



CORDIA

creating energy solutions

Environmental, Social and Governance (ESG) Report

June 2023



Earl Collins
Chief Executive Officer

"At Cordia, we understand that our success is inextricably linked to the well-being of our customers, communities, employees, and the planet. That's why Cordia is committed to building a sustainable future for the communities we serve.

Our ESG program is essential to our mission to provide high-quality and innovative energy solutions while prioritizing the safety and future of our people, community, and planet.

We believe sustainability is a good business practice and that building sustainable solutions is our responsibility to future generations. Through our ESG goals, we are taking meaningful steps to create a more sustainable and equitable world."

Introduction

Cordia recognizes that we are responsible for prioritizing sustainability in everything we do. Our ESG program reflects our commitment to building a better future for our customers, employees, communities, and the planet. Creating long-term value for Cordia and its customers requires us to consider our operations' environmental, social, and governance impacts.

By setting ambitious ESG goals, Cordia is taking proactive steps to reduce our environmental footprint, promote social equity, and to have transparent and ethical business practices.

Our values of safety, integrity, reliability, sustainability, and partnership guide us in this journey, and we are committed to embedding them into our culture and leadership. By committing to sustainability, Cordia can create a more resilient and thriving future for our employees, customers, and communities.



Cordia's Vision

To be the leading provider of sustainable and reliable energy solutions in our communities.

Cordia's Values



SAFETY



INTEGRITY



RELIABILITY



SUSTAINABILITY



PARTNERSHIP

Cordia's Mission

Through expert teams and customer partnerships, we create value by developing, building, operating, and maintaining world-class, efficient energy solutions for the communities we serve.

Cordia's Key Beliefs



Safety



Talent



Value



Communication



Accountability



Customers



Sustainability

I protect our people, community, and property by living with a safety-first mindset

I attract, train, and build the industry's most talented and diverse workforce

I create value for Cordia and our Customers

I communicate in a manner that is open, direct, and builds trust, collaboration, and teamwork

I see, own, and solve problems, and follow through on my commitments

I view our customers as partners, and I serve them with pride, excellence, and a service mentality

I protect our planet and demonstrate inclusive behaviors at work

Cordia District Energy Portfolio



**Phoenix,
AZ**



**Tucson,
AZ**



**Arizona State
University**



**San Diego,
CA**



**San Francisco,
CA**



**Minneapolis,
MN**



**Omaha,
NE**



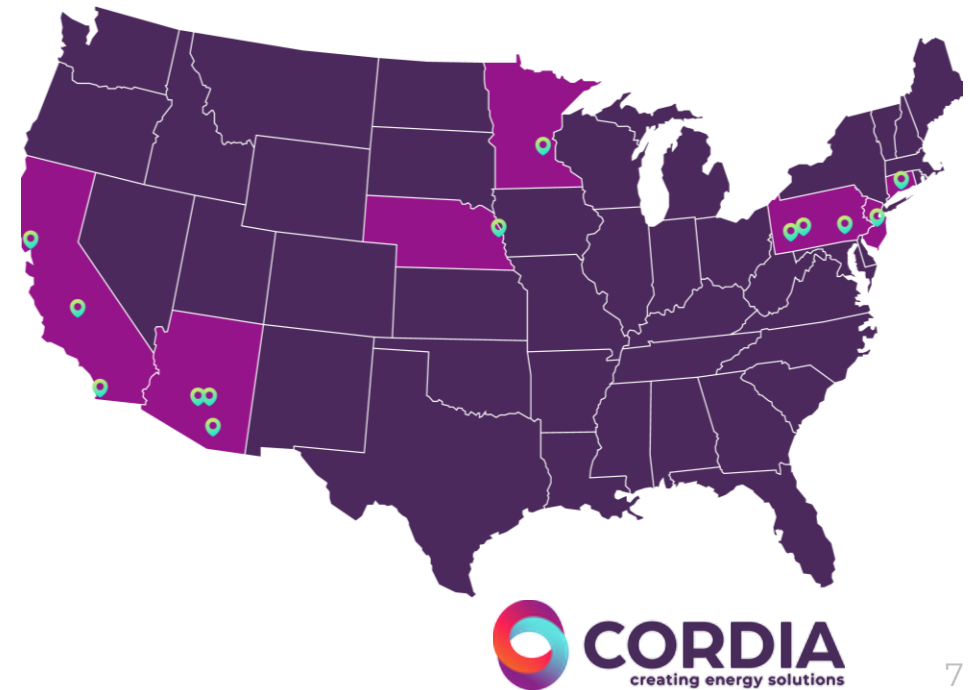
**Harrisburg,
PA**



**Pittsburgh,
PA**

Cordia's Systems Provide:

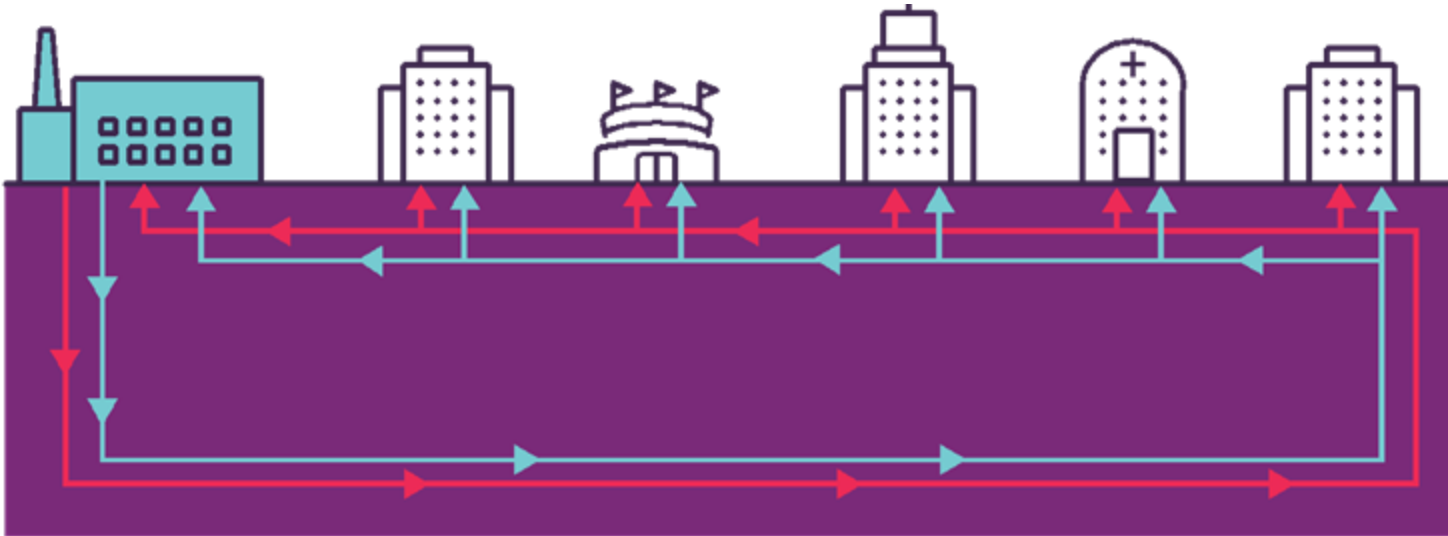
- 64 MW power capacity
- 3,297,000 lbs/hr steam capacity
- 154,000 tons chilled water capacity
- 49 miles of distribution
- Services to 700+ customers



Sustainability of District Energy

Heating and cooling buildings is a major source of carbon emissions in the U.S. Cordia's district energy systems are a sustainable, energy-efficient alternative to outdated, inefficient, and expensive in-house boilers and chiller plants.

