



**MGM  
INNOVA  
CAPITAL**

**IMPACT REPORT  
2023**



Investments that optimize the energy requirements of industries, companies, consumers and governments as they transition to a low carbon economy.

# CONTENTS

<b>04</b>	Message
<b>05</b>	Impact highlights
<b>06</b>	ABOUT MGM INNOVA CAPITAL
<b>07</b>	About MGM Innova Group
<b>08</b>	Our values
<b>09</b>	Mission, vision and value proposition
<b>10</b>	Where we are
<b>13</b>	Who we are
<b>16</b>	OUR INVESTMENT PHILOSOPHY
<b>17</b>	Policy and standards
<b>21</b>	OUR FUNDS
<b>23</b>	Environmental and Social Management System
<b>25</b>	MSEF
<b>38</b>	MSEF II
<b>50</b>	Abbreviations and Acronyms



# Message

On behalf of the MGM Innova Capital team, I am delighted to present to you our first sustainability report which highlights operational achievements and sustainability accomplishments over the past year. This is one of the many steps we have taken to integrate sustainability throughout our business.

During 2022, we continued to adapt our operations to a complex global context, which includes inflationary levels not seen for decades, increased risk premiums and a war in Europe that lingers. In light of this, we reassessed priorities and put into practice lessons learned from the past couple of years in order to ensure resilience.

In spite of this economic backdrop, we have managed to comply with rigorous environmental and social standards and to deliver measurable financial, social and environmental benefits while contributing towards the achievement of the United Nations 2030 Agenda for Sustainable Development. These benefits include: the investment of USD 127M in energy efficient and renewable energy projects in the region which leveraged additional capital of about USD 630M. These investments have to date generated 110,979 MWh of electricity, saved 85,984 MWh of electricity, reduced and/or avoided 97,612 tCO<sub>2</sub>e of GHG emissions and created 2,184 jobs. Also, during 2022, 656 SMEs benefited from revenues deriving from services rendered in connection with the implementation, operation, and monitoring of Fund investments.

Sincerely,

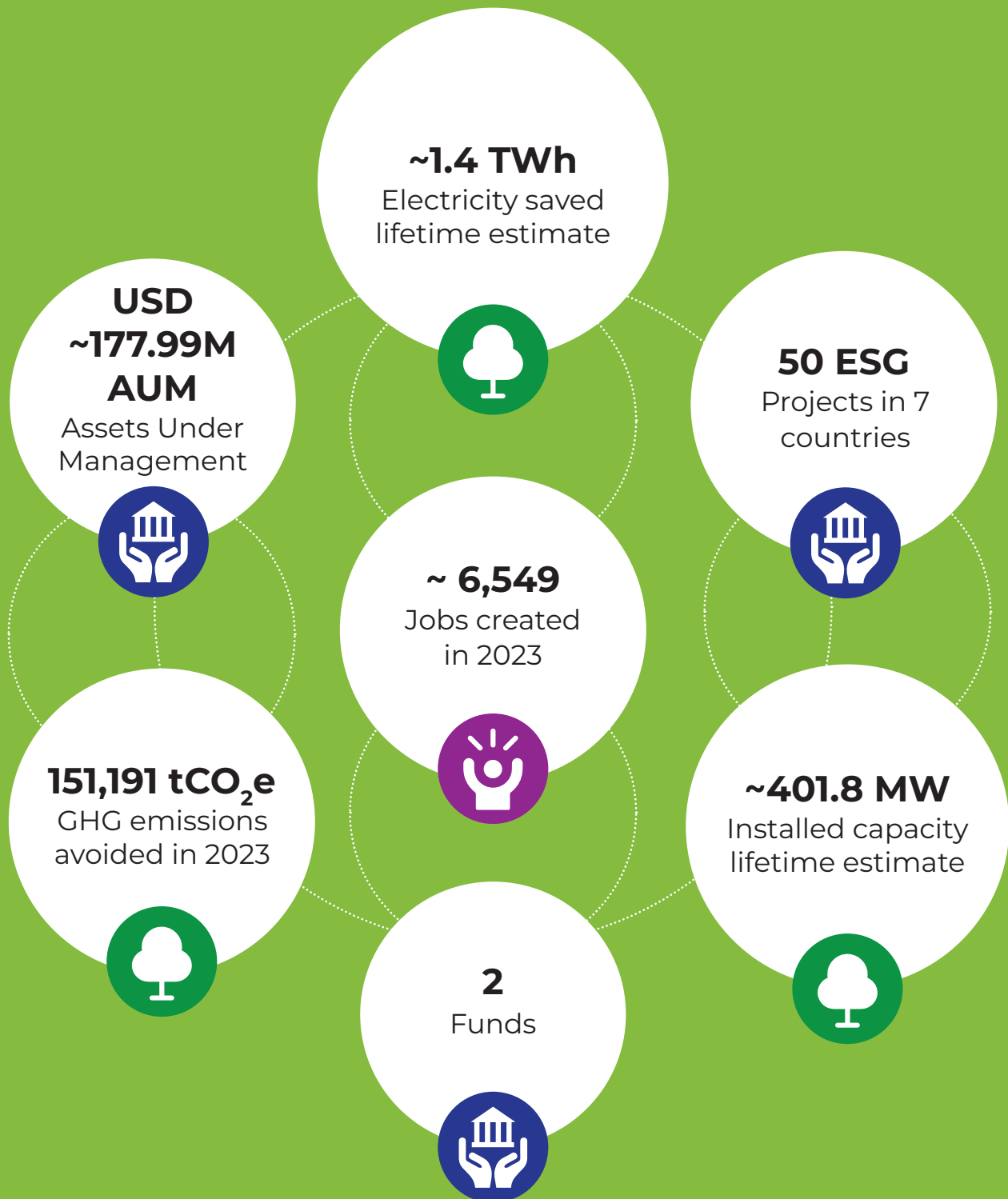


**MARCO G. MONROY**  
Founder & CEO



**MARIA PIA IANNARIELLO**  
Founder & COO

# Impact highlights



# ABOUT MGM INNOVA CAPITAL

Established in 2010, MGM Innova Capital<sup>1</sup> is a SEC-registered private equity and green infrastructure advisor focused on delivering triple bottom line results while complying with rigorous environmental, social and governance (ESG) guidelines, in the areas of energy efficiency, renewable energy, cleantech and innovation in emerging markets in Latin America and the Caribbean (LAC).

MGM Innova Capital currently manages two funds - MGM Sustainable Energy Fund (MSEF) and MGM Sustainable Energy Fund II (MSEF II), with USD 188M in assets under management, and 49 portfolio investments in eight countries in the LAC region.

Emerging market and developing economies need significant climate financing to reduce

their emissions and to adapt to the physical effects of climate change. Private finance is key to achieving these objectives. MGM Innova Capital is widely recognized as a pioneer in scaling up private climate financing in Latin America, especially in underserved markets that have little access to other sources of credit.

We are proud of our long and successful trajectory in enabling investments with a positive climate impact that contribute to the objectives of the Paris Agreement and to the United Nations Sustainable Development Goals (SDGs) and assist towards achieving a low-carbon, climate-resilient economy.



<sup>1</sup>MGM Innova Capital is used to denote MGM Innova Cap Management, LLC and its wholly owned subsidiaries, which include MGM Innova Capital LLC, MGM Innova Capital II LLC, and MGM Innova Cap Management Luxembourg S.à.r.l.

\*MGM contributes to SDG 17 by facilitating the mobilization of resources from a variety of sources and the effective use of financing to support efforts to promote sustainable development in developing countries.



