ECP

2020

ESG Report

Contents

Partners' Letter

At ECP, electricity is in our DNA. Our 16 years of investing through various energy transitions have established our firm as a leader in the sector. Our investing philosophy embraces the idea that the sustainability, security, and productivity of our economy and communities rely on a backbone of safe, affordable, environmentally conscious, and reliable infrastructure.

Throughout our history, we have recognized the immense responsibility we have to meet those objectives and are committed to achieving those goals through our actions and a culture of accountability, permeating from the most senior levels of our firm all the way through to our portfolio companies.

We are proud that our historic mix of investments has positively impacted the environment, the communities in which we operate, and the customers we serve. Since our inception in 2005, we have owned, operated, and developed over **56,000 megawatts (MW) of power generation,** renewables, and storage assets. This is enough generation to power over **35 million homes each year, equivalent to 25% of the total residential homes in the U.S.** As a result, we believe we have a unique perspective on what it takes to achieve decarbonization goals, to navigate the ongoing energy transition, and to safely and reliably operate large-scale, critical assets with integrity and transparency.

OUR STRATEGY

Innovate

We are a successful innovator, pursuing cutting-edge strategies and opportunities linked to decarbonization and clean energy well before others catch on. A few examples include investing in energy storage to enhance the effectiveness of renewables, optimizing wind farms to enhance their output, developing utility-scale, community and residential solar, and reducing methane emissions by pursuing waste-to-energy projects. We believe these strategies have resulted in an effective, diversified, and wide-reaching approach to decarbonizing our world, impacting large corporations and every-day consumers, and supporting initiatives from the federal and state level all the way down to local community projects. As a result, ECP is the largest private owner of renewables in the U.S.

Bridge

We are bridging to a greener future. The growth of intermittent renewable resources requires the support of dispatchable generation. Now, and for decades to come, efficient natural gas power plants will act as a bridge and a key transition solution as renewable and battery technology continues to evolve. The optimization of natural gas assets not only supports the growth of renewables, but also displaces coal-fired generation assets, **lowering overall system emissions,** as coal still makes up over 19% of U.S. generation. In addition to owning fleets of low-cost, efficient natural gas plants across critical markets, we are also pursuing coal-to-gas conversion opportunities; projects implemented to date have resulted in greenhouse gas (GHG) emissions reductions of more than **3.2 million metric tons** of carbon dioxide equivalent (CO_2e) per year.

Redefine

We are on the forefront of navigating the energy transitions and, as a result, we quickly spot trends in adjacent industries. This proactive philosophy has led us to invest in often overlooked sectors focused on energy efficiency and sustainability-linked opportunities such as achieving a more circular economy through environmental remediation, waste management and associated waste-to-energy opportunities, as well as recycling and beneficial re-use. Reducing energy intensity and energy waste can be a leading contributor to decarbonization success. As an early-mover into these sectors, we believe we hold an inherent edge in uncovering and executing on investments that will accelerate the circular economy and the energy transition, all while doing so in a sustainable manner that maintains a reliable and cost-effective energy system.


Convergent, Denton, MD

21+ million tCO_2e

GHG emissions avoided in 2019

EQUAL TO THE ANNUAL EMISSIONS OF:

4.6 million
passenger vehicles driven

2.5 million
U.S. households' electricity consumption

ESG INTEGRATION

Our commitment to Environmental, Social, and Governance (ESG) factors has always been integral to our identity and success. Safe, reliable, and environmentally compliant operations are essential to the sectors in which we invest. We are committed to reaching beyond the bare minimum of compliance as we believe value creation and strong ESG practices are inherently linked. Comprehensive ESG practices throughout our firm and our portfolio companies position us to enhance value creation as we embrace our operational roots and sustainability mindset to drive better investment results and more sustainable returns. We have a robust internal ESG policy overseen by a 15-person, cross-functional ESG Committee. We account for ESG-related considerations as part of our investment processes and our ongoing interaction with our portfolio companies. We also emphasize safe and compliant operations with our management teams, forming an ECP Safety Committee in 2015 with 18 current portfolio companies represented. We continue to optimize best practices across our portfolio companies, including practices that enhance diversity and inclusion and cybersecurity. We deliberately construct an investment portfolio comprised of sectors and businesses that we believe can facilitate a transition to a lower carbon world. In 2019, our power-generating assets avoided more than **21 million metric tons CO_2e of GHG emissions**, the equivalent of taking **4.6 million passenger vehicles** off the road for a year.

In this inaugural ESG report, we highlight how we cultivate a culture of responsibility and an investment portfolio focused on transforming our nation's electricity system to be cleaner, more reliable, and more sustainable. This report outlines the roadmap to build upon past successes, including the development of one of the largest solar and storage projects in the U.S., ownership of the largest geothermal asset in the world, and the operation and development of **over 200 power generation and renewable facilities** to date. It also identifies areas of opportunity where we are taking our ESG program to the next level by formalizing and improving upon the social and governance best practices we have employed for years and increasing reporting and transparency.

We thank our employees, investors, and industry partners for their continued support as we work towards these collective goals. Together, we are powering a more sustainable future.

Doug Kimmelman
Senior Partner and Founder

Pete Labbat
Managing Partner

Tyler Reeder
Managing Partner

ECP's Edge

ON THE FOREFRONT OF AN EVOLVING ENERGY TRANSITION

ECP is a leading investment manager that has navigated various energy transitions with a specific investment focus on power generation, renewables and storage solutions, environmental infrastructure, and efficiency and reliability assets. ECP's investment team has an early-mover advantage in these sectors as we have been investing through multiple energy transitions over the last 30 years, when our senior partners began investing in sustainability and decarbonization infrastructure in the mid-1990s. As a result, we are cycle-tested and experienced owners of ESG-related businesses.

Since our inception in 2005, ECP has raised **more than $22 billion of committed capital** across four private equity funds, two credit funds, one renewables-focused growth continuation fund, and several co-investment and other bespoke vehicles. For more than 16 years, ECP has built a reputation for identifying and executing on high-quality infrastructure investments, including clean energy resources such as wind, solar, biomass, hydro, geothermal, and battery storage assets. Energy efficiency gains are a critical part of advancing decarbonization, leading ECP to spearhead investing in naturally adjacent industries that can benefit from low-cost electricity and sustainable operations. For example, we support digital infrastructure, local and more efficient manufacturing, construction, and upgrades of systems supporting residential, commercial, industrial, healthcare, and municipal customers. We believe we have created a targeted and balanced portfolio of investments that capitalize on multiple investment themes, sector trends, and future scenarios.

As a control equity investor, we are active owners and operators, giving us a decided edge in identifying and executing on value-creating strategies. As a credit investor, we bring vast operating experience through our asset ownership history which allows our team to better evaluate real asset collateral values and drive strategies to maintain adequate credit measures.

We are committed to being responsible stewards of our investor's capital, as well as the environment and the communities in which our portfolio companies, their employees, and ECP operate. Respect, collaboration, hard work, ingenuity, and trust are the pillars of our culture. We believe this culture also permeates to our portfolio companies, where we seek to constructively work together and create a solutions-driven culture.

OUR BLUEPRINT

Because navigating energy transitions is complex, we believe a premium is placed on strong historical domain knowledge and an ability to identify the disruptive innovations and other forces that drive new transitions. We possess over **three decades of energy expertise** and deep industry relationships that support sourcing proprietary deals, as well as underpin a reputation for being a reliable, knowledgeable capital source and dependable partner. As a result, we believe we execute some of the sector's most creative and cutting-edge transactions. We attribute the success of our investing strategy to our defining factors:

- ECP's DNA is rooted in the electricity, reliability, and sustainability sectors: ECP has consistently been a leader and innovator in these sectors throughout multiple energy transitions.
- ECP leverages a decades-long performance and ownership track record in energy transition.
- ECP maintains an early-mover advantage and our cycle-tested, thematic strategy creates an investment edge.

$22 billion

in capital commitments

Calpine, Russell City Energy Center

- ECP cultivates a proprietary sourcing network, established through scale, sector credibility, and deep relationships.
- ECP's comprehensive commercial and operational skill sets (including safe and environmentally compliant operations) are levers for value creation.

KEY STATISTICS

ECP is the leading private equity owner of power generation and renewable assets in the U.S.

50+
employees across the globe

500+ years
cumulative energy sector experience

51
portfolio companies

13,800+
current portfolio company employees

56 GW
power generation, renewable, and storage assets owned, operated, or developed since firm inception

KEY SECTORS

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

15+ years
in renewable and storage experience

$2.8 billion
invested in renewable and storage

Power
natural gas as the transition solution

15+ years
in power generation experience

$7.0 billion
invested in power generation

Storage
energy storage solutions

15+ years
in energy storage experience

6
portfolio companies invested in energy storage

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

13+ years
in environmental infrastructure experience

$2.1 billion
invested in environmental infrastructure

Efficiency & Reliability
energy efficiency, energy use and supply management, digital infrastructure, downstream infrastructure

13+ years
in efficiency and reliability experience

5
portfolio companies invested in efficiency and reliability

ESG at ECP

LONG-STANDING HISTORY

Energy transition, decarbonization, electrification, and sustainability trends at the heart of current societal goals have been core to ECP's foundation since our inception. ECP firmly believes that a functioning economy and society cannot exist without safe, cost-effective, environmentally sound and reliable energy, and other infrastructure. ECP believes that adopting ESG practices and creating value are inherently linked, particularly in the energy and environmental infrastructure sectors where ECP focuses.

As a result, ESG factors are part of our diligence process and selection criteria for the assets we own. We also consider climate, GHGs, safety performance, and compliance with local, state, and federal regulations in our investment process and our ongoing interaction with our portfolio companies. Our senior partners—who have been investing in power generation, renewable and storage assets, and decarbonization infrastructure for over three decades—hold ultimate oversight for our climate-related and broader ESG initiatives, with insight and direction from our ESG Committee. At the portfolio company level, our ECP Deal Teams hold Board seats to provide oversight and to work closely with management teams to devise, assign accountability, and execute on business and ESG strategies. As we continue to originate and execute future investments and manage our current portfolio, climate impact, and efforts to decarbonize and encourage sustainable practices are priority considerations.

ECP has a long history of identifying and investing in businesses that we believe have a beneficial impact on the environment. Our involvement in these industries has resulted in societal benefits such as building or maintaining the integrity of vital infrastructure to support local economies, providing surrounding communities with access to more affordable electricity and other energy inputs, and serving **over 35 million homes—25% of U.S. households**. ECP has a vast footprint across communities in North America with assets and companies in **48 states, three U.S. territories, and three Canadian provinces.** As part of our ownership, we have invested substantial dollars into safety upgrades, maintenance programs, and environmental control systems, improving conditions for our employees and the communities in which our companies operate.