District Energy Facility



How does District Energy work?

- District energy systems produce steam, hot and/or chilled water at efficiencies not achievable through on-site heating and cooling methods
- Steam, hot water, and chilled water are distributed to customers via underground pipes
- Central production is more reliable and cleaner than traditional methods

85% Reduction in NOx emission

25% Reduction in water usage

30% Reduction in fuel usage

Innovative Technologies



Microgrids

Microgrids allow customers to generate all of their energy needs with an on-site facility capable of operating entirely independent of the grid.

Benefits:

- + Reduced cost and emissions
- + Operational resilience even during grid outages



Thermal Energy Storage Systems

Ice storage creates flexibility in energy production, lowering energy purchase during peak hours, demand response, and overall resilience.

Benefits:

- + Reduced cost during peak hours
- + Resilient flexibility



Fuel Cells

Cordia's multiple fuel cell facilities generate clean, carbon-free, versatile heat and power.

Benefits:

- + Versatility in applications
- + Sustainable, long-term energy



Battery Energy Storage Systems

We develop and operate battery energy storage solutions, which dramatically increase the reliability of on-site renewable energy generation.

Benefits:

- + Safe storage of energy
- + Reliable, renewable power source

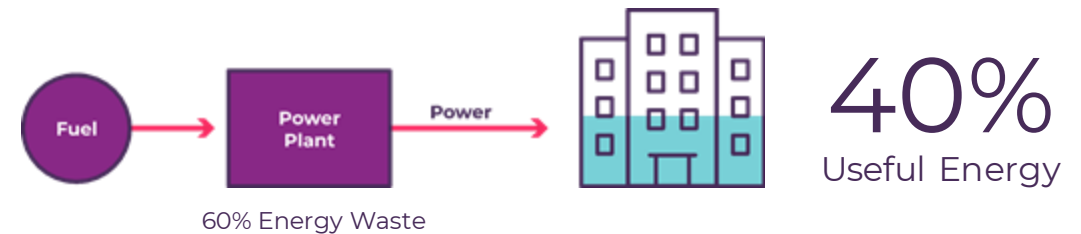
District Energy and Combined Heat and Power

Modern district energy systems incorporate sustainable technologies on top of traditional configurations in ways that challenge individual building owners. Combined heat and power (CHP) and renewable energy sources are two examples.

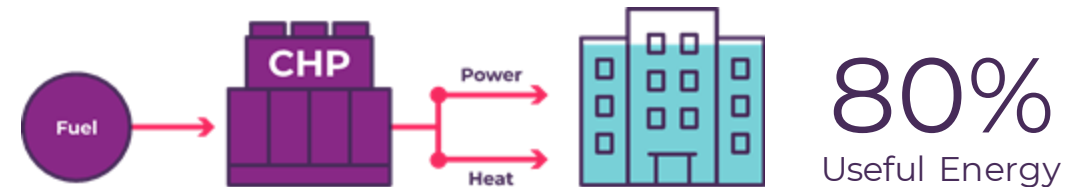
Why Combined Heat & Power?

- Combined heat and power is a technology that uses a single fuel source to generate both heat and electricity.
- Combined heat and power is the most efficient way to generate useful energy. By utilizing the heat wasted in traditional power generation, CHP doubles the amount of available energy from a single fuel source when compared to a traditional power plant.
- CHP, especially when configured with a microgrid, can offer high energy security and resiliency. Microgrids can remain online in the event of a power grid outage. These solutions are often used in mission-critical applications such as hospitals and sensitive research institutions.
- District Energy systems can leverage the greater diversity associated with multiple connected customers to achieve an optimum balance between electrical and thermal loads maximizing CHP energy savings.

Traditional



Combined Heat and Power



85% Reduction in NOx emission





Thermal Energy Storage

- Thermal (TES) is a technology that stores thermal energy by heating or cooling a storage medium, such as ice so that the stored energy can be used at a later time for heating and cooling applications and power generation.
- District Energy systems can more economically employ thermal energy storage than individual buildings due to space limitations and economies of scale.
- Utilization of thermal storage can reduce the need for heating and cooling equipment and the environmental costs associated with manufacturing and transporting the equipment.
- Thermal storage supports renewable power, reducing the need for fossil fuel-fired grid peaking power by storing thermal energy at times grid power can be provided by renewable energy sources and discharging the energy when those sources are unavailable.

District Energy and Renewables

- Unlike in-house boilers and chillers, district energy systems can use multiple fuel sources, readily access renewable and sustainable energy generation, and seamlessly integrate new technologies.
- The flexibility of District Energy allows systems to use fuels that can be procured from local communities, such as wood waste, landfill gas, and manufacturing waste streams. Investments in fuel are returned to the community, and local dollars stay with the local economy.

Potential Fuel Sources for District Energy

- Solar
- Waste-to-Energy
- Biogas
- Wind
- Fuel Cells
- Biomass
- Landfill Gas
- New and evolving technologies



ESG Goals

Cordia is committed to delivering sustainable and innovative energy solutions that prioritize the safety and future of our people, customers, communities, and the planet. Our mission and vision to provide high-quality services and become a leading provider of sustainable and reliable energy solutions align with our ESG goals.

Cordia strives to create value for our customers while upholding high ethical standards and demonstrating accountability and transparency in all our operations.



Achieve Net
Zero
Emissions
by 2050



Transition
Fleet to Use
Renewable
Electricity



Achieve Higher
Levels of Water
Conservation
and Quality



Increase
Employee
and Board
Diversity



Contractors
and Suppliers
Align with ESG
Goals



Reduce
Internal Cyber
Security Risk



Environmental Responsibility

Our Environmental Policy

This philosophy is central to our business operations. We are committed to promoting environmentally responsible practices across our organization. Our internal auditing program helps with our compliance with environmental laws and regulations, while our standardized third-party auditing approach provides an unbiased evaluation of our environmental impact.

Our responsibility to the environment extends beyond mere compliance, as we actively work to reduce waste and conserve resources in all business areas. We have implemented a waste minimization plan and are actively exploring innovative solutions to minimize our environmental footprint.

At Cordia, we recognize the critical importance of environmental sustainability and are committed to leading the way toward a greener future.





Green House Gas Emissions

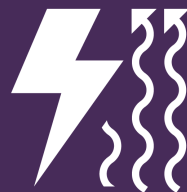


Pathway to Net-Zero: Cordia's Commitment to Reducing Greenhouse Gas Emissions

At Cordia, we are committed to reducing our carbon footprint and contributing to a more sustainable future. Our initiative focuses on creating and implementing projects, goals, and initiatives that make annual progress toward our long-term goal of achieving net zero emissions by 2050.

Through this initiative, we are taking proactive steps toward reducing our carbon footprint and demonstrating our commitment to corporate sustainability. In addition, our team is dedicated to continuously evaluating and improving our approach to GHG emissions reduction to achieve our ESG goals.