## About MGM Innova Group

The MGM Innova Group is composed of three independent and complementary companies with a common objective: to assist industries, businesses, consumers and governments to introduce sustainable practices and low carbon strategies in their operations, products, projects, and services.



**MGM Innova Capital**, the financial arm of the Group, focuses on triple bottom line investments in the areas of energy efficiency, renewable energy, clean-tech and innovation.



**MGM Innova Energy Services**, specializes in the identification, design, implementation, operation and monitoring of sustainable energy projects. As such, it is a key provider of expert support in the assessment, implementation, supervision and monitoring of MGM Innova Capital's investments.



**MGM Innova Consulting**, specializes in climate management solutions aimed at promoting sustainable practices. It works extensively with Fund investees in the design, development and implementation of low carbon and sustainability strategies.



## Our values

**Accountability**

Creativity

Trust

Entrepreneurship

Diversity

**Innovation**

Curiosity

**Transparency**

Honesty

**Teamwork**

Continuous improvement

Passion

Inclusion

**Sustainability**

**Integrity**

Client focused

Persistence

**Result-driven**



## Mission



To manage private equity funds that deliver measurable and verifiable financial, environmental and social (triple bottom line) results.

## Vision



To become a leader in mobilizing and deploying private equity financing for sustainable energy solutions in Latin America and the Caribbean.

## Value proposition



We provide fully customized cost-efficient financial and technical solutions for sustainable energy projects.



# Where we are

MGM Inova Capital is headquartered in Miami, USA, and has offices in Medellin (Colombia), São Paulo (Brazil) and Mexico City (Mexico).





# Who we are

Our multidisciplinary team of professionals has vast experience in identifying, structuring, implementing and monitoring sustainable energy investments.

Our team has experience in energy efficiency and renewable energy project development, including initial technical and financial due diligence, investment structuring, negotiation of energy off-take arrangements, oversight of implementation and startup of operations, post-deal operational monitoring, maintenance, and exit. The team is fluent in English, Spanish and Portuguese.

Given the growth of our operations and the experience gained, our team developed an evolved knowledge that allows us to sustain and improve both project's impact and results through customization and response to the

specific needs of the Project owners.

This accumulated experience allowed us to identify early opportunities, to improve efficiencies, to recognize project's needs and transmit our know-how to the invested Project.

Furthermore, the internal team receives the support of an external team of advisors specialized in ES, which along with our experience, enable us to consolidate our capabilities on the matter.

Over time we have conformed a multidisciplinary team with a profound focus on positive impact and sustainable development, compromised with value proposition to our clients and to the project owners.

## GOVERNANCE BODY



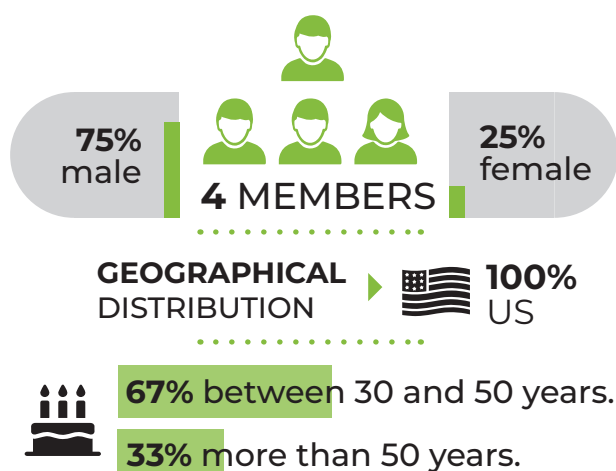
MARCO G. MONROY  
Founder | CEO



MARIA PIA IANNARIELLO  
Founder | COO & Sustainability



MARK KEKICH  
CFO | Global Finance & Tax



INVESTMENT DIRECTORS



GERARDO AGUILAR



STEFAN DAVID



ALEJANDRO PAZ



JUAN ESTEBAN NIETO

SUPPORT TEAM

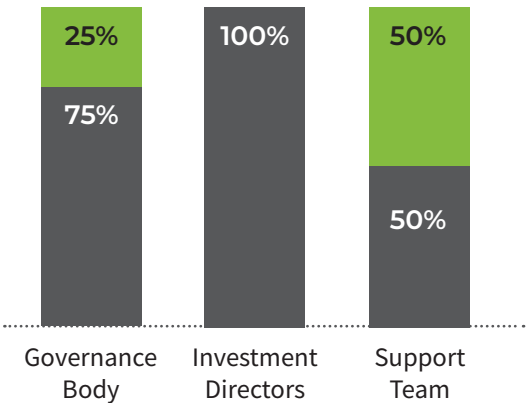
The Fund Operations, Admin and E&S teams provide support in everyday tasks, reporting, investment monitoring and, in general, assisting in ensuring compliance with Fund policies and commitments.



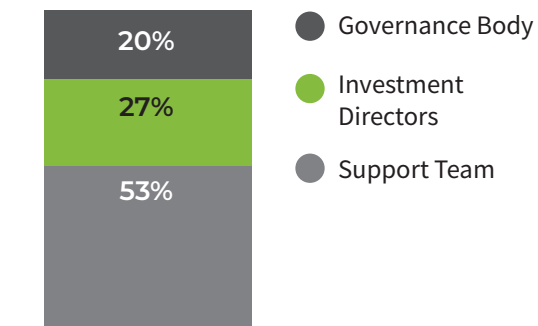
During 2023 there were no additions to MGM Innova Capital’s staff.

Gender distribution (2023)

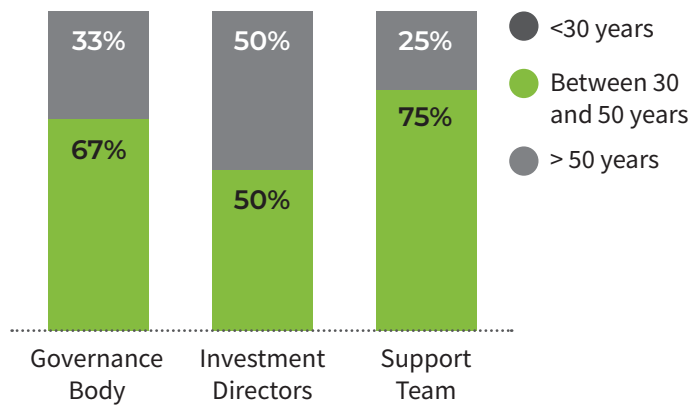
Male Female



Category distribution (2023)



Age distribution (2023)



# OUR INVESTMENT PHILOSOPHY

**Our investment philosophy is guided by our commitment to create sustainable value for our stakeholders through the development and implementation of projects that deliver positive, enduring and measurable financial, environmental and social impact.**

It is our strong conviction that we can contribute to the development of the LAC region by leveraging technical and financial resources that can expedite a transition towards sustainable energy resources while mitigating and adapting to the effects of climate change.

Our investment process is based on a rigorous diligence analysis to ensure that investments are not only financially sound and technically viable, but that they also effectively address environmental and social (E&S) risks and opportunities to maximize investment value. We strive to apply best-in-class ESG policies, standards, guidelines and principles to every investment and to be in compliance with applicable laws, rules and regulations in the jurisdiction where the investment is carried out.

As a U.S. Securities and Exchange Commission (SEC) registered investment adviser, we are required to adhere to a code of ethics as well as to various policies and procedures that meet strict global standards and best practices. Full compliance with these is the cornerstone of the high level of trust and confidence placed in us by our clients.

