

Riverstone ESG Report 2019

# INVESTING RESPONSIBLY

RIVER  
STONE



# Founders' Statement

## DRIVING VALUE THROUGH ESG

Since founding Riverstone, we have both been strong believers that responsible investing is not only the right thing to do, but it leads to favorable results over the long run.

Being a trustworthy, fair and transparent partner to each of our stakeholders builds a strong foundation that enables our firm and portfolio companies to succeed.

For that reason, including environmental, social and governance (ESG) at each stage of our investment and asset management processes has been and remains a priority for Riverstone.

As we continue building the firm, we are pleased to present our inaugural ESG Report which highlights our ESG philosophy, the systems we have in place and our objectives for the future.

## AN UNWAVERING DEDICATION

As one of the world's largest energy, power and infrastructure investment firms, we have spent two decades evolving our ESG processes to reflect best practices that align with our core values. In this regard, we have formalized our ESG program within our organization and across our portfolio companies with processes that span the entire investment lifecycle.

The purpose of this program is to manage risks, maximize opportunity and ensure stakeholder concerns are addressed, where possible, across numerous key ESG factors including natural resource management, health and safety, community and stakeholder impact, climate change, greenhouse gas emissions and governance, among many others.

We believe this steadfast focus on ESG helps us make well-informed decisions that have a positive impact on our companies and the environments in which they operate, and squarely aligns with the fiduciary duty we owe to our investors.

## LOOKING AHEAD

While we are proud of all the progress that we have made, managing ESG requires continuous focus. As we look ahead, we will continue adapting and evolving our ESG practices to reflect the dynamic and ever-changing world in which we live.

To us, this report represents an important step forward in our commitment to corporate citizenship and transparency. We hope that you find it informative and look forward to providing you with additional updates in the future.

Thank you for your continued support.

Pierre F. Lapeyre, Jr.  
David M. Leuschen



# ESG at Riverstone

At Riverstone, we always focus on “doing things better” – our approach to ESG is no different.

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“The integration of ESG considerations throughout our operations is core to the long-term success of our portfolio companies and our firm.”



# About Our Business

Founded in 2000, Riverstone is a private investment firm focused on energy, power and infrastructure. Our sole mission is to build great businesses and deliver strong returns to our investors.

## WHO WE ARE

Since inception, Riverstone has raised over \$39 billion of capital to invest in all major components of our industry’s value chain, both globally and across the capital structure. We are industry experts who provide turnkey investment solutions tailored to investors’ needs through our platform of investment strategies:

- Private Equity
- Credit
- Power, Infrastructure & Renewables
- Latin America

## OUR PHILOSOPHY

At Riverstone, innovation and creativity are fundamental tenets that shape the culture we promote – both at our portfolio companies and within our own organization.

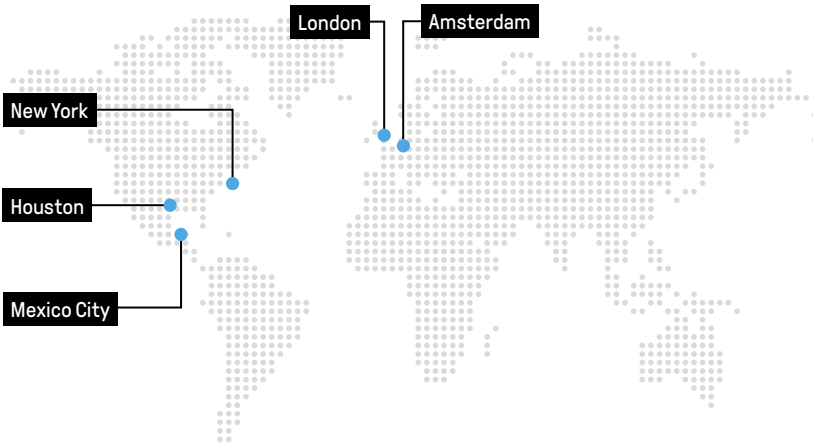
We are strong advocates of fresh ideas, which we believe enable us to always be at the forefront of our industry as leaders. This helps us adapt quickly to a complex and constantly evolving world to better serve our stakeholders, ranging from investors to employees to communities.

## KEY STATS

<div>\$40B</div> <div>Capital Committed to Investments*</div>	<div>180+</div> <div>Portfolio Companies*</div>	<div>11</div> <div>Countries Invested In*</div>
<div>120+</div> <div>Employees</div>	<div>5</div> <div>Offices Globally</div>	

\* From inception to December 31, 2019

## RIVERSTONE OFFICES



### U.S. ONSHORE

- 133 investments
- \$23.0 billion committed
- 57% of commitments

### GULF OF MEXICO

- 12 investments
- \$5.3 billion committed
- 13% of commitments

### CANADA

- 15 investments
- \$4.4 billion committed
- 11% of commitments

### REST OF WORLD<sup>1</sup>

- 14 investments
- \$4.4 billion committed
- 11% of commitments

### EUROPE

- 14 investments
- \$3.1 billion committed
- 8% of commitments

<sup>1</sup> “Rest of World” includes investments in Africa, Asia, South America, Australia and investments classified as “Global” by Riverstone.

# Our Approach to ESG

As one of the most experienced private investment firms in our industry, Riverstone recognizes the ever-increasing importance of ESG and has made the proactive implementation of ESG initiatives one of our highest priorities.

We take our fiduciary responsibility to investors very seriously and believe that a strong commitment to addressing ESG factors is critical to the success of our funds, portfolio companies and firm.

By devoting substantial internal and external resources towards ESG matters, we have developed clear processes that take account of leading industry standards. We believe this effort helps us to make sustainable, ethical and socially responsible decisions over the long run.

## OUR ESG POLICY

Riverstone has an ESG Policy that sets out our approach to how we handle key ESG factors, such as natural resource management, health and safety, community

and stakeholder impact, climate change, greenhouse gas emissions and governance, among many others. This policy helps inform the ESG considerations that are relevant to the management of our portfolio companies from initial due diligence all the way through to an exit and the operation of our own business at Riverstone.

Since inception, we have continuously evolved our ESG Policy in conjunction with third-party ESG experts to strive towards best practices across the board.

