

Investing Responsibly

Riverstone ESG Report 2021

Founders' Statement

In so many ways 2021 was a year in which the importance of environmental, social and governance issues was underlined on a scale we have never seen before. As we emerge from the second year of the COVID-19 pandemic, the focus on ESG has never been greater.

As you will see this from our third annual ESG report, our focus at Riverstone has been on further enhancing our ESG program by delivering on the objectives we set for ourselves in 2021 — both at firm level as well as across our portfolio — not only by managing material ESG risks but also by seeking to capitalize on a number of important ESG opportunities.

Continued Decarbonization Focus

As one of the largest asset managers in the energy, power, decarbonization and infrastructure sectors, we are acutely aware of the existential threat posed by climate change and the need to rapidly decarbonize the global economy. This was underlined in last year's report by the Intergovernmental Panel on Climate Change (IPCC) which gave us our starkest reminder to date of how fragile our life on this planet is. This was followed up by the United Nations Climate Change Conference (COP 26) which made certain achievements (notably around methane emissions and deforestation) but arguably did not deliver on other key issues.

To us and our firm, the science is very clear — action is required now if we are to stand a chance of limiting the global temperature rise to 1.5°C above pre-industrial levels by 2050.

In our businesses, this translates to helping our portfolio companies reduce their greenhouse gases while simultaneously implementing ways in which more carbon can be sequestered from the atmosphere. This is not a straightforward exercise with some of our portfolio companies. However, we are encouraged by the steps a lot of them have taken to decarbonize, as well as their broader ESG efforts.

As you will have seen by the investments we have made over the last two years (some of which are covered in this report starting on page 28), our plan going forward is to invest only in those businesses that support decarbonization and the transition to net zero. In terms of our current portfolio, a priority for us in 2022 will be gaining a more complete understanding of our portfolio GHG emissions and taking active steps to help our portfolio companies reduce their emissions.

Program Enhancements

Outside of our ongoing decarbonization investment program, another key focus last year has been working with our existing portfolio companies to help them improve their approach to ESG risks and opportunities. As you will see from this report, we have seen an improvement by the majority of our portfolio against our ESG minimum expectations and plan to raise the bar on a number of these in 2022. Further, we have been pleased by the level of sophistication of a number of our portfolio companies' ESG programs manifested by the increased number of them making their own ESG disclosures last year.

ESG Industry Collaboration

Since last year, we have been making a deliberate effort to be more engaged in the fast-moving dialogue around ESG. As a firm, we are keen to participate in some of the groups and projects that many of our peers are involved in. We are a signatory of the UN-supported Principles of Responsible Investment (PRI) but feel we have more to give in terms of the dialogue around how ESG monitoring and disclosure will evolve. Last year, we became a member of the PRI-supported Initiative Climat International (iCI) and Institutional Limited Partners Association's (ILPA) Diversity In Action initiative. We have also joined the ILPA-led ESG Data Convergence Project in the hope we can contribute to a consensus around a standardized set of ESG metrics and procedures to enable us and other asset managers to gather and disclose better, more informed ESG data.

Looking Forward

We are encouraged by the improvements we have made to our ESG program in 2021. However, we are not complacent and, particularly against the backdrop of the heightened focus on ESG and, in particular, on climate change issues by the SEC and other regulators, we recognize there is much more work required, in partnership with you, our investors, our management teams, regulators and other important stakeholders. We will continue to prioritize our commitment to being responsible investors and look forward to providing further updates on our ESG activities in the year to come.

Thank you for your continued support.

Pierre F. Lapeyre, Jr.

David M. Leuschen

Riverstone At A Glance

Our firm is one of the leading investors within energy, power and infrastructure with deep industry expertise across key parts of the value chain. We provide investors with turnkey investment solutions across sectors, geographies and the capital structure.

“We believe our decarbonization focus, platform expertise and relevant track record distinguish Riverstone’s funds from other market products.”

About Riverstone

Founded in 2000, Riverstone is an investment firm focused on executing private equity and credit investments in the energy, power, decarbonization and infrastructure sectors. Riverstone seeks to leverage its platform and deep investment experience in energy transition and renewables to capitalize on attractive opportunities in certain areas of the decarbonization market. Our sole mission is to build great businesses and deliver strong returns to our investors.

Our Firm

Riverstone is one of the world's largest and most experienced investment firms focused on the energy, power, infrastructure and decarbonization sectors. Headquartered in New York, Riverstone has built a global platform with additional offices located in Menlo Park, Houston, London, Amsterdam and Mexico City.

With over 20 years of investment experience, Riverstone has developed a strong reputation as an industry leader in conventional power and renewable energy, and more recently, in decarbonization. Riverstone is one of the few energy and decarbonization firms with an integrated product offering across sectors, geographies and capital structure.

The firm has always fostered a culture of innovation and entrepreneurship, and, as you will note from page 8, has been an active investor in the energy transition since 2009.

The firm's rich history and expertise in conventional power and energy give it a sophisticated vantage point for investing in energy transition and broader economic decarbonization opportunities.

Our Philosophy

The depth and breadth of Riverstone's investment experience is one of its differentiating strengths. Energy investing is highly complex and requires strong technical expertise, financial sophistication and longstanding relationships to produce the best returns.

Significant systemic change driven by the energy transition and broader decarbonization movement adds an additional layer of complexity to investing. Riverstone's knowledge of the energy and power sectors and understanding of the interconnected nature of energy to the broader economy gives the firm a distinct advantage in these rapidly evolving markets.

The firm has built a nimble platform to cater to this dynamic, and has developed an investment presence spanning the power, energy transition and decarbonization value chain.

Operating with a "One Firm" approach, Riverstone emphasizes knowledge-sharing and collaboration across its portfolio to the benefit of all its investors.

Key Stats

\$44 billion

capital raised^[1]

\$6.6 billion

capital committed to renewable energy companies^[1]

\$1.9 billion

capital raised for decarbonization companies

110+

investments in low carbon projects^[2]

200+

portfolio companies^[1]

15

countries invested in^[1]

85+

employees

6

offices globally

[1] From inception to December 31, 2021
[2] Over last 15 years

ESG POLICY

Riverstone Offices



“Riverstone’s potential as an agent of change is reflected by the growth in capital invested by its funds in decarbonization and renewables — 33% per annum, amounting to >\$6 billion since 2009.”

Decarbonization

Riverstone's Decarbonization Roadmap

The impacts of climate change have brought decarbonization of the energy industry to the fore. Tighter access to bank capital, new capital demands to fund decarbonization and emission reduction investments, among other market changes, are shifting conventional energy investment strategies and forcing some companies to reposition their entire businesses.

These transitions take time, but we are committed to expanding on our global energy and renewables expertise to scale the businesses integral to decarbonization.

We expect this will quickly become our dominant investment platform.

Riverstone Decarbonization Platform

The Riverstone decarbonization platform is not designed as a pivot away from fossil fuels, nor is it a re-characterization of renewable power generation as energy transition. Our focus is specifically on reducing the impact carbon and other greenhouse gases have on the climate.

This focus opens access to many new and attractive business models that we believe are insulated from commodity prices. We are focused on the following five core areas and have executed successful investments in four of these to date:

- Grid flexibility and resilience — balancing the grid and battery storage
- Electrification of transportation — EV infrastructure, batteries and supply chain
- Next generation green liquid fuels — hydrogen, RAE diesel, gasoline and low carbon jet fuel
- Next horizon resource use plays — smart buildings/cities and digitization of the global supply chain
- Proven agriculture and natural resource plays

These core areas offer profitable scalable solutions for climate impact, are investable today, enjoy strong policy and societal support and meet the ESG criteria demanded by the institutional capital flows which are key to driving meaningful contribution from the private sector. We are focused on growth capital investments in proven companies and technologies with demonstrated commercial success to accelerate growth and value creation.

