015, are as follows:

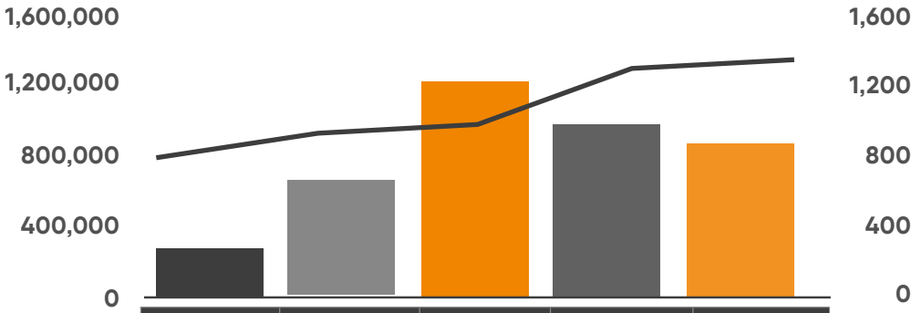


	Renace I	Renace II	Renace III	Renace IV	Santa Teresa	Headquarters
2015	387.87	171.97	0	0	315.18	89.29
2016	429.77	171.97	0	0	216.4	112.82
2017	447.35	135.12	92.9	0	200.28	133.11
2018	478.36	249.19	230.64	0	181.46	180.13
2019	313.28	417.07	262.52	125.37	116.3	124.94

As can be seen from the results, emissions have experienced a slight increase, depending on the increase in the number of hydroelectric plants, according to the higher amount of energy produced.

The graph below shows the result of the quantification of the 2015 baseline versus the 2016 and 2017 study, as well as the generation of megawatts -MW-. Here you can appreciate the efficiency in generation versus the emissions by operation.

Comparative : Emissions vs. production



	2015	2016	2017	2018	2019
Production (MWh)	287,018	691,416	1,219,787	989,590	886,603
Total emissions per installation (TCO2e)	792	931	1,009	1,320	1,360

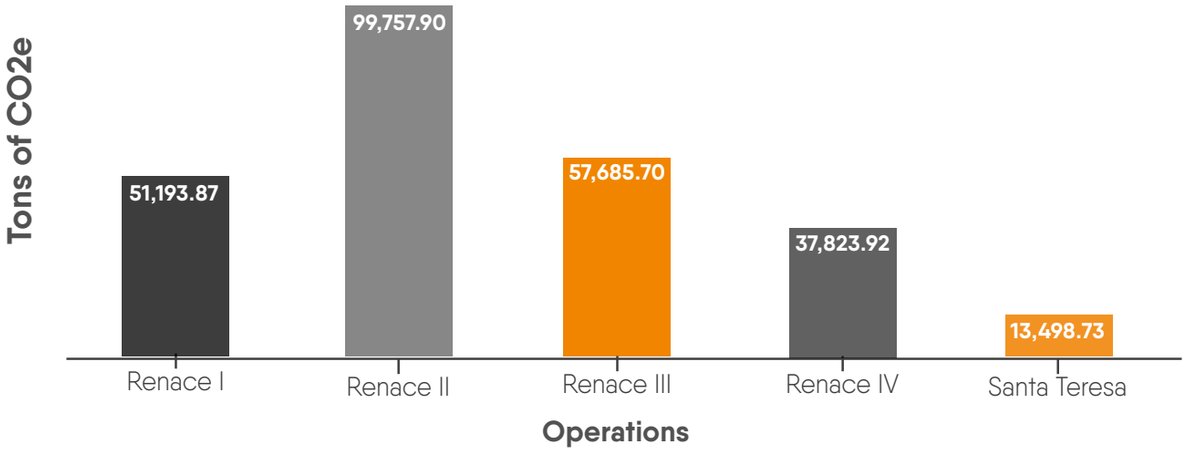
Analysis of business unit's emissions

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2) T: Climate change T: Emissions

Emissions unit analysis is a way of comparing an organization's emissions or estimating environmental performance in terms of air pollution. With this study we visualize in a friendly way the results and the amount of emissions per unit of product produced.

It is based on what is described as the GHG Protocol, so it is done by primary and secondary emissions. According to the GHG Protocol, indirect emissions will be excluded in this analysis because they are direct emissions for another company. However, they are included in the inventory for the analysis of the scope of the company's operation.

Emissions avoided in Guatemala



7.2.1.3 Power

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

By its nature, the Renace hydroelectric complex not only generates renewable energy but consumes it for the proper development of its production, maintenance and administrative processes. In addition, it consumes non-renewable energy. The production, administration, warehouse, marketing and environment areas are involved in the management of said consumption.

For example, fuel consumption is focused on the use of machinery, operating equipment, auxiliary equipment, emergency generating plants and the fleet of vehicles used by different areas. Electricity is used for IT equipment, electrical panels, transformers, water pumping systems, among others.

When we report the consumption of electricity for these operations, we only take into account the electricity that comes from the national grid. We exclude self-consumption to avoid duplication of information, although we always collect data on these consumptions to consider them in improvement projects.

The beginning of the operating phase of the Renace IV hydroelectric plant in 2019 involved an increase in energy consumption, as well as the formalizing a collective transportation program for all the associates of the hydroelectric complex, with its consequent impact on energy consumption.

FUEL CONSUMPTION BY TYPE, 2019

PLANT	Diesel (Gallons)	Diesel (Megajoules)	Gasoline (Gallons)	Gasoline (Megajoules)	Total (Megajoules)
Renace I	15 088.72	2 138 228.55	1 576.96	190 762.64	2 328 991.19
Renace II	17 656.74	2 502 143.40	1 444.33	174 718.58	2 676 861.98
Renace III	12 596.74	1 785 089.06	943.89	114 181.05	1 899 270.12
Santa Teresa	1 447,10	205 069.12	362.73	43 878.94	248 948.06
Renace IV	6 427.88	910 897.87	767.14	92 799.85	1 003 697.72
Total	**53 217.18**	**7 541 428.01**	**5 095.05**	**616 341.07**	**8 157 769.07**

ELECTRICITY CONSUMPTION, 2019

PLANT	Kilowatts x Hour	Megawatts (MW)	Megajoules
Renace I	230 540.00	230.54	829 944.00
Renace II	380 960.00	380.96	1 371 456.00
Renace III	266 463.00	266.46	959 266.80
Renace IV	226 987.00	226.99	817 153.20
Santa Teresa	82 780.00	82.78	298 008.00
Total	**1 187 730.00**	**1 187.73**	**4 275 828.00**

TOTAL POWER CONSUMPTION, 2019 (MEGAJOULES)

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

PLANT	Consumption
Renace I	- 599 870 277.73
Renace II	- 1 188 170 887.38
Renace III	- 685 310 584.56
Renace IV	- 451 234 562.94
Santa Teresa	- 164 040 800.53
Total	**- 3 088 627 113.15**

NOTE: The factors used to convert gallons of fuel to megajoules are the values handled by RECOPE in Costa Rica.

https://www.recope.go.cr/wp content/uploads/2015/08/Manual_Productos_RECOPE_2015.pdf

Reduced power consumption

By 2019, the Renace hydroelectric complex had a 83% reduction in energy consumption compared to the 2018 baseline. It covers electricity and fuel consumption.

REDUCED ENERGY CONSUMPTION, 2019 (MEGAJOULES)

PLANT	2018	2019	Reduction	% reduction
Renace I	4 433 892.31	3 158 935.19	1 274 957.12	29 %
Renace II	2 540 367.29	4 048 317.98	-1 507 950.69	-59 %
Renace III	2 188 959.42	2 858 536.92	-669 577.50	-31 %
Renace IV	61 066 298.39	1 066 101.26	60 000 197.13	98 %
Santa Teresa	1 936 788.75	1 301 705.72	635 083.03	33 %
Total	**72 166 306.16**	**12 433 597.07**	**59 732 709.09**	**83 %**

Hydroelectric Renace II, Guatemala

Electricity consumption reduction, 2019

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

At the complex level, a reduction of 87% from the previous year was seen, its main cause was the start of operations of the Renace IV plant. However, it is important to emphasize that different projects and actions have been implemented in the plants in order to make an efficient use of electricity, according to the context of each plant. Among the actions implemented are: Changing fluorescent lighting with LED technology, more efficient equipment and raising awareness among associates.

The Renace I, II and III plants recorded an increase in electricity consumption due to low flow rates. This is measured by the percentage of time the units had water to generate power, in addition to the amount of equipment destined for each unit. Thus, Renace's plants consumed on average 36.5 days more energy from the national grid, leading to an increase in consumption.

On the other hand, maintenance actions were considered, with more work in Renace1 than in Renace II and Renace III, because the third unit in Renace1 was repaired.

REDUCED ELECTRICITY CONSUMPTION, 2019 (MEGAJOULES)

PLANT	2018	2019	% reduction
Renace I	634 946.40	829 944.00	- 31 %
Renace II	948 420.00	1 371 456.00	- 45 %
Renace III	887 436.00	959 266.80	- 8 %
Renace IV	29 156 040.00	817 153.20	97 %
Santa Teresa	642 452.40	298 008.00	54 %
Total	**32 269 294.80**	**4 275 828.00**	**87 %**

Hydroelectric Renace II, Guatemala

Fuel consumption reduction, 2019

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

At the Renace Hydroelectric Complex, we observed a reduction in fuel consumption of 80% compared to 2018, due to the fact that the Renace IV plant entered the operating phase in 2019. In this phase, fuel consumption is lower due to the use of machinery and equipment, compared to the construction stage. In addition to this , an internal reorganization of the vehicles distributed between the different plants of the complex was performed during the year.

As part of the initiatives to reduce fuel consumption, there are vehicles designated for the collective transportation of associates, promoting the efficient use of resources.

.

FUEL CONSUMPTION REDUCTION, 2019 (MEGAJOULES)

PLANT	2018			2019			% Reduction
	Diesel	Gasoline	Total	Diesel	Gasoline	Total	
Renace I	3 565 114.82	233 831.09	3 798 945.91	2 138 228.55	190 762.64	2 328 991.19	39%
Renace II	1 528 438.78	63 508.52	1 591 947.29	2 502 143.40	174 718.58	2 676 861.98	-68%
Renace III	1 208 982.44	92 540.98	1 301 523.42	1 785 089.06	114 181.05	1 899 270.12	-46%
Renace IV	31 130 373.83	779 884.56	31 910 258.39	205 069.12	43 878.94	248 948.06	99%
Santa Teresa	1 172 425.41	121 910.95	1 294 336.35	910 897.87	92 799.85	1 003 697.72	22%
Total	**38 605 335.27**	**1 291 676.10**	**39 897 011.36**	**7 541 428.01**	**616 341.07**	**8 157 769.07**	**80%**

Hydroelectric Renace I, Guatemala

7.2.1.4 Water

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T : Access to water and watershed management, water footprint
Water resource management is important for the power generation unit of CMI Capital, as it is one of our main inputs to generate electricity and we strive to measure, control and manage it. By means of control and follow-up actions, we seek to avoid negative impacts on quality and purity, to protect and preserve this resource.

The process of generating renewable electricity begins with the partial catchment of the river flow, considering the discharge indicated in the Environmental Impact Studies -EIA- of each of our plants. The flow captured is carried through channels and/or tunnels to the regulating tank and, with the help of pressure pipes, it ends up in the machine house.

Electric power is obtained by harnessing the potential and kinetic energy of water, by coupling turbines to rotating electric generators, transforming mechanical energy. The water used is returned in its entirety to the natural channel of the river, without modifying any of its intrinsic properties. The quality of water is constantly monitored by means of the state-of-the-art technology available, for the first time, in Central America, audited by an external entity approved by the environmental authority.

Catching water and flow transportation are the most important activities in the impact analysis carried out in the EIAs of each plant. This is due to the reduction of the natural flow flowing through the river channel in the section operated and resulting as a product of the diversion described above. We mitigate this impact through the ecological flow and the discharge or restitution of the whole flow back to the river. This restitution is cataloged as a significant positive impact, since the water does not have any more solid waste, and has a higher level of oxygen.

We also carry out biological monitoring of ichthyofauna and macroinvertebrates in the river channel, to record systematically and in an agile manner, any changes in the ecosystems. With this study we discovered possible cause-effect relationships, and we measured the effects of natural and/or anthropic tensors.

The Renace Hydroelectric Complex has an integral basin management plan, developed with the implementation of community and municipal intervention models, through which we promote processes for their restoration, protection and conservation. First, we consider the water resource and then the family is considered to raise awareness for its protection and conservation. We pay special attention to the water recharge zones and the elements that allow to improve the quality and quantity of the water resource in the basins that we have an impact on. In our various operational and administrative locations we have installed measurement systems that allow us to monitor indicators of resource consumption.

Interaction with water as a shared resource

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T :Access to water and watershed management, water footprint

The water we use for consumption is from surface sources. After being used, the water is poured into treatment systems in each physical location, going through three types of treatment, finally being disposed of in bioplanters .

For all the impacts related to its operation, in the Renace Hydroelectric Complex we use the environmental aspects and impact evaluation methodology, with quantitative weights and the establishment of operational controls, which we rank according to their importance. We do ecological flow studies to complement the information with capacity campaigns. For this, we have a comprehensive basin management program, involving interest groups, basin communities, government and non-government organizations, and various local leaders.

Impact management related to water discharges

The criteria for water discharge are defined in Government Agreement No. 236-2006 - "Regulations on the Discharge and Reuse of Wastewater and Sludge Disposal". All discharges from the Renace Hydroelectric Complex comply with the wastewater discharge parameters. In addition, by taking into consideration the receiving body for the release of effluents, we perform studies of the wastewater of each plant and monitor the water quality of the river, both at the entry and the exit.

WATER EXTRACTION FROM ALL AREAS - GUATEMALA (MEGALITERS)

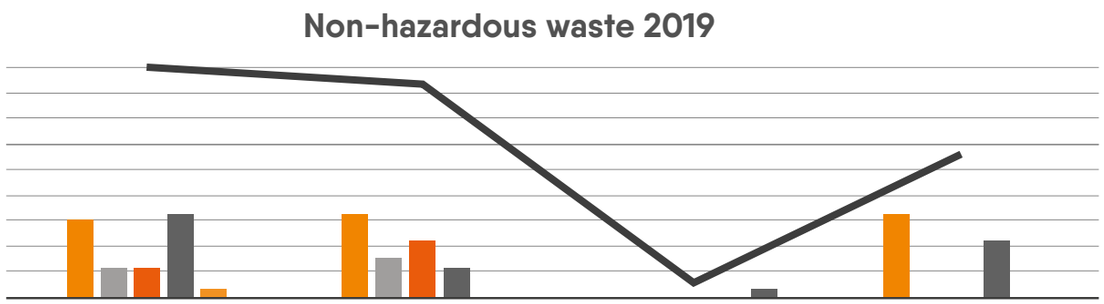
TYPE OF WATER	Extracted water
Surface water	15.48
Groundwater	15.48
Sea water	-
Water produced	-
Water from third parties	-
Extracted fresh water	**-**

SURFACE WATER EXTRACTION ACCORDING TO PLANT (MEGALITERS)

Plant	m^3	Megaliters
Renace I	5 359	5
Renace II	1 647	2
Renace III	7 421	7
Renace IV	995	1
Santa Teresa	58	0
Total of the complex	**15 480.01**	**15.48**

Water Discharges

We do not have the flow measurement for discharges because they are domestic and depend on the presence of administrative personnel, which is very variable.



	Inorganic	Organic	Paper and cardboard	Metal and aluminum
Renace I (Kg)	6,188.81	6,431.03	271.55	6,341.00
Renace II (Kg)	2,468.90	3,140.67	97.06	0.00
Renace III (Kg)	2,284.09	4,625.00	103.18	1.82
Santa Teresa (Kg)	6,764.00	2,343.00	547.70	4,541.60
Renace IV (Kg)	523.18	200.91	0.00	0.00
Total of the complex (Kg)	18,229	16,741	1,019	10,884

7.2.1.5 Residues and effluents

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 15.1) T : Waste

Waste management within the Renace Hydroelectric Complex is part of the compliance with the Environmental Impact Studies (EIA) and their corresponding solutions. To achieve this, there is an environmental management and specific operational procedures system on the proper management of waste, which we include in the continuous monitoring to detect and promote improvements.

In the five hydroelectric plants that make up the Renace Hydroelectric and Santa Teresa Hydroelectric complexes, we implement a waste management plan, which establishes the guidelines for its correct management. We separate waste at the source, temporarily store it, and then move it to the collection center, on-site classification or final disposal place.

This management is framed within the guidelines of Governmental Agreement No. 281-2015 – "National Policy for the Integrated Management of Residues and Solid Waste". In addition, the disposal of waste generated in these plants is carried out according to the EIA and based on requirements such as:

- Waste that cannot be reused, and/or recycled must be disposed of in authorized places according to municipal management.
- Hazardous wastes must be delivered to companies that have the appropriate authorizations and certifications, granted by the competent environmental authority.

This provision applies to companies that have licenses and authorizations issued by environmental authorities. The company must be aware of its responsibility to guarantee the final disposal of waste and comply with the treatments indicated in the socialization to the suppliers of this type of services.