## Policy and standards

### CODE OF BUSINESS CONDUCT AND ETHICS

Our Code comprises a set of principles intended to deter wrongdoing among personnel and to promote, among other aspects, the following:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Compliance with all laws, rules and regulations that are applicable to the business operations of the Company and the conduct of its employees and representatives.
- Prompt internal reporting of violations of this Code to the appropriate person or persons identified in this Code.
- Accountability for adherence to this Code.
- Adherence to a high standard of business ethics.



### COMPLIANCE MANUAL

The Firm's greatest assets are its reputation and its people. This Manual is intended to protect both by setting forth the basic requirements that the Firm must follow as a fiduciary and an investment adviser. Along with the Firm's Code of Ethics, it is intended to establish best practices for the Firm and to satisfy laws applicable to the Firm's business as an investment adviser. Its objectives are to:

- Provide employees with an awareness of the requirements of the laws, rules and regulations governing the Firm's activities.
- Provide procedural means designed to ensure that the Firm's operations meet those requirements.
- Memorialize the written policies and procedures reasonably designed to detect and prevent violations of the Advisers Act and the rules thereunder by the Firm and each of its employees.

## ANTI-MONEY LAUNDERING AND ANTI-CORRUPTION

We have set up guiding principles and detailed risk-assessment procedures to ensure that the personnel, facilities, products, and services of the Company will be used only for legitimate purposes and comply fully with all applicable anti-money laundering, anti-terrorism and anti-corruption laws, rules and regulations, and that we do business only with reputable clients who are engaged in legitimate business activities, and who derive their income, wealth, funds, and investable assets from legitimate sources.



# 100%

- ▶ Of our governance body members and employees are aware of the company's money laundering, anti-terrorism and anti-corruption policies/measures.
- ▶ Of our governance body members and employees have received training in anti-money laundering, anti-terrorism and anti-corruption policies/measures.



## BUSINESS CONTINUITY PLAN (BCP)

Established to provide immediate response and recovery strategies to meet our fiduciary obligations in the event of a significant unplanned business disruption safeguarding employee's lives, client data, non-public information and firm property. A designated team is defined to maintain oversight of the entire process while communicating with employees and external stakeholders.

## WRITTEN INFORMATION SECURITY POLICY (WISP)

Provides the Firm and its employees with policies and procedures to mitigate risks related to the unauthorized access to or loss of sensitive information on behalf of the Firm, its clients, and investors. This includes managing information security risks, protecting sensitive data and the integrity of such information and the computing environment, defining data access permissions/rights and related issues.



## EMPLOYEE INVESTMENT POLICY

To prevent the risk of potential conflicts of interest, employees are required to disclose upon hire, and quarterly thereafter, all employee and employee-related brokerage accounts/security holdings as required under the Policy, inform when new brokerage accounts are established, and obtain CCO approval prior to executing any personal securities transactions that require pre-approval, as defined by the Policy.

## GENERAL DATA PROTECTION REGULATION POLICY

Ensures that personal data are not processed without their knowledge and protects rights and freedoms of natural persons. Employees and third parties are required to follow expected guidelines related to any personal data belonging to any MGM Innova Capital contact. Complaint mechanisms, deviations and required trainings are specified and an ad-hoc governance structure is defined.



## CYBERSECURITY - INCIDENT RESPONSE PLAN

Provides guidance on the procedures to be taken if a data breach occurs involving data classified as Confidential or Sensitive. Following detection/notification of an incident, the Firm's Security Task Force will communicate/implement the steps to be taken to contain the breach, carry out an in-depth risk assessment and determine subsequent action plans and notifications.



## GENDER POLICY

The Company is committed to eliminate discrimination and contribute to gender equality in employment and in the workplace, by providing equal remuneration for work of equal or comparable value; removing barriers that prevent women from achieving equal participation in the workforce, providing full and genuine access to all occupations including to leadership roles and eliminating gender-based discrimination in relation to employment matters (including in relation to family and caring responsibilities, especially parental leave).



## WHISTLEBLOWER POLICY

The Firm maintains and implements a Whistleblower Policy for the receipt, retention, and treatment of complaints received by the Company relating to suspected violation of Firm policy or other improper or illegal activity. Said complaints will be managed in a timely and professional manner, confidentially and ensuring there will be no retaliation, harassment or unfavorable or adverse employment consequences. An online grievance mechanism is available to receive, process and register claims and grievances from customers.



## CRITICAL CONCERN COMMUNICATIONS

All written, oral and electronically transmitted customer complaints are handled in accordance with all applicable laws, rules and regulations. These must be promptly reported to the Chief Compliance Officer who will review all complaints and take actions deemed appropriate. A log is maintained which includes information related to the complaint and its resolution.





# OUR FUNDS

MGM Innova Capital currently manages two funds: MGM Sustainable Energy Fund (MSEF) and MGM Sustainable Energy Fund II (MSEF II). Both MSEF and MSEF II are private equity funds that provide equity and mezzanine financing to clean energy and resource efficiency projects in commercial, industrial and residential sectors in emerging markets in Latin America and the Caribbean. Our investments are intended to deliver both strong risk-adjusted returns and environmental impact aligned with the Sustainable Development Goals, and in all cases must comply with rigorous E&S guidelines. MSEF is currently well into its

monitoring and divesting period, while MSEF II is close to completing its investment period.

Both funds share a similar general focus and geographical localization, but differ slightly in terms of their investment policy, guidelines, restrictions, and other minor issues.

## Investment Policy

The Fund's investment policy details, among other issues, the kind of investments that can be financed, the sectors in which projects can/cannot be developed, project size, investment limits per country, etc.

### 1 Origination and initial screening

Potential investments are assessed based on the Fund's eligibility criteria as well as technical, financial and E&S aspects.

### 2 Due diligence and deal structuring

In-depth project cycle technical, financial, and legal analyses are conducted, and environmental and social impacts are assessed for avoidance or mitigation.

### 3 Negotiation and closing

Once the investment is approved by the Investment Committee, final details are negotiated with the client and a contract is drafted/ executed.

### 4 Implementation

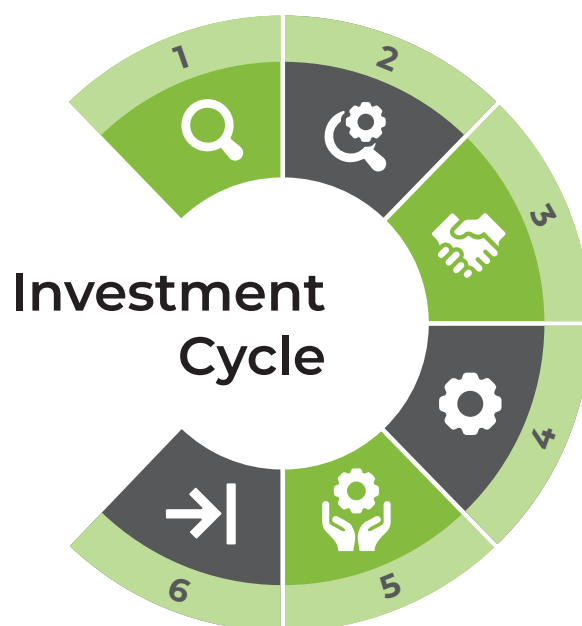
Once conditions precedent are satisfied, project implementation proceeds as per contract.

### 5 Operation, maintenance and monitoring

O&M services are included in some contracts and typically carried out by affiliate MGM Energy Services.

### 6 Disinvestment / Exit

The project may be sold to the client or to other interested investors.