Key Stats

>\$6 billion

*capital invested in decarbonization
and renewable investments*

23

*renewable and decarbonization portfolio
companies since inception^[1]*

21 years

global energy expertise

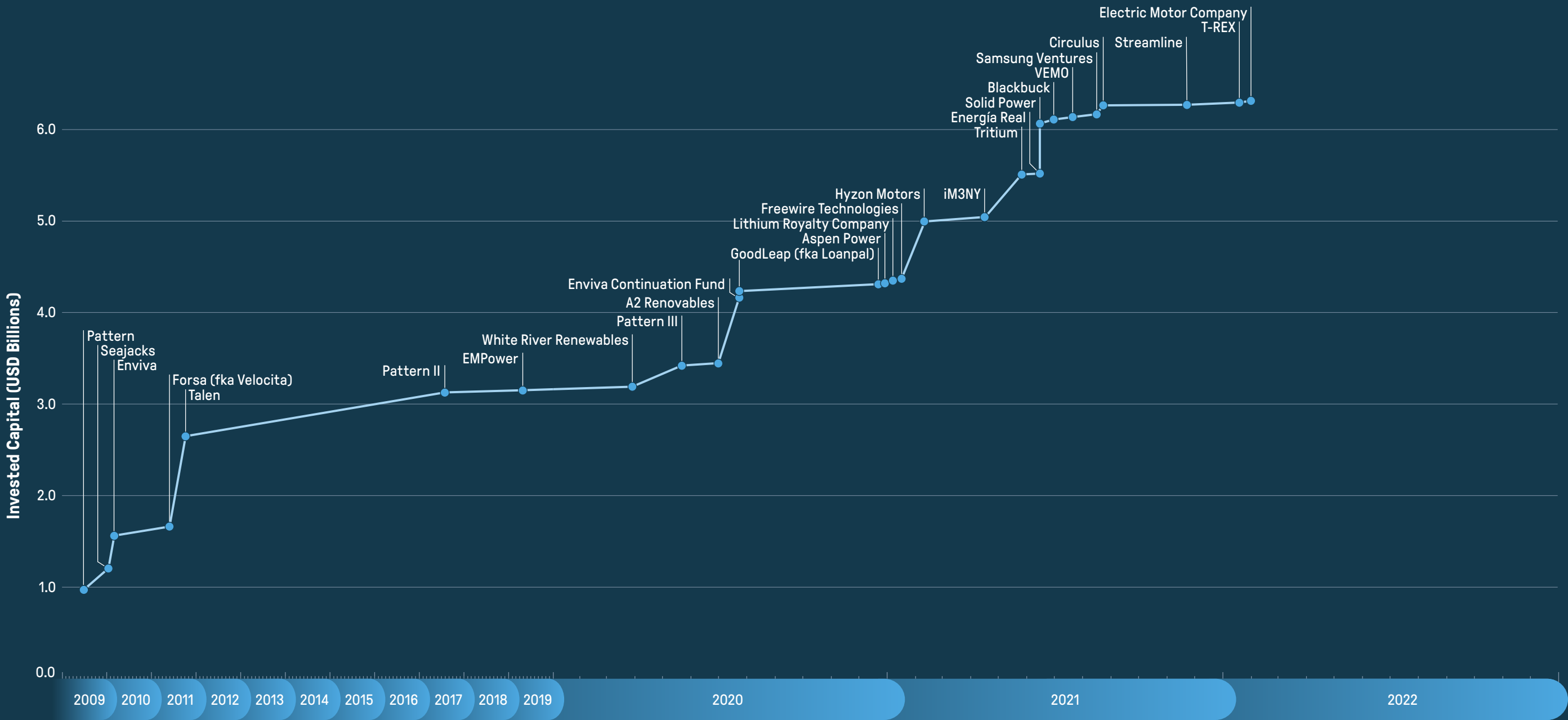
16 years

traditional renewable power activity

[1] Not including fund continuation vehicles
and credit fund investments

“Our objective going forward is to invest primarily in those businesses that support decarbonization and the transition to net zero.”

Riverstone Decarbonization & Renewable Investment Volume 2009–Present



Decarbonization Offense in the Existing Portfolio

In addition to investments made through our decarbonization platform, Riverstone portfolio companies have undertaken a series of decarbonization initiatives within our existing portfolio of investments.

PORTFOLIO COMPANY	SECTOR	INITIATIVE	ENVISAGED IMPACT
Hammerhead	E&P	Developing a natural gas power generation project in Alberta	2.1 million metric tons per annum of CO ₂ emissions abated in comparison to coal
Talos	E&P	Evaluating CO ₂ sequestration projects in the Gulf Coast near major industrial emitters with an LOI signed with Freeport LNG in October 2021 and an award for the Texas General Land Office’s Jefferson County, Texas carbon storage site in August 2021	The Freeport project will store Freeport LNG’s CO ₂ emissions for up to a 30-year term while the Jefferson County storage site has an estimated 225-275 million metric tons of CO ₂ storage capacity
Trailstone	Midstream	Managing 6.6 GW of renewable power at year-end 2021 with a goal to manage 100+ GW by 2026	Renewable power under management represents approximately 7 million metric tons of CO ₂ abated per annum ^[1]
Meritage	Midstream	Developing a carbon sequestration project in the Powder River Basin	Sequestration potential expected to exceed 300,000 metric tons CO ₂ per annum
Lucid	Midstream	Developing a carbon sequestration project in the Delaware Basin	Sequestration potential expected to exceed 500,000 metric tons CO ₂ per annum ^[1]
IMTT	Midstream	Developing storage and logistics infrastructure to support two separate world-scale renewable diesel projects on the Lower Mississippi River	525,000 metric tons per annum of CO ₂ emissions abated in comparison to conventional diesel
Talen	Power	Decarbonizing its generation fleet in a way that also provides grid resiliency, strong financial performance and mitigates negative impacts in the communities where its employees live and work. This is being done through the development of a digital infrastructure campus powered by nuclear energy, developing renewable and battery storage projects, and potential conversions of existing coal plants to lower carbon sources, leveraging existing infrastructure and capability	Target is to reduce CO ₂ emissions by 75% in a 20-year period, from 2010 to 2030 ^[1]
Onyx	Power	Closing of one large coal fired power plant in Germany by November 2022 after entering into a binding commitment with regulatory authorities and actively developing options for the conversion of each of its other power plants to sustainable operations as part of the energy transition in Europe	Over 3 million metric tons per annum of CO ₂ abated ^[1]

[1] Versus relevant mix of traditional energy sources

ESG: 2021 In Review

“At Riverstone we continue to recognize the corollary between those businesses that make ESG a core pillar of their day-to-day operations and those that are successful in what they do and the results they achieve.”

ESG: 2021 In Review

In our 2020 ESG report, we established a number of overarching ESG objectives for 2021. Our progress through 2021 toward these objectives, and other ESG issues addressed during the year, are summarized to the right and presented in more detail throughout this report.

Due Diligence & Initial Investment

- Expanded the scope and coverage of our ESG toolkit to promote consistency in the way ESG opportunities are managed at Riverstone

Portfolio Monitoring

- Increased frequency of engagement with portfolio companies on ESG matters
- Marked improvements in performance across portfolio companies against our ESG Minimum Expectations (or “ESG-MEs”)
- Reviewed and expanded our ESG-MEs and metrics for portfolio companies to launch in 2022

ESG at Riverstone

- Became member of ILPA’s Diversity in Action
- Instituted internship program with a Historically Black College or University (HBCU) in the U.S.
- Calculated our firm’s GHG footprint
- Produced Energy Expansion webcasts for our website with insights and trends from experts in energy, power, infrastructure and decarbonization

Climate Change

- Conducted a gap analysis to determine Riverstone’s current position against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations with the intent of setting actions to bring the firm towards alignment over the next two years
- Supported our portfolio companies in increasing their level of reporting of Scope 1 and 2 emissions in line with our ESG-MEs
- Formalized climate screening in our ESG Toolkit and Investment Committee template so that it is consistently applied to all new investments
- Joined PRI-supported Initiative Climat International (iCI)

ESG Reporting

- Submitted voluntary reporting to PRI
- Signed on to ILPA’s ESG Data Convergence Project

While our previous ESG reports have focused on the ESG program and performance of our equity portfolio, in this report we also cover our credit portfolio and steps which we have taken over the last two years to integrate ESG into our credit fund investments.

Due Diligence & Initial Investment

Riverstone has several tools and methodologies that it can draw upon to conduct due diligence and identify ESG risks and opportunities early in the investment process and throughout our ownership.

ESG Toolkit

Our proprietary ESG toolkit was created to integrate ESG practices into our investment process, starting with pre-investment. In 2021, we expanded the toolkit to provide guidance for integrating ESG during ownership through exit. The toolkit provides a framework to support our investment teams in identifying and managing material ESG risks and value creation opportunities in a consistent manner. It comprises a set of processes, tasks and templates for use on all of Riverstone’s private equity investments.

ESG Minimum Expectations

Central to the toolkit are our ESG-MEs which underpin our ESG program. As part of the toolkit enhancements, we changed the ESG-ME1 to cover Diversity and Inclusion (D&I) more broadly. This is a change from our previous toolkit that focused on female representation in leadership and senior positions. We have also added a new ESG-ME9 requiring portfolio companies to have robust means to prevent cybersecurity and data theft.

In addition, new key performance indicators (KPIs) have been added to all ESG-MEs including those set out in the ESG Data Convergence Project.

Our ESG toolkit is a live document that will be reviewed and updated periodically with focus on its application to upcoming decarbonization investments.

ESG Diligence Scorecard

A key output for our ESG toolkit is the ESG diligence scorecard, which is included in the Investment Committee memo for each potential investment. This scorecard includes:

- An overall assessment of pre-investment ESG performance (both generally and against Riverstone’s ESG-MEs)
- The scope of and findings from the diligence done (including key ESG risks and opportunities, observed good practices and areas requiring improvement)
- ESG actions required if the investment is advanced, which form part of the 100 day plan

If Riverstone makes an investment, the ESG diligence scorecard is converted into an ESG monitoring scorecard (see “ESG Monitoring Scorecards” under Portfolio Monitoring).

Overall, this approach allows us to identify opportunities for improvement and take targeted action during the first 100 days of ownership. During this time, we work with the portfolio company management teams to help our portfolio companies establish the necessary policies, plans and processes to properly manage ESG risks and value creation opportunities.

