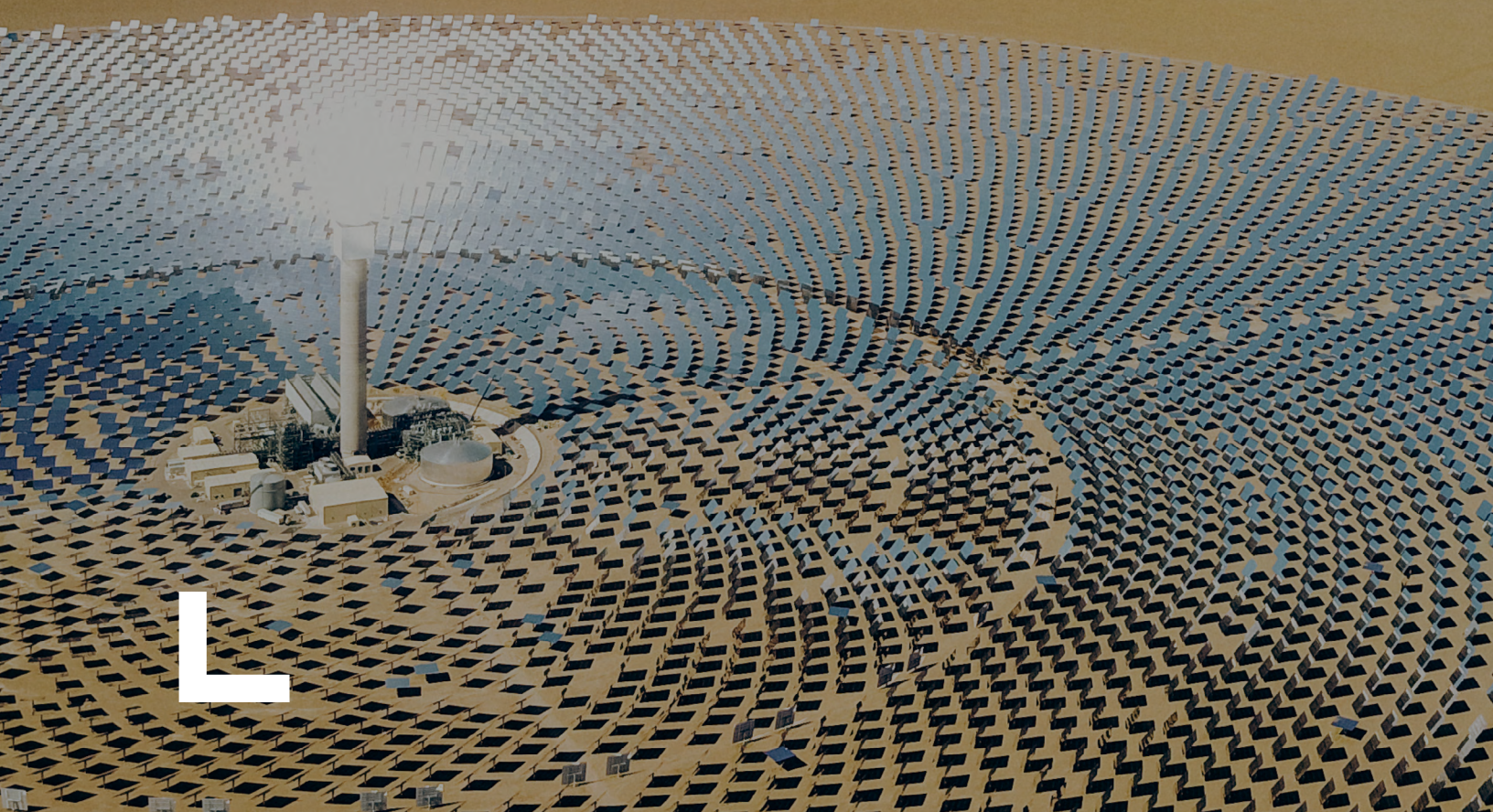


Stonepeak

# Responsible Investment Policy

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**Stonepeak is a New York headquartered, management owned and operated, investor in and manager of infrastructure and real assets across sectors including transport and logistics, communications and digital infrastructure, energy and energy transition, social infrastructure, and real estate. Across geographies, sectors, and industry groups, Stonepeak’s investment approach emphasizes partnering with sector-leading management teams and contractor partners to responsibly build, operate, and grow businesses and assets that provide products and services essential to the everyday functioning of society.**

Stonepeak considers the understanding and implementation of responsible investment principles – within its own operations, as well as those of its investee companies – as being inextricably linked to good business practices and the exercise of its fiduciary duties as the application of responsible investment principles strengthens both the understanding and mitigation of investment risks, and leads to the identification of value creation opportunities.