The final disposal methods we use are: recycling, composting, landfill disposal, reuse and incineration. The deep well injection, landfills and on-site storage methods are not applied here.

All of the above is intended to mitigate the possible environmental impacts on water and soil systems by the generation and incorrect waste disposal.

Each month, we collect data on the total weight of waste generated in our different plants, to obtain behavior trends and evaluate the need to raise awareness among our associates on the proper use of materials or products that generate large amounts of waste.

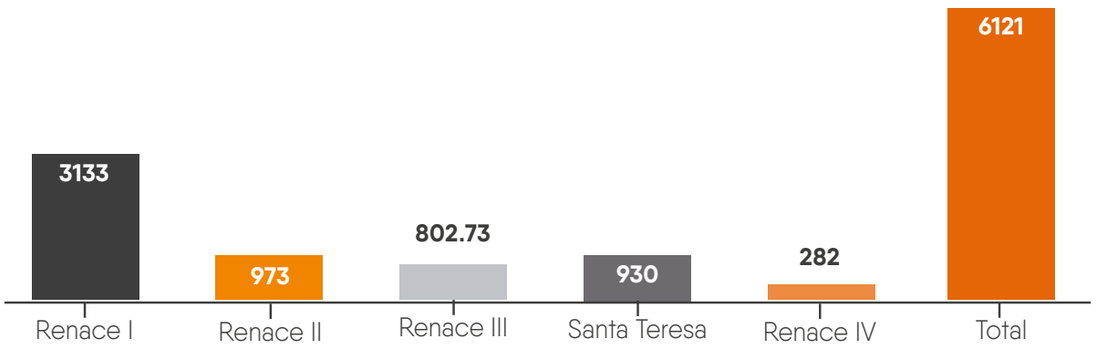
Among the organic and inorganic residues, those that are extracted from the river before the water goes through the turbine are taken into consideration.

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 15.1) T: Access to water and watershed management, water footprint

NON-HAZARDOUS WASTE	Disposal Method
Inorganic	Municipal landfill
Organic	Composting
Paper and cardboard	Recycling
Metal and aluminum	Recycling

HAZARDOUS WASTE	Disposal Method
Hazardous waste	Incineration

HAZARDOUS WASTE, 2019 (KILOGRAMS)



Significant spills

Guatemalan environmental legislation does not provide guidelines to classify spills. At the Renace Hydroelectric Complex we classify them as low, medium or high according to the criteria of our Environmental Technical Team. In the sustainability reports, we take into consideration only middle- and high-level incidents, hence there are no 2019 records of spills.

7.2.1.6 Biodiversity

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5)
T : Biodiversity T : Cultural heritage

According to the Guatemalan system of protected areas (SIGAP) and the EIAs of each of the hydroelectric plants that make up the Renace Hydroelectric Complex, none are inside a protected area. In spite of this, there is a very rich biodiversity that we must protect, conserve and recover. For this reason, the complex has a Private Natural Reserve, registered at the Association of Private Natural Reserves of Guatemala, with an extension of 46 hectares.

The Renace Private Natural Reserve represents one of the last wooded remnants of the region, home to more than 300 species of birds, mammals, vascular plants and spruce. This reserve was created to:

- Protect the forest remnant and its biodiversity.
- Coordinate conservation efforts in the region, especially with the upper part of the Yalihux Mountain range and over the Cahabon River.
- To promote the development of ecotourism and recreational activities and coordinate them with the development of the surrounding communities.
- Contribute to local development through the implementation of an environmental education program.

In 2017, the first sightings of a quetzal (Pharomachrus mocinno) were recorded in the reserve. This event was achieved after more than three years of restoration and conservation actions, which represents progress within the framework of the national strategy for the conservation of the bird, which is the symbol of Guatemala.

We carry out semi-annual biodiversity monitoring in the Renace Reserve, in order to confirm the development of the habitat in the area of influence and identify existing species. The monitoring has indicated that in addition to the quetzal, there are representative species such as the margay (Leopardus wiedii), jaguarandi (Jaguarundi), collared pecari (Pecari tajacu), kinkajou (Potos flavus), and others.

Actions for the protection and conservation of ecosystems and habitats within and outside the Renace Hydroelectric Complex area are aligned with the restoration plans and the master plan of the reserve. With bioacoustic monitoring, a non-invasive technology, we record and analyze the quetzal. Our contribution is performed together with postgraduate students from the University of La Sorbonne in Paris, France and the results allow us to make decisions to improve the protection and conservation of the species and its habitat.

The different biological monitoring in Renace and its surroundings have made it possible to classify the species identified as Least Concern -LC- , within the framework of the red list of threatened species of the International Union for Conservation of Nature IUCN. This implies that they are an abundant and widely distributed species, which are not under threat of extinction.

Of the species on the Red List of the National Council of Protected Areas (CONAP), 22 species were recorded in 2018: 1 for CONAP's category 2 and 21 for CONAP's category 3. Category 2 of CONAP contains species endangered due to the loss of habitat, trade or with very small populations, the benefit of which should be only for scientific and reproductive purposes only, such as Vesper's rat in Renace 4. Category 3 of CONAP contains those species that are not currently threatened, although they could be threatened if their use is not regulated (by subsistence or sport hunting).

In addition to these actions, we raise awareness among our associates to conserve wildlife. The sightings of fauna in our facilities are managed in a controlled manner, and the specimens are captured and released in protected areas for their multiplication and conservation.

We value reforestation as a means of recovering ecosystem services provided by forests, and we take a step further with ecological restoration. During 2019, we restored 23.3 hectares to recover disturbed or degraded ecosystems, which involved identifying objects of conservation that allow protecting the landscape and the ecosystem. This is essential, not only to recover forest coverage, but also to restore biotic interactions.

The restoration of areas with native species such as the aguacatillo tree, liquidambar, perymenium (taxiscobo), pine, cypress, and local species has been encouraged. Every six months (summer and winter) we carry out biological monitoring of groups of birds, medium-sized mammals, ichthyofauna, macroinvertebrates, weevils and vegetation. Monitoring reports allow us to generate biodiversity indicators such as numbers of individuals and families identified, to make changes in the reforested areas. In addition, we carry out restorations with a focus on the preservation of the fauna and the flora.

2019 Species identified in the project area included in the IUCN List and National Lists

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5)
T : Biodiversity T : Cultural heritage

PLANT	Scientific name	Common name	CONAP Classification	UICN Classification
Renace I	Ortalis vetula (Wagler, 1830)	Plain chachalaca	3	LC
	Aulacorhynchus prasinus (Gould, 1834)	Emerald toucanet	3	LC
	Glaucidium brasilianum (Gmelin, 1788)	Ferruginous pygmy owl	3	LC
	Myadestes unicolor (Sclater, 1857)	Slate colored solitaire	3	LC
	Procyon lotor (Linnaeus, 1758)	Raccoon	3	LC
	Didelphis marsupialis (Linnaeus, 1758)	Black opossum	3	LC
	Cuniculus paca (Linnaeus, 1766)	Lowland paca	3	LC

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T : Biodiversity

PLANT	Scientific name	Common name	CONAP Classification	UICN Classification
Renace II	Ortalis vetula (Wagler, 1830)	Plain chachalaca	3	LC
	Glaucidium brasilianum (Gmelin, 1788)	Ferruginous pygmy owl	3	LC
	Amazilia tzacatl (de la Llave, 1833)	Red tail hummingbird	3	LC
	Phaethornis striigularis (Gould, 1854)	Stripe-throated hermit	3	LC
	Falco sparverius (Linnaeus, 1758)	Sparrow hawk	3	LC
	Cuniculus paca (Linnaeus, 1766)	Lowland paca	3	LC
	Dasyprocta punctata (Gray, 1842)	Central American agouti	3	LC
	Didelphis marsupialis (Linnaeus, 1758)	Black opossum	3	LC
	Conepatus leuconotus (Lichtenstein, 1832)	Hog-nosed skunk		LC
	Urocyon cinereoargenteus (Schreber, 1775)	Gray fox		LC
	Mazama temama (Kerr, 1792)	Central American red brocket	2	DD
	Dasypus novemcinctus (Linnaeus, 1758)	Armadillo	3	LC
	Didelphis virginiana (Kerr, 1792)	Virginia opossum	3	LC
	Sylvilagus gabbii (Linnaeus, 1758)	Forest rabbit	3	
	Spilogale angustifrons (Howell, 1902)	Southern spotted skunk		LC
	Sciurus deppei (Peters, 1863)	Central American squirrel	3	LC
	Nasua narica (Linnaeus, 1766)	White-nosed coati	3	LC
Renace III	Amazilia Tzacatl	Red tail hummingbird	3	LC
	Cuniculus paca	Lowland paca	3	LC
	Dedelphis marsupialis	Black opossum	3	LC
	Nasua narica	White-nosed coati	3	LC
	Sciurus deppei	Central American squirrel	3	LC

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T : Biodiversity

PLANT	Scientific name	Common name	CONAP Classification	UICN Classification
Renace III	Falco rufigularis	Bat falcon	3	LC
	Dasypus novemcinctus	Armadillo	3	LC
	Eira barbara	Tayra	3	LC
Santa Teresa	Ortalis vetula (Wagler, 1830)	Plain chachalaca	3	LC
	Glaucidium brasilianum (Gmelin, 1788)	Ferruginous pygmy owl	3	LC
	Amazilia tzacatl (de la Llave, 1833)*	Red tail hummingbird	3	LC
	Pteroglossus torquatus (Ridway, 1912)		3	LC
	Amazilia tzacatl (de la Llave, 1833)*	Red tail hummingbird	3	LC
	Phaethornis striigularis (Gould, 1854)		3	LC
	Dasypus novemcinctus Linnaeus, 1758	Armadillo	3	LC
	Dasyprocta punctata (Gray, 1842)	Central American agouti	3	LC
	Didelphis marsupialis (Linnaeus, 1758)	Black opossum	3	LC
Renace IV	Phaethornis striigularis	Stripe-thorated hermit	3	LC
	Zenaida asiatica	White-winged dove	3	LC
	Ortalis vetula	Plain chachalaca	3	LC
	Glaucidium brasilianum	Ferruginous pygmy owl	3	LC
	Procyon lotor	Raccoon	3	LC
	Didelphis marsupialis	Black opossum	3	LC
	Amazilia Tzacatl	Red tail hummingbird	3	LC
	Eupherusa eximia	Stripe-throated hermit	3	LC
	Cuniculus paca	Lowland paca	3	LC
	Eira barbara	Tayra	3	LC

Wind Plant Cerro de Hula, Honduras

7.2.2 HONDURAS

In this country, we generate wind energy through our Cerro de Hula park; and photovoltaic energy with our solar parks Choluteca I, Choluteca II and Pacífico I.

7.2.2.1 Environmental Compliance

(GRI 307-1, 103-1, 103-2, 103-3) (SDG 16.3) T : Compliance

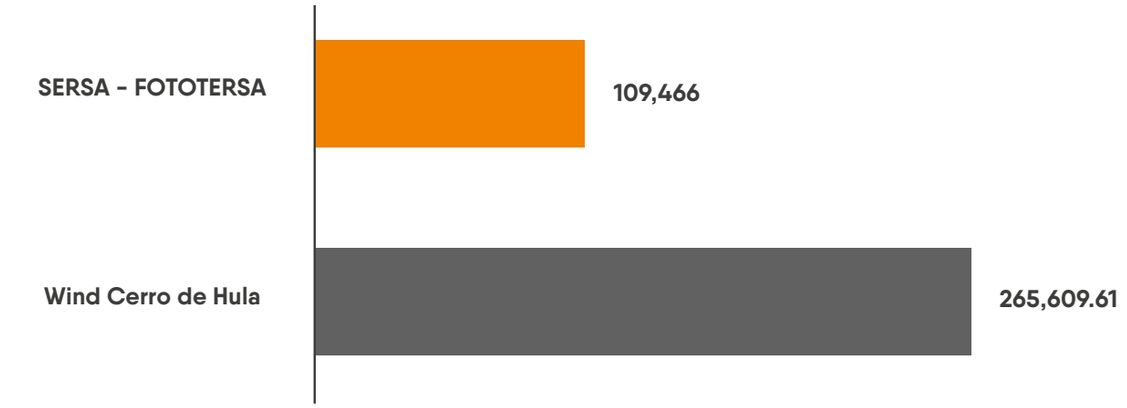
We manage compliance of environmental measures set out in our environmental management plans and local legislation. We submit reports for My Environment and the Municipal Environmental Unit -UMA- while meeting the requirements of financial institutions. We have the advice of a legal firm that accompanies the management processes, whose work is technically complemented with that of the Department of Environment and Social Management, to carry out the work of the axis of legal compliance, in the SIG. This department is responsible for operating compliance with the legal requirements acquired for environmental management.

In the case of Cerro de Hula we carry out internal audits from the ISO 14001 management system. During 2019, an internal audit focused on legal compliance was conducted. As a result of these actions, no fines or penalties have been received during the 2019 period. In addition, we have joint inspections with external organizations to ensure that no fines or penalties are received in these operations during 2019.

7.2.2.2 Emissions

(GRI 305-1, 305-2, 305-3, 305-5, 103-1, 103-2, 103-3) (SDGs 3.9, 12.4, 13.1, 14.3, 15.2) T: Emissions

Emissions avoided in Honduras



Note: The Sersa-Fotersa photovoltaic parks, located in the Choluteca region in southern Honduras, are made up of solar panels, distributed in three plants: Pacífico I, Choluteca I and Choluteca II.

7.2.2.3 Power

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

Our Cerro de Hula wind power generation and Choluteca I, Choluteca II and Pacífico I photovoltaic projects promote energy efficiency. At the wind power plant, we achieved a reduction in fuel consumption of 1.4%, an increase in global electricity consumption of 9.2%, due to the substantial reduction of the wind as the resource. For this reason, we reduced energy consumption in our offices and facilities.

With regard to the consumption of photovoltaic power, because we have a night schedule, we must acquire electricity provided by the National Electric Power Company (ENEE). For this reason, we trained staff to reduce power consumption in 2019 and installed electronics with an INVERTER system. We improved energy efficiency for all three companies by purchasing four vehicles for the plant, and changing fluorescent tubes to LED lights.

FUEL CONSUMPTION BY TYPE, 2019

PLANT	Diesel (Gallons)	Diesel (Megajoules)	Gasoline (Gallons)	Gasoline (Megajoules)	Total (Megajoules)
Choluteca I	2 466.59	357 670.34	144.04	18 499.09	376 169.43
Choluteca II	3 288.79	476 894.27	216.05	27 747.93	504 642.20
Pacífico I	2 466.59	357 670.34	180.05	23 123.83	380 794.17
Cerro de Hula	8 583.70	1 244 687.97	60.20	7 731.66	1 252 419.63
Total	16 805.67	2 436 922.92	600.33	77 102.52	2 514 025.44

Wind Plant Choluteca, Honduras

7.2.2.4 Water

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T: Access to water and watershed management, water footprint

In order to avoid deterioration, accumulation of dust and bird feces on the solar panels of the solar power generating or photovoltaic parks Choluteca I, Choluteca II and Pacífico I, we perform maintenance during the summer time, this includes three cleaning days every 45 days. Cleaning includes the use of pressurized water with no additives and/or detergents to avoid contaminating the soil. This action is carried out by a contractor who draws the necessary water from a drilled well, located outside the solar projects.

In the administrative offices, water is extracted from two wells drilled in the projects and was done with the relevant authorizations required by legislation. In addition, they are tested for quality and hydrometers constantly measure their consumption. This measure is used for the conservation of the trees that are part of the reforestation program, since their existence depends on the availability of the fair amount of water in the soil.

In our Cerro de Hula wind power operation, water is used mainly for personal hygiene, in the facilities and the plant, as well as keeping the planters and other green areas. A well was drilled during its construction, which was authorized by the government authority. We installed flow meters in the piping that goes into the distribution tank that comes from the well and to reduce our impact, we changed the way the green areas are watered.

During the maintenance of the hydraulic systems, we buy water from third parties delivered in tanker trucks. As a result of the promotion of the rational use of resources, we managed to reduce consumption by 1.4% compared to 2018, which is equivalent to 17 cubic meters.

Our Environment Coordinator in Cerro de Hula has the responsibility to monitor water extraction with monthly, direct meter readings. On the other hand, well gauging helps monitor discharge and the recovery time of the flow. We compare consumption values with the previous management year and we managed the water we buy from third parties with the invoice provided by the supplier.

At Choluteca I, II and Pacífico I we have raising awareness programs aimed at our associates and contractors through posters, talks and signs at strategic points. In addition, we carry out assessments and measurements that help us reduce the impacts of water consumption on solar parks. Our reforestation plans go hand in hand with the protection of ecosystems that include water sources. We also conduct annual water consumption assessments through hydrometers, laboratory analysis, and the dynamic and static evaluation of the two wells drilled in both solar energy projects.

At all plants, we strictly comply with regulations based on the resolutions established in the water contracts with the National Water Resources Authority.

Interaction with water as a shared resource

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T: Access to water and watershed management, water footprint

The contractor in charge of cleaning the solar panels must save water. To verify this, we carry out a field surveillance, as well as the control of the amount of water that comes into the solar park.

