

## **Operating Principles for Impact Management: Internal Verification (statement as of December 31<sup>st</sup>, 2019)**

As the Internal Audit department of COFIDES we have been asked by the Management to verify the Disclosure Statement issued by COFIDES on July 8<sup>th</sup> 2020 (“the Disclosure Statement”) relating to the Operating Principles for Impact Management (the “Principles”). Our scope of review and process are described under Principle 9 of the Disclosure Statement. Our review does not include an assessment of COFIDES’s internal impact measurement approach, nor a verification of the resulting impacts achieved. Based on the documents submitted for our review, we believe that COFIDES has, in all material respects, complied with the Principles for the EUR 990.71 million under management (as of December 31<sup>st</sup>, 2019).



María Victoria de Luis

Directora Adjunta Control Interno  
Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E.

Spain, Madrid, July 8<sup>th</sup>, 2020

## **Terms of Reference – Independent Internal Impact Assessment**

### **Background**

COFIDES is a signatory member to the Operating Principles for Impact Management (hereafter the Principles) since April 5<sup>th</sup>, 2019.

As required for the signatories, COFIDES will publish a Disclosure Statement on the alignment with the Operating Principles for Impact Management (hereafter the Disclosure Statement) describing COFIDES's activities and alignment with the Principles.

In Compliance with Principle 9, this Disclosure Statement is to be independently verified.

Among the options specified in the principles and in accordance with the companion guide document to the principles, COFIDES has chosen an internal independent verification as its verification Process.

### **Our independence and internal procedures**

We applied our Internal Code of Ethics aligned with International Audit Standards and which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We apply our internal quality control system including our program procedures, documented working papers of findings and Internal Audit Reports models as stated as bests practices by International Audit Standards.

As a function we directly report to the Board of Directors Audit and Risk Committee.

### **Professional standards applied and level of assurance**

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

### **Objective**

Conduct an internal independent verification of the COFIDES Disclosure Statement.

Verify whether to the Internal Audit Department's satisfaction, the Disclosure Statement is free from material misstatement.

### **Work done**

We have verified the Disclosure Statement by reviewing relevant documentation and performed interviews with COFIDES Investment (including Corporate Governance internal group), Development Advisory, ES and Impact professionals (or undertaking other assessment activities) where our professional judgement deemed it necessary. We have performed limited substantive testing on a selective basis of the Statements to check that information had been appropriately collected, recorded, collated and reported; considered the disclosure and presentation of the Statements; reviewed the Disclosure Statement to ensure assumptions and judgements have been clearly disclosed; and communicated findings and recommendations in a report to Senior Management.