ESG Minimum Expectations

Riverstone has nine ESG Minimum Expectations (ESG-MEs) that are essential to our ESG program. They are used to screen all potential investments during due diligence; all our portfolio companies are requested to meet or exceed them; and they are a key consideration for companies to access finance through our credit fund. We review our ESG-MEs on a continual basis and will add or update them over time to remain in step with market and LP expectations. In 2022 our ESG-MEs are as follows:

- ME1** D&I policies and initiatives to promote D&I, particularly in leadership and senior positions^[1]
- ME2** ESG as a standing board agenda item at every board meeting
- ME3** Designated responsibility for ESG within senior leadership
- ME4** Policies in place to address ESG matters that are relevant to the company and its industry
- ME5** A means of identifying and managing ESG-related risks
- ME6** A GHG baseline for Scope 1 and Scope 2, and annually monitoring and reporting GHG emissions
- ME7** Having a whistleblower policy/process and hotline in place
- ME8** Safety controls relevant to the company’s operations
- ME9** Having adequate means to prevent cyber attacks and data theft^[1]

[1] Modified/added in Q4 2021

ESG Data Convergence Project

The project is an initiative by over 100 leading global GPs and LPs, representing \$8.7 trillion in assets under management, to align on a standardized set of ESG metrics and mechanism for comprehensive reporting to which Riverstone is signatory.

WEBSITE

Portfolio Monitoring

Increased ESG Engagement

Our ownership model is based around frequent engagement with management teams and senior leadership to drive year-on-year performance.

In 2022, we will be raising our expectations around ESG-MEs and performance KPIs to make sure we remain in step with market trends and LP expectations. Becoming a signatory to the ESG Data Convergence Project is a step towards this goal. We will also keep a close eye on developments from the IFRS Foundation's International Sustainability Standards Board (ISSB), which is working to produce an authoritative set of global sustainability standards. The IFRS Foundation has announced that the ISSB will be consolidated with the Climate Disclosure Standards Board and the Value Reporting Foundation by June 2022.

To facilitate engagement with portfolio companies, as discussed in last year's report, we have nominated one person on each investment team to serve as "ESG deal lead" responsible for liaising with portfolio companies on ESG matters and generally keeping ESG matters in the fore.

Accountability

As ESG deal lead, nominated investment team members are accountable for their respective company's ESG management and performance. The quality of the engagement by each ESG deal lead is assessed as part of Riverstone's annual performance reviews which drive decisions around the individual's compensation and promotion at the firm.

Portfolio ESG Reporting

In 2021, the ESG deal leads' increased engagement with portfolio companies helped to lead to an uptick in the number of ESG reports and disclosures made by our portfolio companies. We expect this trend to continue through this year.

We have continued to conduct annual reviews to monitor the implementation of ESG processes and to assess year-on-year changes in ESG performance at our portfolio companies. These reviews occur in parallel with compliance and regulatory-related reviews.

Each ESG deal lead, in partnership with Riverstone's internal legal team, is responsible for coordinating the completion of the ESG review and providing feedback on the ESG monitoring scorecards.

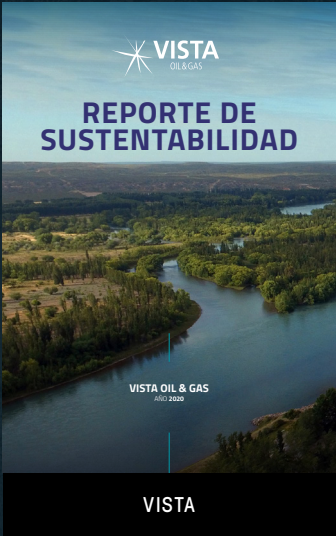
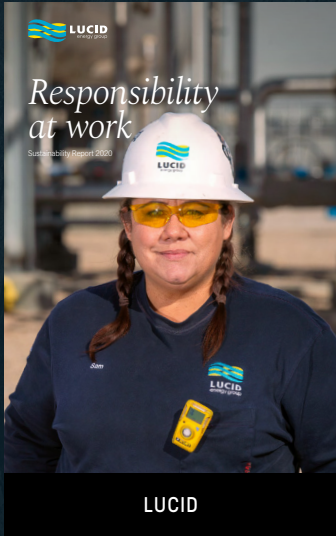
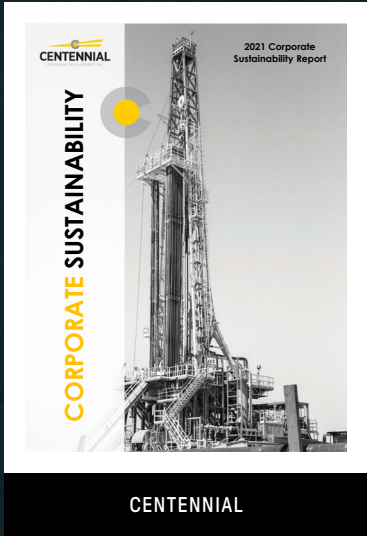
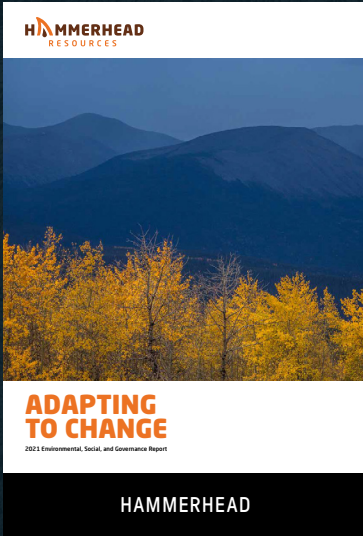
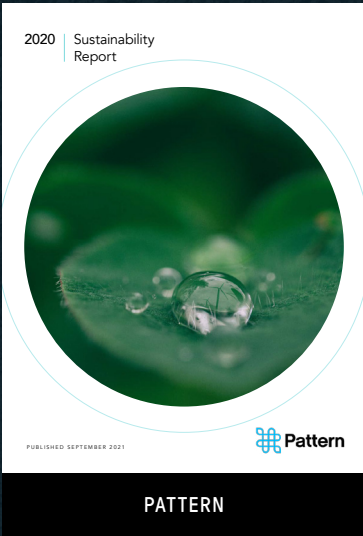
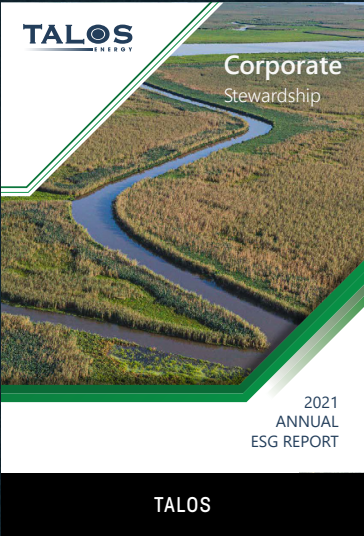
ESG Monitoring Scorecards

ESG review results for each portfolio company are summarized in an ESG monitoring scorecard. These scorecards are generated for all companies on an annual basis. The scorecards include:

- Overall ESG rating for the company
- Performance against our ESG-MEs and sector-specific ESG criteria
- Summary of ESG practices undertaken
- Actions to improve ESG performance during the calendar year

As more and more of our portfolio companies improve their ESG performance to an extent that they are meeting or exceeding our ESG-MEs, our focus will shift to KPIs and how their performance compares to their peers and relevant benchmarks. Our ambition is to have our portfolio companies be top quartile ESG performers within their industry peer group.

ESG & Sustainability Reporting From Our Portfolio



Portfolio ESG Performance

In 2021 there was a marked improvement in the portfolio’s performance against the ESG-MEs (compared to 2020) with some of our portfolio companies exceeding expectations on all ESG-MEs. While there is some year-on-year variation in the size and composition of the portfolio given new investments and exits, the following progress has been made:

