

An aerial photograph of a large-scale solar farm. The solar panels are arranged in long, parallel rows that stretch across the landscape, creating a strong sense of perspective. The panels are a deep blue color, contrasting with the brownish-green ground between them. In the lower right, there is a small, rectangular, light-colored building, likely a maintenance or control structure. The overall scene is captured from a high angle, looking down at the rows of panels.

Stonepeak

Task Force on Climate-Related Financial Disclosures Report

2021

Stonepeak Partners, LP (together with its affiliated entities, “Stonepeak” or the “Firm”) is a leading alternative investment Firm specializing in infrastructure and real assets.

We invest in the critical infrastructure that underpins our daily lives, from communications towers and data centers, which are the backbone of a connected digital society, to energy and electricity production and distribution assets, which power our homes and businesses, to transport and storage facilities, which enable the movement of essential goods.

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Welcome from CEO Mike Dorrell



Dear Partners:

We're delighted to present to you our inaugural Taskforce for Climate-Related Financial Disclosures ("TCFD") Report, in accordance with our commitment under the Net Zero Asset Managers initiative. It provides a broader update on how we are managing carbon and climate-related risks and opportunities across our business and investment activities.

We recognize that man-made climate change and the need for accelerated and socially equitable decarbonization presents generational challenges as well as opportunities. As infrastructure investors with deep expertise across the traditional, transitional, and renewable energy sectors, – which generate approximately 73% of greenhouse gas ("GHG") emissions¹, – in our view we're in the privileged position of being able to play a meaningful role. Our renewable energy investments have a direct and obvious part in this. We know that energy transition needs responsible management and investment in traditional energy infrastructure. In these asset classes, we seek to implement both long-term environmental, social, and governance ("ESG")-focused stewardship and immediately actionable opportunities.

Aside from investing in and stewarding our portfolio companies to achieve meaningful decarbonization, we know that disclosure and accountability on this issue is critical. Not only because our investor partners increasingly desire to understand better the long-term risks of their investments, but also because what gets measured, gets managed.

The TCFD reporting framework leads to thorough and honest self-reflection on how the complex and long-term risks and opportunities resulting from climate change are being managed. We hope readers take away the following from this report:

- i. Knowledge and management of risk is firmwide, substantive, and championed from the top. We consider this the right way to manage this issue, given that it permeates so many different aspects of our business;
- ii. Climate risks, decarbonization, and GHG performance are a major focus of our stewardship activities with portfolio companies. Our management team partners understand this, and our work on this issue is collaborative; and
- iii. The depth and consistency of GHG and climate risk reporting we perform internally, and across our portfolio of companies, has improved over the past two years, and we are focused on improving it further with every year to come.

We look forward to continuing the dialogue with our stakeholders on this vitally important matter.

Mike Dorrell
Chief Executive Officer

Our climate commitment journey

Stonepeak is a leading alternative investment firm specializing in infrastructure and real assets. Our thoughtful approach focuses on delivering value for our partners and portfolio companies, and better results for the environment and society.

We invest in sectors and assets where the tailwinds, including ESG issues, are strongest and where we expect performance to improve with investment duration.

Assets Under Management²

 **\$49.3bn**

Capital committed³

 **\$31.7bn**

Committed to total investments⁴

 **44**

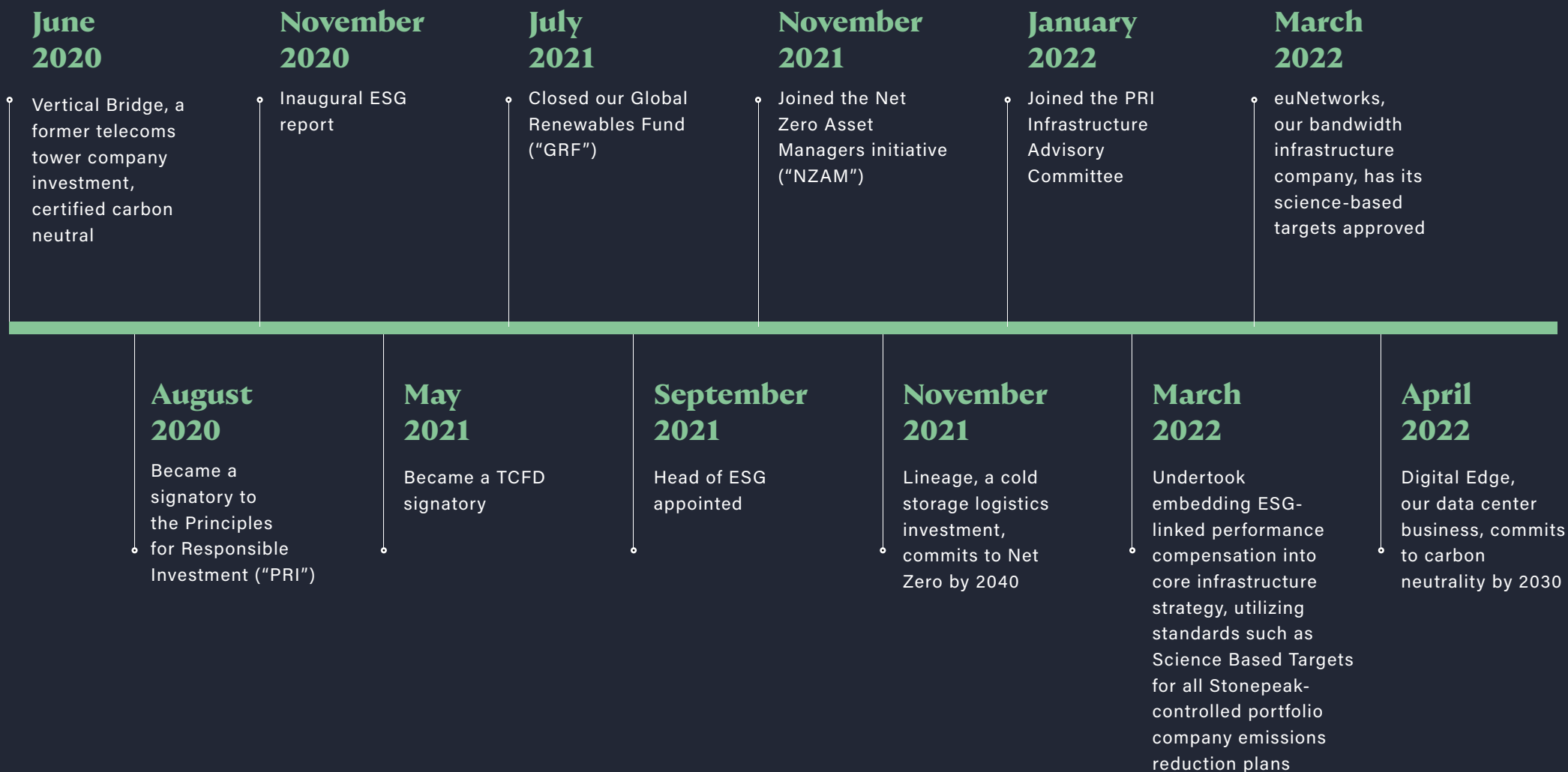
Total investors⁵

 **230+**

Countries⁶

 **25+**

Timeline



TCFD Index

TCFD aims to develop accurate and dependable climate-related financial risk disclosures. Its requirements apply to four thematic areas – governance, strategy, risk management, and metrics and targets – and its recommended disclosures are outlined here.



Governance

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

- Describe the board's oversight of climate-related risks and opportunities (Page 8).

- Describe management's role in assessing and managing climate-related risks and opportunities (Page 9).

Strategy

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

- Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term (Page 10).

- Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (Page 11).

- Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (Page 12).

Risk management

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

- Describe the organization's processes for identifying and assessing climate-related risks (Page 34).

- Describe the organization's processes for managing climate-related risks (Page 36).

- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management (Page 37).

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process (Page 38).

- Disclose Scope 1, Scope 2, and – if appropriate – Scope 3 GHG emissions, and the related risks (Page 40).

- Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets (Page 38).

Governance

Stonepeak is an independent firm, with established governance around climate-related risks and opportunities. In this section we explain how this governance works at the board and management levels within our firm and portfolio companies.



Board oversight

i. Stonepeak

Our governance and risk framework enables us to identify and review climate-related risks and opportunities. As illustrated by our governance structure, on page 9, Stonepeak's Executive Committee is responsible for key strategic decisions, such as the consideration of climate-related risks and opportunities within the context of the firm's investment, asset management, and fundraising strategies. The Executive Committee also champions and promotes ESG risks and considerations firmwide. Our Chairman, CEO, and Co-Founder, Michael Dorrell, has ultimate responsibility for the firm's monitoring of climate-related risks and approving the strategy for managing them.

ii. Our portfolio companies

The oversight and management of climate-related risks and opportunities of Stonepeak's portfolio companies is exercised in each instance by the relevant company's Board of Directors or equivalent body and senior management team members. As detailed in the 'Risk management' section, Stonepeak investment team members are accountable to the Executive Committee for the ESG performance of the relevant portfolio companies.

