



ECP

2023 ESG Report

A Responsible Approach to Value Creation

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Partners' Letter



New Leaf, Gore Mountain, NY



Doug Kimmelman
Senior Partner and Founder



Pete Labbat
Managing Partner



Tyler Reeder
Managing Partner

In 2022, our U.S. power generation portfolio avoided

**20.9 million tCO₂e,
equivalent to 2.7 million U.S. homes' annual energy use**

Following what had been a pivotal year in 2022 for ECP and the energy transition, 2023 has proven to be equally **transformational**. A confluence of factors is transforming the **electricity sector into a major growth area** within the U.S. and global economy, with forecasts projecting that electricity demand will nearly double over the next 15 years from current levels.^[1] This outlook is quite the turnaround when compared to the flat, and sometimes negative, demand trends at the turn of the century. We do not expect this growth to slow anytime soon with the shift to electric vehicles (EVs), the decarbonization of buildings and homes via electric appliances and heat pumps, a revitalization of U.S. manufacturing, and maybe most near-term, the proliferation of data centers for the purposes of artificial intelligence (AI) and machine learning.

In particular, the electricity needs of data centers are astounding. The International Energy Agency forecasts that training one AI model uses more electricity than 100 U.S. homes consume in a year.^[2] In fact, the share of U.S. energy consumption by data centers is anticipated to grow to 6% by 2026, a 50% increase compared to a 2022 baseline.^[3] Given this level of electrical intensity, the continued build-out of data center capacity is now a power problem. Data center operators and large technology companies are looking to co-locate power and data center facilities, including fossil fuel facilities, and are offsetting emissions by acquiring renewable energy credits and signing synthetic power purchase agreements (PPAs) for renewable facilities. However, public scrutiny on how data centers source their energy is at an all-time high as consumers do not want their electricity bills to rise or the reliability of the grid to be further strained.

[1] Goldman Sachs Research, [Generational Growth: AI, data centers and the coming US power demand surge](#), April 28, 2024.

[2] International Energy Agency, [Why AI and energy are the new power couple](#), November 2, 2023.

[3] International Energy Agency, [Electricity 2024 - Analysis and forecast to 2026](#), January 2024.

Our key takeaway is this: **Balance in transformation is critical.** As the energy transition is accelerated by decarbonization and digital infrastructure, we cannot lose sight of maintaining affordability, reliability, and energy security.

Balance is achievable by relying on a diversified set of baseload resources and sustainable offerings ranging from battery storage, behind-the-meter offerings, carbon capture, and efficient natural gas. It can also mean pairing various generation sources together to increase reliability, repurposing existing sites to produce low-carbon energy, and providing renewable fuel options as an alternative to electrified transportation. As we highlighted in prior years' reports, an "all-of-the-above" strategy is vital 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.

Creating Value Through Business Transformation

Just as balance is necessary at a macro-level, it is equally important at a micro-level, a perspective that has shaped our focus and is reflected through our progress over the past year. By employing our responsible investing approach, which seeks to balance good governance, safer work environments, and environmental stewardship, we can achieve necessary transformation at the business level and sustainable outcomes, driving value for our stakeholders.

Since our 2018 acquisition of **Calpine**, one of the largest power generators in the U.S., we have been transforming and diversifying its asset base so that an increased percentage of its revenues are from "greener" sources. In addition to owning a low-cost, efficient fleet of natural gas power plants, which remain the backbone of reliability in the U.S., Calpine owns the largest geothermal electrical operation in the world, is pursuing one of the largest battery energy storage system projects in the U.S., and was **recently awarded Department of Energy (DOE) contracts to pursue carbon capture** at two of its natural gas plants.

We acquired **Harvestone Low Carbon Partners (Harvestone)** in 2022, a platform comprised of three ethanol biorefineries, with a goal of transforming the existing asset base to incorporate co-located carbon capture. In late 2023, the company's Blue Flint carbon capture and sequestration (CCS) project began operations, **capturing 41,339 metric tons in the first quarter of 2024** and becoming the first CCS project to capture and inject carbon dioxide (CO₂) since the passage of the Inflation Reduction Act (IRA).

As a result of our strategic focus on lower-carbon power generation technologies, in 2022, our U.S. power portfolio **avoided 20.9 metric tons of CO₂ equivalent (tCO₂e)**, equivalent to 2.7 million U.S. homes' annual

energy use, with the potential to sequester approximately an additional four million metric tons of CO₂ once Calpine's Baytown and Sutter carbon capture projects come online.

As we transform our portfolio amid a rapidly moving energy transition, it is important that we do not lose sight of the real-world impacts of our actions. We are a people-centric business — our current and historic portfolio spans all fifty U.S. states and generates enough power to supply approximately **46 million U.S. households**. In the last year, we created nearly **1,100 net new jobs** at our controlled equity companies. Safety is paramount in our business and we are proud to report that 84% of our equity-controlled portfolio companies reported **lost time incident rates (LTIR) that were lower than industry-specific benchmarks**.

Driving Outcomes by Investing in Our People

To effectively execute our strategy and drive positive outcomes in the energy transition, we believe that building a diverse and balanced collective intelligence and ensuring an inclusive and supportive environment is critical to the development and success of our most valuable asset: our people. Since the start of 2023, we welcomed **21 new equity team members**, ranging from investment professionals to accounting to investor relations. At the senior investment professional level, there has been no turnover in nearly four years, which speaks volumes to our culture. At the junior level, we have made a marked improvement in terms of diversity. **76%** of new associates hired since 2020 identify as female or diverse. Additionally, **18%** of the junior-level investment professional hires during that timeframe have been first-generation college graduates. As a result of this targeted

effort, we **promoted six associates** to Vice President in 2023, five of whom are either women or diverse individuals, representing the largest and most diverse class in our history.

In 2023, we established a **Value-Add Committee** dedicated to standardizing our approach to portfolio company engagement. In accordance with the Committee's recommendation to increase independent Board membership, **Convergent Energy and Power (Convergent)** welcomed Neil Chatterjee, Former Commissioner and Chairman of the Federal Energy Regulatory Commission to its Board in 2023. We are also seeking more involvement from our **newly hired Operating Partner**, Richard Burke, who will continue to work hand-in-hand with management teams in the environmental sector to identify areas of opportunity for value growth at existing portfolio companies and during diligence of new businesses.

We are immensely proud of our accomplishments over the past year, and are even more invigorated by the opportunity set in front of us, at both the firm and investment level. The world may be rapidly evolving, but our responsible investment approach has proven to be resilient over the last two decades. Thank you to all our investors, employees, management teams, and industry partners. Our success is our stakeholders' success, and we are truly proud to work alongside so many talented and motivated people to drive balance and sustainability in the energy transition.

Doug Kimmelman

Senior Partner and Founder

Pete Labbat

Managing Partner

Tyler Reeder

Managing Partner

Firm Overview



Calpine, The Geysers, CA

With a 71 gigawatt (GW) historic portfolio that includes a diverse array of conventional and renewable power generation, battery storage, and carbon capture technologies, ECP has been one of the most active and currently is one of the largest private power generators in the U.S.

Responsibility and Balance in Business Transformation

Last year, we took a holistic look at ECP's impact on the energy transition, highlighting how embracing additionality enables us to drive transformation and balance in the North American energy landscape through accelerating the grid's renewable energy capacity, advancing decarbonization, and supporting vital infrastructure with clean, affordable, and reliable energy.

This year, we are sharpening our focus on how heightened responsible investing practices and strong governance can **drive business transformation** on a smaller scale at our portfolio companies, and how this approach can reverberate beyond to have larger-scale impacts.

We bring a balanced mindset to business transformation that delivers value to investors, employees, and our communities, while providing reliable energy to our portfolio company customers. Through targeted business plans, empowered management teams and employees, and strategic partnerships, we support the deployment of innovative solutions and help companies navigate the complexities of today's evolving energy landscape while remaining agile and advancing a competitive business edge. ECP's commitment to supporting resiliency in the energy transition is reflected in our **track record of investments in transition-aligned companies** that facilitate decarbonization, enhance grid reliability, and execute value-add initiatives that amplify our impact on key stakeholders.

ECP at a Glance^[1]

\$31 billion
capital commitments

85
ECP employees

#15
Infrastructure Investor Ranking
2023 (by capital raised)

125+
transactions completed
in last 19 years

71 GW
power generation capacity
owned, under construction,
or in late-stage development

30 GW
renewable generation capacity
owned, under construction, or
in late-stage development

2.6 GW
renewable generation capacity
developed under ECP ownership
in 2023

64%
EBITDA growth^[2]

[1] Data as of May 2024, unless otherwise stated. Capacity, capital commitments, and transactions represent totals since firm inception.

[2] EBITDA growth is calculated as the weighted average (based on invested capital as of December 31, 2023) of all portfolio companies that are part of ECP's Ongoing Sector Focus investment strategy across ECP's related equity strategy funds (ECP V, IV, III, & II) since their acquisition through December 31, 2023, or their exit/point at which ECP no longer held majority control.

[3] Invested capital represents all investments, including credit, as of December 31, 2023.

Diversified Portfolio Across the Energy Transition Spectrum

SECTOR	EXPERIENCE	ECP FOOTPRINT ^[3]
Electricity Infrastructure		
 POWER GENERATION Reliable baseload power through lower-carbon facilities	18+ years	\$7+ billion invested 40+ GW
 RENEWABLES Wind, solar, geothermal, hydro, waste-to-energy	18+ years	\$4+ billion invested 24 GW
 STORAGE Energy storage solutions	18+ years	7 equity platforms 7 GW
Sustainable Infrastructure		
 ENVIRONMENTAL INFRASTRUCTURE Environmental clean-up, recycling, waste management, disposal and processing, beneficial re-use	16+ years	\$4+ billion invested 125+ facilities
 SUSTAINABILITY, EFFICIENCY, AND RELIABILITY Energy efficiency, renewable fuels, digital infrastructure, CCS, energy use and supply management	17+ years	\$2 billion invested 140+ facilities

Avoided Emissions: Advancing the Low-Carbon Economy Through Responsible Investment Practices

AVOIDED EMISSIONS FROM OTHER SUSTAINABILITY-LINKED INVESTMENTS^[1]