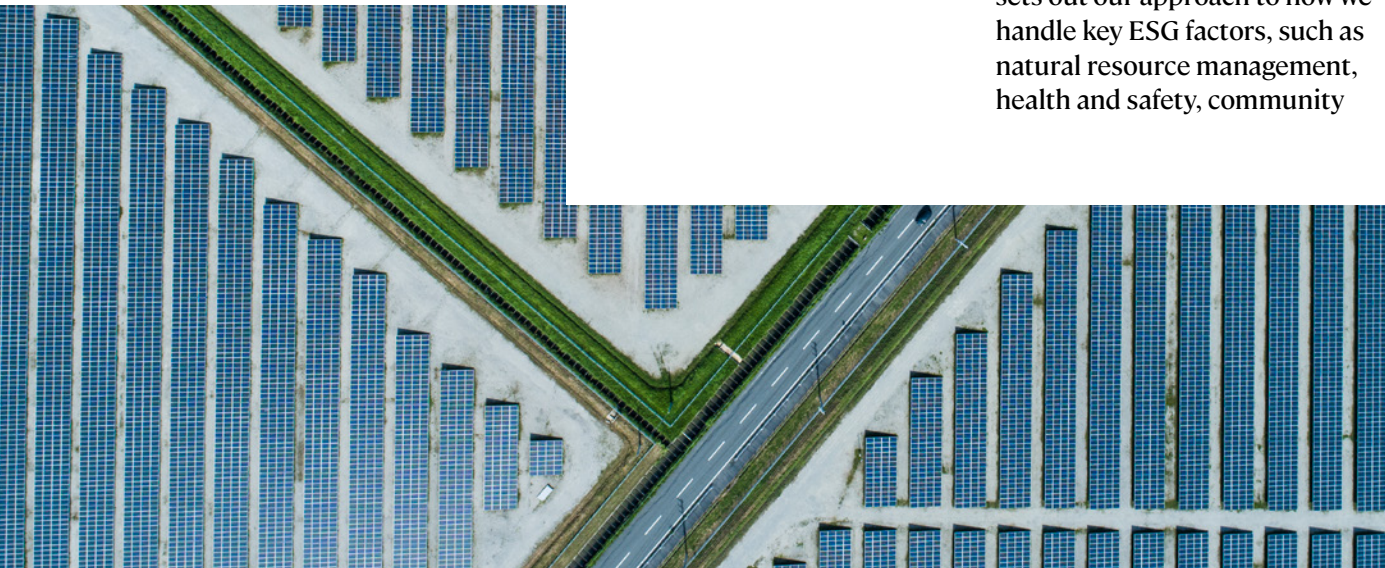
## POLICY IMPLEMENTATION

To implement our ESG Policy, we have established institutional processes that support the high standards that we have set

for ourselves. These procedures were developed to achieve several key objectives related to ESG:

- Provide our personnel and portfolio companies with training and the resources to ensure that those portfolio companies can provide the necessary ESG support appropriately
- Identify potential risks and mitigants before an investment is made
- Immediately assist with the identification of any ESG issues that may arise and track remediation of those issues and general ongoing performance through portfolio monitoring
- Evaluate and track portfolio companies' execution of opportunities to improve current ESG practices

To see our ESG Policy, [click here](#)





# Climate Change

Riverstone is committed to supporting efforts that protect against the impacts of climate change.

With a focus on energy, power and infrastructure, we are acutely aware of the need to meet growing energy consumption demand while managing and reducing climate change risks.

We also believe that energy transition will be increasingly important as the world seeks to move to a lower-carbon global economy.

Recognizing these dynamics, we have started to develop a strategy on climate change.

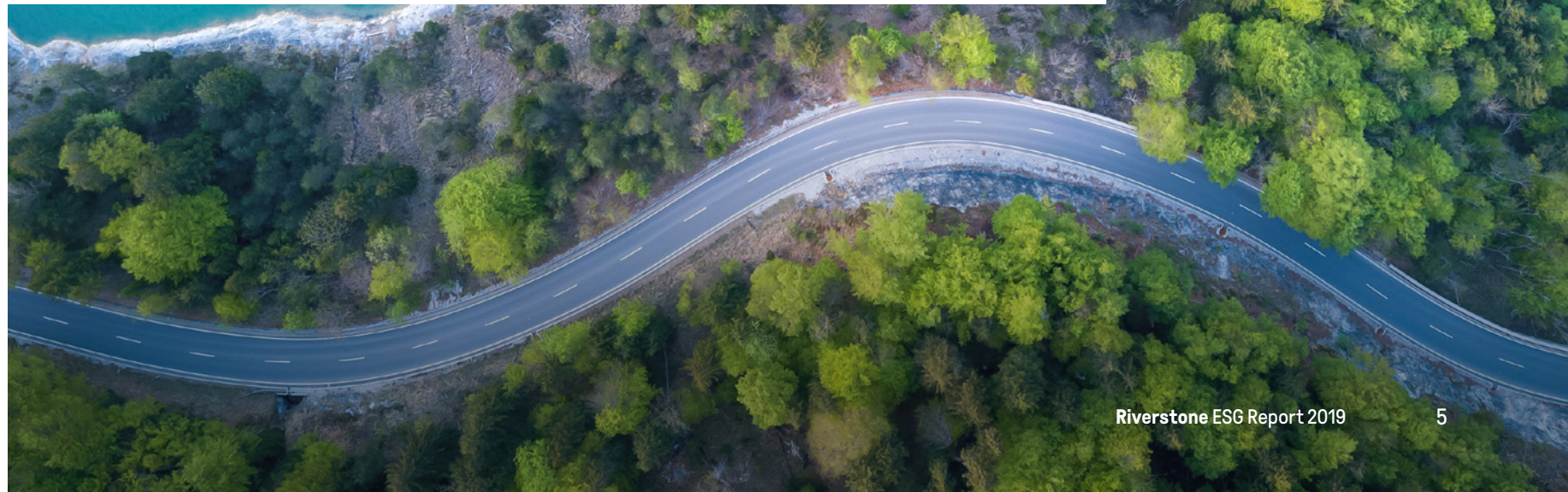
The strategy will focus on three core areas:

- Evaluating potential risks that climate change may pose to the current portfolio
- Assessing how our portfolio companies can seek to reduce their impact on climate change
- Identifying opportunities for Riverstone to capitalize on the energy transition to generate strong financial returns for investors

We believe these efforts can make a meaningful long-term impact to our investors, the environment and society.

“Riverstone’s total investments in low carbon energy since 2005 have avoided the emission of nearly 100 million cumulative CO<sub>2</sub>e metric tons. This is roughly equivalent to the emissions from 21 million cars in a year.”\*

\*Based on the USEPA Greenhouse Gases Equivalencies Calculator



# Dedicated ESG Resources

At Riverstone, we have prioritized making sure that we have the right resources to manage ESG within our portfolio and organization.

The primary responsibilities for ESG management at Riverstone are two-fold:

- **Firmwide ESG Strategy:** Our ESG Committee comprises a cross-functional set of firm leaders as well as a partner from our external ESG advisor and sets the standard for ESG protocols and policies for our portfolio companies and firm
- **Portfolio Companies:** Our investment teams are

responsible for applying an ESG lens to pre-investment decision-making and post-investment monitoring

The ESG Committee meets on a quarterly basis to drive our ESG strategy forward and provide leadership with respect to a range of matters, including:

- Coordinating best practices through engagement with industry peers and subject matter experts

- Supporting a consistent application of Riverstone's ESG Policy and associated initiatives across our investment portfolio
- Serving as a central resource for Riverstone personnel to seek advice on ESG issues
- Developing and improving ESG capabilities across the firm's investment teams and helping portfolio companies to develop and improve their ESG capabilities through ongoing engagement and dialogue

- Helping to promote access to training for investment professionals and portfolio company executives in the identification and monitoring of ESG issues
- Analyzing and benchmarking ESG performance and trends using data from portfolio companies
- Facilitating communication on ESG with our limited partners and other relevant stakeholders