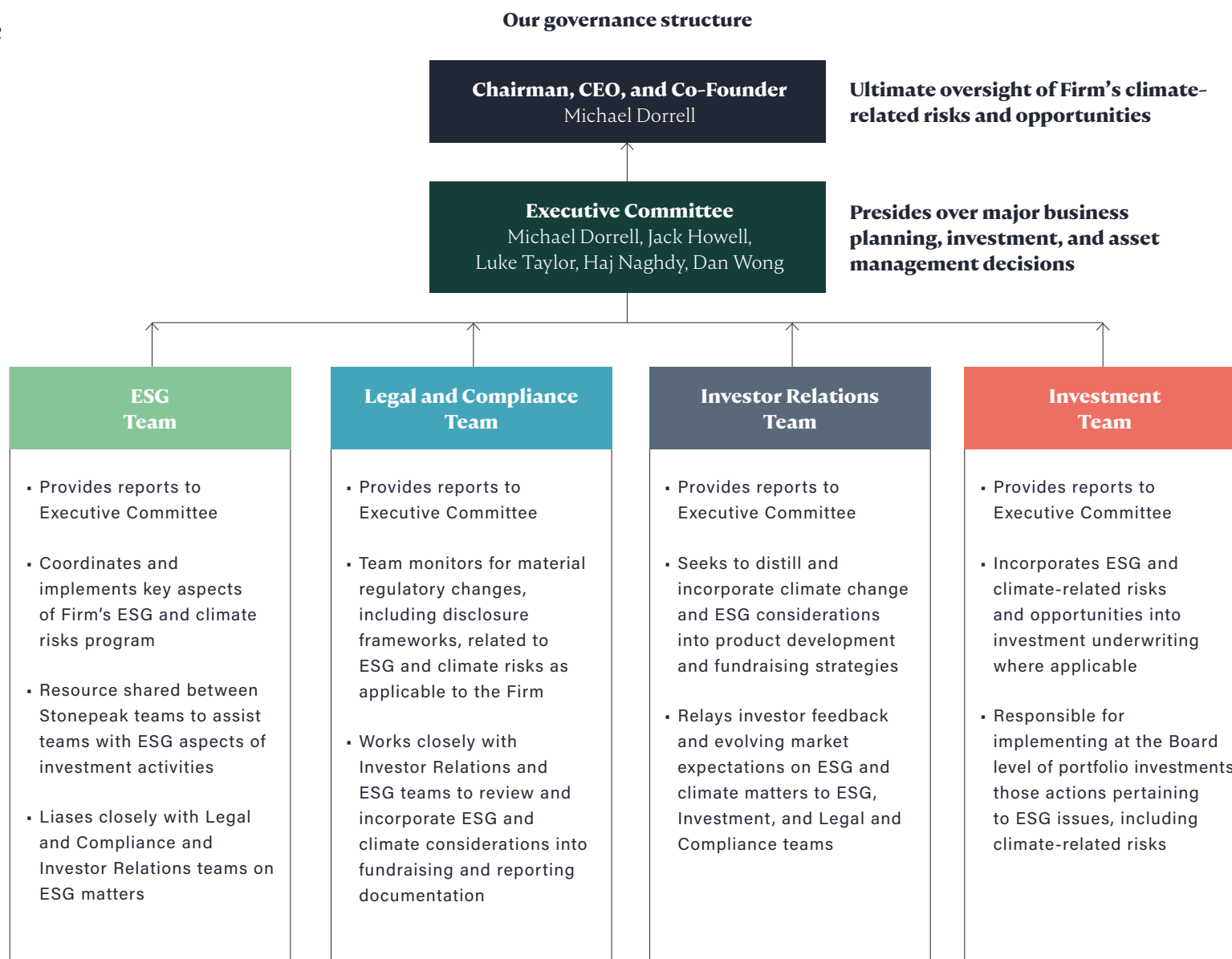
Management's role

Climate-related risks and opportunities are governed at multiple levels of our organization, with different aspects being managed by different functional groups. Each committee and team has clear accountability and reporting lines, as set out below.

Governance and risk discussions, including ESG and climate-related considerations, are a continual conversation between the Firm's management and staff in the ordinary course of business operations. This happens in addition to structured processes detailed in the 'Risk management' section on page 34.

Ongoing integration

In keeping with our approach of enhancing the integrated management of ESG and climate change risks and opportunities, in mid-2022 we formed the Sustainability Implementation Group ("SIG"). SIG is comprised of members of our ESG, Investor Relations, and Corporate Communications teams – whose role is to oversee the coordination and execution of the Firm's ESG and climate change strategy and provide monthly updates to the Sustainability Council ("SC"). The SC is comprised of Executive Committee as well as other senior members from across the Firm's Investment, Investor Relations, Operations, and Legal and Compliance functions. The SC is a forum for idea generation, knowledge sharing, and dissemination of best practices which we believe – given its cross-functional membership – enhances our climate change risk management.



Strategy

Stonepeak invests in essential infrastructure, and climate change presents tangible and appreciable risks and opportunities for our business. Our major sectors of investment are energy transition (across renewables and traditional sources of energy), transport and logistics, and communications and digital infrastructure.



In this section, we set out:

Our strategy – how we approach climate risks and opportunities.

Scenario analysis – how we approach modeling different future scenarios that enable us to identify climate risks and opportunities.

Risks and opportunities – what the risks and opportunities are, and their impacts on our business.

Signatory of:



**NET ZERO ASSET
MANAGERS
INITIATIVE**

TCFD | TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

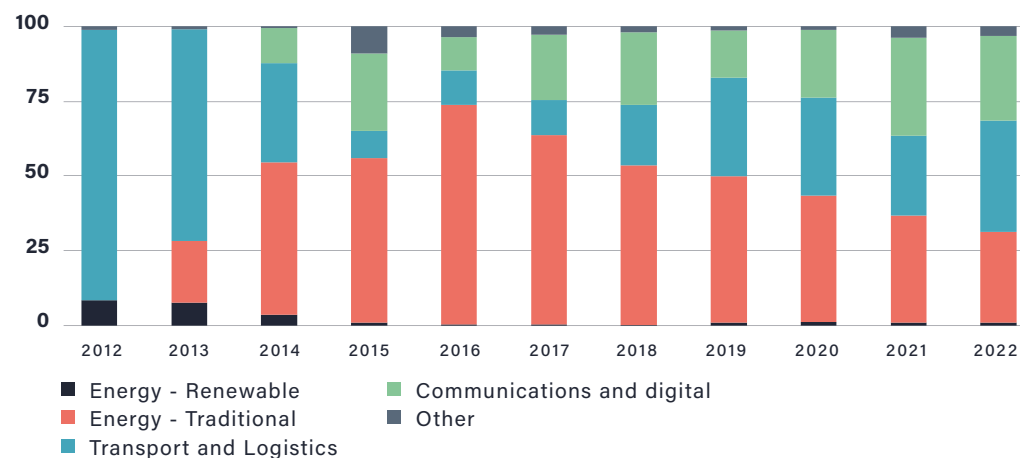
As signatories of the NZAM initiative and TCFD, we have publicly committed to reach net zero across all assets under management by 2050 or sooner, and to publish TCFD-level disclosures.

Our strategy⁷

Stonepeak is an active and opportunistic investor, investing where we believe risk-adjusted returns are favorable and where – in partnership with our management teams – our capital and operating expertise can unlock or accelerate changes that we believe could improve financial returns while also seeking to achieve sustainability improvements. Our evolving sector contribution between energy transition and renewables, transport and logistics, and communications and digital infrastructure – measured by cumulative fund capital deployment – reflects the diverse nature of the Firm's investment activities.

Stonepeak fund cumulative net invested capital since inception

By subsector (% of total, as of March 31st 2022)



Our strategic approach to managing climate risk and opportunity – which applies across investment strategies and subsectors – is summarized in the framework below.



Strategy – Continued

Given our investment expertise and experience across the spectrum of traditional, transitional, and renewable energy, we believe that Stonepeak has strong institutional awareness of transitional risks to energy investments, providing us with a balanced and nuanced perspective of both risks and opportunities.

For traditional energy assets, transitional risks that may in time increase ‘stranded asset’ prospects are elevated – particularly in the medium-to-longer-term – as the globally coordinated decarbonization of the energy sector accelerates due to technological, regulatory, and market demand factors. In the near-to-medium term, the world’s economic activities remain dependent on the ongoing consumption of fossil fuels.

Stonepeak believes that when applied to traditional energy assets, its strategy, as summarized above, is not only consistent with its goals of decarbonizing and reducing transitional risks to its portfolio over time, but can meaningfully contribute to a net-zero future, as emissions savings from responsible ownership of traditional energy assets – which are inherently carbon-intensive – can be both quickly achieved and significant (potentially even more so than decarbonization operating strategies applied to other less carbon-intensive infrastructure subsectors).

Scenario analysis

We use best-in-science solutions to deliver climate-related risk analysis. Both chronic risks (for example, rising temperatures, changing precipitation patterns, or sea level rises) and acute risks (for example, extreme weather events, such as storms and wildfires) are evaluated. The temperature rise scenarios we analyze are:

- Best-case scenario (climate pathway RCP2.6), where the global average temperature increases by less than 2°C from pre-industrial levels, and;
- Intermediate scenario (climate pathway RCP6.0), where temperatures increase between 2°C and 3.7°C by the end of the century from pre-industrial levels.

Multi-source, data-driven analysis

We believe that the better our analysis, the better our investment decision making process. We draw upon various data and insights for our risk and opportunity analyses, depending on the materiality of the analysis and specifics of the transaction, including:

Physical: Third-party consultant reports, Jupiter Intelligence GPS-enabled physical risk assessments, reviews of company insurance policies with respect to key perils, reviews of analyses (such as environmental assessments and engineering studies) undertaken during governmental development approval processes, reviews of company physical asset registers (including maintenance and physical condition reports and historical weather-related incidents), on-site inspections, and management interviews.