Green House Gas Emissions Initiative



Our Approach

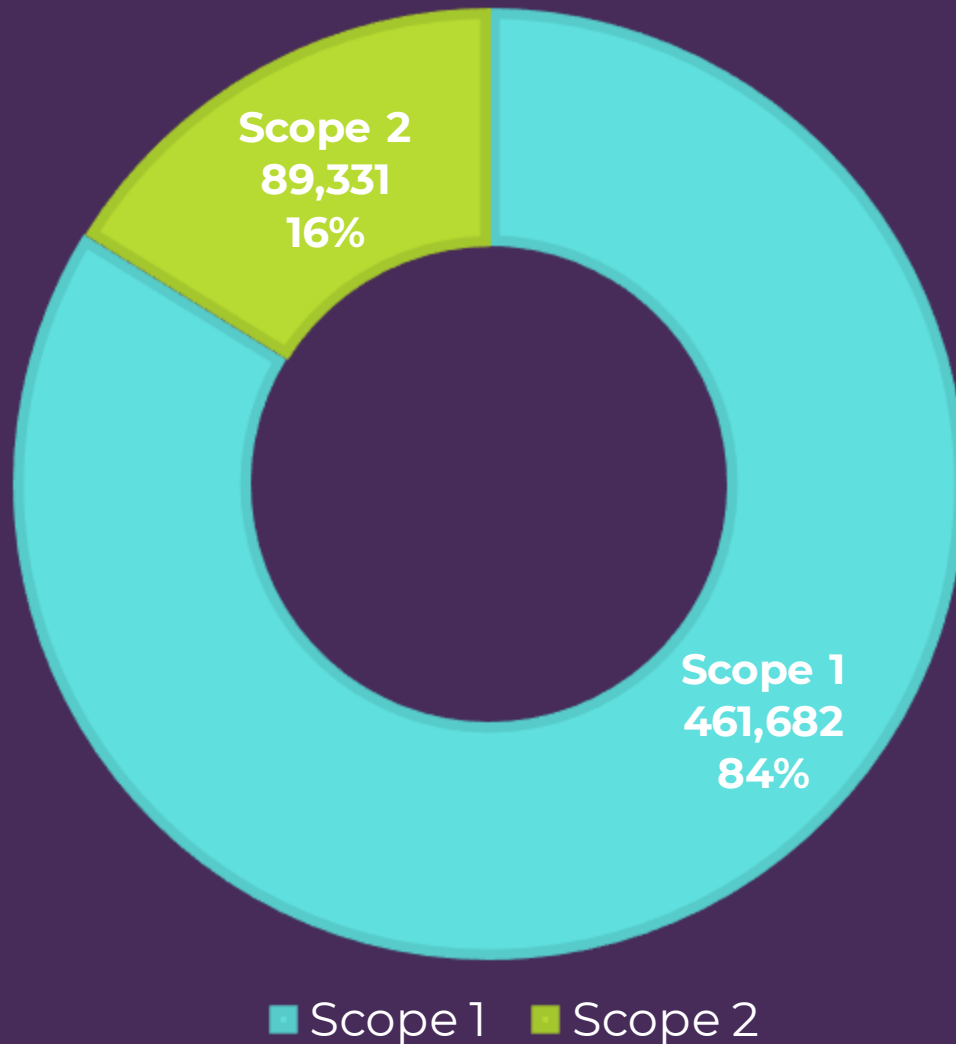
Our approach includes identifying GHG reduction projects in each market, setting intermediate goals for long-term ESG achievements, tracking decarbonization progress, and establishing baseline carbon footprints and accounting methodologies. By monitoring our progress annually and regularly assessing our impact, we can identify areas for improvement and make informed decisions about decarbonization projects. Our commitment to transparency and accountability is demonstrated through our commitment to ongoing measurement and reporting of our carbon footprint.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

- Establish baseline carbon footprint for Cordia fleet
- Establish KPIs and carbon accounting methodologies
- Set intermediate goals to achieve NZE by 2050
- Evaluate and recommend decarbonization technologies

OVERALL SCOPE 1, 2 & 3 GHG EMISSIONS (tCO₂e)



2022 GHG Emissions

GHG Emissions

- Includes all facilities owned and/or operated by Cordia.
- Scope 1 emissions estimates include:
 - Onsite fuel consumption
 - Vehicle emissions
 - Refrigerant losses
 - Fire suppression system losses
- Scope 2 emissions estimates include:
 - purchased electricity
 - imported heating and cooling



Greenhouse Gas Reduction Initiatives

The following are some examples of our current and planned greenhouse gas reduction initiatives:

Current Initiatives

- Combined heat and power installed at six plants
- Renewable electricity used at multiple plants
- Electric boilers installed at two Energy Center Omaha plants
- Replacing engine-driven chiller with electric-driven chiller at Energy Center Minneapolis
- Optimizing equipment dispatch and operation to improve efficiencies

Future Initiatives

- Energy Center San Francisco is planning to install two 25 MW electric boilers to provide up to a 90% carbon reduction by 2030
- Implement geo-exchange heat pump systems for new development projects
- Replacement of steam and gas-driven equipment with electric-driven equipment at multiple plants
- Use of renewable natural gas for district heating



Reduced Carbon Steam in San Francisco

Cordia expects to produce reduced carbon steam, providing up to 50% carbon reduction, to meet San Francisco's goal to De-Carbonize Downtown buildings by 2030.

The Challenge

- San Francisco's new legislation requires businesses to procure renewable electricity by 2030 and eliminate the usage of natural gas
- Cordia's Energy Center San Francisco (ECSF) district energy system utilizes natural gas boilers to service 180 customers in Downtown San Francisco

The Solution

- ECSF is working on a partnership with the SFPUC to de-carbonize the thermal energy supply to ECSF customer buildings beginning in 2026
- ECSF will team with the SFPUC to permit, design and construct a 50-75MW substation on or near ECSF plant location that will be owned and operated by the SFPUC.
- ECSF will install two 25 MW electric boilers, with the capability of serving the majority of its customer requirements

The Result

- Future alternatives for heating in San Francisco
- Electric upgrades and multi-million-dollar cost savings for each of our 180 customers
- Electric upgrades for the Downtown San Francisco electric grid
- Cordia's San Francisco would be the quickest and lowest cost alternative heating option in comparison to traditionally electrifying each building separately



Partnership & Innovation in Action: Arizona State University

Cordia has proudly served as Arizona State University's trusted energy partner for decades, providing them with resilient, sustainable, innovative energy solutions. The Sun Devils made the decision to be an example of climate leadership.

The Challenge

- Provide efficient, reliable heating and cooling to critical facilities
- Become Scope 1 and 2 carbon-neutral by 2025
- Reach complete carbon-neutrality by 2035

The Solution

- Added a CHP facility to efficiently produce electricity, heating, cooling and backup power
- Leverage on-site solar and renewable power to become Scope 1 and 2 carbon-neutral by 2025

The Result

- Cordia helped Arizona State University become Scope 1 and Scope 2 carbon-neutral in 2019 – six years ahead of target date through the development of the CHP.
- They are solidly on track to reach their 2035 carbon-neutrality goal.





Renewable Electricity



Powering Our Future with Renewable Electricity Sources

Cordia recognizes the urgent need for all businesses to take bold action to address climate change. We believe investing in renewable energy sources is not just an ethical obligation but also a wise business decision that benefits our customers, stakeholders, and the planet.

Our initiative to explore and purchase renewable electricity, such as solar and wind power, reflects our commitment to reducing our indirect carbon footprint and contributing to a sustainable future. We are proud to be a leader in the industry and hope to inspire others to join us in this critical effort to protect our planet for generations to come.

Renewable Electricity Initiative

Our Approach

As part of our ESG goals, we've implemented an approach to renewable electricity by exploring the purchase of solar and wind power to drive our chillers and significantly reduce our Scope 2 greenhouse gas emissions.