Impact management related to water discharges

The Cerro de Hula project has sewage treatment and conduction systems, considering the capacity of the topography and soil absorption. The water resource is managed in line with the National Regulations for the Discharge of Wastewater into Receiving Bodies (2009), which structures a system for recording, authorizing, monitoring and controlling discharges of liquid pollutants to water bodies. This ensures the protection of human health, the restoration of the quality of natural waters and receiving water bodies in general.

In Choluteca I, II and Pacific I wastewater is treated by a certified supplier. For this activity we are governed by Decree No. 084: "National Technical Standard for Drinking Water Quality", of July 31, 1995, which establishes the appropriate or maximum levels that these water components or characteristics must have, that might be a risk to the health of the community and a disadvantage for the conservation of the water supply systems.

WATER EXTRACTION, ACCORDING TO PLANT AND SOURCE – HONDURAS

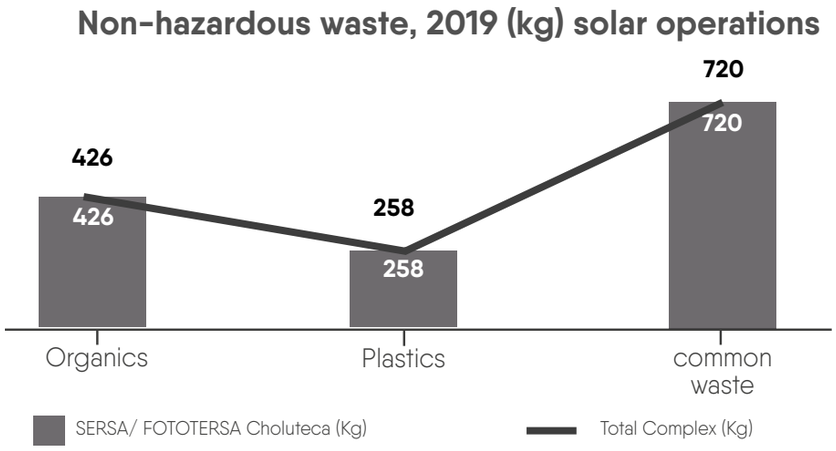
WIND PLANT	Underground water extraction		Extraction of water from third parties
	m^3	Megaliters	m^3
Cerro de Hula	1206.0	1.21	90.60
Complex	1206.00	1.21	90.60

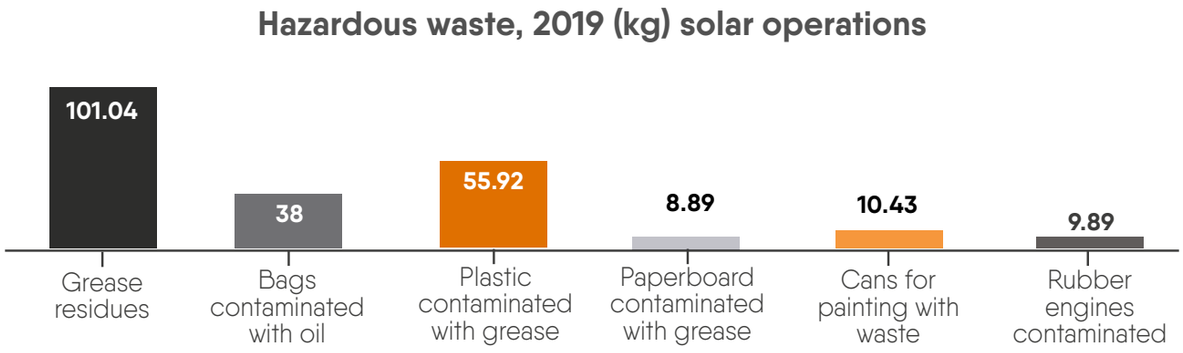
THIRD PARTY WATER EXTRACTION–HONDURAS

SOLAR PLANT	Third party water extraction	
	m^3	Megaliters
Choluteca I	150	0.150
Choluteca II	230	0.230
Pacífico I	160	0.160
Complex	540.69	0.5407

Water Discharges

In the case of Cerro de Hula for the wastewater collection, conduction and treatment system, we developed a project to install measuring instruments. In Choluteca, we have a piped wastewater collection system connected to a wastewater treatment structure. The waters discharged from the administrative offices go into a biodigester, which is given maintenance twice a year, by a certified contractor company with legal authority and technical competence for wastewater treatment and final disposal.





Note: The FOTERSA Solar Park includes the Pacífico I and SERSA Solar Parks, and the Choluteca 1 and II plants. Because they are both in the same area they are called the SERSA / FOTERSA Complex.

7.2.2.5 Residues and effluents

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 14.5) T : Waste

In Cerro de Hula, Choluteca I. II and Pacífico I waste management is regulated and supervised by the General Directorate for Environmental Assessment and Control, a department of the Energy, Natural Resources, Environment and Mines Secretariat. This entity carries out annual inspections to verify compliance with environmental measures established in resolutions such as Decree No. 084: "National Technical Standard for the Quality of Drinking Water" or Executive Agreement 1567-2010: "Regulations for the Integrated Management of Solid Waste". Their results are reported through Environmental Compliance Reports (ICMA), approved by technical opinions.

The projects have different waste collection points strategically located in operational and administrative areas, under suitable conditions for their temporary storage. They are collected weekly and disposed of in the municipal landfill of Choluteca.

Hazardous waste has not been generated in significant quantities at the plants in Choluteca. Those that are generated are stored according to the standard, but we are in search of a certified provider for their proper disposal.

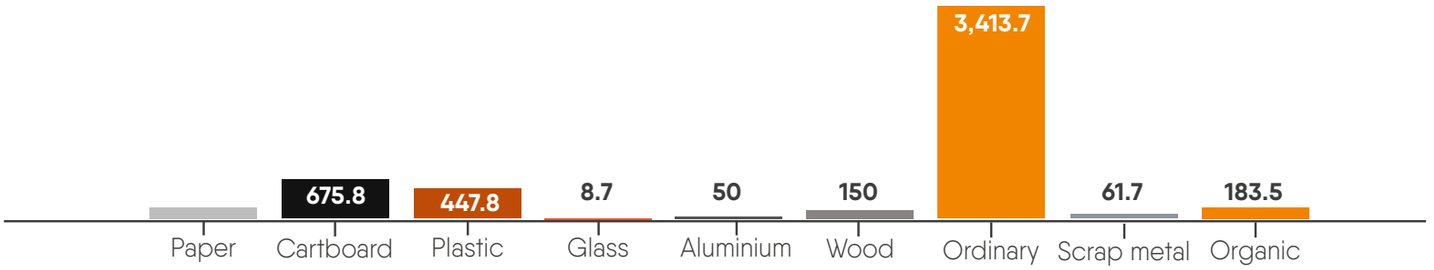
One of our next objectives is establishing operational controls for environmental aspects related to the management of hazardous and non-hazardous waste, in accordance with section 4.4.6 of ISO 14 001. It is the responsibility of the Environmental Coordinator to implement and keep this procedure up to date.

Among the initiatives performed is the construction of ecological modules for solid waste disposal. A collection center for hazardous and non-hazardous waste will be built soon.

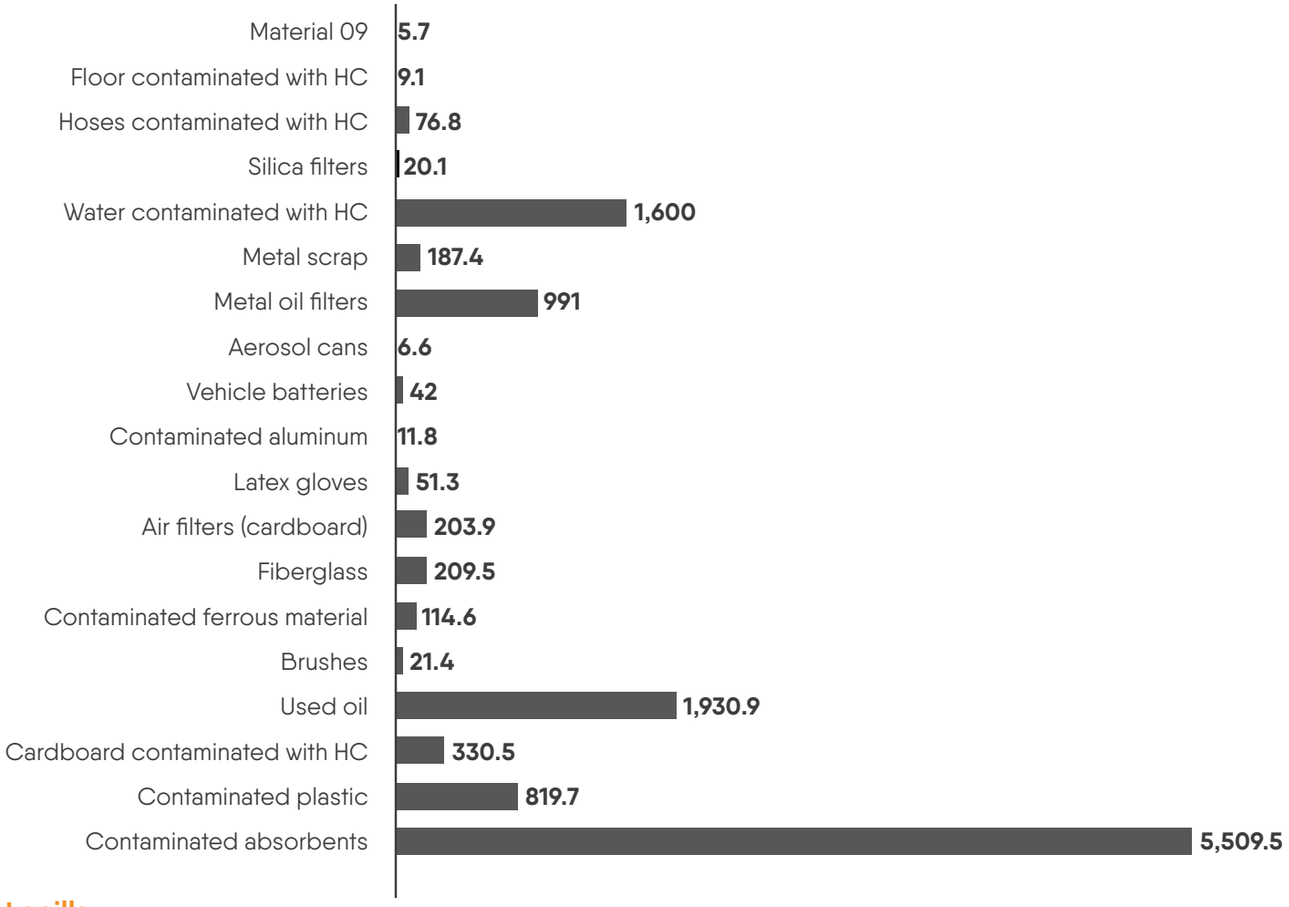
The evaluation of waste management is carried out with reports generated with the information of the established procedures, and their monitoring through field inspections.

Non-hazardous waste, 2019 (kg) wind operations

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 14.5) T: Waste



Non-hazardous waste, 2019 (kilograms) wind operations



Significant spills

During 2019, we did not have significant spills.

Wind Plant Cerro de Hula, Honduras

7.2.2.6 Biodiversity

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5)
T : Biodiversity T : Cultural heritage

About 28% of the collaborators in the Cerro de Hula wind power plant carry out some activity related to biodiversity conservation and monitoring. Therefore, the company implements a reforestation and restoration plan with local species.

We implemented the Wildlife Incident Information System (SIIVS) in 2018, hiring an external company, to administer a wildlife incident monitoring scheme within the organization, derived from the operations of the Cerro de Hula wind plant. Starting the SIIVS included a series of trainings for plant personnel for its implementation, creating instruction manuals and field formats, designed to generate event reports. These range from sighting a live specimen to weekly monitoring of the impact to the birdlife due to possible collisions with the wind turbine rotor.

On the other hand, trees used in reforestation and restoration activities are produced in the plant's own nursery, mostly through seed harvesting. Plantations are selected and/or proposed by representatives of communities and municipalities, in order to obtain greater ecosystem and cultural value. Reforested sites are kept and protected, and we seek to expand them every year.

The Department of Environment and Social Management is responsible for managing the biodiversity ant they have sufficient staff and resources for this. The team conducts field tours to inspect tree growth and seed production. The results of the monitoring are reported at the Forest Conservation Institute. As an improvement action, we identify seedlings with the best phenotypic conditions to harvest plant material.

Species identified in the project area included in the IUCN List and national lists, 2019

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T: Biodiversity T: Cultural heritage

PLANT	Scientific name	Common name	National list	UICN Classification
Cerro de Hula	Quercus purulhana	Mountain oak	-	Vulnerable
	Pinus oocarpa	Pine tree (Ocote)	-	Least concern
Choluteca I	Swietenia humilis	Mahogany	Vulnerable	In danger of extinction

Cerro de Hula is located 20 kilometers south of the city of Tegucigalpa, between the municipalities of Santa Ana and San Buenaventura. These are plantations in the water recharge zones in the micro-basins that supply most of the neighboring communities. The seedlings of Quercus purulhana are species produced in the project nursery with seeds harvested from the surrounding forests. The nursery and reforested sites are located in the concession area of the plant, which is an area of 97.85 km^2.

Quercus purulhana is a species with vulnerable conservation status on the IUCN lists and Pinus oocarpa although it is a species of least concern, is the national tree of Honduras and currently we are contributing with the restoration at the national level of more than 500 thousand hectares affected by the attack of the bark beetle.

We are committed to mitigating the environmental impact of installing panels in specific areas of the Choluteca I, II and Pacífico I solar plants. To size this effect we use the information provided by the SIIVS, which is implemented in all wind and solar plants. In addition, in Choluteca we reforest our zones of influence with native species, in coordination with the Institute of Forest Conservation (ICF) and the Municipality of Choluteca. We comply with the national regulations (Decree PCM-02-2016) which states that for each tree cut at least three trees must be replanted.

We manage compliance with our commitments with ICMA reports. Monitoring and follow up are performed through joint inspections with the ICF and the UMA, identifying improvements such as building a forest nursery inside our solar projects. In addition, we have a complaint mechanism open to communities.

Wind Plant EOLO, Nicaragua

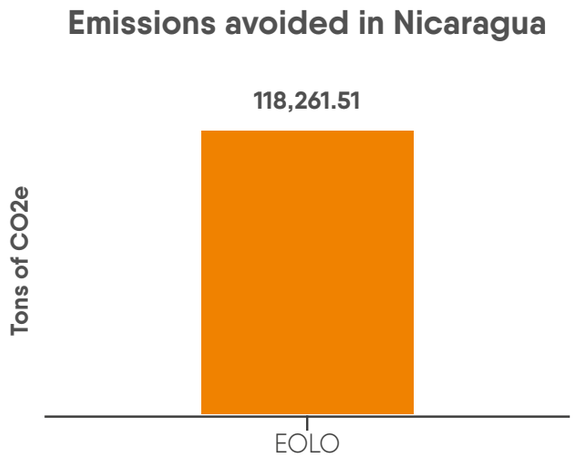
7.2.3 NICARAGUA

7.2.3.1 Environmental Compliance

(GRI 307-1, 103-1, 103-2, 103-3) (SDG 16.3) T: Compliance

In our EOLO operation we state that all personnel is responsible for fulfilling the legal requirements and commitments assumed by the company. In addition, we define responsibilities for specific activities for the coordinators of each area, who have previously identified the applicable legal requirements. As with all other operations, we conduct internal audits and evaluate compliance with new and existing legal requirements, with the support of consultants. As a result of these actions, no fines or penalties have been received during the period 2019.

7.2.3.2 Emissions



ELECTRICITY CONSUMPTION, 2019

PLANT	Kilowatt hours	Megawatts (MW)	Megajoules
EOLO	276 495.00	276.50	995 382.00
Total	276 495.00	276.50	995 382.00

ELECTRICITY CONSUMPTION REDUCTION, 2019 (MEGAJOULES)

PLANT	2018	2019	Reduction
EOLO	22 825.80	26 962.49	-18 %
Total	22 825.80	26 962.49	-18 %

POWER CONSUMPTION REDUCTION, 2019 (MEGAJOULES)

PLANT	2018	2019	Reduction	% of reduction
EOLO	580 257.85	667 323.41	-87 065.56	-15 %
Total	580 257.85	667 323.41	-87 065.56	-15 %

7.2.3.3 Power

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

As in the rest of the wind power plants, the energy consumption in our projects in Nicaragua is associated with the operation of wind turbines , over which no control can be exercised, as their performance is associated with weather conditions.

EOLO recorded a 1.4% increase in fuel consumption and a 18% increase in electricity consumption, due to a substantial reduction in the wind source. However, energy consumption was reduced at the office and the facility.

The EOLO plant guarantees the availability of electricity generating equipment. The objective is to keep the average electricity consumption of 2018. In this sense, areas such as environment, maintenance and administration are involved, as well as all staff. We are committed to the rational and efficient purchase and use of resources necessary to carry out our activities, such as the installation of air conditioning energy-efficient equipment.

Power consumption reduction

During 2019, our operation in EOLO led to multiple activities to promote energy savings. The start of self-operation ;the increase of technical personnel in the roster; the installation of more equipment and an automated irrigation system and the increase in the use of vehicles to inspect wind turbines under the maintenance contract with the contractor involved increased fuel consumption.

