



Green Finance Framework



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I. About Verdant Energy

- **Who we are:** Verdant Energy is a leading renewable energy developer backed by A.P. Moller Capital, a global investment company with a strong commitment to sustainable growth.
- **What we do:** Verdant Energy is dedicated to providing sustainable, scalable, and cost-effective renewable energy solutions through the operation of a diverse portfolio of solar, wind and battery energy storage system (BESS) projects.
- **Our mandate:** To Develop, Construct, Own and Operate renewable energy assets across Southeast Asia Region.
- **Current portfolio:** As of December 2025, Verdant Energy has ~56 MW of operating capacity with a pipeline of additional ~150 MW across Vietnam, Philippines and Thailand.
- **Vision / Goal:**
 - 1.1 GW in operating renewable energy capacity by 2029.
 - Deliver clean energy that creates enduring value for investors, communities, and ecosystems – operating to international ESG standards across every stage of the investment lifecycle.
 - Ensure 100% of projects undergo ESG screening and risk categorization under Verdant Energy's ESMS prior to any investment commitment.
 - Attain no net loss of biodiversity in natural habitats and a net gain in critical habitats for all projects.
 - Achieve and maintain zero harm across all construction and operations activities, with all incidents treated as preventable.
 - Maintain zero tolerance for forced labor, child labor, and corruption throughout the organization and supply chain.
 - Foster inclusive growth through local employment, Indigenous Peoples' partnerships, gender equity, and community investment in every country of operation.

II. Our Sustainability Approach

Verdant Energy views environmental and social excellence not as a constraint but as a driver of innovation, risk management, and long-term value creation. Our sustainability approach is guided by five strategic pillars: Sustainability Governance and Leadership; Integrated Risk and Opportunity Management; Inclusive Growth and Social Impact; Environmental Stewardship and Resilience; and Transparency and Improvement.

Overview

International Standards and Commitments

Verdant Energy's ESG approach is structured in accordance with the following internationally recognized frameworks:

- IFC Performance Standards on Environmental and Social Sustainability (PS 1–8) – The cornerstone of Verdant Energy's ESG approach, covering risk assessment, labor and working conditions, resource efficiency, community health and safety, land acquisition, biodiversity, Indigenous Peoples, and cultural heritage.
- Equator Principles (EP4) – Applied to project finance transactions, ensuring alignment with best practices in environmental and social risk management.
- UN Guiding Principles on Business and Human Rights (UN GPs) – Embedded in due diligence, stakeholder engagement, and grievance mechanisms.
- ILO Core Conventions – Upholding principles of non-discrimination (C100, C111), freedom of association (C87, C98), and the elimination of child labor (C138, C182) and forced labor (C29, C105).
- OECD Guidelines for Multinational Enterprises – Guiding responsible business conduct across international operations.
- ISO 45001:2018 – Framework for occupational safety and health management systems.
- GHG Protocol – Framework for Scope 1, 2, and 3 greenhouse gas emissions tracking and reporting.
- UN Sustainable Development Goals (UN SDGs) – Verdant Energy's operations contribute directly to SDGs 3, 5, 7, 8, 10, 13, and 15.
- A.P. Moller Capital's ESG Policy – Compliance with platform-level ESG requirements on metrics, incident reporting, and risk categorization.

Operationalization of ESG Approach

Verdant Energy adheres to a suite of comprehensive **Board-approved policies**, which are reviewed every two years or earlier in response to material ESG developments, audit findings, regulatory changes, or significant lessons learned.

- Environmental and Social Policy – Establishes overarching principles for managing environmental and social risks across all operations.
- Occupational Safety and Health Policy – Defines Verdant Energy’s commitment to zero harm and safe working conditions.
- Ethical Policy – Sets standards for anti-corruption, anti-bribery, conflicts of interest, and ethical business conduct across the organization and value chain.
- Conflict of Interest Policy – Provides procedures for identifying, disclosing, and managing conflicts of interest at all organizational levels.
- Whistleblower Policy – Establishes confidential reporting channels and protections for individuals reporting suspected misconduct, fraud, or policy violations.
- Grievance Policy – Defines multi-channel, accessible mechanisms for external stakeholders to raise concerns, consistent with the UN GPs’ effectiveness criteria.

Under the governance of these group-wide policies, we operationalize our ESG approach through **three Board-approved, integrated Management Systems**. These systems are overseen by a dedicated ESG Committee at Board level and implemented through a multi-tiered operational structure to ensure consistent application of ESG standards across geographies while allowing adaptation to local regulatory, cultural, and stakeholder contexts. Together, these Management Systems form the backbone of our sustainability governance.

- **Environmental and Social Management System (ESMS)** – A comprehensive framework for identifying, assessing, and managing environmental and social risks and impacts across the full project lifecycle, from origination and screening through development, construction, operations, and responsible exit. It provides structured procedures for ESG risk categorization, stakeholder engagement, grievance redress, biodiversity management, cultural heritage protection, Indigenous Peoples engagement, and contractor oversight. The ESMS is aligned with:
 - IFC Performance Standards 1–8
 - Equator Principles (EP4)
 - UN GPs on Business and Human Rights (UNGPs)
 - OECD Guidelines for Multinational Enterprises, and
 - A.P. Moller Capital’s ESG Policy.

- **Occupational Safety and Health Management System (OSHMS)** – A structured safety management framework providing comprehensive procedures for Hazard Identification, Risk Assessment, and Control (HIRAC); Job Hazard Analysis (JHA); Permit-to-Work systems; emergency preparedness and response; and incident investigation and reporting. The system is built on the principle that all incidents are preventable and that no business objective takes precedence over human safety. Every worker has the authority and responsibility to stop unsafe work. The OSHMS is aligned with:
 - ISO 45001:2018
 - IFC Performance Standard 2 (Labor and Working Conditions), and
 - ILO Convention No. 155 on Occupational Safety and Health.
- **Supply Chain Management System (SCMS)** – Currently under development in partnership with SLR-Ibis Consulting, the SCMS addresses the unique supply chain risks of the renewable energy sector, with a particular focus on forced labor prevention, responsible sourcing of high-risk materials (including polysilicon for solar modules), traceability and chain of custody verification, and ethical business practices. The system requires all contractors and suppliers to implement sustainable and ethical sourcing practices, provide certificates of origin for critical materials, and maintain transparency through supply chain audits and documentation. Suppliers with environmental certifications (e.g., ISO 14001) are prioritized, and non-compliant suppliers face corrective actions, withholding of payments, or disqualification from future tenders.