## Environmental and Social Management System

To effectively address environmental and social (E&S) risks and opportunities and to maximize investment value, we have implemented an E&S Management System (ESMS) that operates along the life cycle of the projects applying relevant and applicable international best practice standards as well as our own Guiding Principles. Our team, supported by an external expert consulting firm, executes our ESMS with a focus on enhancing social and environmental positive impacts and minimizing encountered risks.



### Guiding principles

Our E&S Risk Management Guidelines require us to act in accordance with the following principles:

- ▶ Avoid, minimize or mitigate adverse impacts and enhance positive effects on the

environment and stakeholders (including employees and any affected communities).

- ▶ Encourage efficient use of natural resources and to protect the environment.
- ▶ Support the reduction of greenhouse gas emissions.
- ▶ Encourage full alignment with the International Labor Organization (“ILO”) Core Labor Standards and ILO Basic Terms and Conditions of Work and to respect the International Bill of Human Rights in line with the UN Guiding Principles on Business and Human Rights.
- ▶ Encourage operations carried out in accordance with good international industry practices.
- ▶ Consider the potential for positive impacts and opportunities from business activities.

Our E&S Management System incorporates the principles, components and concepts of the Equator Principles, IFC Performance

Standards and E&S Due Diligence assessments.

The Risk Management Guidelines of both Funds have in common the following procedures:

1

### E&S SCREENING PHASE

The first step for new investment opportunities is an E&S screening phase. The result of this preliminary assessment will determine the tentative E&S risk category (i.e., Low, Medium, Medium-High or High); depending on the risk category of the project, further assessments may be performed during the due diligence stage. Risk category also determines the extent and parameters to be monitored during the successive project development stages.

2

### DUE DILIGENCE PHASE

Investment opportunities initially categorized as being High Risk or Category III are discarded from the Fund's investment pipeline.

In the case that non-compliance issues are identified, mitigation and corrective action plans are developed, applied, and carefully monitored.

3

### MONITORING & REPORTING PHASE

Once an investment opportunity enters the project portfolio, E&S risks are managed and monitored according to the categorization mentioned above. Periodic reports are submitted to all Limited Partners.

# MSEF

The MSEF, registered in 2013 and managed by MGM Innova Capital, is a USD 63.2M private equity fund that provides equity and mezzanine financing to clean energy and resource efficiency projects, while complying with rigorous environmental, social and governance guidelines. MSEF is currently in its monitoring and divesting period.

Its main investors include the InterAmerican Development Bank's Multilateral Investment Fund (MIF), Global Environment Facility (GEF), European Investment Bank's Global Energy Efficiency and Renewable Energy Fund (GEEREF), Bancoldex, Deutsche Investitions und Entwicklungsgesellschaft GmbH (DEG), Japan International Cooperation Agency (JICA), Government of Spain and MGM International.





**MSEF**  
**25\***  
ESG projects

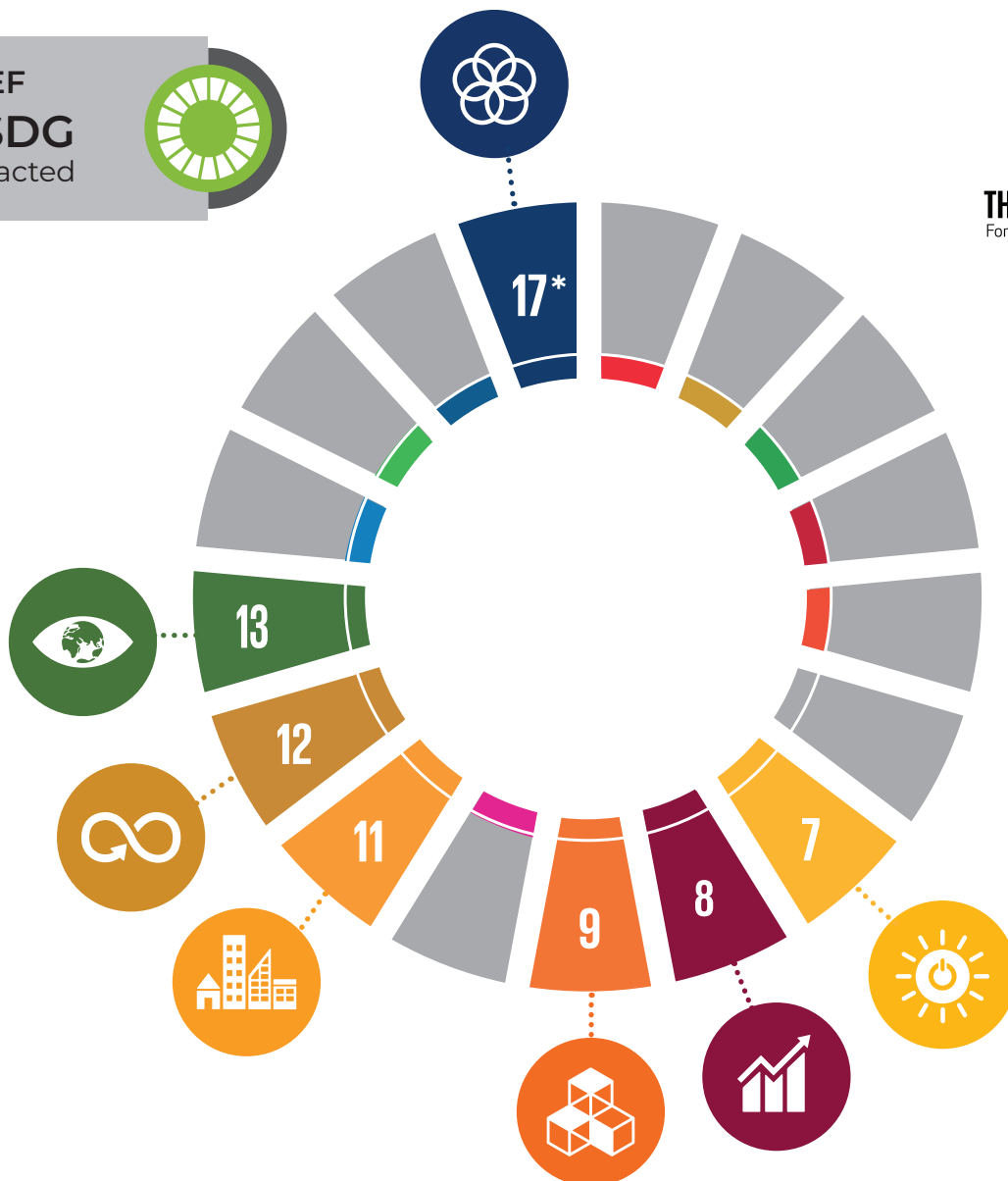


\*Active investments during 2023 (including 3 investments exited in the period). Each investment implements projects in only 1 country.

MSEF  
7 SDG  
impacted



THE GLOBAL GOALS  
For Sustainable Development



● **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all.

● **SDG 8:** Fostering full and productive employment and decent work for all and promotion of sustainable economic growth.

● **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

● **SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable.

● **SDG 12:** Ensure sustainable consumption and production patterns.