Our stakeholders, including investors and customers, prioritize sustainability, and by purchasing renewable electricity where available, we are actively reducing our indirect carbon footprint and demonstrating corporate social responsibility. Our team continuously evaluates and improves our approach to renewable electricity to achieve our ESG goals and build a sustainable future.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

- Assess our carbon footprint and the impact of existing utility power purchases
- Identify utilities that offer green power options to customers and renewable power availability
- Identify renewable power availability in our communities and roll out purchase options of renewable power to customers across the fleet
- Maximize renewable power purchases where feasible



Renewable Electricity Initiatives

As a company, we have deployed renewable power at multiple locations and seek to expand this conversion to renewable power elsewhere. Some examples of where we are currently using renewable power:

Current Initiatives

- **San Francisco, CA** – Purchased power is 50% renewable electricity
- **Minneapolis, MN** – Multiple chilled water plants powered by renewable electricity
- **Princeton, NJ** – 203 kW of on-site solar generation

Future Initiatives

- **Phoenix, AZ** – New plant 4 will be powered by renewable electricity
- **San Francisco, CA** – 100% renewable hydroelectric power
- Evaluations in progress in Harrisburg, PA and other systems across the fleet



Cordia Phoenix – Plant 4

Meeting Growing Chilled Water Demand with 100% Renewable Power

Cordia Phoenix's new Plant 4 project exemplifies the company's commitment to environmental sustainability by constructing the new plant powered entirely by renewable electricity, addressing the growing demand for chilled water in downtown Phoenix. The strategic partnership with the University of Arizona (UofA) and the integration of renewable energy sources demonstrate Cordia's dedication to a greener future.

The Challenge

- Due to new developments Cordia will be facing future capacity constraints in its downtown Phoenix Chilled Water System due to the addition of major future development projects.
- Projected growth indicated a demand for an additional 10,000 tons of chilled water capacity starting in 2025, necessitating finding a solution to accommodate the projected growth.

The Solution

- Cordia partnered with the UofA to develop a new plant powered entirely by renewable electricity
- Under a ground lease agreement, UofA provided Cordia with a perfectly suited land parcel part of its Downtown Phoenix Biomedical Campus.
- The new plant will provide chilled water to the UofA's planned buildings and future life science planned building developments at the Downtown Phoenix Biomedical Campus.

The Result

- Successful implementation would increase Cordia's capacity to meet downtown Phoenix's growing chilled water demand.
- The partnership with the University of Arizona continues to be strengthened through this project.
- Cordia's commitment to sustainability is exemplified by powering the plant entirely with renewable electricity, reducing its carbon footprint, and promoting a cleaner environment.



Water Conservation and Quality



Sustaining Our Future: Cordia's Water Conservation Initiative

Cordia understands that being good stewards of the environment requires conserving water resources. As part of our commitment to sustainability and environmental stewardship, we have created an initiative to introduce and implement water conservation technologies across our fleet.

This initiative not only positions Cordia as a leader in water conservation in the industry but also prepares us for the possibility increased water costs and future water scarcity. We are dedicated to continuously improving our approach to water usage and quality.

Water Conservation and Quality Initiative



Our Approach

Our approach to water conservation and quality maintenance is integral to our operations. We are actively exploring innovative technologies, particularly cooling tower solutions that dramatically reduce water demand and chemical usage, exemplifying our commitment to sustainability and environmental stewardship.

By establishing robust KPIs and targets, we are setting the bar high, aiming to surpass industry standards and guide our operations to achieve optimal water efficiency. We are poised to implement these innovative technologies by devising a comprehensive plan for adoption across our Cordia fleet.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

- Evaluate water conservation technologies
- Establish baseline water consumption for the Cordia fleet and set KPIs and targets
- Establish a budget for water conservation projects and identify at least one location for the implementation of the new technologies
- Implement new technologies within at least one plant and develop a plan to roll out superior technology at multiple facilities across the Cordia fleet



Water Conservation Initiatives

Much of the United States is experiencing record drought, and water scarcity is emerging as a major environmental issue, particularly in the southwestern states. Cordia's water conservation initiative is focused on reducing our consumption of city water resources and seeks to minimize our consumptive use as boiler and cooling tower makeup.

Examples of water conservation projects Cordia has put in place include:

- Installation of water conservation technology has allowed us to increase cycles of concentration in our San Diego chiller plant, which reduces total water consumption at the facility. Cordia is exploring the installation of this technology elsewhere in our fleet.
- Capture and reuse groundwater drainage from the San Francisco subway system (BART).
- Drilling wells and using non-potable water at numerous Cordia plants.
- Distribution system improvements that increase condensate return and reduce makeup water demand.

In addition, Cordia is committed to being a good steward of water resources and is actively managing its operations to minimize water pollution discharge to streams, rivers, and bays where we operate.



The BART Water Reclamation Project

The Challenge

- Propose a streamlined and cost-efficient treatment plan to recover 30 million gallons of groundwater per year.
- Install a purification system with multiple steps to remove trash, dirt, biologicals, minerals, and chemicals.

The Solution

- Collaborate with the City of San Francisco Public Utilities Commission (SFPUC), the Bay Area Rapid Transit (BART), and Cordia to transport water from the Powell Street Station to the Cordia plant via a newly-installed underground pipeline, then treat the water to levels of purity that would be boiler-grade, a much higher standard than regular drinking water.
- Use an advanced front-end filtration plant, which integrates with the existing water softening equipment at Cordia and a new and innovative reverse osmosis (RO) treatment system.

The Result

- Cordia financed the project on the balance sheet and self-performed the construction of the overall system.
- This project reduced Cordia San Francisco's domestic water use by 30%.

Cordia has decades of experience in providing San Francisco with resilient district energy services. We listen carefully to our customers and work with them to provide customized heating and cooling solution that suits their needs.



Water Quality Initiatives

Cordia is committed to being a good steward of water resources and actively manages its operations to minimize water pollution discharge to streams, rivers, and bays where we operate.

Examples of water quality initiatives Cordia has put in place include:

- Monitoring its wastewater discharges so they will remain within permitted limits,
- Developing and following Spill Prevention, Control and Countermeasure plans so that spills are minimized and don't reach waterways where we do business,
- Performing regular inspections and emergency drills so all locations are prepared to respond to spills in the unlikely event they could occur, and
- Following strict stormwater management policies focused on good housekeeping and storing all chemicals, fuels, and lubricants properly.

Environmental Responsibility

Cordia is proud of our unwavering commitment to environmental sustainability. As part of this commitment, we have set ambitious environmental goals that reflect our determination to positively impact the environment.

We aim to achieve net-zero greenhouse gas emissions by 2050, and we are actively working towards this goal by implementing renewable energy sources and adopting energy-efficient technologies.

Additionally, we are committed to transitioning our fleet to renewable electricity and implementing water conservation technologies across all business areas.

We recognize these goals are challenging, but we believe they are essential for creating a more sustainable future. Cordia will remain dedicated to reducing our environmental impact and is proud to be at the forefront of the sustainability movement.



Social Responsibility

Our Employees

Cordia recognizes that our employees are our greatest asset. We believe our success depends on our ability to attract, train, and build the industry's most talented and diverse workforce.

We strive to create a workplace where our employees feel valued, respected, and supported. By investing in our employees and creating opportunities for their growth and development, we can unlock their full potential and drive innovation and success.

We know that our employees are the backbone of our organization, and we are committed to providing them with a safe, inclusive, and fulfilling workplace. By prioritizing the well-being of our employees, we can create a positive and productive work environment that benefits everyone.

Cordia is proud to have a team of talented and dedicated professionals committed to our mission of creating a better future for all.



