

# ESG Policy



October 2024

# Table of Contents

1. About Verdian .....	03
2. Verdian's ESG vision .....	04
3. Commitments towards ESG .....	05
4. Objectives .....	06
5. Adoption of international standards .....	08
6. Inclusion and Exclusion Criteria for Sustainable Investments .....	09
7. ESG implementation across the asset lifespan .....	10
8. Reporting and stakeholder engagement .....	18
9. Memberships .....	19
10. Governance of this policy .....	20
11. ESG contacts .....	21

# About Verdian

Verdian is an independent renewable energy producer that emerged from Nuveen Infrastructure the Clean Energy Fund IV strategy a leading platform dedicated to investing in private infrastructure assets and companies.

While we have ties to Nuveen Infrastructure, we operate entirely, focusing solely on developing, building, and operating renewable energy assets that contribute to the energy transition and global decarbonization efforts.

**Verdian** focuses its portfolio on the implementation of renewable energies, particularly solar photovoltaic (PV) and onshore wind energy. We distinguish ourselves from other regional players by complementing conventional renewable energies with technologies such as hybridization, battery energy

storage systems (BESS), and distributed generation, as well as with collocated solar energy, thus optimizing the system's flexibility and performance.

The main objective of Verdian is to actively participate in the decarbonization of the planet, constantly striving to go one step further and be an active player in local communities.

# Verdian's ESG vision

Our dedication extends beyond merely meeting renewable energy standards; we prioritize understanding and addressing the unique local impacts of each of our assets. Verdian is deeply committed to continually enhancing environmental, social, and governance (ESG) management across all our assets and associated activities. ESG principles are more than just standards for us; they serve as the guiding framework through which we approach and implement our operations. We integrate these principles into our decision-making processes and use them as the lens through which we evaluate every step we take. This commitment underscores our firm dedication to responsibility and progress in all aspects of our company.

In pursuit of this goal, our senior management has developed a comprehensive plan that integrates best practices and aligns processes with a holistic ESG vision. This policy encompasses all areas of our operations and includes the implementation of control and evaluation mechanisms throughout the asset lifecycle.

# Commitments towards ESG

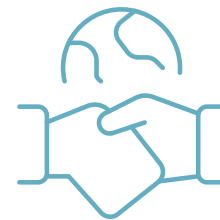
The team at Verdian acknowledges the significance and inherent challenges of achieving its ESG vision.

Therefore, we dedicate ourselves thoroughly to adapting our current and future resources, aiming to align each of our processes with the necessary requirements to **fully integrate into a global community that increasingly embraces ESG management** objectives as an essential part of its corporate culture.

To achieve this, we rely on **specific commitments developed within different groups**, such as investing in new technologies applied to clean energy generation, excellence in managing environmental activities both in regulatory compliance within EIAs and complementary activities, ensuring that true efforts are made in the implementation of safety, health, and social policies, promoting any related activity, and finally, **implementing strict governance controls** that can be applied throughout the lifecycle of each projects and the IPP itself. All these measures will be reported with the utmost transparency and willingness to disclose possible.



**ESG  
management**



**Specific  
commitments**



**Governance  
control**

# Objectives

## Sustainable Development Goals

As a company focused exclusively on the development of renewable energy projects, we are aligning our operations with the United Nations Sustainable Development Goals (SDGs).

Our primary focus is on improving energy efficiency and reducing our environmental footprint. Additionally, we strive to fully develop capabilities in environmental, social, and governance considerations across all our activities.

Through innovative renewable projects, we actively contribute to achieving these SDGs and building a more sustainable future for all.

This core activity fully aligns with the requirements set forth by the European Union and is in complete accordance with its Goals 7 and 13. In addition to inherently adhering to these goals, Verdian seeks to differentiate itself by promoting other improvement activities based on SDGs that are not directly affected by its core operations.



The 17 Sustainable Development Goals defined by the United Nations (UN) in 2015, which must be achieved by 2030 to ensure the sustainability of people and planet. Verdian is committed to contribute towards 5 specific objectives.