Wind Plant EOLO, Nicaragua

7.2.3.4 Water

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T: Access to water and watershed management, water footprint

In our EOLO operation, water resources are used only in administrative facilities for domestic and cleaning activities, in addition to watering the garden. Water is not part of the production process. The resource is obtained by a drilled well inside the facilities, with the appropriate concession for use. On the other hand, wastewater is poured into a Waste Water Treatment System -STAR- consistent in a septic tank and a filter bed.

We aim to maintain average consumption of 2018. To comply with this, we invested in quality analysis of the well water and the wastewater, established a procedure for the rational use of resources and their conservation with specific guidelines, carried out a visual campaign to promote the rational use of water, and deployed a reforestation plan to protect water sources in the El Limón river micro-basin.

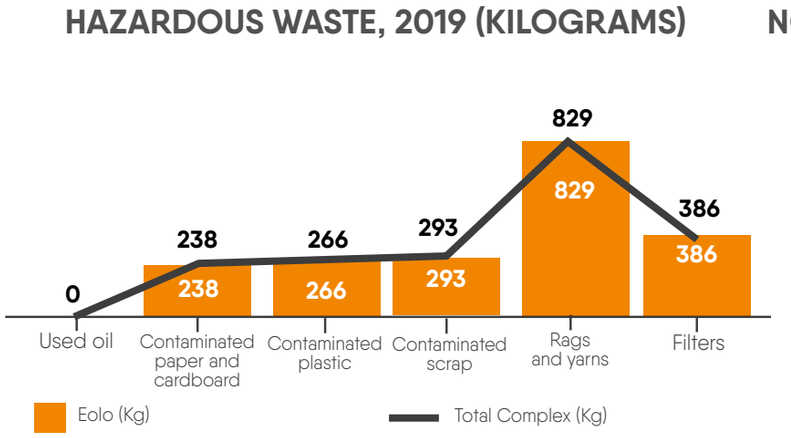
Interaction with water as a shared resource

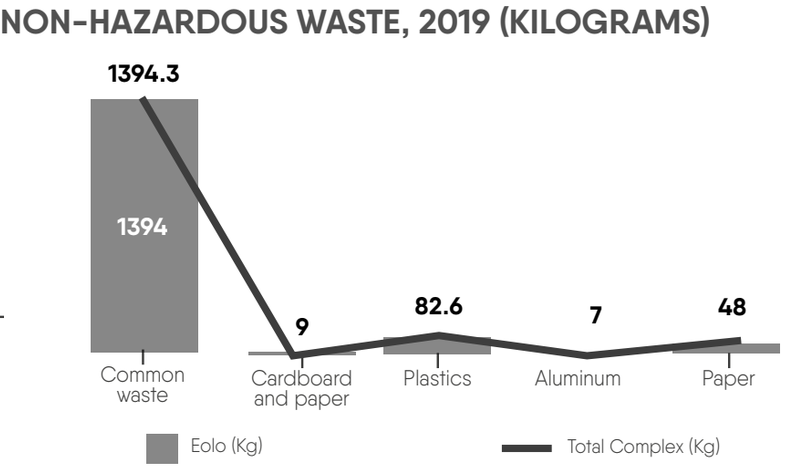
The main water impacts, generated by Operation EOLO, are the depletion of the resource resulting from its consumption in the offices, as well as dumping domestic wastewater. To mitigate the latter, we keep a treatment system that allows the load of contaminants in these waters to be reduced to acceptable concentrations so as not to affect the quality of the receiving body.

We have established operational controls aimed at saving and the efficient use of water, as well as preventing contamination of water sources due to spills of chemical substances in receiving bodies. In addition, through water studies, we were able to determine that water extraction does not compromise the availability of the resource for the other two wells in the area, which is relevant because this operation is found in a water stress zone.

Water Discharges

The data presented concerning water extraction are estimated according to the calculations with theoretical data on consumption and generation of wastewater. However, the effluent volume is not monitored because it is very low and intermittent and in the type of treatment system installed it was not possible to place a flow meter.





7.2.3.5 Residues and effluents

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 5.1) T: Waste

In EOLO, effluents and their minimum quality criteria such as discharge are managed according to technical standards No. 05 027-05: "Mandatory Nicaraguan Technical Standard for Regulating Wastewater Treatment Systems and Their Waste"; No. 05 014-02: "Environmental Technical Standard for the Management, Treatment and Final Disposal of Non-Hazardous Solid Wastes", and No. 05 015-02: "Technical Standard for the Management and Disposal of Hazardous Solid Waste".

We divide waste between hazardous and non-hazardous, each with handling and disposal procedures that prevent pollution and ensure compliance with environmental legislation. In addition, we promote recycling to reduce the amount of waste.

We ensure the timely attention and recording of any environmental incident of operation and maintenance, so that an analysis of lessons learned can be made to avoid that they happen again. We also promote the reduction of hazardous waste generated in the maintenance activities of the park, ensuring adequate management of the hazardous products used.

All staff working at EOLO is responsible for meeting objectives and commitments . However, we have defined the levels of responsibility for activities specific to the coordination of personnel, warehouse and plant management, in which we allocate financial and human resources for the fulfillment of the activities.

We have several mechanisms for receiving complaints: A complaint box, a telephone line, employee representatives in the Joint Committee on Health and Safety (channel for communicating personnel requirements), and company representatives present in the community, who receive complaints verbally with full respect and discretion. The management of complaints is carried out in accordance with the internal Communication, Participation and Consultation Procedure which is part of the SIG. We have procedures for the management of hazardous and non-hazardous waste as well as instructions to take care of environmental incidents.

We evaluate the waste issue by following up on the implementation of the budget intended for this, as well as based on fulfilling the activities planned. In addition, we monitor the generation of waste by type, for which we carry out monitoring, establishing operational controls that allow defining periodic compliance actions within the calendar for staff activities (periodic inspections of storage sites). We follow up by recording and tracking formats of the indicators reported weekly and monthly.

During 2019, we established waste storage responsibilities for the warehouse coordinator so that the he can ensure compliance with the waste storage conditions. We also defined specific objectives for the maintenance department, related to waste generation and occurrence of environmental incidents, so that the staff is committed and aware of the importance of proper management.

Significant spills

We had a significant spill which consisted of a drip leaking in the hose of a crane that was there temporarily, carrying out assembly work on larger components. The leak was contained and repaired at the time. The contaminated soil was removed and the materials used for cleaning and containment were moved for temporary storage to the hazardous waste warehouse, following the internal procedure. They were then withdrawn and disposed of by the authorized management company.

Species identified in the project area included in the IUCN List and national lists, 2019

PLANT	Scientific name	Common name	National list	UICN Classification
EOLO	Brotogeris jugularis	Orange-chinned parakeet, or chocoyito.	List of species with “indefinite life” according to national resolution MARENA 02.01.2014	Least concern

7.2.3.6 Biodiversity

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5)
T: Biodiversity

EOLO has a SIIVS through which we monitor and detect whether the operation of the park generates or can generate any alterations to the behavior of the fauna. After two years of intensive monitoring the impact on birds and bats, it was established that this has not been significant nor has it affected any endangered birdlife species.

We prevent and mitigate the impact that park operations can generate on the biodiversity of the area. To this end, our integrated management policy commits us to protect the environment, and to perform actions such as documenting incidents related to bird and bat collisions or reforestation of damaged forests during the construction stage.

We aim to plant 8010 trees to replace those that were cut during the construction of the park. This reforestation activity is carried out with native species and is open to the feedback of the citizens that live in the project’s area of influence, as part of the internal Communication, Participation and Consultation Procedure.

7.2.4 COSTA RICA

In Costa Rica we have six wind farms in operation, which, according to their location, are grouped into two clusters:

- Tilarán Cluster: PESRL, Campos Azules and Altamira generation plants
- Liberia Cluster: Orosí, Miramar and La Perla generation plants.

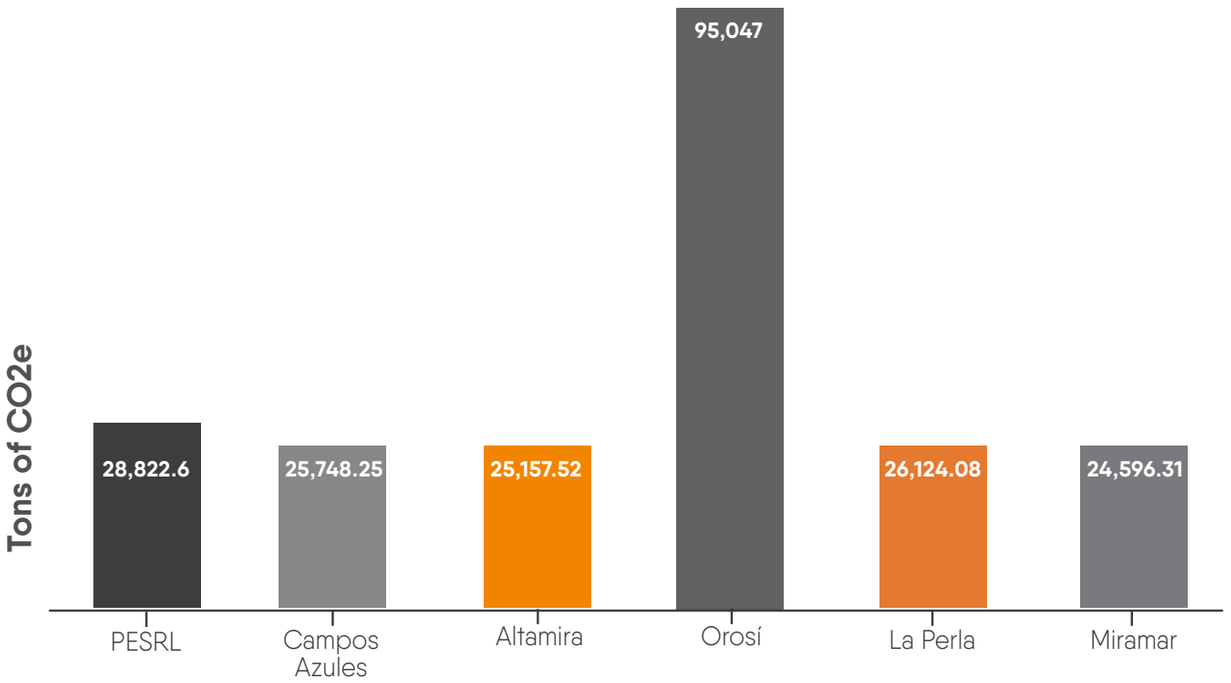
7.2.4.1 Environmental Compliance

(GRI 307-1, 103-1, 103-2, 103-3) (SDG 16.3) T : Compliance

The Liberia and Tilarán clusters have a group of environmental lawyers, two environmental professionals on site, and an environment management specialized in the area, who, with the help of the corporate legal area ensure that they assess the proper compliance with the regulations applicable to these operations. At the same time, the complaints and non-conformities mechanism for interested parties is active, with the assistance of the social management team.

The legal compliance analysis, some activities were included some activities in the areas of maintenance, operations and warehouses, related to the environmental management requirements of the parks and where opportunities for improvement have been identified, such as in the report of environmental incidents. This was placed in its performance objectives, to guarantee the participation of these areas in environmental compliance. Neither one of the operations have received any fines or penalties during the 2019 period.

Emissions avoided in Costa Rica



FUEL CONSUMPTION BY TYPE, 2019 (MEGAJOULES)

PLANT	Diesel	Gasoline	Total
Tilarán Cluster	1 104 991.57	373 656.87	1 478 648.43
Liberia Cluster	753 333.21	194 898.40	948 231.61
Total	1 858 324.78	568 555.27	2 426 880.04

ELECTRICITY CONSUMPTION, 2019

PLANT	Kilowatts x Hour	Megawatts (MW)	Megajoules
Tilarán Cluster	378 439.00	378.44	1 362 380.40
Liberia Cluster	285 043.00	285.04	1 026 154.80
Total	663 482.00	663.48	2 388 535.20

7.2.4.3 Power

(GRI 302-1, 302-4, 103-1, 103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

In the case of our operations in Costa Rica, they don't require a large amount of fuels.

The main fuel consumption points are vehicles, emergency plants and equipment (cranes). Daily transportation to the sites where the turbines are concentrated, reforestation areas, community service points, and other daily tasks, are the main activities that use fuel. Power is used to operate repair shops, wind turbines, metal-clad buildings and offices.

We seek to reduce energy consumption through talks on the efficient use of resources, regulating the use of air conditioning, giving priority to the use of natural light, turning off lights and equipment, visual material, evening inspection rounds, among others. We set an annual goal to reduce energy consumption, and work toward compliance, especially in administrative offices and workshops.

During 2019, the Liberia and Tilarán clusters recorded an increase in the number and mobilization of their staff, an increase in equipment, as well as the extension of illuminated areas, among others. To mitigate the impact on energy consumption of such actions we suggested sharing transportation, increasing the efficiency of the use of the vehicle fleet.

Power consumption reduction

In 2019, a 2% reduction in power consumption was achieved in offices and workshops in Tilarán, and 23% reduction in Liberia's parks. In these parks, we have no site-specific measurement. While we are implementing measures to reduce consumption at the facility, we have not controlled it.

7.2.4.4 Water

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T: Access to water and watershed management, water footprint

Water resources are essential for our operations, and that is why proper water management is an issue of interest with risks associated with resource depletion, but also an opportunity for improvement. In this regard, an innovative proposal has been used at the plants in Liberia since 2018, which consists of the installation of two tanks, in the Tilarán cluster, for the collection of rainwater with a capacity of 1000 liters each. In addition, considering as reference Decree 38924-S: "Regulation for Drinking Water Quality," we train staff, provide the necessary tools for monitoring, and define reduction targets. In this way, we make an efficient consumption, which also includes alternatives to the waste.

In Costa Rica we generate renewable energy in a sustainable way, comply with local legislation, international standards and applicable requirements. In addition, we protect the environment by preventing, conserving, and mitigating impacts. We invest in technological tools and trained personnel to carry out periodic measurement and verification actions and comply with the legal parameters. These actions are complemented by open communication with stakeholders

Interaction with water as a shared resource

We get water from aqueducts, sewers, wells and rainwater collection. These supply forms are regulated by the competent government authority. In clusters Tilarán we extract water from underground and third-party sources and in Liberia we do it from surface water and third-party water.

The Social Management Department provides support to the "Management Associations of the Community Aqueduct and Sewer Systems"-ASADAS- and trains staff to achieve an efficient and integral consumption in homes and plants.

Through water harvesting, we reduce water consumption to wash vehicles and parts, watering plants in the nursery, and maintenance of the Liberia cluster. In addition, we have established an annual resource consumption reduction target, for which we regularly monitor this compliance.

Impact management related to water discharges

The way in which the water is discharged and the frequency of our assessments are regulated in national legislation. However, at the Tilarán Cluster Wastewater Treatment Plant things are not the same, because it is an infiltration system. We voluntarily consider the parameters for discharge to receiving bodies described in the following tables:

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4)
T: Access to water and watershed management, water footprint

SAMPLING FREQUENCY AND NUMBER OF WATER SAMPLES TO BE COLLECTED FOR LEVEL ONE, TILARÁN CLUSTER (N1)

Population supplied (inhabitants)	Supply sources		Storage tanks		Distribution network		Total minimum samples per year
	Frequency	samples	Frequency	samples	Frequency	samples	
<5 000	Biannual	1 in each source	Biannual	1 in each tank	Biannual	3	10
5 000 to 100 000	Biannual	1 in each source	Trimestral	1 in each tank	Trimestral	3	18
100 001 to 500 000	Monthly	1 in each source	Monthly	1 in each tank	Monthly	15	120 plus 12 por cada 100 000 habitantes
>500 000	Monthly	1 in each source	Monthly	1 in each tank	Daily	15	120 plus 12 per 100,000 inhabitants

SAMPLING FREQUENCY AND NUMBER OF WATER SAMPLES TO BE COLLECTED FOR LEVEL N2 AND N3 , TILARÁN CLUSTER (AFTER HAVING THE QUALITY PROFILE)

Population supplied (inhabitants)	Supply sources		Distribution network	
	Frequency	samples	Frequency	samples
<5 000	Every 3 years	1 in each source or in the mixture of all sources entering the distribution network.	Every 3 years	1
5 000 to 100 000	Every 2 years	1 in each source or in the mixture of all sources entering the distribution network..	Every 2 years	1
100 001 to 500 000	Annual	1 in each source or in the mixture of all sources entering the distribution network.	Annual	1
>500 000	Quarterly	1 in each source or in the mixture of all sources entering the distribution network.	Quarterly	6

The Wastewater Treatment Plant -PTAR- of the Wind S.R.L plant -PESRL- does not have an effluent in a receiving body, but is an infiltration system. The amount of water to be reported in the following tables corresponds to the flow that goes into the treatment system. On the other hand, a study has not been performed to determine if it is a water stress area, the one where our operations are located.