## RIVERSTONE ESG COMMITTEE



**BARTOW JONES**  
Partner, Co-Head of Private Equity



**ALFREDO MARTI**  
Partner, Co-Head of Power



**STEPHEN COATS**  
Partner, General Counsel



**KEN RYAN**  
Partner



**JAIDEEP DAS**  
Partner, ERM External ESG Advisor



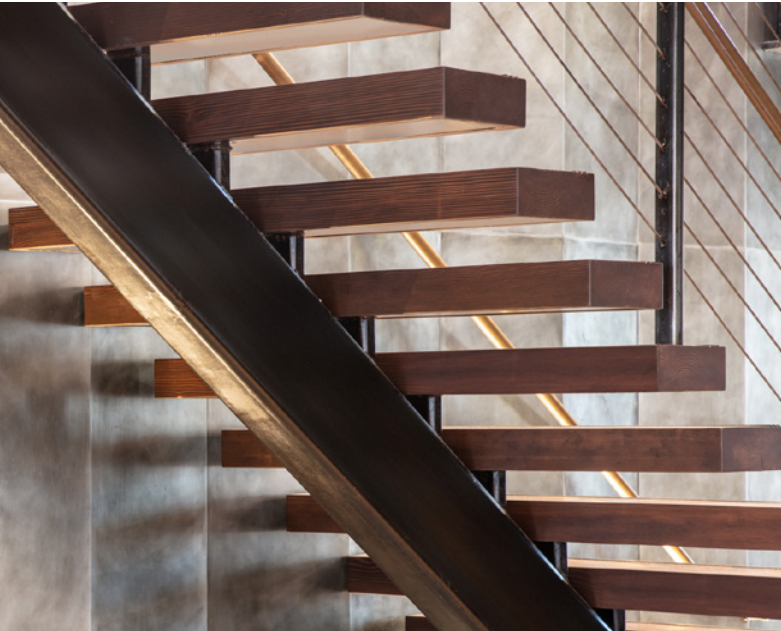
**DIANNA APRILE**  
Principal, Chief Compliance Officer



**CHARLES CHIPCHASE**  
Principal, Assistant General Counsel



**JINGCAI ZHU**  
Principal, Limited Partner Relations





# Our ESG Journey

ESG has been an important part of our operations since Riverstone was founded, and we have worked hard to enhance and institutionalize our program over time.

## • Since inception

- ESG risk evaluation in investment underwriting
- Active board participation and ongoing portfolio monitoring
- Engagement of third-party ESG experts throughout the investment lifecycle

## • 2011

- Established formalized anti-corruption oversight program and related portfolio company questionnaire

## • 2014-15

- Adopted a written ESG Policy
- Designed formal annual portfolio company questionnaire to track ESG performance and help portfolio companies to identify areas for improvement
- Anti-corruption compliance training formally commenced for firm personnel and undertaken at our portfolio companies

## • 2016-17

- Established an ESG committee to serve as a centralized ESG resource for Riverstone personnel
- First formal review completed of responses to our annual portfolio company ESG questionnaire
- Conducted materiality assessments to establish standard risk criteria (and potential mitigants) tailored to each investment sector
- Commenced policy of commissioning compliance audits undertaken for certain high risk portfolio companies each year
- Established anonymous compliance hotline at the firm and confirmed hotlines in place at all portfolio companies engaged in international business (outside of U.S. and Canada)

## • 2018-19

- Reviewed and updated ESG Policy with third-party advisors
- Increased the scope of ESG factors included in the annual portfolio company ESG questionnaire and depth of qualitative and quantitative information collected
- Anti-corruption program reviewed by the former Compliance Counsel Expert to the U.S. Department of Justice
- Enhanced internal ESG initiatives across Riverstone's offices globally
- ESG Policy publicly available on Riverstone's website



# ESG in Our Operations

In parallel to incorporating ESG in our investment practices, we are also focused on our firm's direct operations and impacts.

Over the past few years, we have successfully introduced a range of firmwide ESG practices and are actively evaluating ways that we can increase our efforts. Some of our current initiatives include:

## EMISSIONS:

- Measuring our carbon footprint and offset emissions, with the goal of becoming carbon-neutral over the long term
- Reducing the amount of business travel (specifically air travel) through increased use of video conferencing

## WASTE

- Using refillable water bottles throughout our offices and at our investor events
- Supporting an active recycling program by making the appropriate recycling bins available throughout our offices for plastics, metals, food waste, glass, cardboard and paper

## ENERGY USE

- Installing motion-based lighting in our offices to conserve energy when rooms are not in use
- Use of cloud-based computing, removing need for unnecessary server equipment and electricity use
- Turning off air conditioning in our offices during weekends and public holidays

## WORK-LIFE BALANCE

- Offering equal maternity and paternity leave as a benefit to all employees
- Providing subsidized back-up child care services for our employees with small children
- Facilitating a breastmilk delivery service for new parents
- Providing emergency medical and travel security assistance for all personnel

## DIVERSITY

- Committing to creating a workforce comprised of all genders, ethnicities, ages and sexual orientations
- Working to improve the diversity within our candidate pools during the hiring process
- Hosting industry networking events for women





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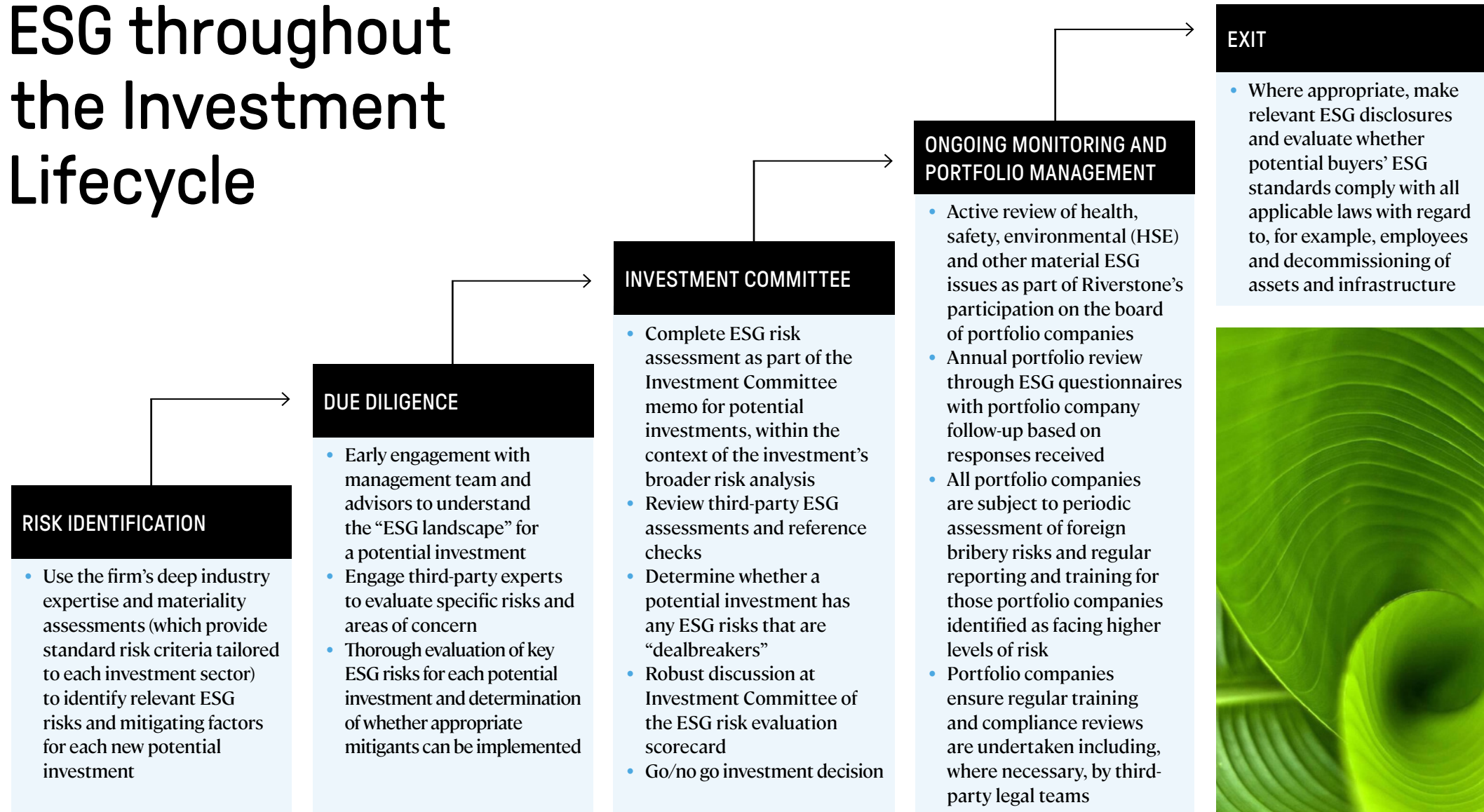
“To be a successful investor, one must be a responsible investor.”