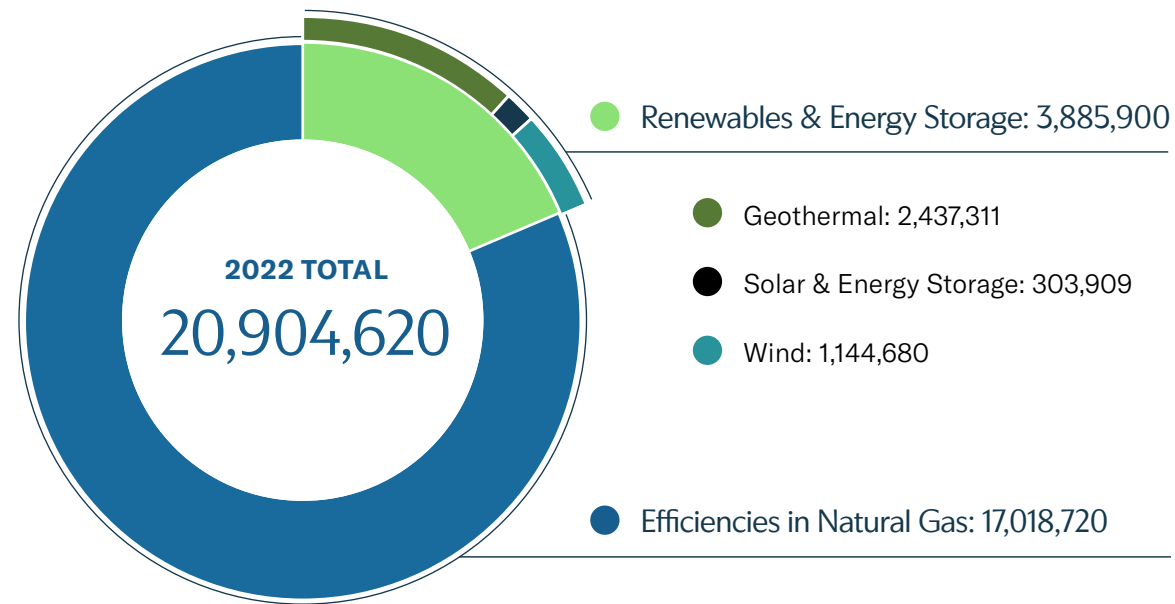
1,378,165 tCO₂e

avoided by other sustainability-linked investments in 2022

EQUIVALENT TO:

328,000+ passenger vehicles taken off the road for a year

AVOIDED EMISSIONS FROM POWER GENERATION (tCO₂e)^[2]



85,116,574 tCO₂e

avoided by ECP's power generation portfolio since 2019,

EQUIVALENT TO:

16.8 million homes' annual electricity use avoided

93.8+ billion lbs of coal not combusted

FUTURE EMISSIONS AVOIDANCE OPPORTUNITIES



AVOIDED EMISSIONS FROM POWER GENERATION (tCO ₂ e)	2019-2022
Total Power Generation	85,116,574
Renewables & Energy Storage	14,725,941
Geothermal	9,163,804
Solar & Energy Storage	1,232,356
Wind	4,329,781
Efficiencies in Natural Gas	70,390,633

[1] Avoided emissions from other sustainability-linked investments are reported by portfolio companies and represent the annual carbon savings of their respective operations compared to a chosen 'reference' scenario that would otherwise occur in the absence of the company's product or service. Avoided emissions are calculated as CO₂ equivalent, including CO₂, methane, and nitrous oxide. If another third party were to do a similar estimate, there is no assurance that similar assumptions or methodology to the calculation of such estimates would be used.

[2] ECP calculated greenhouse gas (GHG) emissions avoided in CO₂ equivalent, including CO₂, methane, and nitrous oxide for the U.S. power generation assets in its portfolio for the calendar year 2022 through a proprietary methodology. Avoided emissions represent the difference between the GHG emission levels of ECP power generation assets, adjusted for portfolio company 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. Calculations assume that power for energy storage was withdrawn from the grid at baseload with the lowest operating costs and discharged to the grid during non-baseload grid operation. ECP's emissions calculations and supporting data were reviewed and compiled with the assistance of its ESG consultant, but have not been independently verified.

ECP's Low-Carbon Footprint^[1]

Since inception, including projects in development^[2]

ADDITIONAL GROWTH SINCE 2020

TOTAL RENEWABLE

30,340 MW

↑121% increase



SOLAR

13,852 MW

↑158% increase



STORAGE

6,737 MW

↑158% increase



WIND

6,752 MW

↑129% increase



HYDRO

1,275 MW



WASTE-TO-ENERGY

906 MW



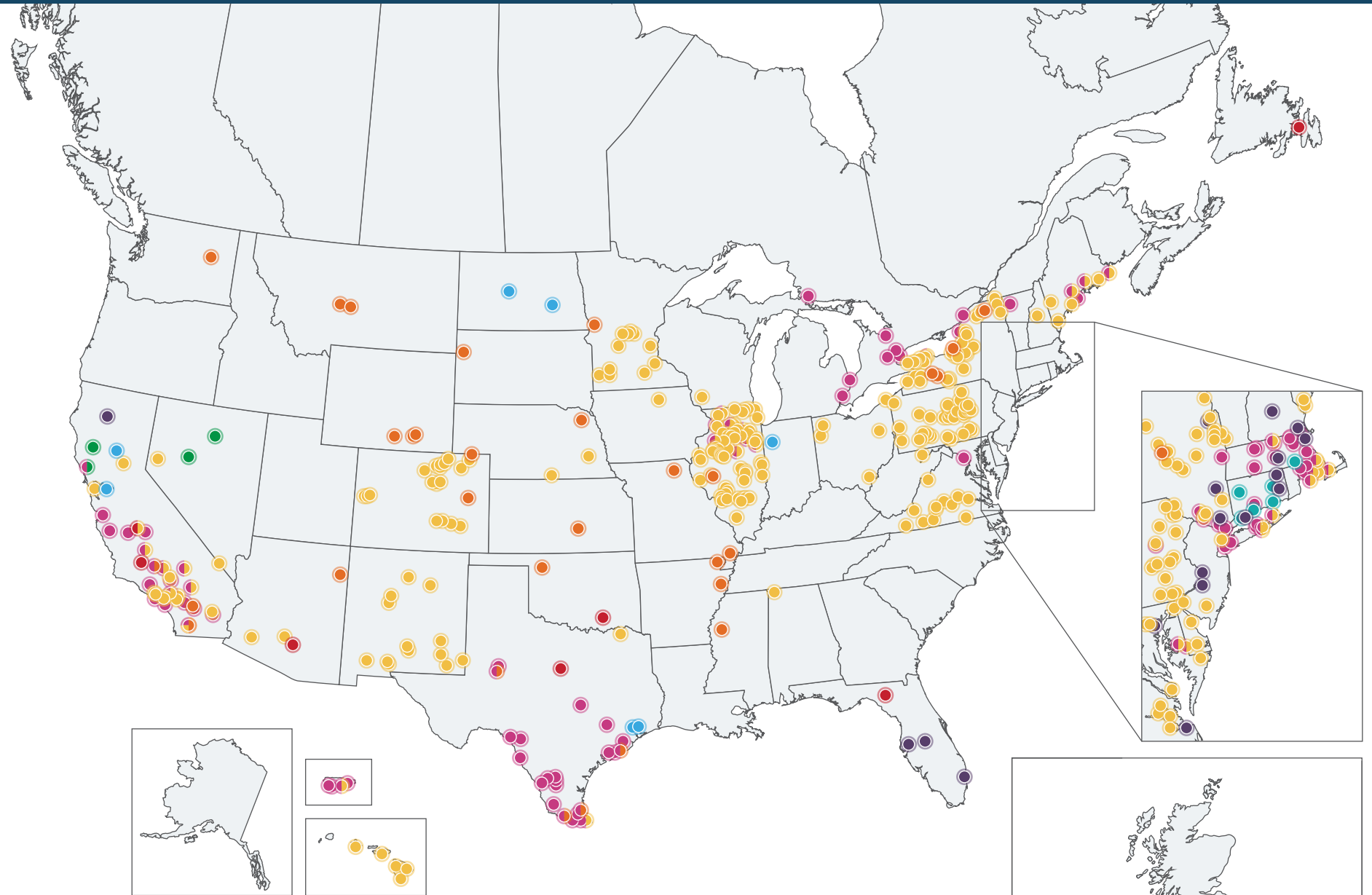
GEO THERMAL

818 MW



CCS

7 (by locations)^[3]



Asset Type

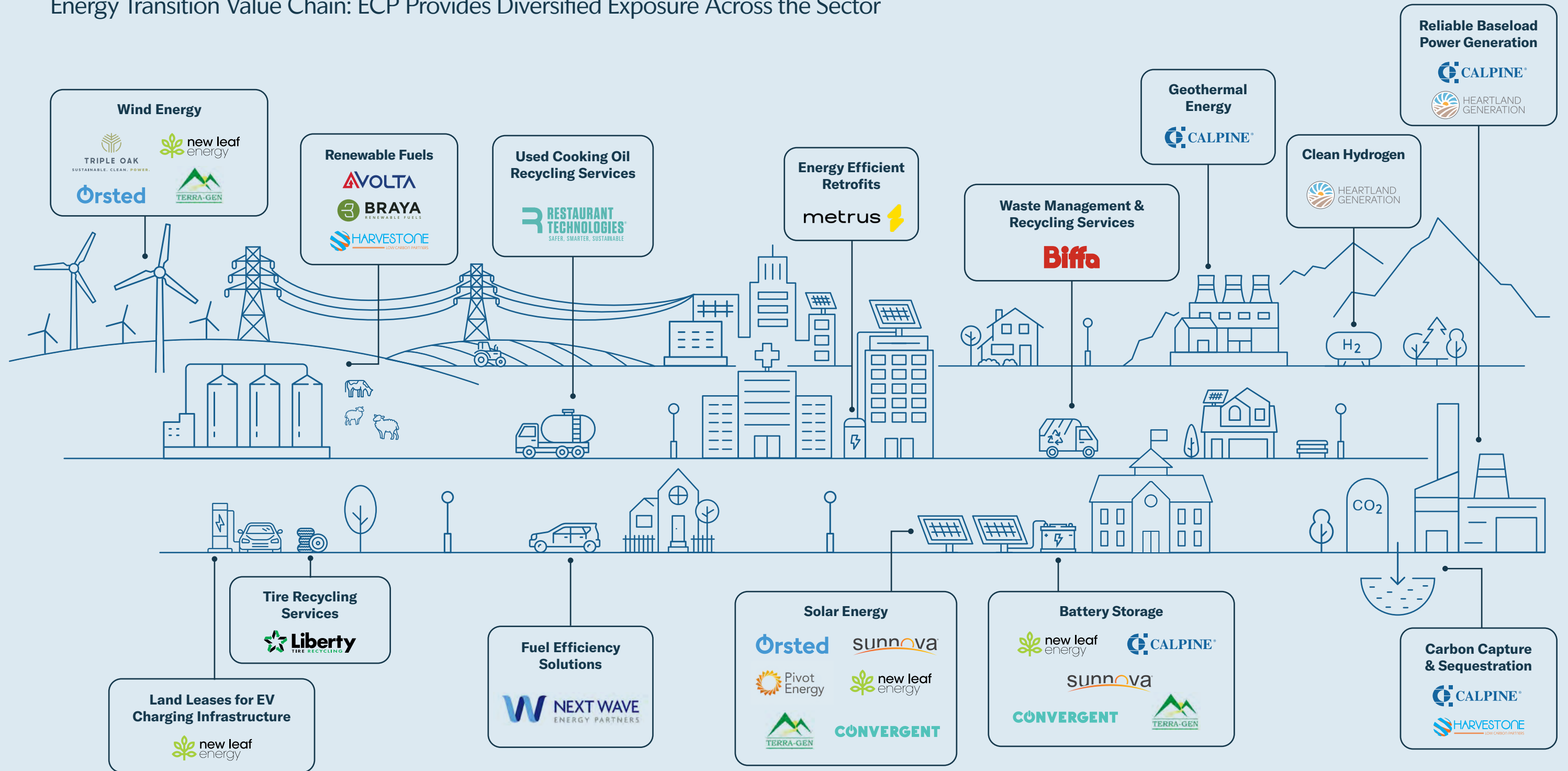
- Storage
- Geothermal
- Hydro
- Renewable Fuels
- Solar
- Waste-to-Energy
- Wind
- Carbon Capture

[1] Capacity as of May 2024. Figures may not add up to due rounding.