Transitional: Potential demand curves under various policy scenarios (particularly for traditional energy), understanding technological changes, resource availability, and asset exposure within an industry’s cost curve (particularly for energy-related assets), the underlying contractual structure of investment (for example, offtake agreements and creditworthiness of contracted counterparties), opportunities for feedstock transition, and reviews of regulatory and policy developments.



Scenario analysis to inform asset-level decisions

As well as informing strategic decisions, the results of our analyses can be used to adjust model valuation drivers in the construction and operational phases of an asset.

We evaluate the physical climate risk of our assets and adjust our approach accordingly. This analysis is a quantitative assessment that is focused on specific asset locations that are at direct physical risk from climate changes.

The following example is for Venture Global LNG (VGLNG), Calcasieu Pass – a 10 million tonnes per annum (“MTPA”) natural gas liquefaction and export terminal located on the Louisiana coastline. The modeling shows the site is particularly vulnerable to extreme flooding from rising sea levels and precipitation, which can produce flash floods. Wind, in addition to the unique risks it poses, amplifies the chance of flooding by increasing the likelihood of storm surges. The asset was designed and constructed to endure these conditions, with features including a 31.5-foot-high storm surge wall and a six-foot-high armored embankment on the west perimeter, designed to protect the site even in the event of a 1-in-500-year storm surge. As an additional protection, the site is purposely set back from the shoreline, protecting it from long-term erosion caused by rising sea levels.



Industrial asset on Louisiana coastline⁸

		Peril Band Category ■ Highest ■ High ■ Medium ■ Lowest														
		Historic		SSP1-2.6 (1.8°C)					SSP2-4.5 (2.7°C)				SSP5-8.5 (4.4°C)			
		1995	2020	2030	2040	2050	2020	2030	2040	2050	2020	2030	2040	2050		
Extreme Cold	Days per year with temperature <0°C	1.8	1.1	1	0.9	0.9	1.3	1.1	1	0.8	1.3	1	0.9	0.7		
Extreme Heat	Days per year with temperature >35°C	16.5	20.7	21.7	22.7	23.3	20.3	22.4	25.1	26.5	20.9	22.5	24.8	28.1		
Flood	Depth of the water (in meters) at the 100-year return period	2.2	2.5	2.6	2.7	2.8	2.5	2.6	2.8	2.9	2.5	2.7	23	3		
Hail	Number of days per year where large hail (>2 in / 5 cm in diameter) is possible	3	2	2.2	1.8	1.7	2.5	2.4	23	2	2.5	2.4	2.1	2		
Precipitation	Maximum daily total water equivalent precipitation (in mm) experienced at the 100-year return period	395.6	426.5	442.3	453.1	460.8	428.2	442.8	460	471.5	428.4	444.6	463.8	487.9		
Wind	Maximum 1-minute sustained wind speed (in km/hr) experienced at the 100-year return period	207.6	210.2	211.1	211.7	212.1	210.3	210.8	211.5	212.3	210.4	211.1	211.8	212.9		

Risks and opportunities⁹

Each investment across Stonepeak's sectors of focus – energy transition (across renewables and traditional sources of energy), transport and logistics, and communications and digital infrastructure – has unique risks and opportunities stemming from physical and transitional climate-related effects.

Our approach to identifying, assessing, and managing these risks and capturing opportunities is detailed in the Strategy section. Below, we illustrate what this means in practice at two key points of the investment life cycle for different asset types.

The majority of climate-related risks and opportunities pertain to our investment operations; however, as a Firm employing over 180 people located in multiple offices across several countries, Stonepeak does face climate-related risks common to office-based businesses.

Diligence and underwriting

During diligence and underwriting, additional analysis and, if necessary, resources are committed to investments that are exposed to elevated physical or transitional risks. Commercial aspects of the investment underwriting are also considered in this risk-based analysis, for example:

Hydrocarbon energy combustion or transport assets

- Midstream or thermal power assets generally face higher medium- to long-term transitional risks – for example, global decarbonization policies and technology advancements – as the world moves to reduce hydrocarbon energy use. These risks can be mitigated or influenced by commercial factors, such as:
 - **Contract structure**
Hydrocarbon transport or midstream assets may have very long-term take-or-pay contracts with creditworthy counterparties at either fixed or indexed prices. These contracts protect cash flows and asset values, even if the underlying commodity experiences decline in market price or demand.
 - **Resource availability and cost viability**
Midstream systems service hydrocarbon production within basins or areas that –

These risks pertain primarily to physical impact risks – such as hurricanes or floods – which may, for example, temporarily impede office access, our IT systems, or ability to perform required business travel. We believe these risks – should they eventuate – are likely to be transitory, and we are somewhat diversified from physical risk by office diversification (noting a concentrated physical risk exposure specifically to New York, from which ~70% of our staff work). Further, the Firm's ability to operate from remote working environments, as successfully proven during the COVID-19 pandemic with all staff working remotely for prolonged periods, demonstrates the Firm's resilience to physical risks which may impact office access.

The Firm also faces regulatory risks due to increased reporting and compliance-based requirements pertaining to climate change disclosures, which is managed in an integrated manner as discussed throughout this report. We believe reputational and market factors present more risks than opportunities given the Firm's expertise and focus on both investing responsibly, and into assets and sectors with decarbonization and energy transition focuses, which in general stand to benefit from climate change-related market forces.

primarily for geological reasons – experience differing break-even costs. As hydrocarbon usage gradually declines over the medium- to long-term, production within high break-even cost basins – the most marginal production – will be the first to become economically marginal, leading to falls in production. Conversely, hydrocarbon production within low break-even cost basins are more resilient against transitional risks.

Renewable energy assets

- As weather-dependent assets, our investment decisions are impacted by forecast changes in weather patterns. In addition to performing our own analyses, we work with expert third parties to incorporate this information into our long-term resource availability projections.

Increased physical risks

- All assets face physical risks, for example from hurricanes or fires. These are part of our detailed scenario analysis during this stage of the investment life cycle.

Stranded asset risk

- Hold-to-maturity and/or 'next buyer' financial return projections for hydrocarbon assets are modelled to sense-check return expectations, as well as to sensitize for scenarios in which Stonepeak may be unable to realize its investment successfully according to the base case operating plan.

The Firm operated successfully during the COVID-19 pandemic with all staff working remotely for prolonged periods, demonstrating resilience to physical risks

During asset management

During asset management, Stonepeak works with the management teams of businesses facing higher physical or transitional risks to develop and accelerate business plans both to reduce risks and capture opportunities. These plans may include:

- Setting science-based targets
- Investing in energy efficiency programs, particularly for high-energy-consuming businesses, such as data centers, cold storage warehousing, and shipping and other transport businesses
- Shifting to more renewable energy, either via onsite installation, grid procurement, power purchase agreement offtakes, or renewable energy certificate procurement
- Shifting energy feedstock to lower-carbon fuel sources
- Delivering behavior-based energy efficiency savings, such as improving fleet routing, electrifying vehicle fleets, and reducing staff travel

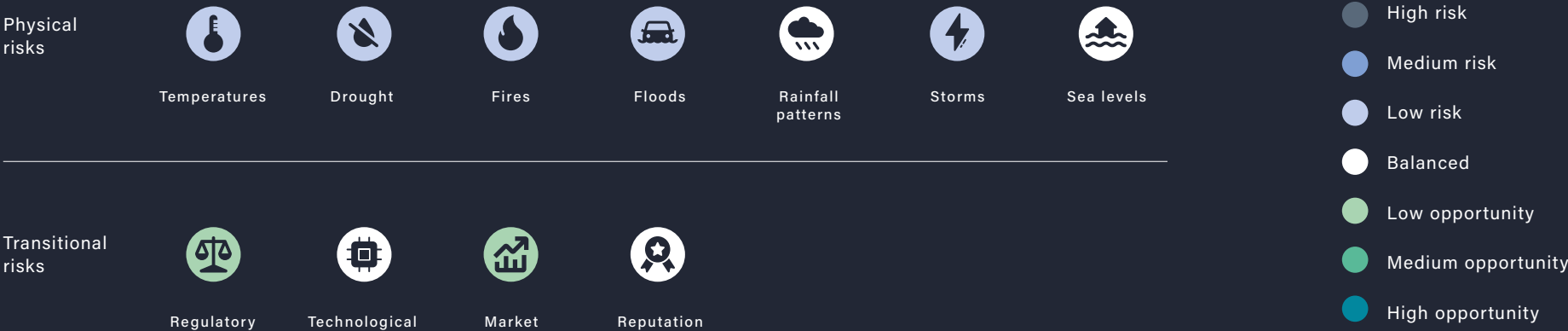
Physical & transitional risks per sector



Communications and digital infrastructure sector risks and opportunities

Set out below is a summary of climate-related risks and opportunities by sector, with the materiality by risk or opportunity component mapped according to the following key, acknowledging that risks and opportunities vary considerably, even by sector.

Communications and digital infrastructure risks and opportunities



Our communications and digital infrastructure holdings break down into:

Data centers

- Cologix
- Digital Edge
- Cirion (Lumen Latin America)

Other communications – small cells, underground fiber, and consumer internet connectivity

- Extenet
 - euNetworks
 - Astound
 - Xplornet
 - Delta Fiber
-

Data centers

Risks



Data centers are power- and water-intensive assets because they need to power and cool servers, so they are susceptible to extreme weather that impacts energy supplies – either by interrupting the supply or increasing the price volatility – and diminishing rainfall or drought, which may affect the price or supply of water. They are also vulnerable to policy or regulatory changes that raise prices to regulate energy and water consumption.