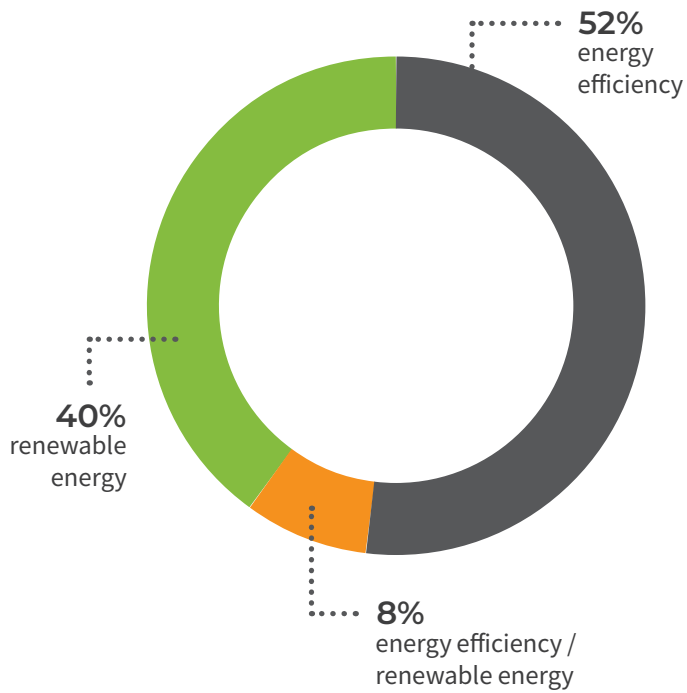
● **SDG 13:** Take urgent action to combat climate change and its impacts.

● **SDG 17:** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

\*MSEFII contributes to SDG 17 by facilitating the mobilization of resources from a variety of sources and the effective use of financing to support efforts to promote development in developing countries.



## Projects by type (2023)



**~ 176.8 MW**

Installed capacity (estimated over investment lifetime).



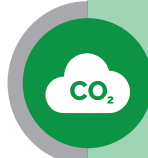
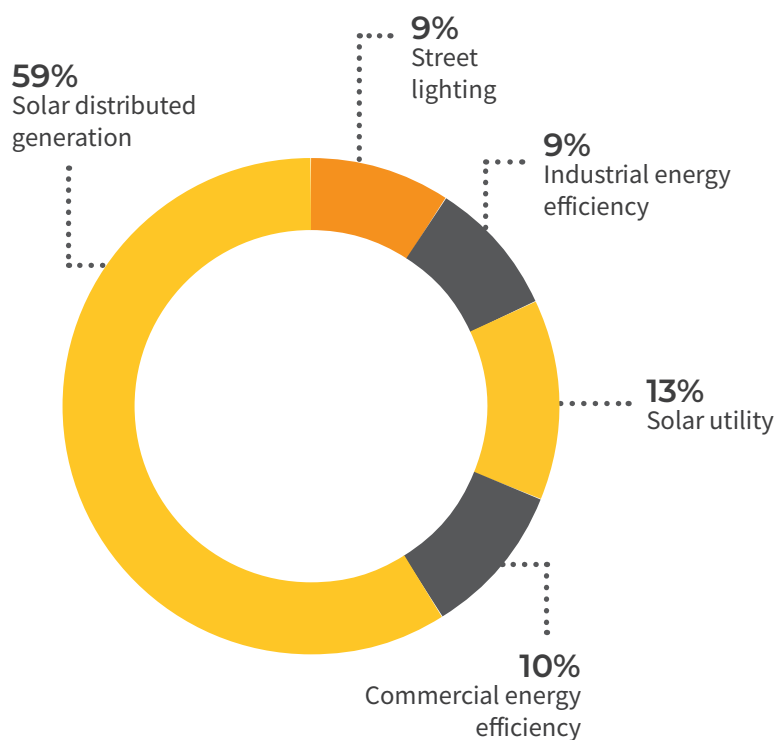
**~ 114.55 GWh**

Clean energy generated (2023)





## Avoided GHG emissions (2023)

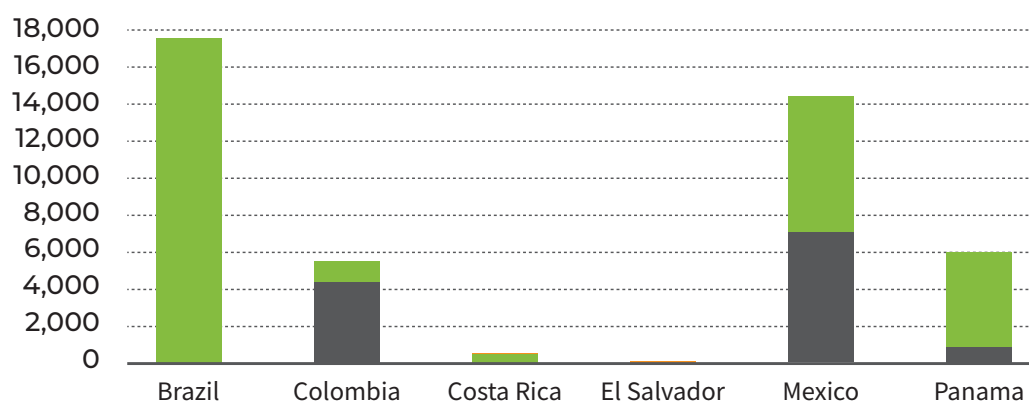


**43,942 tCO<sub>2</sub>e**  
net emissions avoided  
(2023)



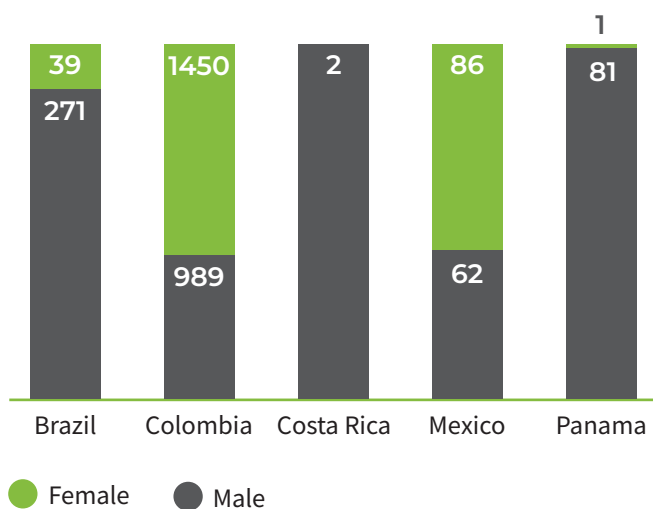
## Avoided emissions by project type / country 2023 (tCO<sub>2</sub>e)

