

Tegucigalpa, MDC, May 31, 2021

Deetken Impact
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Ref: Independent verifier's report on the alignment of Deetken Impact Sustainable Energy with the Operating Principles for Impact Management

Tecnología y Desarrollo Ambiental S.A. de C.V. (TECDEA) has been contacted by Deetken Impact Sustainable Energy (DISE) to conduct an independent review to provide limited assurance on the alignment of DISE's impact management system with the Operating Principles for Impact Management (the Impact Principles), applied to the Honduras Renewable Financing Facility (H-REFF) and Caribbean Basin Sustainable Energy Fund (CABEF), both funds managed by DISE. DISE's assets under management were USD 60 million as of May 2021.

TECDEA is a Honduran company established by experienced environmental professionals to provide environmental engineering and social management services to the regional power sector. TECDEA belongs to GENERA's group of companies that provide project management, construction, and development services under financial, legal, technical, and environmental concepts to achieve successful and sustainable project implementation. TECDEA is based out of Tegucigalpa, Honduras with presence in El Salvador, Honduras, Nicaragua and Costa Rica from where we serve sustainability matters in Central America, and the Caribbean.

TECDEA's staff has provided environmental and social services for companies and financial institutions in Central America including:

- Financial Advisory Institutions
- Technical, Environmental, and Social Due Diligence
- Environmental and Social Impact Assessment Studies under international standards (IFC Performance Standards, Equator Principles, World Bank Guidelines)
- Environmental and Social Management System (ESMS)

DISE's Responsibility

DISE is responsible for the implementation of the necessary impact management system to align its organization with the Impact Principles in the preparation and presentation of a Disclosure Statement, on an annual basis, describing its alignment with the Impact Principles, and for establishing and maintaining appropriate performance management and internal control systems.

TECDEA's Responsibility

Our responsibility is to review the alignment of DISE's impact management system with the Impact Principles based on the procedures and evidence provided.

Summary of Work Performed

The consultancy consists of making inquiries, primarily about the impact management systems and to persons responsible for the preparation of information presented in the Statement, and evidence gathering procedures, as appropriate.

These procedures included:

- Review of the alignment of the DISE's impact management system with the Impact Principles
- Interviews to gain an understanding of DISE's processes for determining its alignment with the Impact Principles
- Inspection of supporting documents
- Drafting and issuing an independent verifier's report

Findings

Areas of strengths

- The impact measurement process has been developed based on the Sustainable Development Goals (SDGs) and is aligned with the Impact Principles (Impact Principle 1).
- The staff has the knowledge, capacity, and experience for the proper development of the impact measurement process (Impact Principle 2).
- The metrics established by DISE in the impact measurement process are accurate and traceable during the different investment stages (Impact Principle 4).
- DISE has a robust ESMS aligned with the IFC Performance Standards that is applied to each investment throughout its life cycle (Impact Principle 5).
- DISE maintains communication and provides feedback with its clients related to their impact measurement process (Impact Principle 6).

Improvement Areas

- Standardize the frequency of questionnaire delivery by project or investment stage and maintain the systematization of the documentation shared by clients (Impact Principle 2)
- Update the impact measurement questionnaire by investment stages (construction, operation), and by type of technology to improve estimation of expected impacts (Impact Principle 4).
- Update the guiding document for impact management and the implementation of the Impact Measurement Questionnaire according to the changes made in the process (Impact Principle 8).



Conclusion

Based on the procedures performed and the review conducted, as described above, nothing has come to the attention that causes us to believe that the Deetken Impact Sustainable Energy has not aligned with the Operating Principles for Impact Management for USD 60 million of its assets under management (as of May 2021).

Related Party Disclosure

TECDEA and PedraClau S.A. de C.V. are related parties but operating as separate legal entities, with independent operations and teams. The work performed was done by an independent team within TECDEA that reviewed the information presented by DISE.

We are at your entire disposal to clarify any questions.

Mariana Luna
General Manager