NCSG, Trochu, AB

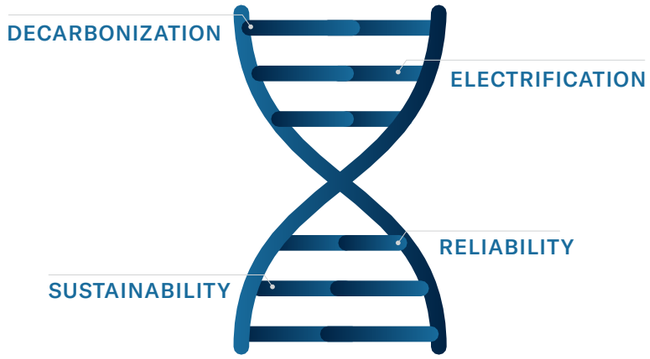
Going forward, in order to disclose our impacts and consider addressing them, ECP is working to establish a comprehensive calculation of our firm- and portfolio-wide GHG inventory to better understand our carbon footprint. We will continue to work with our current and future portfolio companies to monitor climate and GHG management through periodic screening as well as annual reporting of key metrics. In addition to these portfolio company initiatives, we are implementing measures to reduce ECP's own carbon intensity. For example, our most recent initiative at the ECP level has involved installing electric vehicle (EV) charging stations and rooftop solar panels at our headquarters in Summit, New Jersey.

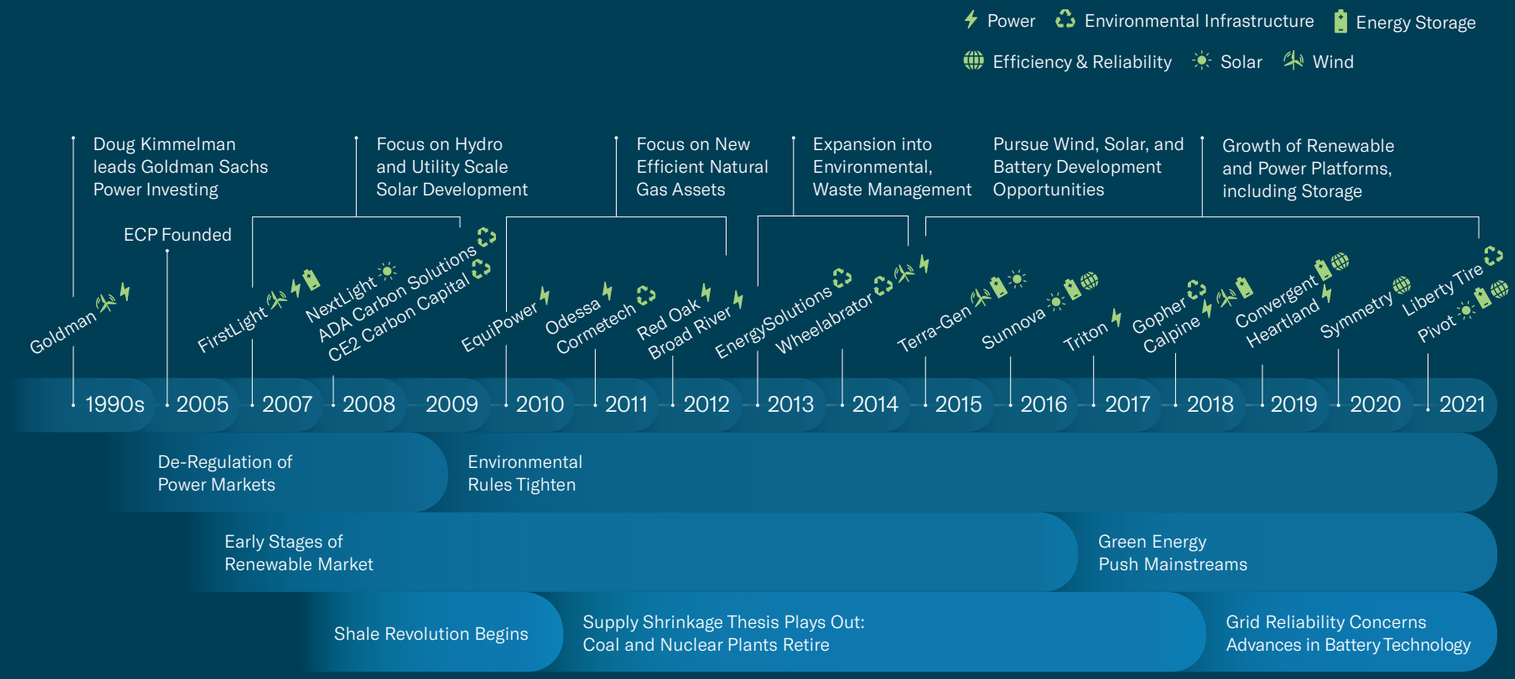
SUSTAINABLE DEVELOPMENT GOALS

We are proud to share our commitment to several of the United Nations Sustainability Development Goals (UN SDGs). ECP general investment strategies incorporate the following five goals:

- **7 Affordable and Clean Energy**
- **9 Industry, Innovation and Infrastructure**
- **11 Sustainable Cities and Communities**
- **12 Sustainable Consumption and Production**
- **13 Climate Action**

Navigating Energy Transitions is in ECP's DNA





ROOTED IN DECARBONIZATION, ELECTRIFICATION, RELIABILITY, AND SUSTAINABILITY

Our investment efforts throughout ECP's history have supported the various energy transitions necessary to move towards electrification, decarbonization, and a more circular economy. Importantly, the majority of those investments have helped mitigate negative impacts on the environment and society. Highlights of those select investments are depicted in the timeline on the right, which emphasize: ECP's role as an innovator; our historic and early-mover presence in these sectors; and, our ability to invest ahead of and through energy transitions.

We have consistently been a leader and innovator in these sectors across multiple energy transitions, building on learnings from prior investments. We began investing in utility-scale solar in 2008, developing one of the largest solar sites in the U.S. Since then, we have moved across the solar value chain, investing in both residential (2016) and community solar (2021). We spearheaded investing in environmental infrastructure businesses, making our first investment in 2008. Most recently in 2017 and 2021, we have invested in beneficial re-use and recycling businesses. In 2006, we acquired our first energy storage asset and later expanded into battery storage in 2018, well ahead of other industry participants. ECP believes we will continue to be on the forefront of the market's continued evolution as this prior experience highlights our ability to spot and execute on emerging opportunities and trends and then build on this first-mover advantage.

Innovating, Bridging, and Redefining Investment Opportunities in the Next Energy Transition

We at ECP understand that climate change is one of the most significant challenges of our time, with impacts spanning our business and the global economy. We believe that the marginal dollar spent in reducing GHG emissions will come from electrification. In order to decarbonize, entire sectors are electrifying as transportation (adoption of EVs and expansion of EV charging infrastructure), buildings (commercial, medical, and residential), industrial plants, indoor agriculture, data centers, digital infrastructure, and manufacturing all shift towards electrical power and increase their electrical intensity. Meanwhile, expectations for reliability and sustainability continue to rise. As integral players in electrification, renewable energy, and energy efficiency investing, we believe we play an important role in the low-carbon future and are proud to continue to facilitate a more sustainable future for generations to come.

Pivot Energy, Mount Rushmore

$13 billion

invested in energy transition businesses

16+ GW

of renewable assets owned, under construction, or in late-stage development

$1.7 billion

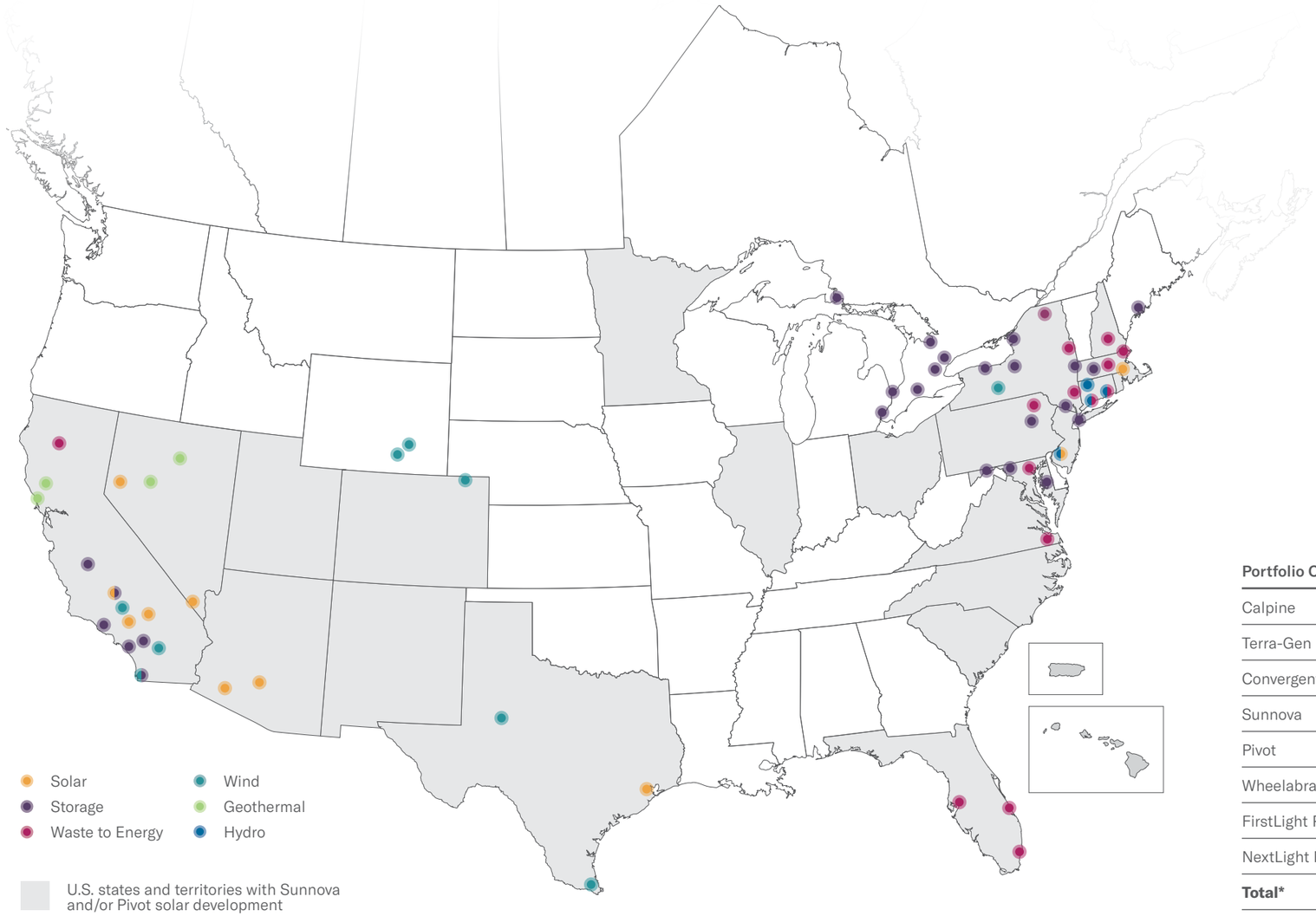
in green financing raised by portfolio companies