## **Policy scope**

This policy applies to all investments considered by the relevant Investment Committee or made by Stonepeak and its managed funds, and will be interpreted in accordance with local laws and regulations. Sustainability is one of various factors considered when making an investment decision; however, it is not dispositive for any specific investment decision. In instances where Stonepeak has a limited ability to conduct diligence or influence and control the integration of sustainability considerations in the investment – for example, where Stonepeak is a minority shareholder or lender without Board of Directors representation, or where other circumstances affect Stonepeak’s ability to assess, set, or monitor sustainability-related performance goals – it may not be practicable to implement this Policy. In these instances, Stonepeak will use reasonable efforts through the exercise of its minority governance rights to encourage these portfolio companies to consider relevant responsible operating practices.



# 1

## Responsible investment principles

Stonepeak has a longstanding commitment to responsible investment principles and in August 2020, became a signatory to the United Nations Principles for Responsible Investment (“UNPRI”). Stonepeak thus adopts UNPRI’s six principles – set out below – as a frame of reference in the design of its own responsible investment program:

1. We will incorporate environmental, social, and governance (ESG) issues into investment analysis and decision-making processes;
2. We will be active owners and incorporate ESG issues into our ownership policies and practices;
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest;
4. We will promote acceptance and implementation of the Principles within the investment industry;
5. We will work together to enhance our effectiveness in implementing the Principles; and
6. We will each report on our activities and progress towards implementing the Principles.

# 2

## Responsible investment factors

In adhering to UNPRI’s six principles, Stonepeak endeavors to consider material sustainability matters for all investments during diligence, asset stewardship, and reporting activities to the extent reasonably practicable.

While each investment presents its own unique set of circumstances and considerations, set out below is a non-exhaustive list of material sustainability factors and objectives on which Stonepeak, to the extent possible, commits to perform diligence prior to acquisition, as well as engage with the investee company on during Stonepeak’s ownership, as applicable.

### Environmental

- Complying with applicable environmental regulations;
- Encouraging the efficient use of natural resources, reducing waste, and recycling;
- Minimizing the potential impacts to biological diversity and ecosystems, where relevant;
- Implementing spill and contamination prevention and remediation procedures;
- Reducing air, and other, pollutants; and
- Encouraging responsible decarbonization through investment into energy transition initiatives, reduced energy use, switching to lower carbon intensity energy and fuel sources, and other viable means.

### Social

- Prioritizing worker health and safety;
- Avoiding unjust discrimination (based on gender, age, race, religion, sexual orientation, or disability);

- Engaging proactively with relevant community stakeholders to understand concerns, and build consensus as to how to both address concerns and minimize potential localized impacts of commercial operations;
- Respecting human rights (see “Supply chain integrity and human rights” below); and
- Promoting workforce diversity.

#### Governance

- Abiding by applicable anti-corruption and anti-bribery laws and regulations;
- Upholding sound corporate governance principles particularly with respect to alignment of interests between executives and ownership, and appropriate reporting structures and divisions of responsibility between executive management and the Board of Directors; and
- Ensuring appropriate financial, audit, conflicts and other control procedures are in place.

## 3

### Infrastructure sector specific approach

Stonepeak invests across infrastructure subsectors including energy and energy transition, transport and logistics, communications and digital, and social; moreover, Stonepeak invests in standing (or operational) assets, construction projects, and de novo platforms. Stonepeak recognizes that the sustainability considerations applicable to each sector and investee company or project vary – in recognition of this. Stonepeak among other things:

- Makes available to transaction teams detailed, sector-specific sustainability guidelines;
- Utilizes a pre-transaction diligence tool that refers users to sector-specific standards; and

- Shapes its diligence and stewardship priorities to the investee company or opportunity at hand, utilizing its investment teams’ sector-specific investment experiences.

Stonepeak is an opportunity-driven, active investor that – where possible – seeks to exercise its governance rights to improve the risk-adjusted financial and sustainability performance of its investments in tandem. Material sustainability considerations within Stonepeak’s key infrastructure investment subsectors include, but are not limited to, those set out below.