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

[3] All CCS projects aside from Harvestone's Blue Flint facility are currently non-operational and are in various phases of development.

Energy Transition Value Chain: ECP Provides Diversified Exposure Across the Sector



2023 Recap

In 2023, ECP made two new investments focused on renewable energy and fuels and announced our first investment in digital infrastructure.

Harvestone's CCS facility is capturing CO₂ at a rate of

200,000

metric tons per year

Triple Oak has

8 GW

of renewable energy projects in its portfolio and development pipeline

Triple Oak Power (Triple Oak), a utility-scale wind platform, has added 8 GW of renewable energy projects to our development pipeline, and **Braya Renewable Fuels (Braya)**, which achieved operations in early 2024, is one of North America's largest producers of renewable diesel.

We also reached several milestones with our existing portfolio companies. After receiving final approval from the North Dakota Department of Mineral Resources, **Harvestone's** Blue Flint ethanol biorefinery became the **first U.S. facility to begin actively capturing and injecting CO₂** since the passage of the IRA. The CCS facility became operational over two months ahead of schedule and the refinery will provide low-carbon biofuel to investment grade counterparties under multi-year take-or-pay contracts. The plant has since ramped up throughput volumes and has been capturing CO₂ at a rate of 200,000 metric tons per year.

Two of **Calpine's** power plants were awarded federal funding as commercial scale CCS sites in December 2023. Collectively, these sites are expected to permanently **sequester nearly four million metric tons of CO₂** per year. While the projects are still in development, we believe the federal grants are a testament to Calpine's position as a world leader in carbon capture for power generation applications. As a result, ECP now has **seven CCS locations in operation or development** across our portfolio, demonstrating our ability to manage the emissions of difficult-to-decarbonize sectors while prioritizing reliability and energy security.

Next Wave Energy's (Next Wave) Project Traveler commenced commercial operations in late 2023, producing alkylate, a high-octane gasoline blending component that will help vehicles meet more stringent fuel efficiency standards. Since becoming operational, Project Traveler has reached a run-rate that exceeds nameplate capacity and is still being further optimized for enhanced production capabilities.

Our focus on balance in the energy transition combined with our deep sector expertise **strategically positions our portfolio** to meet growing demand for electricity and reliable power, while transforming energy markets through increased integration of renewable, reliable, and low-carbon energy as well as innovative carbon sequestering technologies.

As a testament to the lower-carbon profile of our portfolio, U.S. power generators in ECP's portfolio **avoided 85.1 million tCO₂e from 2019 to 2022** from a combination of renewable generation, energy storage, efficiencies in natural gas generation, and sustainable solutions, equivalent to 16.8 million homes' annual electricity use avoided.

Performance Stats

\$1.8 billion^[1]

of new equity investment in energy transition businesses

20,300+

employed across the portfolio in 2023

1,100

new jobs created by portfolio companies in 2023

9.9 million MWh^[2]

of electricity generated across ECP's renewable portfolio in 2023, enough to power almost 800,000 U.S. homes for one year

20.9 million tCO₂e

avoided by the power generation portfolio in 2022

[1] Represents totals as of December 31, 2023, with a pro forma inclusion of ECP IV's investment in Shenandoah Telecommunications Company (Shentel), which was announced in October 2023 and funded in April 2024.

[2] Megawatt hours.

Recent Investments



ECP invested in Braya, completing the financing of a **petroleum-to-biofuel refinery conversion project**. Operational as of February 2024, the refinery is now one of North America's largest producers of renewable diesel, **supplying 18,000 barrels per day** as a low-carbon fuel option for hard-to-abate sectors.



ECP acquired Triple Oak, a developer of **onshore wind energy** and carbon-free generation projects. With **8 GW** of generation capacity in its development pipeline across the Western and Pacific Northwest U.S., Triple Oak develops and enhances wind sites, and pairs wind with other renewable energy sources to maximize reliability and deliver value to local communities, landowners, and investors.

ECP Thought Leadership: Enhancing Reliability in the Digital Age Through a Balanced Generation Portfolio

In the face of the U.S.' accelerating growth in energy demand propelled by the advancements in AI and machine learning, heightened need for data centers, and expansion of electrified transportation, we believe that ECP's balanced portfolio of responsible and reliable energy investments is well-positioned to respond.

THE TECHNOLOGY SURGE AND AN IMPENDING ENERGY DILEMMA

The continued growth of AI, cloud computing, and crypto-mining technologies has necessitated the expansion of data center infrastructure and is a key driver behind the largest increase in energy demand in over 20 years.^[1] Nationwide **forecasts for cumulative electricity growth over the next five years have nearly doubled** in the last year alone, fueled by the proliferation of data centers — a load growth for which the U.S. power grid is not prepared.^[2] By 2026, the share of **U.S. energy consumption by data centers is anticipated to grow to 6%, a 50% increase** compared to a 2022 baseline.^[3] Strain on U.S. power grids is exacerbated by the geographic distribution of data centers, which are typically clustered in regions with temperate climates in proximity to metropolitan areas where technology customers require such facilities. Power grid constraints paired with this surge in demand amplify the pressing need for additional, reliable capacity.

In Northern Virginia, an area with a high concentration of data centers, regional energy providers are anticipating local demand to grow annually by approximately 5% over

the next 15 years, which would **require a near doubling of current electricity output.**^[1] To keep pace with this demand, Virginia state regulators are considering utilizing diesel generators in the event of a power shortage caused by grid strain,^[4] and nationwide power companies are reconsidering plans to decommission fossil fuel-based plants, including coal facilities.^[1] Though such solutions may not be in line with the ambitions of the energy transition, the U.S. could face **more frequent power outages and blackouts if energy demands are not met,**^[1] underscoring the need for reliable, low-carbon energy sources that minimize the emissions footprint of these computing technologies.

Beyond digital infrastructure, in the latter part of this decade and the 2030s, we believe it will be the electrification of transport that is going to drive meaningful incremental electricity growth and carry us into 2040. In 2023, there were 1.4 million EVs sold in the U.S., which was a 50% increase from the year prior,^[5] but still a small fraction relative to the 15.5 million internal combustion engine (ICE) vehicles sold during that same period.^[6] Importantly, EV sales are expected to continue to grow and will account for a third of new vehicle sales by the end of the decade. Though we are still in the very early innings of realizing the impact of EVs on electricity demand, the forecasts are staggering: U.S. electricity demand from EVs is expected to grow from a relatively modest 17 terawatt hours (TWh) per year today to 200 TWh by 2030 and 800 TWh by 2040.^[7]



Calpine, The Geysers, CA

[1] Bloomberg, [AI Needs So Much Power That Old Coal Plants Are Sticking Around](#), January 25, 2024.

[2] Grid Strategies LLC, [National Load Growth Report 2023](#), December 2023.

[3] International Energy Agency, [Electricity 2024 - Analysis and forecast to 2026](#), January 2024.

[4] Data Center Frontier, [Virginia May Ask Data Centers to Run Generators to Protect Grid Stability](#), February 6, 2023.

[5] Department of Energy, [Statement by U.S. Energy Secretary Jennifer M. Granholm on 2023 EV Sales](#), January 5, 2024.

[6] Bloomberg, [The World Hit 'Peak' Gas-Powered Vehicle Sales — in 2017](#), January 30, 2024.

[7] Proprietary research, Unpublished confidential document, 2024.

BOLSTERING CLEAN ENERGY ACCESS THROUGH A BALANCED INVESTMENT STRATEGY

ECP's diversified portfolio of power generation and renewable assets is **well-equipped to respond to the increased demand for electricity and positively impact the power sector** by providing reliable, efficient, and renewable energy.

Digital infrastructure and the future development and construction of data centers is now a power puzzle. This power puzzle is not about physical generation, but access to grid interconnection where bottlenecks are slowing the development of data center capacity. To add to this puzzle, the need for millions of new EV chargers will be a complex challenge for utilities across the country.

In short, the U.S. needs power plants — and lots of them. We are among the most active owners of natural gas generation capacity in the country and, last year, natural gas generation accounted for approximately 40%^[1] of all electricity produced. The role of gas will evolve as the needs of the grid change, but almost all of the high-quality gas plants in operation today will still be needed by 2050. Furthermore, difficulties in permitting and interconnection alongside supply chain challenges and higher interest rates mean that new gas plants are increasingly difficult and expensive to build. These trends increase the value of existing infrastructure.

As a significant owner of power interconnects via many of our portfolio companies, ECP is well positioned to solve this puzzle for data center operators and hyperscalers.

On the renewable side, customers are increasingly interested in longer-term PPAs to safeguard against potential future cost fluctuations and supply challenges, enabling further development of renewable assets.^[2] One of our newest investments, Triple Oak, recently developed the Prairie Switch Wind Farm project outside of Houston, TX, which entered into a PPA with Meta, Inc. (Meta) before the project was sold. The project will serve to interconnect the wind farm to the same grid as Meta's facilities.

Calpine, one of the largest independent power generation portfolios in the U.S., has seen a significant uptick in financial performance fueled largely by data center growth and other market demands. The company is helping deliver clean energy solutions to QTS Data Centers through providing renewable energy certificates to its Hillsboro, OR, facility, and supplying renewable energy directly to its Richmond, VA, facility.^[3]

By prioritizing investments in reliable power and scalable renewable energy assets and fostering strategic partnerships via mechanisms such as long-term PPAs, ECP and our portfolio companies are forging the path towards resilient digital infrastructure and innovation.



Triple Oak, Lake Benton, MN

[1] U.S. Energy Information Administration, [What is U.S. electricity generation by energy source?](#), February 29, 2024.

[2] LevelTen Energy, [Competition for PPAs Is Fierce: Here's How Buyers Can Succeed](#), August 9, 2023.

[3] Data Center Dynamics, [Four more QTS data centers now sourcing renewable energy](#), April 23, 2021.

Responsible Investing at ECP

We believe a balanced approach to responsible investing and incorporation of ESG considerations is an essential part of our value creation strategy. Our program is designed to integrate material ESG factors during diligence and the ownership period to drive business performance and generate long-term value. We maintain that this approach is an integral part of responsible investing in today's markets.