Current Employee Snapshot

- **271** Total Employees
- **13.5%** of our workforce is ethnically diverse
- **11%** of our employees are gender diverse
- **7%** of our management is ethnically diverse
- **12%** of our management team is gender diverse



Diversity Equity and Inclusion



Building a Diverse and Inclusive Workplace: Our Commitment to Equality and Empowerment

Cordia believes that a diverse and inclusive workforce is essential to achieving our goals as a company and as a responsible member of our communities. Our commitment to increasing workplace inclusivity is driven by our belief that everyone deserves to bring their whole selves to work, free from discrimination.

We are dedicated to creating a workplace that reflects the diversity of our customers and communities so that our employees have equal opportunities to grow and succeed. By embracing diversity of thought and promoting a culture of inclusion, we can bring the best ideas forward and provide our customers with the highest level of service.

Diversity, Equity and Inclusion (DEI) Initiative



Our Approach

Our approach to diversity and inclusion is focused on identifying gaps and opportunities for improvement, developing actionable plans, and implementing initiatives that drive meaningful change. Our commitment to diversity and inclusion is not just the right thing to do; it is essential to our success as a company.

We are dedicated to continuously evaluating and improving our approach, so we are creating a truly inclusive workplace that fosters the growth and development of all employees.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

- Perform internal diversity analysis and pay equity analysis for gender and ethnic diversity
- Conduct an internal DEI Survey
- Establish a DEI Committee and Affinity Groups with mentors
- Implement diversity training across the company
- Engage and partner with diverse recruiting resources



DEI Committee

Cordia's DEI Committee is an essential catalyst for fostering diversity, equity, and inclusion within our organization. By promoting a culture of belonging, this committee empowers our employees to thrive, driving our long-term success.



Established in March 2023



Mentors the affinity groups and Executive Leadership Team



Meets every two weeks



Establishes action plans to reach our goals



Steers initiatives and provides input on progress.



Employee Diversity Analysis

We are committed to promoting **pay equity** and creating a fair and inclusive workplace. Our recent analysis of pay equity based on gender and diversity has revealed no inconsistencies, demonstrating our dedication to equal compensation regardless of identity.

Our recent **Diversity, Equity and Inclusion Survey** has identified areas where we can improve and promote greater diversity and inclusion in our workplace. Our DEI Committee is working on establishing action plans to address these areas and create a more equitable and welcoming environment for all employees.

Diversity Training

Cordia is committed to fostering a workplace culture that promotes diversity, equity, and inclusion. To support this commitment, we offer a variety of training programs that help our employees understand the importance of embracing different perspectives, managing diversity, and building a respectful and inclusive workplace.

Delivered through our internal system, Cordia offers diversity, equity, and inclusion awareness training across the company. This training educates employees on diversity and inclusion dynamics and helps employees identify ways to manage diversity within their teams.

Additionally, we provide training to our employees from DEI experts and keynote speakers. The training covers topics such as creating a culture of communication, cooperation, and collaboration, leading with an inclusive lens, fostering a culture of respect and inclusion, and diversity leadership. Lastly, our leaders participate in book studies to share ideas around making our workplace the best it can be.





Diverse Recruiting Practices

By partnering with diverse recruiting platforms like Circa, Cordia is taking a proactive approach to intend that job opportunities are extended to a wider and more diverse pool of candidates. This approach not only promotes diversity and inclusivity within the workplace but also helps to foster a culture of equity and fairness.

By utilizing a broad range of job boards and targeting underrepresented groups, Cordia will likely attract a more diverse pool of applicants, which Cordia believes will lead to a stronger and more innovative workforce.

Affinity Groups

Cordia created Affinity Groups for BIPOC, Women, LGBTQ+, and Veterans, with the opportunity for more depending on feedback from surveys. These groups will be a source for resources and support for members, to promote teamwork and diversity, and to build a community that advocates for their unique needs.

Our ultimate goal is to increase morale and commitment to our organization, foster community engagement, and drive productivity.



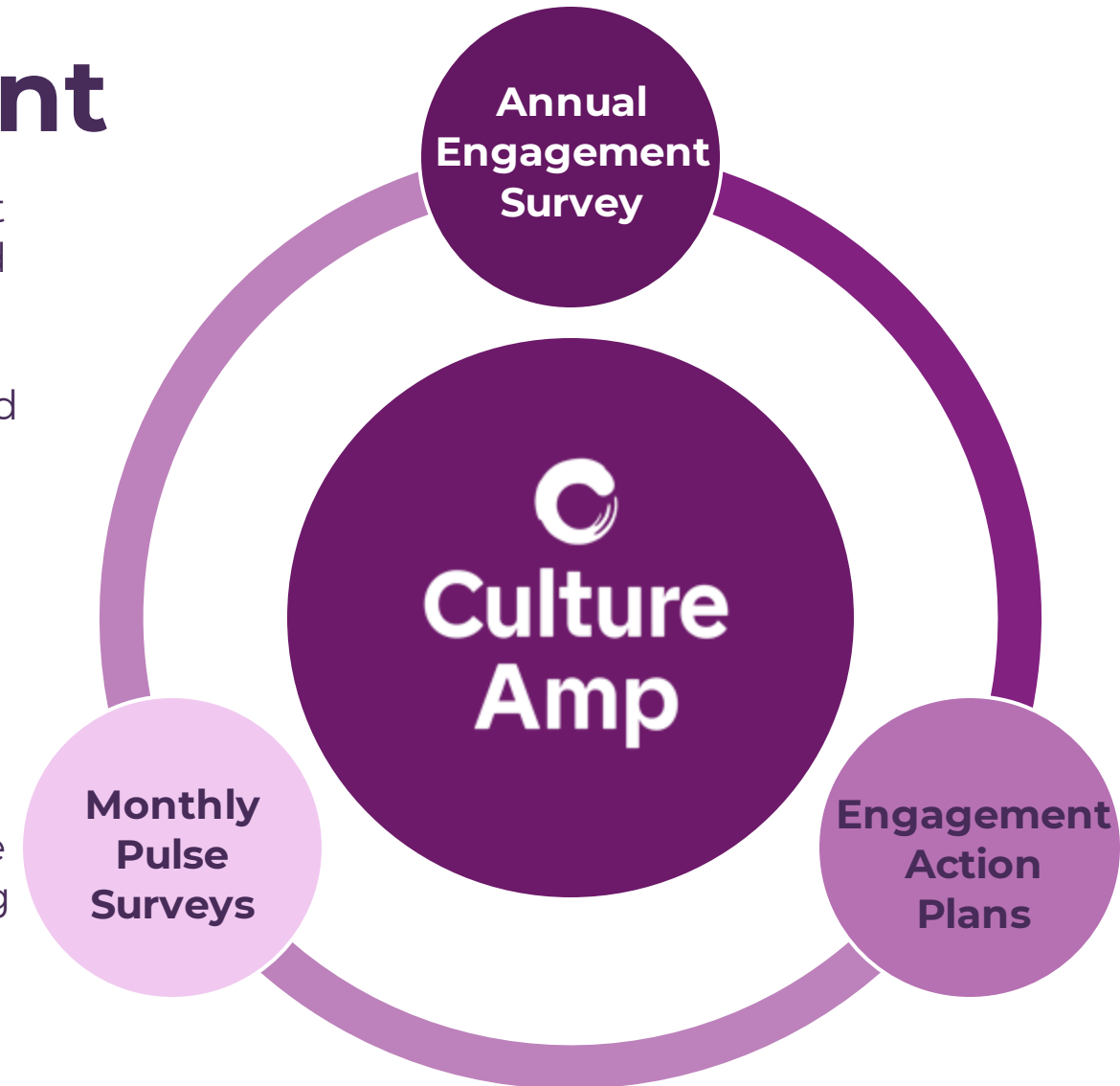
Employee Engagement

Cordia is committed to fostering employee engagement and satisfaction by conducting annual engagement and monthly pulse surveys in partnership with Culture Amp. These surveys provide an Engagement Index Score, which measures employee involvement, satisfaction, and commitment, indicating the effectiveness and health of our engagement initiatives.