## Environmental



**7**  
**AFFORDABLE AND  
CLEAN ENERGY**

Through the development of localized projects, the company's main activity is to generate clean energy directly, with the goal of decarbonizing the territory



**13**  
**CLIMATE  
ACTION**

This way, there's a direct contribution to the reduction of greenhouse gas emissions by replacing fossil fuels, thus generating a directly positive impact regarding global climate action



**15**  
**LIFE  
ON LAND**

We strive to enhance the biodiversity associated with our assets, not only by complying with stipulated regulations but also by proposing projects that adapt to the reality of the territory and promote the introduction of native species.

**The intrinsic commitment represented by the company's renewable energy generation activities is complemented by aligned supplementary activities.**

## Social



**8**  
**DECENT WORK  
AND ECONOMIC  
GROWTH**

We pursue the goal of advocating for human rights, and prioritizing local employment over external subcontracting whenever feasible.

## Governance



**12**  
**RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION**

Our goal is to promote sustainable practices and quantify these achievements through the assessment of measures and outcomes, while also publishing them in a transparent and clear manner.

# Adoption of international standards

## Aligning with Nuveen Infrastructure Fund IV Article 9 sustainability requirements:

SFDR, or Sustainable Finance Disclosure Regulation, is a European regulation applicable to all financial entities offering investment products in the Eurozone. Its main objective is to categorize financial products, such as investment funds, according to their sustainability level, establishing specific criteria for clear and understandable disclosure of sustainability information, including risks, policies, objectives, and methodologies. SFDR legislation requires asset managers to classify and categorize each of their investment products into one of these three articles:

Verdian is deeply committed to aligning with the strictest category presented by this certification, aiming for full compliance and align its standards as a portfolio company of Clean Energy IV strategy (categorized as an article 9 Fund).

## International standards adopted by Verdian: Methodologies adopted by Verdian to carry out the certification of these best practices.

To meet the rigorous standards required by Article 9 compliance, Verdian utilizes various certification tools: the **EU Taxonomy** ensures investments meet EU economic sustainability requirements, while **KPIs** provide specific, measurable metrics to assess performance and outcomes of implemented actions. **PAIs** offer comprehensive plans guiding strategies, actions, and funding aimed at addressing climate change challenges. In addition to these quantifiable tools, Verdian also relies on methodologies and criteria such as the IFC and Ecuador Principles to manage and promote sustainable practices within the sector.





# Inclusion and Exclusion Criteria for Sustainable Investments

Under the umbrella of the strict policies that define sustainable investments, the Verdian team emphasizes its values. The principles that govern the investment system, as well as all company assets and the involved parties, are strictly considered within the company's values. It is for this reason that our inclusions and exclusions are clearly defined in pursuit of achieving the established sustainability goals.”

As investors in clean energy at Verdian, we commit to not endorse or invest in any type of company that generates revenue from the manufacturing or sale of weapons, the exploitation of oil sands, or coal extraction. This implies that we avoid involvement with companies that violate international agreements, such as the Oslo and Ottawa Conventions that prohibit cluster munitions and antipersonnel mines, as well as the Treaty on the Non-Proliferation of Nuclear Weapons.

Additionally, we refuse to invest in companies whose practices are not systematically aligned with the Principles of the United Nations Global Compact, such as:

**1** It is imperative that companies support and respect the safeguarding of internationally recognized human rights; moreover, they must ensure that they do not engage in any act that constitutes complicity in abuses of these rights.

**2** Companies must advocate for freedom of association and the effective recognition of the right to collective bargaining, as well as for the total eradication of any form of forced or compulsory labour, the effective abolition of child labour, and the elimination of all discrimination in employment and occupation.

**3** Companies are expected to support a preventive approach to environmental challenges, adopting initiatives that promote greater environmental responsibility and promoting the development and dissemination of environmentally respectful technologies.

