



United Nations
Global Compact

CFO TASKFORCE FOR THE SDGs

Blueprint for CFO Principles implementation

Industry Case Studies
Renewables



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1 Introduction

Founded in 2012, Vena Energy is a leading renewable energy company in the Asia Pacific region which is headquartered in Singapore. Vena Energy owns, develops, constructs, operates, manages and commercializes renewable energy projects across the Asia Pacific region, with an extensive local presence of over 600 employees across 48 corporate and site offices in 9 countries namely Japan, Australia, India, Indonesia, the Philippines, Singapore, South Korea, Taiwan, and Thailand. Our current portfolio includes solar, onshore wind, offshore wind, battery energy storage, and hybrid renewable energy projects. As of Dec 2020, Vena Energy's portfolio comprised of 58 operating assets with a gross capacity of 1.8GW, 33 construction and shovel-ready projects with a gross capacity of 1.7GW and over 100 projects under development with a gross capacity of over 13.0GW. In 2020, Vena Energy's proportionate revenue and EBITDA were \$372 million and \$278 million respectively.

2 Historical Drivers and Evaluation

Vena Energy's corporate mission to accelerate the transition to renewable energy in the Asia Pacific region is naturally aligned with the United Nations' Sustainable Development Goals ("SDGs") 7 (Affordable and Clean Energy) and 13 (Climate Action). Our core business is focused on growing renewable power generation across Asia-Pacific, covering mature economies such as Japan, Australia, Taiwan, and South Korea, as well as other high-growth renewable energy generation countries in the region, namely Indonesia, India, the Philippines and Thailand. In recent years, the shift towards more efficient PV modules, bigger wind turbines and larger projects has helped the sector achieve more affordable clean energy, further accelerating the transition towards renewable energy. Coupled with the commitment to ambitious renewable targets and favorable renewable policies, solar and wind power have progressively achieved grid parity in several countries, with many others already on the same virtuous trajectory. These dynamics have allowed Vena Energy to grow from a 92MW solar asset owner in 2012 to a fully integrated and technologically diversified energy transition company with over 3,500MW of wind, solar and energy storage projects in operation, construction, and ready-to-build stage by 2020, as well as a 13GW development pipeline for further medium and long-term growth.

3 Sustainability Disruption

Renewable energy technologies are indispensable to decarbonize the power sector and contribute to the goals of the Paris Agreement, but their contribution can go far beyond decarbonization and benefit numerous SDGs simultaneously. To ensure that the transition to a low carbon future allows for climate goals and SDGs to be mutually reinforcing, we are keen to support a sustainable social transition to renewable energy. Vena Energy conducted a materiality assessment, which was informed via feedback received from internal and external stakeholders, and identified the areas of focus which are required to further our corporate sustainability agenda. In addition to "Clean Energy Installation & Generation" which is a core focus, "Occupational Health and Safety" and "Gender Equality" were also identified as material issues which were important to our stakeholders. These issues are directly related to SDG 3 (Good Health and Well-Being) and 5 (Gender Equality).

4 Strategic Response

In order to set our sustainability strategic direction and provide oversight, the Sustainability Committee ("SC") was formed to plan, execute, monitor, measure, report and improve Vena Energy's realization of sustainability related initiatives, including climate risk assessment and related strategy formulation. Chaired by the Chief Executive Officer and comprising 6 other senior management members representing key functions, the SC oversees Vena Energy's environmental and social risk management system, Corporate Social Responsibility ("CSR") initiatives and implementation of our Green Financing Framework in particular. With the support of the Sustainability Sub-Committee ("SSC"), which facilitates day-to-day operations of the SC's responsibilities, the SC ensures that Vena Energy's business activities have a positive impact and meet our sustainability goals and ambitions. With the materiality assessment framing and guiding our decision-making, we have included sustainability-related Key Performance Indicators ("KPIs") for all our executive management members in Vena Energy and within our corporate revolving credit facility. The inclusion of KPIs at these levels encourages the adoption of its objectives throughout the organization. Traditionally, all Vena Energy employees had a KPI related to workplace fatalities. We have now expanded that for all our executive management members to include KPIs relating to H&S training hours and workplace incident rates. Additional spending and resources were also budgeted to invest in training and processes to reinforce our H&S culture and outcomes. To address stakeholder concerns on diversity and inclusion, all executive management members are also evaluated by KPIs targeting an improved ratio of female to male employees by the end of 2021 and balanced female representation at the senior management level.