With an 83% participation rate in the first year, our initial engagement index of 60 demonstrates our employees' dedication to making Cordia an exceptional workplace. We have implemented action plans focusing on recognition, teamwork, collaboration, and learning and development. By prioritizing employee engagement, we believe attract and retain top talent, positively impacting our business and society.

83%
Participation
Rate

60
Engagement
Index Score



Training and Development

Cordia is dedicated to providing its employees with the tools and resources to succeed with its comprehensive training and development programs. The programs include a variety of initiatives, such as apprentice programs, employee education reimbursement, training seminars, and an online training platform. By offering a range of options, Cordia employees should have access to training that suits their learning styles and career goals.

We are supporting our employees' growth and success and helping us remain competitive and innovative in our industry by investing in our employees' career development.

 Cordia University


 LEAD – Advanced Leadership Training

 Apprenticeships and Intern Programs

 Front Line Leadership Program

 Education Reimbursement

 Safety Training & Seminars

 Online Training Platform





Cordia Benefits

Our employees are our most valuable asset, and we are committed to providing them with a supportive and inclusive workplace culture that values their health and well-being. As part of this commitment, we offer a comprehensive benefits package that reflects our core beliefs of talent, value, and sustainability.

Our employee benefits include market-based competitive compensation, health and wellness programs, retirement savings plans, and career growth and development opportunities. We also offer a range of work-life balance programs, including flexible schedules, telecommuting options, and paid time off, so our employees can maintain a healthy balance between their work and personal lives.

Cordia understands that a healthy and happy workforce is critical to the success of our business, our customers, and the communities we serve. By offering robust employee benefits, we aim to attract and retain top talent, foster a positive and inclusive workplace culture, and support our employees in achieving their personal and professional goals.

Cordia Benefits

Cordia prioritizes our employees' well-being by providing them with a wide range of benefits. As part of our commitment to employee satisfaction and retention, we have partnered with leading benefits organizations so our employees can access comprehensive and competitive benefits packages. We believe that happy and healthy employees are essential to our success, and we are dedicated to providing them with the resources they need to thrive.

- Medical, Dental, Vision & TeleMedicine
- Voluntary Health Benefits
- Flexible Savings Accounts & Health Savings Accounts
- Long & Short Term Disability/FMLA
- Life Insurance & AD&D
- Employee Assistance Program
- Additional Benefits include 401K, Legal Services, Employee Discounts, Commuter Subsidy, Home, Auto & Pet Insurance, PTO, Additional Purchase Options & Floating Holidays



Cordia's Social Impact: Veterans

Cordia is deeply committed to supporting our veterans and their families. As a company with a significant population of military veterans, we understand the unique challenges and sacrifices they have made to serve our country.

We actively recruit from veteran hiring services to provide job opportunities and support to veterans seeking employment. Additionally, we annually support veteran causes through community initiatives and charitable donations.

Cordia believes that by honoring our veterans, we are not only demonstrating our gratitude and respect for their service but also strengthening our workforce and community.

Cordia's core beliefs of accountability, sustainability, talent, and value are embodied in its commitment to veteran initiatives, and we continue to prioritize their needs and well-being.





OperationMVP

Cordia is committed to supporting those who have served our country and have the skills and experience to excel in our industry. That's why we launched **OperationMVP (Military Veteran Program)**, a veteran hiring initiative to bring top military talent into our organization.

From service to success, **OperationMVP** embodies our commitment to supporting veterans and their transition to civilian life. We recognize the unique skills and qualities that veterans bring to the workforce, including leadership, teamwork, and adaptability. As a result, we strive to provide them with meaningful employment opportunities, partnering with job boards like RecruitMilitary and MilitaryHire to target skilled veterans.

Through **OperationMVP**, we aim to increase the number of veterans in our workforce and create a supportive and inclusive culture for all employees. We offer a variety of resources and benefits to our veteran employees, including training and development opportunities, mentorship programs, and support for their physical and mental health needs.

OperationMVP is a testament to our commitment to corporate social responsibility and our values of integrity, respect, and excellence.



Veteran Initiatives



CordiaServes is a day of service that brings together Cordia employees, partners, and community members to support and honor our veterans. This initiative aims to give back to those who have given so much to our country and create meaningful connections between our organization and the veteran community. Our **CordiaServes** events include projects such as home repairs, yard work, or other tasks to improve the quality of life for veterans and their families in our communities.

Veteran Organizations Cordia Supports:





Safety Philosophy

Cordia creates a culture of safety by our shared practices, beliefs, and attitudes. Our objective is “**zero injuries**”, but our care for the well-being of employees extends beyond just a number. We work to achieve this goal by utilizing a highly interactive team approach focused on the continuous improvement of processes, procedures, training, and employee health and wellness programs. Each employee is ultimately responsible for their own safety and health, as well as the welfare of their fellow employees.

Cordia is committed to embracing the philosophy that safety can extend beyond zero injuries. By promoting the well-being of our employees inside and outside our place of work, we reinforce the notion that safety has a place in our everyday lives.

Cordia’s Key Belief is – To protect our people, community, and our property by living with a safety-first mindset.

Our Commitment:

Cordia has a shared vision of safety and health goals that emphasize safety over production. Senior management supports this vision through active, consistent, and visible participation in safety, health, and wellness programs. Cordia provides the necessary resources to the managers and supervisors accountable for achieving these goals and objectives.

Safety Philosophy

Cordia is committed to embracing the philosophy that safety can extend beyond zero injuries. By promoting the well-being of our employees inside and outside our place of work, we reinforce the notion that safety has a place in our everyday lives.

Highest standards achieved by:

- Tracking compliance with all applicable laws and internal policies.
- Assessing safety and health risks and acknowledging the benefits in decision-making as they relate to operating practices.
- Managing risks to the safety and health of our employees, customers, contractors, and the public so they are systematically minimized to the lowest level.
- Setting progressive objectives and targets to improve safety and health management systems.

Implement effective hazard and risk controls by:

- Providing employees the training and resources to discharge their personal responsibilities for safety and health matters and encourage a positive safety and health culture. – e.g., Stop Work Authority
- Involving employees by improving safety and health program practices through effective communications and consultations.
- Holding contractors to the same standards of safety and health compliance as we hold our employees.
- Keeping effective controls in place for unforeseeable emergency conditions that may arise.

Monitor safety and health performance by:

- Monitoring safety and health management system indicators to improve performance.
- Identifying root causes of injuries and near misses.
- Identifying appropriate corrective actions.
- Implementing auditing processes that track system compliance and taking corrective action when deficiencies or non-conformities are identified.



Safety Excellence

- One (1) Fleetwide Lost Time Injury (LWD) in five years.
- Achieves a companywide OSHA Total Recordable Incident Rate (TRIR) below 1.00.
- Cordia's TRIR is less than half of the Industry Average.
- Zero OSHA fines or citations.
- MNSTAR/VPP. MN OSHA accredits the Minneapolis Energy Center with MNSTAR/VPP recognition (OSHA's Gold Standard) for implementing and maintaining an exemplary, comprehensive safety and health management program.