Our mix of historic investments continues to enable beneficial impacts on the environment:

- Renewable technologies: solar, wind, hydro, geothermal, and waste-to-energy
- Residential and community solar
- Energy and battery storage

- Nuclear disposal and decommissioning
- Waste-to-energy and waste management
- Coal emission reductions (mercury, NO_x)
- Development of carbon offset projects
- Coal-to-gas conversion projects
- Beneficial re-use and recycling

Cumulative Renewable Investment in North America



Total Capacity by Asset Type Since Firm Inception, Including Projects in Development

SOLAR
6,446 MW

WIND
2,948 MW

STORAGE
2,615 MW

GEOTHERMAL
818 MW

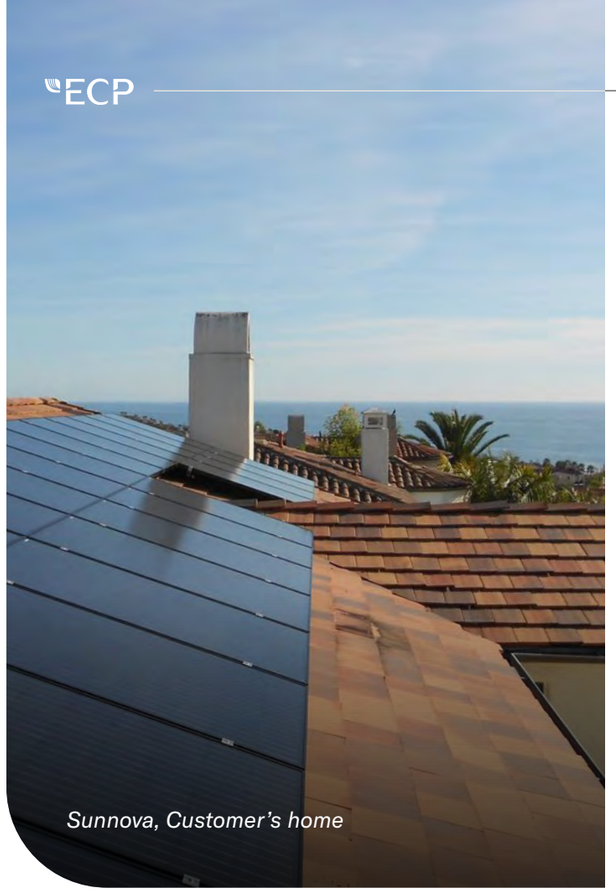
WASTE TO ENERGY
732 MW

HYDRO
195 MW

TOTAL 13,755 MW

Portfolio Company	Historical	Current	In Development	Total MW
Calpine	–	749	–	**749**
Terra-Gen	120	1,550	6,455	**8,125**
Convergent	13	83	93	**189**
Sunnova	572	220	152	**944**
Pivot	–	–	388	**388**
Wheelabrator	732	–	–	**732**
FirstLight Power	1,275	–	–	**1,275**
NextLight Renewable	1,352	–	–	**1,352**
Total*	**4,064**	**2,602**	**7,089**	**13,755**

*Totals may not add up due to rounding


Sunnova, Customer's home

2.4 billion kWh

of clean solar energy generated by the end of 2020, avoiding the release of 1.7 million tCO_2e

CASE STUDY

Sunnova

Sunnova is powering the transition for the low-carbon economy by providing solar and energy storage solutions to over 176,000 U.S. households.

INNOVATE: DECARBONIZATION AND THE ENERGY TRANSITION

Spurred by ECP's majority investment in 2016, Sunnova finances and manages residential solar and storage systems for customers across the U.S., thereby advancing the decarbonization of American communities. By allowing consumers to power their homes with residential solar systems, Sunnova is decreasing the demand for fossil fuels and helping to combat climate change.

As of the end of 2020, Sunnova systems have generated **2.4 billion kWh** of clean solar energy. In doing so, Sunnova customers have avoided releasing **1.7 million metric tons CO_2e of GHG emissions** into the atmosphere—of which **551,234 metric tons** were avoided in 2020 alone. Through its climate strategy, Sunnova aims to set climate goals and continuously improve its carbon accounting systems in support of a net-zero economy.

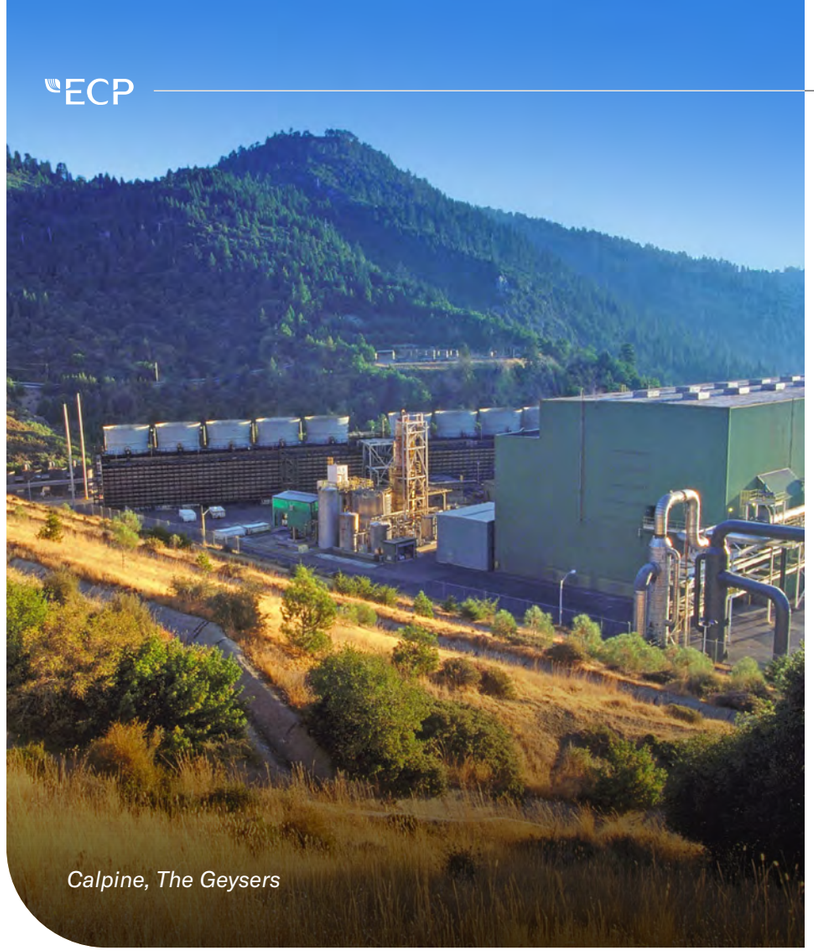
In the five years since ECP's over $400 million investment, Sunnova has nearly tripled its customer base from under **60,000 households** in 2016 to over **176,000** in 2021, totaling upwards of **1 gigawatt (GW)** of installed capacity. The pace of the company's growth continues to accelerate as the low-carbon energy transition drives demand for home solar and battery systems. In 2021, Sunnova anticipates attracting **83,000-87,000 new customers across 26 states**, the District of Columbia, and three U.S. territories, with an attachment rate of 9.5%.

Through the ability to create scale in the capital markets, Sunnova successfully securitizes its contracts and reduces overall cost to residential customers. By lowering its cost of capital, Sunnova provides 100% upfront financing for its solar and storage offerings, empowering homeowners to save on electricity costs and go green with no money down.

Sunnova released its first ESG report in 2021, covering the reporting year 2020. In the report, Sunnova's leadership reaffirmed their commitment to sustainable development and to having a positive impact across the triple bottom line of planet, people, and profit.

COMMUNITY SUPPORT AND PHILANTHROPY: REBUILDING THE GRID IN PUERTO RICO

The company's core values are Service, Synergy, and Sustainability. To that end, Sunnova works with the Solar Foundation on their "Solar Saves Lives" campaign to provide critical power on the island of Puerto Rico. The initiative partners with non-profits in Puerto Rico to provide approximately **$200,000 USD** worth of refurbished solar panels and batteries to community members. With more than **15,000 Sunnova customers** on the island, solar power provides a dependable low-cost, low-carbon solution for many Puerto Ricans who struggle with unreliable access to electricity years after the destruction wrought by Hurricane Maria. Sunnova customer residences can remain electrified during blackout events if equipped with battery storage.



Calpine, The Geysers

CASE STUDY

Calpine — The Geysers

Calpine provides low-carbon and renewable energy for commercial, industrial, and residential retail operations in key competitive power markets. Unlike other intermittent renewable sources, the Geysers are available to run around the clock, providing reliable, affordable, and cleaner baseload electricity.

INNOVATE: BASELOAD RENEWABLES

The Geysers produce a natural, clean source of energy using heat from the earth's interior, known as geothermal energy. It is the largest geothermal energy complex in the world, producing **34% of total electricity generation** from geothermal sources in the U.S. In California, the Geysers are responsible for an **average of 24% of the state's total wind, solar, and geothermal generation** over the last 20 years.

Calpine is the proud steward of a rare geothermal resource that supplies the Geysers with steam. It is one of two prominent dry steam field resources in the world. The resource contains high temperature steam with minimal liquid water and salt, providing more ideal conditions than most geothermal power production.

Over time, withdrawals of steam for electricity generation can deplete the steam resource. Before the Geysers became operational in the 1980s, the steam field was at risk of extinction. Today, renewable energy generation at the Geysers is possible because of two large-scale recycled water injection projects. Calpine receives approximately **14 million gallons of reclaimed water** each day for injection into the Geysers reservoir.

Calpine injects this water back into the steam reservoir, which is naturally heated by the earth to create additional steam for electricity generation. This extends the useful life of the resource while maintaining the sustainable and reliable output of The Geysers.