In May 2021, Vena Energy introduced sustainability-linked KPIs into its corporate credit facilities based on the following criteria:

- 1) Diversity and Inclusion: Proportion of new employees hired who are female
- 2) Environmental: Number of homes capable of being powered by renewable energy installed or under construction
- 3) Health and Safety: Lost Time Injury Rate¹ to be less than an internal threshold

5 SDG Investments

To support our contributions to SDG 7 and 13, Vena Energy aims to ensure steady growth of our operational and construction portfolio across geography and technology. We are currently projecting to invest c. \$2.0 billion of gross capex for our construction and shovel-ready portfolio up till 2024. Beyond traditional solar and wind power, Vena Energy sees the commercial deployment of energy storage technology such as battery storage systems and green hydrogen solutions playing a central role in the stabilization of systems where renewable energy becomes dominant. To commence this strategy, we have invested in a 100MW/150MWh battery energy storage project located in Wandoan South, Australia.

In addition, we are also focusing on innovative technologies in order to improve the generation of our portfolio. This includes investments on the development of offshore wind projects in South Korea and Japan as well as additional outlay on drone technology and snow-clearing fleet which helps optimize the generation of operational assets.

Aside from the capital expenditure for our renewable energy portfolio, we continue to dedicate the time and resources required to achieve our goals relating to Occupational Health & Safety and Gender Equality. The entirety of our team received a total of over 70,000 hours of Health & Safety training in 2020, of which 28,016 hours was devoted to formal training such as regulatory and external safety training. This focus on Health & Safety helped us outperform the industry average in terms of incident rate levels.

Our local teams work closely with municipalities, state governments and our host communities to identify ways in which we can contribute and promote the SDGs within our host communities. This is typically done via our CSR activities which are created in collaboration with our local stakeholders and focus on healthcare, environment and society, education and infrastructure. In 2020, Vena Energy supported various CSR activities such as women entrepreneurship training programs in Indonesia and a mobile clinic in India.

6 Assessing Sustainability Outcomes and Financial Results

To realize our targets and ensure accountability, the performance of our executive management members will be additionally evaluated against the new KPIs relating to gender diversity and occupational health & safety. The Remuneration Committee ("RC"), whose members are independent of executive management, will assist Vena Energy's Shareholder Board to review and make recommendations with regards to the final performance evaluation of the executive management team.

In addition, our sustainability-linked RCF has the potential to benefit from an interest margin reduction if the abovementioned sustainability-related KPIs are jointly achieved. However, we will be penalized with an interest margin increase if none of the KPIs are met. The financial impact of this feature in our corporate facility incentivizes the organization and Vena Energy is committed to achieve the KPIs set.

Financial performance is closely linked with good corporate governance and long term environmental and social responsibility. Accordingly, Vena Energy adopts a philosophy which places sustainable development at its core. The Investment Committee ("IC") oversees the investment, divestment, and development activities of Vena Energy, including the alignment of investment decisions with our corporate strategy. Environmental, Social and Governance ("ESG") issues have to be incorporated into our investment analysis and due diligence process. We also identify particular concerns during our development stage consultations with host communities and address these issues before we seek investment approval.

We believe that our concerted efforts and focus would allow us to ensure a sustainable social transition towards renewable energy while continuing to provide clean, affordable, reliable energy, in support of SDGs 3, 5, 7 and 13.