# Investment Stewardship

We take our fiduciary responsibilities very seriously and a robust ESG program helps enable us to successfully fulfill our duties to our investors and the environments in which we operate.



# ESG throughout the Investment Lifecycle



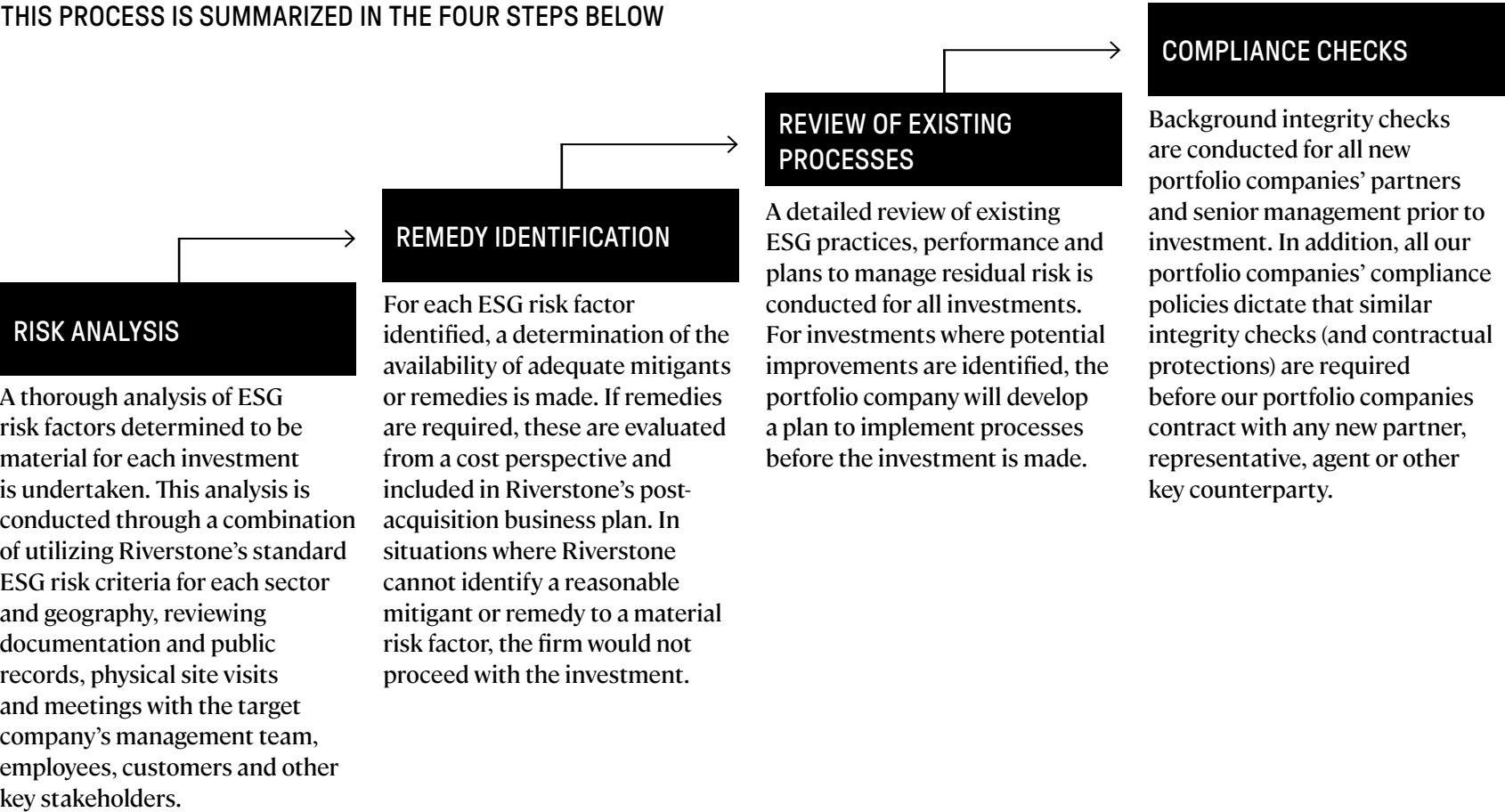


# ESG Due Diligence

The evaluation of ESG issues is a core component of Riverstone’s investment process and our investment professionals conduct a comprehensive evaluation of ESG considerations during the underwriting of each new investment.



THIS PROCESS IS SUMMARIZED IN THE FOUR STEPS BELOW



# ESG Due Diligence

(continued)

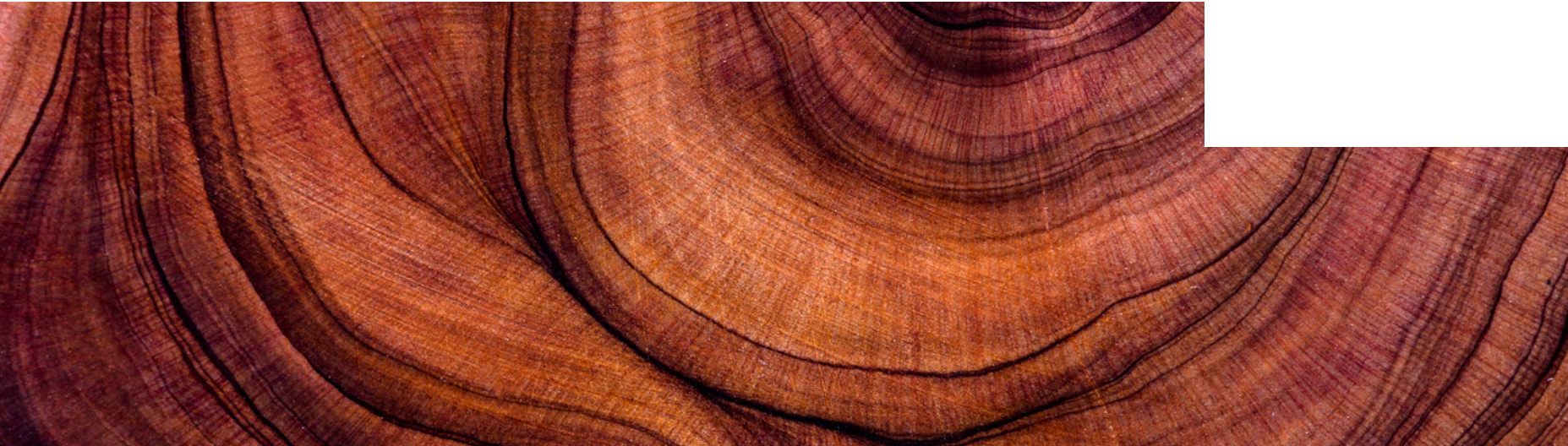
In addition to standard ESG topics Riverstone has determined to be relevant to each of our investments, investment-specific risks are identified and evaluated during the due diligence process. ESG risks that can affect business outcomes in the absence of appropriate management are flagged as early as possible.