● Energy efficiency ● Renewable energy ● Energy efficiency and renewable energy





## Jobs created by country (2023)



**2981 JOBS CREATED**  
(2023)



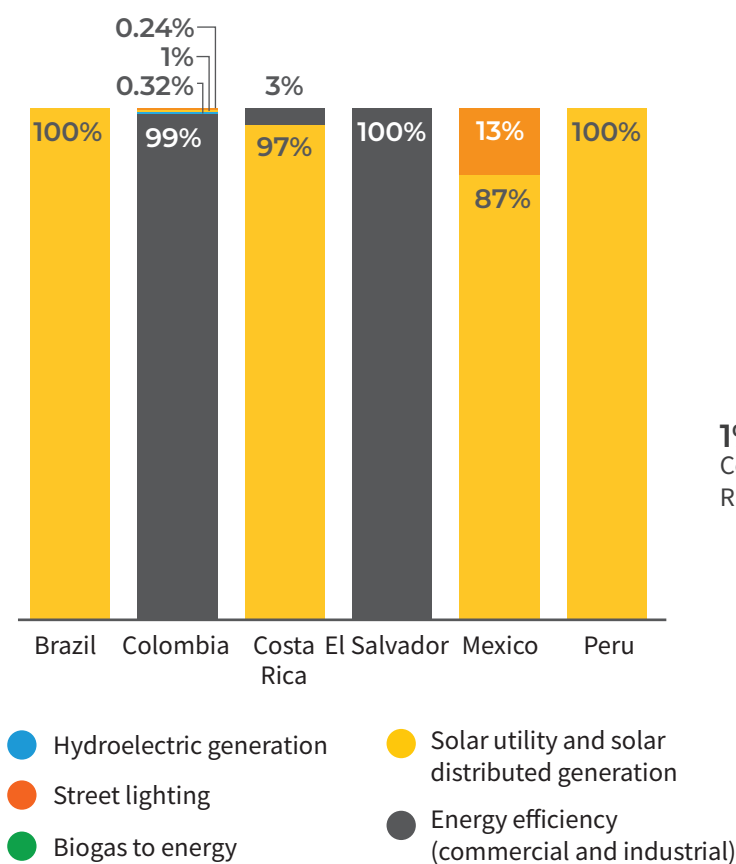
**1696**  
permanent jobs



**517**  
beneficiary SMEs  
(2023)

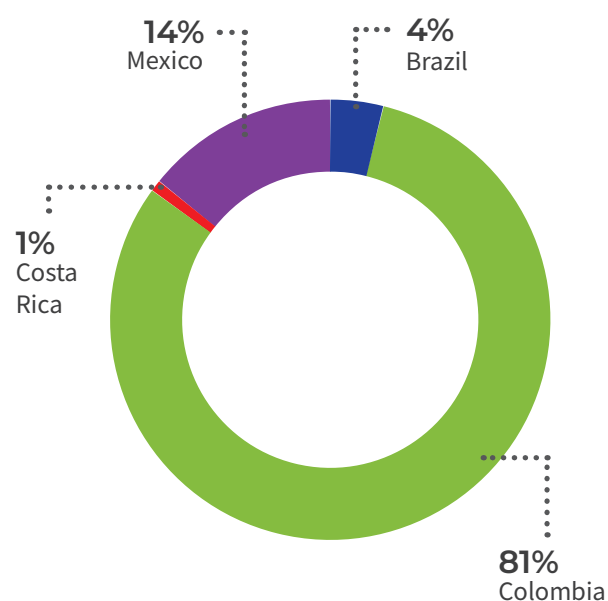


## Training hours by sector/country (2023)



**7,700 TRAINING HOURS**  
(2023)

## Training hours by country (%) 2023





**~64.71 USD M**  
total invested



**5547.75 tCO<sub>2</sub>e / USD M**  
total avoided emissions to  
date / USD total invested

# MSEF Investments

Disbursement progress



## MSEF IMPACT SCALE





















**\*Jobs in 2022 (number)** ■■■■ High:  $\geq 70$  ■■■ Medium:  $\geq 25 - < 70$  ■■ Low:  $> 10 - < 25$  ■ Micro:  $\leq 10$

**\*Emissions avoided (CO2 tonnes)** ■■■■ High:  $\geq 20,000$  ■■■ Medium:  $\geq 5,000 - < 20,000$  ■■ Low:  $> 1,000 - < 5,000$  ■ Micro:  $\leq 1,000$

**\*Investment size (USD M)** ■■■■ High:  $\geq 3$  ■■■ Medium:  $\geq 1.5 - < 3$  ■■ Low:  $> 0.5 - < 1.5$  ■ Micro:  $\leq 0.5$

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO2e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Installation of two high efficiency magnetic chillers in offices buildings.	 	Colombia	Commercial EE	■	■	■■
Installation of energy efficient refrigeration equipment in several stores and distribution centers.	   	Colombia	Commercial EE	■■■■	■■	■■■■
Installation of a high efficiency chiller, retrofit of A/C equipment, LED lighting, on the premises of a Hotel.	 	Costa Rica	Commercial EE	■	■■	■■

IMPACT ■■■■ High ■■■ Medium ■■ Low ■ Micro

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO2e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Installation of VRV AC technology; new LED lighting; and a 75 kWp solar generation system, at Offices.	 	El Salvador	Commercial EE	■	■■	■■
Follow-up of the EE_ Hotels Program in Mexico project and involves additional energy efficiency measures in several hotels.	  	Mexico	Commercial EE	■	■■■	■■■
Installation of new and efficient equipment such as AC, solar water heating, laundry, etc.	 	Panama	Energy efficiency	■	■■■	■■■
Installation of an off-grid solar hybrid system for self-consumption.	  	Panama	Energy efficiency	■	■	■
Installation of new and efficient equipment such as LED lighting, A/C, heat pumps, etc. at a hotel.	  	Panama	Commercial EE	■	■	■■
Purchase, installation, operation and maintenance of energy efficiency equipment for stores.		Panama	Commercial EE	■	■	■■
Construction and installation of a small 13.3 MW run-of-river hydro plant.	  	Colombia	Hydroelectric Generation	■	■	■■■■

IMPACT ■■■■ High ■■■ Medium ■■ Low ■ Micro

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO <sub>2</sub> e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Installation of equipment to capture biogas from water treatment facility to reduce fossil fuel consumption at factory.	  	Colombia	Energy efficiency	■	■■■	■
Operation of a cogeneration and waste heat recovery plant at a production facility.	  	Colombia	Industrial EE	■	■■■	■■■
Installation of a 3.1MW cogeneration and electricity generation project at a steel production plant.	  	Colombia	Industrial EE	■	■■	■■■
Expansion of an existing biogas capture system for power production.	  	Mexico	Industrial Biogas	■	■■■■	■■■■
Construction and installation of solar PV projects for commercial and industrial consumers.	 	Brazil	Solar Utility	■■■	■■■■	■■■■
Construction and installation of a rooftop solar PV distributed generation project at a Shopping Center.	 	Colombia	SDG	■	■■	■■
Construction and installation of three rooftop SDG PV projects with a total capacity of 1.51 MWp.	 	Colombia	SDG	■	■■	■■

IMPACT ■■■■ High ■■■ Medium ■■ Low ■ Micro

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO2e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Development of rooftop solar projects at various locations.	 	Mexico	SDG	■■■■■	■■■■■	■■■■■
Construction and installation of solar PV projects for commercial and industrial consumers in Design, engineering, procurement and construction of a 5MW solar PV park.	  	Costa Rica	Solar Utility	■	■■■	■■■■■
Co-financing equity investment in a 9.26 MW ground-mounted solar plant.	  	Panama	Solar Utility	■■■	■■■■■	■■■■■
Installation of LED luminaires in replacement of sodium vapor and mercury technology, in two Municipalities.	 	Colombia	Street Lighting	■	■	■
Purchase, installation and monitoring of 25,000 streetlights in a Municipality.	 	Mexico	Street Lighting	■	■■■■■	■■■

IMPACT ■■■■■ High ■■■ Medium ■■ Low ■ Micro

## MSEF II

MSEF II, registered in 2018, is a USD 125M private equity and green infrastructure fund that provides equity and mezzanine financing to energy efficiency and renewable energy projects, while complying with rigorous environmental, social and governance guidelines.

MSEF II, the successor fund of MSEF, is currently in its investment period and its main investors include: Clean Technology Found, Inter-American Development Bank, European Initiative on Clean, Renewable Energy, Energy Efficiency and Climate Change Related to Development SICAV, SIF in relation to Global Energy Efficiency and Renewable Energy Fund, Japan International Cooperation Agency, Belgian Investment Company for Developing Countries SA, DEG - Deutsche Investitions und Entwicklungsgesellschaft GmbH, PROPARCO – Société de Promotion et de Participation pour la Coopération Economique, among others.