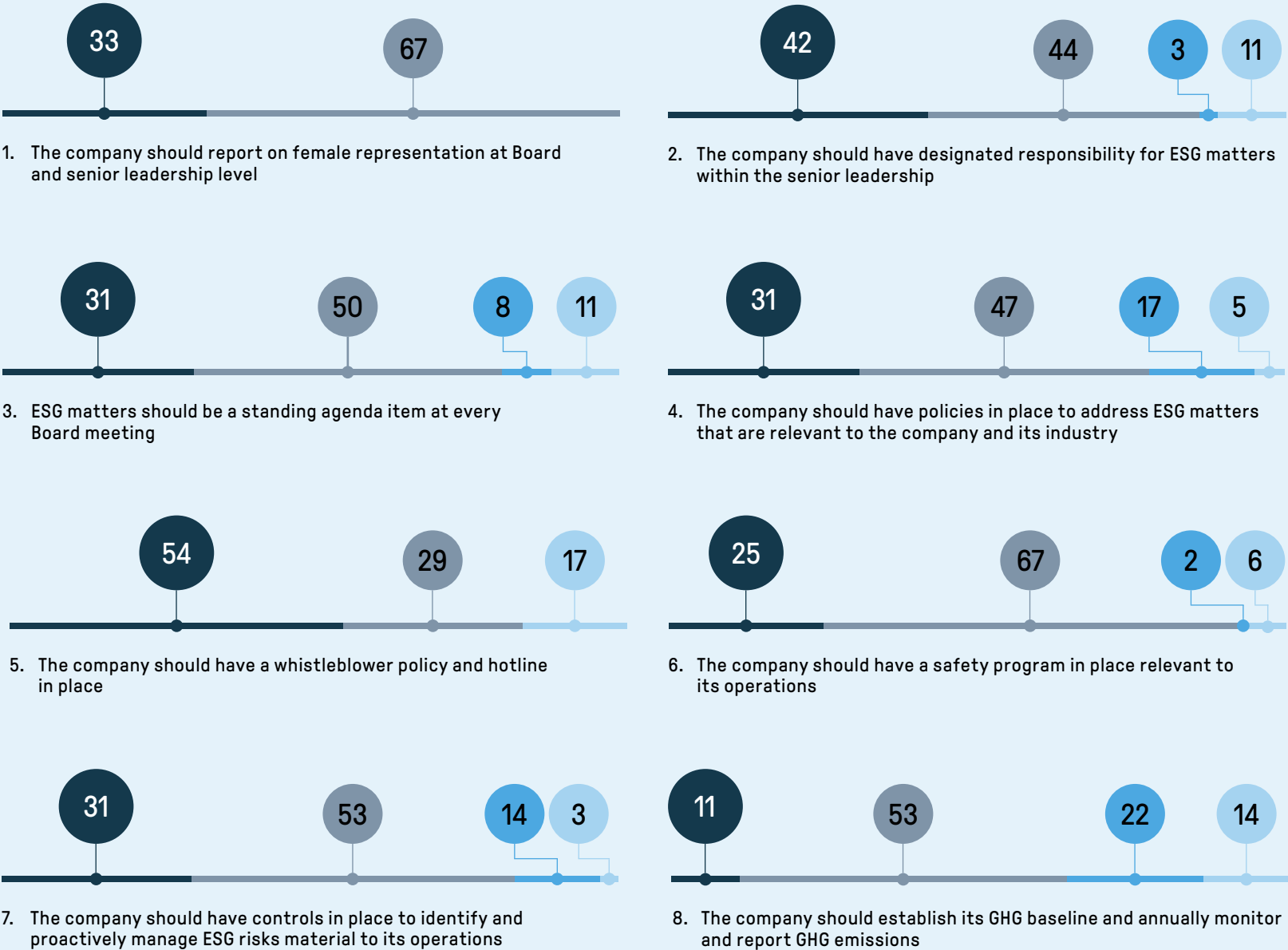
- All our companies report on female representation at board and senior leadership level, with some including this information in their own ESG reporting
- There was a significant increase in companies that have designated responsibility for ESG matters within their senior leadership and companies having a means of identifying and managing ESG issues relevant to their business
- There has been a small uptick in the number of companies that have ESG as a standing board agenda item
- The number of companies with complete policy coverage of ESG topics has slightly increased
- There was an incremental improvement in companies having a whistleblowing process
- The majority of companies have safety controls in place that are relevant to their operations with a significant number implementing industry best practices
- There was also a notable increase in the amount of companies establishing comprehensive controls to identify and proactively manage ESG risks material to their operations

There is still progress to be made on GHG inventories and monitoring. Riverstone has ongoing engagement with select portfolio companies to support them in meeting minimum expectations for this topic. In 2022, we plan to appoint an independent carbon consultancy to support portfolio companies in their reporting of GHG emissions.

ESG data reporting is developing quickly and we appreciate our investors’ ever-growing appetite for data, particularly regarding climate change. Along with participating in the ESG Data Convergence Project and ongoing discussions with investors, we continue to evaluate the need to report quantitative and actionable data, and are encouraging our portfolio companies to do the same.

Portfolio Performance Against Riverstone ESG-MEs (%)

2021: ■ Exceeded ■ Yes ■ Partial ■ No



Climate Change

Climate change and the transition to a low carbon economy is our greatest risk and largest opportunity. This reality is reflected in the way we conduct our business.

In last year’s report we acknowledged the importance of the recommendations published by the Task Force for Climate-related Financial Disclosures (TCFD) in helping companies improve transparency on climate-related risks and opportunities and over the course of 2021 we have been working on ways to adopt the framework.

Governance

Our ESG Committee comprises a cross-functional set of leaders and our external ESG advisor, ERM. In addition to our ESG program our committee is also responsible for our climate strategy, our greenhouse gas (GHG) footprinting effort and more broadly our firm’s response to climate change.

At the portfolio level, each of our investment teams has a designated ESG lead to ensure that climate-related risks and opportunities are appropriately screened, assessed and managed throughout the investment process. During pre-investment, this information is presented to the Investment Committee when making investment decisions. The ESG leads are supported by the ESG committee and ERM as required.

ESG Committee



JAMIE BRODSKY
PARTNER, CREDIT



ROBERT TICHIO
PARTNER,
PRIVATE EQUITY



DIANNA APRILE
CHIEF COMPLIANCE
OFFICER



CHARLIE CHIPCHASE
ASSISTANT GENERAL
COUNSEL, ESG LEAD



ELIOT COTTON
ASSISTANT GENERAL
COUNSEL, D&I LEAD



MEGHAN PASRICHA
PRINCIPAL, CREDIT



JESAL SHAH
PRINCIPAL,
PRIVATE EQUITY



JAIDEEP DAS
ERM, ESG ADVISOR

Signatory of:



Strategy

We have continued to evolve our thinking around our climate strategy which includes integrating updates to market and regulatory drivers. Our climate strategy is centered on two broad pillars:

- Continuing to invest in low carbon forms of energy through our decarbonization platform
- Working with our portfolio companies to decarbonize and build resilience to climate-related issues

Our investments in the energy sector and our work with our portfolio companies enable Riverstone to have a positive impact on the low carbon economy transition. Management of climate-related risk and opportunity is a core part of our approach to investing, and is reflected by our growing contributions to a fair and just transition in the energy sector, which continues to create new opportunities for Riverstone.

Over the next two years we will start implementing actions to align ourselves to the recommendations of the TCFD.

In 2021, we joined Initiative Climat International (iCI), which is led by a group of leading private equity firms and is supported by the PRI. The purpose of the iCI is to analyze, manage and mitigate climate-related financial risk and GHG emissions in private equity portfolios in line with the recommendations of the TCFD.

Riverstone recognizes the need to collaborate and build industry best practices and is keen to make a meaningful contribution to iCI. The nature of our investments can bring a specific insight to the decarbonization of the energy sector, from which we will build towards our ambition of becoming a leader in climate change mitigation.

Risk Management

We continue to identify and assess climate-related risks in our portfolio and for potential future investments. We have updated our ESG toolkit so that this is more consistently applied in our investment process. This includes our climate change screening questionnaire and our Investment Committee templates requiring identification of climate-related risks and opportunities during our pre-investment process. These tools actively engage portfolio company management and help them focus on reducing GHG emissions and managing climate-related risks and opportunities.

For ownership, this includes the climate scenario analysis that was conducted for a number of representative companies across sectors and geographies in which we operate. The assessment covered the risks arising from changes to the climate itself, as well as the risks and opportunities associated with the low carbon energy transition. The guidance has helped our investment teams to:

- Confirm whether our portfolio companies are positioned to undertake timely and appropriate mitigation and management of climate risk
- Support our portfolio companies in capturing transition-related opportunities where they exist

Metrics & Targets

Our strategy also requires us to look at the climate impact of our own activities. For our firm this means calculating our GHG emissions and looking for ways to reduce or offset our carbon footprint. Similarly for our portfolio, one of our ESG-MEs recommends portfolio companies to calculate their GHG baseline for Scope 1 (direct emissions) and Scope 2 (purchased energy) and annually report and monitor GHG emissions. The number of portfolio companies that are meeting this ESG-ME fully has increased since last year from 39% to 64%. However, we recognize there is room for improvement and it remains a key area of focus. Using the results of the 2021 survey, we will prioritize portfolio companies for engagement and offer additional support to our companies to establish a baseline for our portfolio with intent to set credible GHG reduction targets.



ESG Reporting

Riverstone’s Commitment to Transparency

This report is our third annual ESG report in which we disclose our continued progress on our ESG journey across private equity and credit funds over the course of 2021.

As mentioned in last year’s report, Riverstone became a signatory of the UN-supported PRI in 2020. Early in 2021, we submitted our first voluntary PRI report, and are continuing to integrate ESG into our business processes to capitalize on opportunities for value creation. We are also preparing for our first mandatory PRI submission in 2023, and plan to take a more active role in the PRI by participating in its committees and other working groups.

In 2021, Riverstone became a signatory to the ILPA’s Diversity in Action initiative, which brings together LPs and GPs who are committed to advancing diversity and inclusion (D&I) in the private equity industry. As a signatory we are committed to specific actions that advance D&I within our firm and the industry.





ESG at Riverstone

ESG Training

Each of our investment professionals is required to attend training each year on a range of issues, including those related to:

- Anti-Bribery & Corruption
- Anti-Money Laundering
- Directors Duties
- Anti-Harassment
- Cybersecurity
- Ethics & Compliance

In addition, all Riverstone investment professionals receive specific ESG training annually, the nature of which varies from year to year.

Annual ESG MVP Award

In 2022, to mirror what we have done for a number of years within our Anti-Bribery & Corruption program, we plan to nominate one individual or team each year as our ESG MVP. This annual award will be used to recognize a Riverstone investment professional or portfolio company employee who has excelled in showing proactive leadership in identifying and managing ESG risks and opportunities through the calendar year.