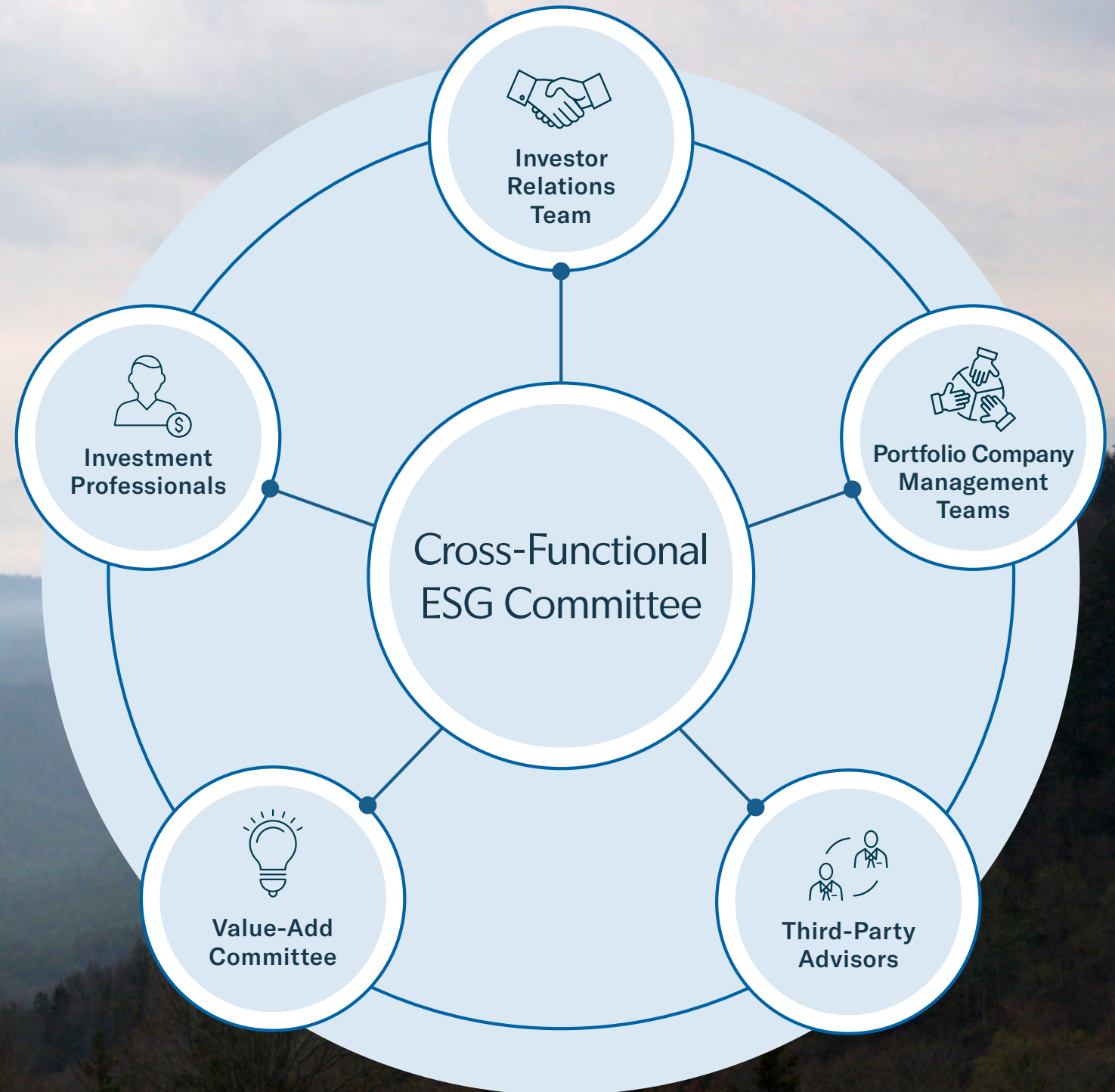
10

leaders from across the firm oversee ECP's long-standing commitment to responsible investment

Governance

ECP's long-standing commitment to responsible investment is overseen by 10 leaders from across the firm who comprise our ESG Committee, with executive sponsorship from the Management Committee. Reporting directly to the firm's senior partnership, the **ESG Committee formulates and oversees the implementation of the firm's ESG initiatives**, including relevant policies, investment procedures, and trainings for ECP investment professionals and portfolio company management teams. The Committee's responsibilities are codified in our **ESG Policy**, which was initially adopted in 2017 and has since been refreshed to reflect the maturation of the firm's program.

This past year, we established a **Value-Add Committee** dedicated to driving responsible business transformation through increased governance and strategic decision-making. The Committee's contributions have enabled us to refine our investment approach through instituting practices such as incorporating a talent evaluation into due diligence, supplementing deal team expertise with independent directors on portfolio company Boards, and implementing a standard material ESG checklist as a part of the final Investment Committee memo.



Investment Approach

Proactive risk management is central to our business and enables our ability to create value during asset ownership. Our diligence process ensures that compliance and risk management are foundational tenets of all investments and drives proactive engagement with our equity-controlled companies post-investment.



Pre-Acquisition

- Deal teams use our **ESG Checklist** to assess potential investments as part of our diligence process for equity funds, with third parties engaged for ESG due diligence as needed.
- Each Investment Committee memo includes a summary of **material ESG diligence findings** and an evaluation of the prospective Investment's ESG practices. Two ESG Committee members, one being the Chairman, are voting members of the Investment Committee.
- In many cases, identifying ESG areas of improvement during diligence drives value-add improvements during the life of our ownership.
- Through the work of the recently established **Value-Add Committee**, we encourage scoping of management, assessing information technology and systems as part of diligence, and considering a consultant resource to size operational improvement potential.



Ongoing Engagement & Accountability

- Upon acquisition and throughout ownership, deal teams are responsible for working with companies to advance value creation strategies that consider ESG factors, effectively capitalizing on risks and opportunities identified during diligence.
- Through the work of the recently established Value-Add Committee, our teams seek to put in place a **100-day plan** at portfolio companies in connection with management (including cybersecurity assessments as needed); as appropriate, this plan will include ESG factors relating to material areas of improvement including, but not limited to, executive functions, safety, and governance.
- ECP's **Onboarding Toolkit** orients portfolio companies to our ESG program and expectations and provides resources for standing up relevant ESG initiatives.
- Our **ESG Core Requirements**^[1] are used to evaluate portfolio company performance through a variety of relevant Key Performance Indicators (KPIs). Each portfolio company has a designated ESG lead who is accountable for alignment with the requirements.
- Portfolio companies annually report their progress towards meeting the Core Requirements and our ESG and Investment Committees receive quarterly updates on portfolio company performance. Quarterly Board meetings cover operational results, compliance, and ESG performance, allowing deal teams the flexibility to evolve how ESG factors are integrated into broader value creation planning for our investments.
- ECP conducts annual **portfolio performance and maturity assessments** and continually assesses how to evolve the ESG Core Requirements to align with best practices and market expectations.

[1] ECP's ESG program, Core Requirements, and monitoring of certain KPIs (including company emissions) are part of an overall strategy to mitigate certain risks, including from climate change, and protect the long-term value of ECP's controlled portfolio company investments whose operations and employees may be impacted by serious weather events (in other words, advancing each asset's resilience in a variety of potential future weather scenarios). Such program and monitoring is also meant to enable ECP to timely respond to periodic information requests from ECP's passive limited partner investors.



Business Transformation & Value Creation at Exit

- ✓ Clear ESG trajectory
- ✓ Enhanced investment quality and attractiveness
- ✓ Higher market valuation
- ✓ Organic EBITDA growth

2.6 GW

renewable generation capacity developed under ECP ownership in 2023

64%

EBITDA growth^[2]

[2] EBITDA growth is calculated as the weighted average (based on invested capital as of December 31, 2023) of all portfolio companies that are part of ECP's Ongoing Sector Focus investment strategy across ECP's related equity strategy funds (ECP V, IV, III, & II) since their acquisition through December 31, 2023, or their exit point at which ECP no longer held majority control.



Heartland, Battle River, Canada, Coal-to-Natural Gas Facility Conversion

EXIT CASE STUDY

Balancing Reliability and the Energy Transition

As one of Alberta's largest power providers, Heartland Generation (Heartland) operates a **2.7 GW portfolio**,^[1] supplying reliable power for industrial, commercial, and residential customers across Alberta and British Columbia. Since the company's acquisition in 2019, ECP has helped Heartland transform its business model and diversify its strategy to include decarbonization efforts such as the completed coal-to-natural gas conversion projects and the contemplated clean growth opportunities, including integrating clean hydrogen, CCS technologies, and renewables and storage.

Heartland's approach involves maintaining a balanced portfolio of reliable baseload power through contracted and merchant facilities along with dispatchable natural gas assets, ensuring **critical grid reliability** for intermittent renewable energy sources. With Canadian climate regulations and demand for affordable and reliable electricity accelerating, Heartland is strategically positioned to maximize the value of its converted assets by commanding premium prices in times of system scarcity while capitalizing on decarbonization-related offerings to aid current and future customers in achieving their climate ambitions.

As a leading platform with a top-tier management team, Heartland is well-equipped for the evolving energy landscape, as it continues to generate value by extending the life of current assets and advancing decarbonization through diversified growth in cleaner energy technologies. ECP announced the **sale of this platform in late 2023** to TransAlta.



5 MTPA^[2, 3]

of CO₂ emissions have been removed through coal-to-gas conversion and fleet optimizing, equivalent to taking ~1 million cars off the road

400 MW^[4]

100% clean hydrogen-fueled baseload capacity development project generating zero-carbon electricity with a 5 MTPA carbon sequestration hub

[1] 2.7 GW represents gross capacity.

[2] Million metric tons per annum.

[3] Emissions removed are reported by Heartland and represent the difference between annual carbon emissions of natural gas-fired generation compared to coal-fired generation. If another third party were to do a similar estimate, there is no assurance that similar assumptions or methodology to the calculation of such estimates would be used. Heartland's calculation and supporting data have not been independently verified.

[4] 400 MW represents gross capacity.

Portfolio Engagement Highlights

Onboarding Toolkit

To enhance ESG integration across our portfolio, we developed an onboarding toolkit for **streamlined orientation to ECP's ESG program**. The toolkit emphasizes the importance of responsible business and provides resources and actionable steps for new portfolio companies to align with ECP's expectations and drive value during the hold period.

Firm and Portfolio-Level Trainings

The ESG Committee hosts regular **educational sessions** for investment professionals and portfolio companies as **forums for open discussion**. Recent deal team sessions highlighted ESG risk mitigation in portfolio company supply chains and investor expectations for integration of ESG in the investment lifecycle. Portfolio company roundtables examined sustainable supply chains and ECP's ESG reporting expectations for 2024. Looking forward, ECP plans to conduct a deal team session dedicated to physical and transition climate risk in 2024.

