



# 2022 ESG Report



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Pivot, Ticonderoga, NY

# Partners' Letter



Pivot, Kankakee, IL

As we look back over the last 18 months, we believe that 2022 and 2023 will mark pivotal years in the history of the energy transition and in the evolution of ECP. During 2022, transformational legislation in the form of the Inflation Reduction Act was passed, turbo-charging opportunities in clean energy, decarbonization, and sustainability. As investors in the sector for decades, we cannot help but be excited by the rapidly expanding opportunity set in front of us and our existing portfolio companies. Fortunately, our strategy has placed us directly in the tailwinds of this generational shift, allowing ECP to quickly capitalize on this rapidly evolving landscape.

With this backdrop in mind, we have embarked on a period of diligent growth. Since the beginning of 2022, we have invested in **seven new portfolio companies representing nearly \$5 billion in enterprise value** across sectors like renewable fuels, carbon capture, community solar, and waste management; grew our team from 55 at the end of 2021 to 84 today; welcomed three individuals to our Partnership and a Chief Talent Officer; and launched a credit platform focused on sustainable lending opportunities. Through development activities at our current portfolio companies over the course of 2021 to 2022, we grew our collection of solar, storage, and wind assets by **1,658 megawatts (MW), 1,785 MW, and 1,623 MW**, respectively. We have also pursued investments in emerging areas focused on managing the emissions of difficult-to-decarbonize sectors and now have seven carbon capture, utilization, and storage (CCUS) locations in-development at certain of our portfolio companies. Our growth does not

just extend to the asset level, but also extends to our companies' employees. In 2022, we created over **1,100 net new jobs** at our controlled equity companies.

All of this activity highlights a concept that we believe is critical when evaluating the progress made in the energy transition: **additionality**. Investing in the energy transition is only truly advancing decarbonization and energy security goals if the investments reduce emissions, further electrification, or add reliability to the system in a way that would otherwise not have occurred (for example, buying an already operating renewable facility and not adding more capacity or pairing with battery storage does not add any new capacity that would not otherwise be operating nor does it increase the reliability of resource). This is where we believe ECP is most impactful — we are not solely focused on operating existing assets; instead, we are actively seeking differentiated growth opportunities, not just in renewables and storage, but in energy security, electrification, sustainability, and reliability. As a result, we remain one of the largest private owners of power generation and renewable assets in the U.S. and one of the most active investors in the energy transition, having invested approximately \$11 billion in the sector since inception.

As we expand and develop our portfolio, it is critically important that our assets can maintain reliable operations and demonstrate climate resiliency; in other words, our assets must be available in times of drastic temperature fluctuations, extreme weather events, and rising demand driven by accelerating electrification. The critical nature of our infrastructure assets is one of the reasons we continue to pursue a diversified investment strategy across the energy transition spectrum, including investing in new, more efficient natural gas plants. An “all-of-the-above” strategy is needed to ensure that our grid is adaptable to more variable operating conditions, that electricity and energy prices remain affordable, and that access to electricity and sustainable solutions is equitable.

Our most valuable assets remain our people and we believe that prioritizing health, safety, and well-being drives happier and more productive employees, which in turn results in better performance, more efficient operations, as well as stronger retention rates. The nature of our businesses can be inherently labor intensive and as a result, it is critical that a culture of safety is permeated from management down to every employee, and we achieve this mentality through our Safety Committee and employee training. ECP’s Safety Committee includes two independent consultants and a representative from each of our controlled equity portfolio companies. The Committee ensures accountability through safety metric reporting and encourages the sharing of best practices across our portfolio companies. In addition, in 2022, our portfolio

companies provided over **243,400 hours of safety-related training** to employees and many of our portfolio companies begin all meetings with a safety briefing. We believe this approach has driven positive outcomes: on average, our equity-controlled portfolio companies reported **lost time incidence rates (LTIR) that were 76% lower than industry-specific benchmarks in 2022.**<sup>[1]</sup>

ECP firmly believes that value creation and strong Environmental, Social, and Governance (ESG) practices are inherently linked and that continued progress on ESG goals drives not only strong financial and operational performance, but also a strong firm-wide culture that permeates through to our portfolio companies. In 2022, we rolled out increased ESG requirements for our controlled equity portfolio companies, including requiring policies to govern ESG; Diversity, Equity, and Inclusion (DEI); Occupational Health and Safety (OHS); and Cybersecurity matters. We also now require portfolio companies to identify at least one person in a senior leadership position responsible for ESG matters, and additional reporting metrics, including Scope 3 emissions for our controlled equity investments. We also held two board trainings and continued to conduct ESG assessments of each of our controlled equity investments.

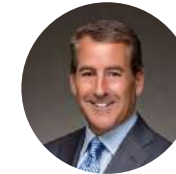
For some of our companies, this journey has meant a dramatic learning curve, but we are proud of the progress they have made and how they have embraced our core ESG requirements. Importantly, many of our companies are already going above

and beyond these requirements and finding other ways to encourage ESG participation and progress. **Liberty Tire (Liberty)**, our beneficial re-use tire recycling business, has embraced ESG and its links to the circular economy as a core part of its brand and strategy for customers and has stated its intention to achieve zero waste by 2030. **Biffa**, a U.K.-based waste management and recycling company, is upcycling some of its trucks to convert from diesel to electric and has stated its commitment to achieving net-zero emissions by 2050. **Next Wave Energy (Next Wave)** is evaluating a project that would produce sustainable aviation fuel (SAF). Additionally, **Pivot Energy (Pivot)** has focused on equitable access to clean energy through community solar projects serving low-income communities, all while maintaining an ESG governance structure featuring three employee-led committees.

We are extremely proud of what we have accomplished over the last year and are even more excited for what lies ahead. Over the last 18 months, we welcomed 33 employees to the ECP family and expect we will continue to grow throughout the remainder of this year. In June 2023, we announced the creation of **ECP ForeStar**, our sustainable credit platform, which is led by two extremely talented credit specialists, Jennifer Powers and Reiner Boehning. Credit is an underserved opportunity where we see immense growth potential given how large the equity needs are for sustainable investments. The team developed a Sustainable Credit Framework, which features robust screening,

measurement, monitoring, and reporting protocols to support sustainable alignment across various frameworks, such as the United Nations Sustainable Development Goals (UN SDGs) and the Partnership for Carbon Accounting Financial (PCAF) Standard. We will have more to report on that next year!

Thank you to all of our employees, investors, and industry partners. Each year with your support, we are that much closer to making a sustainable future our shared reality.



**Doug Kimmelman**  
Senior Partner and Founder



**Pete Labbat**  
Managing Partner



**Tyler Reeder**  
Managing Partner

[1] Compared to industry-specific averages of LTIR from 2021 data published by the U.S. Bureau of Labor and Statistics (BLS) for the portfolio company’s applicable North American Industrial Classification System (NAICS) code. [“Injuries, Illnesses, and Fatalities.”](#)

# Firm Overview

## Our Growth Trajectory: Delivering Additionality in Energy Transitions

As one of the longest-tenured energy transition investors, we are most proud of how we have grown our firm and the impact we have had on the electricity markets over the last two decades. ECP is one of the largest private owners of power generation and renewable assets in the U.S., a position we have achieved not just by buying operating assets, but by adding generating capacity, primarily through wind, solar, geothermal, and battery storage, to our platforms. Since inception, we have developed 20 gigawatts (GW) across technologies, which has served to increase the renewable and sustainable resources of the grid, advance decarbonization through a mindset that looks beyond the status quo, and ensure the operations of essential infrastructure providing clean, affordable, and reliable energy.

During that time, we have also raised over \$29 billion in capital commitments, primarily related to infrastructure equity funds. In the spirit of a continued expansion of our reach within energy transition and sustainability, we recently launched

a new sustainable credit platform, ECP ForeStar. Led by co-Managing Partners, Jennifer Powers and Reiner Boehning, this platform marks our strong entrance into sustainable credit. Equity investment in the energy transition is driving capital formation, yet there is a huge gap in the necessary credit to support current capital needs. For example, though a staggering \$105 billion in private funds has been raised for renewable investing over the last four years, only \$10 billion of that — less than 10% — represents private credit.<sup>[1]</sup> We believe the next frontier of driving additionality will be through lending opportunities and we are excited to be a proactive mover in the sustainable credit space.

<sup>[1]</sup> Infrastructure Investor, “[2023 Energy Transition Report](#),” May 2, 2023.

<sup>[2]</sup> Data as of June 30, 2023 unless otherwise stated. Headcount data as of August 10, 2023. Capacity, capital commitments, and transactions represent totals since inception.

### ECP at a Glance<sup>[2]</sup>

**\$29+** billion  
in capital commitments

**100+**  
transactions completed

**84**  
ECP employees across the globe

**800+** years  
of collective industry experience

**63+** GW  
of power generation capacity  
owned, under construction,  
or in late-stage development

**23+** GW  
of renewable capacity owned,  
under construction, or in  
late-stage development

**20** GW  
of power generation capacity  
developed under ECP ownership

**17+** GW  
of renewable capacity  
developed under ECP ownership



#### Additionality

Throughout this year’s report, this icon signifies additionality, and denotes where ECP has advanced decarbonization and energy security through investments that reduce emissions, further electrification, or add reliability to the system in a way that would otherwise not have occurred. It also signifies where ECP has invested in developing our people and growing our workforce to further support the low-carbon transition.

## Key Sectors



### Power Generation

lower-carbon solutions to provide reliable baseload power

**17+ years**

in power generation experience

**\$7 billion**

invested in power generation



### Renewables

wind, solar, geothermal, hydro, waste-to-energy

**17+ years**

in renewable energy experience

**\$4+ billion**

invested in renewable energy



### Storage

energy storage solutions

**17+ years**

in energy storage experience

**7**

portfolio companies investing in energy storage



### Environmental Infrastructure

environmental clean-up, recycling, waste management, disposal and processing, beneficial re-use

**15+ years**

in environmental infrastructure experience

**\$4+ billion**

invested in environmental infrastructure



### Sustainability, Efficiency, & Reliability

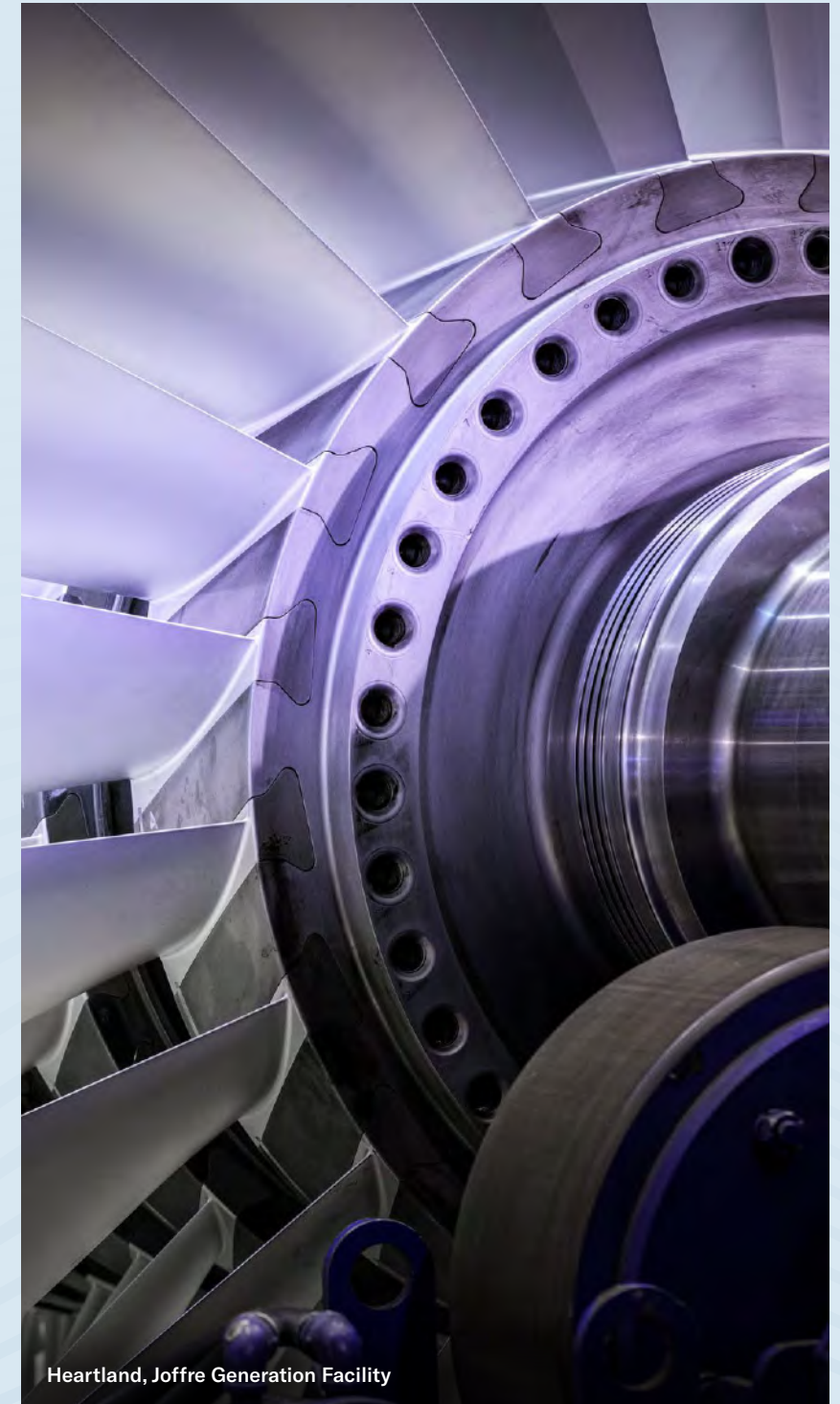
energy efficiency, energy use and supply management, renewable natural gas, digital infrastructure, downstream infrastructure, CCUS