Careful reservoir management and development of new injection wells are critical to Calpine's optimization of the Geysers. Calpine continues to maximize the output of an already reliable source of renewable energy by investing in electrical production optimization at the Geysers. This optimization is accomplished by shutting down less efficient power plants, building steam cross-tie pipelines, and installing super rotors to produce more electricity from lower steam pressures.

Calpine significantly contributes to decarbonization through geothermal electricity production. It continues to enhance its geothermal optimization through research with relevant state organizations.

3.3 million tCO_2e

GHG emissions avoided annually, equivalent to the CO_2 sequestered by over 3.6 million acres of U.S. forests in one year

INNOVATE: RENEWABLES AND STORAGE

ECP has been investing in renewables since 2006, with senior investment professionals working in the sector since the 1990s. Importantly, we have owned and operated an extensive variety of renewable technologies including wind, solar, geothermal, and battery projects. In 2008, we were among the earliest investors in utility-scale solar development through **NextLight**, which represented over **4.5 GW**, proving that ECP was ahead of the curve in the solar market. Since then, we have broadened our activities in the solar spectrum, investing in residential solar, **Sunnova**, and community solar. Notably, **Pivot Energy**, our community solar business, offers the environmental and economic benefits of renewable energy to communities and residents that would traditionally face financial and property ownership barriers associated with installing solar energy on-site. This investment highlights ECP's ability to source attractive investments that have positive benefits from both a social justice and environmental standpoint.

ECP has also pursued the development of large-scale wind projects, owning and operating **Terra-Gen**. **Terra-Gen** represents **3 GW of wind energy**, which is estimated to be enough generation to provide nearly **2 million homes** with clean electricity. In addition to pursuing traditional wind projects through that platform, we also used our hands-on approach to re-power and over-power wind sites—innovations that both expand production capacity and achieve more efficient use of already operating wind sites. Highlighting our extensive experience across renewables technologies, we also owned hydro assets through **FirstLight** and currently own geothermal assets through **Calpine**.

Convergent operates two 10MW/20MWh battery energy storage projects that are the largest behind-the-meter battery energy storage system in North America

Renewables are intermittent in nature, which means a reliable back-up source of electricity is needed to meet demand when these renewables are not able to run. Technological advancements have lowered the cost of batteries and helped spur the rapid development of battery storage capacity across the US. ECP currently has five portfolio companies—**Convergent, Sunnova, Terra-Gen, Pivot Energy,** and **Calpine**—each developing differentiated standalone storage and solar + storage projects.

Convergent has an early-mover advantage in the energy storage sector as the company was one of the first to install battery storage as early as 2011. **Convergent** initially focused in Ontario, Canada, installing behind-the-meter storage solutions on industrial sites to reduce load during peak hours. This strategy reduced the most expensive hours of energy consumption and lowered utility bills based on usage during those hours. Since then, **Convergent** has expanded into multiple regions across North America and has **19 projects** operating or under development totaling over **170 MW of capacity.** Today, **Convergent** operates and develops behind-the-meter and utility-scale storage as well as solar + storage projects with approximately **half of its storage portfolio paired with solar photovoltaics,** creating dependable and clean electricity.

100+

renewable facilities owned and developed by ECP across the majority of major renewable technologies and power markets in the U.S., Canada, and United Kingdom

13%

increase in renewable energy generation between 2019 and 2020

Convergent, Sarnia, ON

2.6 GW

of storage in operation or development across the ECP portfolio

Terra-Gen, Pacific Crest Wind Farm

INNOVATE: CREATING RELIABILITY FOR THE ENERGY TRANSITION

As the momentum of the energy transition to a low-carbon world continues to grow, energy companies must innovate to reliably supply power to communities of all sizes with minimal emissions. ECP's investments in renewables and low-carbon power generation such as **Calpine, Convergent,** and **Terra-Gen** demonstrate our commitment to supporting decarbonization across North America.

The energy companies in ECP's portfolio are committed to supporting the electrification of critical infrastructure by developing energy storage facilities that enable the expansion of their low carbon and renewable energy capacity. The construction of high-capacity energy storage facilities is an essential component to achieving emissions reduction goals and to balancing energy supply and demand as intermittent renewables become a more significant proportion of total electricity generation.

158,000

U.S. households estimated to be powered with renewable energy by Terra-Gen's Edwards Sanborn project

Terra-Gen

With more than **1.5 GW** of renewable energy generation capacity across **30 facilities** in the Western U.S., **Terra-Gen** helps public and private collaborators meet and exceed local, state, and federal renewable energy mandates and achieve GHG emission reduction targets. Established in 2007, **Terra-Gen** specializes in the development, construction, and operation of a diverse portfolio of utility-scale wind, solar, geothermal, and energy storage facilities. The company has a demonstrated track record of success in the renewable energy production and storage sector, particularly in wind and solar. In December 2020, **Terra-Gen** announced plans to construct the Edwards Sanborn Solar Storage facility in Kern County, CA. Upon completion in 2024, this project is expected to be the largest facility of its kind in the world. The integrated solar-powered battery storage facility, which represents a $3.5 billion investment, will provide **1,382 MW of solar and 4,745 MWh of energy storage**. Edwards Sanborn will play a crucial role in the transition to a low-carbon economy as it is estimated to power **158,000 U.S. households** with clean renewable energy and displace more than **307,000 metric tons CO_2e of GHG emissions** each year.

Calpine

Calpine is one of the largest generators of electricity in the U.S. with nearly **26 GW** of generation capacity across **76 power plants**. The company provides low-carbon electricity to more than 281,000 retail, commercial, and industrial customers across 22 states, Canada, and Mexico through its fleet of efficient natural gas and geothermal sources. **Calpine's** Geysers Facility, the largest geothermal facility in the world, can generate 24/7 reliable, carbon-free electricity from reinjected runoff wastewater. **Calpine** continually seeks new ways to lower the carbon intensity of its operations, such as investing in the development of **900 MW of battery storage** to increase the on-demand availability of assets. In July 2021, **Calpine** announced the completion of the Santa Ana Storage Project facility in California, which will help meet the state's goal of 100% renewable energy by 2045. The **20 MW/80 MWh** standalone battery storage system will power **12,000–24,000 households** in Southern California depending on load conditions. To improve grid reliability and support, the facility will capture renewable electricity from solar facilities during the day for use during evening peak demand periods. Beyond traditional renewables, Calpine has identified nine facilities for carbon capture, utilization, and storage, with three of these sites receiving funding from the U.S. Department of Energy (DOE).

CASE STUDY

Calpine — Sensible Sustainability™

Calpine Corporation is the largest producer of natural gas and geothermal electricity in the U.S. The company's Sensible Sustainability™ program provides the means for commercial and industrial customers to lead the transition to a low-carbon economy.

BRIDGE: DECARBONIZATION AND THE ENERGY TRANSITION

With **76 plants in operation and 111+ million MWh generated**, Calpine is one of the largest suppliers of electricity sales and services to large commercial and industrial customers. The company is dedicated to achieving tangible progress in the low-carbon economy transition by making renewable and low-carbon energy solutions financially accessible.

Calpine's Sensible Sustainability™ process analyzes criteria related to governance, cost, risk, carbon, and reporting to help customers assess potential renewable energy purchasing opportunities. This process analyzes a range of scenarios to ensure that the right renewable energy solutions are matched with the most effective risk management strategies. Weighing the environmental, financial, and human impact of energy sourcing allows Calpine customers to access the most holistically sustainable energy resources.

In the evolving renewable energy world, the data-driven Sensible Sustainability™ approach helps Calpine's **15,000+ commercial and industrial customers** remain resilient while taking steps to decarbonize. Companies that utilize affordable green power decrease their dependence on more carbon-intensive modes of energy production such as coal and fuel oil. Calpine customers using less carbon-intensive energy sources, such as natural gas and geothermal energy, have significantly reduced emissions as compared with coal and traditional sources.

In 2021, the CDP (a not-for-profit charity that manages the world's largest global disclosure system) named Calpine as a Silver renewable energy partner in recognition of Calpine's leadership in the transition to a low-carbon economy. In entering this partnership with Calpine, CDP endorses Calpine's sustainable energy production services to the 10,000+ organizations that disclose information to CDP.

With Calpine's efforts in the low-carbon economy transition, the company is ensuring that reliable, lower-carbon energy is a reality for its customers, ultimately improving business and environmental resilience.

111+ million MWh

generated by 76 plants

15,000+

commercial and industrial customers

Calpine, Fore River Energy Center

PORTFOLIO COMPANY HIGHLIGHT

Heartland Generation

Heartland became the first large generator in Alberta to cease coal generation after converting two of its coal plants to natural gas. Upon operating coal-free, Heartland achieves a 50% reduction in GHG and NO_x emissions and a 100% reduction in SO_2, particulate matter, mercury, and other heavy metals emissions. This aggressive action supports the path to a low emitting electricity generation future in advance of regulatory requirements mandating retirement of coal assets by 2030. In addition, Heartland is exploring the potential to develop a project at its Battle River facility, which would pair blue hydrogen production with carbon sequestration and on-site generation to sell clean power to the grid.

BRIDGING TO A CLEANER FUTURE

As buildings and transportation systems across the country electrify in response to the push towards economy-wide decarbonization, the reliability of our grid will come under greater scrutiny. Existing dispatchable resources are necessary to maintain the reliability and affordability of the electrical grid as renewable penetration grows and until batteries become more efficient and cost-effective. As a result, natural gas power generation is expected to remain a lynchpin in the growth of electrification, providing the economy and communities with reliable low-cost electricity. Gas generation can also enable a reduction in GHG, given natural gas' less carbon-intensive emissions (i.e. half as much as coal-fired generation). Large, utility-scale natural gas generators are also more cost efficient than smaller, distributed units.

3.2 million tCO_2e

GHG emissions avoided annually from 1.3 GW coal-to-natural gas conversion by Heartland Generation, equivalent to the GHG emissions of 8 billion average passenger vehicle miles

In addition, because the supply stack has shifted over time in response to lower natural gas prices, natural gas plants are displacing coal facilities, thereby helping to lower overall system emissions and carbon intensity. Further, by acting as the quick-start back-up for intermittent renewables, natural gas facilities also support the build-out of renewable resources, which also continue to push coal out of the supply stack.

ECP has been one of the most active investors in the power generation space, focusing on natural gas generation and displacing coal resources. We have owned **over 36 GW of natural gas power** at geographically diverse portfolios including **Calpine**, **EquiPower**, **Triton**, and **Heartland**. **Calpine** is the largest generator of natural gas and renewable resources in the U.S., with nearly **26 GW of generation capacity**.