(GRI 303-1, 303-2, 303-3, 303-4, 103-1, 103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4)
T: Access to water and watershed management, water footprint

WATER EXTRACTION, ACCORDING TO PLANT AND SOURCE – COSTA RICA

PLANT	Surface Water Extraction		Groundwater Extraction		Third Party Water Extraction	
	m^3	Megaliters	m^3	Megaliters	m^3	Megaliters
Tilarán Cluster	0	0	183	0.183	3389	3
Liberia Cluster	183	0.183	0	0	392	0.392
Complex	183.00	0.18	183.00	0.18	3781.00	3.78

Water Discharges

WATER DISCHARGE, PER PLANT – COSTA RICA

PLANT	Groundwater discharge	
	m^3	Megaliters
Tilarán Cluster	228	0,23
Liberia Cluster	0	0
Complex	228.00	0.23

PLANT	Freshwater discharge (Total dissolved solids < 1000 mg/L)	
Tilarán Cluster	228	0,23
Liberia Cluster	0	0
Complex	228.00	0.23

Tilarán Cluster (kg)	323	1090.4	7800	1535	0	780	0	40 000
Liberia Cluster (kg)	62	1443	3829.5	4250	300	450	0	0
Total complex (kg)	385	2533	11630	5785	300	1230	0	40 000

7.2.4.5 Residues and effluents

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 15.1) T: Waste

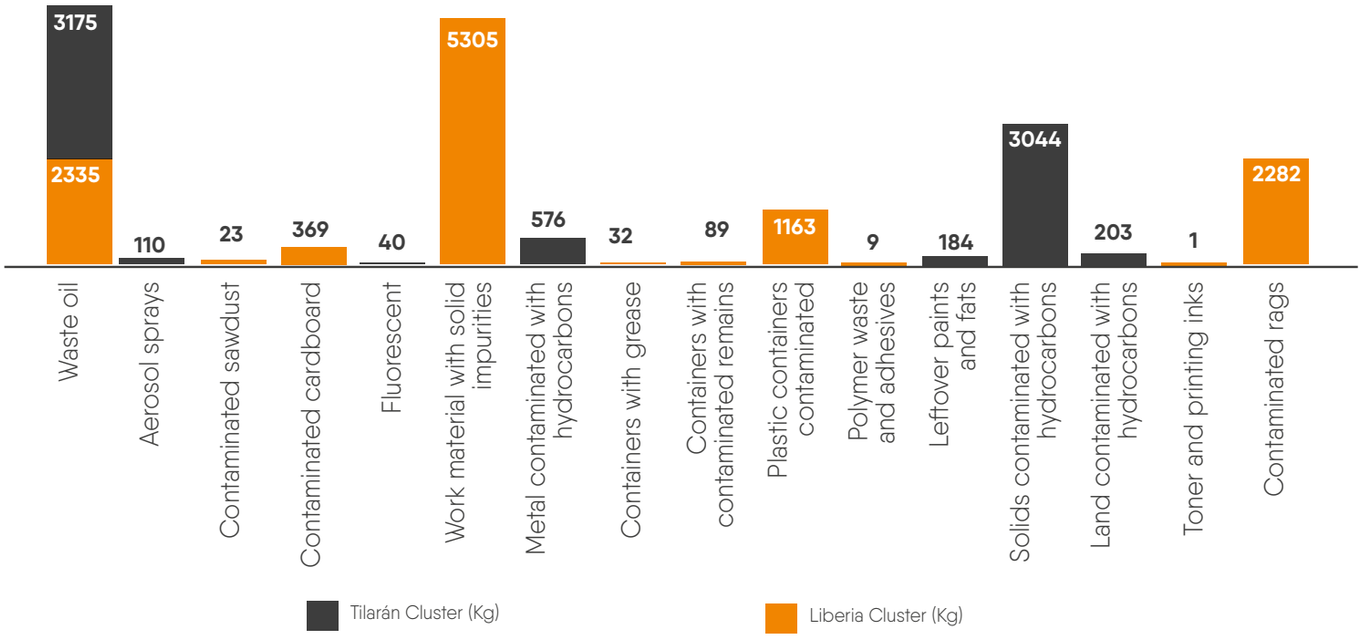
Our operations at Cluster Tilarán and Cluster Liberia manage waste in compliance with the Comprehensive Waste Management Act No. 8839. We focus on reducing negative impacts by implementing technology for better waste management, through education programs for our associates and other stakeholders. Our commitment to reduce non-regenerable waste is carried out by investing in economic and human resources, as well as the availability of containers, bags, labels, audiovisual material and staff training. In addition, we are open to listening to complaints from stakeholders.

We have a procedure for handling hazardous and non-hazardous waste both inside and outside our operations. In schools and municipalities, we promote the reduction of waste generation, collection and classification in areas far from the village centers. We want to extend the lifespan of waste parts of the parks, so they can be tourist attractions of the communities. In both cases, we perform measurement and traceability actions.

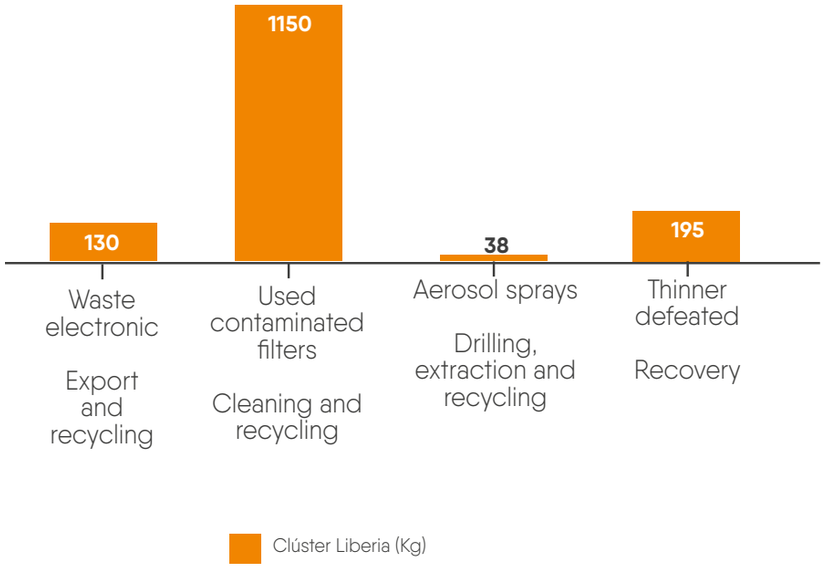
During the reporting period, various organizational structure changes were made. This led to an increase in staff turnover, requiring more on-site training and strict waste management controls for visitors. In this way, we implemented the modality of eco-blocks to manage waste that was previously considered ordinary.

(GRI 306-2, 306-3, 103-1, 103-2, 103-3) (SDGs 3.9, 6.3, 6.6, 12.4, 12.5, 14.1, 15.1)
T: Waste

HAZARDOUS WASTE, 2019 (KILOGRAMS) – DISPOSAL METHOD: CO-PROCESSING



HAZARDOUS WASTE, 2019 (KILOGRAMS) – DISPOSAL METHOD: OTHERS



Significant Spills

According to the Regulation on Guiding Values for Decontaminating Soils of Sites Affected by Environmental Emergencies and Spills. N° 37757-S, this specifies that, for a spill to be considered "significant" and reportable, it must cover an area greater than 25 m^2, unless by the technical criterium of an inspector, he states that the spill represents an environmental or human health risk.

In this sense, and according to the preceding statement, there were no spills during 2019 in the defined categories or characteristics.

7.2.4.6 Biodiversity

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5)
T: Biodiversity T: Cultural heritage

In our operations in the Liberia and Tilarán clusters we seek to preserve the ecosystems, to generate positive impacts and mitigate negative impacts by implementing monitoring programs and ecological restoration plans with a comprehensive approach. Our commitment is to transcend initiatives that ensure the region's natural wealth through environmental leadership initiatives for ecosystems.

The Environment Area guarantees the execution of the restoration plans and the established monitoring, allocating the resources necessary to meet the environmental commitments and the promotion of the report and prevention of any incidents in the field, using the necessary mechanisms.

In addition, a SIIVS is carried out that allows us to record and monitor incidents with fauna to detect if the operation of the parks causes some alteration in their behavior. We also conduct training with staff on incidents and reforestation plans, as well as recording the animals injured, dead or relocated in the park.

Our management indicators require follow-up through weekly, monthly, quarterly and annual reports. Among our actions and initiatives to improve, we highlight the implementation of measures together with the National System of Conservation Areas. We have an initiative to reduce the incidence of accidents due to the electrocution of fauna and we created an education campaign for the protection of fauna in areas where such accidents occur. We support the Arenal Tempisque and Guanacaste Conservation Areas to develop a wildlife study to understand the behavior of the species and reduce the risks for their existence. Similarly, we help the Las Pumas Rescue Center to improve its infrastructure in primate care, strengthening the capacity to care for injured animals, both when incidents occur in the wind farm and in the province of Guanacaste. Also, through trap cameras in the project area we monitor the wild species that are in our areas of influence. We have extended the easement area of air collection systems, with preventive pruning, within the margin indicated by the legislation, to avoid the need to cut trees.

Our operations in Costa Rica are carried out in areas with very little vegetation (pasturelands), therefore, just a few trees were cut to build our wind parks. However, the environment of each area is very diverse.

(GRI 304-1, 304-4, 103-1, 103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T: Biodiversity T: Cultural heritage

SPECIES IUCN LIST AND NATIONAL LISTS, 2019

PLANT	Scientific name	Common name	National list	UICN Classification
Tilarán Cluster	Ramphastos sulfuratus	Rainbow-billed toucan	Least concern	No
	Alouatta palliata	Mantled howler monkey	Least concern	Yes
Liberia Cluster	Amazilia tzacatl	Hummingbird	Least concern	No

Our projects in the Liberia Cluster are located in a high biodiversity area, surrounded by protected areas attached to the Guanacaste Conservation Area (ACG). Some of them are National Parks, such as the Orosí, Cacao and Rincón de la Vieja Volcanoes, but there are also other protected area denominations such as wildlife shelters, forest and private reserves. In this context, we can say that we are surrounded by habitats that are very important to the flora and fauna of Costa Rica.

For its part, the Orosí Wind Project transmission line goes through the Private Reserve Sector Nuevo Mundo, managed by the ACG, whose use of easement is product of a partnership that prioritizes development hand in hand with conservation.

The operations of Tilarán Cluster are located in the Arenal Tempisque Conservation Area, inside the RAMSAR Arenal Reservoir site. At the impact level, the presence of wind turbines causes the birdlife to crash against these structures. For this reason, the company has implemented intensive monitoring of birds and bats during the first two years of operation of the parks and, subsequently, a SIIVS is kept to know the impact of the turbines on the birdlife.

All our wind farms have completed the post-operative monitoring stage for a period of two continuous years. The results showed that the parks do not have a significant impact on birdlife.

As in all wind and solar operations, in Costa Rica we implemented since 2018, a Wildlife Incident Monitoring System, as a preventive and voluntary initiative to monitor and detect whether the park operation in the future may generate some alterations to the behavior of these species. In addition, in order to prevent affecting the fauna in the transmission line and air collection systems, we have installed anti-scaling devices to prevent the animals from having access to areas that threaten their lives.

We have built wildlife corridors on the roads. In our operation in the Liberia Cluster these points are priority monitoring centers and we have purchased trap cameras to observe wildlife. The information obtained will allow us to take mitigation measures to prevent deaths from being run over or electrocuted.

We have initiated the process of ecological restoration through reforestation, which consists of planting 10 trees for each tree felled. The total commitment for all Costa Rican parks is to plant 63,170 trees. To date we have met 44% of the target.

The planting agreement conditions vary depending on the site. In Costa Rica, all planted areas are privately owned and priority is given to the emerging ones, connecting wooded areas or expanding forest areas. There is an agreement that establishes planting and not logging trees; protection from livestock damage and non-application of any chemical that will affect their development. The company is committed to providing maintenance for a period of three years and to replace those plants that do not survive the third year.

Cluster Liberia operations have gone further by creating a nursery to produce the trees needed to meet planting objectives. We use certified seeds collected at seed tree sites to plant only native species.

7.3 REAL ESTATE DEVELOPMENT BUSINESS UNIT

7.3.1 ENERGY

(GRI 302-1) (103-1,103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

Our operations seek to be energy efficient both during the construction phase and during the rental of commercial premises and offices. In addition, we seek to mitigate the inevitable impact of such consumption.

Construction

Electricity

During its construction phase, the Pradera complexes in Chimaltenango, Pradera in Xela, Pradera in Zacapa, and Pradera in Huehuetenango received electricity from the municipal electricity companies in the jurisdiction. These companies were supplied with energy from the National Electrification Institute (INDE), most of which is generated by hydroelectric plants.

In the case of the Telus building, the electricity used during its construction was supplied by the Municipal Electric Company of Quetzaltenango - EEMQ -, also supplied by INDE. During 2019, the construction of this complex consumed 14.32 kWh of electricity.

Fuels

During the construction of Pradera in Chimaltenango, fuel-based energy consumed is the result of the oil process acquired by Guatemala in the Latin American market. During the construction phase of Pradera in Escuintla, the trips to the project, consumed a total of 385.88 gallons of diesel fuel (consumption outside the company). During the construction of the Telus building, 4638.08 gallons of diesel fuel were consumed.

Residential Complex San Isidro, Guatemala

ENERGY CONSUMPTION – CONSTRUCTION OF SHOPPING MALLS (GIGAJOULES)

SHOPPING MALLS	Diesel fuel	Electricity
Pradera in Chimaltenango	36.63	524.16
Pradera in Escuintla	23.44	706.15
Pradera in Xela	11 068.32	453.16
Pradera in Zacapa	18.32	433.14
Pradera in Vistares	2203.88	0.01

ENERGY CONSUMPTION – CONSTRUCTION OF SHOPPING MALLS (GIGAJOULES)

RESIDENTIAL COMPLEXES	Diesel fuel	LPG fuel	Gasohol fuel 95	Electricity
Prados de San Cristobal	26.67	0	0	32.62
CORPORATE COMPLEXES	**Diesel fuel**	**LPG fuel**	**Gasohol fuel 95**	**Electricity**
Torre Pradera Xela (Telus)	31 654.93	0	0	0.05

Rent

Electricity

(GRI 302-1) (103-1,103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

Correctly operaitng leased commercial premises and industrial equipment, the lighting of common areas and facades, as well as the operation of parking equipment and basement air equipment, require electricity. We manage and measure the electricity consumption of all premises and implement lighting with lower energy consumption. In addition, we charge a cost rate based on consumption.

Energy savings can only result from a change in habits and attitudes, as well as from the implementation of maintenance actions and state-of-the-art technology. For example, in the Pradera Vistares complex we use the Kasambi automatic operating lighting system. In addition, we train operational staff on the efficient use of energy appliances and send communications to tenants to remind them of the importance of responsible energy use. These actions have reduced energy consumption from October to December 2019 by 9.17%.

Through solar panels, there was a 20% saving in the use of energy of Pradera in Zacapa. With this innovation, a 15% savings in energy consumption had been predicted as a result of more efficient equipment. The reduction in energy consumption in air conditioning was due to the use of cover and closing materials (external walls); and in the case of energy consumption from lighting by the selection of lamps and their technology.

Finally, the Pradera shopping malls in Chimaltenango, Zacapa and Puerto Barrios complement their supply of electricity from their respective suppliers, by installing solar panels with the support of ION Energy.

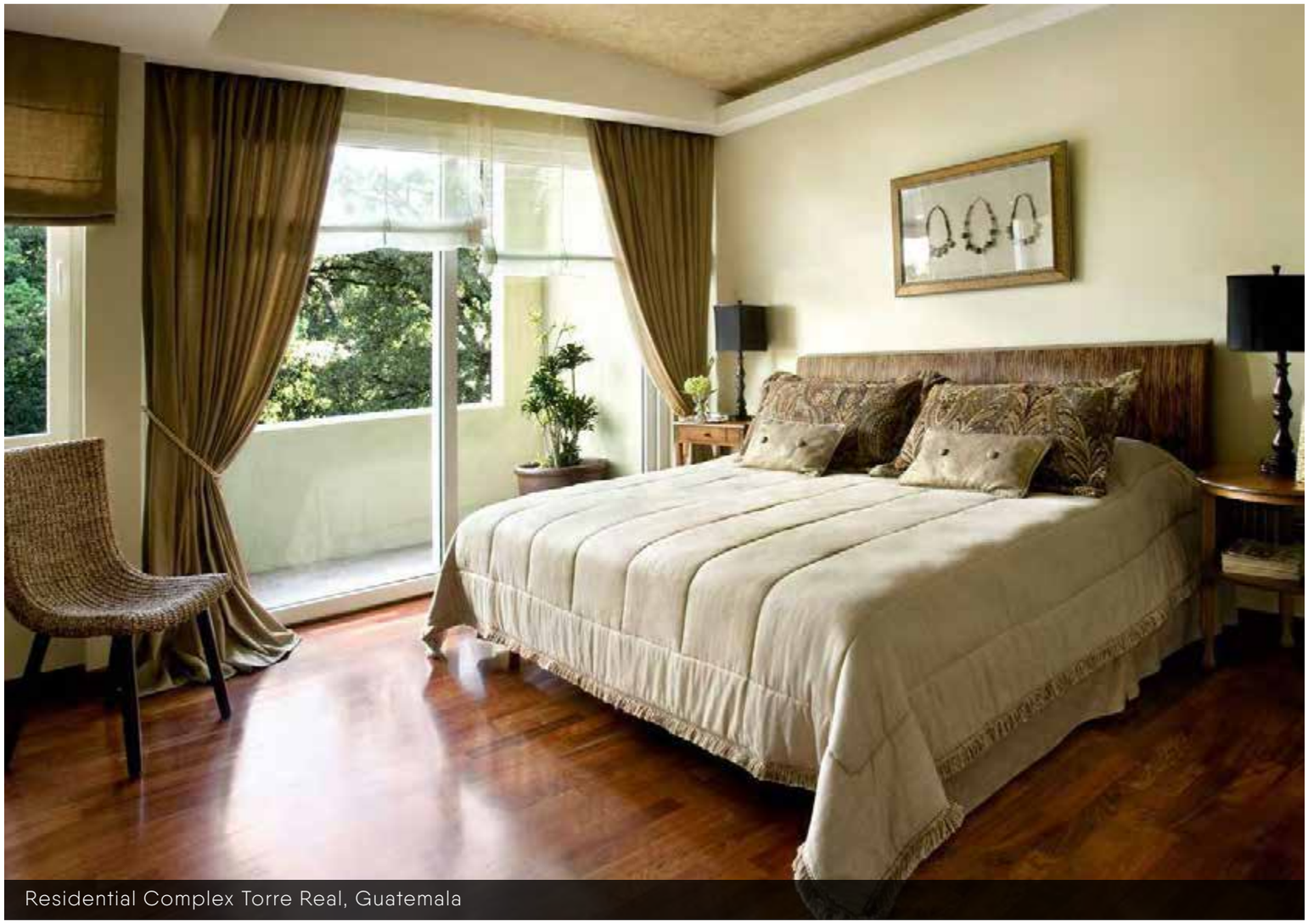
Fuels

LPG is used for the kitchens and restaurants of the rented commercial premises that operate in our shopping centers. Each site manages its LPG consumption with its supplier.