Onboarding Toolkit



Importance of ESG

Describes the drivers and benefits of implementing an ESG program, and immediate next steps post-transaction to provide accountability at the firm and portfolio company levels.



ECP'S ESG Program

Details our ESG program's key features and priority areas for integration, including practical steps on how to align with ECP's Core Requirements, annual ESG and emissions reporting, and engagement timelines.



Resources

Provides resources to enable portfolio companies to mature their ESG program, such as recent regulatory trends, best practice examples for ESG initiatives, and emissions calculations.

Portfolio Performance^[1]

Core Requirements



1. ACCOUNTABILITY

At least one person^[2] in a senior leadership position at the portfolio company is responsible for ESG matters.

100% of portfolio companies' Boards have at least annual discussions of ESG-related topics

10 portfolio companies publish sustainability reports



2. CORE POLICIES

Develop and maintain ESG; Cybersecurity; DEI;^[3] Code of Conduct and Ethics (including anti-bribery); and OHS^[4] policies, as applicable.

100% of portfolio companies with more than 150 employees have or plan to have an OHS policy in place by end of 2024

81% of majority-held portfolio companies have or plan to have an ESG policy in place by end of 2024



3. DIVERSITY METRICS

Report on diverse representation of Board, senior leadership, and workforce, and provide DEI training.

Portfolio companies provided over **10,600** hours of DEI-related training to employees in 2023

On average, **45%** of new hires employed by majority-held portfolio companies in 2023 were from under-represented groups



4. ESG KPIS

Complete ECP's Annual ESG Questionnaire to report ESG KPIs, including Scope 1, 2, and 3 GHG emissions, and provide ESG training.

100% of majority-held portfolio companies calculate Scope 1, 2, and 3 GHG emissions

Portfolio companies provided **95,000** hours of ESG-related training to employees in 2023



5. ENVIRONMENTAL MANAGEMENT

Maintain programs to manage permitting, compliance, regulatory reporting, and updates to regulations.

100% of portfolio companies track environmental incidents and have programs in place to address regulatory compliance

94% of portfolio companies track energy consumption



6. SAFETY

Maintain safety programs and quantitative OHS KPIs and address OHS risks and report to ECP.

100% of portfolio companies track and report employee and/or contractor safety data

86% of majority-held portfolio companies maintained or improved their TRIR performance between 2022 and 2023



7. CYBERSECURITY

Maintain dedicated cybersecurity infrastructure and resources for proactive response to potential threats.

100% of portfolio companies acquired prior to 2023 have cybersecurity policies in place

Portfolio companies provided over **11,500+** hours of cybersecurity-related training to employees in 2023

[1] All data represents equity-controlled portfolio companies. ECP's Core Requirements consider the common tenets of an ESG program that ECP aspires to have implemented across all its controlled portfolio companies. While the ECP deal teams communicated such requirements to each company, the build-out status of an ESG program varies by company and not every portfolio company has implemented each such Core Requirement.

[2] Number of people with responsibility is commensurate with the size of the portfolio company.

[3] Diversity, Equity, and Inclusion.

[4] Occupational Health and Safety.

Safety Performance at Portfolio Companies^[1]

As part of our longstanding commitment to worker health, safety, and well-being, we work with portfolio companies to implement industry-leading safety programs. ECP's safety-related Core Requirements mandate that controlled equity companies track and report key metrics to the Board and deal teams, provide appropriate trainings, and take immediate action to address health and safety-related risks. To further align their programs and practices with ECP's expectations, applicable local regulations, and globally-recognized safety standards, many portfolio companies participate in ECP's Safety Committee and employ stop-work authority policies where any employee can halt operations if they perceive safety risks.

185,000+

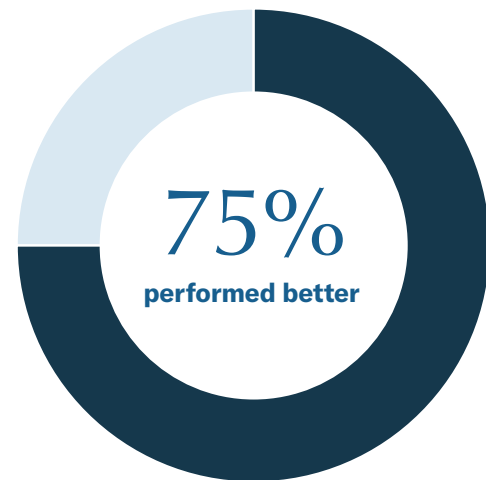
hours of safety-related training provided by portfolio companies to their employees in 2023

86%

of majority-held portfolio companies reporting data improved or maintained TRIR from 2022 to 2023

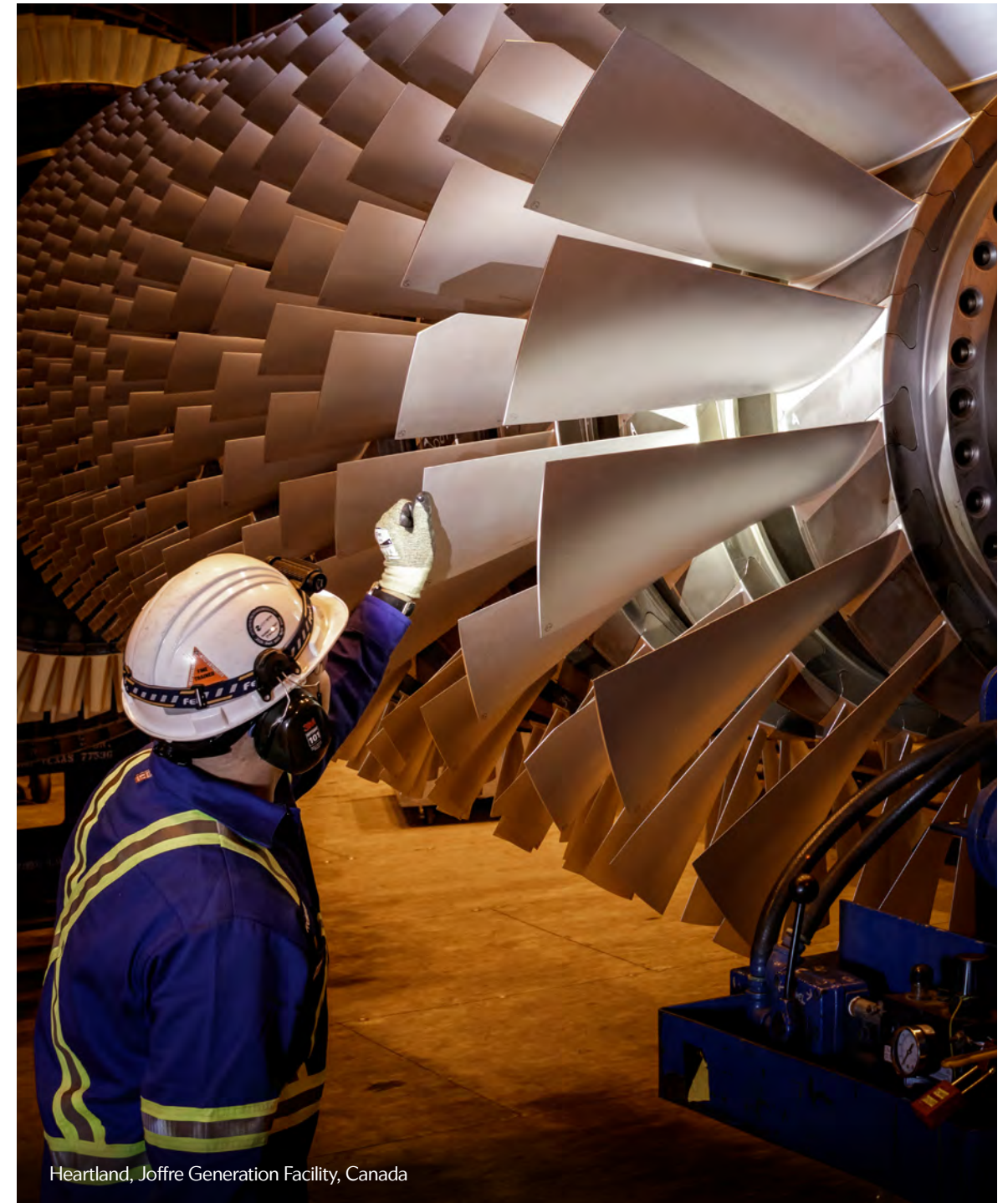
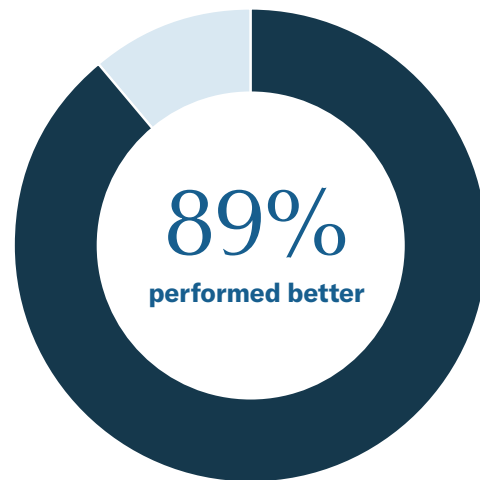
Performance Among Portfolio Company Employees

TRIR compared to industry average^[2,3]



Performance Among Portfolio Company Contractors

TRIR compared to industry average^[2,3]



Heartland, Joffre Generation Facility, Canada

[1] All data represents equity-controlled portfolio companies.

[2] Represents portfolio companies who report Total Recordable Incident Rate (TRIR).

[3] Compared to industry-specific averages for TRIR from 2022 data published by the U.S. Bureau of Labor Statistics (BLS) for the portfolio company's applicable North American Industrial Classification System (NAICS) code. "[Injuries, Illnesses, and Fatalities](#)."

Q&A With ECP's Newest Operating Partner



Featuring Richard Burke, a 35-year industry veteran within environmental infrastructure and member of the Board at Biffa

Q: As a former CEO with extensive operating experience, what are the key tenets you consider critical to maintaining operational integrity and advancing ESG initiatives?

A: I have been working in the waste and recycling industry for over 35 years, most recently serving as CEO of Advanced Disposal services and overseeing its merger with Waste Management. My approach as a leader and operational specialist has always been to put people first. Like many of ECP's businesses in other sectors such as power and renewables, environmental businesses rely on safe operations. I believe that prioritizing safety is a key determinant of achieving efficient and profitable outcomes. The goal in waste and recycling is to leave the world a better place than we found it — meaning a heightened focus on responsible and environmentally sound operations is a crucial part of the business mission.

When it comes to advancing ESG initiatives, buy-in from key stakeholders across all levels is critical, from management all the way to truck drivers and depot workers. When a team is working together towards a common mission, there exists a natural wave of momentum that makes implementation of new initiatives more readily acceptable and immediately impactful.

Q: Biffa is one of our portfolio leaders in terms of ESG. As a key member during diligence prior to ECP acquiring the business and now as a member of the Board, what are some examples of initiatives or programs in use that can be transferable to other portfolio companies?