**16+ years**

in sustainability, efficiency, and reliability experience

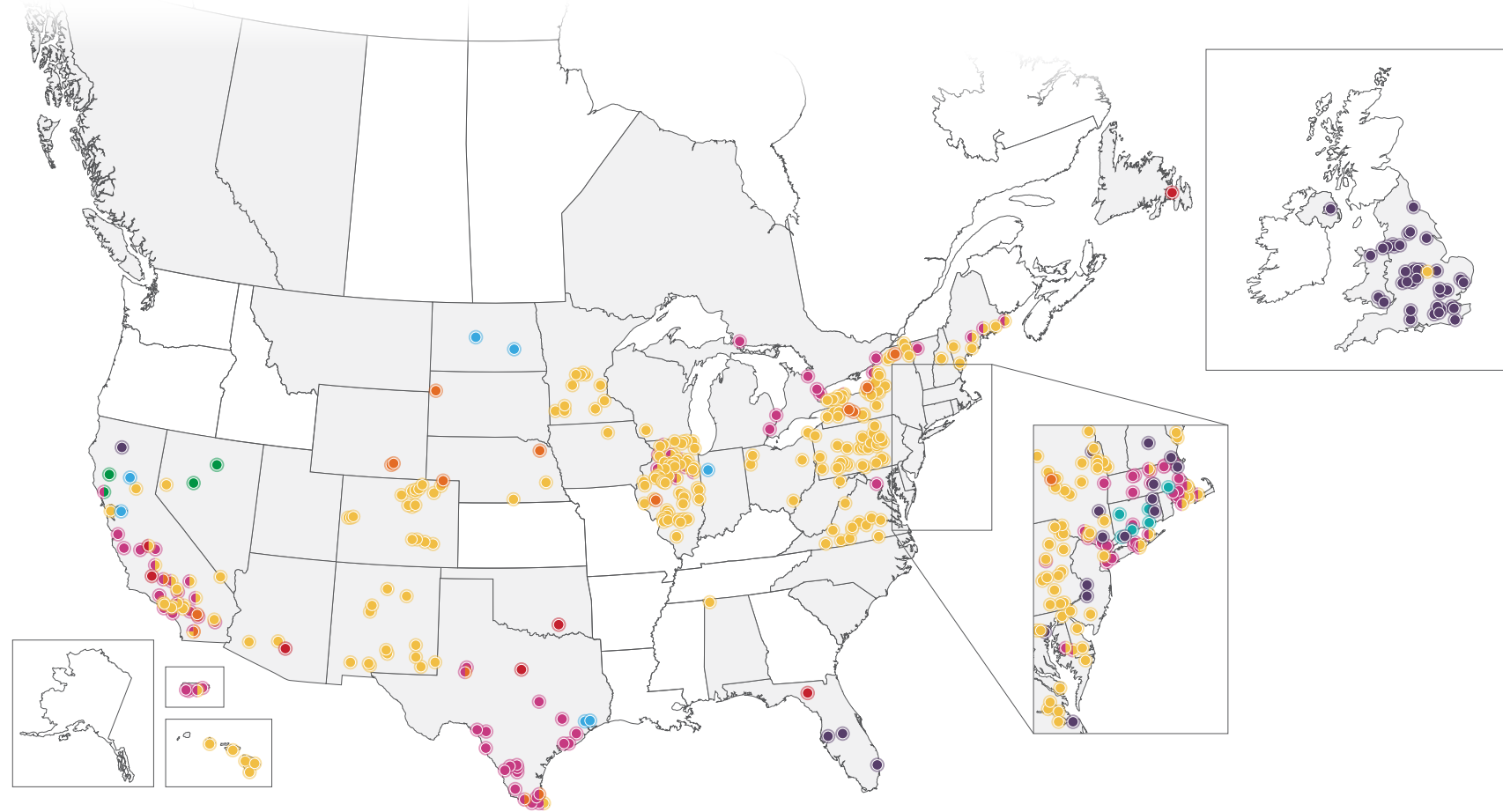
**\$2 billion**

of committed capital in sustainability, efficiency, and reliability



Heartland, Joffre Generation Facility

## ECP's Global Low-carbon Footprint



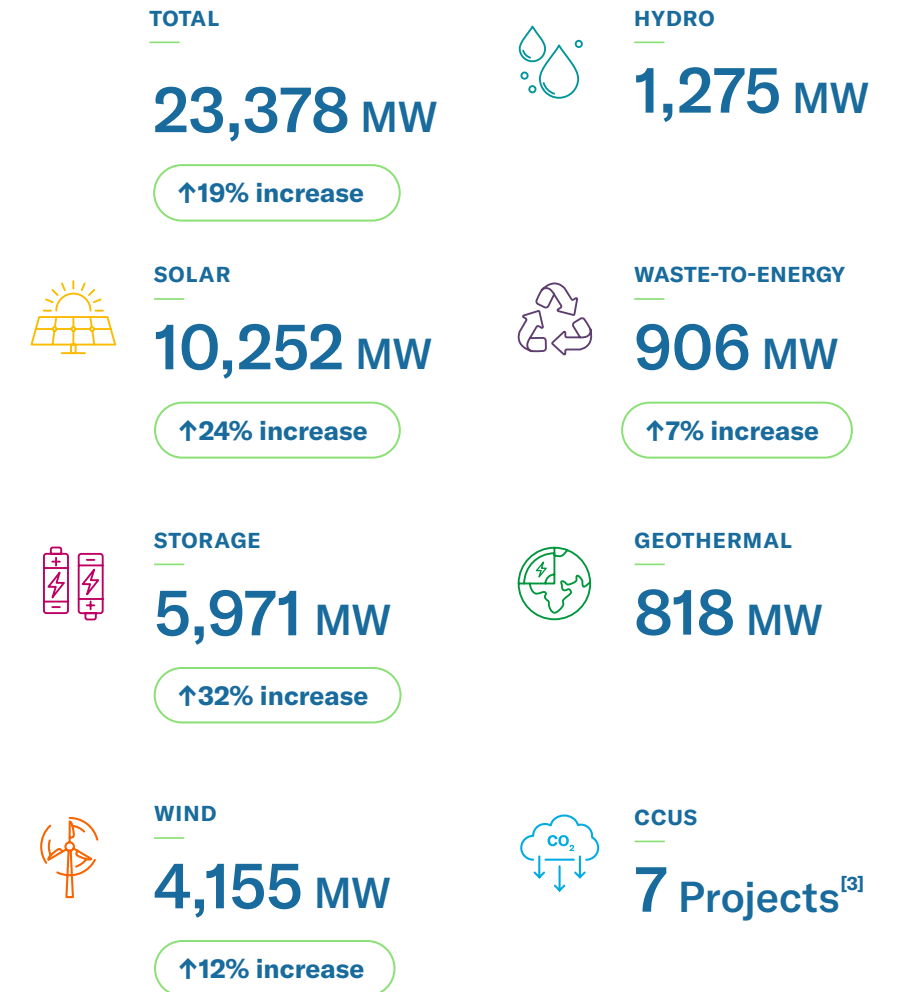
**Asset Type**

- Storage
- Geothermal
- Hydro
- Renewable Fuels
- States, Territories, Provinces, and Countries With ECP Low-carbon Investments
- Solar
- Waste-to-Energy
- Wind
- Carbon Capture

## Total Low-carbon Investments by Asset Type<sup>[1]</sup>

SINCE INCEPTION, INCLUDING PROJECTS IN DEVELOPMENT<sup>[2]</sup>

ADDITIONAL GROWTH SINCE 2021



<sup>[1]</sup> Capacity as of June 30, 2023. Figures may not add up to due rounding.

<sup>[2]</sup> Figures represent total capacity of portfolio companies, not adjusting for percentage ECP ownership.

<sup>[3]</sup> All CCUS projects are currently non-operational and are in various phases of development.

# 2022 Recap

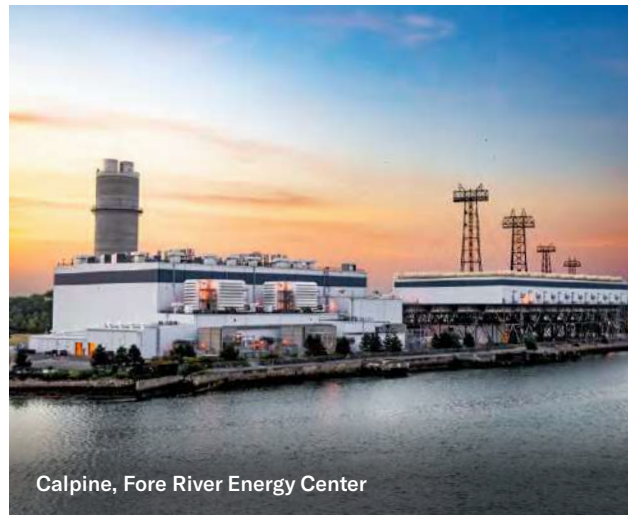
In 2022, we made seven new investments across the energy transition spectrum, representing nearly \$5 billion in enterprise value. Through these transactions, we added more than 150 facilities / assets and 12,000 full-time employees to our portfolio, bringing our total to over 700 facilities / assets and 22,400 employees across 22 active, majority-held portfolio companies. In part due to these efforts, our renewable power generation portfolio has grown by 9.6 GW since the publication of our 2020 ESG Report, which represents an annual growth rate of 19%.<sup>[1]</sup> Given our extensive ownership of renewable and storage

assets and our large portfolio of efficient natural gas power plants, our portfolio meaningfully offset overall system emissions and for the third year in a row, **avoided over 20.5 million metric tons of carbon dioxide equivalent (tCO<sub>2</sub>e)** emissions.

Reliable and sustainable energy systems are a priority for global markets that demand decarbonization. ECP's focus on additionality through capacity growth and expansion has enabled our portfolio companies to help build the clean energy infrastructure the economy needs at scale while maintaining the reliability, affordability, and security of energy systems. ECP's deep energy sector expertise, combined with game-changing legislation at the federal level via the Inflation Reduction Act, as well as various climate forward state and corporate level policies, has catalyzed growth for many of our portfolio companies, especially those that are developing renewable energy, battery storage, carbon capture, renewable fuels, and other key decarbonization-related assets.

[1] Capacity as of June 30, 2023.

[2] Data as of June 30, 2023 unless otherwise stated. Investments represent totals from January 1, 2022.



Calpine, Fore River Energy Center

**Key Statistics<sup>[2]</sup>**

- \$3.5 billion** of new equity investment in energy transition businesses
- \$1.3 billion** invested via green financing
- 22,400+** employed across ECP's portfolio in 2022
- 1,100+** new jobs created by ECP portfolio companies in 2022
- 7** equity fund deals focused on electrification, decarbonization, and sustainability closed
- 20.5 million tCO<sub>2</sub>e** avoided by ECP's power generation portfolio in 2021
- 10.2 million MWh** of electricity generated across ECP's renewable portfolio in 2022
- ENOUGH TO POWER 956,000 U.S. homes for one year**



# I Our Newest Assets: Growing Our Energy Transition Portfolio



## Energy Efficiency

ECP believes Metrus is an important part of the puzzle to help decarbonize existing buildings. In 2021, over 30% of global greenhouse gas (GHG) emissions were attributed to the construction and operation of buildings.<sup>[1]</sup> Metrus delivers flexible, scalable financing solutions for building and facility managers (primarily municipal, university, school, and hospital buildings) to develop large-scale energy-efficiency and renewable-energy projects, which have saved 2.1 million megawatt hours (MWh) and over 784,000 tCO<sub>2</sub>e. In 2022 alone, energy efficiency projects financed by Metrus **avoided more than 87,000 tCO<sub>2</sub>e**.



## Used Cooking Oil Recycling

Restaurant Technologies (RTI) provides waste oil recycling to more than 35,000 commercial customers, through a process in which it collects used cooking oil and recycles it for feedstock in the production of renewable diesel (versus the alternative method of disposing in a landfill). Further, its proprietary closed-looped system creates safer operating environments for the employees as it minimizes the direct handling of and contact with used cooking oil. In 2022, RTI recycled 289.4 million pounds of used cooking oil – which helped the company **avoid up to 427,000 tCO<sub>2</sub>e during the year**.



## Carbon Capture Business

ECP formed a low-carbon renewable fuels and carbon capture company to further the decarbonization of the U.S. industrial landscape. The company currently owns and operates a few ethanol plants, which collectively produce approximately 200 million gallons of clean-burning ethanol (a biofuel) annually using locally grown corn, and is pursuing the development of carbon capture onsite to **capture over 95% of emissions** from those facilities. We anticipate the first carbon capture facility to be operating by year-end 2023.



## Renewable Natural Gas

Estimates indicate that agriculture, forestry, and other land use represent 24% of overall global GHG emissions each year.<sup>[2]</sup> Avolta provides sustainable solutions for agricultural operations (primarily dairy farms) through renewable natural gas projects. Its current projects capture over 99% of methane – the most potent GHG – produced by over 60,000 dairy cows, and therefore **avoid approximately 142,200 tCO<sub>2</sub>e annually**.



## Renewable Power Development

With more than **1 GW of solar generation**, nearly **500 MWh of battery storage developed**, and a **22 GW pipeline** of solar and energy storage projects, New Leaf sources and develops clean power projects, helping decarbonize the grid. The majority of its projects focus on community solar, which provides access to clean affordable energy to consumers that may not normally have access to it.



## Renewable Power Generation

ECP and Ørsted's renewable energy partnership adds 862 MW of renewable energy capacity to ECP's portfolio, which was Orsted's first ever farm-down of on-shore assets. The partnership also supports Ørsted's ambition to reach 50 GW of installed renewable energy capacity globally by 2030. The portfolio's renewable generation **avoided more than 437,000 tCO<sub>2</sub>e in 2022**.



## Sustainable Waste Management and Recycling

Biffa serves 100,000 commercial and industrial customers and 2 million households in the U.K. It increased plastics recycling from 63,000 tons to 151,000 tons since 2019 – 25% of which was achieved in 2022 alone – **which will save up to 71,000 tCO<sub>2</sub>e compared to energy recovery**. The company is evaluating converting its collection trucks to electric and has committed to meet net-zero emissions goals by 2050.

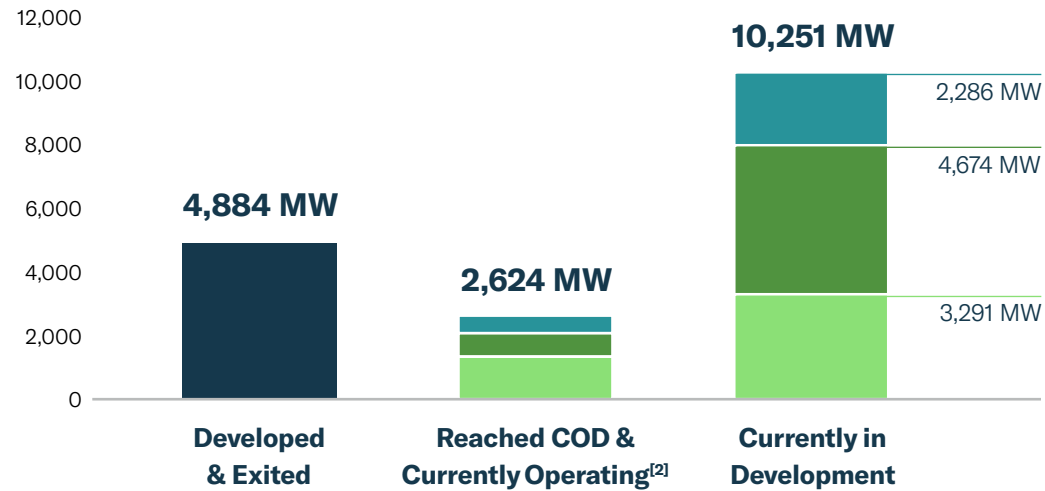
[1] International Energy Agency, "Buildings," July 11, 2023.