Geographical factors help to mitigate these risks. Cirion, Cologix, and Digital Edge benefit from geographical diversification, which limits the impact of isolated extreme weather events. Cologix's 40+ centers are spread across 11 markets in the USA and Canada,

and Digital Edge's 12+ data centers are in four countries in the Asia-Pacific region. Data center operators may also pass on power costs directly to customers via contractual arrangements in certain instances, limiting the impact of volatile power prices. Cirion's operations span 20 countries, and include 87,000 fiber km, 16 cable landing stations, and 18 data centers.

In the data center market, customer demands for both greater computing power and reductions in supply chain carbon intensity mean operators need to focus on operational efficiency. Not investing appropriately could lead to a competitive disadvantage or technological obsolescence.

Cirion, Cologix, and Digital Edge benefit from geographical diversification, which limits the impact of isolated extreme weather events

Opportunities

Data centers provide mission-critical services to their customers, which are increasingly looking at the carbon emissions from their supply chains, of which data centers form a part. This makes investing in reducing the carbon intensity of their services a growth opportunity.

Proactive actions

All three businesses maintain up-to-date emergency action plans in case significant weather events interrupt operations.

Cologix is working to finalize its medium-to-long-term sustainability and carbon management framework. The key targets under consideration are:

- (i) Scope 1 and 2 carbon neutrality by 2030, in line with the Science-Based Target initiative (“SBTi”) recommendations;
- (ii) Converting all Cologix facilities to 100% renewable energy by 2030; and
- (iii) Partnering with suppliers to quantify Scope 3 emissions by 2025, with the aim of reducing them by 50% by 2030.

Some 45% of Cologix’s power consumption in 2020 was renewable, and 51 energy efficiency projects were completed in 2020 alone. The company deploys advanced energy management – including high-efficiency cooling, free air cooling via ambient air, LED lighting, and retrofitting of key equipment – and prioritizes cooling systems that limit or eliminate the use of water and maximize free cooling to reduce water demand.

Digital Edge has set a target to be carbon-neutral by 2030, which it aims to achieve by sourcing at least 50% of its power from renewable or carbon-free resources by 2025 and pursuing best-in-class green building standards for all new greenfield constructions. In May 2022, its EDGE DC facility became the first data center in Jakarta to use solely sustainable energy. This status was ratified with a renewable energy certificate from PLN, an Indonesian state-owned electricity company that aims to help increase the clean energy mix in the country by up to 25% by 2025.

Additionally, Digital Edge has committed to ensuring that all newly constructed facilities are designed to achieve a peak power usage effectiveness (“PUE”) of 1.3 or less, with a target annualized PUE of 1.2 or less. The overall industry average is 1.8 PUE¹⁰. Digital Edge has also set a water usage effectiveness (“WUE”) target of 1.4 or less¹¹, as part of the company’s focus on energy efficiency. The company is building a data center in Manila that has been designed to achieve an expected annualized PUE of 1.193 and WUE of 1.355 through innovative engineering design and the incorporation of industry-leading cooling technology.

Stonepeak completed its acquisition of Cirion in August 2022, and is working with management to define and embed into the business its climate risk and carbon management framework.

Cologix

51
energy efficiency projects
completed in 2020

Digital Edge

50%
of its power from
renewables or carbon-free
resources by 2025

Other communications – small cells, underground fiber, and consumer internet connectivity

Risks

Communications infrastructure maintained below ground, such as fiber, forms the backbone of consumer broadband services. Being underground, these assets tend to face reduced physical risks from weather events; however, there are still risks to network services from power interruptions or damage caused to interconnecting data centers, or service crews being unable to access and restore damaged sites.

Geographical factors do help to mitigate these risks. A portion of Delta Fiber's network is exposed to flooding because of its location in low-lying areas of the Netherlands. However, the business's network is waterproof as standard building practice, and all key network layers feature redundancy, with multiple locations able to maintain the service

should one fail. Xplornet owns a portfolio of approximately 800 towers throughout rural Canada, and leases another ~1,600. These may be impacted by severe weather, particularly extreme cold.

To the extent that regulations and customer demands evolve to require Scope 3 (supply chain) emissions reductions, connectivity-based communications infrastructure businesses would be at risk given the general difficulty in substituting materials required for network deployment. These businesses typically maintain automobile service or installation fleets, and may face increased costs from a requirement to decarbonize or replace their fleets, and they also face increased electricity prices.



Opportunities

As with data centers, the market is demanding that suppliers lower their carbon intensity, so businesses with better-than-average performance may gain a competitive advantage.

Proactive actions

euNetworks

Committed to being net-zero carbon by 2040 and has set 1.5°C-aligned science-based targets across Scopes 1, 2, and 3, which were accepted by SBTi in March 2022. Around 51% of the power used in 2021 was renewable, but as a signatory to The Climate Pledge, the company aims to be 100% renewably powered in 2023. euNetworks has developed an innovative Network Construction Carbon Tool to calculate and manage project-level emissions, and works with suppliers on materials, construction methods, routes, and technologies to drive down emissions and deliver the lowest carbon footprint per bit. euNetworks also has long-term sustainability-linked financing, further aligning its ESG and financial performances.

Delta Fiber

Committed to being net-zero carbon by 2045 across Scopes 1, 2, and 3, and is working towards getting its decarbonization plan ratified by SBTi by mid-2023. In 2021, Delta Fiber had already achieved net-zero emissions across Scopes 1 and 2, with 100% renewable power procurement.

As of June, 2022, Extenet, Astound, and Xplornet were all completing their inaugural carbon baselining projects and – subject to the findings of the analysis – expect to work to establish 1.5C-aligned science-based targets over the remainder of 2022.

euNetworks has developed an innovative Network Construction Carbon Tool to calculate and manage project-level emissions

euNetworks

51%
of power used in 2021 was
renewable

Delta Fiber

100%
renewable power used
in 2021

Transport and logistics – sector risks and opportunities

Transport and logistics risks and opportunities



Our transport and logistics investments are diversified by activity type, focusing on the transport of liquefied natural gas (“LNG”) and liquefied petroleum gas (“LPG”), the leasing of marine chassis used to transport shipping containers, as well as the handling, warehousing, forwarding, and transportation of foodstuffs and chemicals.

Seapeak owns and operates 74 LNG and LPG vessels.

Venture Global LNG (VGLNG), Calcasieu Pass is a 10 MTPA natural gas liquefaction and export terminal.

Hygo (part of New Fortress Energy, as of April 2021) funds, builds and operates natural gas infrastructure and logistics.

TRAC Intermodal leases 180,000 marine chassis and associated equipment to transport customers.

Lineage is a food cold storage distribution and warehousing business.

Emergent Cold Latin America is a cold chain network providing temperature-controlled logistics solutions to food customers across Latin America.

Rinchem operates a network of chemical and gas distribution centers globally.



Risks



Increasingly extreme and unpredictable weather events present the most pressing risks, both in terms of service disruption and faster asset degradation for Lineage, Rinchem, Seapeak, and TRAC. These businesses are energy-intensive to varying degrees and are susceptible to rising energy prices. The cost of oil-based fuels impacts fleet operating costs, especially for Seapeak and Lineage, and power prices particularly affect electricity-intensive warehousing operations, such as Lineage's cold storage facilities.

VGLNG is located on the coast of Louisiana, an area highly susceptible to hurricanes, floods, and storm surges. This was accounted for in

the project's design, which includes a 31.5-foot-high storm surge wall and a sixfoot- high armored embankment on the west perimeter, designed to protect the site even in the event of a 1-in-500 year storm surge. As an additional protection, the site is purposely set back from the shoreline, in an effort to protect it from long-term erosion caused by rising sea levels.

All of Seapeak, VGLNG's, and Hygo businesses center on the transport of natural gas, which faces appreciable medium-to-long-term transitional risks as the world moves to low-carbon energy sources and the market demand for hydrocarbons gradually declines.

The opportunities from climate change for our transport businesses come largely in the areas of diversification

Opportunities

The opportunities from climate change for our transport businesses come largely in the areas of diversification – using existing assets and expertise to service new, fast-growing areas of the economy, such as Seapeak diversifying its fleet to service offshore wind projects – and cost savings achieved either through efficiency initiatives or switching to green energy, both of which can reduce carbon intensity and operating costs over time.

Proactive actions

Seapeak mitigates the physical risks of faster fleet degradation by maintaining hull and machinery insurance, and through its maintenance and repair program. It also contractually mitigates potential declining market demand for gas – at the time Stonepeak acquired it, Seapeak had approximately \$8bn of contracted backlog, with an average of 10 years of remaining tenor in take-or-pay contracts to creditworthy counterparties.

Seapeak is targeting a 40% reduction in fleet-wide GHGs per ton-mile by 2030 from 2008 levels. As of 2021, it had achieved a 20% reduction in fleet emissions intensity and throughout the year rolled out a generator optimization initiative to improve engine efficiency and reduce emissions. It also installed Air Liquide reliquefaction plants on three vessels to minimize consumption of excess boiloff gas, introduced daily performance reports to provide regular feedback to onboard crew, continued to roll out across its fleet high-performance, low-friction coatings to improve hull efficiency and increase propulsive power, and developed an application to support emissions and carbon intensity monitoring.