In addition, as a key element of ESG, we consider the climate and GHGs in our investment process and our ongoing interaction with our portfolio companies. Since our earliest Fund I investments, we have acknowledged coal's limited future in the U.S. economy, ultimately pursuing coal-to-gas conversions at **Heartland Generation** and announcing retirements at **FirstLight** (Mount Tom) and **Brayton Point**.

PORTFOLIO COMPANY HIGHLIGHT

Triton

Triton supports the National Grid Electricity System Operator in managing the stability of the electricity system by proving inertia through a six-year synchronous compensation contract, an innovative approach that uses less energy and reduces carbon emissions—a significant first step towards a zero-carbon electricity system.

The company supports the U.K. Government's goals to reduce carbon emissions by 78% by 2035. Through its Hydrogen to Humber partnership, Triton will reduce emissions by converting its natural gas-fired CHP station at Saltend to burn hydrogen. The project begins with a 30% blend until there is a functioning hydrogen economy which will enable a 100% hydrogen conversion.

CASE STUDY

Liberty Tire Recycling

Liberty Tire Recycling is North America's market leader in recycling the nation's scrap tires, transforming scrap tires into raw materials for beneficial reuse and recovering slightly used tires for re-sale.

REDEFINE: ADVANCING THE CIRCULAR ECONOMY

Each year, consumers in the U.S. and Canada dispose of more than 500 million passenger tire equivalents, 80% of which are recycled. Liberty Tire Recycling (LTR) processes approximately **200 million tire equivalents annually**, turning a majority of the scrap into reusable raw materials. LTR's business is rooted in circular economy principles, highlighting its commitment to a sustainable future.

LTR collects scrap tires and offers remediation services for scrap tire dump sites to manage end-of-life tires in an environmentally safe manner. Currently, landfilling of whole tires is banned in 39 states, making LTR's services critical to efficient waste management. LTR's network of **28 processing plants** converts these scrap tires into raw materials. These can be used for various high-value products, including asphalt and roofing materials, athletic surfaces, playgrounds, pavers, garden mulch, alternative fuel for manufacturing, construction materials, and consumer products. Companies that use recycled materials in their operations and products reduce their environmental footprint by driving resource efficiency and using otherwise landfilled materials. By providing safe and durable raw materials, LTR is helping its customers reach their own sustainability goals.

Consistent with its commitment to a sustainable future, LTR reduces GHG emissions associated with tire scrap by diverting them from landfills. The company calculated that between 2019 and 2020, it preserved up to **1.6% landfill capacity** in some states and provinces and avoided **92,650 metric tons CO_2e of GHG emissions** through the sale of its products.

For instance, rubberized asphalt saves almost 250 metric tons of CO_2e per lane-mile paved compared to traditional asphalt. Further, in partnership with ECP, LTR intends to reduce its own Scope 1 emissions by rolling out company-wide energy efficiency initiatives and truck route optimization programs.

Finally, ECP financed the acquisition of LTR with one of the first ever Green Loans not for a renewable energy project. ECP and LTR are committed to providing an environmentally friendly solution for end-of-life tires. Additionally, LTR is actively working with its own customers to help them meet their Scope 2 and Scope 3 emissions through increased reporting transparency. The company expects to issue its inaugural sustainability report in early 2022.

REDEFINE: TAKING ENVIRONMENTAL REMEDIATION AND WASTE DIVERSION ONE STEP FURTHER

As industrial and consumer-related processes and activities are becoming more efficient, they are also evolving to reduce, recycle, and reuse waste and by-products in innovative, sustainable ways. We believe the economy is moving toward a circular paradigm where waste and by-products are largely being converted into valuable derivative products and recycled in a manner that optimizes process efficiency and costs, while limiting, or in certain cases eliminating, negative environmental impacts. ECP has been focused on sustainable investments that provide environmental solutions and services for utilities, consumers, and industrial customers for more than a decade. ECP has invested in businesses that specialize in innovative resource recycling platforms, such as **Liberty Tire** (recycling and beneficial re-use of tires) and **Gopher Resource** (lead battery recycling). In addition, our power sector companies **Calpine, Convergent,** and **Terra-Gen** practice cradle-to-grave management of lithium-ion batteries. These best-in-class practices divert electronic and hazardous waste from landfills, enabling reuse of reclaimed materials in the manufacturing process, decreasing demand for virgin materials.

Wheelabrator, Lisbon, CT

Gopher Resource's car battery recycling program helps the U.S. achieve a lead recycle rate of over 99%, which is higher than aluminum, plastic, steel, or paper products. **Gopher's** two plants divert approximately **26 million lead batteries** from landfills each year, preventing unsafe and environmentally hazardous disposal.

While **Gopher** and **Liberty** are able to achieve recycling and waste diversion naturally through their circular business models, other industries that produce specialized waste or have otherwise historically been difficult to decarbonize are turning to various environmental infrastructure solutions as an effective path to achieving corporate and societal carbon reduction targets and meeting increasingly stringent federal, state, and local environmental regulations. This sector's sustainable solutions ecosystem includes: waste reduction; waste disposal and processing; pollution control; water and wastewater management and technology; waste-to-energy; as well as environmental consulting, engineering, and remediation. ECP focuses on investments that provide environmental solutions and services to utilities, consumers, and industrial customers for more than a decade. Our earliest investments in **ADA Carbon Solutions** and **Cormetech** provide technology to reduce mercury and NO_x emissions from coal plants.

Wheelabrator's waste-to-energy facilities reduce the volume of solid waste materials going to landfills, thereby reducing methane emissions generated in such landfills, while generating electricity without the need for additional fossil fuels. To capture the maximum value of the waste, company facilities also recover and recycle ferrous and non-ferrous metals prior to landfill disposal.

EnergySolutions, Inc. provides solutions for decommissioning and remediating nuclear power plants and has state-of-the-art facilities to safely recycle, process, and dispose of low-level radioactive nuclear material. Virtually all nuclear plants in the U.S., including those run by the DOE, use the company's products, services, or facilities.

CASE STUDY

EnergySolutions

EnergySolutions (ES) is committed to the safe disposal of low-level radioactive nuclear waste, primarily generated from operating commercial reactors and U.S. DOE and Department of Defense operations. The company supports environmental remediation through an integrated approach to nuclear decommissioning project planning and execution.

REDEFINE: SUSTAINABLE ENVIRONMENTAL INFRASTRUCTURE

EnergySolutions (ES) is committed to the safe disposal of low-level radioactive nuclear waste, primarily generated from operating commercial reactors and Department of Energy and Department of Defense operations. ES is focused on the safe and responsible decommissioning of nuclear plants, including the active decommissioning of Zion Nuclear Power Plant ("Zion"), Dairyland, Fort Calhoun, and San Onofre Nuclear Generation Station. Nuclear power provides a critical source of baseload, carbon-free electricity; however, nuclear materials and end-of-life fuel and waste management require specialized recycling, processing, disposal, and decommissioning expertise. This includes byproducts and equipment used in nuclear power generation as well as soil and debris from clean-up sites, among others.

ES's Clive Disposal Facility plays a critical role in the nuclear industry as a safe and compliant option for disposal of radioactive waste. Located approximately 75 miles west of Salt Lake City, Utah, the Clive Disposal Facility can process and dispose of various types of hazardous and radioactive waste. This includes byproducts and equipment used in nuclear power generation, and soil and debris from clean-up sites, among others.

Located in Tennessee, the company's Bear Creek Processing Facility's (BCPF) primary function is to safely process and package radioactive materials for permanent safe disposal. Recycling and reuse of materials wherever possible are central to ES waste processing and exemplify the company's commitment to circularity.

For example, metals recovered during the decommissioning process are separated from non-recyclable materials that are to be compacted, incinerated, or disposed. Recovered metals are then recycled in BCPF's smelter facility and the material is used to manufacture shield blocks that are reutilized by the nuclear industry.

The BCPF also has capabilities for ES's Green is Clean evaluation which enhances the circular capability of the decommissioning process by allowing the segregation of potentially radiologically contaminated metals that are found clean to be released to a recycler.

At Zion, ES is currently completing the decommissioning and awaiting U.S. Nuclear Regulatory Commission approval. The marquee Zion decommissioning has taken approximately eight years to successfully remove all structures in an environmentally responsible manner.

The company's sustainability efforts extend beyond the circular economy to include health and safety, and their supply chain. The company's two largest U.S. Operations, Clive and Bear Creek, have undergone Health & Safety Program reviews by Occupational Safety and Health Administration (OSHA) and were awarded Voluntary Protection Program "STAR" status. This designation is awarded to sites that have demonstrated outstanding Health & Safety Compliance—only 5% of all U.S. workplaces ever achieve this status.

ES safely decommissions nuclear plants by permanently disposing of radioactive waste, improving both resource efficiency and environmental outcomes while ensuring top-tier workplace standards.

10+ million ft³

of nuclear waste removed from Zion Nuclear Power Plant

CASE STUDY

Wheelabrator Technologies

Acquired in 2014, Wheelabrator Technologies is the second largest waste-to-energy company in the U.S., with upwards of 800 MW of owned and operated electric generating capacity, exemplifying ECP's history of ESG investing.

INNOVATE AND REDEFINE: ECP'S LONG-STANDING PRESENCE IN ENVIRONMENTAL INFRASTRUCTURE AND WASTE MANAGEMENT

Based in Portsmouth, New Hampshire, and with facilities primarily located in the Northeastern U.S., Wheelabrator is a leader in the safe and sustainable conversion of municipal solid waste into renewable energy. Wheelabrator exemplifies ECP's early-mover investments in innovative waste-to-energy projects. Wheelabrator's operations positively impacts society and the environment by reducing the amount of waste sent to landfills, thereby reducing methane emissions.

Wheelabrator operated a platform of 26 assets in the U.S. and U.K. comprising 19 waste-to-energy facilities, three power plants, and four ash monofills. In 2017, the last full year of our ownership, the company processed about **7.2 million tons of post-recycled solid waste**, generated approximately **4.8 million net MWh** of power (equivalent to over 409,000 homes' energy use for one year) and recycled **158,000 tons of ferrous and non-ferrous metals**.

Every year, about 17% of all methane emissions in the U.S are generated from landfills. Methane is a potent GHG with a warming potential of up to 34 times greater than CO_2 over a 100-year period. Per the EPA, the waste-to-energy process reduces methane emissions by approximately one ton of carbon dioxide equivalent avoided per ton of waste processed. For example, the Wheelabrator Baltimore, Maryland, facility can convert up to **2,250 tons of waste** every day, meaning that in just one day, 2,250 tons of GHG emissions can be avoided. Wheelabrator additionally reduces the waste volumes it receives from local landfills by 90%, thus reducing the need for landfills.