We provide training for our investment professionals on the identification of ESG risks and opportunities during the due diligence phase, and use subject matter experts and consultants when necessary to conduct in-depth analyses.

Each investment reviewed by our Investment Committee is required have a risk evaluation scorecard which must outline ESG risks identified. A potential investment's ESG risks and mitigants are formally assessed and discussed prior to any investment receiving Investment Committee approval.

## KEY STANDARD ESG FACTORS CONSIDERED DURING DUE DILIGENCE

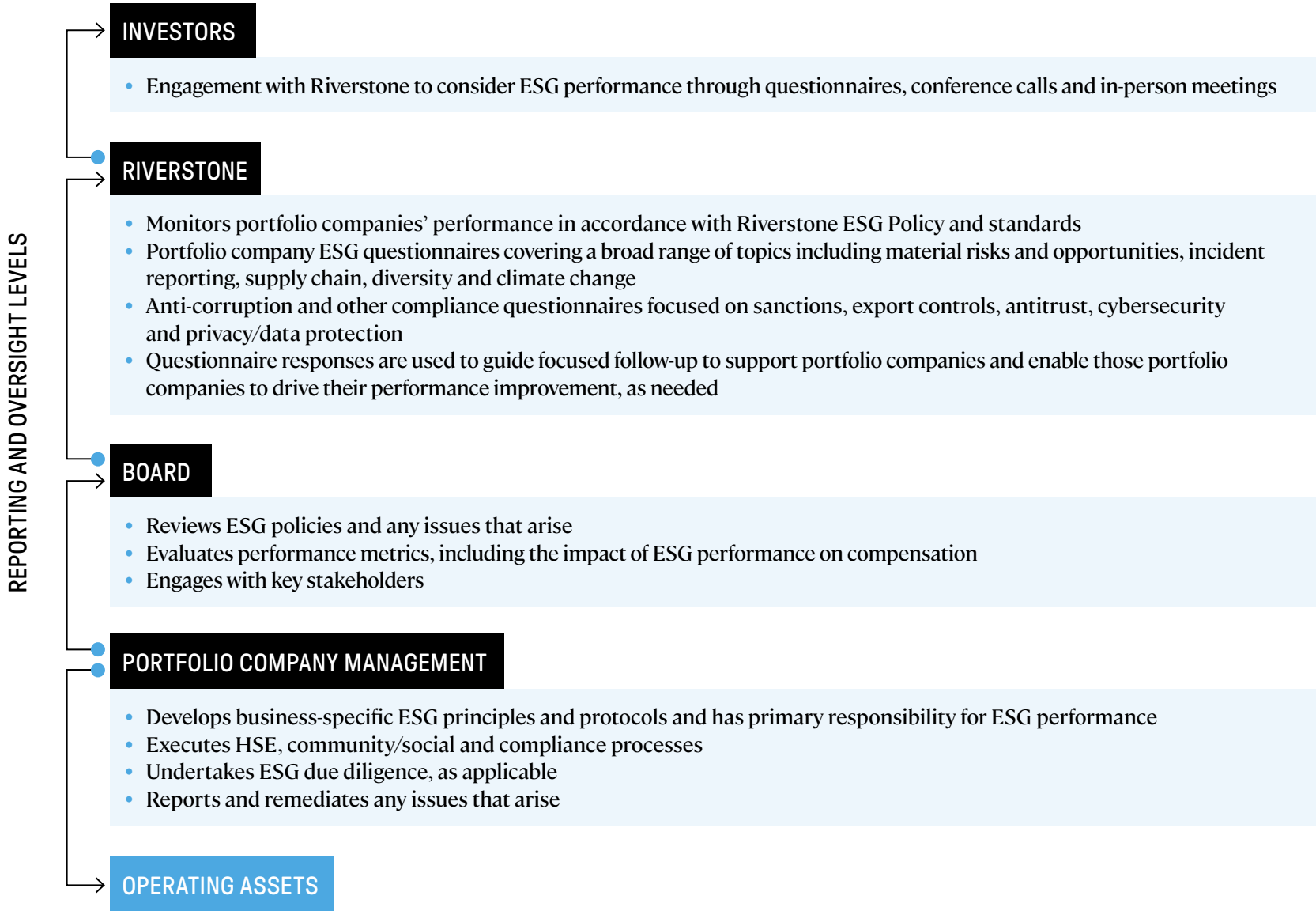
ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"><li>• Environmental governance (policies, management, roles and responsibilities, etc.)</li><li>• Permitting, compliance and enforcements</li><li>• Land and groundwater contamination</li><li>• Off-site disposal liability</li><li>• Emissions to air</li><li>• Waste management</li><li>• Hazardous materials</li><li>• Resource usage &amp; efficiency</li></ul>	<ul style="list-style-type: none"><li>• Health, safety &amp; social governance</li><li>• Employee, contractor and community safety</li><li>• Emergency planning and response</li><li>• Working conditions and human rights</li><li>• Supply chain management</li><li>• Employee relations and gender equity</li><li>• Local and indigenous communities</li><li>• Grievance mechanisms</li></ul>	<ul style="list-style-type: none"><li>• Board independence and board diversity</li><li>• Board committees</li><li>• Board processes, procedures and charters</li><li>• Board review of risk register</li><li>• Executive compensation</li><li>• Stakeholder engagement</li><li>• Political lobbying and donations</li><li>• Anti-bribery and corruption</li><li>• Tax strategy</li><li>• Data/cybersecurity</li></ul>





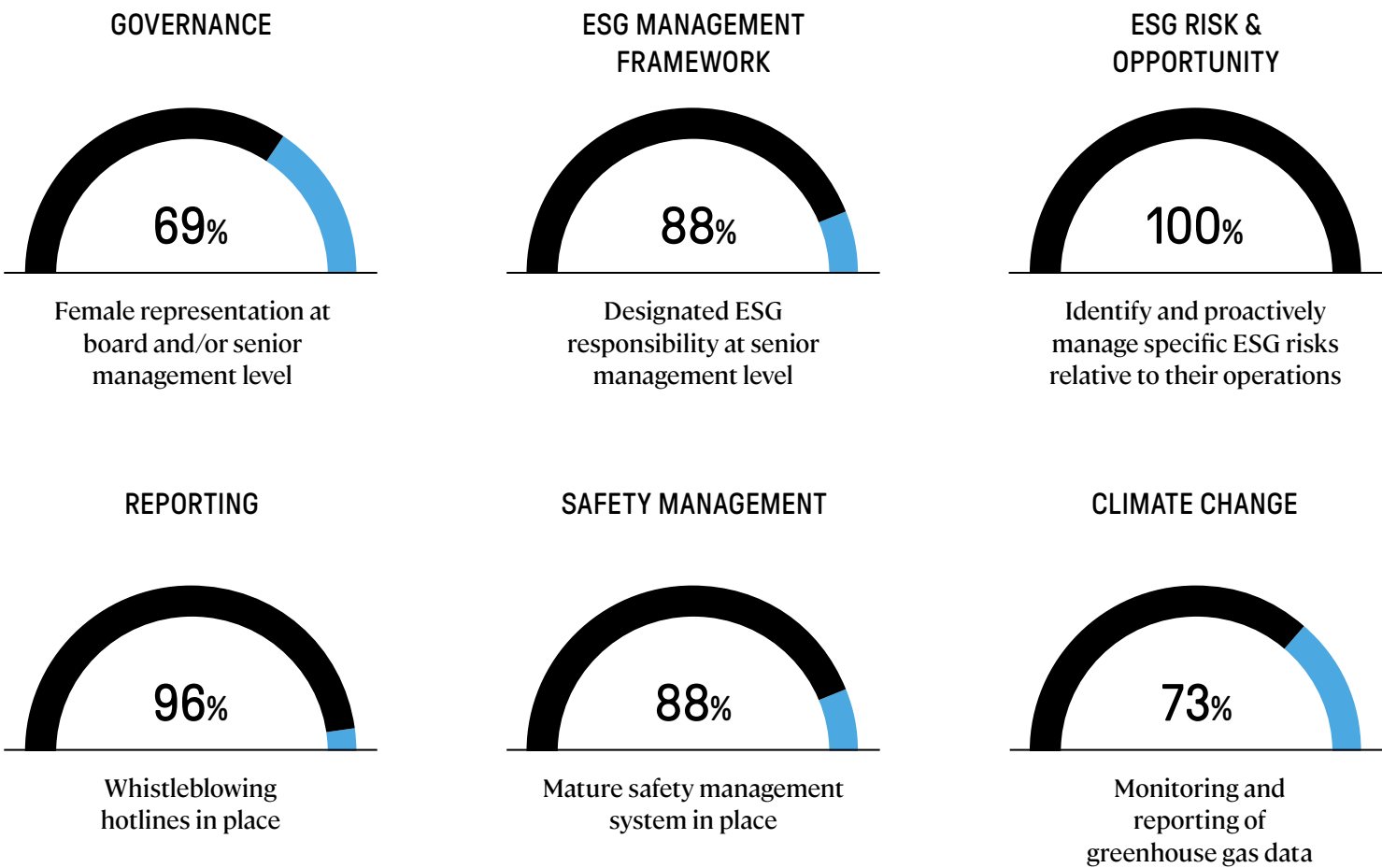
# Ongoing ESG Monitoring & Portfolio Management