**4** It is essential that companies combat corruption in all its forms, including extortion and bribery.

# ESG implementation across the asset lifespan

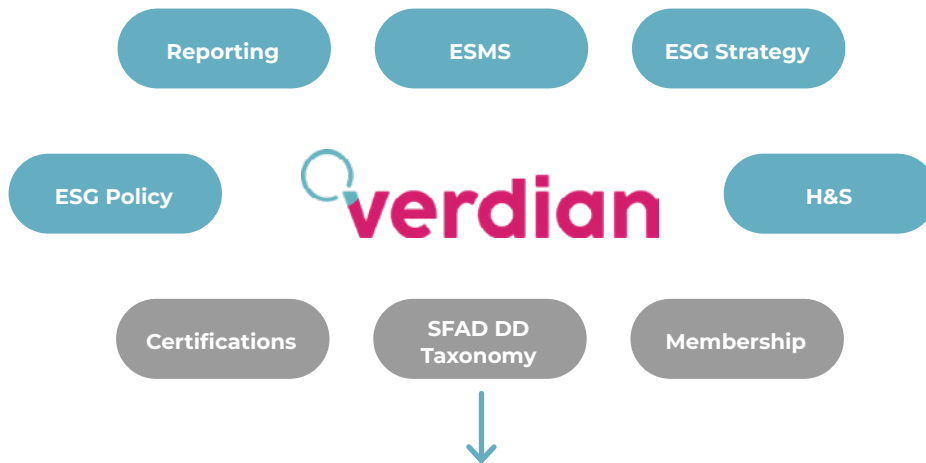
In its sustainability strategy, Verdian focuses its ESG efforts on developing a comprehensive vision of its assets. To achieve this, it seeks to implement specific activities at each stage of the process throughout the asset lifecycle. Standardizing these processes allows for the evaluation of efforts made and the identification of shortcomings and future critical areas. Defining the process map is essential for understanding the full integration of ESG inputs.

Therefore, all activities mentioned such as engagement and proactive initiatives aimed at achieving the Sustainable Development Goals, are intended to quantify these efforts and adapt them to meet the needs of each process.

Our ESG objective in project creation is based on minimizing impact from the outset, as well as viewing changes as opportunities to promote proper integration in the local area involved. We firmly believe that the least impact possible is one that doesn't occur at all. Therefore, we adopt measures to mi-

tigate it, always prioritizing the main objective of global project decarbonization.

In summary, our goal is to integrate ESG principles into every stage of our projects, not only to comply with existing regulations, but also to promote a lasting positive impact on communities and the environment.



**These principles are present through the lifespan of every Verdian project**

<b>1. Development</b>
<ul style="list-style-type: none"> <li>• Environmental Advisors screening and environmental liabilities</li> <li>• Decision-making Design</li> <li>• Prevention plans</li> </ul>
<ul style="list-style-type: none"> <li>• Social screening Analysis</li> <li>• Open dialogues with the community</li> <li>• Decision-making Design</li> </ul>
<ul style="list-style-type: none"> <li>• Regulatory compliance requirements</li> <li>• Transparency and regular reporting</li> <li>• Financial responsibility</li> </ul>

<b>2. Construction</b>
<ul style="list-style-type: none"> <li>• Environmental monitoring</li> <li>• Corrective measures</li> <li>• Resource optimization</li> </ul>
<ul style="list-style-type: none"> <li>• Grievance mechanism</li> <li>• Open dialogues with the community</li> <li>• Implementation of locally relevant activities</li> </ul>
<ul style="list-style-type: none"> <li>• Regulatory compliance requirements</li> <li>• Transparency and regular reporting</li> <li>• Financial responsibility</li> <li>• H&amp;S standards</li> </ul>

<b>3. Operation</b>
<ul style="list-style-type: none"> <li>• ESG Indicators during all lifecycle</li> <li>• Biodiversity control plans</li> <li>• Implementation of offset measures</li> </ul>
<ul style="list-style-type: none"> <li>• Ongoing dialogue with communities</li> <li>• Support for social and economic projects</li> <li>• Grievance mechanism</li> </ul>
<ul style="list-style-type: none"> <li>• Regulatory compliance requirements</li> <li>• Transparency and regular reporting</li> <li>• Financial responsibility</li> <li>• Maintaining H&amp;S standards</li> </ul>