#### Energy and energy transition

- Carbon intensity of existing operations, ability to responsibly decarbonize operations over time without diminishing asset operating performance or interrupting customer supply, and potential impact of longer-term transition risks and opportunities;
- Asset footprint physical risk and resiliency;
- Track record of operations pertaining to maintenance of physical facilities, leaks and spills, and systemwide fugitive emissions;
- Water and electricity usage;
- Efficiency of operations (such as throughput and production rates relative to nameplate capacity); and
- Health and safety track record (as reflected within indicators such as lost time or injury frequency rates).

#### Transport and logistics

- Fleet carbon and energy intensity, and compliance with relevant regulations and standards pertaining to emissions and airborne pollutants;
- Current energy intensity of operations, and existing or potential future operational strategies to responsibly reduce energy intensity of operations over time;
- Health and safety track record (as reflected within indicators such as lost time or injury frequency rates), as well as labor turnover rates;
- Fleet accident or incident rate;
- Track record of operations pertaining to fleet maintenance, and substantive regulatory or other industry-specific compliance matters; and
- Recycling, reuse, and end-of-life management procedures of operating assets and consumables.

### Communications and digital

- Practices pertaining to the procurement of componentry and general supply chain practices;
- Electricity and water consumption, and plant efficiency (particularly for data centers);
- Asset footprint physical risk and resiliency;
- Network uptime and data transfer speed performance relative to nameplate;
- Customer satisfaction levels (particularly for consumer-facing telecommunications businesses); and
- The recycling and reuse of plants and consumables.

Stonepeak invests in both brownfield (i.e. existing operating assets or businesses, or expansion projects) and greenfield (i.e. new assets requiring construction) assets across its target infrastructure subsectors. In addition to its general responsible investment approach – as outlined in sections 2 ('Responsible investment factors'), 6 ('Integration of responsible investment'), and 7 ('Internal responsible investment governance and oversight') – Stonepeak (and, where appropriate, its advisors) seeks to apply the below non-exhaustive list of considerations to its responsible investment approach when investing in brownfield or greenfield infrastructure assets.

### Brownfield infrastructure

- Reviewing in-place management's track record of delivery with respect to brownfield expansions or acquisitions;
- Reviewing the availability of natural resources necessary for the commercial operation of the project;
- Reviewing the diligence and risk management policies and procedures of the company undertaking the brownfield expansion or acquisition to ensure fitness for purpose (and, where necessary, making appropriate changes);
- Reviewing the project's development and permitting history, including considerations and interests of key stakeholders (e.g. regulators, local community members, customers, landowners, etc.);
- Reviewing environmental and social laws and regulations applicable to the project; and
- Reviewing maintenance and plant operating histories.

### Greenfield infrastructure

- Reviewing the project's property rights and responsibilities (e.g. easements, permits, and rights of way, relevant land acquisition history, and obligations to restore or make good impacted areas at completion of construction or post termination of concession);
- Reviewing the project's development and permitting history, including considerations and interests of key stakeholders (e.g. regulators, local community members, customers, landowners, etc.);
- Reviewing the availability of natural resources necessary for the smooth commercial operation of the project;
- Understanding and reviewing environmental, sustainability, or other reporting and compliance standards that are conditions to relevant development approvals and project financial commitments; and
- With respect to key project construction and procurement partners, reviewing:
  - » Comparable project delivery track record;
  - » Pertinent policies and procedures pertaining to contractor health and safety, and physical goods, labor, and subcontractor procurement and management; and
  - » Stonepeak's oversight and reporting rights vis-à-vis key contractor partners.

# 4

## Real estate sector specific approach

Stonepeak launched its standalone real estate investing strategy in 2022, with focus subsectors being assets demonstrating durable infrastructure characteristics embedded within customer and tenant operations including supply chain, residential, healthcare, and technology assets. As with infrastructure, Stonepeak recognizes that responsible investment considerations applicable to real estate subsectors and specific assets vary; however, key and non-exhaustive responsible investment points of focus include:

- Tenant management and satisfaction (particularly for residential, multitenant assets);
- Building and plant physical resilience to severe weather events;
- Building energy and sustainability certifications and ratings (where relevant);
- Building energy resource efficiency, particularly with respect to energy and water;
- Construction design and choice of materials; and
- Construction, supply chain, and labor management protocols (where relevant).