**MSEF II**  
**25\***  
ESG projects



#### PROJECT TYPE



Hydroelectric generation



Street lighting



Solar distributed generation (SDG)



Energy efficiency (commercial and industrial)

As of end of 2023, 18 of 21 investments in portfolio are active and/or operational, 3 investments were written off during 2023. Moreover, 3 investments implement projects in more than 1 country.

MSEF II  
8 SDG  
impacted



THE GLOBAL GOALS  
For Sustainable Development



● **SDG 5:** Achieve gender equality and empower all women and girls.

● **SDG 7:** Ensure access to affordable, reliable, sustainable and modern energy for all.

● **SDG 8:** Fostering full and productive employment and decent work for all and promotion of sustainable economic growth.

● **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

● **SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable.

● **SDG 12:** Ensure sustainable consumption and production patterns.

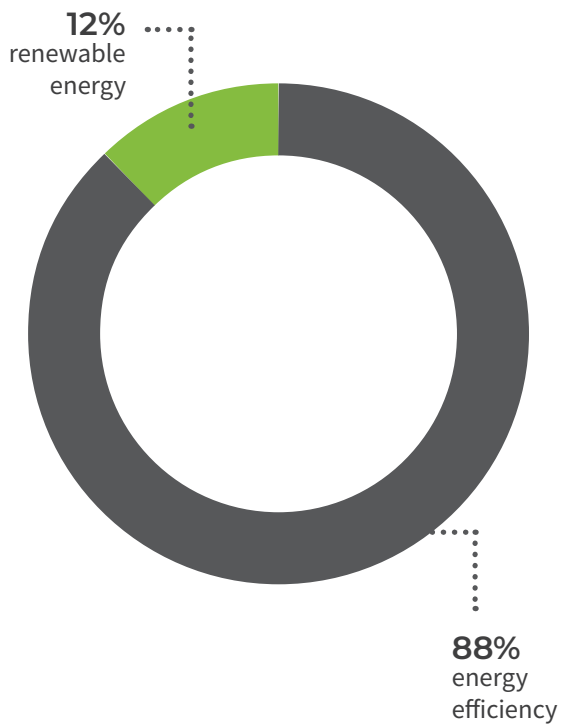
● **SDG 13:** Take urgent action to combat climate change and its impacts.

● **SDG 17:** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

\*MSEFII contributes to SDG 17 by facilitating the mobilization of resources from a variety of sources and the effective use of financing to support efforts to promote development in developing countries.



## Projects by type (2023)



**~ 225 MW**

intalled capacity (estimated over investment lifetime)

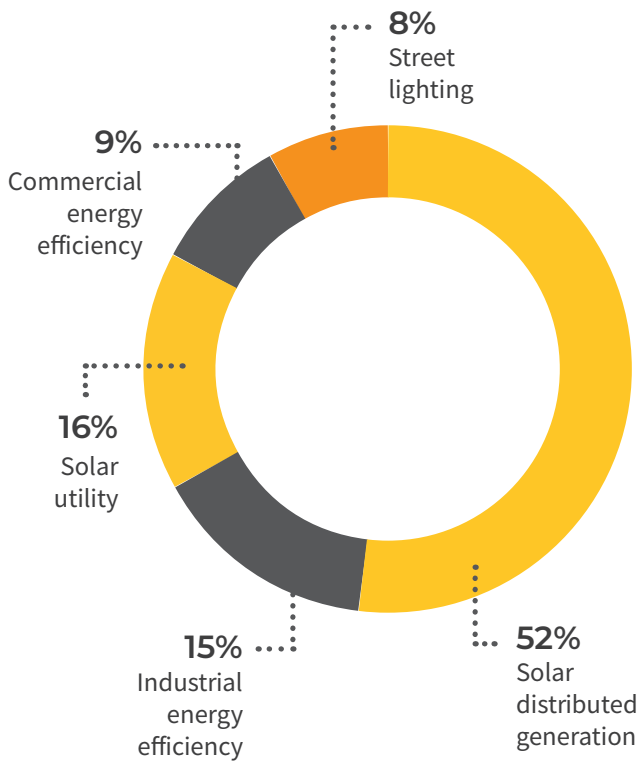


**~ 137 GWh**

clean energy generated (2023)



## Avoided GHG emissions (2023)

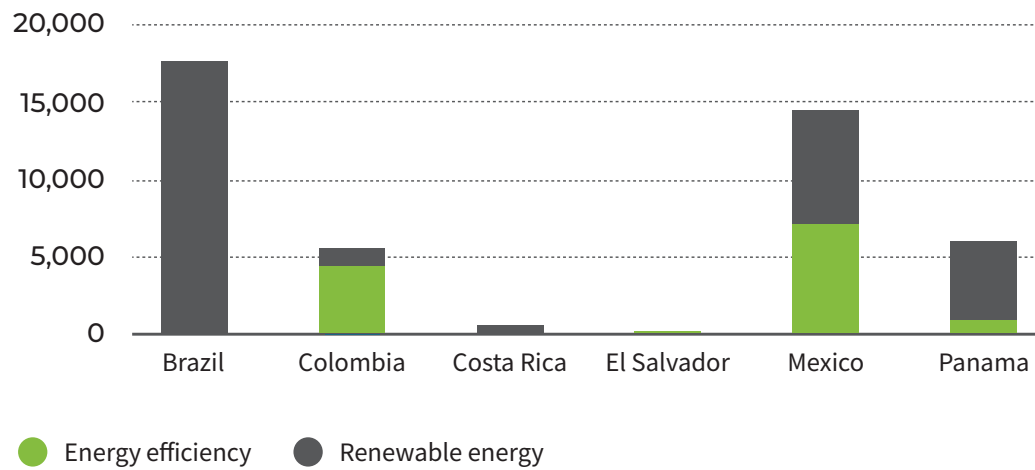


**107,249 tCO<sub>2</sub>e**

net emissions avoided (2023)