Beyond regulatory and standards compliance, Verdant Energy has also adopted the following **ESG best practices**:

- ESG integration across the full investment lifecycle – from preliminary screening through due diligence, SPA negotiation, take-over, and operations.
- Structured ESG risk categorization framework – Projects classified from Category C (low risk) to Category A+ (very high risk), with proportionate assessment and management requirements.
- Multi-tiered ESG governance – ESG Committee at Board level, Regional Head of ESG, Country ESG Managers, and project-level ESG Focal Points.
- Comprehensive supply chain due diligence – Including forced labor prevention, polysilicon traceability, and supplier accreditation (SCMS under development with SLR-Ibis Consulting).
- Centralized ESG data management – Using the KeyESG Platform for investor reporting and performance tracking.

- Country-specific ESMS training programs – Structured training deployments adapted to local regulatory and operational contexts.
- Science-based environmental rehabilitation – Natural succession planting techniques with documented before-and-after monitoring.

Environmental

- **Renewable Energy Development:** We have around 100 MW of renewable energy capacity across Southeast Asia, directly displacing fossil fuel generation and contributing to national decarbonization targets in the Philippines, Vietnam, and Thailand.
- **Minimizing Environmental Footprint:** We commit to rigorous application of the mitigation hierarchy - avoid, minimize, restore, and offset - across all projects. Comprehensive environmental and social assessments aligned with IFC Performance Standard 1 are conducted for every development, with the level of assessment proportionate to the project's risk categorization.
- **Precautionary Principle:** Where threats of serious or irreversible environmental damage exist, lack of full scientific certainty does not postpone cost-effective measures to prevent degradation.
- **Biodiversity and Critical Habitats Awareness:** We commit to achieving no net loss of biodiversity in natural habitats and a net gain in critical habitats, consistent with IFC Performance Standard 6. Projects near protected areas, natural habitats, or areas of high conservation value are required to conduct baseline ecological surveys, habitat mapping, and where necessary, develop Biodiversity Action Plans (BAPs). We use screening tools such as IBAT (Integrated Biodiversity Assessment Tool) and AVISTEP (Avian Sensitivity Tool for Energy Planning) for early-stage biodiversity risk identification.
- **Environmental Rehabilitation:** We implement science-based environmental rehabilitation programs at our project sites, restoring ecological function in areas disturbed during construction using natural succession planting techniques to maximize vegetation survival rates.
- **GHG Emissions Tracking:** We are developing GHG emissions tracking and reporting systems across all operations using the GHG Protocol (Scopes 1, 2, and where relevant, Scope 3), with climate risk screening applied during early project evaluation including exposure to both physical and transitional climate risks. Project design incorporates science-based mitigation and resilience planning (e.g., flood and heat vulnerability assessments).

Social

- **Inclusive and Equitable Partnerships with Communities, Workers, and Suppliers:** We conduct meaningful stakeholder engagement throughout the project lifecycle using culturally appropriate methods. Stakeholder Engagement Plans are required for all projects and are based on stakeholder identification and mapping to understand interests and influences, inclusive and culturally appropriate engagement methods, transparent and timely information disclosure in accessible formats and local languages, and documentation and response to stakeholder input.
- **Fair Worker Treatment:** We uphold the rights and dignity of all workers in our operations and value chain, aligned with IFC Performance Standard 2 and the ILO Declaration on Fundamental Principles and Rights at Work, with zero tolerance for forced labor, child labor, discrimination, and harassment. We provide fair and favorable working conditions including freedom of association and collective bargaining, fair wages meeting or exceeding legal minimums, reasonable working hours with adequate rest periods, and safe and healthy working conditions. We promote equal opportunity in all aspects of employment with zero tolerance for gender-based violence and harassment (GBVH).
- **Indigenous Peoples:** We recognize and respect the rights of Indigenous Peoples as set forth in the UN Declaration on the Rights of Indigenous Peoples and IFC Performance Standard 7, committing to obtaining Free, Prior, and Informed Consent (FPIC) when projects may affect Indigenous Peoples, their lands, resources, or cultural heritage. Our engagement with Indigenous Peoples emphasizes respect for traditional decision-making processes and governance structures, culturally appropriate consultation methods and timeframes, recognition and protection of customary land tenure and resource rights, and collaborative development of mitigation measures and benefit-sharing arrangements. Where projects affect Indigenous Peoples, Indigenous Peoples Plans are developed in consultation with affected communities.
- **Cultural Heritage Preservation:** We protect cultural heritage in accordance with IFC Performance Standard 8, including both tangible and intangible heritage. All projects screen for culturally significant sites during pre-construction, establish chance find procedures, and train workers and contractors on heritage protocols.
- **Community Investment:** We invest in host communities through local employment, procurement, skills development, and community investment in priority areas identified through participatory planning. Corporate Social and Environmental

Responsibility (CSER) plans are formulated annually at the project level, approved by the ESG Committee, and integrated into Verdant Energy's sustainability reporting.

- **Grievance Mechanisms:** We maintain accessible, multi-channel grievance mechanisms at both internal and external levels, consistent with the UN GPs' effectiveness criteria (legitimate, accessible, predictable, equitable, transparent, rights-compatible). Grievance access points include QR code-enabled digital submission portals, direct email channels, physical suggestion boxes at project sites, and in-person submission to ESG Focal Points or community liaisons. The GRM operates through a hierarchical resolution framework with defined timelines (acknowledgement within 5 working days, resolution targets by grievance tier) and integrates with Verdant Energy's Whistleblower Policy for serious violations.
- **Comprehensive Supply Chain Management System:** We are developing our SCMS focusing on forced labor prevention and responsible sourcing of high-risk materials – particularly polysilicon for solar modules, where the global supply chain carries well-documented risks of forced labor. Contractors are contractually obligated to ensure that no child labor, forced labor, or human trafficking exists at any tier of their supply chain, with Verdant Energy maintaining the right to conduct supply chain audits and request full supply chain mapping for high-risk materials.