<b>4. Ending of the lifespan</b>
<ul style="list-style-type: none"> <li>• Monitoring-ESG Indicators during the dismantling</li> <li>• Material management - Recycling</li> <li>• Land restoration plans</li> </ul>
<ul style="list-style-type: none"> <li>• Grievance mechanism</li> <li>• Support for social and economic projects</li> <li>• Monitoring of applied social measures</li> </ul>
<ul style="list-style-type: none"> <li>• Regulatory compliance requirements</li> <li>• Transparency and regular reporting</li> <li>• Financial responsibility</li> <li>• Maintaining H&amp;S standards</li> </ul>

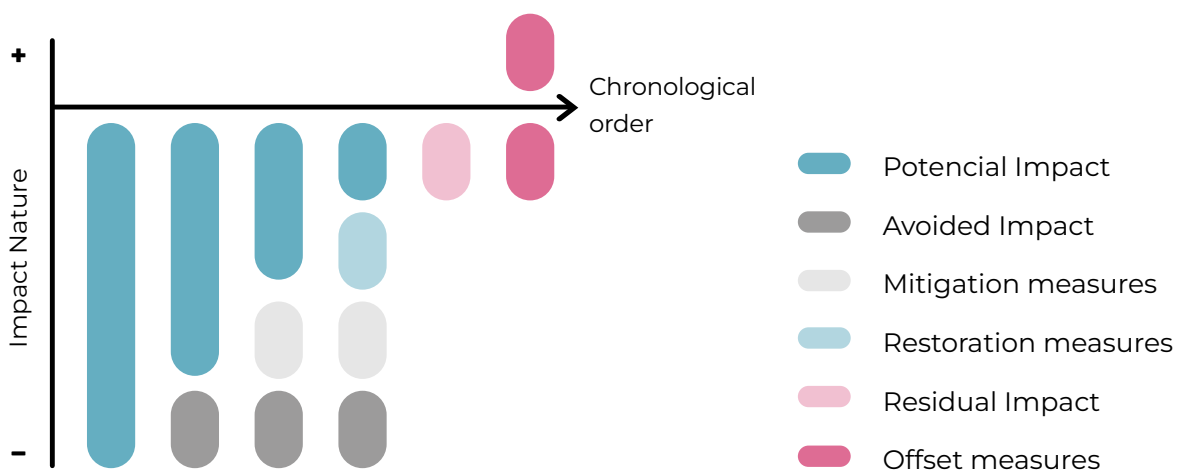
## Environmental

The integration and development of environmental activity are a primary factor in our projects. This commitment arises not only from the strict compliance derived from European regulations, which extensively compliance the promotion of good practices. These practices include legal and regulatory compliance, effective environmental management and reporting systems, stakeholder engagement, efficient use of natural resources, and the consideration of ESG criteria in contracts, especially in EPC, O&M and TCMA tenders as well as investments requiring environmental due diligence (such as EIA) prior to acquisition. It is also driven by our motivation to promote projects that benefit the territory. This methodology is implemented from the initial phases of the project, thus providing measures to help prevent potential impacts.

Furthermore, we see these potential modifications as opportunities for improvement through the implementation of local plans, previous initiatives, or associated proposals.

To achieve an reliable process for managing potential environmental impacts derived from the execution of our projects, Verdian is committed to developing a policy based on the ability to avoid impacts by Identification of potential impacts: Analyze the impact that the company generates along the entire value chain on ecosystems and ecosystem services.

Therefore, our actions are developed based on a determined process order to act on potential impacts:



The bar graph shows, from left to right, how Verdian manages a potential negative impact through avoidance, mitigation, restoration, and offset measures, reducing it to a minimum or even generating a positive impact. In chronological order, each bar represents a different phase.

### **Avoid these potential Environmental impacts**

Verdian is committed to evolving and developing specific techniques for the proper management of assets regarding biodiversity preservation. The decision making at the initial phases of the project are crucial for this purpose, as selecting the right location is essential to meet sustainability standards. Our primary focus lies in avoiding areas of high ecological value or sensitivity, such as habitats of endangered species, protected areas, and vulnerable zones, whether environmentally or socially, due to their archaeological or historical significance, in compliance with the strict regulatory standards of the EU.

### **Mitigate those Environmental impacts that have occurred**

In order to meet our fundamental decarbonization goal, we implement measures to reduce the magnitude or frequency of impacts that we have not been able to avoid. This is achieved through process optimization, increased efficiency in the use of natural resources, and the adoption of sustainable environmental and social technologies and practices. Additionally, Verdian has various tools focused on obtaining information and preliminary assessment to develop a sustainable strategic plan, involving social and environmental aspects from the design phases.

