

Second-Party Opinion

CMI Energía Green Bond Framework

"CMI Energía" refers to Investment Energy Resources Limited and its subsidiaries, which are part of the energy business unit of Corporación Multi Inversiones.



Evaluation Summary

Sustainalytics is of the opinion that the CMI Energía Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals ("SDGs"), specifically SDGs 7 and 11.



PROJECT EVALUATION / SELECTION CMI Energía's Finance department will be responsible for the ultimate review and selection of Eligible Green Projects, based on a multi-step assessment process. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS CMI Energía's treasury team will be responsible for tracking the allocation of bond proceeds to Eligible Green Projects. CMI Energía intends to allocate fully, an amount equal to the net proceeds, as soon as practicable after the time of issuance. The net proceeds will be deposited in CMI Energía's treasury accounts or other accounts per the transaction documents. CMI Energía will invest or hold unallocated proceeds in cash or cash equivalents, per its liquidity policy. This is in line with market practice.



REPORTING CMI Energía intends to provide allocation reporting on its website on an annual basis until full allocation. The allocation reporting is expected to include project-level details on the allocation of proceeds, proportion of financed and refinanced projects, and the balance of unallocated proceeds. For impact reporting, CMI Energía intends to include relevant quantitative impact metrics, and has provided indicative metrics within the Framework. Sustainalytics views CMI Energía's allocation and impact reporting as aligned with market practice.

Evaluation Date April 1, 2021

Issuer Location Bermuda

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Introduction

Corporación Multi Inversiones (“CMI”) is a large conglomerate in Central America, with diversified business lines including energy, food products, restaurants, and real estate. CMI’s Energy Business Unit (the “Unit”) was created in 2004 to develop, design, commercialize, and operate sustainable energy projects in the Central American region. The Unit owns its operating wind, solar, and hydro assets through Investment Energy Resources Limited (“IERL”).

IERL, along its operating subsidiaries (collectively, “CMI Energía” or the “Issuer”), has developed the CMI Energía Green Bond Framework (the “Framework”) under which it intends to issue green bonds, and use the proceeds to finance and/or refinance, in whole or in part, existing or future green projects, assets, or activities (“Eligible Green Projects” or the “Eligible Projects”) that are expected to create positive environmental impact. The Framework defines eligibility criteria in four areas:

1. Renewable Energy
2. Energy Efficiency
3. Green Buildings
4. Clean Transportation

CMI engaged Sustainalytics to review the CMI Energía Green Bond Framework, dated April 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of CMI’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. CMI representatives have confirmed (1) they understand it is the sole responsibility of CMI to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and CMI.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The CMI Energía Green Bond Framework is available on Corporación Multi Inversiones’s website at: <https://www.cmi-energia.com/informacionrelevante/>

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that CMI has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the CMI Energía Green Bond Framework

Sustainalytics is of the opinion that the CMI Energía Green Bond Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Energy Efficiency, Green Buildings, and Clean Transportation – are aligned with those recognized by the GBP.
 - CMI Energía has established a four-year look-back period for its refinancing activities. While Sustainalytics notes that the market expectation is to consider a maximum of three-year lookback period, it recognizes that the bond will be used to finance physical assets, and that the average useful life for the refinanced renewable energy assets⁴ may extend up to 30 years^{5,6} for solar and wind energy projects, and even 100 years for hydropower⁷ projects, and therefore considers this to be in line with market expectations.
 - Under the Renewable Energy category, the Issuer may finance expenditures related to renewable energy projects, including onshore wind power, solar photovoltaic power, and run-of-river hydropower, and the purchase of long-term (more than 10 years) power purchase agreements (“PPAs”) with renewable energy projects. Sustainalytics views the criteria to be aligned with market practice and notes the following:
 - The Framework makes eligible investments in only run-of-river⁸ hydropower projects which are also assessed for their compliance with the environmental and social practices defined under the International Finance Corporation Performance Standards,⁹ or other similar best practices.
 - While noting that the Framework excludes investments towards nuclear energy and fossil fuel projects, Sustainalytics has confirmed that investments in PPAs will be limited to those renewable energy projects that are defined in the Framework.
 - Under the Energy Efficiency category, the Framework allows for investments in energy efficient technologies and equipment, including (i) high efficiency engines, boilers, continuous kilns, and heat insulating walls, and (ii) energy efficient lighting, and industrial thermometers, with an intent of achieving at least 15% improvement in energy efficiency, on a best-effort basis.¹⁰ Sustainalytics views positively the inclusion of the 15% threshold and considers investments in energy efficient improvements to be aligned with market practice.