Governance

- **ESG Committee at Board Level:** The Board of Directors, through its ESG Committee, provides strategic oversight of Verdant Energy's sustainability performance – reviewing ESG risks and opportunities, monitoring alignment with investor and lender requirements, approving updates to environmental and social policies and frameworks, and providing oversight for significant grievances with broader implications. The ESG Committee also provides high-level oversight of the Supply Chain Management System to manage supply chain and reputational risks.
- **Executive Management Accountability:** The senior management team – including the Chief Executive Officer, Chief Development Officer, and Chief Investment Officer – is accountable for integrating ESG into Verdant Energy's business strategy, investment decisions, and operations, ensuring adequate resources (human, technical, and financial) are in place for effective implementation.
- **Multi-Tiered Operational Structure:** A distributed model ensures ESG is operationalized across geographies while maintaining coherence with Verdant Energy's strategic ESG framework:

- The **Regional Head of ESG** oversees cross-country consistency, regional alignment with corporate ESG standards, and leads development and implementation of the ESMS, OSHMS, and SCMS.
- **Country ESG Managers** adapt and lead ESG execution based on local regulatory, cultural, and contextual requirements.
- **ESG Focal Points** are designated at the project level to implement, monitor, and report ESG compliance and engagement on the ground.
- **Comprehensive Policy Framework:** Verdant Energy maintains a suite of Board-approved policies including the Environmental and Social Policy, Occupational Safety and Health Policy, Ethical Policy, Conflict of Interest Policy, Whistleblower Policy, and Grievance Policy. These are reviewed every 2 years or earlier in response to material ESG developments, audit findings, regulatory changes, or significant lessons learned.
- **ESG Integration Across the Investment Lifecycle:** ESG is integrated into every phase of Verdant Energy’s investment process – from preliminary ESG screening and exclusion list checks at the candidate project stage, through environmental and social due diligence during acquisitions, to ESG terms in share purchase agreements, and full ESMS/OSHMS adoption at take-over. Projects are classified using a structured ESG Risk Categorization Framework ranging from Category C (low risk) through Category A+ (very high risk), with each category triggering proportionate assessment requirements.
- **Contractor and Supply Chain Governance:** All contracts with EPC contractors and major service providers include mandatory clauses requiring compliance with Verdant Energy’s ESMS, IFC Performance Standards, and host country laws. Contracts include performance securities linked to ESG compliance, liquidated damages for violations (including fatal accidents, environmental incidents, or labor violations), and the right to suspend work immediately for imminent danger or serious non-compliance. Contractor performance is monitored through KPIs including Lost Time Injury Frequency Rate (LTIFR), Total Recordable Incident Rate (TRIR), environmental incidents, community complaints, and training completion rates.
- **Reporting and Transparency:** Verdant Energy commits to transparency through structured reporting – monthly ESG reports from the project level, quarterly consolidated ESG summaries, and annual ESG performance reports aligned with the Global Reporting Initiative (GRI) and the UN SDGs. External disclosures are validated by the ESG Committee and released with CEO approval. ESG performance is tracked through the KeyESG platform.

Our Contribution to the UN SDGs

- **SDG 3 – Good Health and Well-Being:** Through our OSHMS framework, comprehensive safety training programs, emergency preparedness protocols, and community health initiatives including hygiene kit distribution and health-related CSR programs at project sites.
- **SDG 5 – Gender Equality:** Through gender-sensitive approaches to stakeholder engagement, consultation, and project benefit-sharing; collection and reporting of gender-disaggregated data; promotion of equitable employment practices across the workforce and supply chain; prevention of gender-based violence and harassment through policies, training, and grievance systems; and design of inclusive community programs that intentionally increase access and opportunities for women.
- **SDG 7 – Affordable and Clean Energy:** As our core business mandate – developing, constructing, owning, and operating solar, wind, and BESS assets across Southeast Asia, directly contributing to the energy transition and expanding access to sustainable energy in the region.
- **SDG 8 – Decent Work and Economic Growth:** Through fair and favorable working conditions aligned with ILO standards, local employment and procurement prioritization (50% local/host community employment at Puerto Galera), skills development and capacity building for local suppliers and contractors, and commitment to the elimination of forced labor throughout our supply chain.
- **SDG 10 – Reduced Inequalities:** Through inclusive hiring practices for Indigenous Peoples and local communities, FPIC processes and benefit-sharing arrangements with IP communities, accessible multi-channel grievance mechanisms, and community investment programs targeting underserved populations.
- **SDG 13 – Climate Action:** Through the displacement of fossil fuel generation with renewable energy, climate risk screening applied during early project evaluation (both physical and transitional), GHG emissions tracking using GHG Protocol scopes, project design incorporating resilience planning for climate impacts, and support for nature-based solutions including reforestation programs that sequester carbon.
- **SDG 15 – Life on Land:** Through our commitment to no net loss of biodiversity, science-based environmental rehabilitation programs (108,435+ trees planted at Puerto Galera alone), use of IBAT and AVISTEP screening tools for biodiversity risk identification, Biodiversity Action Plans for projects near sensitive habitats, and restoration of disturbed ecosystems using natural succession techniques.

Case Study

Case Study 1: ESG Capacity Building Across the Platform (2025)

As a newly established platform, Verdant Energy's first year was dedicated to building the ESG foundation from the ground up – putting the right systems, policies, and people in place from the start. A central component of this effort was the rollout of structured ESMS training programs across both operating countries, ensuring that every team member understands their ESG responsibilities and has the skills to implement them.