### **Restore unavoidable Environmental impacts**

With the primary goal of promoting projects that contribute to global decarbonization efforts, we undertake actions aimed at reducing and mitigating impacts that cannot be directly avoided. These measures consider reducing the intensity, scope, or reversibility of the impact. An example is the possibility of creating agri-voltaic spaces, ensuring not only the preservation of agricultural capacity but also providing a dual symbiotic use of the occupied space.

### **Offset Strategies in Focus**


In situations where impacts arise that cannot be addressed in previous stages, Verdian is committed to considering solutions such as investments in environmental restoration, the creation of alternative habitats, or participation in specific local programs. These actions contribute to maintaining a sustainable environmental balance. Additionally, for all quantifiable impacts that, despite being minimized as much as possible, cannot be completely avoided, CO2 compensation measures are contemplated.

## Social

Verdian recognizes the importance of social management in its projects, especially after observing that, in the past, this area has not received the necessary attention in system implementation. In many cases, the needs of local communities have been overlooked. For this reason, we are dedicating significant efforts to improving asset management from a social perspective.

This involves documenting and assessing the particular social aspects of management, as well as generating quantifiable data for a more precise evaluation in this area.

Verdian ensures to promote quantifiable social equality and recognition, which is why we rely on high standards.

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- A social screening prior to the project acquisition is being promoted.
  - A comprehensive mapping of sector stakeholders is conducted.
  - Management of specific studies on archaeological impacts, socio-economic studies, and territorial evolution.
  - Social integration measures at the employment generation level are proposed so that projects represent a direct improvement involvement in these aspects.
  - Measures of integration such as employment generation, social perception, project acceptance, etc., are evaluated and quantified... whenever possible.
  - We engage in social projects and support local plans, with references to social impact that require our entity's support.
  - Grievance mechanism implemented in each and every one of our projects, thus taking into account any issues or complaints that may arise from the receiving community.

## Modern slavery

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Verdian is committed to focusing its efforts on managing its assets to ensure no collaboration or participation in activities associated with modern slavery throughout its supply chain, with a global perspective. Verdian's goal is to promote a fair and equitable energy transition. We recognize the importance of promoting ethical business practices and respect for human rights in all our operations and partnerships. Therefore, we pledge to avoid any form of complicity in activities that may be related to child labor or other human rights violations. Verdian is developing a plan to ensure high standards of quality in its supply chain through external evaluations. Identifying, managing, monitoring and mitigating the risks of modern slavery in our operations, supply chains and investments

Engaging with our service providers to promote the importance of mitigating and redressing the risks of modern slavery.

## DEI (Diversity, Equity and Inclusion)

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Diversity, Equity, and Inclusion are fundamental pillars in our company. We are committed to fostering an environment where all individuals, regardless of their background, gender, sexual orientation, age, abilities, or beliefs, feel valued, respected, and empowered to contribute fully. We actively seek to promote diversity at all levels of our organization, ensuring equitable representation and equal opportunities. Additionally, we strive to create an inclusive culture that celebrates and leverages individual differences, recognizing that diversity drives innovation, growth, and business success.

## Health and Safety

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The integration of robust health and safety (H&S) resources and policies within company management is fundamental. These measures not only protect workers and the environment but also strengthen corporate reputation and promote investor and community trust. By focusing on safety and well-being, we aim to increase commitment to social and environmental responsibility, which is essential for ethical and sustainable business development.

**Health and Safety:** We prioritize incident prevention and occupational health.

**Environment:** Minimizing environmental impacts and promoting renewable energies.

**Compliance:** Respecting legal and ethical requirements in all operations.

**Innovation:** Fostering efficient and sustainable solutions in HSE.



## Governance

The shift towards integrating ESG concepts originates internally within our organization. We recognize that governance plays a fundamental role in all aspects of our operations, from decision-making to project execution. This perspective not only enhances the quality of our assets but also enables us to generate reports aligned with the most rigorous standards of sustainability and corporate responsibility.