⁴ Sustainalytics has confirmed that the majority of refinancing will be towards renewable energy projects.

⁵ REW report, “New report shows useful life of wind projects has increased to 30 years in most cases”, at:

<https://www.renewableenergyworld.com/wind-power/new-report-shows-useful-life-of-wind-projects-has-increased-to-30-years-in-most-cases/#gref>

⁶ GreenBiz report, “What will happen to solar panels after their useful lives are over?”, at: <https://www.greenbiz.com/article/what-will-happen-solar-panels-after-their-useful-lives-are-over>

⁷ Renewables First, “How long do hydropower installations last?”, at: <https://www.renewablesfirst.co.uk/hydropower/hydropower-learning-centre/how-long-will-hydropower-systems-last/>

⁸ IPCC report, “Hydropower” (p17), at: <https://archive.ipcc.ch/pdf/special-reports/srren/drafts/Chapter%2005%20SOD.pdf>

⁹ IFC website, “Performance Standards”, at: https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

¹⁰ Sustainalytics notes that the Framework excludes investments in fossil fuel-based processes and technologies, under this category.

- Sustainalytics additionally highlights that activities reliant on fossil fuels are deemed ineligible by the Framework, in line with market expectation.
 - Under the Green Buildings category, the Issuer intends to finance the construction or improvements of buildings that have achieved a nationally or internationally recognized green building certification. Sustainalytics views the schemes specified by the Framework – LEED (“Gold” or above), BREEAM (“Excellent” or above), or HQE (“Excellent” or above) – to be credible and the levels selected to be indicative of positive impact and aligned with market practice. For Sustainalytics’ assessment of these certifications please refer to Appendix 1.
 - Under the Clean Transportation category, the Issuer intends to invest in zero direct emission, electric, or low-carbon vehicles, and low-carbon transportation infrastructure.
 - Zero direct emission or electric vehicles are automatically eligible. For non-zero direct emission vehicles the issuer considers investments in vehicles with emission intensity below 50g CO2 per km.
 - Sustainalytics considers financing of clean transportation with associated thresholds and low-carbon infrastructure to be aligned with market practice.
- Project Evaluation and Selection:
 - CMI Energía’s Finance department (the “Finance department”), in consultation with select senior executives including the Director of Finance, the General Director of the Energy Unit and the Manager of Environmental and Social Compliance, will be responsible for screening and selecting the Eligible Projects, in the line with criteria defined in the Framework.
 - The Finance department will also monitor the projects’ eligibility and identify alternative projects to replace those which discontinue to align with the Framework, on an annual basis.
 - The Framework requires that the Eligible Projects must be exclusively assigned to a green bond, must comply with the environmental regulatory requirements, and undergo an assessment to ensure their alignment with the Issuer’s social and governance-related policies (please refer to Section 2 for more details on these policies).
 - Based on the establishment of a well-defined project evaluation and selection process, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - CMI Energía’s treasury team will be responsible for tracking the allocation of bond proceeds to Eligible Projects. The net proceeds will be deposited in the Issuer’s treasury accounts or other accounts per the transaction documents.
 - The Issuer intends to allocate an amount equal to the net proceeds, as soon as practicable. Unallocated proceeds may temporarily be held or invested in cash or cash equivalents per the Issuer’s internal liquidity policy; CMI has disclosed that the proceeds of the first issuance will be either allocated to Eligible Projects at the time of issuance or temporarily used to refinance older renewable energy facilities.
 - Based on the stated internal processes, Sustainalytics considers this to be in line with market practice.
- Reporting:
 - CMI Energía intends to report on the allocation and the impact of proceeds on its website approximately one year from the date of the bond issuance and annually thereafter, until full allocation.
 - Allocation reporting is expected to include project-level details on the allocation of proceeds, proportion of financed and refinanced projects, and the balance of unallocated proceeds.
 - Impact reporting is expected to provide project-level impact of the Eligible Projects against respective key performance indicators including (i) annual greenhouse gas (“GHG”) emissions avoided, (ii) annual renewable energy generation (MWh), and (iii) annual energy savings (MWh).
 - Based on the Issuer’s commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the CMI Energía Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of CMI Energía

Contribution of framework to CMI Energía's sustainability strategy

Sustainalytics is of the opinion that CMI Energía demonstrates a commitment to sustainability driven by its corporate strategy of enabling “the development, design, execution, operation, and commercialization of electric power generation projects with renewable resources, in the Central American region.”¹¹ The Issuer strives to “supply power to its consumers at a competitive price and to support the renewable energy market, bringing the regional economy into a more dynamic and competitive environment to encourage local and foreign investment”.