[2] U.S. Environmental Protection Agency (EPA), "Global GHG Emissions Data," February 13, 2023.

# Beyond Our Operating Assets: Achieving Sustainability Goals Through Additionality

## ECP-developed Renewable Investments<sup>[1]</sup>

RENEWABLE POWER GENERATION CAPACITY DEVELOPED UNDER ECP OWNERSHIP



# 17,759 MW

of renewable power generation capacity developed or in development under ECP ownership since firm inception

OF WHICH

# 58%

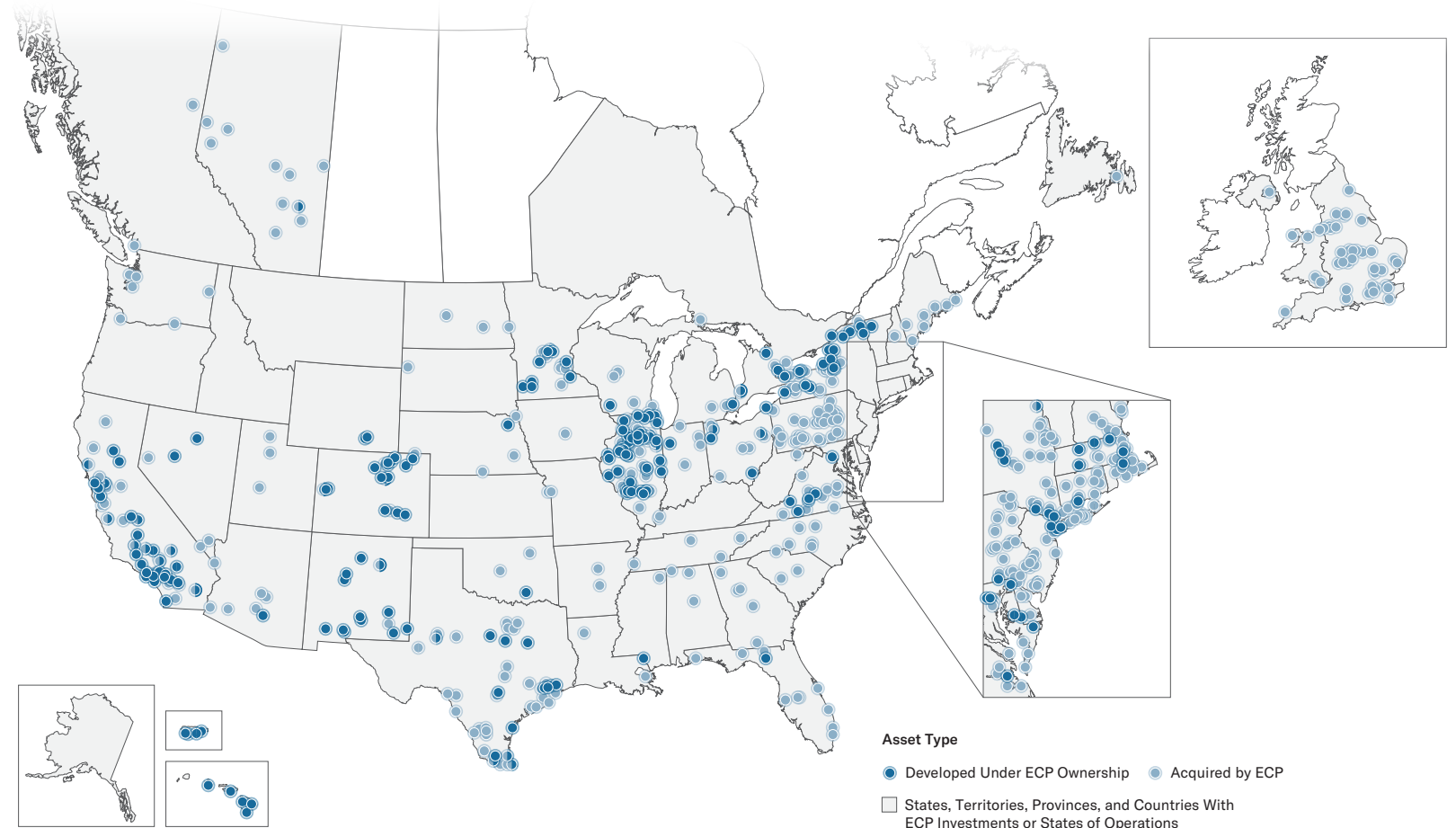
is currently in development

<sup>[1]</sup> Capacity as of June 30, 2023. "Developed & Exited" represents capacity of assets developed under ECP ownership that have since been exited by a current portfolio company or owned by a portfolio company ECP has since exited. "Reached COD & Currently Operating" and "Currently in Development" represents capacity developed or in development under ECP ownership by current portfolio companies. Figures represent total capacity of portfolio companies, not adjusting for percentage ECP ownership, and may not add up due to rounding.

<sup>[2]</sup> Commercial Operations Date (COD).

## ECP's Additionality Footprint

ASSETS DEVELOPED UNDER ECP OWNERSHIP ACROSS SECTORS



# I Our Most Valuable Assets: Investing in Our People

Our people are the driving force behind ECP's long-term success as they propel our ability to invest and grow within the energy transition. Throughout our history, ECP has maintained a steadfast commitment to employee health, safety, and wellbeing across our portfolio. Our businesses are inherently labor intensive and ensuring employee safety is critical to the well-being of our workforce and the overall value of our operations.

During 2022, we continued to strengthen our talent, grow our exceptional team, and foster an inclusive culture that promotes personal and professional growth. In the last 18 months, **ECP has hired 33 people**, increasing our firm's size to the largest it has ever been at 84 people across five global offices. To bolster our efforts and to ensure a consistent culture through that growth, ECP welcomed Kristine Rea as Chief Talent Officer in late 2022 to lead talent and leadership development at the firm and for portfolio company executive teams.

## Our Commitment: Prioritizing Health, Safety, and Wellbeing

Health and safety are key components of culture at our companies. ECP fosters a safety culture by holding portfolio companies accountable for creating a safe work environment for themselves and their colleagues. As part of our Safety Core Requirement, ECP requires controlled equity

portfolio companies to have industry-leading safety programs in place, track safety-related metrics in line with regulatory requirements, and take immediate action to address health and safety-related risks.<sup>[1]</sup> Portfolio company management and employees are expected to personally take ownership of workplace safety at individual work sites. Most of our portfolio companies proactively employ strategies that empower any employee to stop operations if at any point in time they feel unsafe or have a safety concern, and some have dedicated safety officers.

We work closely with our portfolio companies to ensure that health and safety measures, standards, and practices meet or exceed regulatory requirements, and that all employees receive health- and safety-related training that is tailored for their business context. All portfolio companies are required to report any significant incidents to the board and provide quarterly reporting to board members, and the broader firm, on safety statistics and performance. In addition, all portfolio companies must participate in our Safety Committee, which establishes accountability, benchmarking, and a forum for sharing best practices and lessons learned. ECP is pleased that its portfolio companies have continued to show strong performance across safety data metrics.

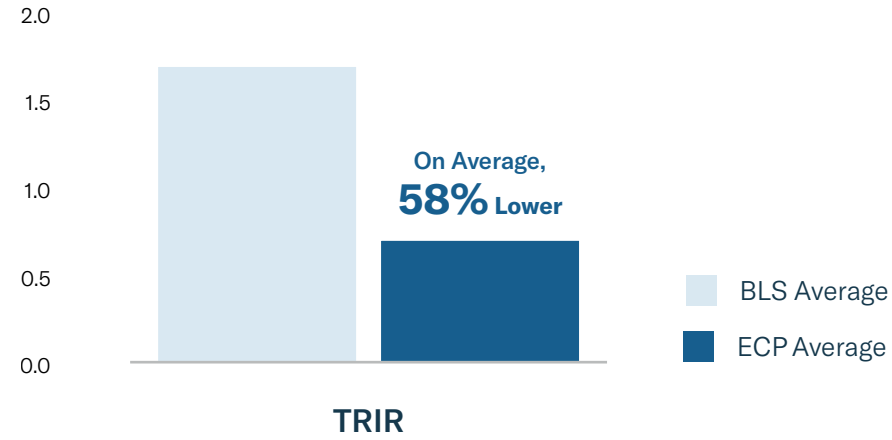
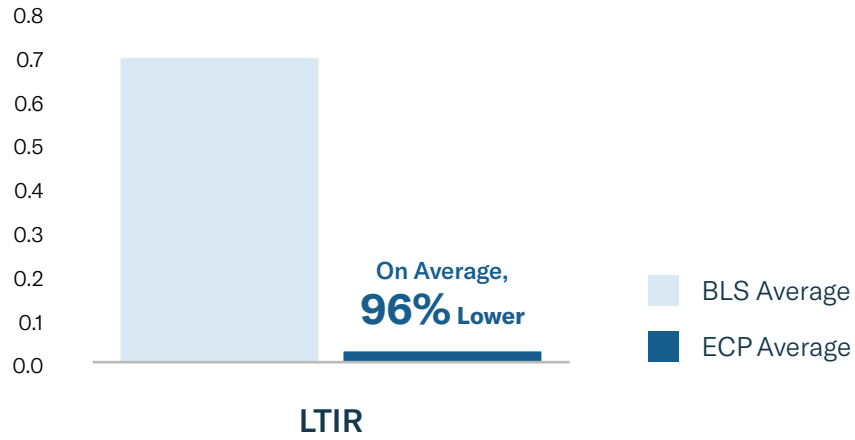
<sup>[1]</sup> E.g., Occupational Safety and Health Administration in the U.S. and the equivalent health authority for our U.K. operations.



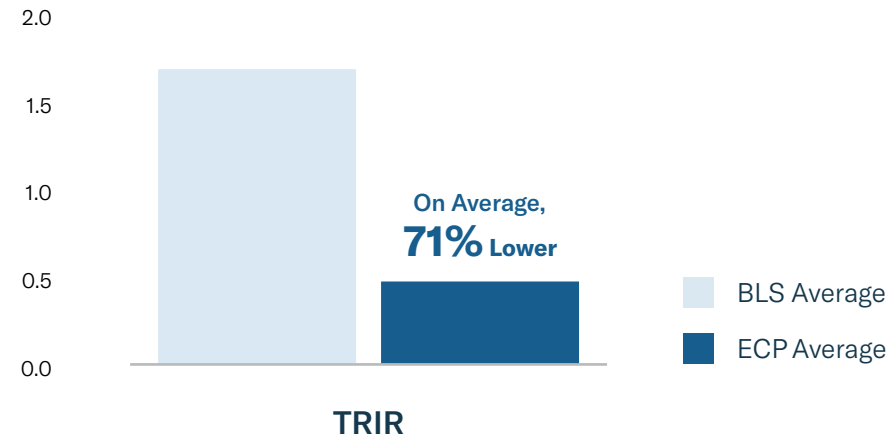
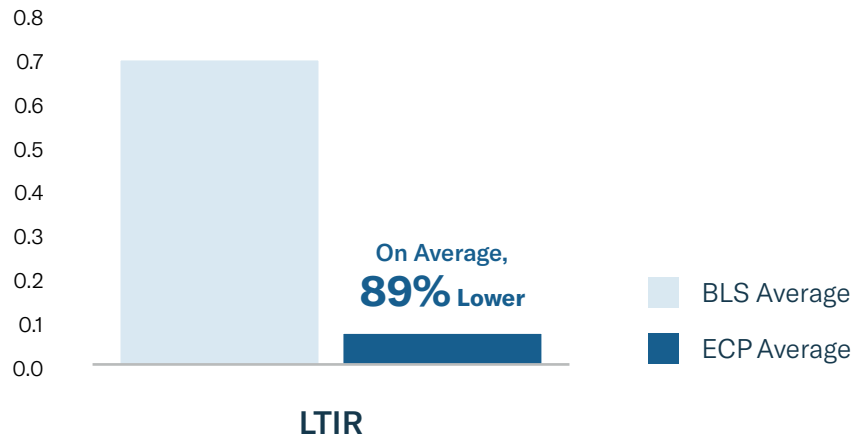
Laina Bartosh (ECP Senior Accountant / Investor Support Lead) participates in ECP's Habitat for Humanity Day

## Safety Performance at Portfolio Companies

### Performance Among Employees<sup>[1]</sup>



### Performance Among Contractors<sup>[1]</sup>



In 2022:

**86%**

of equity-controlled companies with more than 100 employees outperform industry-specific BLS benchmarks for LTIR<sup>[2]</sup>

**76%**

of equity-controlled portfolio companies with U.S.-based operations perform better than industry-specific BLS benchmarks for TRIR<sup>[2]</sup>

**100%**

of portfolio companies that report contractor hours perform better than industry-specific BLS benchmarks for TRIR, LTIR, and DART<sup>[2]</sup>

**Almost half of equity-controlled portfolio companies reported 0 incidents.**

<sup>[1]</sup> ECP Average represents the average of LTIR and Total Recordable Incident Rate (TRIR) reported by controlled equity investments calculated as incidents per 200,000 hours worked by employees and contractors, respectively, in 2022 for portfolio companies that are classified as sub-industries under NAICS code 221. Industry Averages represents 2021 data published by the U.S. Bureau of Labor Statistics (BLS) for NAICS code 221. [“Injuries, Illnesses, and Fatalities.”](#)

<sup>[2]</sup> Compared to industry-specific averages for TRIR, LTIR, and Days Away, Restricted, or Transferred (DART) rate from 2021 data published by the U.S. Bureau of Labor Statistics (BLS) for the portfolio company’s applicable NAICS code. [“Injuries, Illnesses, and Fatalities.”](#)

# I Developing Industry Leaders



## FEATURING KRISTINE REA, CHIEF TALENT OFFICER

Kristine Rea joined ECP in 2022, leading our talent and leadership development internally for the firm as well as optimizing talent for value creation within our portfolio company executive teams. With over 26 years of experience, she has spent her career helping teams and individuals maximize and grow their talents to drive value across organizations. She has also spent significant time based in Asia building out new teams, providing a global viewpoint and entrepreneurial spirit as ECP enters its next phase of growth.

Upon joining ECP, I was extremely excited by the wealth of talent and knowledge evident across the firm and portfolio companies. A cohesive, collaborative culture and mission were clearly evident in all of my interactions with the teams, establishing a strong foundation from which to continue to build success. Overall, my goals are to build better investors and to develop our people intentionally for what is required of us in the future so that just as ECP drives additionality in decarbonization and the energy transition, our people drive their own additionality by maximizing their skills and impact in those investments.