POWER CONSUMPTION – SHOPPING MALLS (GIGAJOULES)

SHOPPING MALLS	Diesel fuel	LPG fuel	Gasohol fuel 95	Electricity
Pradera in Chimaltenango	144.69	0	0	6402.24
Pradera in Chiquimula	323.62	2 119.04	0	15 838.42
Pradera in Escuintla	32.67	2 574.46	9.88	1.50
Pradera Express Palín	99.93	0	0	380
Pradera Express Santa Lucia	287.91	0	0	3560
Pradera Express Villa Nueva	24.03	0	0	1570
Pradera in Huehuetenango	285.71	0	0	5922.68
Pradera in Puerto Barrios	464.23	0	184.60	18 527.89
Pradera in Vistares	232.67	0	0	4370.94
Pradera in Xela	19.34	0	0	1.08
Pradera in Zacapa	18.32	0	0	433.14

Pradera Shopping Mall in Huehuetenango, Guatemala



Residential Complex Torre Real, Guatemala

Sale

Electricity

(GRI 302-1) (103-1,103-2, 103-3) (SDGs 7.2, 7.3, 8.4, 12.2, 13.1)

By optimizing the physical networks and installing motion sensors to light common areas, the use of electricity of Torre Real and San Isidro 20|21 was reduced by 219.20 gigajoules and 5 279 444.44 gigajoules respectively.

ENERGY CONSUMPTION – RESIDENTIAL COMPLEXES (GIGAJOULES)

RESIDENTIAL COMPLEXES	LPG fuel	Electricity
Prados de San Cristóbal	5230.36	1594.81
Torre Real	39 272.38	1529.79
San Isidro 20|21	39 272.38	550.77
Showroom IQ10	0	167 961.79
Model apartment SI 20|21	0	35.08

7.3.4.2 WATER

(GRI 303-1, 303-2) (103-1,103-2, 103-3) (SDGs 6.3, 6.4, 6A, 6B, 12.4) T: Access to water and watershed management, water footprint

Guatemala faces the challenge of achieving responsible consumption of its water resources by citizens and companies. There are no laws in the country to regulate groundwater extraction, although some of its regions face water stress, with upward prospects over the next 30 years.

COGUANOR NTG 29001 sets the reference values for defining the quality of water suitable for human consumption, food and domestic use, from wells, sources and rivers located in a distribution network, reservoirs or deposits.

For their part, effluents generated by organizations or individuals must comply with the provisions of Ministerial Agreement No. 105-2008, whether they are discharged, partially or fully reused, or disposed of.

In the Real Estate Development Business Unit we use water in our projects under construction, as well as in those that are rented or sold. With the exception of those referred to as a turnkey project, under the construction category, the company can have a direct influence on the consumption recorded in the rest of the projects.

Physical and organoleptic characteristics that water should have for human consumption

Characteristics	LMA	LMP
Colour	5.0 u	35.0 u
Odor	Not rejectable	Not rejectable
Turbidity	5.0 UNT	15.0 UNT
Electric conductivity	750 Sμ/cm	1500 Sμ/cm
Hydrogen potential	7.0 - 7.5	6.5 - 8.5
Total dissolved solids	500.0 mg/L	1000.0 mg/L

Chemical characteristics that water should have for human consumption

Characteristics	LMA (mg/L)	LMP (mg/L)
Free residual chlorine[a]	0.5	1.0
Chloride (Cl^-)	100.0	250.0
Total hardness ($CaCO_3$)	100.0	500.0
Sulfate (SO_4^{--})	100.0	250.0
Aluminium (Al)	0.050	0.100
Calcium (Ca)	75.0	150.0
Zinc (Zn)	3.0	70.0
Copper (Cu)	0.050	1,500
Magnesium (Mg)	50.0	100.0
Total manganese (Mn)	0.1	0.4
Total iron (Fe) [b]	0.3	---

a) The Ministry of Health will be in charge of indicating the minimum and maximum limits of free residual chlorine as necessary or in case of emergency. The LMA is not included because the WHO establishes that it is not a risk to the health of the consumer at the normal concentrations in water for human consumption, however the taste and appearance of the water may be affected at concentrations higher than the LMA.

Waste water parameters and discharge values for receiving bodies

Article 16. WASTE WATER PARAMETERS. The measurement parameters to determine the characteristics of waste waters are the following:

a) temperature
b) Hydrogen Potential
c) Fats and oils
d) Floating matter
e) Total suspended solids
f) Biochemical oxygen demand at all five days at twenty degrees Celsius
g) Chemical oxygen demand
h) Total nitrogen
i) Total phosphorus
j) Arsenic
k) Cadmium
l) Total cyanide
m) Copper
n) Hexavalent chromium
o) Mercury
p) Nickel
q) Lead Zinc
r) Chlorine and
s) Fecal coliforms

Construction

(GRI 303-3, 303-4, 303-5) (103-1,103-2, 103-3) (SDGs 6.3, 6.4) T: Access to water and watershed management, water footprint

VOLUME OF WATER EXTRACTED – CONSTRUCTION (M^3)

SHOPPING MALLS	Volume of groundwater extracted (m^3)	Volume of surface water extracted (m^3)	Volume of third-party water extracted (m^3)	Volume of freshwater extracted (m^3)
Pradera in Chimaltenango	3000	0	400	3400
Pradera in Escuintla	25 000	0	18 000	43 000
Pradera in Xela	380	0	0	380
Pradera in Zacapa	0	3,8	50	53.8
Pradera in Vistares	0	4.21	30 000	30 004.21
CORPORATE COMPLEXES	Volume of groundwater extracted (m^3)	Volume of surface water extracted (m^3)	Volume of third-party water extracted (m^3)	Volume of freshwater extracted (m^3)
Torre Pradera Xela (Telus)	1731.33	0	0	1731.33
RESIDENTIAL CENTERS	Volume of groundwater extracted (m^3)	Volume of surface water extracted (m^3)	Volume of third-party water extracted (m^3)	Volume of freshwater extracted (m^3)
Prados de San Cristóbal	510	0	0	510

VOLUME OF WATER DISCHARGED-CONSTRUCTION (M^3)

SHOPPING MALLS	Volume of discharged water (m^3)	Total volume of discharged freshwater
Pradera in Chimaltenango	3010	3010
Pradera in Escuintla	10	10
Pradera in Xela	100	100
Pradera in Zacapa	3,8	3,8
Pradera in Vistares	4.21	4.21
CORPORATE COMPLEXES	Volume of discharged water (m^3)	Total volume of discharged (m^3) freshwater
Torre Pradera Xela (Telus)	198	198
RESIDENTIAL CENTERS	Volume of discharged water (m^3)	Total volume of discharged freshwater
Prados de San Cristóbal	510	510

Rents

(GRI 303-3, 303-4, 303-5) (103-1,103-2, 103-3) (SDGs 6.3, 6.4) T: Access to water and watershed management, water footprint

In our shopping malls, water extracted from wells is chlorinated and used for human consumption. We verify the condition by monthly analyzes and additional analyzes that allow us to keep the certification of the Ministry of Health. Rainwater and wastewater are derived to treatment plants.

In line with our commitment to the environment, we want to avoid waste and excessive use of water by our business partners and staff, by recording measurements for each premise we rent. Starting in 2018, we began charging water consumption per square meter of each premise, while, in restaurants and food courts (food area) we installed water meters for the charge, based on monthly consumption.

It is important to mention that the shopping malls that have their own well for water supply are: Xela, Vistares, Huehuetenango, Chiquimula, Puerto Barrios, Escuintla, Zacapa, Chimaltenango and Palín. Villa Nueva is supplied with water by a third party and Santa Lucia is supplied by the municipal water service.

VOLUME OF WATER EXTRACTED – SHOPPING MALLS (M³)

SHOPPING MALLS	Volume of groundwater extracted (m^3)	Volume of third-party water extracted (m^3)	Volume of freshwater extracted (m^3)
Pradera in Vistares	7640	0	7640
Pradera in Xela	143 654	660	0
Pradera in Huehuetenango	40 704	0	0
Pradera in Chimaltenango	3817	0	0
Pradera in Escuintla	7344	0	0
Pradera in Chiquimula	55 231	0	0
Pradera in Puerto Barrios	80	580	0
Pradera in Zacapa	5900	0	1000
Pradera Express Palin	10 950	0	0
Pradera Express Santa Lucía	0	19 892	0
Pradera Express Villa Nueva	0	15 901	0

VOLUME OF WATER DISCHARGED – SHOPPING MALLS (M³)

SHOPPING MALLS	Volume of groundwater discharged (m^3)	Volume of surface water extracted (m^3)	Total volume of discharged freshwater (m^3)
Pradera in Vistares	7258	382	7640
Pradera in Xela	0	8	0
Pradera in Huehuetenango	36 634	0	0
Pradera in Chimaltenango	2726	0	0
Pradera in Escuintla	6764	0	0
Pradera in Chiquimula	50 370	0	0
Pradera in Puerto Barrios	0	660	0
Pradera in Zacapa	4500	0	0
Pradera Express Palin	24	0	0
Pradera Express Santa Lucía	41	0	0
Pradera Express Villa Nueva	81	0	0

Sale

(GRI 303-3, 303-4, 303-5) (103-1,103-2, 103-3) (SDGs 6.3, 6.4)
T: Access to water and watershed management, water footprint

Our residential complexes, with the exception of Torre Real, have their own wells for the supply of drinking water. These reserves go through a quality analysis of physic-chemical parameters to control minerals and other elements, they are also chlorinated. In the complexes under our administration, we conduct campaigns aimed at new owners on raising awareness on the use of water.

As regards the quality of effluent discharges, a physicochemical analysis is carried out to ensure compliance with the health parameters required by the regulations of the Ministry of Health.

To identify reductions we use a baseline developed according to commercial and/or residential occupation estimates, that includes project-specific accessories. Our strategy seeks to use 20 percent less water than estimated in that baseline.

Specifically, the San Isidro 20|21 and Torre Real projects have water meters. In the case of the latter project, the supply of the water resource is made by purchasing water from a private supplier in a neighboring residential area. Therefore, the inhabitants are exhorted to measure their consumption, penalizing their excess. As this is our first sustainability report and the projects being sold are moved immediately to their respective buyers, in some cases, we have not been able to obtain the information corresponding to the water and its discharges.

According to the Guatemala Green Building Council, the Prados de San Cristobal complex has been recognized for the sustainability of its construction. One of its good practices associated with water resources was the implementation of schedules for water testing in each house, in order to verify the existence of leaks. By restricting specific timetables and number of houses, they significantly reduced the use of this resource.

Management of water consumption and care in corporate complexes is similar to that of residential complexes. The graph below shows the amount of water extracted in 2019.

VOLUME OF WATER EXTRACTED – RESIDENTIAL COMPLEXES (M^3)

RESIDENTIAL COMPLEXES	Volume of groundwater extracted (m^3)
Prados San Cristóbal	51 365.52
Torre Real	16 314
San Isidro 20|21	36 192

VOLUME OF WATER DISCHARGED – RESIDENTIAL COMPLEXES (M^3)

RESIDENTIAL COMPLEXES	Volume of groundwater extracted (m^3)
Prados San Cristóbal	-
Torre Real	-
San Isidro 20|21	43 632

VOLUME OF WATER EXTRACTED AND DISCHARGED – CORPORATE COMPLEXES (M^3)

SHOPPING MALLS	Volume of groundwater extracted (m^3)	Volume of groundwater discharged (m^3)
Torre Pradera Xela (Telus)	1781.33	198
Zona Pradera	82 298	-

7.3.4.3 WASTE

(GRI 306-2; 306-4) (103-1; 103-2; 103-3) (SDGs 3.9, 6.3, 12.4, 12.5) T: Waste

In each of our complexes, whether during the construction, rental or sale phase, we manage waste generation. We avoid negative effects on the environment and soils, under the MARN guidelines for the management of chemicals and hazardous wastes.

Rent

We have the support of specialized companies for correct waste disposal. Daily, we collect the trash generated from the commercial premises and move it to garbage warehouses. The expansions or remodeling have made this work of sorting waste more complex, so in some operations we are in the process of improving. We prioritize recycling, reuse and reduction of all kinds of material or products. In Pradera in Puerto Barrios, for example, we have a system for selecting and recycling cans, cardboard and plastic.

In Pradera in Vistares we manage solid waste in an advanced way. We separate the cardboard waste for specialized recycling, we install waste bins identified for the separation of waste from their source, from visitors and tenants. We plan to implement a rewards and warnings mechanism for those who fail to meet separating at source, among other related measures.

Sale

In the Prados de San Cristóbal project we manage a small recycling program to separate aluminum, paper and cardboard cans to take to recyclers. This worked was carried out from 2017 until completion. During its construction, four tons of non-hazardous waste were disposed of in landfills and 38 kg of non-hazardous waste was recycled. No significant spills were reported.

As in shopping malls, corporate complexes handle hazardous wastes and chemicals under the guidelines outlined by the authorities. During the construction of the Telus building, 3000 kg of non-hazardous waste were disposed of in landfills, 600 kg of non-hazardous waste were recycled and 150 kg of non-hazardous waste were reused. No significant spills were reported.

(CRE5)

For us as a company, it is important that the land where our projects are located do not have a negative environmental impact. To our satisfaction, we do not have soil contamination events reported for 2019.

Pradera Shopping Mall in Zacapa, Guatemala

SOLID WASTE DISPOSAL, SHOPPING MALLS- RENT (TON)

SHOPPING MALLS	Non-hazardous waste	Hazardous waste
Pradera in Vistares	34.02	0
Pradera in Xela	124.5	0
Pradera in Huehuetenango	4192	0.03
Pradera in Chimaltenango	397	1.38
Pradera in Escuintla	50.45	0
Pradera in Chiquimula	57.15	0
Pradera in Puerto Barrios	360	64
Pradera in Zacapa	10.25	0.125
Pradera Express Palín	122.47	0
Pradera Express Santa Lucía	191.96	0
Pradera Express Villa Nueva	101.24	0

Rooster's foot (Tillandsia xerographica)

Tuna (Nopalea guatemalensis)

7.3.4.4 BIODIVERSITY

(GRI 304-1; 304-2; 304-3) (103-1,103-2, 103-3) (SDGS 6.6, 14.2, 15.1, 15.5) T: Biodiversity T: Cultural heritage

In each of our projects we apply an ecological responsibility, which includes respect for the biodiversity and the biological wealth of the country. We begin by respecting the government agreements that preserve them and that aim to minimize the environmental impact that might alter them.

Most of the Pradera shopping malls are not built on surface and underground lands under our property, rent or management. Besides, they are not close to any protected area or area of great biodiversity value. Therefore, we can point out that there are no species have been affected or any areas have suffered from their construction and/or operation.

In the case of Pradera in Zacapa, the complex located in the area of Barrio Nuevo, is close to the Riachuelo River, so INAB determined a protected area inside its land. Its extension is 1675 m2 , of a total of 32000 m2. This area, which was not to be intervened with the construction, remained and became a garden for public use.

The Area of Direct Influence (AID) of Pradera in Zacapa can be characterized as residential and for informal trade. It includes neighborhoods and districts, borders with Barrio Las Flores and village El Manzanote, the road to downtown Zacapa and Colonia Esmeralda, as well as a tourist center.