Pursuant to this strategy, as of April 2021, CMI Energía had a portfolio of wind, solar, and hydroelectric operating projects with more than 800 megawatts of installed capacity. Among these projects, the Issuer operates five hydropower plants with total operational capacity of 317 megawatts in Guatemala;¹² a 100-megawatt solar photovoltaic power plant in El Salvador;¹³ one wind and three solar energy plants in Honduras with total installed capacity of 126 megawatts and 70 megawatts respectively;¹⁴ a 44-megawatt wind energy project in Nicaragua;¹⁵ six wind energy projects with total installed capacity of 154 megawatts in Costa Rica,¹⁶ and a 50-megawatt solar park in Dominican Republic.¹⁷ Through these projects, in 2020, the Issuer was able to avoid around 86 million tons of CO₂ emissions.

Sustainalytics notes that CMI Energía has not yet explored investments in low-carbon buildings and clean transportation and encourages the Issuer to augment its corporate strategy, and develop quantitative, time-bound targets for the categories defined in the Framework. Nonetheless, Sustainalytics is of the opinion that the Framework is aligned with Issuer's overall sustainability strategy and initiatives and will further its action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety (“OHS”), community relations/stakeholder participation, land use and biodiversity issues associated with large-scale infrastructure development, and emissions, effluents, and waste generated in construction.

Sustainalytics is of the opinion that CMI Energía is able to manage, compensate and/or mitigate potential risks through implementation of the following policies, practices, and regulations:

- Through its Integrated Management Policy (the “Policy”), CMI Energía intends to protect the environment through “prevention, conservation, and mitigation of the impact of its operations” and commits to “comply with local legislation, international standards, and applicable requirements”. The Issuer also has in place biological monitoring and ecological restoration programs. In 2020, it reforested 955 hectares of land in Guatemala, and planted 19,461 trees across various regions of its operations.
- The Issuer addresses social risks by involving neighboring communities, and other relevant stakeholders during the project development process while also ensuring transparency, helping it mitigate potential social risks. In 2020, the Issuer held around 12,000 such community interactions. In addition, the governments of Costa Rica, Guatemala, Honduras, and Nicaragua, for example, have adopted International Labour Organization's Indigenous and Tribal Peoples Convention (No. 169), which aims to protect the rights of indigenous and tribal population and guarantee respect for their integrity.¹⁸
- To manage OHS-related risks, the Policy commits to maintain “safe, healthy and hazard-free working conditions” at the organization, in line with CMI Energía's values of responsibility, excellence, integrity, and respect.¹⁹ In 2020, the Issuer conducted over 12 thousand inspections, 20 drills, and

¹¹ CMI website, “Energy”, at: <https://www.somoscmi.com/es/component/blankcomponent/?view=default&Itemid=113>

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ ILO website, “Nicaragua ratifies ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169)”, at: https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_144271/lang-en/index.htm

¹⁹ CMI Energía website, “Values”, at: <http://cmi-energia.com/en/values>

179 OHS-related trainings for its workers. In addition, all six countries where the Issuer operates – Costa Rica,²⁰ Dominican Republic,²¹ El Salvador,²² Guatemala,²³ Honduras,²⁴ and Nicaragua²⁵ – address OHS-related risks through Articles 66, 62 (8), 44, 102, 128(6), and 82(4) of their respective constitutions.

- In terms of the regulations pertaining to the environment and management of waste, Article 117 of El Salvador’s constitution to protect the natural resources, as well as the diversity and integrity of the environment, and to guarantee sustainable development, while also prohibiting the introduction of toxic wastes²⁶ and Article 97 of Guatemala’s constitution obligates individuals and institutions “to promote the social, economic, and technological development that prevents the pollution of the environment and maintains the ecological balance”.²⁷ Similarly, Articles 46, 67, 145, and 60 in the respective constitutions of Costa Rica,²⁸ Dominican Republic,²⁹ Honduras,³⁰ and Nicaragua³¹ address environmental risks.

Based on these practices, and compliance with the regulations, Sustainalytics is of the opinion that CMI Energía has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks, including health and safety risks, commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused where the impact is specifically relevant in the local context.