Following the Board approval of the ESMS and OSHMS in October 2025, Verdant Energy immediately initiated country-level training deployments:

- **Vietnam (October 2025):** ESMS training was conducted for the Vietnam team, covering the full suite of core ESG modules – the Environmental and Social Policy, IFC Performance Standards framework, ESG risk categorization and screening procedures, stakeholder engagement and grievance mechanism protocols, contractor ESG requirements, and occupational health and safety fundamentals. The training was tailored to Vietnam's operational context, including the specific regulatory landscape governing rooftop solar operations and the environmental and social compliance reporting requirements of operating assets.
- **Philippines (December 2025):** ESMS training was delivered to the Philippines team, with additional emphasis on topics particularly relevant to the Philippine portfolio – including Indigenous Peoples engagement and FPIC processes (critical for the Puerto Galera Wind Farm and pipeline projects near IP ancestral domains), biodiversity management and Biodiversity Action Plan requirements, community health and safety protocols for wind farm operations, and the cultural heritage chance find procedures required for projects with ground disturbance. The Philippine training also incorporated lessons learned from PHESI's operational experience, including the Indigenous Peoples partnership model and science-driven environmental rehabilitation approach that have become flagship practices.



Figure 1. ESG Training for Verdant Energy Vietnam Team

Case Study 2: Puerto Galera Wind Farm (Philippines)

1. Science-Driven Environmental Rehabilitation

During the construction of the 16 MW Puerto Galera Wind Farm on Mindoro Island, PHESI (Philippine Hybrid Energy Systems, Inc.), a Verdant Energy subsidiary, undertook a comprehensive environmental restoration program for areas not permanently occupied by the project footprint – including tower sites, community areas in Barangay Baclayan, and spoil sites for excavated materials. The program was designed to follow natural plant succession, ensuring higher survival rates for planted vegetation. The approach was multi-staged: initial stabilization used over 1 million grass slips to prevent erosion, followed by progressive planting of native tree species suited to the local ecosystem.

As of May 2024, over **108,435 trees** have been planted and nurtured in collaboration with local government units, non-government organizations, and the community. Before-and-after photo documentation spanning 2017–2021 demonstrates the progressive recovery of disturbed landscapes – from bare, exposed soils during construction to fully vegetated conditions within 3–4 years. The reforestation program contributes an estimated **2,385.57 MT CO₂/year** of carbon sequestration and **12,795.33 MT/year** of oxygen generation. This demonstrates Verdant Energy’s application of the mitigation hierarchy’s “restore” step and

its commitment to leaving project environments in conditions equal to or better than their pre-construction state.

Tower Site



Near the Community



Spoil Site for excavated materials



Figure 2. Rehabilitation progression after construction of the 16MW Puerto Galera Wind Farm Project



Figure 3. Tree planting activity with the local government unit of Puerto Galera

2. Indigenous Peoples Partnership and Empowerment through Professional Development

PHESI has been a long-standing partner of the National Commission for Indigenous Peoples (NCIP) in uplifting the lives of the **Mangyan-Iraya Indigenous Cultural Community** in Puerto Galera. In accordance with agreements developed through FPIC processes, PHESI has implemented a comprehensive program of community development and livelihood support:

- **Agricultural livelihood support:** Distribution of 16 carabaos to the IP community for agricultural activities, with a propagation model where offspring are passed on to other families – carried out with NCIP assistance and witnessed by the Barangay Local Government Unit.
- **Water infrastructure:** Contribution of 1,600 meters of water hose to support the community's water supply program, addressing basic needs and contributing to sustainable water infrastructure.
- **Inclusive employment:** **32% of plant personnel** are drawn from the indigenous cultural community and **50% from the local/host community**, with priority hiring for community members. The company invests in structured training pathways – including DOLE-accredited safety certification programs, first aid and emergency response training, environmental monitoring techniques, and on-the-job mentoring – that build genuine professional competencies. This model ensures that the benefits

of renewable energy development are not limited to royalties or community programs, but include the creation of a skilled, empowered local workforce with credentials recognized by national authorities. Indigenous community members have progressed into leadership roles – including Vergell Banaag, a Mangyan-Iraya community member who serves as a Safety and Health Assistant and is now classified as a Safety Officer 2 under the Department of Labor and Employment, with ongoing training through PHESI.



Figure 4. Vergell Banaag, PHESI's Safety and Health Assistant

- **Education and health:** Donation of printers and school supplies to Baclayan Elementary School to support learning continuity during the COVID-19 pandemic; provision of hygiene kits to students at Baclayan Mangyan School; and educational sponsorship programs through Couples for Christ Global Foundation.



Figure 5. Medical Mission to indigenous cultural communities in Mindoro Island, Philippines.

This demonstrates Verdant Energy’s commitment to the principles of IFC Performance Standard 7 (Indigenous Peoples) and Performance Standard 4 (Community Health, Safety, and Security), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), moving beyond compliance to create genuine shared value with Indigenous communities and demonstrating that renewable energy infrastructure, when developed responsibly, can be a catalyst for Indigenous professional empowerment and self-determination.

3. Safety Culture

PHESI has achieved over **1 million safe manhours** from the start of operations and delivered over **4,000 hours of safety training** to personnel. The company implements a comprehensive safety management approach that reflects Verdant Energy’s OSHMS framework:

- Comprehensive training and orientation for all personnel, covering risk identification, PPE use, first aid, and site-specific hazards including working at heights (wind turbines), electrical safety, and environmental exposure.
- Regular fire and emergency drills to simulate and prepare for untoward incidents, testing response readiness and personnel capabilities.
- Specialized trainings and seminars equipping personnel with life-saving skills, safe work-at-height competencies, and knowledge to handle potential risks – delivered in partnership with the Philippine Red Cross and other certified providers.
- Mandatory protective equipment for all visitors and personnel entering the plant site, with fitness-to-work standards enforced for all workers.



Figure 6. Occupational First Aid Training, Basic Life Support Training, and Seminar

This performance demonstrates the practical outcome of Verdant Energy’s commitment under the OSHMS that all incidents are preventable, with key performance indicators, including LTIFR, near-miss reporting, toolbox meeting frequency, and training completion rates, tracked and reported across all operations.

III. Our ESG Performance

Note: Our ESG Performance metrics are measured as of December 2025 and are based on self-data collection.