In order to further augment the talent of our team and cultivate our investment expertise, we've introduced some tools, processes, and coaching to establish a foundation of data and key qualities that drive the development of our people, for career and leadership development and investment acumen. For example,

we've created a set of signature ECP leadership attributes that we define and measure in order to calibrate progress and performance. This element of intentionality around their development functions to accelerate their growth in their roles, advance their impact (particularly on the investment side both internally and externally), and formalize long-term strategic planning, which maps talent to our firm strategy. All of this serves to proactively leverage key strengths, develop, and mitigate gaps or blind spots across the team, add complementary talent, and unlock high potential.

We intentionally focus all of this work to translate into impact at our portfolio companies as well. Here we take a hands-on approach similar to how our deal teams approach investment management. Talent and leadership strategy at the executive and board level are critical to the successful execution of a value creation plan, particularly during periods of



transition. With that in mind, I'm working with ECP's value creation task force to enhance and refine our approach to operational improvements so that we take a holistic viewpoint as we consider how to drive alpha. In order to measure that impact, I serve as a resource to support executives and boards directly through coaching and provide qualitative insights for talent and operational decision-making. I also track and evaluate progress that feeds a talent lens back into the overall management of the business. Through all of this, my focus is optimizing the partnership between the deal team, board, and executive team, as we believe that when those three groups are fully

synced, their energy is amplified to unlock the most value to the bottom-line and positively impact all stakeholders. The ultimate goal is to drive continuous improvement in our best practices related to talent, across the entire portfolio to optimize value.

I believe that through strategically creating opportunities for leadership and tailoring individual and team development, we can increase our team's investment expertise and impact across stakeholders: from ECP employees to management teams to portfolio company employees, to our limited partners and to the communities in which we operate.

## Promoting Inclusive Culture and Talent Development

As our firm grows, we are extremely focused on maintaining a consistent culture and quality of work and promoting initiatives to increase employee buy-in and involvement across all activities. We established a Leadership Committee comprised of 15 senior leaders across functional areas focused on addressing culture opportunities and challenges and high-level portfolio strategy. In addition to the Leadership Committee, ECP maintains several smaller working groups that are tasked with formulating and implementing strategies to manage the investment process, execute value-add opportunities for portfolio companies, and reinforce ECP culture. Recent culture-building initiatives include organizing community outreach days and



growing the firm via recruitment and partnerships. Overall, we believe this approach increases employee engagement, creates a more inclusive forum for idea generation and feedback, provides career advancement opportunities, and creates real-time training for future leaders of the firm.

ECP's Leadership Committee is also dedicated to DEI, which we believe plays an important role in talent strategy and retention at ECP. We are particularly focused on integrating DEI principles into recruitment, hiring, and development. ECP is proud of the strides we have made to cultivate an inclusive culture and increase diverse representation within the firm and at portfolio companies. Our goal through our DEI program is to facilitate diversity of thought, further unlocking sustainable value creation, and to amplify the value of the individuals that contribute to ECP.

Our DEI Policy and Employee Handbook codifies our approach to fostering diversity and operating a workplace that embodies the tenets of equal opportunity, non-discrimination, and anti-harassment within our firm and portfolio company operations. A key element of our DEI Policy is our equal development approach, which allows all team members to receive the support they need to advance their careers at ECP. ECP continually evaluates ways to further increase DEI among portfolio companies and improve on the inclusive environments provided for employees. Some of ECP's portfolio companies have taken on their own DEI-related initiatives to promote the mentorship and advancement of women and other diverse professionals.



Pivot, Ticonderoga, NY

### HIGHLIGHT

## Pivot Energy

In 2022, Pivot published a Statement of Commitment to Justice, Equity, Diversity, and Inclusion (JEDI), which outlines their approach to embedding JEDI principles across the business. Actions taken this year include:

- Provided hiring-bias training for department leads and executive leadership
- Hired a VP of Policy and Impact tasked with the growth and operationalization of Pivot's ESG strategy
- Conducted an assessment to identify areas of inequity and how the company can better support employees
- Launched two Employee Resource Groups: Ladies at Pivot (Women's Group) and Pivot Pride (LGTBQIA+ Group)
- Obtained the bronze level JEDI certification from the Solar Energy Industries Association, an industry-leading program that guides companies to higher levels of understanding and action for JEDI

## At ECP<sup>[1]</sup>

### Talent Management: Attraction, Engagement, and Retention at ECP

#### ECP TALENT MANAGEMENT METRICS

Employees hired since start of 2022	33 employees
Employees hired since start of 2022 who are women or diverse individuals	58%
Senior equity investment professional leadership who have been here 10+ years	78%
Average ECP tenure of Investment Committee member	15+ years
Members of August 2022 Associate class who are women and / or diverse individuals	83%



### Women and Diverse Individuals Represent



[1] Data as of August 10, 2023.

### Across Our Portfolio in 2022

**63%**  
of equity-controlled portfolio companies engage employees using surveys

**52,900+** hours  
of DEI-related training was provided by portfolio companies to their employees in 2022

**A majority of equity-controlled portfolio companies offer employees family leave policies that exceed government minimums.**

# Decarbonization & Climate Resilience

As one of the largest private owners of power generation and renewables in the U.S., ECP is positioned as a leader in the low-carbon economy transition. In addition, given the critical nature of the infrastructure we own, we believe that all of our assets must demonstrate adaptability, maintain reliability, and be resilient in various climate scenarios, ranging from extreme weather events (rain, wind, fire, etc.) to fluctuating temperatures, such as extreme cold spells or periods of high temperatures in places that may not normally experience that volatility.

For the first time, we have provided a [Task Force on Climate-related Financial Disclosures \(TCFD\) Annex](#) in this report, which summarizes ECP's approach to key climate considerations across the Governance, Strategy, Risk Management, and Metrics and Targets categories. We plan to continue to build out this annex in each year's report to enhance ECP's ESG reporting transparency.

## \$3.6 billion

in green financing raised by ECP  
portfolio companies



Heartland, Joffre Generation Facility



# Alignment With UN Sustainable Development Goals

ECP is committed to the advancement of the UN SDGs. Our general investment strategy aligns with five UN SDGs: (7) **Affordable and Clean Energy**, (9) **Industry, Innovation, and Infrastructure**, (11) **Sustainable Cities and Communities**, (12) **Sustainable Consumption and Production**, and (13) **Climate Action**.

UN SDGs	Select ECP Investments	Outcomes <sup>[1]</sup>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	  	<p><b>40+ million</b> homes were powered (29% of U.S. households) across our entire portfolio</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	 	<p><b>6 GW</b> of storage capacity were developed or under development</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	   	<p><b>310,000</b> residential and community solar installations</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	  	<p><b>8+ million tons</b> of waste diverted from landfills</p>
 <p>13 CLIMATE ACTION</p>	   	<p><b>At least 20 million tCO<sub>2</sub>e</b> avoided by ECP's power generation assets each year since 2019</p>

[1] The ECP investments and associated outcomes listed are illustrative examples and many of our portfolio companies fit within one or more UN SDG categories.



Terra-Gen, Foote Creek Wind Farm

## I Our Investment Strategy

Since the firm's inception in 2005, our strategy has been rooted in electrification. For decades, the power industry, and associated electricity demand, was relatively stagnant and viewed as a stagnant sector by many (though not by ECP). However, driven by the societal and economic rationale to electrify to reduce GHG emissions, this viewpoint has shifted dramatically, and quickly. We are excited to be at the forefront of this shift and believe we are very well positioned to capitalize on these evolving dynamics. We are witnessing entire sectors, including those that have been resistant to change or limited by the criticality of their operations, find ways to electrify. While electric vehicles and transportation are the main driver of this shift, other sectors including building infrastructure (e.g., offices and homes) and digital assets (e.g., data centers that operate 24/7, artificial intelligence advancements) also contribute to the expected increase in electricity demand over the coming decades. Moreover, electricity is and will remain essential to formulate and operate other renewable solutions that are projected to grow over the same time period, such as green hydrogen and battery storage.

Our strategy focuses on opportunities across the energy transition spectrum, including reliable low-carbon power and renewable energy and other businesses that facilitate the energy transition, ranging from circular economy opportunities to renewable fuels to carbon capture to energy

efficiency. We believe that our investments in these sectors will help decrease overall system-wide emissions, enable a more circular economy, and drive a more sustainable future for all.

This strategy is inclusive of investing in our people and in our communities — job creation and economic growth are essential in a sustainable future. In order to build a vibrant and well-functioning economy, the energy transition not only requires that we build clean energy infrastructure, but that we also provide attractive job opportunities to maintain a strong and invested workforce.

ECP continually evaluates how future developments in energy consumption, legislative policies, and socioeconomic conditions may shape potential investment options that overlay and / or expand ECP's investment strategy. This constant market assessment underscores that renewable power generation, battery storage, and carbon capture will expand rapidly in coming years, driven in large part by significant growth in electricity demand. It also validates our firm's belief that natural gas will continue to serve as a reliable source of lower-emissions electricity that can be dispatched to meet specific grid demands. **Ultimately, we believe ECP is creating a portfolio that will succeed in a variety of potential climate scenarios by taking an economy-wide approach to decarbonization.**

# I Our Investment Strategy in Action

Our portfolio is well positioned to act as a catalyst for economy-wide decarbonization. ECP's sector expertise, extensive relationship network, and access to meaningful capital allow us to identify leaders across the energy transition, proactively support their growth, and facilitate identifying and executing on add-on investments for portfolio companies, which enables them to capitalize on a variety of new opportunities that are driving the energy transition and to grow the value of their asset base. In other words, we are looking beyond simply operating existing assets; rather we are pursuing differentiated development, additionality, and growth.

## Driving Additionality: Our Assets, Our People, and the Energy Transition

Part of our approach includes building new renewable projects (or adding to or expanding existing ones through over-powering, re-powering, or pairing existing assets with battery storage), building carbon capture facilities, pursuing coal-to-gas conversion projects, and upskilling the energy workforce, while maintaining strong health and safety performance. Together, these

investments balance the need for economy-wide emissions reductions with the need for reliable power. ECP's industry knowledge and financial expertise enable our companies to expand their footprints at a pace and scale that would not otherwise have been possible. Our portfolio's ability to grow and support the low-carbon transition has only continued to grow due to increased end-user pressure and supportive legislation such as the Inflation Reduction Act.

## 8,500

net employees added to the portfolio since publication of 2021 Report

## 1,100+

new jobs created by equity-controlled portfolio companies in 2022



## ECP Ownership: Transformation and Outcomes

### GROWING CLEAN ENERGY INFRASTRUCTURE



Acquired by ECP in 2021

Pivot is a distributed energy platform with expertise in developing commercial onsite solar, energy storage, and community solar.

- In 2022, Pivot secured financing for its portfolio of projects that it will build, own, and operate. The approximately **70 MW portfolio** (10 MW of which has reached commercial operations, with the remaining in final stages of construction) comprises over **40 solar projects** across multiple states, 95% of which are community solar, and 5% of which are commercial and industrial power purchase agreements
- Pivot estimates the solar arrays the company installed in 2022 will generate approximately 30 GWh of clean energy and **avoid approximately 21,200 tCO<sub>2</sub>e each year**
- Pivot's community solar program increases its customers' ability **to avoid carbon emissions** by more than **8,000 tCO<sub>2</sub>e**, while also **expanding access to clean energy** and reducing energy costs
- Pivot has been a Certified B Corp for nearly a decade. In 2022, Pivot met the B Corp Certification requirements to become a Registered Benefit Corporation. Pivot's official score of 107.3 more than doubles the median score for ordinary businesses and far exceeds the minimum certification score of 80 points



Pivot, Palatine, IL

### GROWING CLEAN ENERGY INFRASTRUCTURE



Acquired by ECP in 2015

Terra-Gen is a leading owner, operator, and developer of renewable and clean power assets in the U.S.

- Under ECP's ownership, Terra-Gen has added over **1.2 GW of energy capacity**, with an **additional 10 GW** currently in development
- In 2022, Terra-Gen allotted almost **\$940 million** for the construction of **renewable energy projects**
- Terra-Gen has more than **doubled** the percentage of its total **operational energy consumption** sourced from **renewable** energy
- Terra-Gen's wind and solar generation **avoided more than 735,000 tCO<sub>2</sub>e** in 2022, which is equivalent to removing 163,500 gasoline-powered vehicles from the road for one year
- Terra-Gen began construction on the company's landmark Edwards Sanborn solar power and battery storage facility in 2020. It is currently one of the largest solar-plus-storage projects in North America, with the initial phases of the project, 1A and 1B, becoming operational throughout 2022 and 2023. Together, phases 1A and 1B have a **solar energy capacity of 807 MW** and a **battery storage capacity of over 3 GWh**, which can provide up to **1.3 GW of power to the grid**
- Edwards Sanborn's use of stand-alone and co-located energy storage helps **reliably deploy renewable energy during variable weather conditions**. This large-scale project is projected to play a significant role in meeting California's carbon reduction goals



Terra-Gen, Tehachapi, CA



Acquired by ECP in 2018

With more than 75 conventional and renewable power plants across the U.S., Calpine maintains one of the largest, cleanest power generation portfolios in the U.S. and is positioned as a leader of the low-carbon economic transition. Calpine's strategically located geothermal and natural gas assets represent approximately 26 GW of electricity generation capacity that provide sustainable, affordable, and reliable energy to approximately 15% of total U.S. homes. Calpine aims to grow its green energy capacity by incorporating additional CCUS plants in conjunction with solar and battery storage facilities.

## ADDING SUSTAINABLE ENERGY CAPACITY TO THE GRID

- Calpine's first **battery project**, the Santa Ana Storage Project in Southern California, is a three-phase project that currently offers **80 MW / 320 MWh of energy storage**. While the first two phases were completed between 2021 and 2022, Phase III will contribute an **additional 40 MW of energy storage** and is expected to come online in mid-2023
- In 2022, Calpine invested capital to expand production at the Geysers by 25 MW
- Calpine's Nova project is expected to be the largest standalone storage project in North America, totaling up to **680 MW** of capacity. Construction on the Nova project began in Q2 2023, with Phase I-III expected to be complete by 2025

## INVESTING IN CO-LOCATED CARBON CAPTURE

- Calpine is developing **four carbon capture projects** in Texas and California. All projects are designed to capture 95% or more of total CO<sub>2</sub> emissions from the associated energy facility
- The **Deer Park Energy Center Carbon Capture Project** was selected by the U.S. Department of Energy's Office of Fossil Energy and Carbon Management for federal funding as part of the department's efforts to support innovative CCUS
- The **Sutter Energy Center Decarbonization Project** is designed to capture and store approximately 1.75 million tCO<sub>2</sub> each year
- Additional projects include the **Baytown Carbon Capture Project** and **Delta Carbon Capture Project**



Calpine, Baytown Energy Center

## ADVANCING ACCESSIBILITY OF RENEWABLE FUELS



Acquired by ECP in 2022

Avolta is an originator, developer, owner, and operator of renewable natural gas projects (RNG) in the U.S. In collaboration with their partners, Avolta performs financial and operational due diligence, secures gas rights, obtains off-take agreements for gas and environmental credits, and manages project financing for RNG projects, typically at dairy farms.