A: At Biffa, the company has regularly used employee engagement surveys to monitor the well-being and effectiveness of its employees. We believe that engagement surveys provide helpful insights to help manage attrition, which can be a significant source of cost and disruption, and progress on DEI and other inclusivity measures.

To ensure that Biffa has a continued focus on identified key priorities of well-being, DEI, and safety, the company is now utilizing a pulse survey that will measure year-over-year progress against these key indices. The survey will position Biffa as a one-, two-, or three-star employer of choice through a survey tool called "Best Companies." We believe the external recognition will support the company's campaigns to attract fresh talent to the business.

Biffa also provides training to its managers through a program called LEAD. Through this initiative, 210 managers have completed training on topics including mental health, neurodiversity, and occupational health. Biffa also provides a mental health first aid network and occupational health consultations.

As a result of these initiatives, 67% of Biffa colleagues believe the company cares about their health and well-being. In addition, attrition over the last year has been reduced from 27% to 23%.

Q: What are some unique approaches you have taken to advance DEI in your previous roles?

A: One of the challenges in the infrastructure sector can be maintaining a consistent workforce that has the requisite skills for what can be physically or technically intensive jobs. Many of the businesses I have overseen required employees to take on various industrial roles such as driving trucks, operating heavy machinery, completing shift work, maintaining strict safety protocols, and so on. In assessing those skill sets, I realized that many of the qualities developed through military training

would be readily transferable to the waste and recycling world. Former armed forces members are also often extremely reliable and looking for long-term, stable roles. In my prior role, our depots were located near military bases, providing a readily accessible supply of candidates.

As a result, I have implemented various veteran hiring initiatives to increase the marketing of open positions to appropriate military communities and to encourage managers to consider broader sets of candidates beyond typical hiring pools. Through these programs, we have been able to tap into a unique — and sometimes overlooked — segment of the workforce and increase the diversity of our employee base.

Talent Development, Performance, and Inclusive Culture^[1]

Our most valuable assets are our people. We believe that prioritizing equity, inclusion, health, safety, well-being, and diversity of thought drives happier and more productive employees, resulting in improved performance, efficiency, and retention. We maintain that this approach enhances the quality of our decision-making and outcomes and goes beyond fulfilling criteria, aiming to identify and seize opportunities that better represent and maximize the potential of our employees at the firm and across our portfolio. The ECP culture we have worked to build for nearly two decades naturally fosters and supports individuals of all backgrounds through inclusivity, equity, and mentorship, exemplified through Investment Committee meetings being open firm-wide, funds typically featuring European-style carry shared across most of the firm, and utilizing 360° reviews and active feedback to cultivate homegrown talent. As a result, our employees and portfolio company teams represent a true snapshot of the world in which we invest, encompassing individuals across genders, races, sexual orientations, veteran status, and socio-economic and educational backgrounds.

Who we are and what we can achieve can only be done with the composite effort of all our stakeholders. The more we can harness the collective intelligence of diverse backgrounds, include and encourage more perspectives, and equitably share successes and responsibilities, the more effective we believe we can be as investors and stewards of our limited partners' capital and as drivers of real outcomes at the global and local level.

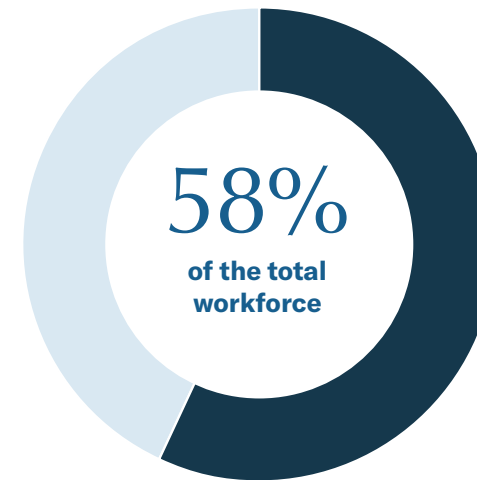
Our Leadership Committee, comprised of 15 senior leaders, has oversight over the firm's talent management strategy, with the aim of facilitating diversity of thought, shaping inclusive culture, and amplifying the value of our employees. The Committee oversees portfolio company performance and supports companies in identifying and implementing appropriate inclusive culture-related opportunities. We have several smaller working groups responsible for reinforcement and execution of the firm's culture-building initiatives. Our approach to fostering an equal opportunity, non-discriminatory, and inclusive culture is codified in our DEI Policy and Employee Handbook, which assures that all ECP employees are given equal opportunity to advance their careers through our career development programs.

From a hiring perspective, we generally seek to promote homegrown talent, making associate and junior-level hiring imperative. Over the last four associate classes, **76% have been women or diverse individuals** and **18% have been first generation college graduates**. As a result of our targeted efforts in junior-level hiring and development, we promoted six associates to Vice Presidents in 2023, five of whom are either women or diverse individuals. These promotions bring the **diversity of our total cohort to 67%**, which represents the largest and most diverse Vice President class in our history.

ECP Talent Management Metrics

METRIC	DATA
Number of employees hired since start of 2023	21
Employees hired since start of 2023 who are women or diverse individuals	57%
Promotions of employees since start of 2023 who are women or diverse individuals	11
Employees who have been at the firm 10+ years	31%
Increase in women in senior leadership positions between 2020–2023	20%
Average ECP tenure of Investment Committee member	17 years

Women and Diverse Individuals Represent



[1] Firm-level ECP data throughout the report represents equity employees as of May 2024.



Liberty, Sanford, NC

At Our Portfolio Companies^[1]

Given the vast geographic and socio-economic backdrops that our businesses span, we strive to better reflect the communities in which we operate and those whom we serve by creating an environment where they best have the opportunity to thrive.

We support our portfolio companies in building inclusive company cultures that promote employee engagement and drive talent retention and well-being. Several of our portfolio companies have expanded their ambitions and championed their own people-related initiatives.

PIVOT ENERGY ACHIEVES SILVER-LEVEL RECOGNITION FOR ITS JUSTICE, EQUITY, DIVERSITY, AND INCLUSION PROGRAM

Pivot Energy (Pivot) achieved silver-level recognition through the Solar Energy Industries Association's (SEIA) **Diversity, Equity, Inclusion, and Justice certification program**, for its dedication to empowering employees through operational justice, equity, diversity, and inclusion strategies and associated measurable outcomes. Out of more than 50 solar companies to have enrolled in the program, Pivot is one of only 11 SEIA members to be recognized at the silver level or higher.

LIBERTY TIRE SECOND CHANCE HIRING PROGRAMS

Liberty Tire (Liberty) implemented a **second chance hiring program**, recruiting and developing employees who were recently released from prison. As of early 2024, the program has successfully **employed over 200 individuals** since inception.

ACROSS OUR PORTFOLIO IN 2023

63%

of majority-held portfolio companies engage employees using surveys

100%

of renewables and storage portfolio companies have Board or senior management oversight of human rights matters

63%

of portfolio companies offer employees family leave policies that exceed government minimums

[1] All data represents equity-controlled portfolio companies.

Community Involvement and Philanthropy

ECP is dedicated to fostering positive social impact and well-being in the communities in which we live and work. This commitment is realized through charitable donations, employee volunteer initiatives, and community partnerships.

New Initiatives

TURNING POINT COMMUNITY SERVICES

ECP is proud to become the first private sponsor of **Turning Point Community Services (TPCS)**, a New Jersey-based organization that primarily serves women and children experiencing homelessness. TPCS seeks to help break the cycles of homelessness and abuse by providing emergency housing, case management, and life skills and education workshops.

\$14+ million

donated or spent by portfolio companies with charitable organizations in 2023

Ongoing Initiatives

COMMUNITY OUTREACH DAYS

For the second consecutive year, ECP employees have volunteered with **Habitat for Humanity** of Greater Newark to build a residential home for a family in need.

INCLUSIVITY THROUGH PARTNERSHIPS

We continue to fund the **Andrew F. Makk Youth Opportunity Scholarship** to offer internships that provide professional development services to individuals historically underrepresented in the finance and energy sectors. Each year we welcome one individual to our intern program as part of this scholarship.

INDUSTRY ENGAGEMENT

ECP and our portfolio companies support industry peers by attending and speaking at conferences including the **Kayo Energy and Power Conference Series**.

LULU'S PLACE

The **Carol Kimmelman Athletic and Academic Campus (Lulu's Place)** will provide the Los Angeles community access to academic, career preparedness, fitness, and health and wellness resources. The project officially broke ground in May 2024.



ECP Holiday Drive, TPCS, NJ

At Our Portfolio Companies

ECP's portfolio companies share our vision of actively supporting the well-being of their surrounding communities through philanthropic efforts, including scholarships and charitable donations.



Donated

\$50,000

to the nearby Washburn School in North Dakota for renovations that will enable new educational spaces and opportunities



Donated

5 million lbs

of rubber mulch to charitable organizations which can be used to make playground surfaces for community enrichment



Donated

\$400,000+

to community organizations that work to reduce the energy burden on low-income families and develop pathways for local residents to pursue careers in the renewable energy industry

Cybersecurity and Data Privacy

ECP maintains a robust cybersecurity framework to safeguard our digital systems. **Led by our Chief Information Officer (CIO)**, our in-house team oversees the firm's cybersecurity program, which includes regular trainings to increase awareness and prevent cyberattacks. In collaboration with our compliance team and third-party specialists, our CIO supports portfolio companies in **enhancing their cybersecurity programs**, with a focus on dedicated resources, policies, and employee trainings in line with ECP's cybersecurity-related Core Requirements.

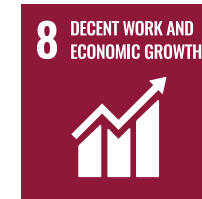
Business Transformation in the Energy Transition



Pivot, Owatonna, MN

Our thematic approach to investing incorporates a pragmatic, balanced, and versatile strategic outlook to source opportunities across the energy transition spectrum.

UN SDGS ALIGNMENT



This strategy has resulted in a portfolio of diversified assets benefiting from many sector tailwinds while still allowing us the flexibility to implement value-add initiatives. Consequently, we have further capitalized on macro developments, including electrification and resulting power demand growth, reliability enhancement, renewable capacity expansion, and low-carbon and decarbonization solutions.

As a result, **our investment portfolio reflects our ability to meet the energy demands of today's economy while creating resiliency** through active risk management and a willingness to explore operational improvements, technological advancements, and strategy refinements in a rapidly evolving energy landscape. This approach to responsible investment aligns with several of the United Nations (UN) Sustainable Development Goals (SDGs) by delivering clean, reliable energy, building resilient businesses, and supporting local communities.