The climatic conditions of the region in which Pradera is located in Zacapa have caused the development of deciduous plants, whose leaves fall at the beginning of the dry season and spring at the beginning of the rainy season. Species with thorns make up about 50% of the region's plant composition, which explains the name of thorny mount. The gallery forests, on the other hand, have a constant flow of water that allow the development of very different and always green plants.

This region is dominated by species with spines such as cacti, acacia and leguminous shrubs. In gallery forests, the constant flow of water allows the development of plants that remain green even in the dry season and that act as refuge for many species of animals. It is also important to consider that in the semi-arid region of the country the existence of 107 families and 598 plant species has been determined, of which 140 are trees, 89 shrubs, 273 herbs, 74 lianas, 12 epiphytes, 4 parasites and 3 species of aquatic plants.

In 2006, a conservation plan for the semi-arid region of the Motagua Valley was developed, in which six natural conservation elements were defined, four of which are for the conservation of flora. These elements represent the most urgent conservation efforts both for their biological uniqueness and for the degree of threat they face. The conservation elements identified are the thorny mount and dry forest, riparian forests, river systems, tillandsias and cacti threatened by selective extraction.

The fauna in this municipality includes diverse specimens such as the scorpion of Zacapa, one of the most poisonous in the country, who lives in the cacti. Mammals include:

GRI 304-1; 304-2; 304-3) (103-1,103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T: Biodiversity T: Cultural heritage

Mammals		Birds		REPTILES	
Deer	Squirrels	Orioles	Climbers	Slender hognosed pitviper	Coral
Collared pecari	Gray fox	Carpenters	Chachas		Blacktail cribo
Fox	Lowland paca	Magpie	Chepito	Devanador	Timbo
Central American agouti	Kinkayou	Green Shara	Keel-billed toucan	Yellow rat snake	Narrow-headed vine snake
Gophers	Howler monkey	Toucan	Cowbird	Terciopelo	
Opossum	Hares, rabbits	Yellow oriole (Chorcha)	Grackles	Mecasal	Rat snake
Raccoon	Margay	Hummingbird	Rock pigeons	Barba amarilla	Rattlesnake
Coati	Skunk	Perdeos	Highland guan	Common boa	Green iguana
Weasel		Goldfinch	Groove-billed ani	Iguanas	Torroque
		Anolis pachypus	Pajaro borrachero	Lizards	
		Sparrows	Hawks		
		Buzzards	White egret		
		Swallow	Parakeets		
		Roadrunner	Fall armyworm		
		Owl	Goldfinch		
		Doves	Bluebird		
		Heloderma			

In 2006, a conservation plan for the semi-arid region of the Motagua Valley was developed, in which six natural conservation elements were defined, four of which are for the conservation of flora. These elements represent the most urgent conservation efforts both for their biological uniqueness and for the degree of threat they face. The identified conservation elements of fauna are as follows:

Heloderma horridum charlesbogerti: The scorpion lizard is a subspecies of lizard endemic to Guatemala, which is in serious danger of extinction, and its distribution is restricted to the semi-arid parts of the Motagua River Valley.

Iguana (Ctenosaura palearis): Iguana (Ctenosaura palearis): It is an endemic species of dry forests that is seriously threatened by habitat loss and illegal trade. This iguana is used irresponsibly as a source of food and medicinal effects in hearing, visual, swollen and cancer problems are attributed to it.

GRI 304-1; 304-2; 304-3) (103-1,103-2, 103-3) (SDGs 6.6, 14.2, 15.1, 15.5) T: Biodiversity T: Cultural heritage

Aceituno (Simarouba amara)

Bay cedar (Guazuma ulmifolia)

Fragile ecosystems: One of the most important areas of dry forests, is located in the north-west of Guatemala, in the departments of Zacapa and Chiquimula, with two life zones: subtropical thorny mount and subtropical dry forest. This Region is a kind of “ecoregion”, in the classification developed by the World Wildlife Fund, and is considered one of the driest areas in Central America. The dry forests of Zacapa and Chiquimula have a rainfall of 500 mm a year, while the surrounding mountains receive up to 3000 mm of annual precipitation. The Sierra de las Minas Biosphere Reserve, at the foot of which the Motagua Valley is located, is the main natural barrier to moisture from the Atlantic, causing the extreme dry condition of the region.

The habitat was not transformed by the construction of this complex, nor were there any changes in ecological processes during 2019. However, among the species that could be affected are Simarouba amara, Dipteryx odorata, Albizia longepedata, Guazuma ulmifolia, Cedrela odorata, Albizia adinocephala, Pithecolobium dulce, and Azadirachta.

Pradera in Chimaltenango has a parking area, services and green areas of 10 610.43 m2 and a constructed area of 13 185.87 m2, including commercial premises. Its project area has been completely intervened by other commercial activities, homes, access roads and urban development, so the flora is non-existent – except for the plant coverage of a piece of land of two hectares, located north of the project. In the sector, tree plant coverage has been reduced considerably, so it can be said that the fauna has migrated from the area. In addition, fragile ecosystems are not present in the project area and the project is not located within a protected or wild area.

Finally, Pradera in Escuintla has an direct area of influence (AID) consistent of vehicular flow of the Pacific highway, surrounding companies, shops, lands and residences, and it also borders with shops, warehouses, empty plots, the CA-09 South Highway and a cemetery. Like Pradera in Chimaltenango, the project area has been intervened for other activities, so the flora in the area is non-existent, except for plant cover, after the area of the homes located to the west and south of the project. It can be considered that the fauna has migrated from the area, and that there are no fragile ecosystems, because it is not in a protected or wild area.

In corporate complexes such as the Telus building, municipal agreements are respected for the conservation of biodiversity in the surrounding nature, as well as for the minimization of the environmental impact that may alter it. Therefore, in compliance with the Land Use Plan, 325 m2 of the 2413.41 m2 of the complex were landscaped. Species such as kikuyo grass (Pennisetum clandestinum) and coniferous tree (Cupressus macrocarpa) are found in this area.

The AID is made up of the traffic flow of Avenida Las America, the Centro Comercial Pradera in Xela, as well as the surrounding land, businesses, and shops. The area where the project is located is commercial in nature, therefore its construction has not changed land use or significantly impacted the local and surrounding environment, so it fits within the context of the area.

The area of the Telus building (Torre Pradera Xela II) has been completely intervened by other commercial and residential activities, intervention of access roads and urban development, so the flora is practically non-existent, except for the vegetation cover of a portion of a two-hectare area located north of the project. In the sector, tree plant coverage has been reduced considerably, so it can be said that the fauna has migrated from the area. In addition, there are no fragile ecosystems in the project area, as well as no protected or wild area.

7.4. FINANCE BUSINESS UNIT

Our main consumption is electricity, which for 2019 amounted to 17 082 kW.

With regard to solid waste management, we currently have hired printing services from an outsourcing company to optimize the consumption of prints and energy.

8 ABOUT *THE REPORT*

(GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56)

(GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56)

This sustainability report has been prepared in accordance with the Global Reporting Initiative Standards, an "essential" option, and provides information for the year 2019, not having been verified by an external auditor. It also complies with the principles of the UN Global Compact and is aligned with the SDGs.

This is the first CMI Capital sustainability report whose periodicity will be annual and its scope includes is three business units:

- Energy Business Unit
- Real Estate Development Business Unit
- Finance Business Unit

The Energy Business Unit has been preparing its sustainability report since 2017, when two reports were published in 2018 and 2019. This report includes this business units which is part of CMI Capital.

8.1. OUR STAKEHOLDERS

(GRI 102-40, 102-42, 102-43, 102-44)

This report is CMI Capital's sustainability report, the Energy Business Unit reports provided the initial basis for identifying the company's main stakeholders. In addition to the identification, classification and prioritization of the actors of the Real Estate Development and Finance Business Units we updated the list. Precisely, the stakeholders with the greatest impact were selected to perform additional studies for the corresponding analysis.

To achieve this, workshops were held with CMI Capital workers both in Guatemala's offices and through virtual meetings in other locations. Each of these workshops was attended by representatives from different company areas. Also, each workshop began with an introduction on concepts of social responsibility, philanthropy and sustainability, as well as a description of some internationally recognized sustainable development tools. Videos were included and there was interaction with the participants, using tasks that had to be completed as formats with scores, in order to obtain quantitative data. These were applied based on the power, legitimacy and urgency tool of authors Mitchell, Agle & Woods. Interviews with managers and other workers were used. For suppliers and neighbors (including communities), spontaneous interviews were conducted through local visits, also looking at programs related to the environment.

The stakeholders, although with different names, coincide in each of the business units as can be seen below, with a detail of the perspective of each of the chapters in this report.

The workers of CMI Capital at a general level, incorporating the contractor companies, who begin to gain importance either as a group company or as a third party.

Suppliers are part of the value chain, and are centralized for more transparent management.

Caring for the environment due to where we are (Central America) prioritizing water, followed by biodiversity, energy and waste. Issues mainly related to NGOs and communities.

The media above all local, followed by regional are important.

The residents of CMI Capital's business units are represented either by neighbors themselves or by communities, the latter being the ones that take a leading role, especially in the energy unit. They in turn involve the environment and NGOs.

Local governments, followed by regulators and ministries, representing care for the environment in some cases. Compliance with every regulation, law or standard is fundamental to CMI.

The different types of clients, large companies in the case of energy and for the real estate business, large, medium and small, whether as co-owners, visitors to shopping centers and homeowners. In all cases the quality of the infrastructure.

8.2. OUR MATERIAL TOPICS

(GRI 102-46, 102-47)

As mentioned earlier, after identifying CMI Capital's stakeholders and aligning the different Business Units of the company, the actions to determine the material topics were defined, these activities are detailed below.

MATERIALITY ANALYSIS

1

Cabinet studies

- Web information, General Management information (purpose, competence, new projects, 2019 plan).
- Sustainability reports and strategic plans (CMI Energy).
- GRI Sector Supplement (Construction & Real Estate, Financial Services, Electric utilities).

2

Focus groups with managers and employees

- Qualitative information.

3

Filling in quantitative form

- Prioritizing material topics and their alignment with: strategy, riks, legislation, incidents and interest groups.

4

Field visits

- Renace energy complex, surrounding communities, social programs. In real estate, visits to two shopping malls, department and San Cristobal houses. Spontaneous interviews during the visits.

5

Additional interviews

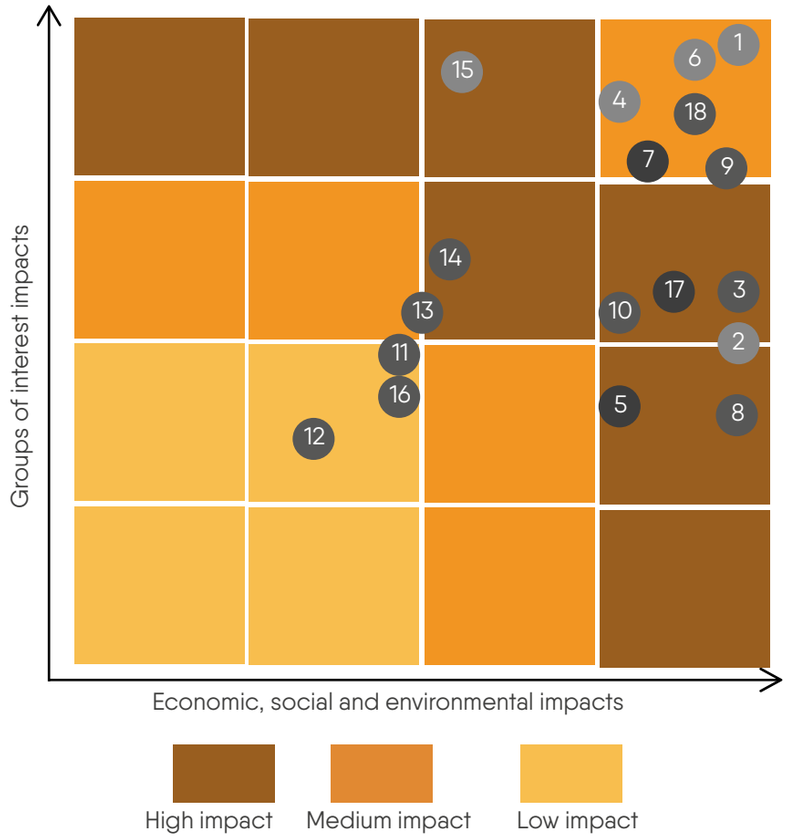
- Even though field visits allow interacting with different stakeholders, 2 additional stakeholders were conducted.

The material topics identified were as follows:

(GRI 102-46, 102-47)

Consolidated materials matters

1. Impact investment
2. Climate change
3. Access to clean energy and efficient use
4. Resilient infrastructure
5. R&D
6. Progress and social welfare
7. Social impacts (communities, neighbors)
8. Emissions
9. Water access and watershed management, water footprint
10. Safety and health at work
11. Waste
12. Biodiversity
13. HR / inclusion / indigenous people
14. Training (technical)
15. Employment generation
16. Cultural heritage
17. Anti-corruption
18. Compliance



(GRI 102-46)

These material topics were aligned with GRI standards to define the reporting content. The scope of this document are the three business units of CMI Capital including the companies involved. It is important to mention that some sectoral content was also used.

The major topics were investment, impact, infrastructure, progress, social welfare and climate change, which are directly aligned with the strategy of CMI Capital.

9 INDEXES

CONTENTS

GRI INDEX

(GRI 102-55)

GENERAL DISCLOSURES

GRI 102: GENERAL DISCLOSURESS

102-1 Name of the organization
102-2 Activities, brands, products and services
102-3 Location of headquarters
102-4 Location of operations
102-5 Ownership and legal form
102-6 Markets served
102-7 Scale of the organization
102-8 Information on employees and other workers
102-9 Supply chain
102-10 Significant changes to the organization and its supply chain
102-11 Precautionary principle or approach
102-12 External initiatives
102-13 Membership of associations
102-14 Statement from senior decision-maker
102-15 Key impacts, riks, and opportunities
102-16 Values, principles, standars, and norms of behavior
102-17 Mechanisms for advice and concerns about ethics
102-18 Governance structure
102-36 Process for determining remuneration
102-40 List of stakerholder groups
102-41 Collective bargaining agreements
102-42 Identifying and selecting stakeholders
102-43 Approach to stakeholders engagement
102-44 Key topics and concerns raised
102-45 Entities included in the consolidated financial statements
102-46 Defining report content and topic boundaries
102-47 List of material topics
102-50 Reporting period
102-51 Date of most recent report
102-52 Reporting cycle
102-53 Contact point for questions regarding the report
102-54 Claimps of reporting in accordance with the GRI Standards
102-55 GRI content index
102-56 External assurance

ECONOMIC PERFORMANCE

GRI 201: ECONOMIC PERFORMANCE

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
201-1 Direct economic value generated and distributed
201-2 Financial implications and other risks and opportunities due to

MARKET PRESENCE

GRI 202: MARKET PRESENCE

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
202-1 Ratios of standard entry level wage by gender compared to local

INDIRECT ECONOMIC IMPACTS

GRI 203: INDIRECT ECONOMIC IMPACTS

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components

(GRI 102-55)

103-3 Evaluation of the management approach
203-1 Investments in infrastructure and supported services
203-2 Significant indirect economic impacts

PROCUREMENT IMPACTS

GRI 204: PROCUREMENT IMPACTS

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
204-1 Proportion of spending on local suppliers

ANTI-CORRUPTION

GRI 205: ANTI-CORRUPTION

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
205-1 Operations are evaluated for risks related to corruption
205-2 Communicating and training on anti-corruption policies and procedures
205-3 Confirmed incidents of corruption and actions taken

ANTI-COMPETITIVE BEHAVIOR

GRI 206: ANTI-COMPETITIVE BEHAVIOR

103-2 The management approach and its components
103-3 Evaluation of the management approach
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

ENERGY

GRI 302: ENERGY

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
302-1 Energy consumption within the organization
302-2 Energy consumption outside of the organization
302-4 Reduction of energy consumption

WATER

GRI 303: WATER

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
303-1 Water withdrawal by source
303-2 Water sources significantly affected by withdrawal of water
303-3 Water recycled and reused

BIODIVERSITY

GRI 304: BIODIVERSITY

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
304-3 Habitats protected or restored
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

EFFLUENTS AND WASTE

GRI 306: EFFLUENTS AND WASTE

103-1 Explanation of the material topic and its Boundary
103-2 The management approach and its components
103-3 Evaluation of the management approach
306-1 Water discharge by quality and destination
306-2 Waste by type and disposal method
306-3 Significant spills
306-4 Transport of hazardous waste

(GRI 102-55)

ENVIRONMENTAL COMPLIANCE

GRI 307: ENVIRONMENTAL COMPLIANCE

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

307-1 Non-compliance with environmental laws and regulations

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

308-1 New suppliers that were screened using environmental criteria

308-2 Negative environmental impacts in the supply chain and actions taken

EMPLOYMENT

GRI 401: EMPLOYMENT

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

401-1 New employee hires and employee turnover

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

401-3 Parental leave

LABOR/MANAGEMENT RELATIONS

GRI 402: LABOR/MANAGEMENT RELATIONS

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

402-1 Minimum notice periods regarding operational changes

OCCUPATIONAL HEALTH AND SAFETY

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

403-1 Workers representation in formal joint management worker health and safety committees