Beyond continuing to work to meet its fleet emissions targets, Stonepeak and Seapeak are exploring how to diversify the fleet toward marine assets servicing the offshore renewable energy industry, such as offshore wind projects and ancillary supply chain and transport needs.

VGLNG's physical risks were accounted for by the project's design, both in construction as already discussed, and contractually. VGLNG's production is contracted under 20-year take-or-pay tolling arrangements with creditworthy counterparties. Additionally, VGLNG announced in May 2021 its plans to capture and sequester an estimated 500,000 tons of carbon per year from its Calcasieu Pass and neighboring Plaquemines liquefaction sites, by compressing carbon dioxide ("CO₂") at its sites and then transporting and injecting it deep into subsurface saline aquifers, where it will be permanently stored.

New Energy Fortress (which acquired Hygo in April 2021) formed its Zero division to focus on investments in low carbon fuels (such as blue hydrogen and renewable diesel), in furtherance of the company's ambition of achieving net zero emissions by 2030.

TRAC's climate-risk mitigation actions focus on increasing efficiencies that reduce carbon intensity and build commercial resilience. TRAC recycles approximately 20 million lbs of metal chassis each year, reducing the need for new steel production – a highly carbon-intensive activity. By converting its chassis fleet to LED lighting and radial tires, energy use and tire drag is reduced, which in turn reduces the fleet's energy consumption and carbon footprint. Similarly, TRAC recycles approximately 70,000 tires per year, reducing the need for new tire production, which is also highly carbon-intensive.

Lineage's cold storage facilities provide mission-critical services to its customers, an increasing percentage of which are setting sustainability and decarbonization goals with respect to their own supply chains. Lineage can help its customers to achieve these goals by focusing on energy efficiency, renewable energy procurement, and decarbonization. Lineage is strategically engaged in this mission and considers climate change and sustainability as offering more opportunities than threats. In September 2021, it joined The Climate Pledge with the aim of becoming

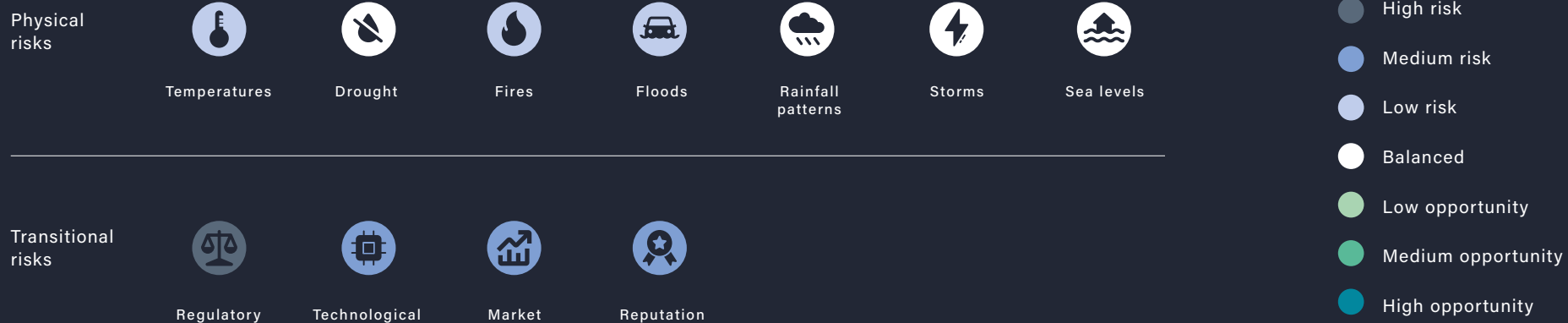
carbon net zero by 2040, 10 years ahead of the Paris Climate Accord's 2050 target. To achieve this goal, the company is working to establish science-based targets for its Scope 1, 2, and 3 emissions ahead of releasing its first carbon report later this year.

Emergent Cold LatAm – having launched as a standalone platform in 2021 – continues to operationalize, and benefits from Lineage (a cornerstone investor) bringing to the platform its operating expertise with respect to energy and emissions management.

Rinchem has installed solar panels at its Marlborough, Massachusetts, location and installed LED and motion sensor lights in 19 facilities across the United States. The company is investigating the expansion of onsite solar power procurement across other facilities. Some 85% of Rinchem's forklift fleet is electric and it uses automatic trucks to reduce carbon footprint and miles per gallon.

Energy transition – sector risks and opportunities

Energy transition - traditional risks and opportunities



As of December 2021 and excluding investments subject to sale, Stonepeak maintained minority non-controlling investments in Whistler Pipeline, Plains All American Pipeline (PAA), Targa Resources Corp (TRGP), and MPLX, the midstream subsidiary of diversified refiner, marketer, and transporter Marathon Petroleum. Additionally, Stonepeak maintains a minority investment in Plains Oryx Permian Basin, a joint venture with respect to Oryx's and PAA's Permian Basin assets. Stonepeak also maintains majority investments in:

- Evolve Transition Infrastructure LP (SNMP), a publicly-traded limited partnership that owns oil and natural gas gathering systems, natural gas pipelines, and a natural gas processing facility;
- Targa DevCo, a partnership with TRGP in respect of ownership interests in the Gulf Coast and Grand Prix pipelines, as well as Mont Belvieu fractionation train; and
- West Texas Gas (WTG), which consists of three businesses, including a gas gathering and processing business, a gas transmission and local distribution business, and a convenience store and fuels distribution business.

All these investments process, transport, and distribute crude oil, refined petroleum, or natural gas products, primarily by above-ground pipeline systems located across the USA, with a focus on the hydrocarbon-producing basins in Texas and New Mexico.

Additionally, Stonepeak maintained an investment in NorthEast Power, which owns a 1,633-megawatt portfolio comprised of four thermal power generating facilities in Sandwich, MA, and Bucksport, ME.



Energy transition – traditional

Risks



Given the similarity in activities and geographical locations of each company, there is significant overlap in the physical risks faced by each business. The key direct physical risks to above-ground pipeline systems include floods, wildfires, hurricanes, and extreme cold events, which in severe cases (for example, winter Storm Uri in February 2021) may lead to pipeline freeze-offs, gas compressor station malfunctions, and temporary power interruptions.

Crude oil and associated gas production in mainland North America are dependent on unconventional extraction methods, such as hydraulic fracturing. These extraction techniques may require large amounts of water, increasing longer-term susceptibility to prolonged drought, water shortages, increases in the price of water, or additional regulations pertaining to the disposal of water residues.

The development and construction of new hydrocarbon pipeline transport systems within the USA, particularly on federal lands, has generally become more difficult in recent years due to regulatory and public opposition.

Midstream companies also face increasing risks in the medium-to-long-term from market demand and technology due to global decarbonization policies and preferences for reducing the consumption of hydrocarbon energy products over time. In the shorter-term, the demand for oil and gas products is relatively inelastic and steady. Longer-term risks also include underlying resource availability, as hydrocarbons are finite and – without sufficient investment to maintain output in a given basin – volumes and

midstream system revenues may decline. Stonepeak performs reserve analysis for its volumetrically exposed midstream investments.

Similarly, NorthEast Power faces medium-to-long-term technological or obsolescence risks from competing renewable power sources (such as wind and solar), as well as regulatory risks relating to airborne emissions regulations. Longer-term risks also include underlying resource availability of gas and oil, which NorthEast Power is reliant on to generate power.

Gas transport and processing systems face heightened regulatory and reputational risks pertaining to vented or fugitive methane, as governments pledge or legislate (e.g. the U.S. Methane Emissions Reduction Action Plan) to significantly reduce methane emissions in recognition of methane's role as a potent greenhouse gas (with a 100-year global warming potential many times that of other pollutants, such as CO₂).

Opportunities

While midstream companies may face increasingly challenging conditions over the medium- and long- terms due to the transitional risks outlined above, this dynamic potentially increases the in-ground value of existing pipelines and favors the development of systems within jurisdictions, such as Texas, that are less exposed.

Low-carbon-intensity fuels, such as renewable natural gas, renewable diesel, and sustainable aviation fuels, are unique drop-in fuels that are immediately consumable by existing engines or pipeline systems, and reduce carbon emissions compared with traditional hydrocarbons. These drop-in fuels are in increasingly high demand and are supported by favorable regulatory developments, presenting opportunities for traditional oil and gas businesses to leverage their expertise and existing asset footprint.

Thermal power units may benefit from blending in lower carbon fuel sources – such as hydrogen – as well as carbon abatement technologies (such as carbon capture). These technologies are generally nascent and feasibility varies depending on the asset.

Proactive actions

Pipeline operators typically maintain multifaceted emergency response systems and business continuity plans to respond to physical risks, including backup power generation, emergency shutoff systems, and on-site fire retardants or control systems. Additionally, the construction of new pipeline infrastructure, such as the Whistler Pipeline, is required to pass through regulatory and environmental reviews during the permitting process, including reviews of the systems' design and resilience and ability to respond safely to physical threats.

Each midstream system operator in which Stonepeak maintains an investment responds to the risks and opportunities presented by climate change according to the facts and circumstances of its business operations. Stonepeak engages with its controlled midstream investees to:

- (i) Identify decarbonization and energy transition opportunities;
- (ii) Enhance transparency regarding GHG tracking and reporting; and
- (iii) Protect against physical risks by monitoring for system performance and emergency readiness.