- Avolta has completed **two dairy-manure-to-RNG projects** at the Butterfield and Milky Way Dairies in West Virginia, which began operations in early 2023
- Avolta has partnered with U.S. Gain, a low-carbon solutions provider, to distribute the RNG as an **ultra low-carbon transportation fuel** in California and other Low-Carbon Fuel Standard (LCFS) states, generating both renewable identification numbers under the Renewable Fuel Standard and LCFS credits under the California Air Resources Board
- With these RNG projects operational, the dairy farms can achieve measurable results, including:
  - **99% of methane captured at dairies**, equivalent to removing 8,000 cars from the road annually
- **675,000 MMBtu of carbon-negative fuel** delivered per year to the California transportation market, equivalent to removing an additional 19,000 cars from the road annually
- 6,500+ homes powered by RNG annually from the Butterfield and Milky Way Dairies
- The projects are **two of the first RNG facilities** to operate using **Investment Tax Credits** under the **Inflation Reduction Act** and have generated construction jobs for the local community



Avolta, Clover Hill Dairy Project

## DRIVING CIRCULAR ECONOMY EXPANSION



Acquired by ECP in 2021

Liberty is one of North America's largest networks of tire recycling facilities with operations across the U.S. and in both British Columbia and Alberta.

- Since 2000, Liberty has collected and recycled 1.6 billion used tires, including **194+ million tires annually**, from more than 39,000 retail and customer locations
- Liberty has acquired three additional businesses since 2020 to further **expand its footprint** across the value chain in tire recycling
- Liberty has also recently implemented **several ESG-related capital expenditure initiatives** to provide multiple end-use outlets to the industry, including:
  - Opening a **new manufacturing facility** in Sanford, North Carolina, creating 30 new jobs in the area and expanding recycled rubber mulch production capacity by an additional 40,000 tons
  - Manufacturing mats for Rubberecycle at its Godfrey, Illinois, plant, **replacing an overseas third-party supplier**





## CASE STUDY

## Our Portfolio: Supporting Economy-wide Decarbonization

The long-term viability of ongoing decarbonization efforts is dependent on our power system's ability to provide reliable, affordable, and clean energy to a growing consumer base. In recent years, ECP has executed several key investments which advance clean energy, CCUS, and energy efficiency technologies and applications to propel the low-carbon economy forward.

### Ørsted

#### North American renewable assets partnership

In October 2022, ECP acquired 50% ownership of three onshore wind farms and a solar farm. Operated in partnership with Ørsted, the three wind farms represent a combined total of 207 turbines with 635 MW of power generation capacity for commercial customers in Illinois, Nebraska, and South Dakota. The solar farm consists of 670,000 solar panels in Alabama with a combined capacity of 227 MW.

Each of these assets have power purchase agreements in place, displacing non-renewable forms of power consumption. Most critically, these agreements provide customers with access to clean energy and stable, long-term electricity pricing, thereby enabling progress towards their own carbon reduction goals.

ECP and Ørsted's partnership increases ECP's solar generation capacity by almost 10% and supports Ørsted's ambition to reach 50 GW of renewable energy capacity globally by 2030.

## 862 MW

of renewable capacity provided  
by ECP and Ørsted's assets

#### ENOUGH TO POWER



## 574,600+

U.S. homes for one year

## CONVERGENT

### Developer and operator of standalone and behind-the-meter energy storage systems

Energy storage — most often lithium-ion-based battery storage — allows businesses, hospitals, schools, and other critical infrastructure to avoid peak pricing during severe weather events and utilities to reduce wholesale demand and energy costs while increasing reliability and supporting the clean energy transition. Energy storage and solar-plus-storage allow power to be delivered at the most strategic times. Convergent's projects have saved its customers up to 40% off their electricity bills and deferred multi-million infrastructure projects for utilities.

# 500 MW

of energy storage and solar-plus-storage capacity is operating or in development by Convergent

# 9,800+ tCO<sub>2</sub>e

avoided by Convergent's solar generation and storage portfolio in 2022



### Renewable low-carbon fuels

Next Wave is focused on optimizing value chains and helping their customers achieve their carbon reduction efforts by executing a variety of greenfield construction projects. In 2023, Next Wave is nearing completion on its ethylene-to-alkylate plant located along the Houston Ship Channel in Pasadena, Texas, known as Project Traveler. The plant will produce alkylate — a low-sulfur gasoline blending stock that helps reduce emissions and smog from transportation. In addition, Next Wave is now evaluating plans to construct an adjoining ethanol-to-ethylene facility, Project Lightning. This new add-on facility will allow Next Wave and its customers to make a feedstock shift over time from conventional, natural gas liquid-based ethylene to bioethylene derived from ethanol, a renewable fuel made from corn and other plant materials.

Bioethylene can be used to produce plastics, fibers, antifreeze, and many other products. Next Wave's facilities are designed for the production of renewable alkylate and SAF, which can be blended with or replace conventional jet fuel to power aircrafts. Those fuels are drop-in fuels, meaning no new infrastructure or technology needs to be developed for their use.

Demand for SAF and renewable alkylate has grown significantly with the support of government programs and new legislation, including the Sustainable Aviation Fuel Grand Challenge that aims to dramatically increase the production of SAF to at



least 3 billion gallons per year and reduce emissions associated with aviation by 20% by 2030.<sup>[1]</sup> The Inflation Reduction Act provides a credit of up to \$1.75 / gallon of SAF produced, and renewable alkylate is an octane booster eligible for Renewable Identification Number environmental credits under the national Renewable Fuel Standard Program. Together, Next Wave's projects demonstrate a high degree of modularity and flexibility to support a growing renewable petrochemical and fuels market.



### Energy efficiency

Metrus allows its customers to receive the benefits of sustainable energy without having to invest in the upfront costs of new equipment. The company connects customers to energy solutions based on their needs, such as solar panel installations, electric vehicle charging stations, on-site back-up generation, LED lighting improvements, and transformer and HVAC equipment upgrades.

Metrus removes common barriers to clean energy and energy efficiency upgrades by eliminating the cost of ownership, such as project financing, implementation, and maintenance. Once the equipment is installed, customers pay Metrus a charge per unit of energy saved that is below baseline utility prices, which reduces operating expenses and creates positive cash flow. All upgrade equipment belongs to Metrus for the life of the project contract. By eliminating barriers associated with clean energy and energy efficiency upgrades, Metrus is able to help their customers permanently reduce their carbon emissions.

[1] The White House, "Fact Sheet: Biden Administration Advances the Future of Sustainable Fuels in American Aviation," September 9, 2021.

# 784,000+ tCO<sub>2</sub>e

avoided by Metrus' portfolio over the lifetime of equipment installed as of 2022





## CASE STUDY

## Investing in the Circular Economy

Since 2008, private equity funds managed by ECP have invested \$3.6 billion in environmental infrastructure businesses that enable a more circular economy.<sup>[1]</sup>

ECP has leveraged its sector expertise to improve and expand these businesses, which manage waste, optimize process, mitigate environmental impacts, and restore value at the end of a product's lifecycle by recycling materials (or by finding other uses for those materials) which would otherwise be disposed of in landfills.

### Biffa

#### Recycling and waste management

With more than 100 years of experience in waste management solutions, Biffa is the leading sustainable waste management provider in the U.K., offering services such as closed-loop recycling and energy recovery through its highly efficient waste collection and distribution network. Biffa's integrated approach to waste management prioritizes waste prevention, recycling, and energy recovery over landfill disposal. In 2022, Biffa expanded its recycling capabilities and waste management services, helping customers achieve their own sustainability goals and drive the circular economy.

#### Serving Customers

- Serves approximately 100,000 commercial customers and two million households annually
- Worked with Heineken to increase its landfill diversion rate from 89% to 97%, reducing waste management costs by approximately 40%
- Provides packaging procurement advisory guidance to commercial customers through site and supply chain audits run by our packaging specialists, who examine the carbon impact of packaging and plastic, how to minimize the impact of legislative changes, and how innovation can help enable the circular economy

[1] Investments as of June 30, 2023. Includes co-investments.

# 98.5%

of the plastic waste collected by Biffa is recycled within the U.K.

### Enabling Circularity

- Increased plastic recycling capacity from 63,000 tons in 2019 to 151,000 tons in 2022 – which will save up to 71,000 tCO<sub>2</sub>e compared to energy recovery
- Acquired Company Shop Group, which delivers a circular economy proposition for the U.K., by redistributing surplus produce at deeply discounted prices through a network of supermarkets to prevent food waste – 35,000 tons of surplus produce prevented from going to waste to date
- 1 billion plastic bottles and tubs have been recycled at Biffa's flagship high density polyethylene plant in Washington, England, in its first six months

### Expanding Waste Management Solutions

- Achieved food-grade status from the European Food Safety Authority at its polyethylene terephthalate (PET), a common form of plastic, recycling facility in Seaham, County Durham, helping its customers in the dairy and beverage industries use 100% recycled PET (rPET) content in their packaging
- Partnered with the University of Portsmouth's Centre for Enzyme Innovation to help develop enzymatic recycling solutions
- Agreed to provide the U.K.'s largest independent producer of plastic bottles, Esterform Packaging, with 6,000 tons of recycled plastic per year



### Used cooking oil recycling

RTI is a leading provider of cooking oil management systems to more than 34,000 restaurant chains, independent restaurants, grocery stores, delis, hotels, casinos, convenience stores, universities, and hospitals.

Since 2009, RTI has proudly partnered with Burger King to manage waste oil from more than 1,200 restaurants across the United States. Burger King uses RTI's Total Oil Management system, which automates the entire cooking oil process while increasing efficiency and improving safety in restaurant kitchens. RTI estimates that this program helped Burger King recycle 13.2 million pounds of waste oil in 2022.

## 289.4 million lbs

of waste oil recycled by RTI in 2022

## 28,000 tCO<sub>2</sub>e

avoided by RTI's solutions in 2022



# ECP Climate-related Performance Metrics

In 2021, we established the expectation that equity-controlled portfolio companies calculate Scope 1 and 2 GHG emissions on an annual basis. Building on this, we began requiring these companies to also track and report relevant categories of Scope 3 emissions as deemed material to their business for 2022.

In addition to our enhanced tracking and reporting efforts, for the first time, ECP has purchased a total of 820 metric tons of carbon offsets from Terrapass to cover its firm-level operational emissions. Terrapass carbon offsets neutralize ECP's carbon footprint by funding the development and operation of projects like renewable energy, reforestation, and methane gas capture, which all remove carbon emissions from the atmosphere. Terrapass monitors and verifies all emissions reductions — all projects must pass the “additionality” test, which determines whether the carbon offsets purchased bring about absolute carbon reductions, or whether the reductions would have happened anyway in a business-as-usual scenario. If the purchase of carbon offsets is a critical factor in making the reductions happen, the reductions are said to be “additional” to the business-as-usual case.

**100%**   
of ECP's firm-level operational emissions  
footprint offset by verified carbon offsets

**100%**  
of ECP's equity-controlled portfolio  
included in financed emissions calculation

**In 2023, ECP published our first TCFD Annex to enhance alignment with TCFD Recommendations.**

## ECP's 2022 Emissions Footprint (tCO<sub>2</sub>e)

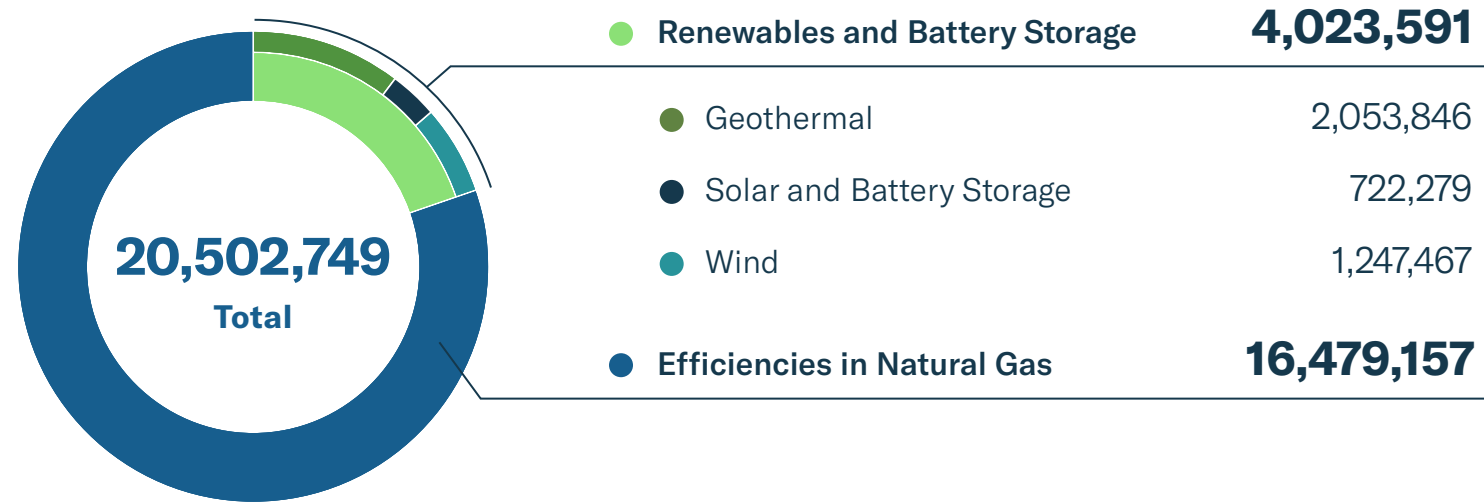
TYPE OF EMISSIONS		IN 2021	IN 2022
Firm-level Operational Emissions <sup>[1]</sup>	Scope 1 — Stationary Combustion	84	68
	Scope 2 — Purchased Electricity	98	116
	Scope 3 — Category 6: Business Travel	179	636
Scope 3 — Category 15 (Financed Emissions) <sup>[2]</sup>	<b>Total Financed Emissions</b>	<b>22,859,086</b>	<b>23,435,574</b>
	Power Generation	22,349,699	22,839,874
	Sustainability, Efficiency & Reliability	181,333	281,082
	Renewables & Storage	19,862	17,401
	Midstream & Other	192,385	191,933
	Environmental Infrastructure	115,808	105,284
Weighted PCAF Data Quality Score			Approx. 2.2

<sup>[1]</sup> ECP's GHG emissions footprint was calculated in accordance with the GHG Protocol.