The sustainability benefit of Wheelabrator's waste-to-energy is manifold: waste is diverted from landfills, GHG emissions are reduced, electricity is generated, and metals are recycled.

Wheelabrator, Baltimore, MD

7.2 million tons

of annual waste processing capacity, which diverts waste from landfill

8 million tCO_2e

GHG emissions avoided annually, equivalent to 1.7 million passenger vehicles driven for a year

SUSTAINABLE MANUFACTURING

In addition, ECP recently expanded its sustainable investing to support more digital solutions and local manufacturing initiatives, thereby allowing businesses with heavy industrial processes to operate in more environmentally friendly ways. ECP Environmental Growth Opportunities—a special purpose acquisition company-sponsored by ECP—announced a transaction with **Fast Radius**, a first-of-its-kind cloud manufacturing and digital supply chain company. This platform represents a new, more sustainable infrastructure to design, make, and move physical goods in the digital age, while reducing manufacturing emissions across the product lifecycle. Instead of moving parts by land, air, and sea, companies can move parts at the speed of light and produce them locally in a certified micro-factory where needed. **Fast Radius** is creating a more sustainable, more accessible, and more flexible global supply chain paradigm to meet the needs of this century through use of their Cloud Manufacturing Platform™, which provides options for more sustainable production throughout the entire lifecycle of a product.

CLIMATE STRATEGY

Amidst increasing public scrutiny and mounting pressure to reduce emissions as part of efforts to address climate change, our stakeholders understand the importance of these topics for our firm. As a result, we identified high-level risks and opportunities related to climate change and GHG emissions pertinent to our business.

Our portfolio companies undertake environmental initiatives that support emissions reduction goals and the transition to a low-carbon future, including use of solar, wind, and geothermal power generation.

While we support the low-carbon economy transition through our investments and engagement across our portfolio, we also endeavor to address our own emissions associated with our firm's energy consumption and business-related travel.

FastRadius Headquarters, Chicago, IL

Climate Risk Assessment

ECP undertook a high-level Climate Risk Assessment, which identified the following risks and opportunities for our business

Risks

- Risk to business continuity and investments
- Scrutiny of carbon-intensive investments
- Physical damage to assets from severity of climatic events
- Shift in market reflecting a transition to renewable energy
- Carbon-emitting assets may experience early retirement and shorter useful life than design
- Increase in risk to terminal value and decrease in valuation

Opportunities

- Meet investor expectations through proactive engagement in climate strategy, and monitoring and reporting climate-related key performance indicators
- Repurpose and redevelop assets to be more environmentally friendly, providing opportunities to reduce emissions and be innovative
- Demonstrate leadership by continuing to strengthen investments in renewables and alternatives
- Advance electrification goals through reliable grid investments

METRICS

10 million MWh

electricity generated across our renewable portfolio in 2020

21.3 million tCO_2e

GHG emissions avoided* by portfolio companies in 2019

EQUAL TO THE ANNUAL EMISSIONS OF

196 million miles

driven by passenger vehicles

2.5 million

U.S. households' electricity consumption

SOLAR

1.1 million MWh

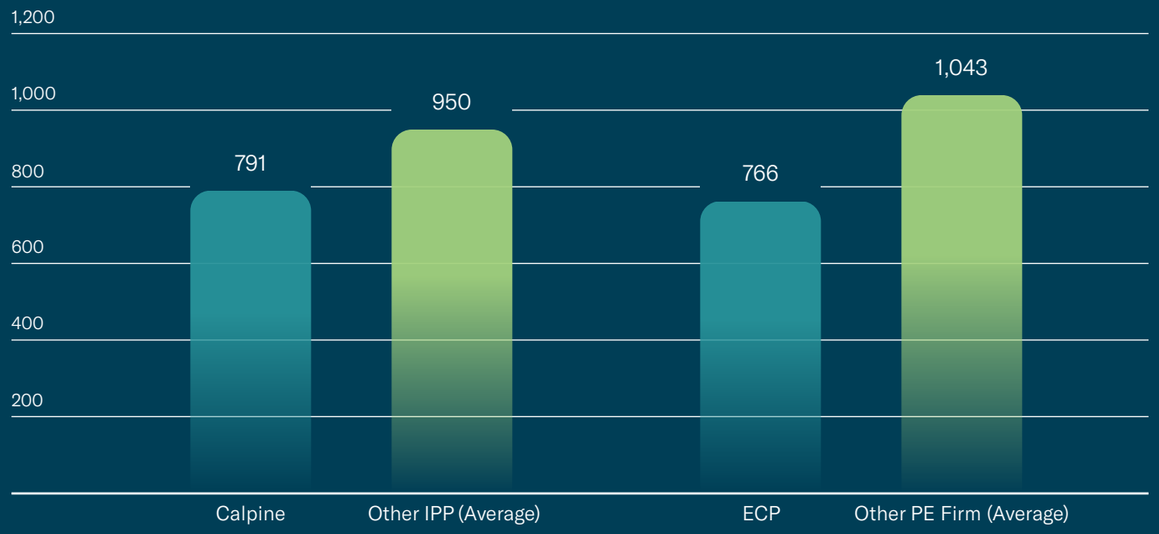
WIND

2.6 million MWh

GEOTHERMAL

6.2 million MWh

Emissions vs. Industry Benchmarks (lbs CO_2/MWh)



Reflects power plant ownership as of December 31, 2019. Source: MJB&A Benchmarking Air Emissions of the 100 Largest Power Producers in the United States

*ECP calculated avoided GHG emissions (including carbon dioxide, methane, and nitrous oxide) for the U.S. power generation assets in its portfolio for calendar year 2019. Avoided emissions represent the difference between the GHG emission levels of individual ECP generation assets and the emission level of generation units with the highest regional variable operating costs—peaking units. The GHG emission rate for each ECP plant was compared against the relevant grid subregion non-baseload emission factor. The Other Private Equity (PE) firm and Other Independent Power Producer (IPP) averages are each based on a set of seven benchmarked peers.

ESG Strategy and Governance

ESG STRATEGY

Our ESG values and ability to innovate, bridge, and redefine are at the core of our company's practices ECP takes our fiduciary duty to the clients that we serve seriously. We endeavor to be good stewards of the capital entrusted to us and to invest responsibly.

Compliance with the extensive web of federal, state, and local statutes and regulations is essential for successful participation in the energy transition sector. However, compliance is not enough; we expect our core values of safety, reliability, and environmental stewardship to be ingrained throughout our culture and daily operations, from the senior levels of the firm to our portfolio companies.

We would not have the extensive operating history we have without employees who are committed to our core values. More than **13,800 employees** have been a part of the ECP portfolio of over **51 companies**. We believe it is essential employees are treated fairly and given many opportunities for growth while governing the affairs of their companies in an honest and transparent manner. We have a fundamental belief that our employees are the key drivers to unlock business success and we strive to work closely with management teams to create an equitable and safe workplace for all our colleagues.

ESG GOVERNANCE

Our ESG Policy serves as our guiding framework for how we can have a positive impact, while still delivering strong investment returns through our management. Our ESG Committee regularly evaluates our Policy for effectiveness. Our core ESG focus areas are:

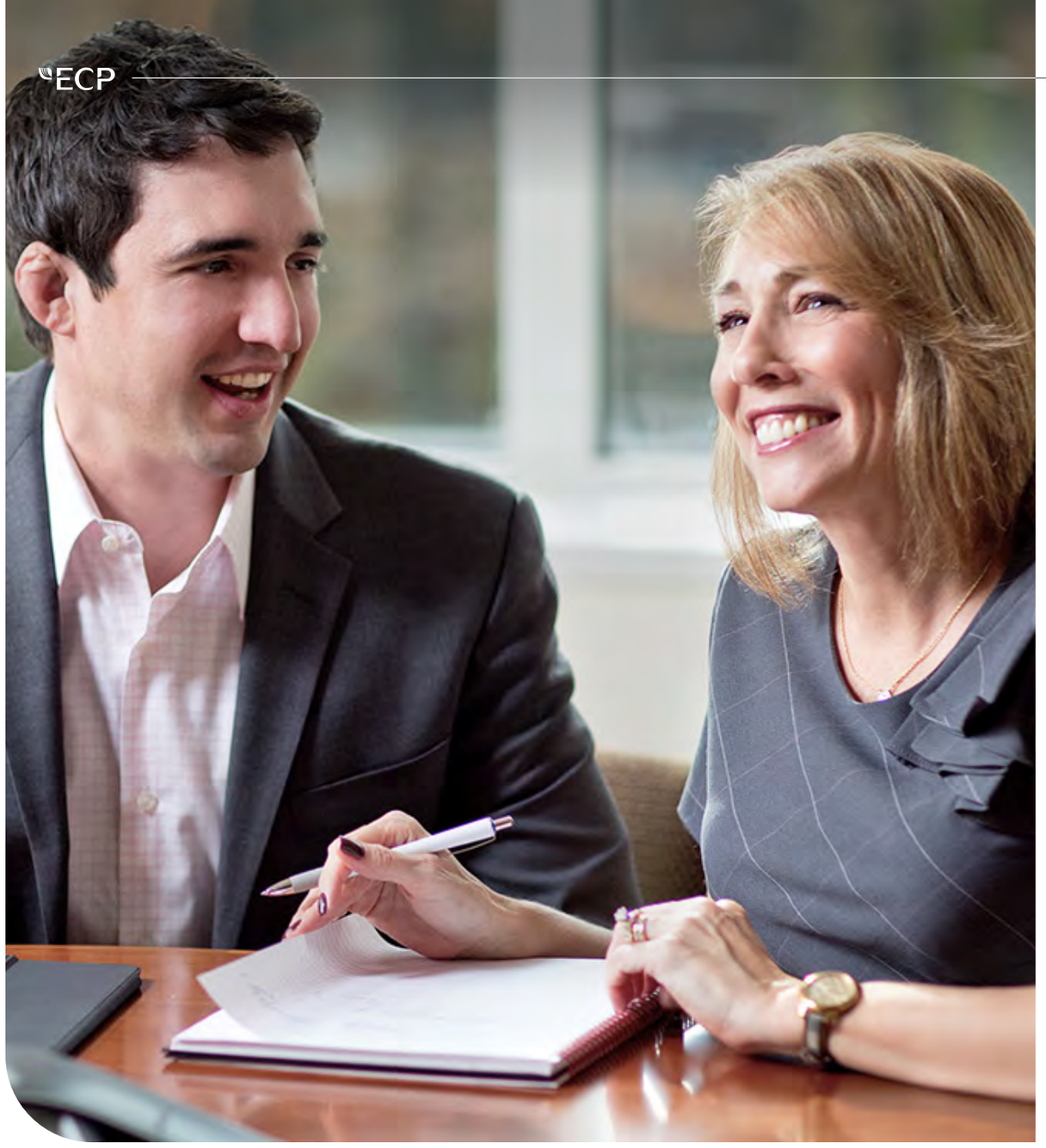
- Safety of our colleagues, employees, and fellow citizens;
- Decarbonization impact, electrification goals, and support of the energy transition;
- Reliability to deliver vital services consistently and affordably;
- Sustainability alignment with our business model;
- Equal opportunities for employees of all backgrounds to promote workplace diversity;
- Waste reduction, system circularity, and pollution mitigation; and
- Employee professional development and relationships.