Riverstone GHG Footprint

In our 2020 report, we reported for the first time Riverstone’s corporate Scope 2 (purchased energy use) and Scope 3 (air travel) based on data from April 2018 to 2019, amounting to a total 4,380 tCO₂. We made a decision to report our emissions based on calendar years rather than fiscal years going forward to better align with other ESG reporting, such as the ESG Data Convergence Project. In 2021, our firm’s emissions have decreased to 309 tCO₂e despite including additional office locations in our calculation due to reduced air travel as a result of the pandemic.

*As a firm, Riverstone did not generate any Scope 1 (Direct Emissions) during 2021.

“We are a very lean yet diverse group of individuals who inhabit different time zones, who come from a number of different cultures, upbringings and career paths, and who bring different ideas and perspectives to their work at Riverstone every day.”



Diversity & Inclusion

Riverstone is committed to fostering a culture of diversity and inclusion (D&I) throughout our workforce.

We aim to create an environment within our firm and at our portfolio companies in which people with diverse backgrounds and perspectives are represented.

Riverstone has implemented several important D&I initiatives this past year, including:

- Becoming a signatory to the ILPA’s Diversity in Action initiative, joining other members of the private equity community who share a commitment to advancing diversity, equity and inclusion in the industry. The goal of the initiative is to motivate market participants to engage in the journey towards becoming more diverse and inclusive, and to build momentum around the adoption of specific actions that advance these objectives
- Partnering with a Historically Black College or University (HBCU) in the U.S., to provide on-campus seminars about our industry and business, and to provide internship opportunities at Riverstone’s U.S. offices
- Compiling and reviewing certain demographic data at Riverstone in accordance with ILPA’s Diversity Metrics template to better understand our workforce and where we can improve

Looking towards the future, Riverstone plans to continue cultivating D&I initiatives by:

- Working with our recruiting firms to ensure that we see diverse candidate pools and that such firms are adhering to Riverstone’s Commitment to D&I policy
- Ongoing evaluation of our training to ensure it focuses on unconscious bias and provides concrete tools to mitigate the negative effects of bias
- Establishing a set of minimum expectations for our service providers and working with them to meet our requirements
- Maintaining robust and up-to-date anti-discrimination, anti-harassment, anti-retaliation and complaint reporting policies

D&I POLICY

Cybersecurity

Riverstone has built a robust cybersecurity platform with the aim of constantly and comprehensively protecting our systems, our operations and the data entrusted to us by our investors, employees, portfolio companies and business partners.

Our cybersecurity team works closely with our senior leadership to develop and advance the firm’s cybersecurity strategy.

We believe that cybersecurity is a team effort — every employee has a responsibility to help protect the firm and secure its data.

- We conduct regular testing to identify vulnerabilities before they can be exploited by attackers.
- We examine and validate our program annually with third parties, measuring it against industry standards and established frameworks, such as the U.S. National Institute of Standards and Technology (NIST), SEC and FINRA.

This risk assessment is extended to third parties deemed critical to the firm’s business.

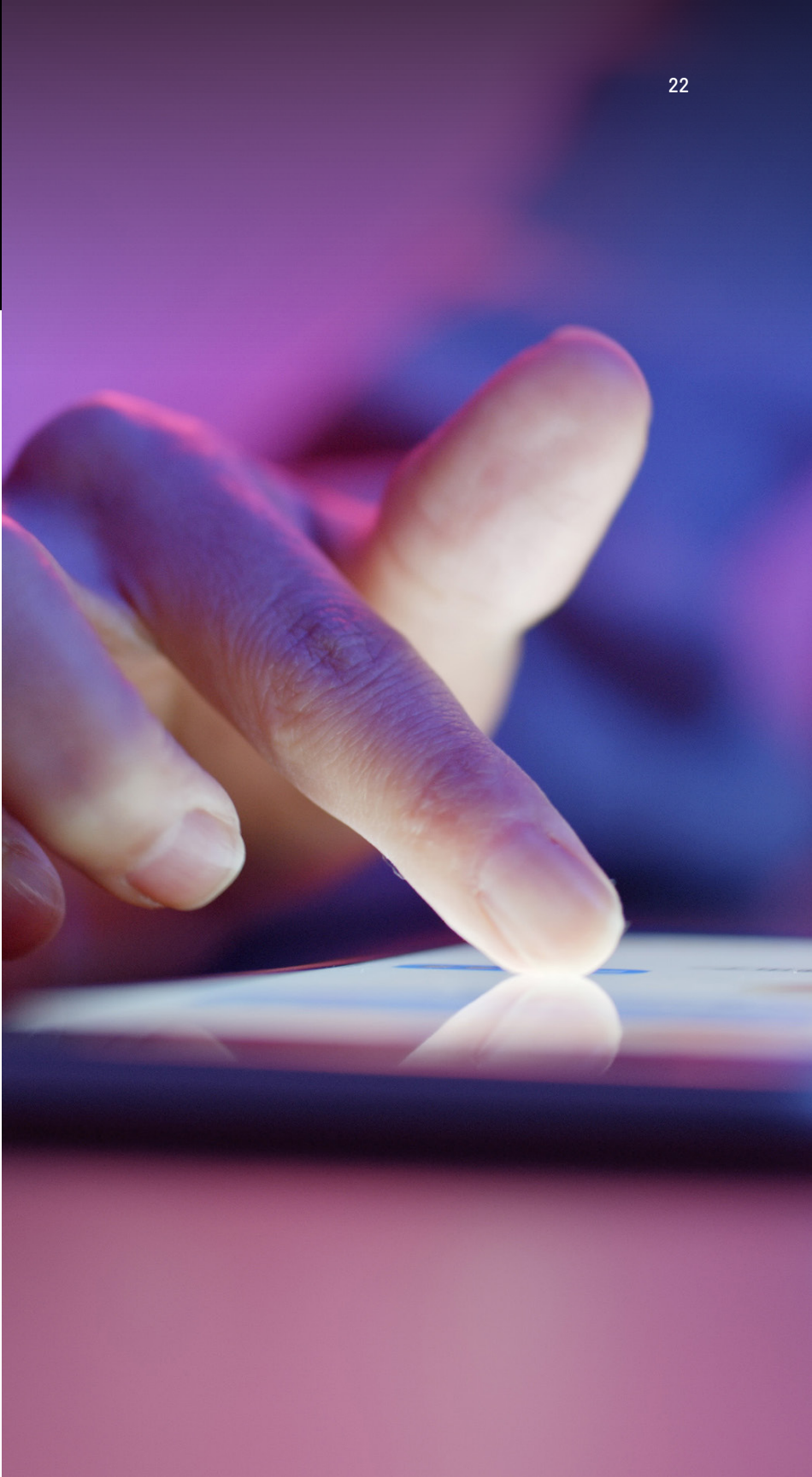
We also have a comprehensive Cybersecurity Incident Response Plan that is aligned with the firm’s Disaster Recovery & Business Continuity Plan to ensure that any non-routine events are properly escalated to the firm’s leadership, as well as third-party experts such as retained counsel and incident response partners, when and where appropriate. These plans are validated at least annually through a cyber-incident tabletop exercise to consider the types of decisions that would need to be made in the event of a cyber-incident.

We have engaged in scenario planning exercises around cyber incidents and conduct annual business continuity tests. The entire firm is engaged in a thorough security awareness program. Employees across Riverstone are trained or enrolled in training when they start at the firm, and we run mandatory re-training to employees globally on a semi-annual basis.

We also extend our platform to our portfolio companies, with the primary goal of reducing the frequency and impact of cyber incidents across the portfolio. Riverstone encourages portfolio companies to conduct annual risk assessments to better understand their cybersecurity deficiencies and allow Riverstone to assess risk across our portfolio. With this information, we can help our portfolio companies improve overall security posture against the most common attacks that result in financial losses.

Cyber Standards

Riverstone’s minimum cyber standards are designed to encourage each Riverstone portfolio company to perform foundational cybersecurity practices and to inform each company of the initial baseline from which it and Riverstone can measure progress in cyber program improvement. It is updated to reflect changes in technology, software, hardware, industry policies and procedures and to adequately address the cyber landscape as it shifts from time to time.



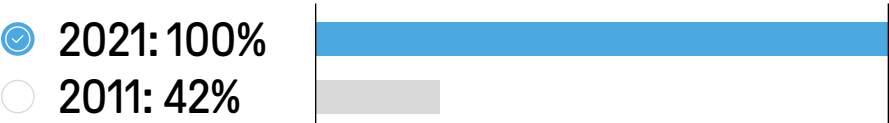
Ethics & Compliance

Riverstone invests in businesses operating in jurisdictions and sectors considered high risk for bribery and corruption. In these environments, Riverstone sees anti-corruption compliance as a core component of successful business. Throughout the investment lifecycle, Riverstone takes steps to help encourage its portfolio companies operate in a manner consistent with Riverstone’s commitment to sound business ethics and compliant with all applicable laws. At each stage, Riverstone supports compliance protocols that are consistent with international best practices.