Importance of financing renewable energy projects in Central America

According to the World Bank analysis, as of 2018, 100% populations in three of the seven countries in Central America had access to electricity, while the remaining four countries were able to achieve at least 88% electrification.³² Furthermore, a report by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH shows that in the same year, about 75% of the electricity generated in the region came from renewable sources³³ and that the energy sector in most countries face unique regional challenges including financial straits, and energy insufficiency.³⁴ In some countries such as El Salvador, the electricity market is liberalized, while in countries such as Costa Rica, the market is dominated by state-controlled electricity companies. Some countries such as Panama have even established a wholesale market for electricity, making PPAs possible between power generators and consumers.³⁵

The Central American countries in which CMI Energía operates have declared their renewable energy or climate action targets through various platforms including the submission of nationally determined contributions to the UNFCCC. Costa Rica has set a goal of generating 100% electricity through renewable

²⁰ Constitution Project, “Costa Rica’s Constitution of 1949 with Amendments through 2011”, at: https://www.constituteproject.org/constitution/Costa_Rica_2011.pdf

²¹ Constitution Project, “Dominican Republic’s Constitution of 2015”, at: https://www.constituteproject.org/constitution/Dominican_Republic_2015.pdf

²² Constitution Project, “El Salvador’s Constitution of 1983 with Amendments through 2014”, at: https://www.constituteproject.org/constitution/El_Salvador_2014.pdf?lang=en

²³ Constitution Project, “Guatemala’s Constitution of 1985 with Amendments through 1993”, at” https://www.constituteproject.org/constitution/Guatemala_1993.pdf?lang=en

²⁴ Constitution Project, “Honduras’s Constitution of 1982 with Amendments through 2013”, at: https://www.constituteproject.org/constitution/Honduras_2013.pdf?lang=en

²⁵ Constitution Project, “Nicaragua’s Constitution of 1987 with Amendments through 2014”, at: https://www.constituteproject.org/constitution/Nicaragua_2014.pdf?lang=en

²⁶ Constitution Project, “El Salvador’s Constitution of 1983 with Amendments through 2014”, at: https://www.constituteproject.org/constitution/El_Salvador_2014.pdf?lang=en

²⁷ Constitution Project, “Guatemala’s Constitution of 1985 with Amendments through 1993”, at” https://www.constituteproject.org/constitution/Guatemala_1993.pdf?lang=en

²⁸ Constitution Project, “Costa Rica’s Constitution of 1949 with Amendments through 2011”, at: https://www.constituteproject.org/constitution/Costa_Rica_2011.pdf

²⁹ Constitution Project, “Dominican Republic’s Constitution of 2015”, at: https://www.constituteproject.org/constitution/Dominican_Republic_2015.pdf

³⁰ Constitution Project, “Honduras’s Constitution of 1982 with Amendments through 2013”, at: https://www.constituteproject.org/constitution/Honduras_2013.pdf?lang=en

³¹ Constitution Project, “Nicaragua’s Constitution of 1987 with Amendments through 2014”, at: https://www.constituteproject.org/constitution/Nicaragua_2014.pdf?lang=en

³² The World Bank website, “Access to electricity (% of population) - Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Belize, Panama”, at: <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=CR-SV-GT-HN-NI-BZ-PA>

³³ SICA website, “Digital Readiness in the Central American Energy Sector”, at: <https://www.sica.int/download/?124064>

³⁴ Ibid.

³⁵ Ibid.

energy sources by 2030, while also committing to achieve net zero emissions by 2050.³⁶ Guatemala intends to increase its renewable energy mix to 80% (71.5% as of March 2020) and reduce its GHG emissions by 11.2%, compared to its business-as-usual (“BAU”) scenario, by 2030.³⁷ Similarly, Nicaragua aimed to achieve 95% renewable energy mix by 2030 (75.2% as of December 2020)^{38,39} and Honduras set a target of attaining a renewable energy share of 60% by 2022, which it achieved in 2017.⁴⁰ In the case of El Salvador, which does not have a direct renewable energy target, the country has committed to a 46% reduction in GHG emissions by 2025, compared to the BAU scenario.⁴¹

Sustainalytics is of the opinion that CMI Energía’s investments in renewable energy projects are expected to support Central America’s energy transition and generate positive environmental impacts.

Alignment with/contribution to SDGs

The SDGs were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the CMI Energía Green Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Green Buildings	11. Sustainable Cities and Communities	11.3 Ensure inclusive and sustainable urbanization, planning and management.
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Conclusion

CMI Energía has developed the CMI Energía Green Bond Framework under which it intends to issue green bonds, and use the proceeds to finance and/or refinance renewable energy, energy efficiency, green building, and clean transportation projects. Sustainalytics considers that the projects funded by the green bond proceeds are expected to have provide positive environmental impact.