PORTFOLIO CASE STUDIES

Decarbonization Technologies

Up to
46
permanent positions and
3 million
hours of construction
work have the potential
to be created by Calpine's
CCS projects



UN SDG 7

UN SDG 8

UN SDG 9

UN SDG 13

DOE Funding for Commercial-Scale Carbon Sequestration Projects

Calpine's Baytown and Sutter Energy Centers were awarded federal funding in 2023 by the DOE to retrofit the natural gas-fired facilities with carbon capture and storage infrastructure. The new equipment has the potential to **sequester nearly four million metric tons of CO₂ annually**, equivalent to removing 840,000 cars from the road each year. Enhancements to the 896 megawatt (MW) Baytown, TX, center and 550 MW Sutter County, CA, center will reduce CO₂ emissions intensity in the power production process and allow reliable, low-carbon energy to be dispatched to the grid.

These projects enhance Calpine's ability to continually deliver reliable and affordable energy to nearby communities and aid in achieving local carbon neutrality goals. Recruitment and retention of homegrown talent is a particular focus of these initiatives, including procuring diverse suppliers, upskilling workers for energy transition-focused roles, and partnering with local schools and institutions.



UN SDG 9

UN SDG 13

Carbon Sequestration

Harvestone was acquired by ECP in 2022 and operates three ethanol biorefineries in North Dakota and Indiana, where the company converts locally-grown corn into biofuel. Harvestone is developing CCS infrastructure onsite to be able to permanently sequester CO₂ from the biorefining process.

In October 2023, Harvestone operationalized a CCS project at its Blue Flint Ethanol plant, which **captures over 200,000 metric tons of CO₂ annually** and became the first facility in the U.S. to begin actively capturing and injecting CO₂ since the passage of the IRA. As a result, up to 100% of emissions from the facility's fermentation process are captured, approximately 600 metric tons of which are injected underground for permanent geological storage per day. Feasibility studies are underway at two of Harvestone's facilities for similar CO₂ sequestration projects. By eliminating emissions from the biorefining process, Harvestone is taking a significant step towards its goal of reducing an industrial process' carbon intensity to zero, while providing local markets with cost-effective and sustainable energy.



Harvestone, Blue Flint Ethanol Plant, ND

PORTFOLIO CASE STUDIES

Renewable Energy and Reliability



Adding Capacity to Bolster Texas' Power Grid

With nearly 26 GW of generation capacity, Calpine is one of the largest generators of electricity from natural gas and geothermal resources in the U.S. across a portfolio of 75 power plants and two battery storage facilities. Calpine's efficient and flexible fleet generates low-carbon power for customers across 22 U.S. states, Canada, and Mexico.

After several high-profile black-out events and reliability challenges caused by extreme weather, the growing need for reliable and affordable energy generation and incentives from state regulators prompted Calpine to relaunch its Texas power plant development plan in April 2023. Its planned pipeline of projects includes **two 425 MW gas-fired power plants** adjacent to Calpine's existing Freestone and Guadalupe natural gas-fired combined-cycle facilities and a new large-scale combined cycle gas generation power plant to support co-located industrial load and the electrical grid.



Refinery Conversions and Green Hydrogen Production

In October 2023, ECP invested in Braya, a renewable fuels producer in Come By Chance, Newfoundland and Labrador, Canada. The company worked to **convert an idle petroleum refinery into a second-generation biofuels production facility from low-carbon feedstocks**. Unlike first-generation biofuels that currently dominate the market, second-generation biofuels like renewable diesel and sustainable aviation fuel (SAF) are chemically identical to petroleum products and do not require blending with petroleum-based fuels to power standard engines and infrastructure.

ECP's pre-transaction diligence established that the company had the foundations of a strong ESG program and affirmed the growing market for second-generation biofuels as end-users in hard-to-abate industries seek to achieve emission reductions. Braya successfully began operations in February 2024.

During the refinery transition, Braya **created over 800 short-term and 200 full-time positions** to support ongoing operations while maintaining a portion of its



Braya, Come-by-Chance Refinery, Canada

existing employee base, whose years of expertise in the conventional fuel industry remain applicable to renewable fuel production.

In addition to plans to expand current renewable diesel production and add SAF capabilities, Braya has also entered an agreement with ABO Wind to jointly **develop production capabilities for green hydrogen**, a renewable energy source with uses including fuel in transport, input in industrial processes, and residential and commercial electricity and heat. The new development plans to provide green hydrogen for Braya's own use as well as green ammonia for global export. Alternative fuels produced by Braya will aid in the decarbonization of transportation, industry, and aviation sectors.

Braya produces

18,000

barrels of renewable diesel produced per day at capacity

1,000+

short-term and full-time positions created to support Braya's operations



TRIPLE OAK

SUSTAINABLE. CLEAN. POWER.

UN SDG 7

UN SDG 11

UN SDG 13

Integrated Renewable Development

Triple Oak is a developer of integrated utility-scale wind projects with a portfolio of 22 projects totaling nearly **8 GW of renewable capacity** across 18 U.S. states. Triple Oak is focused on creating value for investors, local communities, and landowners through responsibly developed wind projects and complementary solar and battery storage investments to increase grid reliability and availability of renewable energy.

The company partners with landowners to host wind energy projects by providing them an additional income stream and managing their expectations throughout development. Utilizing its expertise in navigating utility contracts, Triple Oak ensures that operational sites are aligned with the right commercial and industrial partners that purchase and distribute the power. Upon securing energy purchases, the company supports the operational transition of assets to equipment suppliers, final owners, and ongoing operators to ensure long-term value generation.

CONVERGENT

UN SDG 7

UN SDG 9

UN SDG 11

UN SDG 13

Increasing Reliability Through Battery Storage Technologies

In August 2023, Convergent, a provider of energy storage solutions, confirmed plans to build and operate three battery energy storage systems in Ontario, Canada. Through a joint venture with Alectra Energy Solutions (Alectra) that has been selected by Ontario's Independent Electricity System Operator, the project will bolster the reliability and resiliency of Ontario's electric grid through **80 MW of energy storage capacity** — enough to power more than 83,000 homes. As Ontario's energy grid sources 92% of its energy from zero-carbon sources, Convergent and Alectra's projects can help to mitigate potential challenges posed by the intermittency of renewable energy sources, further diminishing dependence on fossil fuels as a baseload power source. As of early 2024, Convergent's portfolio contains over 800 MW/1 gigawatt hour (GWh) of energy storage and solar-plus-storage operating or under development.

800 MW/1 GWh

of battery storage and solar assets in Convergent's portfolio as of early 2024

PORTFOLIO CASE STUDIES

Sustainable Infrastructure



UN SDG 9

UN SDG 12

Achieving Operations at Next Wave's Project Traveler

In early 2024, Project Traveler, Next Wave's ethylene-to-alkylate plant located in Pasadena, TX, achieved commercial operations after reaching mechanical completion in late 2023. The facility is designed to deliver drop-in blendstock solutions for high-octane gasoline to enhance the energy efficiency of ICE vehicles and advance decarbonization efforts.

Alkylate is a low-sulfur, high-octane gasoline blending stock and is one of the cleanest petroleum products on the market. Project Traveler produces Optimate, an alkylate product with a higher-octane rating, lower vapor pressure, and lower sulfur concentration in comparison to traditional refinery alkylate. When used with traditional gasoline, alkylate fuels reduce emissions, limit tailpipe pollution, improve optimized engine efficiency, and help customers to meet increasingly stringent fuel efficiency requirements.

Project Traveler is currently **producing over 32,000 barrels of alkylate per day**, a rate exceeding initial projected output. Advantageously located next to the Houston Ship Channel, the facility is equipped to deliver its alkylate via direct-connection pipelines to

major gasoline blending terminals, which have both marine dock access and connections to refined product distribution pipelines.

Project Traveler's success thus far has enabled it to undertake contracts with both feedstock suppliers and offtake customers, which is anticipated to provide protection against input cost fluctuations.



Next Wave, Project Traveler, TX



UN SDG 7

UN SDG 9

UN SDG 11

UN SDG 13

Enhancing Reliability in Texas Through Battery Storage

In October 2023, New Leaf Energy (New Leaf), a developer of renewable energy solutions focused on medium-scale solar and battery solutions, announced the development of a **64 MW battery storage portfolio** in Texas, which consists of seven standalone facilities scattered throughout the south and coastal regions of the Electric Reliability Council of Texas.

Pending interconnection approvals, New Leaf plans to begin commercial operations at all facilities in 2025. The portfolio will aid in modernizing and improving the reliability of the grid, paving the way for increasingly diversified energy transmission in Texas.



Biffa

UN SDG 9

UN SDG 11

UN SDG 12

UN SDG 13

Decarbonizing Waste Infrastructure and Advancing Circularity

Biffa is a leading waste management solutions provider in the U.K., offering closed-loop recycling and energy recovery through its waste collection and distribution network for 96,000 commercial and industrial customers and 1.9 million households, handling around eight million metric tons of resources annually.

DECARBONIZING OPERATIONS

Biffa's commitment to decarbonizing waste infrastructure is highlighted by its Science Based Targets initiative (SBTi) validated near-term targets of a 50% reduction in absolute Scope 1 and 2 emissions from a 2019 baseline and a 25% reduction in absolute Scope 3 emissions from a 2022 baseline by 2030. Additionally, the company has established a supplier engagement target that aims for 27.6% of its suppliers that contribute to Biffa's emissions footprint for select Scope 3 categories to receive SBTi validation for their own emission reductions by 2027.

EXPANDING CIRCULAR SOLUTIONS

Biffa's enhanced recycling capabilities enable customers to meet their sustainability goals by repurposing materials from waste streams to drive the circular economy. This year, Biffa:

- Launched a nationwide recycling service for single use cups;
- Collaborated with a leading cosmetic manufacturer to **increase its recycling rate by 77%** via innovative redesign of its packaging deconstruction and recycling processes;
- Partnered with three other U.K. companies to expand upcycling solutions for waste wood, post-consumer and industrial carpet, and large diesel trucks; and
- Redistributed over 109 million surplus food products through its acquired social enterprise, Company Shop Group, diverting 41,445 metric tons of food waste and, in doing so, **avoided 103,000 metric tons of CO₂**.

Biffa has achieved a nearly

30%

reduction of absolute Scope 1 and 2 emissions since 2019

Biffa has a plastics recycling capacity of

167,000

metric tons

PORTFOLIO CASE STUDIES

Supporting Communities



UN SDG 7

UN SDG 10

UN SDG 11

UN SDG 13

Community-Centered Projects

Pivot is a national solar developer that specializes in commercial and community solar services to drive significant social and environmental benefits through energy equity, land stewardship, and community investment.

ENERGY EQUITY

Low- to moderate-income (LMI) households, which make up about 43% of U.S. households,^[1] spend three times as much of their income on energy compared to non-LMI households.^[2] Despite lower energy consumption, only 12% of current community solar subscribers are from LMI households. Pivot is developing over **58 MW of community solar projects** to offer bill assistance to over **11,700 LMI households**.

LAND STEWARDSHIP

To meet U.S. climate ambitions, 700,000 acres of land will be needed for solar development.^[3] Solar projects in these communities can provide farmers with another source of income and land restoration opportunities. Many landowners that Pivot works with are turning to solar projects to generate revenue from unproductive land, providing them with a steady source of income, a more diversified portfolio, and time for soil restoration.