<sup>[2]</sup> ECP's Scope 3, Category 15 financed emissions for the firm's equity portfolio were calculated in accordance with The GHG Protocol, The Global GHG Accounting & Reporting PCAF Standard, and Initiative Climat International Greenhouse Gas Accounting and Reporting for the Private Equity Sector. Prior year data has been restated to align with the most recently available guidance. The prior and current year calculations attribute emissions based on the year-end value of the portfolio company's equity and debt held by the applicable ECP fund, LP co-investors, and other owners for the period and pro-rated for the period of ECP's ownership within 2022 as applicable. As part of this calculation, 76% of portfolio companies provided direct data for calendar year 2022 and the remaining 24% of the portfolio was estimated using historic emissions and financial data and / or Exiobase, a global, detailed Multi-regional Environmentally Extended Supply and Use / Input Output database. The weighted average PCAF data quality score is approximately 2.2.

# ECP's GHG emissions intensity was 19% lower than the national U.S. grid average in 2021.<sup>[1]</sup>

Avoided Emissions From Power Generation (tCO<sub>2</sub>e)<sup>[2]</sup> in 2021



AVOIDED EMISSIONS FROM POWER GENERATION (tCO <sub>2</sub> e)	IN 2021	IN 2019–2021
<b>Total Avoided Emissions</b>	<b>20,502,749</b>	<b>63,761,915</b>
<b>Renewables and Battery Storage</b>	<b>4,023,591</b>	<b>10,390,004</b>
Geothermal	2,053,846	6,293,661
Solar and Battery Storage	722,279	912,417
Wind	1,247,467	3,167,895
<b>Efficiencies in Natural Gas</b>	<b>16,479,157</b>	<b>53,371,911</b>

Avoided Emissions From Power Generation (tCO<sub>2</sub>e) in 2019–2021

**63.8+** million tCO<sub>2</sub>e  
avoided by ECP's assets

EQUAL TO THE EMISSIONS OF



**71.5 billion lbs**  
of coal combusted

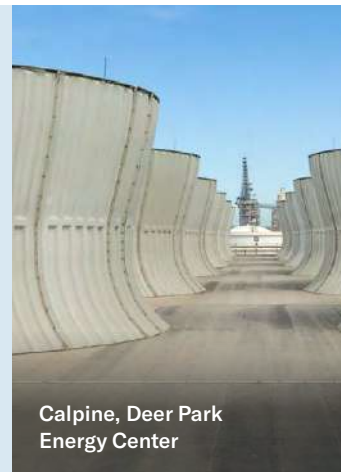


**5.2+** million tCO<sub>2</sub>e  
avoided by Calpine's Deer Park Energy Center

EQUAL TO THE EMISSIONS OF



**1.2 million**  
gasoline-powered passenger vehicles



<sup>[1]</sup> U.S. Grid averages reflect the average U.S. EPA eGRID carbon dioxide equivalent output GHG emission intensity as of December 31, 2021. ECP plant average represents total annual GHG emissions in tCO<sub>2</sub>e divided by annual net generation of power generation assets in MWh, adjusted for portfolio company's percentage ownership of assets.

<sup>[2]</sup> ECP calculated GHG emissions avoided in carbon dioxide equivalent, including carbon dioxide, methane, and nitrous oxide, for the U.S. power generation assets in its portfolio for the calendar year 2021. Avoided emissions represent the difference between the GHG emission levels of ECP power generation assets, adjusted for portfolio company's percentage ownership of assets, and the GHG emission levels of generation units with the highest variable operating costs—peaking units. The GHG emission rate for each ECP power generation asset was compared against the relevant U.S. EPA eGRID grid sub-region non-baseload emission factor.

# ECP Thought Leadership: Delivering Resilience and Energy Security



## FEATURING RAHMAN D'ARGENIO, PARTNER

Mr. D'Argenio is involved in all areas of ECP's investment activities as a member of the firm's Investment Committee. Recently, he has led ECP's entry into renewable fuels, as well as distributed energy resources, including both commercial and residential solar. He currently serves on the boards of Avolta Renewable Holdings, Braya Renewable Fuels, Pivot Energy, Sunnova Energy (NYSE: NOVA), Reflectance Energy and Custom Truck One Source (NYSE: CTOS).

Recent global events such as COVID-19, the war in Ukraine, and extreme and unpredictable weather patterns have propelled energy security into the spotlight. Such events are reshaping our energy supply chains and sharpening focus on the challenges of achieving the energy transition while maintaining reliable and affordable access to energy. At ECP, we are focused on reliably delivering the energy that the world needs today while investing in energy systems that will support a sustainable future. We view our role in delivering power as threefold: ensuring the physical resilience of power systems to meet societal needs, enabling the energy transition by meeting the market's call for both expanded capacity and increased decarbonization, and enhancing energy security and independence by supporting diversified solutions across the value chain to promote overall system and economic resiliency.

## Delivering Power in All Conditions

As one of the largest private owners of power generation and renewables in the U.S., providing safe and reliable power is a top priority for ECP. Our investments, such as **Calpine**, **Pivot**, **Heartland Generation**, and **Sunnova**, are enabling physical resilience and delivering power in all conditions through dispatchable and distributed resources.

The increasing frequency and intensity of extreme weather are becoming the new "normal," straining our existing electricity system.<sup>[1]</sup> As a result, our power grid and supporting infrastructure require increased levels of preparedness. In the last five years, the annual average of billion-dollar disasters has more than doubled, from an average of eight events per year between 1980 and 2018, to 18 events



Heartland, Battle River Generation Station

annually from 2019 onward. At the same time, dramatic swings in temperatures have introduced new challenges into certain markets that had not historically had to manage those types of situations. As a result, regional power grids are faced with record levels of peak demand. In 2022, Texas' Electric Reliability Council of Texas (ERCOT) grid reached record-setting demand eleven times,<sup>[2]</sup> and an all-time high was reached on the California Independent System Operator (CAISO) grid as well, with rotating outages narrowly avoided.<sup>[3]</sup>

Dispatchable resources such as natural gas-fired generation play a key role in meeting current challenges, adapting to future ones, and enhancing resiliency by balancing the variability of renewable generation. **Calpine's** fleet of natural gas combined-cycle units provides affordable, reliable power with

industry-leading availability. In addition, as clean distributed energy resource (DER) capabilities improve and costs fall, they also contribute to power system resilience. In recent years, a combination of distributed solar panels, battery storage units, and microgrids have emerged as a supplement to fossil fuel-based back up generation. Together, DERs can provide "islanding capability" for their owners by supplying electricity when grids are strained due to extreme weather events. To this end, critical infrastructure such as military bases, hospitals, schools, and government buildings are increasingly installing clean DERs to enhance resilience and safeguard against outages due to climate hazards.<sup>[4]</sup> Our portfolio companies know that they are critical lifelines for local communities affected by climate events and as a result, management takes proactive measures to consider various weather scenarios that may impact operations and to ensure that their facilities maintain operations during such events.

[1] World Meteorological Organization, "[Past eight years confirmed to be the eight warmest on record](#)," January 12, 2023.

[2] Bloomberg, "[Texas Power Demand Seen Breaking Summer Record in Grid Test](#)," May 3, 2023.

[3] Utility Dive, "[California ISO narrowly avoids rolling outages as peak demand hits record 52 GW](#)," September 7, 2022.

[4] International Energy Agency, "[Unlocking the Potential of Distributed Energy Resources](#)," May 13, 2022.

## Catalyzing Sustainable Growth in Energy Markets

In addition to the increased call for physical resilience, today's energy markets are changing rapidly based on demands for decarbonization. Global electricity demand is set to rise by 25–30% through 2030 largely due to shifting consumer preferences as markets for electrified end-use devices continue to grow.<sup>[1]</sup> ECP's investments are driving growth within these dynamic conditions by expanding the full spectrum of renewable energy assets, delivering additionality, and supporting the circular economy to fuel growth.

At ECP, we have been adding capacity to the power market and adjacent sectors since our inception, including 17 GW of renewable generation capacity — 72% of which are currently operating or in development, including at companies like **Pivot**, **New Leaf Energy**, **Ørsted**, and **Convergent**.

Beyond renewable generation, sustainability extends throughout our daily lives. **Biffa** is driving circular waste solutions in the U.K., including waste-to-energy. In the U.S., **RTI** is collecting used cooking oil to sell as feedstock for renewable diesel. Together, ECP's portfolio companies are leading key transitions in energy markets.

## Strengthening the Energy Landscape

As a third facet of resilience, our portfolio enhances domestic energy security and independence through seeking diversified opportunities across the energy transition spectrum, so that our economy and communities have the ability to thrive

across geopolitical, climate, and decarbonization scenarios. Our ability to do so is further propelled by key legislation, at both the federal and state level, which is accelerating domestic opportunities across multiple low-carbon solutions.

One major challenge that comes with decarbonization is ensuring the continued operations of hard-to-electrify industries, including heavy transport and industrial processes, which are often critical, 24/7 operations that cannot risk a disruption in electricity. One area that ECP has been focused on within that aspect of decarbonization is innovative low-carbon fuels. For example, one of ECP's most recent investments, **Braya Renewable Fuels (Braya)**, is converting a petroleum refinery

into a renewable diesel facility with a capacity of up to 18,000 barrels a day to process renewable feedstocks, including soybean oil and distiller's corn oil. Another company, **Avolta**, is providing emissions abatement solutions for dairy farms, by capturing methane gases and converting it into renewable natural gas, a drop-in fuel.

The Inflation Reduction Act will have a significant impact on renewable energy and other emerging areas in the energy transition in the U.S., triggering an increased pace of development, and also incentivizing domestically produced materials. It positions 12 of our portfolio companies for additional growth via wind, solar, storage, carbon capture, and renewable fuels projects. Under ECP's

ownership, portfolio companies including **Pivot**, **Calpine**, **Avolta**, **Terra-Gen**, and **Braya** are building clean energy infrastructure, adding sustainable energy solutions to the grid, and expanding the U.S. renewable fuels market.

As our energy systems evolve, ECP remains committed to being on the forefront of those developments and is focused on meeting the demand for safe and reliable power while driving the low-carbon economy through a thoughtful and diversified investment strategy across the energy transition spectrum.

[1] International Energy Agency, "[Outlook for electricity](#)," October 2022.

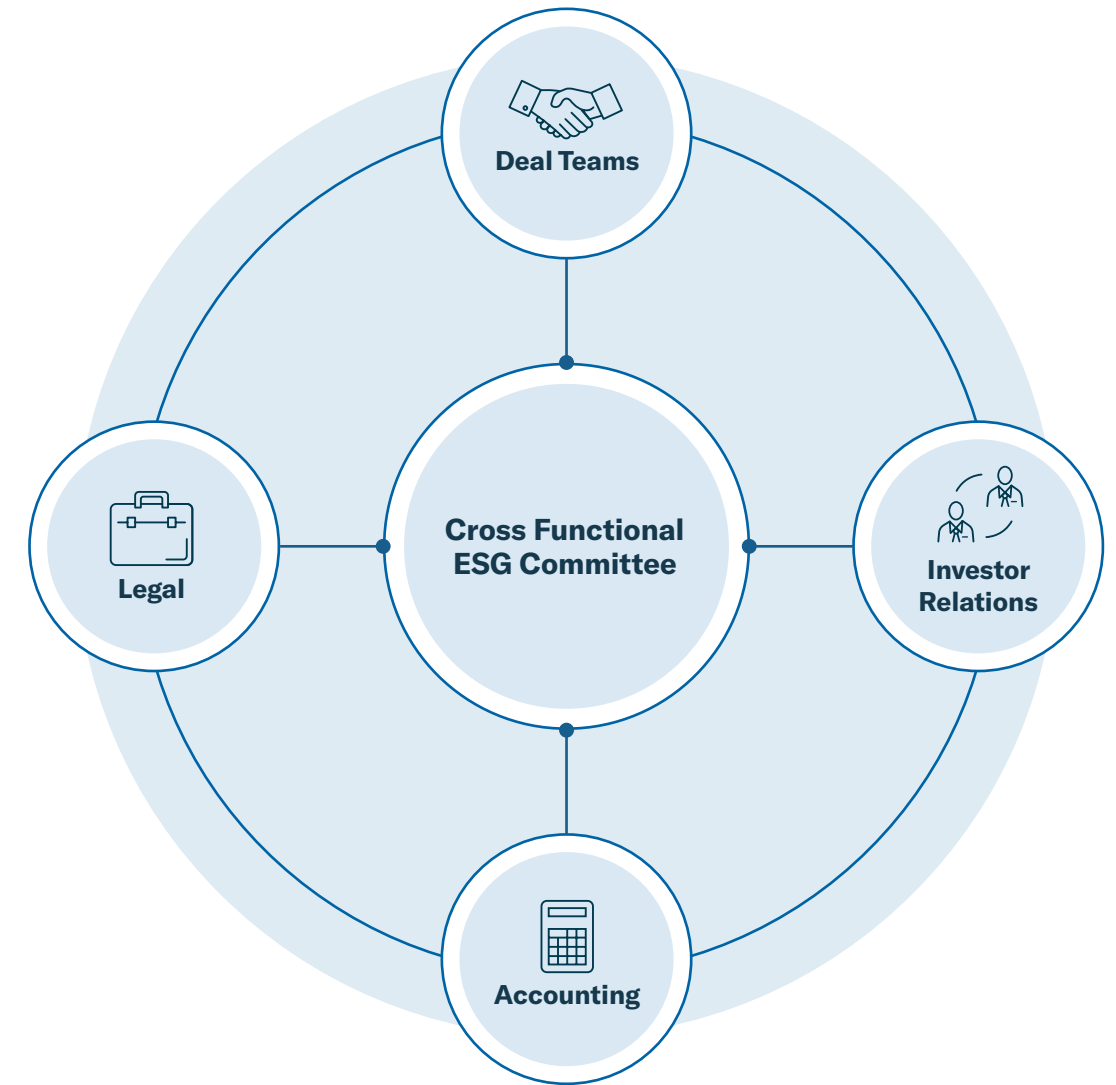


# Integrating ESG at ECP

## ESG Governance

ECP's ESG program is underpinned by a robust ESG Policy that incorporates elements of the UN Principles for Responsible Investment. Our cross-functional ESG Committee (the Committee) integrates the practices outlined by our Policy into the operations of both our firm and our portfolio companies. The Committee is responsible for

managing our ESG-related policies and programs and for monitoring ESG performance, while ultimate accountability for ESG lies with the ECP Partnership. The Committee also works to further strengthen our ESG culture across the organization and through to our portfolio companies.