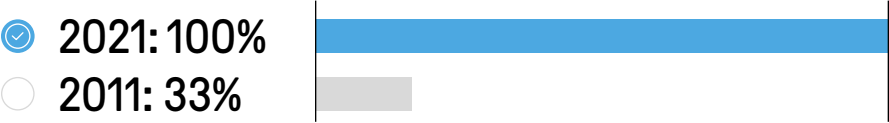
Portfolio Company Improvements

Over the last ten years, Riverstone has supported its portfolio companies to make numerous improvements, including:

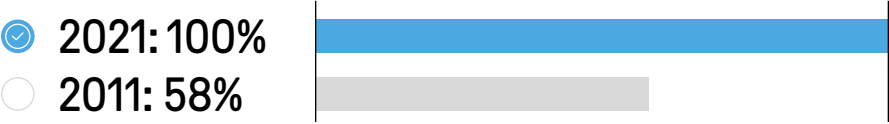
WRITTEN ANTI-CORRUPTION POLICIES



DEDICATED COMPLIANCE OFFICER



PERIODIC COMPLIANCE TRAINING



Riverstone Commitment to Ethics & Compliance in the Investment Lifecycle

PHASE 1: INVESTMENT/ACQUISITION VETTING

- Integrity due diligence performed on company and leadership
- Mapping of corruption risk and compliance practices of company
- Assessment of potential successor liability to Riverstone
- Securing applicable compliance assurances in purchase agreements
- Training company’s management team on Riverstone’s compliance expectations and tone from the top culture

PHASE 2: PORTFOLIO COMPANY COMPLIANCE OVERSIGHT

- Integration of portfolio company into Riverstone’s compliance program with appropriate compliance policies and procedures
- Periodic assessment of corruption risks and compliance practices of portfolio companies
- Support and guidance for compliance enhancements where appropriate
- Designation of outstanding compliance professional with “Riverstone FCPA MVP” award each year

PHASE 3: COMPANY EXIT

- Providing detail to potential investors on compliance program implementation
- Integration of compliance lessons learned into ongoing Riverstone portfolio compliance oversight to ensure continuous improvement

Pipestone Energy Corp. Achieves Equitable Origin Certification



This year, Pipestone Energy Corp. achieved independent certification of all its production from its world class Pipestone Wembley asset under the Equitable Origin EO100™ Standard for Responsible Energy Development. The certified unit is in the Montney formation, located west of Grande Prairie, Alberta, covering more than 90,000 acres.

The EO100™ Standard is a set of rigorous performance standards for energy development projects that was developed by the non-profit organization Equitable Origin, through consultation with all stakeholders. Pipestone is one of a small subset of Canadian energy companies that have achieved this Standard, demonstrating excellence in its ESG performance.

Equitable Origin has certified Pipestone’s produced natural gas against the five principles of the EO100™ Standard, including corporate governance and ethics; social impacts, human rights and community engagement; Indigenous Peoples’ rights; occupational health & safety and fair labor standards; and environmental impacts, biodiversity and climate change.

Pipestone has committed to a continuous improvement plan encompassing all five principles, against which progress will be evaluated annually.

ESG Regulatory Focus

Q&A WITH DIANNA APRILE, *CHIEF COMPLIANCE OFFICER OF RIVERSTONE*

Q: When it comes to ESG, what do you see as the most material regulatory risks facing the private equity industry?

A: In recent years, institutional investors have increasingly shown greater interest in asset managers who consider ESG factors when making investment decisions. Due to the growing investor demand for ESG-friendly investments, the SEC has made ESG an examination priority and even created an enforcement task force designed to identify ESG-related misconduct.

Going forward, private equity firms that offer investment strategies based on sustainability should expect increased scrutiny and monitoring by the SEC and other regulatory bodies. Therefore, as we transition from a voluntary to a mandatory reporting paradigm in the United States, it is imperative that private equity firms ensure that their ESG programs are constantly developing and being modified to keep up with the ever-changing ESG regulatory frameworks and investor expectations.

It is incumbent on the legal and compliance teams to ensure that the firm’s disclosures are accurate and to regularly test that the firm’s ESG policies and procedures match what the firm is actually doing, as regulators will be scrutinizing this area when determining whether a firm is upholding its fiduciary duty to its investors.

Q: Do you see the SEC’s recent ESG initiatives as a good thing, and why?

A: At Riverstone, we view the SEC’s recent ESG initiatives as a positive development in the financial industry. We believe that the SEC’s recent initiatives, including the ongoing development of ESG disclosure frameworks, will make it easier for both registered investment advisers and businesses to provide full and fair disclosures to investors, including tangible metrics that investors can easily evaluate. Global investors are increasingly recognizing the value in considering ESG issues

as a way to create long-term value. The COVID-19 pandemic has only amplified ESG awareness and made it abundantly clear that there can be severe consequences if companies do not develop an ESG framework that considers factors such as climate change, employee health and well-being, supply chain management and corporate governance.

Q: What do you see as key areas for ESG scrutiny in upcoming SEC exams of private equity managers?

A: Through 2021, the SEC alerted private fund advisers on several occasions about their intention to focus on products and services that are marketed to investors using terms such as “sustainable”, “socially responsible”, “impact” and “environmental, social, and governance conscious” to combat perceived greenwashing. Based on these notifications:

- We believe the SEC will seek to ensure private equity firms “practice what they preach” by making sure such firms have developed and are appropriately implementing their policies, procedures and controls around ESG.
- We expect the SEC to continue to focus on the consistency and accuracy of ESG-related disclosures in regulatory filings and offering documents — including an increased scrutiny around climate risk disclosures, in line with recommendations by the TCFD — with the SEC seeking to ensure these disclosures accurately reflect the private equity firm’s actual operational practices.
- We believe the SEC will continue to scrutinize how private equity firms communicate their ESG efforts to investors in their marketing materials and offering documents.

Therefore, private equity firms should maintain transparency and procure that any reporting or metrics being provided to investors are clear, accurate and easy to evaluate.

Credit Portfolio

“Riverstone is committed to further expanding our portfolio of credit investments within renewable energy, decarbonization and energy transition. Over the past 12 months, we have sourced and funded 5 green and sustainability-linked loans, representing approximately \$250 million of commitments and further demonstrating the breadth of the firm’s decarbonization platform.”

Credit Portfolio: ESG Review

Maintaining strong ESG standards is essential for our credit business. We support our borrowers in their efforts to reduce their carbon footprints and endeavor to make a positive impact in the global campaign to limit the effects of climate change.

As credit investors, we have less scope to influence our portfolio companies than our equity colleagues. However, we strive to increase transparency and alignment through board observer seats, affirmative covenants and tying loan economics to sustainability metrics.

We have implemented a portfolio-wide ESG approach across our existing investments, recent transactions and new deal pipeline in our credit portfolio.

- **New Borrowers:** New investments are structured as Green Loans or Sustainability-Linked Loans. ESG metrics are assessed through our risk grid and New Borrower ESG Questionnaire. During diligence, we often conduct background checks for key management of a new Borrower. These tools help us to identify ESG strengths and areas of improvement for our Structuring and Investment Committees.
- **Current Portfolio:** Riverstone is supported by ERM to help with assessment, monitoring and best practices for our credit portfolio. In collaboration with ERM, we administer an annual questionnaire and have developed individual scorecards to measure ESG-MEs similar to how we evaluate our equity portfolio. For each investment, members of the credit team have been identified to serve as ESG deal leads.
- **Going Forward:** ESG metrics and standards will continue to be crucial to our underwriting process and portfolio management. We are working with our advisers to develop an ESG toolkit for our credit business to help each borrower achieve the ESG-MEs during the life of our loan.

To date, Riverstone Credit Partners has committed approximately \$250 million towards investments in energy transition and decarbonization.

Green Loans & Sustainability-Linked Loans

Riverstone credit investments will be structured and designated as either Green Loans or Sustainability-Linked Loans. Each new opportunity is evaluated by Riverstone to determine if it meets the Green Loan Principles (GLP) including:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

To the extent the opportunity does not qualify as a Green Loan, Riverstone will seek to evaluate the sustainability goals of the company and structure the loan in accordance with the Sustainability-Linked Loan Principles (SLLP). Key aspects of the SLLP include ensuring:

- The Sustainability Performance Targets (SPTs) are set by the company and not the lender
- The sustainability goals are measurable and auditable
- Negative economic consequences are imbedded in the loan documentation for failing to meet the goals by a specified timeline

By structuring each new loan as either a Green Loan or a Sustainability-Linked Loan, we strive to monitor and advance the decarbonization impact of our credit portfolio.