Environmental

Metric	Value
RE Technologies deployed	Solar (rooftop & ground-mount), Wind (Onshore and Nearshore), BESS
Total installed RE capacity	52.96 MWp
Total BESS Capacity	6 MW
RE capacity under construction and merger & acquisition	71.6 MWp
Annual clean energy generation	18,608,206 kwh
Total emissions avoided	12,266.33 metric tons
Trees planted	108,435+
Carbon sequestered through reforestation	~2,385.57 MT CO ₂ /year
Oxygen generated through reforestation	~12,795.33 MT/year
Grass slips planted for site stabilization	1,000,000+

Social

Metric	Value
Community beneficiaries from CSR programs	5,000+ people
Total CSR investment	USD 30,000+
Indigenous Peoples employment	20 personnel
Employee diversity (% female)	40%
Taxes paid to local governments	USD 151,610.88

Governance

Metric	Value
Independent directors	50%
Leadership diversity (% female)	60%
Reported incidents of corruption	0
Safe manhours achieved	1,353,542
Lost Time Frequency Rate (LTFR)	0.00
Safety training hours delivered	4,000+

IV. Our Green Finance Framework

Verdant Energy has developed a Green Finance Framework under which we intend to secure Green Finance to fund renewable energy projects. This framework is intended to govern green bond and debt issuances by Verdant Energy and its subsidiaries (Verdant Entities), ensuring transparency and integrity of the process.

Verdant Energy's Green Finance Framework (the Framework) is developed in alignment with the Green Bond Principles (GBP) published by the International Capital Markets Association (ICMA) in June 2025, as well as the Green Loan Principles (GLP) published by the Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association (LSTA) in March 2025.

The Framework consists of the following core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review.

Use of Proceeds

An amount equal to the aggregate net proceeds from the issuance of any Green Bond or Green Loan (together, Green Debt Instrument) under this Framework will be used to finance, or refinance, in whole or in part, new or existing projects which meet the Eligibility Criteria outlined below (Eligible Green Projects):

- Eligible Project Categories:
 - Solar energy projects (rooftop and ground-mount)
 - Wind energy projects (onshore and nearshore)
 - Battery energy storage systems¹
- Eligible Activity: Expenditures related to the development, construction, maintenance, financing, and operation of assets and projects belonging to the Eligible Project Categories.

¹ Our BESS assets are exclusively integrated with renewable energy sources and do not utilize diesel generated systems for charging or ancillary support.

The use of proceeds towards Eligible Green Projects shall contribute to the UN SDGs related to climate change mitigation, including:



Verdant Energy acknowledges the ongoing development of the ASEAN Taxonomy for Sustainable Finance and intends to consider alignment of Eligible Green Projects with applicable technical screening criteria as they become available for the renewable energy sector.

Eligible Green Projects may include investments made by Verdant Entities during a 12-month period prior to the date of issuance of the Green Debt Instrument and during the life of the Green Debt Instrument. Expenditures to Eligible Green Projects previously financed by a Green Debt Instrument or other financing initiatives by Verdant Entities made within a 12-month period prior to the date of issuance of the Green Debt Instrument will also be eligible for refinancing.

The Framework will apply across all Verdant Entities for debt raised under two different scenarios:

- **Project Company Level:** For any Green Debt Instrument issued by a subsidiary project company of Verdant Energy, the proceeds will be allocated to specific Eligible Green Projects within the issuing entity.
- **Holding Company Level:** For any Green Debt Instrument issued by Verdant Energy and its holding companies, Verdant Energy may allocate the proceeds to Eligible Green Projects across its entities. In such cases, the same standards and level of rigor under the Framework will apply to the use of proceeds.

Process for Project Evaluation and Selection

Eligible Green Projects are identified and selected via a process that involves participants from various functional areas of Verdant Energy, including Business Development, Investment, Finance, and ESG, as well as our Board of Directors.

Green Finance Committee

To ensure the eligibility of the shortlisted projects for use of proceeds from the Green Debt Instrument, Verdant Energy established our Green Finance Committee, comprising of the following members:

- Chief Executive Officer (Committee Chair)
- Chief Development Officer
- Chief Investment Officer
- Regional Head of ESG.

The Green Finance Committee is responsible for:

- Reviewing and approving the list of Eligible Green Projects
- Reviewing and approving allocation of net proceeds from Green Debt Instruments to the Eligible Green Projects
- Overseeing the publication of Allocation and Impact Reporting
- Monitoring internal processes to identify and mitigate any material risk of negative social or environmental impacts associated with the Eligible Green Projects
- Reviewing the Framework to reflect any changes related to Verdant Energy's ESG strategy or regulatory developments.







Meeting of the Green Finance Committee shall be held as necessitated by project developments and allocation requirements. This flexibility ensures that evaluation and selection of Eligible Green Projects, as well as allocation of proceeds towards such projects, are managed dynamically in accordance with Verdant Energy's investment cycle. Unanimous decision of the Green Finance Committee members is required for a project to be deemed an Eligible Green Project and for the approval of allocation of net proceeds towards any Eligible Green Project.

Eligibility Criteria

To qualify as an Eligible Green Project under this Framework, a project must satisfy all three of the following conditions:

- a) The project belongs to one of the Eligible Project Categories listed in the table below.
- b) The project has passed the Exclusion Screening under Verdant Energy's Environmental and Social Management System (ESMS), confirming that it does not trigger any criterion on the A.P. Moller Capital Exclusion List or Verdant Energy's own exclusion criteria. Projects classified as Category E (Excluded) under the ESMS are automatically disqualified from financing under this Framework.

c) The project has been assessed and assigned an ESG risk category (Category C through Category A+) through the ESMS Project Entry ESG Checklist (Form 1) and documented in a Project Categorization Report prepared by the Regional Head of ESG. The Project Categorization Report forms a required component of the project submission package to the Green Finance Committee.