Riverstone is committed to working with our portfolio companies to identify and monitor ESG topics on an ongoing basis, including establishing periodic screening and annual reporting to enhance our understanding of the primary factors that are driving ESG risks and opportunities at our portfolio companies.



# ESG Performance Dashboard

In 2019, we enhanced our ESG questionnaire to provide a more detailed understanding of the ESG performance of our portfolio companies. Key highlights of this information are provided on the right.



Dials above represent the percent of companies reporting an affirmative response.



# Anti-Corruption Oversight Program

Riverstone administers an anti-corruption oversight program designed to ensure the international business dealings of its portfolio companies are conducted pursuant to internationally-recognized legal and compliance standards.

Riverstone actively addresses its ongoing corruption risks by tracking the level and nature of risk presented by each portfolio company and assessing the adequacy of each portfolio company's compliance program relative to its assessed risk. On an ongoing basis, Riverstone identifies and recommends compliance improvements in its portfolio where necessary, giving priority to companies that display the highest levels of risk.

Other key components of our risk-based anti-corruption oversight program include:

- Onboarding and training on bribery risks and compliance expectations for new management teams of companies
- Advocating an appropriate tone from the top culture and working to ensure anti-corruption compliance

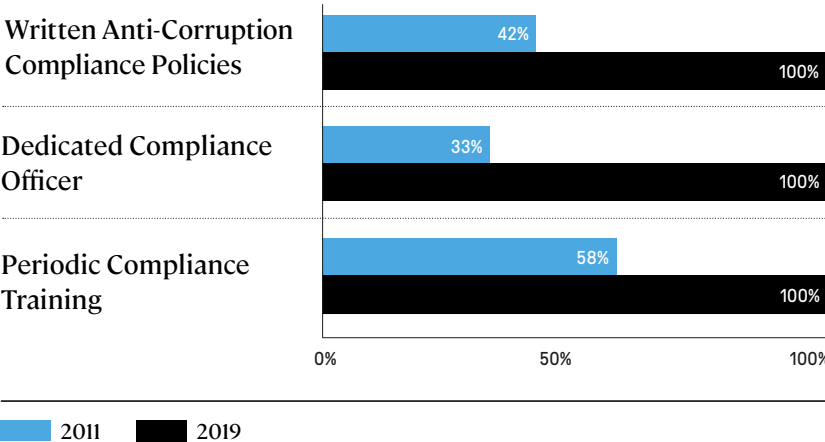
questions and issues are quickly escalated to and addressed by Riverstone

- Ensuring portfolio companies have written anti-corruption compliance policies and procedures in place, individually tailored to respond to the actual risks faced by each company
- Ensuring portfolio companies have appointed dedicated compliance officers

- Conducting risk-based reviews and testing of the compliance practices of select portfolio companies each year to ensure that compliance strategies are being implemented effectively
- Commissioning a comprehensive compliance audit of, on average, one high risk portfolio company each year



% INTERNATIONAL PORTFOLIO COMPANIES IMPLEMENTING



# ESG in Action

Over the next few pages, we have profiled some of the ESG initiatives at our portfolio companies.

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“Being a trustworthy, fair and transparent partner to each of our stakeholders builds a strong foundation that enables our firm and portfolio companies to succeed.”



## DUE DILIGENCE CASE STUDY

# ESG Diligence in a Mexican Context

Riverstone established its office in Mexico City in 2014 with a dedicated local investment team who work exclusively on sourcing and executing investments in Latin America, with a primary focus on Mexico. Since inception, Riverstone has made investments in nine portfolio companies with operations in Mexico.

By virtue of our local knowledge and our collaboration with our local partners and advisors, Riverstone is highly attuned to the particular nuances of the pre-investment due diligence required in Mexico.

The nature of the investment landscape has required us to undertake a deeper review of country-specific matters prior to investment, in addition to those that we would typically diligence from an ESG perspective in other geographies.

Examples of areas that can require additional focus in Mexico, complementing the key ESG

factors listed on page 12, include consideration of issues associated with:

- Communities including indigenous peoples, cultural heritage and land use rights
- Biodiversity including ecosystems, endangered species and impacts on other flora and fauna of conservation interest
- Natural hazards including seismic risks and tropical cyclones
- Resource scarcity, in particular associated with fresh water resources
- Heightened personnel/asset security issues
- Bribery and corruption risks

Riverstone is committed to making its investments in Mexico in compliance with all applicable local ESG laws and regulations but also taking account of internationally accepted energy industry practices and expects its portfolio companies to do the same.

As with all our portfolio companies, due diligence is an ongoing process that continues through the life of all our investments in Mexico.



PORTFOLIO MANAGEMENT  
CASE STUDY

# Pattern Energy

Pattern Energy is a leading independent renewable energy company focused on wind, solar, storage and transmission projects with operations in the U.S., Canada and Japan.

Pattern is guided in everything it does by its long-term commitment to serve its customers, protect the environment, strengthen communities, support its teams, and create value for its investors. The company has a 100% renewable energy portfolio and generated approximately 11,100 GWh of clean energy in 2018, enough to power approximately 1.1 million homes.

Riverstone is proud to partner with a company like Pattern, where sustainability is at the core of what they do.

In addition to an environmentally conscious business model, the company has a robust approach to personnel safety and a vibrant community investment program.

In 2018, Pattern prepared its inaugural sustainability report in accordance with the Global Reporting Initiative (GRI) Standards.

To view the report and a short video on Pattern's approach to sustainability, [click here](#). In addition, a fact sheet of Pattern's ESG performance metrics can be found [here](#).