Recent Riverstone Credit Partners Green Loans & Sustainability-Linked Loans

Includes approximately **\$250 million** of commitments towards investments in energy transition and decarbonization:

LITHIUM-ION BATTERY MANUFACTURER



- A lithium-ion battery manufacturing business that plans to commercialize high performing lithium-ion batteries through the development of a 1 GWh manufacturing facility in Endicott, NY
- First U.S. cell supplier not captive to a single automotive OEM
- **\$50 million** First Lien “Green Loan,” documented according to the LSTA



COMMUNITY SOLAR DEVELOPER & DISTRIBUTED ENERGY PORTFOLIO

- Serves to co-develop, acquire, construct and manage distributed energy portfolios in attractive markets across the United States
- More than 57 megawatts of solar capacity in development
- **\$20 million** First Lien “Green Loan,” documented according to the LSTA

WATER INFRASTRUCTURE



- A Permian Basin water infrastructure company focused on the treatment, gathering, recycling, storage and disposal of produced water
- Diversified asset base consisting of three separate systems underpinned by long-term, fixed fee contracts
- Pipeline infrastructure provides a more sustainable, efficient option versus trucking produced water
- **\$50 million** First Lien Sustainability-Linked Term Loan



PLASTICS RECYCLING

- Sponsor-backed manufacturer of high-quality post-consumer resin (PCR) pellets made from recycled low-density polyethylene (LDPE) for use in food-grade packaging, injection molding applications, bags, films and other high-end products
- The company’s objective is to build five plants across the U.S., becoming the first PCR manufacturer with a national footprint
- **\$100 million** First Lien Green Loan, documented according to the LSTA

EQUIPMENT MANUFACTURING & RENTAL



- An equipment manufacturing and rental company specializing in the treatment of H2S in the energy, renewable fuels, municipal wastewater and industrial markets
- The company utilizes a patented technology to convert H2S into elemental sulfur and water to prevent sulfur dioxide emissions; The infrastructure and technology serve to reduce flared gas
- **\$20 million** First Lien Sustainability-Linked Term Loan

ESG In Action

Our portfolio companies are putting ESG into action
to drive decarbonization and value creation.

“As a world-leading energy investor, we are committed to deploying our investors’ capital in sustainable, ethical and socially responsible ways.”

CASE STUDY: DECARBONIZATION

FreeWire Technologies

FREEWIRE

FreeWire Technologies is a leading U.S.-based provider of fully-integrated electric vehicle (EV) charging stations and power solutions. FreeWire’s combination of proprietary battery and power conversion technology enables ultrafast charging at all locations, freeing customers from the limitations of the traditional power grid. The company is well-positioned for further growth, helping customers reach decarbonization goals and catalyzing the global transition to sustainable electrification.

Upgrading the electric grid and individual site power infrastructure to rapidly meet charging demand is a costly and time-intensive process with each installation often requiring 8 to 12 months for completion, slowing efforts to address environmental goals^[1]. Upgrading electrical infrastructure to support multiple fast chargers would require significant permitting and coordination with the local utility. America’s aging, disaster-prone electric grids will come under increasing strain, potentially threatening to short-circuit our country’s progress toward decarbonization.

FreeWire’s ultrafast charging technology solves grid constraints by packaging charging infrastructure, grid infrastructure and energy storage in a fully-integrated solution. The company’s Boost Charger plugs into existing low-voltage utility service and delivers high-power charging in areas that typically require extensive grid upgrades. This is especially important for expanding electrification in

economically disadvantaged areas where EV adoption is slower and where there are typically higher levels of pollutants.

Because the fully-integrated systems charge EVs directly from the battery and not the electric grid, customer’s demand charges are virtually eliminated through peak-shaving and load-shifting, in addition to proprietary management software, which further reduces costs and provides additional energy services. The integrated system unlocks an entirely new category of distributed energy services that conventional charging solutions cannot provide. Further, chargers paired with energy storage will optimize renewable energy sources and provide additional grid resiliency, allowing EVs to recharge and support critical facilities when power is out.

FreeWire has deployed battery-integrated chargers with Fortune 100 companies, commercial customers, fleets, retail locations and gas stations. In addition to its partnership with bp pulse, FreeWire and ampm, a bp subsidiary and convenience store chain with over 1,000 locations, have already deployed multiple public charging stations in the U.S.

The ability to address barriers to mass EV adoption, reduce GHG emissions from transportation and enable less strain on the electric grid with ready-to-deploy ultrafast charging and power solutions may very well be the missing link in the energy transition.

Boost Charger Benefits

In 2021 alone, FreeWire contributed to emissions reductions with the launch of its latest product, Boost Charger, resulting in the following benefits:

9,910
charges delivered to EVs

281
MWh of energy provided

8,338
gallons of gas avoided

205,955
gas-free miles delivered

[1] <https://www.canarymedia.com/articles/ev-charging/ev-charger-installations-in-california-are-bogged-down-by-local-permitting>



CASE STUDY: DECARBONIZATION

Energía Real

Energía Real is Mexico’s leading financing platform for distributed generation projects with over 150 commercial and industrial solar systems. Its mission is to mitigate the negative impacts of climate change through its business.

Energía Real CO₂ offsets are equivalent to:

- 954,000 gallons of gasoline
- 10,600 Mexican homes’ electricity consumption per year

Key Stats

17,100

cumulative MWh of renewable energy generated since 2017

8,500

tons of CO₂e offset by Energía Real

CASE STUDY: CHAMPIONING ESG VALUES FROM DAY 1

VEMO



VEMO is a Mexican company with an integrated and innovative model committed to accelerating the clean mobility ecosystem in Mexico and across Latin America. VEMO is a force for good that aims to promote a better quality of urban life through quieter streets, cleaner air, access to more comfortable journeys and high-impact sustainable employment.

Selected Clean Mobility Decarbonization Projects

The implementation of the first 9 e-buses with its corresponding charging infrastructure in Mexico City’s public transportation system avoids 900 tCO₂ per year (equivalent to planting 44,000 trees), and implies a 15 decibel noise reduction (equivalent from hearing someone shouting to listening to a regular conversation) and 80% reduction in energy usage in comparison to diesel.

VEMO has recently announced a strategic partnership with Uber seeking to deploy 250 electric vehicles (EV) during the first quarter of 2022 in Mexico City as part of a pilot program that seeks to increase the number of EV available for trips through the ride-hailing application at no additional cost for users. This initial fleet of EV will have the ability to reduce an average of 5,000 tCO₂ emissions released into the atmosphere per year, equivalent to approximately 250,000 trees.

Financial Inclusion & Employment Opportunities

VEMO has facilitated 1,400+ vehicle loans to underbanked ride-hailing and last mile delivery drivers, providing them access to wealth producing assets. Simultaneously, VEMO expects to create ~1,000 new jobs with access to full social security benefits during 2022 as part of its strategic partnership with Uber.

Diverse Workplace

Out of 180+ corporate employees, ~33% are women, 50% have a high school or lower education level and 85% are 40 years or younger. Women make up 20% of senior management. Additionally, VEMO’s community (employees and Board members) comprises six different nationalities.

Key Stats

First 9

e-buses and charging infrastructure in Mexico City’s Public Transport

~1,000

new jobs targeted in 2022

+1,400

vehicle loans to low-income underbanked individuals

80%

energy usage reduction

~33%

of corporate staff are women

~20%

of senior management are women

900

tCO₂ avoided per year

250

EVs pilot program with Uber

+6,000

public & private chargers installed

VEMO services high utilization transportation modalities where clean mobility is competitive, including public transportation systems, private companies with commercial fleets and drivers of ride-hailing and last-mile delivery platforms. VEMO simplifies the transition to clean mobility, with solutions that combine charging infrastructure, vehicles and fleet management technology.



Pledges in Conservation Leadership

The partnership with The Longleaf Alliance is on track to complete its 2021 goals, which include:

3,000

Assisted in writing restoration management plans to help certify more than 3,000 acres of longleaf pine

4,000

Worked with suppliers and landowners to conduct restoration-oriented sourcing for more than 4,000 acres of longleaf pine and other forest types

3,500

Worked with the Longleaf Alliance (independent source) to verify more than 3,500 acres of longleaf pine were being restored

CASE STUDY: BIODIVERSITY

Enviva

Enviva is a leading global renewable energy company specializing in sustainable wood bioenergy and, as the world’s largest producer of industrial wood pellets, is a part of the solution to one of the greatest challenges of our time — climate change.

Enviva’s core product, wood pellets, improves the environmental impact of energy generation by helping to replace fossil fuels with wood bioenergy sustainably sourced in the U.S. Southeast.

Supporting Forest Health Through Restoration

Enviva and The Longleaf Alliance announced the signing of a five-year partnership in 2020 to protect and restore longleaf pine forests, one of the most biodiverse ecosystems in North America. Once spreading over 90 million acres, longleaf forests today only cover about 4.7 million acres.

The Longleaf Alliance was established to promote retention, management, and restoration of longleaf throughout its historic range and serve as a clearinghouse of information on all things longleaf. The partnership also supports the goals of America’s Longleaf Restoration Initiative, an extensive collaboration to increase acreage of longleaf pine forests across the southeastern United States.

Enviva’s Role

Enviva supports longleaf restoration on public and private lands by providing a market for the low value wood, such as tops and limbs, that is removed in two types of restoration operations. Existing longleaf stands often need to be thinned to improve their habitat quality and to get them back in a condition to have safe, low-intensity controlled burns, which longleaf ecosystems rely on for proper, healthy functioning. And to re-establish longleaf where other types of forest now grow, land managers sometimes need to remove the existing stands entirely.

Improving Biodiversity

Longleaf pine forests are considered high conservation value forests because of their rarity and biodiversity value. These forests support some of the highest levels of small-scale species diversity of any forest ecosystem in North America. Well-managed longleaf pine forests provide critical habitat for about 29 threatened and endangered species, including the red-cockaded woodpecker, the gopher tortoise and the Eastern indigo snake.