Set out below is a summary of actions being taken across Stonepeak midstream investments in response to climate change-related risks and opportunities, with an emphasis on the actions of portfolio companies in which Stonepeak maintains Board representation – Evolve, Oryx, and WTG.

Minority non-controlling investments (MPLX, PAA, Whistler Pipeline, and TRGP)

In March 2020, Marathon Petroleum, the parent entity to MPLX, became the first independent refiner in the USA to establish a company-wide GHG emissions intensity reduction target, aiming for a 30% reduction in Scope 1 and 2 GHG intensity levels by 2030 from 2014 levels. The achievement of this goal is linked to executive and employee compensation programs.

In 2021, PAA reported its Scope 1 and 2 emissions for the first time and is working on aligning its reporting to TCFD-based recommendations.

The company is also collaborating on the American Petroleum Institute's climate-related reporting template.

Whistler Pipeline went into service in 2021 and provides natural gas by-product egress

capacity to Permian Basin oil producers. This egress capacity alleviates in-basin capacity constraints, which have historically led to elevated in-basin gas by-product flaring – the burning at the wellhead of gas residue resulting from unconventional oil extraction.

TRGP has adopted near-term (2025) goals to lower GHG (and, in particular, methane) intensity across its gathering, boosting, and processing segments, as well as reduce flaring. Other business initiatives – such as using electric compression, and dedicating internal resources to finding renewable power solutions – aim to reduce overall GHG intensity of operations over time.

Evolve Energy Transition

Stonepeak has worked with Evolve's management over the past two years to improve operations and reposition the business to capture energy transition opportunities.

WTG

Since completing the acquisition of WTG in 2021, Stonepeak has worked closely with its management across various business-critical initiatives designed to improve the overall environmental performance of the business.

Reducing methane leaks is an industry-wide imperative, given the damaging warming effects of leaked or vented methane. Shortly after acquisition, 5,000 miles of pipelines – more than 90% of the system – were surveyed aerially using infrared-enabled equipment. A total of 82 facilities were inspected, resulting in the identification and repair of 39 pipeline and 28 facility leaks. Initial estimates put the methane leak reductions at ~8.5 million cubic feet per day (~3.1 billion cubic feet per year).

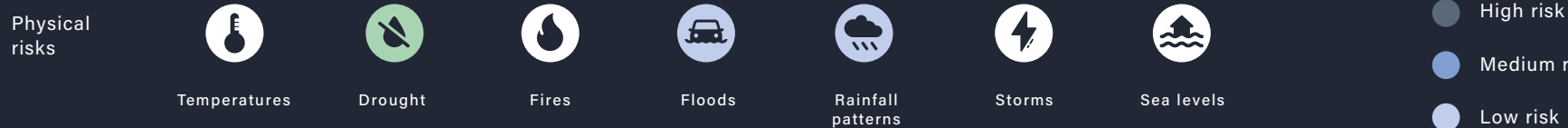
To mitigate long-term transitional risks, WTG has sourced renewable natural gas from four dairy sites. This feedstock reduces carbon intensity system-wide, and captures dairy methane emissions that otherwise would have been released into the atmosphere. As of March, 2022, these dairy sites produced ~4.5 million cubic feet per day, with a projected step-up to ~7 million cubic feet per day by the end of 2022.

NorthEast Power

GHG emissions from NorthEast Power's portfolio are subject to EPA regulations and annual reporting under the EPA's Greenhouse Gas Reporting Program ("GHGRP").

Renewables – sector risks and opportunities

Energy transition - renewables risks and opportunities



Stonepeak's renewables investments focus on developing and operating solar and offshore wind farms.

Madison Energy owns and operates 105 commercial and industrial solar sites across the USA as of June 2022.

Peak Energy develops, owns, and operates utility-scale solar projects in Japan, with one 28-megawatt ("MW") project operational and a further 99MW under construction as of June 2022.

GreenPeak develops, owns, and operates utility-scale solar projects in Taiwan, with one 24MW project under construction as of June 2022.

Swancor develops, owns, and operates utility-scale offshore wind projects in Taiwan and Japan.



Energy transition – renewables

Risks

Alongside the impact of extreme weather events on installations, the main physical climate-related risk is variation between the projected energy generation from solar and wind, and the realized performance during operations. Material differences between the two may have commercial impacts. Transitional risks relate primarily to technological advancement, with new technologies potentially being more efficient than older technologies – this risk is mitigated by generally growing market demand for renewable power.

Technological developments have improved the cost competitiveness of renewable energy relative to conventional energy

Particularly for utility-scale renewable energy developments, the physical risks inherent to a site's location, such as flooding and storms, are examined during the development and permitting process, such that site design and construction incorporates physical risk considerations. Estimates of resource availability, for example, wind or solar energy, are typically performed by third-party experts during a project's development, with reference to historical averages. The project performance may be impacted if the actual resource availability deviates materially from estimates due to changes in weather patterns from climate change.



Opportunities

Generally, renewable energy development businesses benefit from more opportunities than risks, due to factors including:

- Technological developments that have improved the cost competitiveness of renewable energy relative to conventional energy;
- Favorable regulatory and policy developments seeking to support and accelerate the development of renewable energy resources; and
- A broad-based increase in market demand for low-carbon energy, seeking to mitigate climate change and its associated impacts.

Proactive actions

The growth opportunities of renewables are being acted on in the normal course of business. Managing the risk of variation between the projected and actual energy generation is a continually improving process.



Risk management

Our risk management process focuses on protecting our business and our clients from climate-related risks while ensuring that we are well-positioned for the opportunities. In this section, we describe how we identify, assess, manage, and integrate climate-related risks into our overall risk management.

Identifying and assessing climate risks and opportunities

Given the asset classes that we invest in, identifying and assessing climate-related risks and opportunities is a core part of our investment process.



Identification

Identification begins at the due diligence stage. Beginning in 2019, potential investments complete an extensive ESG questionnaire before a final investment decision is made, and this questionnaire includes an assessment of emissions, climate-related risks, and potential opportunities. We consider the quality of the data, not just the responses given, and may require expert third-party technical diligence, engagement with key stakeholders such as management, and consultation with industry experts.

Potential investments complete an extensive ESG questionnaire before a final investment decision is made

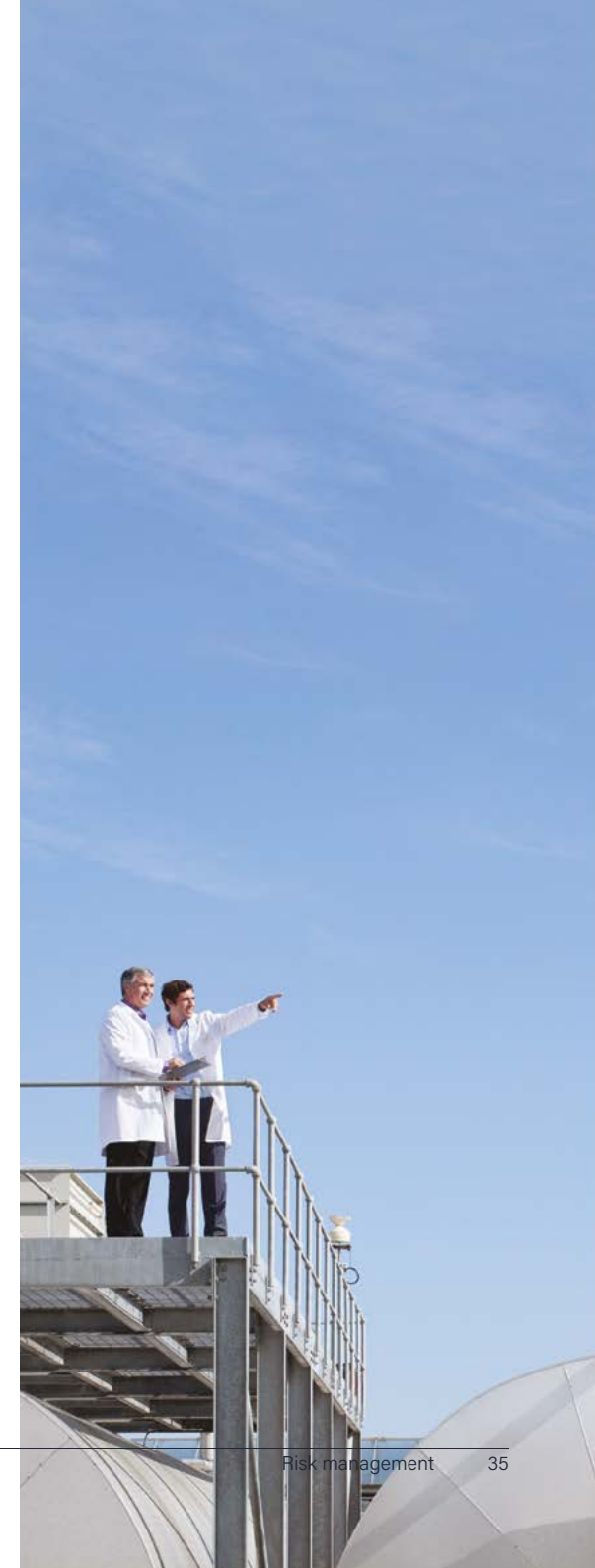
The identification of risks is focused on issues that include the following, guided by materiality to the relevant company:

- The business's maturity with respect to measurement and management of GHGs;
- Whether GHG emissions are material to the business;
- The impact of laws and regulations pertaining to GHG emissions and climate-related risks;
- The business's governance with respect to climate-related risks and opportunities;
- Whether the business has existing targets or objectives for the reduction or management of GHGs; and
- The maturity of GHG and climate-related risk management relative to that of competitors.