Governance

Executive Leadership Team

At Cordia, our commitment to sustainability is not just a business practice but a responsibility to future generations. Our leadership team is fully committed to our ESG initiatives, recognizing that these goals are critical to building a better, more sustainable future for our customers, employees, and communities. Our core beliefs of safety, talent, value, communication, accountability, customers, and sustainability inspire us.

Through our ESG program, we are taking meaningful steps to reduce our environmental footprint, promote social equity, and have transparent and ethical business practices. Sustainability is not just about minimizing negative impacts but also creating value. Our ESG goals align with our core beliefs and values, and we are proud of our progress.

Our commitment to sustainability is a source of competitive advantage, enabling us to drive innovation, improve efficiency, and strengthen relationships. We are dedicated to building a better future for our planet and future generations, and we invite our customers, partners, and stakeholders to join us on this journey. As a result, we can create a more resilient, equitable, and sustainable world.



ESG Governance

We take our commitment to ESG seriously and believe strong governance is critical to our success. Our Chief ESG Officer, Randy Johnson, is accountable for our ESG charter, ESG performance, and oversight of a cross-functional ESG team that includes representatives from across the organization. This team identifies material ESG topics and develops initiatives with actions, targets, resources, and KPIs.

Our Board of Directors and our dedicated ESG team provide oversight that our ESG initiatives are aligned with our mission, values, and operating principles by conducting an annual review of material ESG topics, our ESG strategy, and our targets, and a subsequent review of our ESG strategy is completed by the Board of Directors.

In addition, our Board is updated quarterly on our ESG performance, and we conduct ongoing reviews of ESG performance in various weekly and monthly meetings to help our ESG team adhere to our commitment to our beliefs in communications and accountability.

Our strong ESG governance and oversight and our commitment to sustainability and corporate social responsibility will help us achieve our vision of becoming the leading provider of sustainable and reliable energy solutions to our customers and communities.



Cordia's Materiality Matrix

Cordia understands the significance of transparent and comprehensive reporting on ESG topics. This matrix identifies and prioritizes the most relevant ESG subjects that impact our business to focus our reporting on areas of greatest importance. Using the materiality matrix, we can effectively assess risks and opportunities, allocate resources, and drive meaningful actions to address the key sustainability concerns of our business, customers, and communities we serve.



ESG Management and Governance Scorecard

	Activity
Management and Governance	Board oversight of ESG matters formalized
	Formal tracking and escalation process in place for ESG topics
	Environmental Policy (or equivalent certification/approach) in place
	Code of Business Conduct (or equivalent certification/approach) in place
	Supplier Code of Conduct (or equivalent certification/approach) in place
	Environmental and social performance metrics tracked and monitored
Climate	GHG reduction targets in place
	Plan to measure greenhouse gas emissions annually in place
	Climate risk assessment conducted and reported to the Board
	Climate strategy reviewed by the Board
Human Capital	Workplace Safety and Health Policy (or equivalent certification/approach) in place
	DEI strategy reviewed by the Board level
	30% Board diversity
	Employee engagement survey conducted annually
	KKR Responsible Contractor Policy considered being implemented
Data Responsibility	Data responsibility strategy reviewed by the Board
	Data responsibility policy (or equivalent certification/approach) in place
	Cybersecurity assessments conducted annually
Material ESG Topics	Material ESG topics identified
	Documented strategy and action plans for material ESG topics developed
	KPIs and Targets established for material ESG topics
	Reliably / robustly measuring progress against KPIs
	ESG performance linked to leadership compensation
	Annual cycles to review / update ESG strategy

Ethics & Code of Conduct

Our Code of Conduct is not just a set of rules and regulations but a reflection of our commitment to sustainability, ethical business practices, and corporate social responsibility. Our Code of Conduct is a guide that translates our core beliefs and values into the standards of behavior we expect from one another, providing guidance on solving problems, finding answers, and communicating within our organization.

Our commitment to ESG initiatives is rooted in our values, which guide our ethical decision-making and are the foundation of our culture. We are proud to uphold high ethical and environmental standards, and we expect our employees, suppliers, contractors, and consultants to share and act consistently with our Code of Conduct.

Our Code of Conduct is a testament to our commitment to building a better and more sustainable future for our planet and future generations. By making every choice with integrity, in furtherance of our mission, and based on our values and beliefs, we can drive innovation, improve efficiency, and strengthen our relationships.



**SAFETY
PROTOCOLS**



**ETHICS
HOTLINE**



**CORPORATE &
ENVIRONMENT
PROTECTION
PRACTICES**



**FAIR
EMPLOYMENT
PRACTICES**



**EMPLOYEE
INTEGRITY
POLICIES**



**LEADERSHIP
PRACTICES**

Board of Managers

Our Board of Managers is committed to upholding our company's mission, vision, values, and ethical standards while supporting our ESG initiatives and playing a critical role in guiding our strategy, monitoring our performance, and helping us remain committed to sustainability and social responsibility.

The board is comprised of individuals with diverse backgrounds and expertise who bring a wealth of knowledge and experience to our company. They are committed to advancing our ESG goals, reducing our environmental footprint, promoting diversity and inclusion, and creating value for our stakeholders. Our Board of Managers understands that our success is not just measured by financial performance but also by our impact on society and the environment.

As representatives of our company, our Board of Managers upholds the highest ethical standards, including complying with legal, regulatory, and corporate governance requirements. They are committed to transparency, accountability, and ethical behavior and are guided by our Code of Conduct, which outlines their responsibilities and expectations. We are proud to have a Board of Managers that is committed to our company's mission and values and plays an active role in advancing our ESG initiatives.



**James
Cunningham**
Partner
KKR



**Kathleen
Lawler**
Director
KKR



**Bert
Pijls**
Chair
Calisen Group



Supplier and Contractor Responsibility



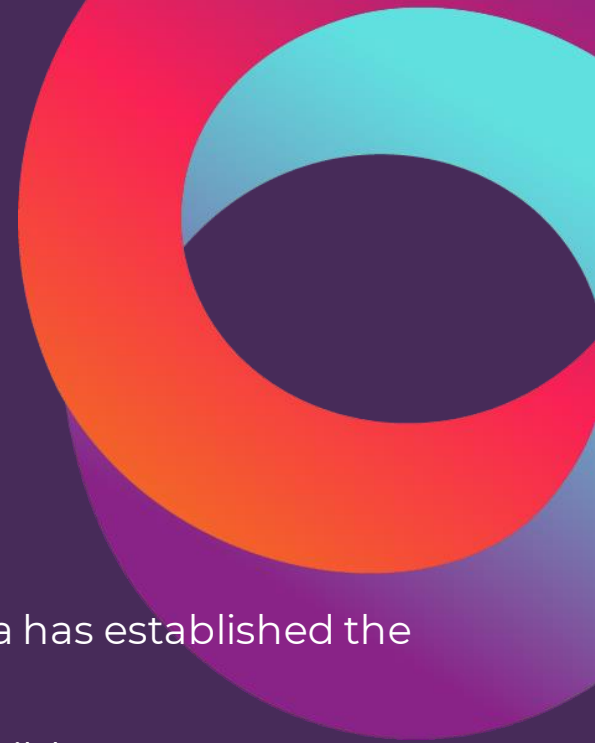
Partnering with Suppliers and Contractors for ESG Excellence

We believe in protecting the planet and creating workplaces that are free from discrimination. To align ourselves with this core value, we are taking a comprehensive approach to supplier and contractor management so our partners aim to share our commitment to ESG and corporate social responsibility.