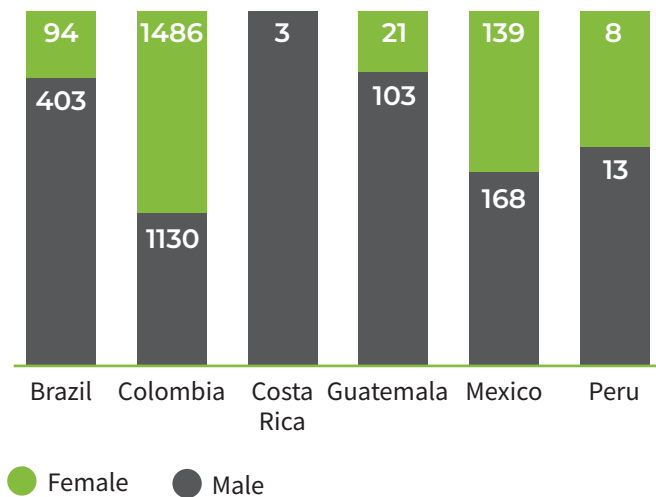


## Avoided emissions by project type / country 2022 (tCO<sub>2</sub>e)





## Jobs created by country (2023)



**3,568 JOBS CREATED**  
(2023)



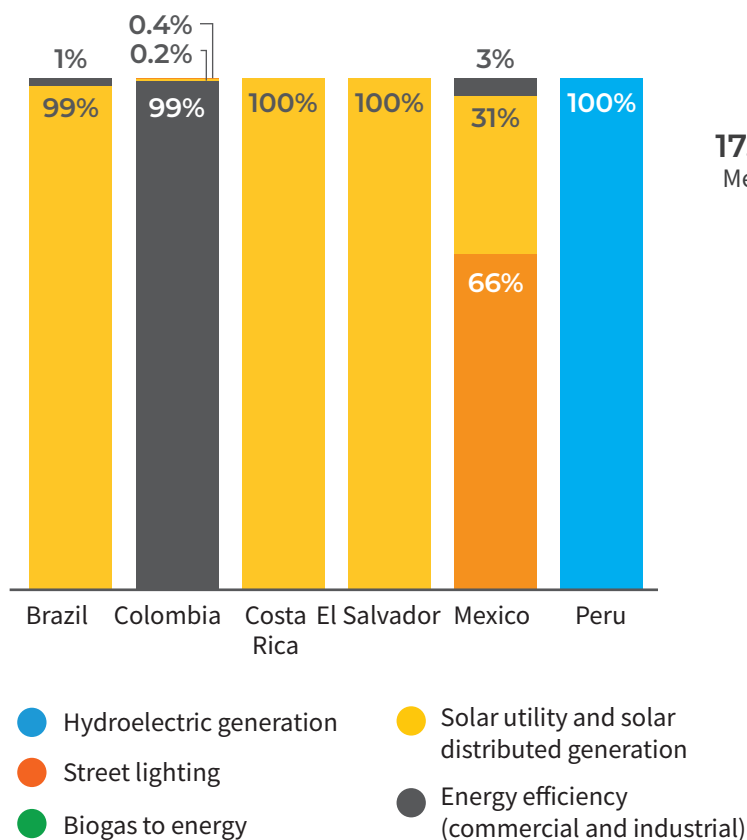
**2,795**  
permanent jobs.



**806**  
beneficiary SMEs.  
(2023)

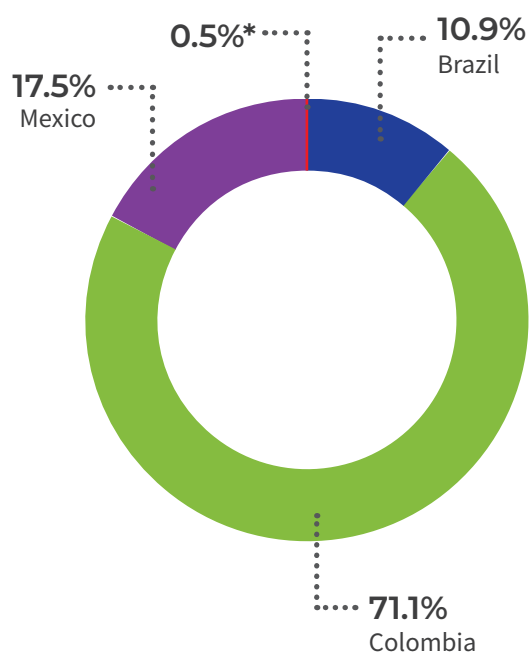


## Training hours by scope/country (2023)



**26,400 TRAINING HOURS**  
(2023)

## Training hours by country (%) 2023





**~127.5 USD M**  
disbursed to date



**1,650 tCO<sub>2</sub>e / USD M**  
total avoided emissions to  
date / USD disbursed to date

# MSEF II Investments

Disbursement progress









## MSEF II IMPACT SCALE

**\*Jobs in 2022 (number)** ■■■■ High: >=100 ■■■ Medium: >=50 - <100 ■■ Low: >20 - <50 ■ Micro: <=20

**\*Emissions avoided (CO2 tonnes)** ■■■■ High: >=10,000 ■■■ Medium: >=5,000 - <10,000 ■■ Low: >1,000 - <5,000 ■ Micro: <=1,000

**\*Investment size (USD M)** ■■■■ High: >=10 ■■■ Medium: >=5 - <10 ■■ Low: >2 - <5 ■ Micro: <=2

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO2e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Energy efficiency measures / Chain of hard discount minimarkets		Colombia	Commercial EE	■■■■	■■■■	■■■
Energy efficiency measures / Restaurants and ghost kitchens		Colombia and Brazil	Commercial EE	■■	■■	■■■
Energy efficiency measures / Online supermarket		Colombia	Commercial EE	■	■■	■■■■
Energy efficiency measures / Ghost kitchens		Colombia, Mexico and Brazil	Commercial EE	■■■■	■■■■	■■■

IMPACT ■■■■ High ■■■ Medium ■■ Low ■ Micro

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO <sub>2</sub> e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Energy efficiency measures and rooftop solar distributed generation / SMEs in food sector	 	Colombia	Commercial EE	■ ■	■	■
Energy efficiency measures / Dog food manufacturer	 	Mexico	Industrial EE	■ ■	■	■
Cogeneration and waste heat recovery / Glass manufacturer	  	Colombia	Industrial EE	■ ■ ■	■ ■ ■ ■	■ ■
Smart lighting systems / Commercial and industrial buildings	  	Mexico	Commercial EE	■ ■ ■	■ ■	■
Rooftop solar PV, energy storage and smart microgrid system / Industrial facility	  	Costa Rica	SDG	■ ■	■	■
Rooftop solar PV / Commercial and industrial buildings	 	Colombia	SDG	■	■ ■	■
Rooftop solar PV / Industrial buildings	 	Brazil	SDG	■	■	■ ■
Rooftop solar PV / Residential	    	Mexico	SDG	■	■ ■ ■ ■	■ ■ ■

IMPACT ■ ■ ■ ■ High ■ ■ ■ Medium ■ ■ Low ■ Micro

Investment	SGD	COUNTRY	SECTOR	 Jobs in 2023	 Emissions avoided tCO2e (Accum., 2016-2023)	 Investment size USD M (lifetime)
Rooftop solar PV / Residential	   	Mexico	SDG	■■■■■	■■■	■
Hybrid power systems, intelligent energy backup systems and remote monitoring and analytics / Telecommunication industry	  	Colombia and Guatemala	SDG	■	■■■■■	■■■
Solar PV / Commercial and industrial buildings	 	Brazil	Solar Utility	■■■■■	■■■■■	■■■■■
20.2MWp ground-mounted solar PVs (7 plants) / Commercial and residential clients	   	Brazil	SDG	■■■■■	■■■	■■■■■
Municipal street lighting modernization	 	Colombia	Street Lighting	■■■■■	■■■	■■■
Municipal street lighting modernization	  	Mexico	Street Lighting	■	■■■■■	■■■■■
Hydroelectric generation	   	Peru	Hydroelectric Generation	■■■	■	■■■

IMPACT ■■■■■ High ■■■■ Medium ■■■ Low ■ Micro

## Abbreviations and Acronyms

<b>CEO</b>	Chief Executive Officer
<b>COO</b>	Chief Operating Officer
<b>DEG</b>	Deutsche Investitions- und Entwicklungsgesellschaft mbH
<b>E&amp;S</b>	Environmental and Social
<b>GEEREF</b>	European Investment Bank's Global Energy Efficiency and Renewable Energy Fund
<b>GEF</b>	Global Environment Facility
<b>GHG</b>	Greenhouse gas
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labor Organization
<b>JICA</b>	Japan International Cooperation Agency
<b>MIF</b>	Multilateral Investment Fund
<b>MSEF</b>	MGM Sustainable Energy Fund L.P.
<b>MSEF II</b>	MGM Sustainable Fund II L.P.
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hour
<b>SDG</b>	Sustainable Development Goals
<b>SEC</b>	Securities and Exchange Commission
<b>tCO<sub>2</sub>e</b>	Tons of Carbon dioxide equivalent
<b>US</b>	United States
<b>USD</b>	U.S. Dollar