The CMI Energía Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the company and that the green use of proceed categories will contribute to the advancement of the UN SDGs 7 and 11. Additionally, Sustainalytics is of the opinion that CMI Energía has adequate measures

³⁶ UNFCCC website, “Contribución Nacionalmente Determinada 2020”, at: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Costa%20Rica%20First/Contribucio%CC%81n%20Nacionalmente%20Determinada%20de%20Costa%20Rica%202020%20-%20Versio%CC%81n%20Completa.pdf>

³⁷ UNFCCC website, “República de Guatemala”, at: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Guatemala%20First/Gobierno%20de%20Guatemala%20INDC-UNFCCC%20Sept%202015.pdf>

³⁸ SEI report, “Nicaragua – over 98% electrification, 75% renewables supply”, at: <https://www.smart-energy.com/renewable-energy/nicaragua-over-98-electrification-75-renewables-supply/#:~:text=The%20ministry%20has%20also%20announced,2019%20and%2026%25%20in%202006>.

³⁹ IRENA report, “Renewables Readiness Assessment: Nicaragua”, at: <https://www.irena.org/publications/2015/Jan/Renewables-Readiness-Assessment-Nicaragua-executive-summary#:~:text=The%20country%20aims%20to%20further,regulatory%20framework%20for%20renewable%20energy>.

⁴⁰ IRENA report, “Regional Meeting Clean Energy Corridor of Central America (CECCA)”, at: <https://www.irena.org/-/media/Files/IRENA/Agency/Events/2018/May/Honduras-presentation--accelerating-renewables-in-the-regional-market---23-May.pdf?la=en&hash=466436443454BE64C66FFB164D09AFEF55605192>

⁴¹ UNFCCC website, “Contribución Previsita y Determinada a Nivel Nacional”, at: https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Honduras%20First/Honduras%20INDC_esp.pdf

to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that the Issuer is well-positioned to issue green bonds and that the Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices




Appendix 1: Summary of Referenced Green Building Certification Schemes

	LEED ⁴²	BREEAM ⁴³	HQE ⁴⁴
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM can be used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.
Certification Levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Pass • Good • Very good • Excellent • Exceptional
Areas of Assessment	<ul style="list-style-type: none"> • Energy and Atmosphere • Sustainable Sites • Location and Transportation • Materials and Resources • Water Efficiency • Indoor Environmental Quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality)
Requirements	Prerequisites (independent of level of certification) + Credits with associated points. These points are then added together to obtain the LEED level of certification. There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development,	Prerequisites depending on the levels of certification. Credits with associated points. This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.

⁴² USGBC, "LEED rating system", at: www.usgbc.org/LEED.

⁴³ BREEAM, "How certification works" at: <https://www.breeam.com/discover/how-breeam-certification-works/>

⁴⁴ HQE, " Introduction to HQE certification", at: <https://www.behqe.com/cerway/essentials>

	Schools-/Retail- /Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	their BREEAM performance score.	Based on the total number of stars obtained per area, an overall HQE level is then given. Environmental certificates are assigned at all stages of the building life cycle, and on- site audits are required.
Performance Display			
Accreditation	LEED AP BD+C LEED AP O+M	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	HQE Construction Certification Referent HQE Operations Certification Advisor
Qualitative Considerations	Widely recognized internationally, and strong assurance of overall quality.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	HQE certification has the greatest number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Investment Energy Resources Limited

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: CMI Energía Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: April 1, 2021

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|------------------------------------------------------------|----------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---------------------------------------------------------------------------------|----------------------------------------|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds– Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals (“SDGs”), specifically SDGs 7 and 11.

Use of proceeds categories as per GBP:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CMI Energía’s Finance department will be responsible for the ultimate review and selection of Eligible Green Projects, based on a multi-step assessment process. Sustainalytics considers the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

CMI Energía's treasury team will be responsible for tracking the allocation of bond proceeds to Eligible Green Projects. CMI Energía intends to allocate fully, an amount equal to the net proceeds, as soon as practicable after the time of issuance. The net proceeds will be deposited in CMI Energía's treasury accounts or other accounts per the transaction documents. CMI Energía will invest or hold unallocated proceeds in cash or cash equivalents, per its liquidity policy. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

CMI Energía intends to provide allocation reporting on its website on an annual basis until full allocation. The allocation reporting is expected to include project-level details on the allocation of proceeds, proportion of financed and refinanced projects, and the balance of unallocated proceeds. For impact reporting, CMI Energía intends to include relevant quantitative impact, and has provided indicative metrics within the Framework. Sustainalytics views CMI Energía's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (please specify):

Information reported:

- | | |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
|
 | |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>):
Proportion of financing and refinancing | |

Frequency:

- | | |
|-----------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--------------------------------------------------------|-----------------------------------------------------------|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): Capacity of renewable energy plants (MWh), number of clean vehicles deployed, and green building certification scheme scores. |

Frequency

- | | |
|-----------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of Disclosure

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Issuer's website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|----------------------------------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