Our initiative establishes processes and tools that enable us to evaluate our suppliers and contractors, tracking that their philosophies align with our ESG goals. This initiative reflects our commitment to corporate citizenship and extensive ESG practices throughout our entire supply chain.

By aligning ourselves with suppliers and contractors who share our beliefs and values, we can create a more sustainable future for everyone.

Supplier and Contractor Responsibility Initiative



Our Approach

At Cordia, we believe that conducting business responsibly and sustainably is essential for our success and the success of our suppliers and contractors. Therefore, we have established processes and tools to help our suppliers and contractors align with our ESG and corporate social responsibility strategies. Cordia's approach is to partner with suppliers and contractors who share our beliefs and have proven philosophies and processes regarding ESG.

By aligning ourselves with like-minded partners, we can intend that all upstream and downstream actions, philosophies, and operations support the elements of our ESG program.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

- Implement Cordia's Responsible Contractor Framework (RCF)
- Establish a comprehensive supplier code of conduct and policies that align with our ESG goals
- Create vendor management policies and to pre-qualify all suppliers and contractors
- Create an onboarding process and evaluation matrix to track compliance with the RCF



Responsible Contractor Framework

The Responsible Contractor Framework (RFC) encourages the selection of Responsible Contractors who provide safe, fair, and just working conditions for their employees. By implementing this Framework, we are not only contributing to our broader ESG goals but also promoting positive social and environmental impacts in the communities where we invest. Cordia is committed to monitoring the implementation of the Framework and continually improving our ESG practices to create long-term value.

Purpose: The RFC is designed to encourage the selection of Responsible Contractors to help aid the provision of safe, fair, and just working conditions for employees of Contractors

Monitoring:

- Maintain a list of contracts and associated contractors
- Perform annual audits to track contractor compliance
- Certify each Responsible Contractor at the time of new, extensions, replacement, or renewal of any contracts

Responsible Contractor Framework

Framework	Required	Recommended
Observes & has policies and procedures to ensure observance of all applicable local, state and federal laws	✓	
Has policies in place to diligently monitor employee health and safety to ensure safe operations	✓	
Pay fair working wage		✓
Provide fair benefits		✓
Be certified as and use subcontractors certified as Minority and Women-Owned Business Enterprises		✓
Provide employer-paid health and safety training to its employees to ensure its employees have the skills and legal certifications to perform work safely		✓
Use products and materials with third-party certifications pertaining to environmental sustainability, where feasible		✓
Must communicate to subcontractors the requirements and recommendations, where applicable	✓	



Contractor Safety Program

Cordia's Contractor Safety Program is designed to assist in the safety of our contractors while they work at our facilities. We take the safety of our employees, contractors, and the community very seriously and strive to maintain a safe working environment.

Cordia's Contractor Safety Program helps to communicate with all contractors and their employees, so they are aware of and adhere to our safety policies, minimizing the risk of accidents and injuries. The program also helps us maintain a safe working environment for our employees.

Our Contractor Safety Program is integral to our safety management system and reflects our dedication to maintaining a safe working environment.

Contractor Safety Program

- "Zero Tolerance Rules"
- **STOP WORK AUTHORITY**
- Contractor Liaisons are required to:
 - **W**alkdown contractor jobs on a regular basis.
 - **O**bserve contractors in the work environment to assure safety performance meets expectations.
 - **R**outinely review contractor job briefings and housekeeping standards.
 - **K**now the safety policies and expectations to enforce the Zero Tolerance Rules. Stop work when necessary.
- On-Site orientations are required
 - Site-specific safety requirements are communicated at site orientations. Contractors must be re-oriented on-site expectations every 12 months.
- Major construction work may require specific safety plans
 - Contractors must submit detailed written plans for approval by Cordia before beginning work on site.





Cyber and Data Security



Cordia's Commitment to Cybersecurity and Data Responsibility

Cordia recognizes that cybersecurity and data responsibility are critical components of our business operations. To seek the highest level of protection for our customers and our organization, we have established an initiative to reduce our internal risk score through ongoing assessments and training.

We aim to increase customer confidence in protecting their information and maintaining a strong partnership with them. By implementing a data responsibility strategy and policy, we intend to meet the highest standards for cybersecurity in the industry.

Cybersecurity and Data Responsibility Initiative



Our Approach

At Cordia, we take a proactive approach to cybersecurity to protect the safety and security of our systems, data, and property. Our team is implementing a comprehensive approach to cybersecurity, which includes user training, vulnerability and risk assessments, and regular policy reviews. In addition, we have created an internal risk-scoring matrix that considers technical debt, compliance, training/awareness, and stress testing to assess current and future cybersecurity risks and performance.

Key Actions

To achieve our objectives, Cordia has established the following critical actions:

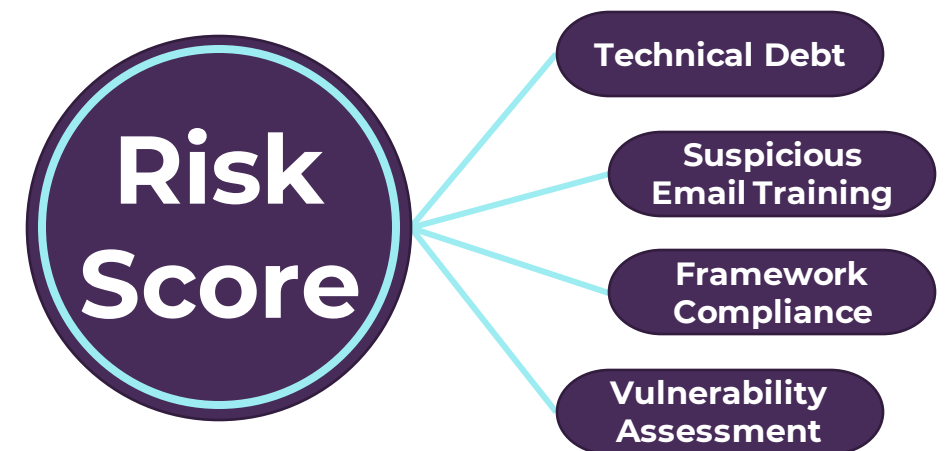
- Creating an internal risk scoring matrix and KPIs
- Conducting ongoing user training and phishing campaigns
- Establishing a data responsibility strategy and policy
- Conducting quarterly vulnerability and annual risk assessments



Cybersecurity KPIs

Cordia evaluates the health of the organization's cyber risk by utilizing a set of key performance indicators (KPIs) that provide insights into different areas of the IT environment.

The cybersecurity KPIs that are monitored calculate an overall Risk Score. By monitoring these KPIs on a regular basis, Cordia hopes to get a comprehensive view of the organization's cyber risk and make informed decisions to improve its overall security posture.



Cybersecurity Roadmap





Randy Johnson
Chief ESG Officer

"At Cordia, our ESG program is not just a box to be checked off or a trend to follow but a fundamental part of who we are as a company. Our commitment to sustainability, ethical behavior, and corporate responsibility is woven into the fabric of our culture and beliefs. We recognize that the world is changing, as are our employees, customers, communities, and stakeholders' expectations.

As Cordia continues to evolve and grow, we will stay true to our ESG goals and lead by example in our industry. We are proud of what we have accomplished thus far, but we also know much more work must be done. We remain committed to positively impacting the world and leaving it a better place for future generations."

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