Longleaf Restoration Is a Long-Term Endeavor

Enviva and The Longleaf Alliance worked with two landowners in the Sandhills region of North Carolina to restore the longleaf pine ecosystem by thinning, planting and burning with the goal of permanently protecting the land through a conservation easement.

Hear more from these landowners as they share their stories of managing and restoring the land to longleaf pine in this interactive story.

WATCH VIDEO

Lucid

Lucid Energy is a midstream energy company providing comprehensive gas processing services in the Delaware and Permian Basin.

Recently, Lucid completed a comprehensive GHG inventory analysis and initiated its emissions reduction pathway.

Lucid is utilizing primarily pre-existing assets to create a profitable future revenue stream while significantly lowering CO₂ footprint. A large portion of the company's CO₂ footprint is attributed to amine treating facilities, which removes CO₂ from the gas stream. It is developing a sequestration project in the Delaware Basin that is expected to exceed 500,000 mtCO₂ per annum.

The project is expected to have a positive financial impact with a strong return on investment. Lucid received EPA approval for the project in December 2021, providing eligibility for 45Q tax credits.





CASE STUDY: CREDIT

Circulus

Circulus is a Houston-based manufacturer of high-quality post-consumer resin (PCR) pellets made from recycled low-density polyethylene (LDPE). Circulus provides a sustainable alternative and solution for LDPE which is often destined for single-use applications and currently landfilled.

An emerging leader in plastics recycling, Circulus is building out a widespread footprint of plants that utilize advanced technologies with a multi-step mechanical process to transform lower grade plastic into PCR pellets suitable for a variety of commercial and industrial applications. The company’s products address sustainability challenges with flexible plastics and revolutionize the use of PCR pellets for plastic bags, shrink film, pouches, overwraps and many more consumer-facing applications.

In August 2021, Riverstone funds provided a \$100 million green loan to Circulus. The term loan is structured in compliance with the LSTA Green Loan Principles which aim to facilitate and support environmentally sustainable economic activity by financing eligible projects. The use of proceeds for the term loan is to build and fund operating expenses for 5 low-density polyethylene recycling facilities in the U.S. The loan is supported by equity invested at closing by Ara Partners, three financial covenants and contracted cash flow.

Key Stats

5
recycling plants to be built by Circulus across the U.S. which will make Circulus the first PCR pellet manufacturer with a U.S. footprint

88%
Initial Life Cycle Analysis (LCA) shows GHG emissions associated with production of Circulus’ PCR pellets as approximately 88% below that of virgin resin

4.4 million
pounds of low-density polyethylene has been recycled by Circulus in 2021

Looking Forward

“In 2022 and beyond, our focus primary is twofold: firstly to increase our exposure to opportunities in energy transition and decarbonization and secondly to decarbonize and build resilience in our existing portfolio companies to respond to the risks posed by climate change.”

Looking Forward

As Riverstone continues to focus on increasing investment exposure to opportunities arising from energy transition and decarbonization, we remain committed to continue growing our ESG program and embedding it in our culture. In 2022 and beyond, we will look to build on the successes of the past year across five overarching themes: Risk Management (formerly Due Diligence & Initial Investment), Portfolio Engagement, ESG at Riverstone, Climate Change and ESG Reporting and report progress in next year’s ESG report.

In line with our focus, our objectives for 2022 and 2023 are centered on our response to climate change.

- Complete actions to align Riverstone’s reporting with the recommendations of TCFD
- Update and expand our scenario analysis to all portfolio companies and future investments using the latest climate projections. We will use the results of the analysis to deepen our engagement with portfolio companies and support our portfolio companies as they seek to improve their climate resilience to the risks posed by climate change. In addition, we will support our portfolio companies in leveraging the opportunities presented by the energy transition.
- Continue to calculate our firm’s GHG footprint to set targets for annual reductions
- Engage a third party to help our portfolio companies complete a GHG footprint and engage with portfolio companies regarding individual reduction targets
- Build ESG capacity at all levels in Riverstone through training

Contact

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

As part of our commitment to continually improve our ESG program, Riverstone welcomes investor input. Please send any comments or questions to ESG@riverstonellc.com.

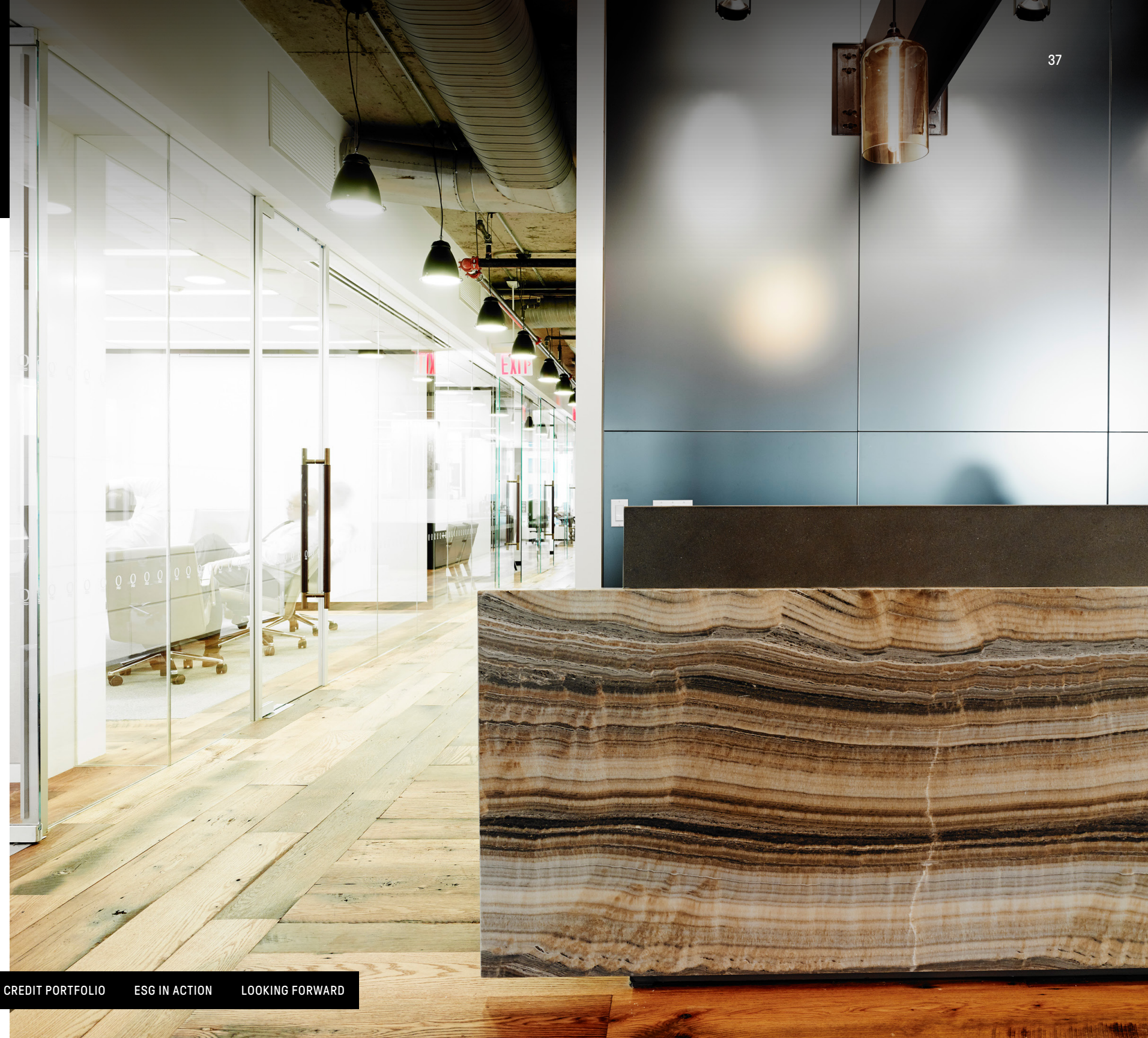
While Riverstone seeks to integrate ESG matters into its overall investment management processes, including the standards and strategies described in this report, there can be no assurance that Riverstone will be able to successfully apply such strategies or implement its ESG policies to procure particular ESG results for any particular portfolio company or other initiative. The ESG results for any portfolio company or business are no guarantee as to ESG outcomes for any other portfolio company. Applying ESG factors to investment decisions involves a mix of factors, including considerations that are qualitative and subjective by nature. There can be no assurance that the ESG criteria utilized by Riverstone, or any judgment exercised by Riverstone with respect to ESG matters, will reflect the beliefs or values of any third party.

The case studies presented in this report are intended to highlight relevant portfolio company ESG characteristics or results and are set forth for illustrative purposes only; there can be no assurance that other Riverstone portfolio companies will have similar ESG characteristics or results.

This Riverstone ESG report is for the period ending December 31, 2021. 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. This report contains forward-looking statements and actual results and outcomes may differ materially and adversely. Numbers and percentages in this report include estimates, approximations and assumptions that, if inaccurate, may make results differ from current disclosures and expectations. We are also reliant in part on third party data that we have not independently verified or audited.

This report is designed to be read electronically. Please consider the environment before printing this report.

© 2022 Riverstone. All rights reserved.



RIVER
STONE