Assessment

Stonepeak uses both in-house experts and third-party consultants to evaluate climate-related risk exposures that are identified during due diligence. We treat climate considerations like any other material factor in decision-making, requiring robust evidence and with risks and opportunities being subject to debate and informed by data. Climate considerations are included

in Investment Committee decision-making and are embedded in deal documents, corporate governance, and post-acquisition management plans, on a case-by-case basis according to the materiality of these risks to the underlying business. Opportunities are generally rejected if we feel that we do not have a fulsome understanding of, and ability to manage, the inherent material risks of an asset.



Managing climate risks and opportunities

Stonepeak

In addition to the detail set out in the Governance and Strategy sections on how we manage climate-related risks, we manage risks internally in an integrated manner through:

- (i) Day-to-day risk management, enabled by firm-wide awareness and understanding of climate-related risks, with such risks being a part of the overall risk management definition, as set out in the Governance section.
- (ii) Oversight from our Legal and Compliance team, which monitors for material regulatory changes related to ESG and climate risks as applicable to the Firm.
- (iii) ESG monitoring and insights from our ESG team, which monitors ESG risks and performance, and brings the latest thinking and knowledge into the business to improve performance.

We report formally in our Annual ESG Report, and in our Quarterly Investor and LPAC Updates. Additional transparency is delivered through our TCFD and PRI reporting.

Portfolio companies

In controlled portfolio companies, we establish, reinforce, or enhance board-level oversight of key ESG considerations at the outset of an investment. There is a clear commitment to drive the ESG approach and performance, recognizing that aligned and empowered management teams deliver the best results. Other key management activities include:

Carbon footprinting: We require all controlled portfolio companies to establish the carbon intensity and absolute emissions of their operations, which provides a baseline for benchmarking and ongoing measurement against decarbonization goals.

Decarbonization pathways: We are in the process of establishing baseline metrics and decarbonization pathways for controlled portfolio companies.

Monitoring and reporting: We monitor ESG performance through several channels to ensure completeness:

- (i) Investment team portfolio monitoring and Board meeting attendance;
- (ii) Quarterly portfolio reviews; and
- (iii) Regular and ad-hoc oversight meetings with the CEO and ESG teams.

In controlled portfolio companies, we establish, reinforce, or enhance board-level oversight of key ESG considerations at the outset of an investment

Integrating climate risks into our overall risk management

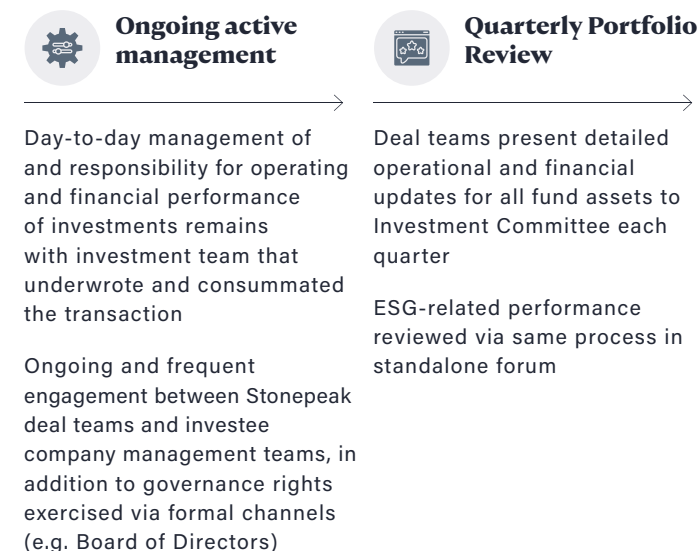
Below, we show how climate-related risks and opportunities are incorporated into the Firm's investment life cycle and thus integrated into our overall risk management approach.

Investment lifecycle

Diligence & acquisition



Management & monitoring



Diligence related to climate risks and opportunities

<p>Review exposure to physical risks through management team interviews, reviews of third-party physical risk assessments data (Jupiter Intelligence), and business operating plans and in-place mitigants (e.g. insurance).</p>	<p>Transition and regulatory risks discussed and debated at Investment Committee qualitatively, using deal team and operating partner sector-specific expertise, third party industry specialists, and consultants where relevant</p>	<p>Climate-related risks incorporated into financial underwriting through downside scenario analysis; introduced climate change underwriting template in mid-2022 for core infrastructure strategy, given explicit targeting of Science Based Targets.</p>
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Management of climate-related risks and opportunities

<p>Ongoing engagement with management teams to (i) measure GHG footprint with respect to all controlled portfolio companies for whom GHG emissions is a material item (see page 40), (ii) implement decarbonization pathways aligned to recognized frameworks, (iii) continuously review risks and opportunities resulting from regulatory and transitional changes, and (iv) support execution of business strategies to capture opportunities and mitigate risks.</p>	<p>Cross-portfolio sharing of best practices, and ESG team leading internal training and dissemination of best practices.</p>
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Metrics and targets

In this section, we disclose and describe the metrics and targets we use to direct and measure the management of climate-related risks and opportunities.



Targets, commitments and metrics

Our overarching goal with respect to the management of climate-related risks and opportunities is to invest in and manage our portfolio in alignment with targets for net-zero carbon emissions by 2050 – reducing carbon output consistent with limiting global warming to no more than 1.5°C from pre-industrial levels by 2050 – across our business and all assets under management.

This directs us to reduce our own contribution to climate change, and reduces our exposure to transitional risks, such as regulatory changes, by working in line with best practices pertaining to climate-related risk monitoring, management and disclosures. With the PRI having adopted TCFD requirements into its reporting and assessment framework, and a growing proportion of our investor partners also having adopted TCFD disclosures, we view TCFD as a logical framework through which to disclose our own carbon and climate change-related risk management.

Stonepeak's operations

For Stonepeak's operations, our commitments span scopes 1, 2, and 3 GHG emissions. We are committed to:

- Reducing our total emissions by more than 50% by 2025 from a 2019 baseline; and
- Reporting on our climate performance and financial risks, in line with TCFD, for both our own operations and our investment portfolio.

Portfolio companies

We believe that credible and achievable paths to Net Zero need to be tailored for the circumstances, challenges, and opportunities unique to each region and sector, and that Science Based Targets ("SBTs") represent a comprehensive rubric and robust third-party verification of credible emissions reductions pathways in line with the Paris Agreement and a 1.5°C Net Zero future. We intend to utilize SBTs as the standard for all of our controlled portfolio company emissions reduction plans where feasible and available, and are in the process of rolling out SBTs across our current portfolio, as applicable.



Metrics and emissions

Stonepeak

In 2019-20, we set our operational carbon baseline and continue to measure it annually, across Scopes 1, 2, and 3. We offset our 2019 and 2020 Scope 1, 2, and 3 emissions by purchasing certified offsets produced by a landfill gas capture project.

	2020	2021
	(tons of CO2 equivalent)	(tons of CO2 equivalent)
Scope 1 emissions	767	1,422
Scope 2 emissions	123	166
Scope 3 emissions	868	779
EMISSIONS TOTALS	1,758	2,367
Purchased offsets	1,758	0
NET EMISSIONS	0	2,367

Portfolio companies

Stonepeak engages with its controlled portfolio companies for whom GHG emissions is a material item – which, practically, is all businesses excluding renewable energy development businesses and early stage businesses – to have management prepare scope 1 and 2 GHG inventories annually, in line with commonly accepted standards (such as the World Resources Institute). As of July, 2022, the majority of investees either already had or were in the process of developing their inaugural GHG baselines. Based on data for those investees which had developed GHG inventories at the time of this report, a sectoral and aggregated summary of scope 1 and 2 emissions intensity (represented as EBITDA per ton of scope 1-2 GHGs) is as below:

While significant variability exists between assets (even within investment subsectors), the analysis demonstrates that energy-intensive businesses within the transport and traditional energy sectors are most GHG-intensive (in terms of earnings per unit of emissions). Further, Stonepeak acknowledges that scope 3 emissions may be material – particularly for traditional energy businesses – and to that end encourages these businesses to, where possible, define and report their scope 3 emissions.

	Scope 1-2 emissions intensity (\$ EBITDA per ton GHGs) ¹²
Energy - Traditional	\$476
Transport	\$376
Communications and Digital	\$4,472

An aerial photograph of a dense forest with a mix of green and yellow trees. A dark asphalt road with white lane markings runs diagonally from the bottom left towards the top right. A white truck is driving on the road. In the top right corner, there is a large green L-shaped graphic element. In the bottom left corner, there is a large green L-shaped graphic element.