Eligible Project Category	Technical Screening Criteria	ICMA GBP Category	UN SDG Alignment
Solar Energy	Generation of electricity using photovoltaic (PV) technology in rooftop-mounted or ground-mounted configurations. No fossil fuel co-firing or diesel backup for primary generation. Grid-connected with metered output.	Renewable Energy	 
Wind Energy	Generation of electricity using onshore or nearshore wind turbine generators. Grid-connected with metered output.	Renewable Energy	 
Battery Energy Storage Systems (BESS)	Electrochemical energy storage systems exclusively integrated with renewable energy sources. BESS assets do not utilize diesel-generated systems for charging or ancillary support. Used for renewable energy firming, grid stabilization, or peak shifting.	Energy Storage	 

The following activities are ineligible for financing under this Framework, consistent with the ESMS Exclusion List:

- Fossil fuel generation, transport, or associated infrastructure
- Nuclear energy generation
- Large hydropower (exceeding 20 MW)
- Waste-to-energy incineration

- Projects utilizing forced or child labor
- Projects involving illegal land acquisition
- Projects linked to arms, tobacco, gambling, or pornography sectors
- Destruction of High Conservation Value (HCV) areas or critical habitats without an approved Biodiversity Action Plan (BAP)
- Projects proceeding without Free, Prior, and Informed Consent (FPIC) where required under IFC Performance Standard 7

Screening and Evaluation Process

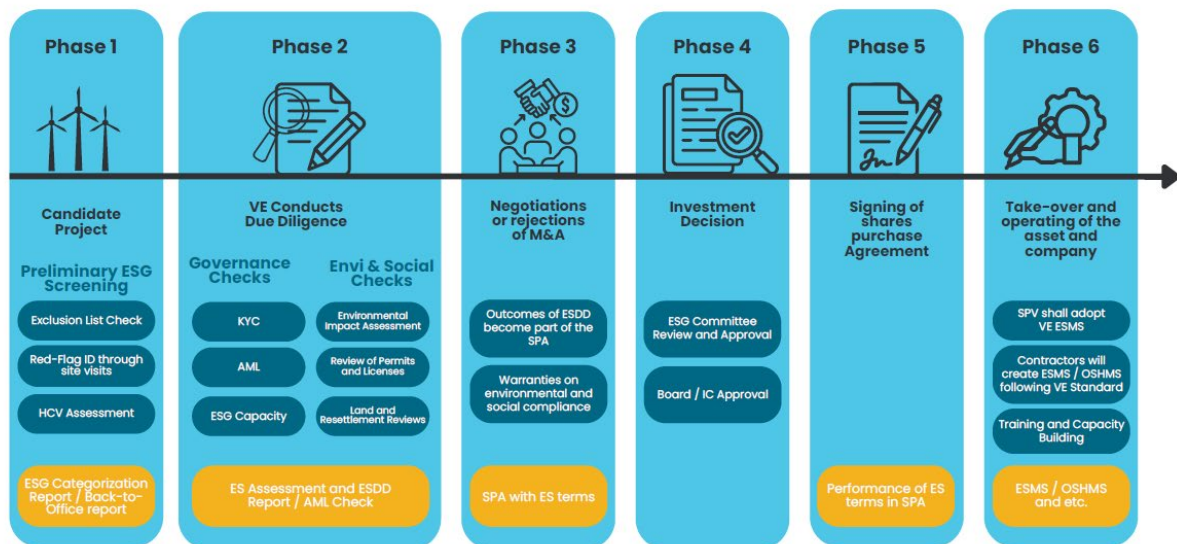
Prior to investing in a project, the teams at Verdant Energy source and select Eligible Green Projects in line with the Eligibility Criteria outlined above. We conduct in-house assessments and engage third-party consultants and survey companies to provide a holistic evaluation of multiple aspects related to the project, including but not limited to technical feasibility, environmental impact, legality and financial integrity.

Verdant Energy applies a structured environmental and social (E&S) screening process to all candidate projects, ensuring that only investments meeting the Company's sustainability commitments and international standards are eligible for financing under this Framework. This process is governed by our ESMS and is initiated at the earliest stage of project origination.

- **Exclusion Screening:** Every candidate project is first assessed against the A.P. Moller Capital Exclusion List and Verdant Energy's own exclusion criteria. Projects involving fossil fuel generation or associated infrastructure, forced or child labor, illegal land acquisition, destruction of High Conservation Value areas or critical habitats without an approved Biodiversity Action Plan, or activities proceeding without Free, Prior, and Informed Consent (FPIC) where required, are automatically disqualified from further consideration. Projects triggering any exclusion criterion are classified as Category E and rejected.
- **ESG Risk Categorization:** Projects that pass the exclusion screening undergo a risk categorization assessment using Verdant Energy's Project Entry ESG Checklist.
 - The Regional Head of ESG evaluates each project against multiple environmental and social criteria – including resettlement scale, land acquisition area, proximity to protected areas, Indigenous Peoples' lands and World Heritage Sites, water impoundment, presence of endangered species, hazardous materials handling, and transboundary impacts – with specific quantitative thresholds aligned to IFC Performance Standards (PS 1–8).

- Projects are classified into one of five risk categories, from Category A+ (Very High Risk) to Category C (Low Risk), following a "single trigger" and "highest risk prevails" approach. The assigned category determines the level of E&S assessment required, ranging from Environmental and Social Compliance Reports for Category C projects to full Environmental and Social Impact Assessments for Category A and A+ projects.
- **Green Finance Committee Review:** The results of the ESG screening and categorization, documented in a Project Categorization Report prepared by the Regional Head of ESG, form a required component of the project submission package to the Green Finance Committee. The Committee evaluates these findings alongside technical, financial, and strategic considerations to determine whether a project qualifies as an Eligible Green Project under this Framework. Unanimous approval by the Green Finance Committee is required for a project to be designated as eligible and for net proceeds to be allocated accordingly.

ESG in M&A Investment Decision



We ensure strict compliance with applicable international environmental and social standards and regulations, as well as local regulations regarding environmental and social constraints in each country of operation. We adhere to all group-wide corporate policies, operationalized through three Board-approved management systems (ESMS, OSHMS, and SCMS). Our ESG approach is further aligned with A.P. Moller Capital's ESG Policy and reporting requirements.