PERFORMANCE METRICS\*

Safety

<b>0.79 TRIR</b> operations field staff total recordable injury rate (TRIR)	<b>68 hours</b> operations field staff average training
<b>1.8 TRIR</b> operations field staff and field contractors	<b>0</b> work-related fatalities or disease

Community

<b>\$1B</b> projected economic benefits to local communities over life of current fleet	<b>\$7.8M</b> community sponsorships and donations
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Governance

<b>86%</b> independent directors on the board	<b>29%</b> women board members
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\*Figures relate to 2018 calendar year.





PORTFOLIO MANAGEMENT  
CASE STUDY

## Enviva

Enviva is a leading global energy company specializing in sustainable wood bioenergy. The company is the world's largest producer of sustainable wood pellets, a renewable alternative to coal, and part of an all-in strategy to reduce carbon emissions, limit dependence on fossil fuels and mitigate climate change.

Enviva owns and operates eight wood-pellet production plants in the Southeastern United States with a combined production capacity of up to 4 million metric tons of wood pellets per year. Its customers across the world use its pellets as a renewable and reliable energy source, including as a drop-in substitute for coal in existing power generation infrastructure. This allows power utilities and heat generators to reduce their carbon footprint by up to 85% on a lifecycle basis and help meet their renewable energy generation goals.

To date, Enviva has displaced over 14 million metric tons of coal through its replacement with sustainable wood pellets. In addition, forest inventory in its North Carolina sourcing region has increased by approximately 15% as it has grown in the state and helped to provide a market for the forest industry.

The company has a very public and strong commitment to sustainability, which includes the following important initiatives and commitments:

- **Adoption of its Responsible Sourcing Policy** for wood sourcing to ensure its practices are consistent with forest stewardship, and employment of best management practices and compliance with federal and state applicable laws. It also prescribes that Enviva will not accept wood from environmentally sensitive ecosystems or from forests where the landowner does not intend to replant forests, thereby ensuring forests are kept as forests.
- **Certification to the stringent standards of the world's foremost forestry organizations**, such as the Sustainable Biomass Program (SBP) and others, which provide a consistent, verifiable and transparent framework for evaluating the sustainability of the company's operations from forest to product.
- **Development and implementation of "Track & Trace®"**, a proprietary leading-edge sustainable sourcing program, which provides transparent, publicly available data about its wood sourcing.

Track & Trace® works with Enviva's supply chain partners to verify and document the origin of all of the wood sourced by the company to its origin in the forest or sawmill and to further monitor and audit its procurement activities.

- **Proactive protection of forests through the establishment of the Enviva Forest Conservation Fund**, a \$5 million, 10-year program administered by the U.S. Endowment for Forestry and Communities, which is designed to protect tens of thousands of acres of sensitive bottomland forests in the Virginia-North Carolina coastal plain. In total, this program has facilitated the conservation of over 24,000 acres since its start. After four years, the Fund has conserved over 15,000 acres of bottomland hardwood forests, on track to meeting the 35,000-acre goal established at the start of the fund.
- **Invested in additional air emissions control technology** at its manufacturing facilities to meet or exceed environmental

standards and ensure clean air standards in the communities in which it operates.

In addition to its sustainability efforts, Enviva is an active corporate citizen and works to support and empower communities it operates in. Enviva brings positive economic impact to communities with direct jobs at its facilities and indirect jobs supporting its operations. It also sponsors a number of programs and enters into long-term partnerships to build stronger communities, including educational training in forestry management and manufacturing processes at local high schools and colleges, youth sports programs, first responders support and others.

To learn more about Enviva and sustainably sourced bioenergy, visit [envivabiomass.com](http://envivabiomass.com).



PORTFOLIO MANAGEMENT  
CASE STUDY

# Hammerhead Resources

Calgary-based Hammerhead Resources is an upstream oil and gas company primarily focused on delineation and development operations in the Deep Basin of West Central Alberta in Canada.



Hammerhead conducts its business with respect and care for its employees, contractors, communities and the environments surrounding its operations. Its vision is “zero harm to people” and to protect and provide stewardship for the environment.

Accordingly, Hammerhead believes that excellent HSE performance is an integral part of its business success and corporate responsibility.

Hammerhead strongly encourages everyone’s right to stop work in the event that they cannot control a hazard that may cause harm to themselves, their co-workers or the environment or to stop an act of non-compliance.

Company performance indicators and executive compensation include ESG metrics, reflecting a focus on ESG throughout the senior and board levels of the organization.

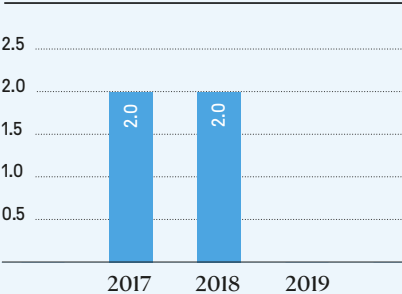
Recent ESG initiatives at Hammerhead include:

- Addition of a new HSE manager role in April 2018
- Annual 1-2 day safety stand-down in the field for all employees, contractors and leadership
- Spill reduction initiative in 2018 leading to material operational savings
- Contractor HSE audit and compliance reviews to ensure that contractors have the appropriate training for the tasks they are hired for

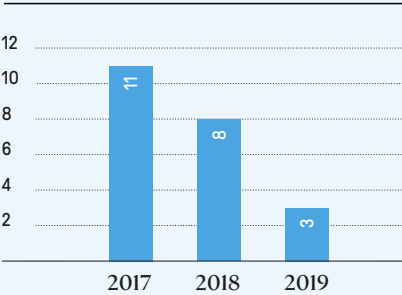
Recent ESG successes at Hammerhead include:

- Reduction of trucking trips from 350 trips/month in 2016 to under 80 trips/month in 2019
- Improved analysis on incidents in 2018/19 ensuring actions adequately address identified root causes
- Improvement of safety performance (see data on the charts to the right)

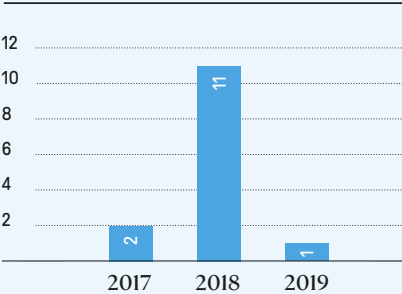
LOST TIME INCIDENTS (LTI)



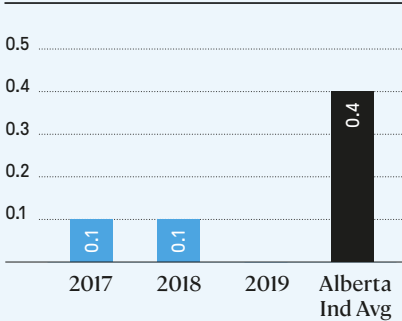
TOTAL RECORDABLE INCIDENTS (TRI)



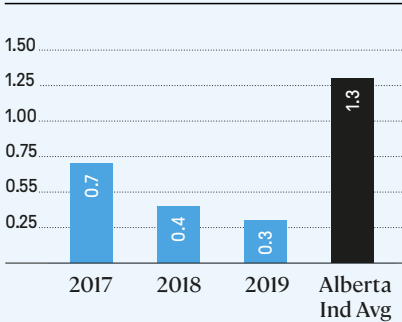
REPORTABLE SPILLS



LOST TIME INCIDENTS RATE (LTIR)



TOTAL RECORDABLE INCIDENT RATE (TRIR)



For more information on Hammerhead’s HSE and stakeholder relations policy, please visit [hhres.com](https://www.hhres.com).