# 5

## Supply chain integrity and human rights

In accordance with UN Global Compact Principles 1-5 and other international conventions on human rights, Stonepeak seeks to foster sound supply chain and labor procurement practices within its investee companies and contractor partners by, among other measures:

- Enforcing its Supplier Code of Conduct;
- Enforcing its Responsible Contractor Policy, when applicable;
- Implementing or refining existing procurement policies and procedures so as to minimize the potential for direct or further upstream supply chain links to child or forced labor;
- Raising awareness of these matters among investee company management and project partners and, where doing so is within Stonepeak's control, influencing procurement practices in accordance with this policy and the Supplier Code of Conduct; and
- Providing the necessary resources and ensuring appropriate reporting and governance mechanisms are in place.

# 6

## Integration of responsible investment

Stonepeak seeks to integrate responsible investment principles within all facets of its investment and asset management operations in a commercially-oriented and practical way. Among other things, this means:

- Focusing diligence and underwriting efforts on the most material matters, noting that:
  - » Stonepeak considers its management team partners to be critical to the longer-term sustainability performance of investments;
  - » Public sustainability disclosure frameworks (such as SASB) are considered as a starting point for understanding materiality, but the firm's transparent investment committee process encourages the contribution of the experiences and insights of its entire investment team; and
  - » Internal work is frequently supplemented by third party advisors, the opinions of which are subjected to analysis and debate.
- Working with management team partners post acquisition to resolve matters identified in diligence and refine operating plans into which sustainability matters are embedded;
- Providing to investor partners reporting that is transparent, relevant, and responsive to evolving requirements and standards; and
- Reinforcing across Stonepeak investment teams a responsible investment mindset by regularly disseminating information, and discussing and staying current with best practices.

# 7

## Internal responsible investment governance and oversight

Responsibility for Stonepeak's responsible investment oversight and performance rests with the firm's Executive Committee (ExCo), which comprises the Founder & CEO and certain other Senior Managing Directors.

In keeping with Stonepeak's approach of enhancing the integrated management of responsible investment, in mid-2022 the Firm 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 responsible investment strategy and provide updates to the Sustainability Council ("SC"). The SC comprises Executive Committee members 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 governance and risk management.

Individual investee company sustainability oversight and responsibility is led by the relevant company's Board of Directors, which is responsible for defining strategy and policy. Stonepeak engages and stewards its investee companies as described above in Stewardship and engagement approach, and the most senior Stonepeak investee company board nominee is responsible for that company's sustainability performance.



# 8

## Outside engagements and political influence

Stonepeak maintains internal policies and governance procedures with respect to interactions (such as speeches, seminars, publications, or submissions) or engagement activities its staff may have with public personnel or policymakers, the key elements of which include:

- A requirement for staff to pre-clear any such activities via a compliance portal, with requests subjected to review and clearance by the Legal and Compliance team to ensure such requests are consistent with Stonepeak policies – including this Responsible Investment policy – and procedures;
- Staff legal and compliance training; and
- Programmatic staff attestations and reviews of outside business interests.

Any political contribution by Stonepeak must be pre-cleared through the Legal and Compliance Team irrespective of the proposed amount or recipient of the contribution. The Legal and Compliance Team maintains a chronological list of contributions in accordance with the requirements of, and Stonepeak's own, governing principles.

To the extent that an employee holds a formal position with a political campaign, PAC, political party, or other entity, the political contributions and activities of that entity may be attributed to the employee and, through that individual, to Stonepeak. This attribution may similarly result in pay-to-play and conflict of interest issues for Stonepeak. Accordingly, employees are required to request pre-clearance prior to assuming a formal political position. This requirement to obtain prior approval before assuming a formal political position also applies to relatives of an employee.

# 9

## Investee company or project workforce and contractor engagement

Stonepeak is an active investor which, within the context of its governance rights pertaining to each investment, engages on an ongoing basis with investee company executives during day-to-day stewardship activities. Engagements with investee company senior management (and other members of the workforce, as appropriate) – particularly for prioritized sustainability issues – are typically led by the senior most Stonepeak deal team member, with members of Stonepeak's ESG team assisting deal teams in their engagements with investee company management.

As with investee company management engagement activities, Stonepeak engages with project contractors as a part of its day-to-day stewardship and asset management activities. These engagements may be conducted directly with the contractor, or in conjunction with a development partner that maintains primary oversight of contractor partners. In either case, Stonepeak's key but non-exhaustive points of engagement with contractors are noted above in Section 3, 'Infrastructure sector specific approach – greenfield infrastructure'. Contractor engagements may be exercised in accordance with regular asset oversight (e.g. weekly construction oversight committees, quarterly steering committees, etc.), or – particularly during critical points of construction activity – may be more frequent, with resources brought to bear to supplement the Stonepeak deal team's engagement.