COMMUNITY INVESTMENT

Pivot donates funds to local community-based organizations focused on reducing the energy burden for LMI households and creating job opportunities in the renewables industry for local residents. To date, Pivot has **pledged over \$1.2 million to community-based organizations**.

[1] National Renewable Energy Laboratory, [Rooftop Solar Technical Potential for Low-to-Moderate Income Households in the United States](#), April 2018.

[2] American Council for an Energy-Efficient Economy, [How High Are Household Energy Burdens?](#), September 2020.

[3] U.S. Department of the Interior Bureau of Land Management, [Updated Western Solar Plan Fact Sheet](#), January 2024.



UN SDG 7

UN SDG 11

UN SDG 10

UN SDG 13

Community Solar Expansion

New Leaf recently sold a three-site, 12 MW portfolio to Standard Solar, a long-term project owner and operator. The portfolio will generate approximately **19.8 GWh of clean energy** annually, equivalent to the electricity use of about 1,600 homes per year.

The sale of this community solar portfolio is transformative to Virginia's energy landscape, as it will allow customers, particularly renters and those in multi-family or constrained buildings, to access clean energy benefits without the need for installing panels on their own properties. Approximately 7 MW are exclusively allocated to LMI customers, expanding access to affordable clean energy and driving an equitable energy future.



Pivot, Cooksville, MD

PORTFOLIO CASE STUDIES

Biodiversity



UN SDG 15

Promoting Biodiversity and Conservation for Bees

Over the past 80 years, the U.K. has lost 97% of its wildflower habitats,^[1] increasing the distance bees must travel to collect pollen while their populations have continued to decline. Since 2019, the Biffa Bees campaign has distributed over **24,000 seed packets** and **35,000 bulbs** to be planted by employees and local community groups, equivalent to nearly four acres of wildflowers. In 2023, Biffa distributed an additional 14,000 seed packets. The planting campaigns have created several bee-friendly habitats at Biffa locations and across the community, increasing the chance of survival for many pollinator species.



UN SDG 15

Supporting Biodiversity Through Land Restoration

Through its development projects, Pivot is working to restore soil quality, increase ecosystem functioning, and create pollinator habitats in rural communities across the U.S. Over 95% of Pivot's ground-mounted solar operations utilize responsible land stewardship practices such as:

- Planting of “fuzz n’ buzz,” a seed mix of native grasses, to support soil moisture and forage productivity;
- Use of wildlife-friendly fencing to allow small animals to migrate through a site;
- Utilization of sheep grazing to replace mechanical mowing, where possible; and
- Registering 100% of sites on pesticide drift watch to ensure no pesticide drift or application to Pivot sites.

Pivot continues to evaluate “ecovoltaic” practices at select sites to further understand the economic and ecosystem implications of beekeeping and honey production, the benefits of producing crops between rows, and the carbon sequestration and soil health benefits of ecovoltaic practices.

100%

of equity-controlled, majority-held portfolio companies that track biodiversity do not operate in protected areas or areas of high biodiversity value



Pivot has partnered with Colorado State University's Soil Carbon Solution Center and Plant and Ecosystem Ecology Lab to measure the impact of its responsible land stewardship practices

Pivot, Kacie Peters Community Solar Garden, CO

[1] GOV.UK, [Nationally important wildflower grasslands get increased protection](#), October 14, 2020.

TCFD Annex

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities.

Describe Board oversight of climate-related risks and opportunities

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. Our Management Committee has ultimate responsibility for the Firm's overarching strategy, underpinned by our Investment Committee, ESG Committee, and Senior Partnership who are responsible for formulating our climate strategy. We reference Task Force on Climate-related Financial Disclosures (TCFD) recommendations and other industry standards, such as Sustainability Accounting Standards Board, to tailor our firm's climate strategy to the asset classes in which we invest, which focuses on opportunities across the energy transition spectrum.

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

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

STRATEGY

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

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

Throughout the investment process, we assess market factors underpinning the energy transition in short-, medium-, and long-term horizons. In 2022, we conducted a high-level climate study which assessed various scenarios, from business-as-usual (BAU) to climate-aligned and analyzed 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 strategy of balanced, thematic investing, and forecasted:

- Expansion and transformation of the U.S. power sector to support the growth of electrification, renewables, and CCS facilities co-located with gas-fired generation;
- A decreasing but continued need for natural gas as a bridge fuel; and
- The need for a diversified portfolio in light of physical strain from increasing climatic events and future emission limitations.

We believe ECP is well-positioned as governments incentivize low-carbon technologies in pursuit of their climate-related goals and will continue to evaluate best practices for assessing climate-related risks and opportunities in the evolving energy landscape.

Describe the impact of climate-related risks and opportunities on ECP 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. With electric grids strained by the increasing frequency and intensity of extreme weather, 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.

Recent geopolitical events coupled with extreme and unpredictable weather patterns are reshaping our energy supply chains and sharpening focus on the challenges of maintaining reliable and affordable access to energy through the energy transition. Our portfolio enhances domestic energy security by reducing reliance on imported oil and gas via development and expansion of innovative low-carbon fuel markets.

In addition to the growing need for physical resilience, today's energy markets are changing rapidly based on demands for decarbonization. As low-carbon opportunities for ECP increase, our investments are driving growth within dynamic conditions by expanding the full spectrum of renewable energy assets, delivering additionality, and supporting the circular economy to fuel growth.

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

ECP's agile and resilient strategy is grounded in decades of experience investing in energy, power, and related sectors, bolstering the physical resilience of energy systems while catalyzing transition-aligned businesses that are poised for significant growth through a range of climate scenarios.

Our 2022 climate study forecasted overall growth in the U.S. power sector to support increased electrification and significant expansion of renewable energy in BAU and 1.5- and 2°C pathways. While ECP has not yet undertaken analyses of under 2°C or lower scenarios specific to the investment portfolio, we strive to enable our portfolio companies to service customers through a range of climate-related scenarios and time horizons. Under ECP ownership, companies have invested in the development of new assets and retrofitting of existing facilities to prepare to meet the increasing demand for reliable, low-carbon energy.

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

Describe ECP processes for identifying and assessing climate-related risks

We monitor market conditions and macro trends related to climate resilience and integrate identified risks into our investment strategy. During 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, and when warranted, third parties are engaged to conduct further investigation. Findings are synthesized and used to inform Investment Committee decision-making. As we aim to build a resilient portfolio, ECP will continue to evaluate climate-related matters as factors in potential deals and enhance our climate risk management practices in line with TCFD guidance.

Describe ECP processes for managing climate-related risks

ESG risks, including climate-related topics, are factored into investment decisions and managed by annual monitoring and investment. Deal teams partner with portfolio company management to manage and mitigate identified ESG- and climate-related risks and opportunities throughout the lifecycle of the investment. Core Requirements are maintained to establish a standard for ESG performance and governance, including climate-related metric tracking, across the firm's equity-controlled portfolio. To further identify potential climate-related risks and value creation opportunities, ECP requires all equity-controlled portfolio companies to report against standardized climate-related KPIs, including Scope 1, 2, and 3 emissions, at least annually.

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 lifecycle and through the inclusion of climate-related risks in quarterly reporting to the Investment and ESG Committees. During the diligence phase, industry- and company-specific risks, including climate-related risks, are factored into investment decisions. Upon taking ownership of a business, ECP deal teams work with each of our portfolio companies to address identified risks and opportunities, 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.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

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. Total portfolio emissions across all scopes are compiled into a GHG inventory which is developed in alignment with the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF) and reviewed by ECP's third-party ESG consultant. In 2024, we purchased carbon offsets to cover our firm-level Scope 1, 2, and 3 (Category 6) emissions from calendar year 2023.^[1]

We calculate a robust firm-level emissions inventory that includes Scope 1, 2, and 3 emissions. Our Scope 3 inventory calculates Category 6 from the firm's business travel and Category 15 from portfolio companies' Scope 1 and 2 emissions. Additionally, ECP has requested that equity-controlled portfolio companies track and report Scope 3 emissions for reporting years 2022 and 2023. An increase in power generation and the initiation of commercial operations at new facilities within our portfolio drove growth in financed emissions between 2022 and 2023.

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

TYPE OF EMISSIONS (tCO ₂ e)	2022	2023
Scope 1 – Stationary Combustion	68	88
Scope 2 – Purchased Electricity	116	138
Scope 3 – Category 6: Business Travel	636	657
Total Financed Emissions	22,324,436	26,553,862
Power Generation	21,985,652	25,693,003
Sustainability, Efficiency, & Reliability	60,089	301,859
Renewables & Storage	12,129	9,294
Midstream & Other ^[4]	164,724	153,405
Environmental Infrastructure	101,842	396,301
Scope 3 – Category 15^[3]		
Firm-level Operational Emissions^[2]		

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

ECP does not identify specific targets as we believe it is important to balance decarbonization initiatives with energy reliability, security, and affordability. However, we believe that our thematic investment strategy helps advance the progression of a low-carbon economy and we support portfolio companies in the formulation and execution of internal goals (including targets), as appropriate, with the recognition that they may yield emissions reductions throughout the company's value chain. 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.

[1] ECP's purchase of carbon offsets represent investments in carbon reductions and removals through Terrapass' 2024 North America portfolio, which includes projects that support reforestation, landfill gas capture, and industrial process emission reductions.

[2] ECP's GHG emissions footprint was calculated in accordance with the GHG Protocol. The uptick between 2022 and 2023 firm-level operational emissions represents the addition of new office spaces, which ECP plans to consolidate in future reporting years.

[3] 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. The prior and current year calculations attribute emissions based on the year-end value of the ECP and other LP co-investors' equity and are prorated for the period of ECP's ownership within 2022 and 2023, as applicable. As part of this calculation, 79% of portfolio companies provided direct data for calendar year 2023 and the remaining 21% 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. 2022 emissions have been rebaselined to reflect more granular or accurate data that become available subsequent to earlier publications. Disclosures are subject to further revision at ECP's sole discretion. The weighted average PCAF data quality score is approximately 2.0.

[4] ECP's flagship strategy no longer includes the midstream sector and thus it anticipates the firm's exposure to the sector to decrease in future reporting years.



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Please note that this report is provided for information purposes only. Past performance is not indicative of future results. Descriptions of any ESG or impact achievements or improved practices or outcomes are not necessarily intended to indicate that ECP has substantially contributed to such achievements, practices, or outcomes. Further, investments described herein were not necessarily pursued on the basis of achieving any particular non-financial impact, and the identification and measurement of such impact or related metrics may not necessarily have been completed prior to the investment recommendation being made. 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. Information presented herein is as of June 30, 2024. Such information may be updated or refined by ECP or its portfolio companies, however ECP is under no obligation to update, amend, or revise any information presented herein. The latest of such information is available to ECP investors upon request.

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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 8,000+ consultants across 160 offices in over 40 countries.