100%

of controlled portfolio companies report ESG data to ECP

$10+ million

in charitable donations contributed by ECP and its portfolio companies in 2020



As the ongoing energy transition progresses and ESG best practices evolve, we continue to integrate ESG into our governance structure in a way that ensures we have a strategic, long-term plan and resources to deliver on our ESG goals, investment strategies, and return thresholds. With an ESG Committee overseeing firm-wide initiatives and directing our investment professionals, our deal team members work with our portfolio companies throughout the lifecycle of our investments to report on and understand ESG-related risks and issues, while also identifying ESG areas for opportunity to drive future value.

After adopting an ESG Policy and establishing an initial ESG Committee in 2017, we recently revamped the policy and expanded the committee to represent a complete cross section of our firm, including members from our investing, accounting, legal, investor relations, and administration verticals. The committee, now comprising 15 members, is responsible for setting ESG-related policies and programs and for monitoring performance and progress. The committee includes two Partners who sit on our Investment Committee, including the Chairman of the Investment Committee. Ultimate responsibility for our ESG goals is centralized with the ECP Partnership.

All ECP-controlled companies are required to adopt an ESG policy; 100% of companies currently have policies that address ESG matters

We believe the wide-ranging skill set of our committee members provides the holistic perspective required to execute ECP's ESG initiatives. Driven by our ESG policy and core values, our firm has pledged to continuously improve our responsible investing activities and leverage our portfolio to drive positive ESG impacts for society. In addition to expanding the ESG Committee, we have partnered with ERM, the world's largest pure-play sustainability consultancy, in further developing our ESG strategy and enhancing our reporting. We embrace the integration of ESG into the lifecycle of investing, from due diligence through management of assets and value creation.

Across ECP's portfolio companies, management teams are empowered to prioritize ESG topics in decision-making and are expected to report to the Board—of which we typically hold majority control—on a regular basis regarding their initiatives. ECP supports portfolio company management to hold ultimate accountability for ESG at their operations. ECP is working collaboratively with portfolio companies to implement action plans to drive consistent ESG performance improvement. Through our ESG strategy development, we identified core requirements that portfolio companies are expected to meet and associated key metrics which portfolio companies report annually. We discuss our portfolio companies' ESG engagement and performance in more detail on page 30.

ETHICS AND INTEGRITY

At ECP, we are committed to investing and operating with the highest standard of ethics and integrity. Conducting business ethically is integral to ECP's success. We foster a culture devoted to doing the right thing, as stipulated by our Code of Conduct and leadership.

Our Employee Handbook and related policies govern our approach to employment matters, including our Code of Conduct, and address topics such as anti-money laundering, anti-corruption, data privacy, and conflicts of interest. The ECP Compliance Program, which includes frequent employee trainings, supports the implementation of these policies and strengthens our compliance culture. Through this program, we adopt a zero-tolerance policy against bribery and corruption.

ESG FOCUS AREAS

ECP identified the ESG topics with the most significant potential impacts on our firm and its stakeholders, including employees, limited partnerships, and portfolio companies. We conducted an extensive ESG materiality assessment in 2021 in alignment with the best practices of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the United Nations Principles for Responsible Investment (PRI). The process consisted of:

- Conducting an in-depth current state assessment of ECP's business;
- Establishing a comprehensive set of potential ESG topics based on select peer benchmarking, and review of ESG frameworks, industry initiatives, and trends;
- Conducting internal and external stakeholder interviews to refine material issues; and,
- Validating the material topics identified as most significant to ECP's business in a leadership workshop.

In support of our developing ESG strategy and to better understand our portfolio ESG initiatives, in 2021, we took steps to collect ESG-related metrics, gauge portfolio-level ESG maturity, and identify areas where ECP can offer support in developing and strengthening ESG initiatives and management systems. Our strategy includes actions to better assess and track ESG metrics and to expand portfolio company engagement opportunities. For example, we plan to build upon our successful portfolio-wide Safety Committee to include roundtable offerings to discuss other industry best practices on topics including ESG and cybersecurity.

ADDRESSING GREENHOUSE GASES AND CLIMATE CHANGE

Globally, as the shift to a low carbon future takes center stage, factors related to climate and GHGs shape our investment and diligence strategy for new investments and operating initiatives in our current portfolio. Acknowledging the acceleration towards a net-zero future, ECP has made investments in renewables, energy storage, and natural gas, both as a bridge fuel in replacing traditional coal power and in providing reliable baseload power. We discuss climate and the low-carbon transition in more detail on page 9.

We are working internally and with our portfolio companies to create a GHG emissions inventory to better understand and disclose our portfolio-wide climate impacts. 100% of our portfolio companies that operate in the power sector track Scope 1 emissions

PORTFOLIO COMPANY HIGHLIGHT

EnergySolutions

ES's two largest U.S. Operations—Clive and Bear Creek—were subject to OSHA health and safety program reviews and awarded the Voluntary Protection Program (VPP) "Star" status. The VPP recognizes private industry and federal agencies, employers, and workers demonstrating effective safety and health management systems and maintenance of injury and illness rates below industry-specific national Bureau of Labor Statistics averages. Star status recognizes exemplary performance in prevention and control of hazards and continual improvement in health and safety management systems.

As a provider of leading nuclear materials management solutions, ES implements a chemical procurement process to review chemicals for environmental and safety standards prior to purchase. Safer and more environmentally sound options are investigated where warranted. Further, each decommissioning and decontamination project has a designated Waste Management Program that details the waste management strategy in accordance with the scheduled waste generation activities.

PROMOTING WASTE MANAGEMENT AND REDUCTION

Circular economy principles are gaining traction as the sustainability and business benefits of waste reduction, reuse, and recycling come into greater focus. We believe the economy is moving toward a circular paradigm where waste and by-products will largely be converted into valuable derivative products and recycled in a manner that optimizes process efficiency and costs, while limiting negative environmental impacts.

We seek to support this transition through initiatives to reduce waste at the firm-level and by investing in circular economy businesses. In addition to investing in resource efficiency, ECP is working with portfolio companies to strengthen waste management and reduction measures and implement processes to track and report related metrics.

1+ million metric tons

of waste was diverted from landfill by Liberty in 2020

79,000+ metric tons

of waste have been diverted from landfill by Gopher over the last three years

Terra-Gen, Ridgetop Wind Farm

MANAGING AIR EMISSIONS AND REGULATORY COMPLIANCE

Compliance with applicable regulatory requirements related to air quality is a critical component of our license to operate. As part of our investment due diligence, ECP considers each company's environmental, public health, safety, and social performance, including relevant permits and adherence to state and federal regulations as it relates to air, soil, and water quality. Our portfolio companies implement monitoring and emission control measures to reduce their air pollutants in accordance with their operating permits and approvals. ECP is working with portfolio companies to ensure best-in-class compliance with air emissions and regulatory measures and implement processes to track and report related metrics, where applicable, to the company.

Key air emissions for our current power portfolio operations in 2020:

Air Emissions	2020
NO_X	16,654 metric tons
SO_X	7,000 metric tons

SUPPORTING WORKFORCE DIVERSITY, EQUITY, AND INCLUSION

We believe the best decisions are made by including a variety of viewpoints. Beyond being an equal opportunity employer, ECP is committed to hiring and mentoring diverse talent and creating a culture of inclusion internally and across our portfolio companies. We promote diversity and inclusion through various policies and benefits, including parental leave policies, resources for wellness, health, and philanthropy, and support of education organizations focusing on underserved communities. Our ESG Committee works closely with our investment professionals and portfolio companies to support our Diversity, Equity, and Inclusion Policy and enact the objectives of our ESG strategy. We are continually evaluating measures to further develop our strategy and increase diversity both at the firm and portfolio level. We discuss our approach to diversity, equity, and inclusion in more detail on page 32.

Sunnova sponsors Women of Renewable Industries and Sustainable Energy, a nonprofit that provides an affinity space and fellowships for female professionals working in renewables

67%

of ECP's next generation of leadership is comprised of diverse team members

50%+

of ECP's workforce is comprised of diverse team members

97%

of employees of reporting portfolio companies are offered benefits

ADVANCING CYBERSECURITY AND DATA PRIVACY

ECP takes seriously the responsibility associated with cybersecurity and data privacy management. We understand the rapidly evolving landscape of cybersecurity risk. We work to ensure that we maintain data security and take extensive protective measures to prevent data incidents across our firm and portfolio companies.

ECP employs a dedicated Chief Information Officer, who coordinates ECP's internal approach to cybersecurity and works directly with our portfolio companies to identify areas of improvement and provide guidance on infrastructure. Led by our Chief Information Officer and Chief Compliance Officer, we also organize cybersecurity roundtables, consisting of all our equity portfolio companies. These roundtables meet monthly to collaborate on ways to improve cybersecurity measures and share best practices.

100% of ECP's controlled portfolio companies have dedicated infrastructure and resources for proactive response to potential cybersecurity threats

Because cybersecurity threats continue to evolve and become more prevalent, we have commenced detailed diligence of cybersecurity practices across our portfolio, including conducting a gap analysis.

Arming our employees with the knowledge and training necessary to understand and identify cybersecurity and privacy risks is at the forefront of our approach. We deploy user awareness and training programs to address cybersecurity and privacy concerns. ECP's compliance and IT teams conduct firm-wide trainings to address the subject matter, and a third-party service provider conducts targeted training exercises in which team members receive weekly cybersecurity/phishing attempts to test their cybersecurity acumen.