As part of the ESMS assessment process, Eligible Green Projects are screened for exposure to physical climate risks (such as flood, typhoon, heat stress, and sea-level rise relevant to

Southeast Asian geographies) and transition risks (such as regulatory, market, and technology shifts). For projects classified as Category B+ or higher, climate risk considerations are incorporated into the environmental and social due diligence process, informing project design and risk management planning as appropriate.

Verdant Energy recognizes the importance of responsible end-of-life management of renewable energy assets. Decommissioning obligations are addressed through contractual requirements with EPC contractors and O&M service providers, and in accordance with applicable host country regulations and environmental permit conditions. Circular economy considerations, including material recovery and recycling, will be progressively incorporated into Verdant Energy's asset management and supply chain practices as industry standards and local regulatory frameworks develop.

Verdant Energy's Supply Chain Management System (SCMS) provides an additional layer of risk management for Eligible Green Projects. The SCMS covers forced labor prevention, responsible sourcing of high-risk materials (including polysilicon for solar modules), and supplier screening and accreditation. Contractors and suppliers engaged in Eligible Green Projects are subject to SCMS requirements, with the scope and depth of due diligence proportionate to the assessed supply chain risk level.

Management of Proceeds

Verdant Energy's Finance team will manage the net proceeds from the issuance of Green Debt Instruments and is responsible for allocating the proceeds towards designated Eligible Green Projects, selected in accordance with the Process for Project Evaluation and Selection above.

In relation to allocation of proceeds:

- For any Green Debt Instrument issued on Project Company Level (by a subsidiary project company of Verdant Energy), an amount equal to the net proceeds will be allocated to finance designated Eligible Green Projects within the respective issuing entity.
- For any Green Debt Instrument issued on Holding Company Level (by Verdant Energy and its holding companies), an amount equal to the net proceeds will be allocated to finance designated Eligible Green Projects across Verdant Entities which have been pre-approved for the use of funds from the respective issuance.

We strive to maintain an allocation to Eligible Green Projects that matches the net proceeds from outstanding Green Debt Instruments. We aim to fully allocate proceeds within 18

months from the date of issuance. Pending full allocation, unallocated net proceeds will be held in cash or cash equivalents in the form of term deposits in designated accounts held separately from other general funds of Verdant Entities.

In relation to payment:

- For Green Bonds issued on Project Company Level (by a subsidiary project company of Verdant Energy), payment of principal and interest will be made solely from the cashflows generated by the operation of the Eligible Green Projects funded by the respective Green Bonds.
For Green Bonds issued on Holding Company Level (by Verdant Energy and its holding companies), payment of principal and interest will be made from Verdant Energy's general corporate funds and available liquidity, funded by distributions received from its subsidiaries.
- For Green Loans, payment of debt service will be made in accordance with the terms of the Green Loan Facility as agreed between the borrowing entity within Verdant and the specific lender.

We will monitor the allocation of proceeds via internal information systems. A register will be created to facilitate the monitoring and reporting of the Green Debt Instruments and the deployment of an amount equal to the net proceeds. The register will include, among others:

- Green Bond details, including bond code, issue date, maturity date, principal amount, coupon and currency
- Green Loan details, including issue date, tenor, amounts, interest rate and currency
- Eligible Green Projects list
- The amount of net proceeds allocated to the projects
- The date of allocation and foreign exchange rates
- Environmental certification of the project (if applicable).

Reporting

At least annually, until the net proceeds has been fully allocated, and thereafter, in the event of material developments, Verdant Energy will provide information on the proceeds allocation and expected impact of the Eligible Green Projects within a standalone Allocation and Impact Report. This report will be published on <https://verdant-energy.co/>.

Allocation Reporting

- A list of approved Eligible Green Projects with breakdown by bond issuance and geographical distribution
 - Where possible, we will also provide additional information, case studies, or examples of selected projects, subject to considerations such as confidentiality agreements.
- Amount of proceeds allocated to each project
 - Split of allocated net proceeds between new financing and refinancing, if any.
- Remaining balance of unallocated proceeds.

Impact Reporting

- **New installed renewable energy capacity (MW):** Reported as the nameplate capacity of each Eligible Green Project at commercial operations date, as certified by the independent engineer or EPC contract. For projects under construction, the contracted capacity is used as the expected figure.
- **Annual energy generated (MWh):** For operating projects, actual metered generation data from SCADA systems, cross-referenced against offtake/grid injection meter readings.
- **GHG emissions avoided (tCO₂e):** Calculated as annual energy generated (MWh) multiplied by the applicable national grid emission factor (tCO₂e/MWh) for the corresponding country of operations. Grid emission factors are sourced from national grid operators or the IEA Electricity Market Report, updated annually.
- **Total person-hours worked (construction and O&M):** Aggregated from monthly timesheets and contractor workforce records. Reported separately for construction and O&M phases, and separately for Verdant direct employees versus contractors.
- **Local community employment (persons and % of total workforce):** Reported as the number and proportion of workers sourced from the local community surrounding the project site, drawn from contractor and HR workforce records. Local community is defined as the host barangay/commune and adjacent areas within a defined radius, consistent with the project's Stakeholder Engagement Plan.
- **Grievances received and resolved (count and resolution rate %):** Reported as the total number of community and worker grievances received and the proportion resolved within the target timeframe, drawn from the project grievance register. Resolution rate is calculated as closed grievances divided by total grievances received in the reporting period.
- **Lost Time Incident Frequency Rate (LTIFR):** Calculated as (number of lost time incidents x 1,000,000) divided by total person-hours worked in the reporting period.

Reported for combined Verdant Energy's direct employees and contractors across all Eligible Green Projects.

Preparation of the Allocation and Impact Report will be a cross-functional effort with internal quality control measures in place:

- Data for Allocation Reporting will be prepared by Finance and Accounting teams based on internal information systems. Financial data shall be reconciled with the audited financial statements.
- Data for Impact Reporting will be prepared by Technical and ESG teams. Technical data shall be cross-reference with outputs from SCADA (Supervisory Control and Data Acquisition) system. Assumptions for ESG metrics shall be referenced with recognized external sources.
- Our Regional Head of ESG will be responsible for consolidating the data into the Allocation and Impact Report and performing final quality assurance check to ensure alignment with the Framework.
- The Allocation and Impact Report will be presented to the Green Finance Committee for a final review and formal sign-off by the Committee Members.