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

403-3 Workers with high incidence or high risk of diseases related to their occupation

403-4 Health and safety topics covered in formal agreements with trade unions

403-5 Worker training on occupational health and safety

403-6 Promotion of worker health

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

403-9 Work-related injuries

TRAINING AND EDUCATION

GRI 404: TRAINING AND EDUCATION

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

404-1 Average hours of training per year per employee

404-3 Percentage of employees receiving regular performance and career development reviews

(GRI 102-55)

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

405-1 Diversity of governance bodies and employees

NON-DISCRIMINATION

GRI 406: NON-DISCRIMINATION

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

406-1 Incidents of discrimination and corrective actions taken

RIGHTS OF INDIGENOUS PEOPLES

GRI 411: RIGHTS OF INDIGENOUS PEOPLES

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

411-1 Incidents of violations involving rights of indigenous peoples

HUMAN RIGHTS ASSESSMENT

GRI 412: HUMAN RIGHTS ASSESSMENT

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

412-2 Employee training on human rights policies or procedures

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

LOCAL COMMUNITIES

GRI 413: LOCAL COMMUNITIES

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

413-1 Operations with local community engagement, impact assessments, and development programs

413-2 Operations with significant actual and potential negative impacts on local communities

SUPPLIER SOCIAL ASSESSMENT

GRI 414: SUPPLIER SOCIAL ASSESSMENT

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

103-3 Evaluation of the management approach

414-1 New suppliers that were screened using social criteria

414-2 Negative social impacts in the supply chain and actions taken

ENERGY SECTOR

ENERGY SECTOR

EU1 Installed electricity generation capacity, broken down by primary energy source and by regulatory regime

EU2 Net energy output broken down by primary energy source and by regulatory regime

Ex EU6 Management to ensure the availability and reliability of short- and long-term electric power supply

Ex EU8 Research and development activities and expenses aiming at the reliability of the electric power supply and the promotion of sustainable development

GRI INDEX

(GRI 102-55)

GRI standar	Content	Page(s)
GRI 101 Fundamentals (2016		
General Disclosures (2016)		
GRI 102: General Disclosures (2016)	102-1 Name of the organization	9
	102-2 Activities, brands, products and services	9, 62, 63, 64, 65, 66
	102-3 Location of headquarters	9, 14, 15, 16, 17, 204
	102-4 Location of operations	9, 14, 15, 16, 17, 62, 63, 64, 65, 66
	102-5 Ownership and legal form	29, 30
	102-6 Markets served	14, 15, 16,17, 32, 37, 38, 48, 49, 50, 62, 63, 64, 65, 66
	102-7 Scale of the organization	62, 63, 64, 65, 66, 74, 75, 79, 81
	102-8 Information on employees and other workers	74, 75, 79, 80, 81, 121, 122, 123, 124
	102-9 Supply chain	85
	102-10 Significant changes to the organization and its supply chain	39, 62, 63, 64, 65, 66, 85
	102-11 Precautionary principle or approach	126, 127, 128, 129, 130, 131, 132
	102-12 External initiatives	31, 68, 69
	102-13 Membership of associations	31
	102-14 Statement from senior decision-maker	5, 6
	102-16 Values, principles, standars, and norms of behavior	10, 11, 12, 13, 14, 15, 17, 23
	102-18 Governance structure	18, 19, 20, 21, 22
	102-40 List of stakerholder groups	189
	102-41 Collective bargaining agreements	73
	102-42 Identifying and selecting stakeholders	189
	102-44 Key topics and concerns raised	189
	102-45 Entities included in the consolidated financial state-ments	29, 30
	102-46 Defining report content and topic boundaries	190, 191
	102-47 List of material topics	190, 191

GRI standar	Content	Page(s)
GRI 102: General Disclosures (2016)	102-48 Restatements of information	188
	102-49 Changes in the material topic list and topic scopes	188
	102-50 Reporting period	188
	102-51 Date of most recent report	188
	102-52 Reporting cycle	188
	102-53 Contact point for questions regarding the report	204
	102-54 Claimps of reporting in accordance with the GRI Standards	188
	102-55 GRI content index	196, 197, 198, 199
	102-56 External assurance	188
General Disclosures		
Climate change		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28, 33
	103-2 The management approach and its components	28, 33
	103-3 Evaluation of the management approach	28, 33
201: economic performance 2016	201-2 Financial implications and other risks and opportunities due to	28, 33
Impact Investing / Progress and Social Welfare / Social Impacts		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	103, 104, 109, 110, 113, 115, 116, 117
	103-2 The management approach and its components	103, 104, 109, 110, 111, 113, 115, 116, 117
	103-3 Evaluation of the management approach	103, 104, 109, 110, 111, 113, 115, 116, 117
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported	103, 104, 109, 110, 113, 115, 116, 117
	203-2 Significant indirect economic impacts	103, 104, 105, 109, 110, 111, 113, 115, 116, 117, 121, 122, 123, 124
Anti-corruption		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	26, 27
	103-2 The management approach and its components	24, 27
	103-3 Evaluation of the management approach	24, 27

GRI standar	Content	Page(s)
GRI 205: Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	23
	205-3 Confirmed incidents of corruption and actions taken	24, 26, 27
Energy and Emissions		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	141, 142, 143, 144, 154, 162, 167, 175, 176, 177
	103-2 The management approach and its components	141, 142, 143, 144, 154, 162, 167, 175, 176, 177
	103-3 Evaluation of the management approach	141, 142, 143, 144, 154, 162, 167, 175, 176, 177
GRI 302: Energy 2016	302-1 Energy consumption within the organization	141, 142, 143, 144, 154, 162, 167, 175, 176, 177
	302-4 Reduction of energy consumption	141, 142, 143, 144, 154, 162, 167
Water and spills		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	145, 146, 155, 156, 163, 168, 169, 170, 179, 180, 181
	103-2 The management approach and its components	145, 146, 155, 156, 163, 168, 169, 170, 179, 180, 181
	103-3 Evaluation of the management approach	145, 146, 155, 156, 163, 168, 169, 170, 179, 180, 181
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	145, 146, 155, 156, 163, 168, 169, 170, 178
	303-2 Management of impacts related to water discharges	145, 146, 155, 156, 163, 168, 169, 170, 178
	303-3 Water extraction	145, 146, 155, 156, 163, 168, 169, 170, 179, 180, 181
	303-4 Water spill	145, 146, 155, 156, 163, 168, 169, 170, 179, 180, 181
Biodiversity		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	149, 150, 151, 152, 159, 160, 165, 173, 174, 183, 184, 185
	103-2 The management approach and its components	149, 150, 151, 152, 159, 160, 165, 173, 174, 183, 184, 185
	103-3 Evaluation of the management approach	149, 150, 151, 152, 159, 160, 165, 173, 174, 183, 184, 185
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	149, 150, 151, 152, 159, 160, 165, 173, 174, 183, 184, 185
	304-2 Significant impacts of activities, products, and services	183, 184, 185
	304-3 Habitats protected or restored	183, 184, 185
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	149, 150, 151, 152, 159, 160, 165, 173, 174, 183

GRI standar	Content	Page(s)
Energy and Emissions		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
	103-2 The management approach and its components	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
	103-3 Evaluation of the management approach	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
	305-2 Energy indirect (Scope 2) GHG emissions	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
	305-3 Other indirect (Scope 3) GHG emissions	127, 128, 129, 130, 131, 132, 133, 135, 136, 137, 138, 139, 140
Waste		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	147, 148, 157, 158, 164, 171, 172, 182
	103-2 The management approach and its components	147, 148, 157, 158, 164, 171, 172, 182
	103-3 Evaluation of the management approach	147, 148, 157, 158, 164, 171, 172, 182
GRI 306:Effluents and waste 2016	306-2 Waste by type and disposal method	147, 148, 157, 158, 164, 171, 172, 182
	306-3 Significant spills	147, 148, 157, 158, 164, 171, 172, 182
Environmental Compliance		
GRI 103: Content on the Economic Management approach 2016	103-1 Explanation of the material topic and its Boundary	126, 134, 153, 162, 166
	103-2 The management approach and its components	126, 134, 153, 162, 166
	103-3 Evaluation of the management approach	126, 134, 153, 162, 166
GRI 307: Environmental compliance	307-1Non-compliance with environmental laws and regulations	126, 134, 153, 162, 166
Social Impacts / Employment Generation		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	87
	103-2 The management approach and its components	87
	103-3 Evaluation of the management approach	87
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	87
Creating Jobs		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	77, 78
	103-2 The management approach and its components	77, 78

GRI standar	Content	Page(s)
GRI 103: Management Approach	103-3 Evaluation of the management approach	77, 78
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	77, 78
Occupational Health and Safety / Training		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	89
	103-2 The management approach and its components	89
	103-3 Evaluation of the management approach	89
GRI 403: Occupational health and safety 2018	403-1 Workers representation in formal joint management worker health and safety committees	89, 97, 98
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	89, 90, 97, 98
	403-3 Workers with high incidence or high risk of diseases related to their occupation	95, 97, 98
	403-4 Health and safety topics covered in formal agreements with trade unions	91, 99
	403-5 Worker training on occupational health and safety	91, 97, 98
	403-6 Promotion of worker health	95, 97, 98
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	89, 90, 97, 98
	403-9 Work-related injuries	92, 93, 94, 95, 96
Training and education		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	82, 83
	103-2 The management approach and its components	82, 83
	103-3 Evaluation of the management approach	82, 83
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	82, 83
Human Rights / Inclusion and Indigenous Peoples		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	71, 72
	103-2 The management approach and its components	71, 72
	103-3 Evaluation of the management approach	71, 72
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	71, 72

GRI standar	Content	Page(s)
Human Rights / Inclusion and Indigenous Peoples		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	71, 73
	103-2 The management approach and its components	71, 73
	103-3 Evaluation of the management approach	71, 73
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	71, 73
Human Rights / Inclusion and Indigenous Peoples / Cultural Heritage		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	105, 106, 107, 108, 112, 114, 118, 119
	103-2 The management approach and its components	105, 106, 107, 108, 112, 114, 118, 119
	103-3 Evaluation of the management approach	105, 106, 107, 108, 112, 114, 118, 119
GRI 411 – Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	105, 106, 107, 108, 112, 114, 118, 119
Progress and Social Welfare / Social Impacts		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	101, 102, 106, 107, 108, 112, 114, 118, 119, 120
	103-2 The management approach and its components	101, 102, 105, 106, 107, 108, 111, 112, 114, 118, 119, 120
	103-3 Evaluation of the management approach	101, 102, 105, 106, 107, 108, 111, 112, 114, 118, 119, 120
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	101, 102, 105, 106, 107, 108, 111, 112, 114, 118, 119, 120
Social Impacts / Employment Generation		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	87
	103-2 The management approach and its components	87
	103-3 Evaluation of the management approach	87
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	87
I+D		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	32, 33, 48, 51, 52, 55, 56, 57, 67,68, 69
	103-2 The management approach and its components	32, 33, 48, 51, 52, 55, 56, 57, 67,68, 69
	103-3 Evaluation of the management approach	32, 33, 48, 51, 52, 55, 56, 57, 67,68, 69
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	32, 33, 48, 51, 52, 55, 56, 57, 67,68, 69

GRI standar	Content	Page(s)
Compliance		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	25
	103-2 The management approach and its components	25
	103-3 Evaluation of the management approach	25
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	25
I + D		
GRI EU1	Installed electricity generation capacity, broken down by primary energy source and by regulatory regime	39, 41, 44, 45
GRI EU2	Net energy output broken down by primary energy source and by regulatory regime	39, 40, 42, 46
GRI EU6	Management to ensure the availability and reliability of short- and long-term electric power supply	32, 33, 34, 35, 49, 50, 51, 52, 54, 55, 56, 57, 58, 59, 60, 61
GRI EU8	Research and development activities and expenses aiming at the reliability of the electric power supply and the promotion of sustainable development	95, 97, 98
GRI EU28	Power cut frequency	39, 40, 42, 43, 46
GRI EU29	Average power outage duration	39, 40, 42, 43, 46
GRI EU30	Average plant availability factor, listed by energy source and systema	39, 42, 43, 46
I + D		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	68, 69
	103-2 The management approach and its components	68, 69
	103-3 Evaluation of the management approach	68, 69
CRE 8	Type and number of certification, qualification and sustainability labeling schemes for new construction, management, occupation and rehabilitation	68, 69

GLOBAL COMPACT
UNITED NATIONS GLOBAL COMPACT

Theme	Principle		Pages
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	23, 24, 71
	Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	85
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	73
	Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	73
	Principle 5	Businesses should uphold the effective abolition of child labour.	72
	Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	71, 73
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges.	126,127,128,129, 130,131,132,133,134,135,136,137,138,139,140,141,142,143,144,145,146,147,148,149,150,151,152,153,154,155,156,157,158,159,160,161,162,163,164,165,166,167,168,169,170,171,172,173,174,175,176,177,178,179,180,181,182,183,184,185
	Principle 8	Businesses should support undertake initiatives to promote greater environmental responsibility.	126,127,128,129, 130,131,132,133,134,135,136,137,138,139,140,141,142,143,144,145,146,147,148,149,150,151,152,153,154,155,156,157,158,159,160,161,162,163,164,165,166,167,168,169,170,171,172,173,174,175,176,177,178,179,180,181,182,183,184,185
	Principle 9	Businesses should support encourage the development and diffusion of environmentally friendly technologies.	126,127,128,129, 130,131,132,133,134,135,136,137,138,139,140,141,142,143,144,145,146,147,148,149,150,151,152,153,154,155,156,157,158,159,160,161,162,163,164,165,166,167,168,169,170,171,172,173,174,175,176,177,178,179,180,181,182,183,184,185
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	23, 24, 25, 26, 27

SDG INDEX

Sustainable Development Goals		Pages
	Goal 1: End poverty in all its forms everywhere.	103, 104, 105, 109, 110, 111, 113, 115, 116, 117, 120, 121, 122, 123, 124
	Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	105, 106, 107, 108, 112, 114, 118, 119
	Goal 3: Ensure healthy lives and promote well-being for all at all ages.	77, 78, 90, 92, 94, 95, 96, 97, 98, 103, 104, 105, 109, 110, 111, 113, 115, 116, 117, 120, 121, 122, 123, 124, 135, 136, 137, 138, 139, 140, 147, 148, 154, 157, 158, 164, 171, 172, 182
	Goal 4: Ensure inclusive and equitable quality education and promote lifelong opportunities for all.	
	Goal 5: Achieve gender equality and empower all women and girls.	73, 76, 77, 78, 87, 90, 103, 104, 109, 110, 113, 115, 116, 117
	Goal 6: Ensure availability and sustainable management of water and sanitation for all.	145, 146, 147, 148, 149, 150, 151, 152, 155, 156, 157, 158, 159, 160, 163, 164, 165, 168, 169, 170, 171, 172, 173, 174, 178, 179, 180, 181, 182, 183, 184, 185
	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.	32, 33, 34, 35, 38, 43, 47, 50, 51, 52, 53, 55, 56, 57, 58, 59, 61, 141, 142, 143, 144, 154, 162, 167, 175, 176, 177
	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	28, 71, 72, 73, 76, 77, 78, 79, 80, 81, 82, 83, 86, 87, 89, 90, 91, 92, 94, 95, 96, 97, 98, 99, 103, 104, 105, 109, 110, 111, 113, 115, 116, 117, 120, 121, 122, 123, 124, 141, 142, 143, 144, 154, 162, 167, 175, 176, 177
	Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	28, 103, 104, 109, 110, 113, 115, 116, 117

Sustainable Development Goals		Pages
	Goal 10: Reduce inequality within and among countries.	71, 79, 80, 81, 120, 121, 122, 123, 124
	Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.	103, 104, 109, 110, 113, 115, 116, 117
	Goal 12: Ensure sustainable consumption and production patterns.	135, 136, 137, 138, 140, 141, 142, 143, 144, 145, 146, 147, 148, 154, 155, 156, 157, 158, 162, 163, 164, 167, 168, 169, 170, 171, 172, 173, 174, 183, 184, 185
	Goal 13: Take urgent action to combat climate change and its impacts.	127, 128, 129, 130, 131, 132, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 154, 162, 167, 167, 175, 176, 177
	Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	135, 136, 137, 138, 139, 140, 147, 148, 149, 150, 151, 152, 154, 157, 158, 160, 164, 165, 171, 172, 173, 174, 183, 184, 185
	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	135, 136, 137, 138, 140, 147, 148, 149, 150, 151, 152, 154, 159, 160, 164, 165, 171, 172, 173, 174, 183, 184, 185
	Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	10, 11, 12, 13, 14, 15, 16, 17, 23, 24, 25, 26, 27, 71, 72, 91, 92, 94, 95, 96, 99, 126, 134, 153, 161, 166
	Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	

TABLE OF CONTENTS
OF MATERIAL TOPICS

(GRI 102-3)
CMI Capital

Centro Empresarial Zona Pradera

Blvd. Los Próceres 24-69 Z-10

Ciudad de Guatemala, Guatemala.

Contact point for questions regarding the report:

(GRI 102-53)

Relaciones Públicas Agrupación de Negocios CMI Capital

E-mail: cmic-relacionespublicas@somoscmi.com

Web: https://somoscmi.com/es/