We are committed to providing clear and accurate communications to our clients and stakeholders, and we regularly review our compliance manual to ensure it is updated with the latest regulations and company requirements manual to ensure it is updated with the latest regulations and company requirements.



### **Governance: Fostering Responsible Management**

The company is strongly committed to managing its internal policies, promoting responsible management for both its own workers and anyone involved in its production chain. Policies regarding social aspects focus on improving practices for managing gender, race, or any other condition that may be considered disadvantaged, valuing and promoting those links that align with our objectives. Our goal is to enhance the selection of partners who meet these

high requirements and standards of quality and social responsibility helps motivate less committed corporations to be part of this paradigm shift.

Some of the tools implemented for the management and quantification of these indicators of good social responsibility practices include, among others, the KPIs associated with the evaluation of these indicators.



## Corporate Behaviour

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Furthermore, at Verdian, we understand that regulatory compliance is fundamental to our integrity and transparency in all our activities. Therefore, we have a dedicated team, directly supervised by the Board of directors alongside Verdian's leadership team, which ensures that all our operations comply with applicable regulations.

## Compliance

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All the information stated in this ESG policy, as well as all Verdian policies, includes procedures that must be followed as soon as any party becomes aware of them. These policies encompass, among others, anti-bribery policies, complaints, business conduct, financial crime, and whistleblowing. Compliance allows us to establish solid foundations to build a responsible and sustainable business. Any misconduct can be reported through the grievance mechanism.

## Grievance Process

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Verdian is committed to promoting equality, respect, and engagement through an integrated network of activities. For this reason, we have established a contact and reporting mechanism at each of our assets. This mechanism is available to anyone wi-

thin our employee chain, as well as to those affected by our assets or external to the company. It is an open channel to receive feedback, requests, or complaints in a clear and direct manner.

## Risk Management

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The expected outcome of this working methodology is the consistent attainment of results and the ability to analyze them. This will allow us to identify both the risks and opportunities of each project and activity, as well as the information needed to determine future steps.

These analyses and results will also be publicly and transparently presented annually through the company's sustainability reports, which will be generated periodically.

# Reporting and stakeholder engagement

The information we provide to the public always aims to reflect the current state and achievements of Verdian's real ESG progress. All our interactions and reports are based on three key points to be respected in all cases: the commitment to transparency and honesty.

These objectives aim to position Verdian as a leading brand committed to real and positive change in society and the economy.

This methodology and transparency will always be based on their own results and capabilities, indicating the objectives achieved according to the standardized European regulation such as Directive (EU) 2024/825 of the European Parliament and of the Council, of February 28, 2024, amending Directives 2005/29/EC and 2011/83/EU with regard to empowering consumers for the ecological transition through better protection against unfair practices and better information.

Verdian periodically prepares the necessary documentation to ensure the transparency and quality of our communication reports

Reports	Task
ESMS	Annual summary of tasks performed, and results obtained
Verdian ESG Annual	Annual summary and presentation of ESG measures implemented
Verdian ESG Policy Update	Annual update of the ESG Policy
Quarterly Update IV	Quarterly update to Fund IV Investors via Asset Write Ups
AMC update	Updates via Fund IV AMC Pack
Website	Updates and periodic publications based on progress of the IPP and Assets, like policies and other content
DD Taxonomy	Internal SFDR and EU Taxonomy periodic disclosures

# Memberships

Our approach aligns closely with our commitment to actively engage with relevant state and global associations, particularly within the photovoltaic and agrivoltaic sectors.

We emphasize the importance of local presence and proactive involvement, actively supporting and collaborating with the communities where we operate.

Our objective is to drive significant contributions to the transition towards sustainable renewable energies, integrating innovative practices and partnering with associations that promote technological advancements and sustainable practices within our industry.

We will carefully evaluate and select associations based on their merit to establish strategic partnerships that advance our commitment to sustainability and responsible development.

# Governance of this policy

The CEO and Head of Asset Management of Glennmont will both review the ESG Policy on an annual basis. It will be updated where necessary.

Reviews will be carried out in order to ensure that the policy: reflects the reality of Glennmont’s business; is in keeping with market norms; and meets the expectations of our stakeholders.

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