# ESG Within the Investment Lifecycle

Proactively managing investment risk is central to ECP's business and enables our ability to create value. Our due diligence approach places a significant focus on compliance and risk management as foundational requirements for all our portfolio companies.

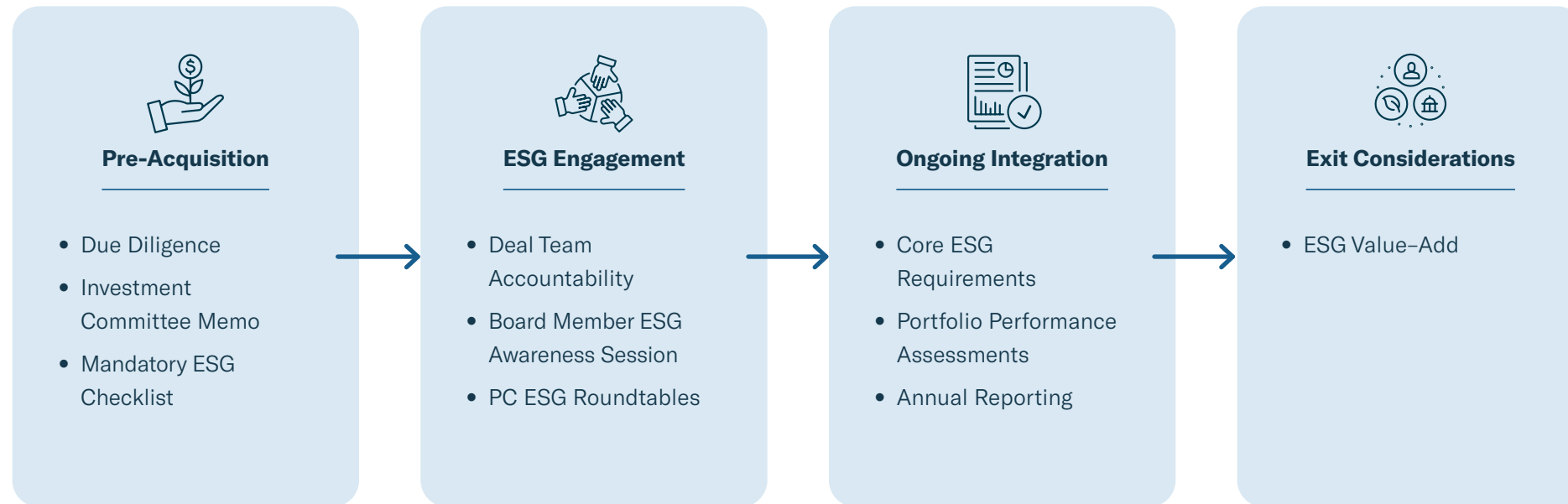
During the pre-acquisition diligence for equity funds, deal teams are required to assess each potential investment using our firm's ESG diligence checklist. ECP's ESG due diligence checklist process for the equity funds enhances the consistency and comprehensiveness of our ESG risk and opportunity assessments and provides a scoring system

across several critical items, including historical asset performance and adherence to social and environmental policies. Equity deal teams are required to provide a summary of those ESG findings, identifying ESG factors that may be material over the holding period, and an evaluation of the prospective investment's current ESG practices. This initial assessment is synthesized into the Investment Committee Memo for consideration during investment decisions, through the use of an internally developed scoring grid. This process also helps drive proactive post-investment engagement with our equity companies around risks and opportunities for short- and long-term value creation.

Once ECP acquires an equity investment, we actively engage with the company on core ESG topics. Throughout the investment lifecycle, this enables effective ESG integration and drives the ESG outcomes we seek at exit, which we believe ultimately have a positive impact on value. As part of our integration process, our Investment Committee receives updates on portfolio company performance on a quarterly basis. Board meetings cover operational results, compliance, and ESG performance and considerations (including material safety updates and regulatory compliance).



Heartland, Joffre Generation Facility



## Accountability

Throughout ECP's ownership period, we work with our companies to implement ESG value creation strategies to capitalize on opportunities identified during due diligence. These efforts are spearheaded by the deal team in partnership with the ESG Committee. We believe that deal teams are best suited to lead ECP's engagement with portfolio companies due to their deep familiarity with the business and existing relationships with portfolio company representatives. Each deal team is responsible for conducting ongoing monitoring of portfolio companies and prioritizing areas of opportunity identified during the pre-acquisition process. Members of the ESG committee sit in on quarterly updates and two of the ESG Committee members are voting members of the Investment Committee, demonstrating a strong commitment to ESG practices throughout the investment life cycle.





## Board Member Awareness Sessions and Portfolio Company Roundtables

As part of our commitment to developing talent at our firm and within our portfolio, the ESG Committee regularly hosts Board Member Awareness Sessions and Portfolio Company Roundtables on topics that are relevant to ECP's ESG program. Topics are selected to support portfolio company alignment with our Core Requirements by sharing ECP's understanding of these topics and providing a forum for open discussion.

Board Member Awareness Sessions held during the last year discussed Cybersecurity, GHG Emissions Inventories, and Sustainable Finance. These sessions equipped ECP Board Members with a deeper understanding of potential cybersecurity risks and the role Board Members play in portfolio company cybersecurity; how to promote accurate, high-quality GHG emissions tracking and management among portfolio companies; and the current state of sustainable financing and associated best practices.

Portfolio Company Roundtables discussed GHG Emissions Inventories and ESG Governance. These sessions shared GHG emissions monitoring and reporting and ESG governance best practices to support portfolio company alignment with ECP's ESG Core Requirements and enable continuous improvement. We believe this proactive engagement

and senior involvement from the Board Member Awareness sessions enabled substantial progress on core requirements and the collection of Scope 3 emissions over the last year.

## ESG Core Requirements

We are committed to encouraging growth and improvement in each of these areas to support our ESG-value add approach, and we expect portfolio companies to take steps that support continuous improvement in these areas. To this end, ECP has seven ESG Core Requirements that the firm uses to evaluate the ESG performance of our portfolio companies. These seven requirements comprise the major components of our annual ESG questionnaire.

Each portfolio company is evaluated on the Core Requirements through a variety of relevant Key Performance Indicators. In 2022, ECP assessed portfolio company performance against the Core Requirements as compared to our 2020 baseline. Our findings demonstrate significant progress across each of the core requirement topics. We will continue to assess how best to evolve the Core Requirements to align with best practices and market expectations in a way that continues to drive ESG value-add.

# I Portfolio Performance



## Core Requirement 1 — Accountability

The company has at least one person in a senior leadership position responsible for ESG matters; number of people with designated responsibility is commensurate with the size of the company.

**100%**

of companies have a senior leader who is accountable for the implementation of ESG initiatives

**100%**

of equity-controlled portfolio companies report ESG-related data to ECP

**100%**

of equity-controlled portfolio companies' Boards have at least annual discussions of ESG-related topics



## Core Requirement 2 — Core Policies

The company has ESG, Cybersecurity, and OHS policies (as applicable).

**100%**

of majority held, equity-controlled portfolio companies either have or plan to have ESG policy in-place by year-end 2023

**100%**

of majority held, equity-controlled portfolio companies either have or plan to have a DEI policy in-place by year-end 2023



## Core Requirement 3 — Diversity Metrics

The company reports on diverse representation at Board and senior leadership level.

**100%**

of companies report racial, ethnic, and gender diversity of senior leadership and Board members

**91%**

of portfolio companies that reported DEI data in both 2021 and 2022 maintained or improved diversity amongst their management teams



## Core Requirement 4 — ESG KPIs

The company completes ECP's Annual ESG Questionnaire to report ESG KPIs, including Scope 1, 2, and 3 GHG emissions and others as requested by ECP.

**100%**

of equity-controlled power generation, renewable, and storage companies report Scope 1 and 2 GHG emissions

**100%**

of majority held, equity-controlled portfolio companies reported their Scope 3 emissions inventory

**100%**

of equity-controlled portfolio companies held since 2021 provide employees at least one ESG-related training



**Core Requirement 5 – Environmental Management**

The company has programs in place to manage permitting, compliance, regulatory reporting, and updates to regulations.

**100%**

of equity-controlled portfolio companies have programs in place to address regulatory compliance

**100%**

of equity-controlled portfolio companies track environmental incidents



**Core Requirement 6 – Safety**

The company has safety programs and quantitative OHS KPIs. The company also takes action to address OHS risks.

**100%**

of equity-controlled portfolio companies report safety metrics for both employees and contractors

**100%**

of equity-controlled power generation portfolio companies provide safety training to employees

**243,400+ hours**

of safety-related training provided to employees by portfolio companies in 2022



**Core Requirement 7 – Cybersecurity**

The company has dedicated cybersecurity infrastructure / resources for proactive response to potential threats.

**51,200+ hours**

of cybersecurity-related training provided to employees by portfolio companies in 2022

**100%**

of equity-controlled companies track and report cybersecurity incidents



Calpine, The Geysers

# I Our Portfolio: ESG Champion Spotlights



“As a new company to ECP’s portfolio, New Leaf Energy undertook a comprehensive ESG audit for the first time this year. That audit was critical to understanding our baseline emissions profile across the company, and highlighting opportunities to improve as we grow.”

AMY STICE, DIRECTOR OF OPERATIONS AT NEW LEAF



“It is important for Convergent to champion DEI within its operations because it brings numerous benefits including improved employee engagement, increased innovation, and access to a more diverse talent pool. By embracing diversity, equity and inclusion, our organization is creating a more inclusive and productive work environment of which we can all be proud.”

WENDY OLUTIOLA, HEAD OF PEOPLE OPERATIONS AT CONVERGENT



“I am proud that Liberty Tire Recycling is the partner of choice to manage end-of-life tires for the major North American tire manufacturers and retailers. Due to our reach of services, diversity in end markets, commitment to sustainability and dedication to solving a waste challenge, ESG has allowed us to differentiate our business within the recycling industry.”

AMY BRACKIN, VICE PRESIDENT, SUSTAINABILITY & MARKET DEVELOPMENT AT LIBERTY



“As an early mover in Alberta’s emerging hydrogen industry, we were the first to test-fire 100% hydrogen in a former coal boiler, and effectively achieve zero-carbon combustion at Battle River for the first time ever. This was a really important milestone for us and an exciting accomplishment for our team as we progress the Battle River Carbon Hub project.”

SHANA BOYD, VICE PRESIDENT, ENERGY TRANSITION AT HEARTLAND



# Cybersecurity and Data Privacy



## At ECP

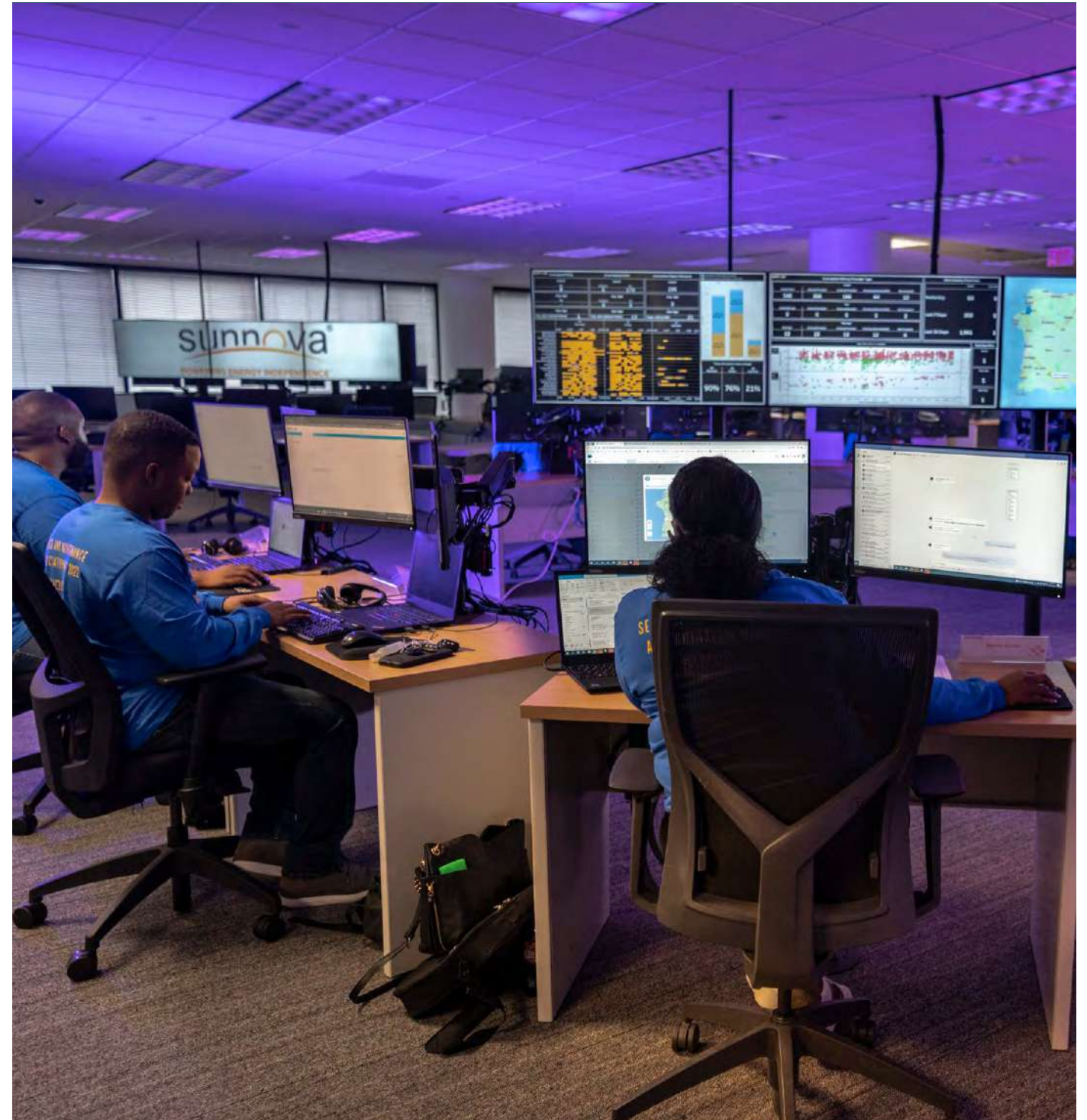
ECP maintains a robust cybersecurity framework to minimize the potential threat that malicious actors pose to our firm's digital systems. Our in-house team, led by our Chief Information Officer, abides by best-in-class guidelines to maintain a safe and secure network. Key components of our firm-level cybersecurity program include trainings to educate employees on identifying and avoiding potential cyberattacks, as well as strategies and procedures for reporting and isolating suspected attempts at breaches of cybersecurity. We test employees' knowledge from these trainings by requiring them to regularly respond to mock cybersecurity and phishing attempts.