External Review

Pre-issuance: To ensure alignment and compliance with the GBP and GLP, Verdant Energy has engaged FiinRatings Joint Stock Company to externally review the Framework and provide a Second Party Opinion (SPO). The Framework as well as the SPO are published on <https://verdant-energy.co/>.

Post-issuance:

- The Framework will be reviewed from time to time to align with the latest updates to the GBP and GLP.
- To enhance transparency regarding the use of proceeds from Green Debt Instruments, Verdant Energy may consider engaging a qualified external reviewer to provide a limited assurance report on the allocation of net proceeds to Eligible Green Projects. Any such review, if undertaken, will be determined by Verdant Energy based on relevant considerations, including the level of outstanding Green Debt Instruments and the status of proceeds allocation. Such reports, if issued, will be published on <https://verdant-energy.co/>.

Appendix: Glossary of Key Terms

The following terms are used throughout this Framework and in the accompanying ESG in M&A Investment Decision process diagram.

Term	Definition
AML	Anti-Money Laundering. Screening conducted as part of governance due diligence to ensure compliance with anti-money laundering regulations in each country of operation.
APLMA	Asia Pacific Loan Market Association. Co-publisher of the Green Loan Principles.
AVISTEP	Avian Sensitivity Tool for Energy Planning. A screening tool used for early-stage identification of avian collision and displacement risks associated with wind energy projects.
BAP	Biodiversity Action Plan. A site-specific plan to achieve no net loss or net gain of biodiversity, required for projects affecting critical or natural habitats under IFC Performance Standard 6.
BESS	Battery Energy Storage System. Electrochemical energy storage systems integrated with renewable energy assets for grid stabilization, peak shifting, or renewable energy firming.
CSER	Corporate Social and Environmental Responsibility. Verdant Energy's community investment program, formulated annually at the project level and approved by the ESG Committee.
ESDD	Environmental and Social Due Diligence. Comprehensive assessment of environmental and social risks and impacts during the investment evaluation phase.
ESMS	Environmental and Social Management System. Verdant Energy's Board-approved framework for identifying, assessing, and managing environmental and social risks across the project lifecycle, aligned with IFC Performance Standards 1–8.
FPIC	Free, Prior, and Informed Consent. The right of Indigenous Peoples to give or withhold consent for projects that may affect their lands, territories, resources, or cultural heritage, as required under IFC Performance Standard 7.
GBP	Green Bond Principles. Voluntary process guidelines published by the International Capital Markets Association (ICMA) governing the issuance of green bonds.
GHG Protocol	Greenhouse Gas Protocol. An internationally recognized framework for measuring and reporting greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 categories.
GLP	Green Loan Principles. Voluntary guidelines published by APLMA, LMA, and LSTA for green loan transactions.
GRI	Global Reporting Initiative. An international framework for sustainability reporting used by Verdant Energy for annual ESG performance disclosures.

HCV	High Conservation Value. Areas of outstanding biological, ecological, social, or cultural significance, assessed using the HCV Resource Network methodology. Destruction of HCV areas without an approved Biodiversity Action Plan triggers automatic exclusion under the ESMS.
HIRAC	Hazard Identification, Risk Assessment, and Control. A systematic safety assessment process under Verdant Energy's Occupational Safety and Health Management System (OSHMS).
IBAT	Integrated Biodiversity Assessment Tool. A screening tool for early-stage biodiversity risk identification, used during the ESMS project screening process.
ICMA	International Capital Markets Association. Publisher of the Green Bond Principles and related sustainable finance guidance.
IFC PS	IFC Performance Standards. Eight Performance Standards on Environmental and Social Sustainability published by the International Finance Corporation, forming the cornerstone of Verdant Energy's ESG approach.
ILO	International Labour Organization. A United Nations agency whose Core Conventions on labor rights are embedded in Verdant Energy's ESMS and supply chain requirements.
KYC	Know Your Customer. Due diligence procedures conducted during the investment evaluation phase to verify the identity and background of counterparties and project sponsors.
LMA	Loan Market Association. Co-publisher of the Green Loan Principles.
LSTA	Loan Syndications and Trading Association. Co-publisher of the Green Loan Principles.
LTIFR	Lost Time Injury Frequency Rate. A safety performance metric calculated as (number of lost time incidents × 1,000,000) divided by total person-hours worked in the reporting period.
OSHMS	Occupational Safety and Health Management System. Verdant Energy's Board-approved safety management framework, aligned with ISO 45001:2018 and IFC Performance Standard 2.
Red Flag Identification	Preliminary screening conducted during early-stage site visits to identify obvious environmental or social risks that may not be captured through desktop review alone. Forms part of Phase 1 (Preliminary ESG Screening) of the ESMS investment lifecycle.
SCMS	Supply Chain Management System. Verdant Energy's framework for supplier screening, risk-based due diligence, accreditation, and ongoing performance monitoring, with a focus on forced labor prevention and responsible sourcing of high-risk materials.
SPA	Share Purchase Agreement. The contractual instrument for project acquisition, which includes environmental and social compliance terms, warranties, and representations as determined through the ESG due diligence process.
SPO	Second Party Opinion. An independent assessment of a green finance framework's alignment with the Green Bond Principles and/or Green Loan Principles, provided by a qualified external reviewer.
TRIR	Total Recordable Incident Rate. A safety performance metric covering all recordable workplace incidents, including fatalities, lost time injuries, restricted work injuries, and medical treatment cases.

UN GPs	United Nations Guiding Principles on Business and Human Rights. A framework for preventing and addressing adverse human rights impacts linked to business activity, embedded in Verdant Energy's due diligence and grievance mechanisms.
UN SDGs	United Nations Sustainable Development Goals. A set of 17 global goals adopted by UN member states. Verdant Energy's operations contribute directly to SDGs 3, 5, 7, 8, 10, 13, and 15.