Looking forward

As we look forward into the next 12 months, our key portfolio management initiatives are:

- Achieving 100% scope 1-2 carbon footprint inventory coverage across controlled portfolio companies by the end of 2023 (excluding immature assets or where GHG emissions are immaterial to operations – for example, renewable energy developers);
- Increasing the number of controlled portfolio companies with developed net zero-aligned business plans and, where possible, having these net zero decarbonization business plans accepted by Science Based Targets or similar science-based, industry specific decarbonization framework; and
- Embedding climate change risk and opportunity analysis as a Board of Directors agenda item.
- Across our internal operations, our focus will be on further embedding climate change risk and opportunity analysis across key aspects of our business by:
- Making more frequent and extensive use of both internally developed and external tools, such as GHG and decarbonization underwriting templates, and Jupiter Intelligence for physical risk assessments;
- Continuing to build firmwide awareness of best practice carbon underwriting and decarbonization frameworks, such as Science Based Targets and Paris Accord-aligned decarbonization pathways;
- Taking staff performance with respect to ESG and climate change matters into account during employee appraisals and goal-setting, where appropriate;
- Taking GHG and climate matters into account when developing new products; and
- Using internal reporting to track portfolio and asset-level progress toward key milestones or targets.

Appendix

Communications and digital infrastructure

Cologix

- Calculated 2020 market-based Scope 2 emissions based on electricity consumption
- Retrieved and utilized utility-specific emission factors, where available

euNetworks

- Retrieved 2021 Scope 1, market-based Scope 2, and Scope 3 emissions from euNetworks 2022 Sustainability report

Transport and logistics

Lineage Logistics

- Scope 2 GHG emissions and natural gas consumption provided by Lineage management
- Calculated 2020 Scope 1 GHG emissions from natural gas consumption
- Normalized 2020 Scope 1 and 2 GHG emissions by revenue

TRAC Internmodal

- Received 2019 and 2020 natural gas consumption data as well as fuel consumption and mileage for TRAC's company vehicles to calculate Scope 1
- Received electricity consumption data and square footage of TRAC's facilities to calculate Scope 2
- Received natural gas and motor gasoline consumption to calculate Scope 3

VGLNG

- Retrieved GHG emissions in short tons from final environmental impact statement for Venture Global Calcasieu Pass, LLC and TransCameron Pipeline, LLC Calcasieu Pass Project, table 4.11.1.4-1 and converted to metric tons
- Emissions came from the following construction activities:
 - Off-road construction equipment
 - Off-road vehicles
 - Marine vessels
 - Concrete batch plants
 - Construction year 1, including construction of terminal site
 - Construction year 2, including construction of terminal site and pipeline

Energy transition - traditional

MPLX

- Obtained 2019 and 2020 Scope 1, Scope 2, and Scope 3 Category 11: Use of Sold Products emissions data from Marathon Petroleum Corporation Sustainability Report 2020 Environmental Performance table, pages 67 – 68
- Assumed market-based Scope 2 emissions
- Used most conservative Scope 3 Category 11 emissions results

PAA

- Obtained 2019 and 2020 Scope 1 and 2 emissions data from Plains 2020 Sustainability Report
- Assumed market-based Scope 2 emissions

Oryx

- 2019 and 2020 Scope 1 and 2 internally calculated with purchased electricity and vehicle mileage data

Evolve Transition Infrastructure

- Scope 1 emissions from oil and natural gas pipeline transportation include natural gas combustion from running compressor engines, turbines, and process heaters, plus methane and CO2 from operating equipment, flaring, venting, and other processes common to oil and natural gas systems
- Received quarterly volumes of gas or oil transported via Catarina and Carnero pipelines, quantified annual (2019 and 2020) totals, and converted to barrels of oil equivalents (“BOE”)
- Estimated Scope 1 emissions by applying 2019 and 2020 Stonepeak portfolio-specific Scope 1 emissions intensity factors (tCO2e/sales of millions of barrels of oil (“MMBbl”)) to volumes of oil or gas transported each year
- Received monthly electricity use for 2019 and 2020
- Quantified market-based Scope 2 emissions with the understanding electricity is received from Co-ops in Electric Reliability Council of Texas
- Green-e® residual emission factor used for the market-based Scope 2 emissions assessment

Whistler/WTG

- Quantified 2020 Scope 1 and 2 GHG emissions from the construction of the Whistler Pipeline Project
- Construction did not begin until 2020 and lasted through mid-2021
- Confirmed duration via the Whistler Pipeline Project Environmental and Social Management and Monitoring Plan
- No construction or emissions in 2019
- Whistler Pipeline Project includes the development of a 448-mile, 2.0 billion-cubic-feet-per-day natural gas pipeline mainline, a 50-mile Midland Lateral pipeline, and four compressor stations
- Estimated emissions from the construction of the two pipelines based on a length-based GHG intensity factor (lbCO2e/ft-pipeline) retrieved from Technical Paper comparing the carbon footprints of steel versus concrete pipelines
- Estimated emissions from the construction of the four compressor stations based on the average GHG emissions from the construction of compressor stations at a recently developed comparable pipeline, the Mountain Valley Project. Data retrieved from Mountain Valley Project Environmental Impact Statement
- Allocated GHG emissions to 2020 based on the portion of construction completed in 2020

End notes

- 1 <https://ourworldindata.org/emissions-by-sector> - Source: Climate Watch, WRI (2020), using 2016 data.
- 2 Stonepeak's assets under management ("AUM") calculation provided herein is determined by taking into account (i) unfunded capital commitments of Stonepeak funds and any co-invest vehicles managed by Stonepeak as of March 31, 2022, (ii) the gross asset value of such funds and co-invest vehicles, plus any feeder fund level cash with respect to such funds, parallel funds and co-invest vehicles as of March 31, 2022, and (iii) capital commitments of certain of such funds and co-invest vehicles accepted between April 1, 2022 and June 15, 2022. The AUM figure differs from the amount of assets under management reported for regulatory purposes and is based on gross asset values that are estimated and unaudited.
- 3 As of August 2022.
- 4 As of August 2022.
- 5 This represents the aggregate number of investors from countries in Stonepeak funds as of March 31, 2022.
- 6 This represents the aggregate number of investors from countries in Stonepeak funds as of March 31, 2022.
- 7 Past performance is not necessarily indicative of future results, and there can be no assurance that target returns will be achieved. There is no guarantee that Stonepeak's funds and strategies will be successful. Please see "Important information" at the end of this presentation.
- 8 Jupiter Intelligence, June 2022
- 9 Projections of ESG impact are based on Stonepeak's "base case" underwriting assumptions, which Stonepeak currently believes are reasonable under the circumstances, but there is no guarantee that the conditions on which such assumptions are based will materialize. Please see "Important information" at the end of this report for additional information regarding estimates and forward-looking statements.
- 10 As of 2020, the global average PUE was ~1.6, and the regional average for APAC was ~1.7
- 11 As of 2021, industry average WUE was ~1.8" (source: Meta, 2021: <https://sustainability.fb.com/asset/2021-sustainability-report/>).
- 12 2020-21 GHG and financial data for 15 portfolio companies. Source: company disclosures and financial statements.

Unless otherwise noted herein, this TCFD Report is presented for calendar year 2021. Accordingly, the portfolio companies referenced in this TCFD Report include those companies in respect of which Stonepeak-managed vehicles had a beneficial equity ownership interest as of December 31, 2021.

As used herein, the term “controlled portfolio companies” refers to any portfolio company in respect of which (i) ownership by Stonepeak fund(s) exceeds 50% (in the aggregate) of such portfolio company and/or Stonepeak has the ability, through robust governance, to exercise control with respect to the operations of such portfolio company, or (ii) a representative of Stonepeak maintains at least one board seat on the portfolio company board.



Important information

This report is provided for discussion and informational purposes only to provide background information with respect to Stonepeak Partners LP (together with its affiliates, “Stonepeak”) and its investment activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicle, account, product, or fund sponsored or managed by Stonepeak (each a “Fund”). The distribution of this report in certain jurisdictions may be restricted by law. This report does not constitute an offer to sell or the solicitation of an offer to buy in any state of the United States or other U.S. or non-U.S. jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

This report is not intended to form the basis of any investment decision for sale of an interest in a Fund, and you agree and acknowledge that you are not relying on the information contained in this report as the basis for any such investment decision you may make in the future. Any offer or solicitation with respect to a Fund will only be made pursuant to the final confidential private placement memorandum issued with respect to such Fund, which qualifies in its entirety the information set forth herein and which should be read carefully prior to any investment in such Fund for a description of the merits and risks of such an investment.

As used herein, references to “impact” are not a financial performance metric, are often subjective and may change over time, and are not intended to be an indication of investment return, but are intended to measure potential or actual positive social or environmental impact of an investment. Stonepeak’s assessment of “impact” is informed by third-party standards, guidelines and metrics as Stonepeak deems relevant from time to time. Certain reported impacts expected to be provided by third parties may be estimates that have not been verified by a third party and are not necessarily reported according to any particular established standards or protocols, and therefore Stonepeak does not guarantee the accuracy, adequacy or completeness of such information. There may be certain investment scenarios in which Stonepeak modifies its impact measurement methodology with

respect to an investment. There may also be other metrics relevant to assessing “impact” that are not considered by Stonepeak. Any reference contained in this report to transactions or experience of Stonepeak personnel includes the tenure of such personnel at other firms before joining Stonepeak.

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Consideration of ESG factors may affect Stonepeak’s exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact a Fund’s performance to the extent there is underperformance in the area of such exposure. Applying ESG goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Stonepeak or any judgment exercised by Stonepeak will reflect the beliefs or values of

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In considering case studies and investment performance information contained in this report, prospective investors should bear in mind that past or projected performance and past investment activity information is not necessarily indicative of future results and there can be no assurance that a Fund will achieve comparable results, that it will be able to implement its investment objectives or that targeted, projected or underwritten returns, cash yields or asset allocations will be met.

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