ECP has introduced oversight measures and risk assessments to ensure that portfolio companies comply with our cybersecurity measures. Our portfolio companies implement measures commensurate with their cybersecurity and data privacy risks, including risk assessments, governing programs and frameworks, incident response plans, training and phishing exercises, and dedicated resources. Our in-house, dedicated Chief Information Officer works directly with portfolio companies to formalize cybersecurity and data privacy measures and implement best practices and processes to track and report related metrics. In addition, with the help of a third-party consulting firm, we are rolling out a new cybersecurity initiative across our portfolio to help with the following:

- Perform portfolio company cybersecurity risk assessments;
- Develop a high-level cybersecurity policy with baseline requirements of each company;
- Perform an Office 365 Configuration Assessment or Google Workspace Configuration Assessment to identify configuration risks; and
- Identify deficiencies requiring mitigation, supported by an ongoing road map for each company to meet base line security and incident response.

PRIORITIZING EMPLOYEE HEALTH, SAFETY, AND WELLBEING

ECP's ESG Policy governs how we manage health and safety. We are committed to promoting the health and safety of our employees, contractors, customers, and communities of operation. As such, we continuously work to minimize risks to human health while maintaining a safe working environment at all our workplaces.

ECP prioritizes health and safety among our workforce in the following ways:

- To promote the highest standards of health and safety management, ECP has established a Safety Best Practices Committee, composed of representatives from 18 of our private equity portfolio companies and two representatives from ECP. This committee meets quarterly to share information concerning employee safety, health, and best practices between ECP portfolio companies as we work to ingrain a culture of workplace safety and continually improve performance relative to industry standards.
- While requiring portfolio companies to meet or outperform regulatory health, safety, and reporting requirements, such as OSHA guidelines, ECP empowers company management teams to hold ultimate accountability for health and safety at worksites. We also believe in empowering our portfolio company employees to take ownership of workplace safety and support a culture that maintains a safe environment for themselves and their co-workers.
- Companies must track and report performance indicators to enable continuous improvement. ECP works with portfolio companies to enhance health and safety practices and performance. To incentivize performance improvement, we seek to tie a portion of compensation to safety and environmental performance, in a manner appropriate to each company and its industry.

We value our portfolio companies' efforts to maintain and continually improve upon strong safety practices and present an annual safety award to recognize outstanding achievements.

100%

of majority-owned portfolio companies have appropriate safety management programs in place

Convergent, Bolton, ON


Calpine, Deer Park Energy Center

ESG in Our Portfolio

ECP has a longstanding history of ESG engagement. Governed by our ESG Policy and strategy, we hold ourselves accountable for responsible investing, and we integrate ESG considerations into our investment decision-making processes.

We view effective incorporation of ESG factors across the investment lifecycle as integral to driving value for our shareholders as well as meeting the demands of a rapidly evolving global investment climate. As a result, our investment decision-making process is rooted in our commitment to ESG, and builds on global best practices to identify and assess environmental and social risk and opportunity.

PRE-ACQUISITION DUE DILIGENCE

Due diligence efforts are highly tailored for specific investments; however, given the importance ECP places on safety, reliability, and environmentally compliant operations, our Deal Teams focus on historical asset performance and adherence to social and environmental policies during diligence. ECP takes an in-depth and collaborative approach to each investment. ECP's Deal Teams conduct comprehensive assessments of potential ESG risks as part of our due diligence process for each of our investment opportunities. While the extent of the assessment varies depending on the nature of the opportunity, we implement minimum ESG considerations for each potential investment as part of our commitment to safe, reliable, and environmentally compliant operations, which are included in a mandatory ESG due diligence checklist.

PORTFOLIO COMPANY ESG ENGAGEMENT AND INTEGRATION

ECP recognizes that engagement with portfolio companies is critical for effective ESG management and integration. As part of our valuation process, our Investment Committee receives updates on portfolio company performance on a quarterly basis. Each team conducts ongoing monitoring of its respective investment. Areas of opportunity identified during due diligence are prioritized.

1 Pre-Acquisition

- Conduct ESG due diligence
- Identify risks and opportunities

2 Engagement and Integration

- Ongoing engagement on ESG expectations
- Annual ESG questionnaire
- Quarterly ESG reporting with ESG committee

3 Exit

- Capture ESG improvements and initiatives
- Highlight long-term ESG-related value creation

ECP is primarily a control and typically holds portfolio company Board seats in an effort to engage and advise portfolio companies on strategies and critical decisions. Across the portfolio, we maintain collaborative dialogue and ongoing engagement to support strategic initiatives.

As part of integrating ESG into the portfolio lifecycle, in 2021 we formalized our annual ESG reviews through qualitative and quantitative data collection related to our material ESG topics. ECP uses this baseline data to track both firm and portfolio performance and support companies with their improvement efforts. We identified core requirements for our portfolio companies and key metrics that they report annually. Company management teams, Deal Teams, and Board members work collaboratively to align with ECP's ESG Policy and minimum requirements.

EXIT

To round out our investment lifecycle, ECP considers ESG factors as part of our exit strategy to demonstrate reliability, financial strength, and ESG performance to potential buyers. We believe that delivering on the ESG goals we outline helps increase the ultimate value of our investments and leads to better outcomes for both the portfolio company and our investors.

PRI Principles for Responsible Investment

PRI serves as the guiding framework for incorporating our ESG value system into our investment decision-making process. We achieve that through the following means:

- Incorporating ESG issues in investment policies and decisions (e.g., required ESG Due Diligence Checklist presented to Investment Committee)
- Communicating ESG expectations to our investment professionals, portfolio companies, and service providers
- Reporting on progress and achievements relating to ESG issues at portfolio companies
- Sharing information and best practices (e.g., Safety Best Practices Committee)
- Monitoring key metrics at portfolio companies (e.g. standardized KPIs)
- Supporting regulatory or policy developments enabling implementation of ESG principles

PORTFOLIO COMPANY HIGHLIGHT

Pivot

Acquired in 2021, Pivot Energy marks ECP's first investment in a Certified B Corporation, a third-party designation that assesses applicants' commitment to social and environmental standards. As a B Corporation since 2013, Pivot must undergo the rigorous re-certification process every three years to verify progress towards previous sustainability goals and affirm future company priorities.

Pivot Energy, Mesa Community Solar Garden

Diversity, Equity, and Inclusion

ECP is committed to celebrating diversity and creating a culture of inclusion on our team and across our portfolio. Being a positive force in diversity, equity, and inclusion is central to ECP's strategy and values.

ECP creates an inclusive firm culture by attracting and retaining a talented workforce from diverse backgrounds across all our activities. We strive to demonstrate our commitment through our executive leadership, our employees, our suppliers, and the community organizations we support. For instance, ECP and our portfolio companies actively support, participate, and present in women-led energy conferences, such as the Women in Private Equity Summit, and Kayo Energy and Power Conference Series. Members of our ESG Committee work closely with our investment professionals and portfolio companies to enact our ESG objectives and measure progress against our goals over time.

We are actively working to build the diversity of our workforce that is inclusive of all in gender, race, sexual orientation, ability, background, and perspective. As we strive to be intentional in our recruitment, hiring, and development of talent, we continue to evaluate ways to increase diversity both at the firm and portfolio company level. One such way the firm seeks to foster the next generation of diverse leaders in our workplace and broader industry is to provide early career opportunities for talented candidates who are members of underrepresented minorities. We partner with The Opportunity Network to employ interns from a diverse background every year to provide on-the-job training and mentorship. We further promote the career advancement of women and people of color in the energy sector through a scholarship that honors ECP's late colleague, Andrew Makk, by providing internships to undergraduates at his alma mater, Tulane University.

To further enhance our approach to diversity, in 2021 we began working with an independent third-party consultant to develop and implement a new Diversity, Equity, and Inclusion Policy, covering both our own operations and our portfolio companies. We encourage all our portfolio companies to consider at least one diverse candidate for executive-level positions whenever roles need to be filled.

Additionally, we are committed to providing a work environment free from harassment, discrimination, and violence, and we require employees to sign off on our Employee Handbook, which covers these topics in detail.

Diverse employees, including women and underrepresented minorities, comprise over 50% of ECP's workforce

Heather MacCallum (left) and Jacqui Konlup (right) holding NCSG's Safety Award from the Crane Rental Association of Canada

$8.7 million

provided to First Nations communities since 2013 through partnerships

CASE STUDY

NCSG Crane and Heavy Haul

DIVERSITY, EQUITY, AND INCLUSION

NCSG Crane & Heavy Haul is a leading fully operated and maintained crane company based in Alberta, Canada serving a range of industries, including oil and gas, power, liquified natural gas (LNG), petrochemical, and wind.

With an extensive list of Indigenous partnerships, strong female leadership, and a significant portion of its business dedicated to heavy industries levered to energy transition (i.e., wind and LNG construction and maintenance), NCSG has a well-rounded ESG-focused operation.

NCSG's partnerships with First Nations groups are a key aspect of the business. Originally founded as an Indigenous company, NCSG is strongly engaged with First Nations peoples, providing economic development opportunities that strengthen First Nations businesses and communities. In turn, these local partnerships enhance the sustainability of NCSG's operations.

A high proportion of NCSG's operations take place on First Nation lands. The company forms partnerships with First Nations to foster economic development through revenue sharing and supply chain agreements. Overall, **60% of NCSG's total revenue** flows through these partnerships, highlighting how integral they are to NCSG operations.

The revenue sharing and proximity to Indigenous communities not only strengthens NCSG business, but it also supports partner communities by providing economic opportunity to historically marginalized communities and improving social outcomes.

NCSG has brought together a diverse leadership team in a historically male-dominated industry. The team, led by CEO Heather MacCallum, has recently leveraged its diverse workforce, to drive new business opportunities, and is focused on improving female leadership throughout the organization. In 2020, the team brought back Jacqui Konlup as the CFO of the business. To continue improving women's participation in the heavy industry workforce, NCSG partnered with Women Building Futures, an organization that offers training in offers training in the construction, maintenance, and driving industries, as well as access to affordable housing. NCSG also connects with the local communities by presenting at university recruiting events.

In addition to its commitment to diversity and inclusion, NCSG contributes to sustainable development by supporting the low-carbon energy transition. The company is increasingly working in the renewable energy sector and uses its equipment to support wind and hydro energy customers on the path to decarbonization by performing a significant amount of new facility construction and maintenance.

NCSG's authentic approach to sustainability is multifaceted and dynamic, allowing it to develop stronger communities and an inclusive workforce, while supporting the energy transition.

POWERING A SUSTAINABLE FUTURE

info@ecpgp.com

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 fifty 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.