Cybersecurity complements our data privacy program, which safeguards data against unauthorized access or use. Our data privacy experts have constructed a robust infrastructure that includes controls to restrict data exchange without appropriate notification and consent and requires multi-factor authentication. Our personnel abide by the most stringent restrictions, to respect individual privacy and handle personal or sensitive information confidentially and responsibly.

## At Our Portfolio Companies

As part of our Cybersecurity Core Requirement, ECP expects its portfolio companies to have dedicated cybersecurity infrastructure for proactive responses to potential threats and to protect the privacy of their employees and customers. In addition, our portfolio company workforce undergoes cybersecurity training which includes education in preventative best practices, such as how to identify potential risks.

ECP's Chief Information Officer, in coordination with our compliance team and third-party cybersecurity specialists, works directly with our portfolio companies to ensure robust cybersecurity frameworks are in place. This includes leading roundtables and other shared forums with portfolio companies to facilitate best practices and further strengthen our cybersecurity network.



# Community Involvement and Philanthropy

ECP and our portfolio companies are committed to actively supporting the communities within which we live and work through a variety of philanthropic initiatives. In 2022, our portfolio companies continued to invest in their communities and to support local organizations and initiatives, which include community investments through the form of local solar project funding, corporate donations, scholarships, and employee giving.

## \$9.1 million

invested or donated by ECP portfolio companies to 175 different charitable partner organizations in 2022

### At ECP

#### Lulu's Place

The Kimmelman Family Foundation, in partnership with the United States Tennis Association (USTA) and the USTA Foundation, the TGR Foundation, and Winward Academy are developing the Carol Kimmelman Athletic & Academic Campus, Lulu's Place. Lulu's Place will be the largest non-profit athletic and academic center in the western U.S. and will provide children, educators, and the larger

community access to resources for academic enrichment and support, college and career preparedness, athletics and fitness, and health and wellness upon its planned completion in 2024.

#### Extending Inclusivity Through Industry Partnerships and Engagements

ECP partners with Opportunity Network and the Andrew F. Makk Youth Opportunity Scholarship to provide internships that offer on-the-job training, mentorship, and professional development to individuals from backgrounds that are historically underrepresented in the finance industry and energy sector. ECP and our portfolio companies also support industry peers by speaking at and attending women-led energy conferences, such as the Women in Private Equity Summit and Kayo Energy and Power Conference series.

#### Community Outreach Days

As part of the work of our Leadership Committee, we restarted an initiative to promote ECP team volunteer days throughout the year to encourage teamwork and give back to our local community. In June 2023, ECP partnered with Habitat for Humanity of Greater Newark to build out a residential home for a family in need. Habitat for Humanity's goal is to build affordable homes for low-to-moderate income families in Essex, Hudson, and Union Counties in



New Jersey. Additionally, through their robust Critical Repair program, the organization provides the necessary repairs to keep veterans and seniors at risk of homelessness in the place they call home. We intend to do multiple projects like this a year, both with Habitat for Humanity and other local organizations.

### At Our Portfolio Companies

#### Pivot

Pivot's community partnerships and investments are intended to accelerate the shift to clean energy by reducing renewable energy costs and introducing prospective workers to the renewable energy industry. In 2022, Pivot donated \$100,000 to both Energy Outreach Colorado and Mile High Ministries to increase energy assistance funds and support a 50-kilowatt solar installation at an affordable housing development, respectively. Pivot also donated \$50,000 to support another cohort of

students through the Pueblo Hispanic Education Foundation's Renewable Energy Scholarship Fund, which increases access to higher education and facilitates careers in renewable energy for historically underrepresented groups. Over 50 students have received scholarships to date with Pivot's donations.

#### Calpine

In 2022, Calpine provided more than \$2.3 million in charitable donations to the communities where their employees live and work. Calpine also organized Read to the Final Four®, a year-long initiative promoting reading growth for third graders in the Houston area, as part of Calpine's role as a Host City Supporter for the 2023's Men's NCAA® Final Four® basketball tournament. Calpine fundraised an all-time high amount of \$300,000 during its 19th Annual Texas Region Charity Golf Tournament, benefitting 12 charities around the company's Texas-based plants and offices.

# TCFD Annex

## **Governance:** Disclose the organization's governance around climate-related risks and opportunities.

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Describe Board oversight of climate-related risks and opportunities

ECP's Investment Committee, ESG Committee, and senior partnership are responsible for formulating our climate strategy, which focuses on opportunities across the energy transition spectrum. This includes reliable low-carbon power, renewable energy, and other businesses that facilitate the energy transition, ranging from circular economy opportunities to renewable fuels to carbon capture to energy efficiency. We reference the TCFD recommendations and other industry standards, such as Sustainability Accounting Standards Board (SASB), to tailor our firm's climate strategy to the asset classes in which we invest. ECP's approach to climate risk is integrated firm-wide and ultimately overseen by our senior partner-led, cross-functional ESG Committee with regular reporting to the Investment Committee.

### ESG Governance

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Describe management's role in assessing and managing climate-related risks and opportunities

ECP's ESG governance process integrates climate-related risk management across the investment lifecycle. During due diligence, deal teams utilize a mandatory ESG questionnaire to identify industry- and company-specific risks and opportunities associated with potential investments, including those that pertain to climate, under the guidance of our senior partners via the ESG Committee. Findings are from diligence synthesized and presented to the Investment Committee and used to inform the firm's investment decisions. Throughout ownership, deal teams partner with portfolio company management to monitor emissions and address identified ESG- and climate-related risks and opportunities. Deal teams report progress to the Investment Committee, which includes participation from the ESG Committee, on at least a quarterly basis.

### ESG Governance

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## **Strategy:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

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Describe the climate-related risks and opportunities ECP has identified over the short, medium, and long term

Throughout our investment process, ECP assesses market factors underpinning energy transitions in short-, medium-, and long-term horizons. Additionally, in 2022, we conducted a high-level climate study which assessed a range of scenarios from business-as-usual (BAU) to climate-aligned and analysed at a macro-level by sector where segments of the economy and strategic investment opportunities could be in the mid- and long-term.

The study reaffirmed our belief that our firm's investments in renewable power generation, energy storage, and environmental infrastructure, sustainability, efficiency, and reliability (including carbon capture and low-carbon fuels) are well-positioned to grow as governments incentivize low-carbon technologies in pursuit of their climate-related goals. Key findings of the study forecast:

- Overall expansion and transformation of the U.S. power sector to support electrification and renewables
- Rapid growth of renewable energy resources and supporting infrastructure-related businesses
- Decreasing but continued use of natural gas as a bridge fuel in coming decades to maintain reliability
- Increased growth in CCUS facilities that are co-located with gas-fired power generation

While natural gas power generation will continue to play a role throughout the low-carbon economic transition, future GHG emission limitations have the potential to reduce the future market share for midstream companies without diversified business models. Additionally, increased frequency and severity of storms, floods, and other climatic events could strain or otherwise adversely affect portfolio companies' physical assets. We continue to assess the evolving landscape to consider additional best practices for analyzing climate risk and opportunity.

### Our Investment Strategy

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Describe the impact of climate-related risks and opportunities on ECP's businesses, strategy, and financial planning

As one of the largest private owners of power generation and renewables in the U.S., providing safe and reliable power is a top priority for ECP. The increasing frequency and intensity of extreme weather place strain on electric grids, and as a result, our power infrastructure requires increased levels of preparedness. Our investments enhance the physical resilience of power systems and deliver power through challenging conditions through dispatchable and distributed resources.

Additionally, recent global events such as COVID-19, the war in Ukraine, and extreme and unpredictable weather patterns have propelled energy security into the spotlight. Such events are reshaping our energy supply chains and sharpening focus on the challenges of achieving the energy transition while maintaining reliable and affordable access to energy. Our portfolio enhances domestic energy security by reducing dependence on imported oil and gas through the development and expansion of innovative low-carbon fuel markets.

In addition to the increased call for physical resilience, today's energy markets are changing rapidly based on demands for decarbonization, which is expanding investment opportunities for ECP. Our investments are driving growth within these dynamic conditions by expanding the full spectrum of renewable energy assets, delivering additionality, and supporting the circular economy to fuel growth. At ECP, we have been adding capacity to the power market and adjacent sectors since our inception, including 17 GW of renewable generation capacity — 72% of which are currently operating or in development.

### Our Investment Strategy

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## **Strategy:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Describe the resilience of ECP's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

ECP's strategy is grounded in decades of experience investing in energy, power, and related sectors, and has proven resilient throughout multiple transitions. ECP's investments bolster the physical resilience of energy systems, while also supporting and catalyzing transition businesses that are poised for significant growth throughout a range of climate scenarios.

Our recent macro-level climate study forecasted overall growth in the US power sector to support increased electrification, as well as significant expansion of renewable energy in BAU and 1.5- and 2°C pathways. Although ECP has not yet undertaken analyses under 2°C or lower scenarios specific to the investment portfolio, we strive to enable ECP's portfolio companies to service customers through a range of climate-related scenarios. Under ECP ownership, companies have invested in the development of new assets and retrofitting of existing facilities to better prepare to meet the increasing demand for reliable, low-carbon energy over short-, medium-, and long-term time horizons.

### [Decarbonization & Climate Resilience](#)

## **Risk Management:** Disclose how the organization identifies, assesses, and manages climate-related risks.

Describe ECP processes for identifying and assessing climate-related risks

ECP monitors market conditions and macro trends related to climate resilience and integrates identified risks into our overall investment strategy. Additionally, we intend to further assess current practices relative to TCFD guidelines and take steps to enhance our climate risk management practices. During diligence, deal teams are required to utilize a mandatory ESG questionnaire to identify industry- and company-specific risks and opportunities associated with potential investments, including those that pertain to climate. When warranted based on the nature of the risks and opportunities, third-parties are engaged to conduct further investigation. Findings are synthesized and are used to inform the Investment Committee to inform the firm's investment decisions. Deal teams partner with portfolio company management to address identified ESG-related risks and opportunities throughout the lifecycle of the investment and report progress to the Investment Committee and ESG Committee on at least a quarterly basis. ECP requires all equity-controlled portfolio companies to report against standardized ESG-related KPIs, including Scope 1, 2, and 3 GHG emissions, at least annually. This data allows the ESG Committee and relevant deal team to identify potential opportunities for climate-related risk mitigation and value creation, among other ESG considerations.

### [Decarbonization & Climate Resilience](#) [Integrating ESG at ECP](#)

Describe ECP processes for managing climate-related risks

ESG risks including climate-related topics are factored into investment decisions and are managed by annual monitoring and investment. The ESG Committee maintains Core Requirements to establish a standard for ESG performance and governance, including climate-related metric tracking, across the firm's equity-controlled portfolio. ECP will continue to evaluate climate-related matters as factors in potential deals as we aim to build a resilient portfolio.

### [Decarbonization & Climate Resilience](#) [Integrating ESG at ECP](#)

## Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into ECP's overall risk management

ECP integrates climate factors into overall risk management at each step in the investment life cycle and through the inclusion of climate-related risks in regular ESG updates to the Investment Committee. During the diligence phase, climate related risks are factored into investment decisions as described in the above sections. Upon taking ownership of a business, ECP deal teams work with each of our portfolio companies to address the risks and opportunities identified during diligence, including climate-related factors. ECP monitors climate-related risks and opportunities at portfolio companies through our annual portfolio performance assessment process that measures alignment with ECP's Core ESG Requirements.

### [ESG Within the Investment Lifecycle](#)

## Metrics and Targets: Disclose how the organization identifies, assesses, and manages climate-related risks.

Disclose the metrics used by ECP to assess climate-related risks and opportunities in line with its strategy and risk-management process

ECP monitors the firm's Scope 1, 2, and 3 emissions, including financed emissions, portfolio-wide and portfolio company-specific emissions intensity, and plant-level avoided emissions. The total portfolio emissions across all scopes are compiled into a complete GHG inventory which is developed in alignment with the GHG Protocol and the Partnership for Carbon Accounting Financials, reviewed by the ESG Committee, and presented to the ECP partners. Additionally, in 2023, ECP purchased carbon offsets to cover its firm-level operational emissions.

### [Climate-related Performance Metrics](#)

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and the related risks

ECP's comprehensive Scope 1, 2, and 3 emissions inventory includes:

**Financed Emissions** — (1) Scope 3 - Category 15 emissions (portfolio companies' Scope 1 and 2 emissions) for 2021 (2) Scope 3 — Category 15 (portfolio companies' Scope 1, 2, and 3 emissions) for 2022.

**Firm-level Operational Emissions** — (1) Scope 1, 2, and 3 - Category 6 emissions for 2021 (2) Scope 1, 2, and 3 - Category 6 emissions for 2022.

**Avoided Emissions** — (1) Emissions avoided by portfolio company operations compared to eGRID averages in 2021.

### [Climate-related Performance Metrics](#)

Describe the targets used by ECP to manage climate-related risks and opportunities and performance against targets

ECP requires companies within our equity-controlled portfolio to track and report total Scope 1, 2, and 3 GHG emissions. Some companies have chosen to pursue potential opportunities to create value and mitigate risk associated with their current emissions footprint, including increasing process efficiencies and integrating low-carbon solutions. ECP supports portfolio companies in the formulation and execution of these internal goals with the recognition that they may yield emissions reductions throughout the company's value chain, including in ECP's financed emissions.

### [Climate-related Performance Metrics](#)



**POWERING A SUSTAINABLE FUTURE**

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Please note that this report is provided for information purposes only. Past performance is not indicative of future results. Certain portfolio company information has been reported by the management teams of such companies as part of annual ESG data collection and has not been independently verified by ECP. The ESG or impact goals, commitments, themes and outcomes outlined in this report are purely voluntary, are not binding on investment decisions and/or ECP's management of investments and do not constitute a guarantee, promise or commitment regarding actual or potential positive impacts or outcomes associated with investments made by funds managed by ECP. Any ESG or impact goals, commitments, themes or outcomes referenced in any information, reporting or disclosures published by ECP are not being promoted and do not bind any investment decisions made in respect of, or stewardship of, any funds managed by ECP for the purposes of Article 8 of Regulation (EU) 2019 / 2088 on sustainability-related disclosures in the financial services sector unless otherwise specified in the relevant fund documentation or regulatory disclosures.

ECP would like to acknowledge ERM, the world's largest pure-play sustainability consulting firm, for its support with ESG strategy development and this report. ERM was founded in 1971 and has more than 50 years of environmental, health, safety, risk, and social experience partnering with clients to define goals and translate them into action. The firm employs more than 5,500 consultants across 160 offices in over 40 countries.