# 10

## Reporting and approach to sustainability outcomes

Stonepeak incorporates into its quarterly investor reporting both sustainability information at the portfolio company level, as well as broader sustainability trends and market commentary. In addition, sustainability matters are reported to investors during the Stonepeak Annual General Meeting as well as via ad hoc communications. Stonepeak publicly discloses key aspects of its responsible investment policies and reporting via its website.

Stonepeak adopts internal controls with respect to the reporting of sustainability matters – information collected from investee companies is reviewed by members of the deal team and subjected to internal, and in certain cases, external legal review prior to distribution to investors.

As an investor in infrastructure and real asset businesses that provide products and services essential to the everyday functioning of society, Stonepeak acknowledges the importance of linking ESG reporting with sustainability outcomes. Stonepeak's annual ESG reporting links portfolio company and fund sustainability outcomes to the UN Sustainable Development Goals (SDGs), and, where relevant, overlays Impact Reporting and Investment Standards ("IRIS") metrics, as produced by the Global Impact Investing Network ("GIIN"). Stonepeak believes the SDG framework to be a widely accepted sustainability outcome reporting framework, and to that end, encourages its investee company management team partners to map their companies' activities to sustainability outcomes where feasible.

# 11

## Climate change

Stonepeak acknowledges the challenges posed by anthropogenic climate change and supports the long-term goal of the Paris Agreement – as adopted at COP 21 in December 2015 – to limit global warming to well below 2°C above pre-industrial levels, and believes the impacts of climate change to asset performance and values will vary markedly across sectors, industries, and geographies. As an investor in and steward of real assets serving critical needs, Stonepeak intends to play its part in addressing risks and opportunities associated with climate change via an integrated approach which:

- Incorporates into its asset diligence and underwriting procedures consideration of both risks and opportunities related to physical, transition, and regulatory changes;
- Provides transparent reporting conforming to the Taskforce on Climate-Related Financial Disclosures ("TCFD") guidelines, noting that Stonepeak became a supporter of TCFD in May 2021, and released its inaugural TCFD Report in September 2022;
- Stewards and supports its investee companies' management team partners in adopting business plans that seek to address the challenges and capture opportunities presented by climate change through:
  - » Establishing comprehensive greenhouse gas emissions inventory reporting systems which are calculated and documented according to recognized industry standards;



- » Encouraging management team partners to incorporate into investee business plans practical and substantive projects designed to (a) contribute to the decarbonization of business operations over time (with a preference for gross emissions reductions in lieu of offsets), and (b) capture opportunities or mitigate risks potentially resulting from the impacts of climate change, in support of enhancing risk-adjusted investment returns; and
  - » Having regard to the above, establishing and measuring progress against medium and long-term emissions reduction plans for controlled portfolio companies, aligned to appropriate sector or market standards where feasible.
- Leverages in an integrated way the expertise across Stonepeak’s energy investment teams to maximize opportunity capture resulting from the complex and interrelated nature of the global energy transition; and
  - Seeks to invest into opportunities to sustainably improve and transition carbon intensive businesses over time in a manner that supports or enhances risk-adjusted returns, in lieu of sector-specific exclusion, divestment, or disinvestment targets or policies. Stonepeak believes that effectuating a smooth and inclusive energy transition – in which societal needs, energy independence, and decarbonization considerations are balanced – requires ongoing investment in and responsible ownership of traditional energy assets. We believe this approach is both compatible with and supportive of sustainability ambitions, as successful decarbonization requires responsible investment into and stewardship of assets operating within carbon-intensive sectors.

# 12

## Exclusions

The scope of Stonepeak’s investment activities is governed principally by provisions within limited partner, investment advisory, and investor side letter agreements (“Agreements”) pertaining to each of its funds. As of June 2023, Stonepeak’s investment activities were limited to investments in infrastructure and real assets businesses – as such, while Stonepeak does not maintain an explicit exclusions policy, it is prohibited from investing in industries beyond the scopes of its various Agreements.

Furthermore, Stonepeak seeks to exclude investments that it believes to be inconsistent with the provisions of this policy, the reputation and good standing of its investor partners, or the reputation and good standing of Stonepeak.