PORTFOLIO MANAGEMENT  
CASE STUDY

# Abaco Drilling Technologies

Abaco Drilling Technologies is an independent manufacturer of downhole drilling motor power sections headquartered in Houston, Texas with approximately 300 employees.

In early 2018, with an increased workforce and the addition of new business activities, Abaco decided to bolster its HSE program.

The team at Abaco proactively identified risk areas and improved safety processes and training. The process began with a multi-hour time-out from all work at the company's Houston facility to conduct work space safety hazard assessments with every employee.

These assessments, combined with direction from senior management, resulted in several key initiatives including increased

safety signage and improved warning systems, additional machine guarding, significant capital investment in automated materials handling to reduce forklift movements and enhanced personal protective equipment.

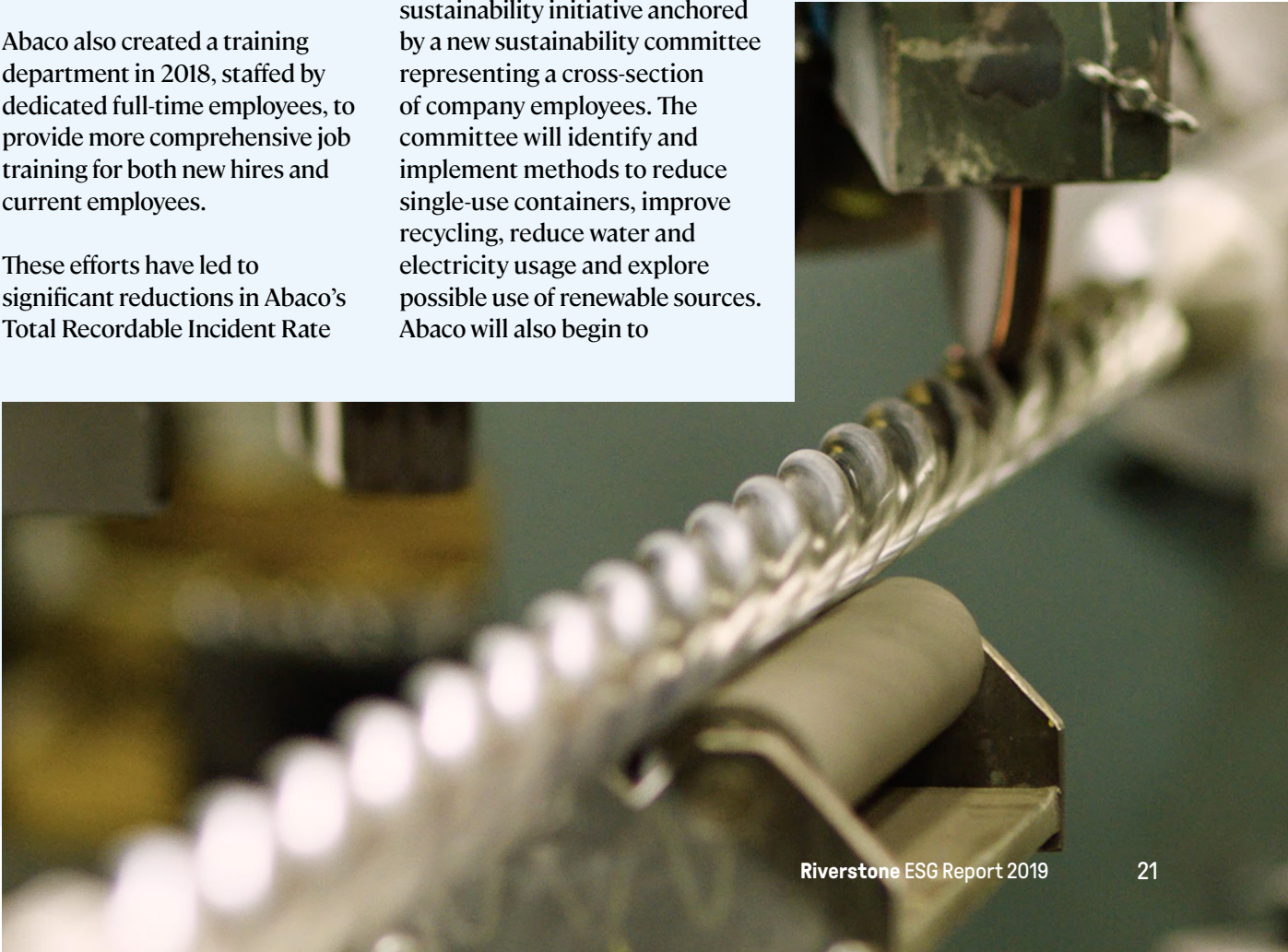
Abaco also created a training department in 2018, staffed by dedicated full-time employees, to provide more comprehensive job training for both new hires and current employees.

These efforts have led to significant reductions in Abaco's Total Recordable Incident Rate

(TRIR) in 2019. The incident rate declined from 3.3 to 1.5 (compared to an industry average of 1.3) since the beginning of the effort.

Abaco's plans for 2020 include a sustainability initiative anchored by a new sustainability committee representing a cross-section of company employees. The committee will identify and implement methods to reduce single-use containers, improve recycling, reduce water and electricity usage and explore possible use of renewable sources. Abaco will also begin to

implement collection and internal reporting of sustainability metrics under Sustainability Accounting Standards Board standards.



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“100% of Riverstone’s portfolio companies have ESG policies in place.”

# Future ESG Objectives

Riverstone believes that ESG is an ongoing journey that is constantly evolving over time. While we are proud of what we have achieved to date, we are always focused on what we can do better.



# Future ESG Objectives

Riverstone is committed to the ongoing work of our ESG program and embedding it in firm culture. As we look forward, we have set five overarching objectives as we continue to progress our ESG efforts.

## DUE DILIGENCE AND INITIAL INVESTMENT

- Augment ESG evaluation in our Investment Committee process

## PORTFOLIO MONITORING

- Achieve greater depth and consistency of responses to ESG portfolio questionnaires by evaluating results of the 2019 portfolio review and engaging with portfolio companies where additional support is needed
- Ensure the risk evaluation scorecards discussed during our Investment Committee

process are carried through into ESG portfolio company monitoring scorecards

- Incorporate ESG management as a criteria in performance reviews of responsible Riverstone professionals

## CLIMATE CHANGE

- Develop a strategy to evaluate potential risks that climate change may pose to our current portfolio, assess how our portfolio companies can seek to reduce their impact on climate change and identify

opportunities for Riverstone to capitalize on the energy transition to generate strong financial returns for investors

## REPORTING

- Develop key performance indicators that can be measured consistently across all portfolio companies
- Work towards becoming a UN-supported PRI signatory

## ESG AT RIVERSTONE

- Create an internal working group responsible for

identifying and increasing our efforts to further the adoption of additional firmwide ESG initiatives and practices

- Evaluate our firm's carbon footprint and potential offsets





# CONTACT

For more information on ESG at Riverstone, please visit our Responsible Investing page at

[riverstonellc.com](https://riverstonellc.com)

As part of our commitment to continually improve our ESG program, we welcome investor input. Please send any comments or questions to

[lprelations@riverstonellc.com](mailto:lprelations@riverstonellc.com)

This Riverstone ESG report for the period ending December 31, 2019 gives an outline of Riverstone's ESG program. This report does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Past or projected performance is no guarantee of future results. No representation, warranty, forecast or other projection is given with respect to any investment results.

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