



Stonepeak



# Global Renewables Fund

FY22 Impact Report





# Letter from our team



*“Dear partners, on behalf of Stonepeak Global Renewables Fund LP (the “GRF” or the “Fund”) and broader Stonepeak teams, we are pleased to present our third annual impact report for the GRF covering the Fund’s activities for calendar year 2022. The portfolio has*

*notably generated **~416m kw/h of renewable energy** over the course of the year with the equivalent of **180,110 tons of CO<sub>2</sub> avoided**. We added **two additional investments**, which exemplify our approach to being thoughtful and substantive in aiming to identify the most attractive investments that create a meaningful decarbonization impact.”*

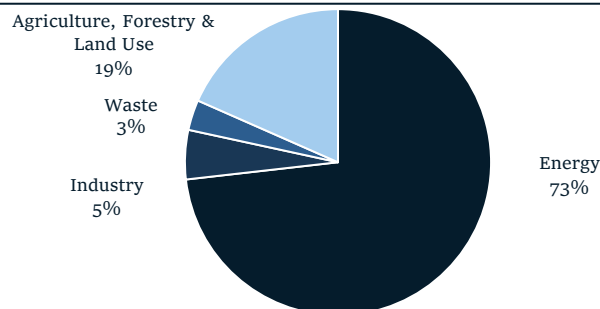
Investing in the energy transition to accelerate decarbonization is central to GRF’s strategy, and our three core approaches to investing contribute meaningfully to this objective. Firstly, we believe the build-out of renewable energy generation at scale via technologies such as offshore wind is a continuing and critically important part of the energy transition. Secondly, investing in enabling physical infrastructure and low carbon fuels complement and in themselves catalyze the transition, while delivering much-needed breathing room in the carbon budget. Thirdly, investing into and alongside traditional energy companies to decarbonize is effective in reducing dependence on carbon-intensive fuel sources for energy generation. We made meaningful advances across all three investment approaches during 2022.

In renewable energy generation, we achieved completion of Formosa 2 – the largest offshore wind project in Asia delivered to date – with projected lifecycle avoided carbon of 18,750,000 tonnes, powering 380,000 homes. Offshore wind’s relatively high-capacity factor among renewable technologies delivers domestically produced baseload grid decarbonization at scale, and we believe that delivering compelling return outcomes while contributing meaningfully to the region’s energy transition and independence objectives establishes our platform as pioneering within the Asia Pacific region.

In the third quarter of 2022, we consummated our first investment in low carbon fuels through Maas Energy Works (“Maas” or “MEW”), a leading dairy renewable natural gas (“RNG”) operator and developer in the United States. Agriculture is a major contributor to greenhouse gas (“GHG”) emissions, with 19% of global GHG emissions related to agriculture, forestry & land use. Within agriculture’s emissions footprint, methane – which has more than ~28x the warming power of CO<sub>2</sub> per molecule over a multi-decade timeframe – comprises nearly half of total estimated emissions. Our investment in Maas funds the build-out of new RNG facilities, which will result in the capturing, processing and diversion for productive use of 119,873 tonnes of methane annually – resulting in avoided emissions equivalent to removing ~667,000 cars from the road, relative to status quo

(i.e. uncaptured methane).

Global GHG emissions by sector, 2016<sup>1</sup>



Our September, 2022, investment in Stonepeak Island Transition LP (“Island Transition”) – a platform to fund renewable energy generation and decarbonization of electricity generation across the Caribbean and Central America – aims to accelerate the energy transition within regions which have historically depended on carbon-intensive fuel sources (such as petroleum and coal). Island Transition’s investment into InterEnergy Group Limited (“InterEnergy”) – an independent power producer with a 1.4GW contracted portfolio across five countries – was predicated on InterEnergy’s agreement to accelerate its decarbonization, with objectives including adhering to a 2015 Paris Agreement-aligned business plan, meeting GHG reduction targets of (i) 30% by 2025, (ii) 50% by 2030, and (iii) net zero by 2050 (relative to a 2022 baseline emission intensity of 0.49 tCO<sub>2</sub>/kWh), and the decommissioning of certain legacy assets. Our investment into InterEnergy has been critical to making meaningful advances toward this objective with the pipeline of projects including the construction of the newbuild combine cycle gas turbine (“CCGT”)<sup>2</sup> in Panama, the ramp-up of the company’s EV charging subsidiary in seven jurisdictions, and the buildout of decarbonization infrastructure related to InterEnergy’s district energy business in the Dominican Republic.

We have also made good progress on priorities we called out in last year’s report. We have been working closely with our portfolio companies on supply chain integrity and human rights, with Environmental Resources Management (“ERM”) having been engaged to perform human rights reviews on our portfolio companies, including Synera Renewable Energy (“SRE”). No major deficiencies were found and ERM has provided ‘roadmap’ recommendations to the company to assist with taking it to the highest standard amongst its peers. We have enhanced our monitoring and reporting structure on worker and contractor health and safety, instituting a firmwide systemized review process with portfolio companies expected to benchmark their sustainability performance relative to appropriate peer and industry averages, with a goal of continual improvement. Within many of the controlled GRF portfolio companies, Stonepeak has worked to increase sustainability governance through the establishment of Sustainability Committees, key personnel hires and environmental, social and governance (“ESG”) training.

1. Climate Watch, the World Resources Institute (2020).

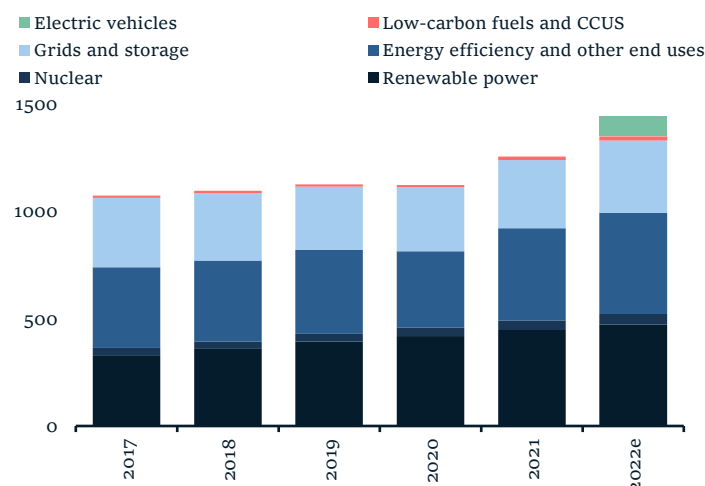
2. There can be no assurance that any of the opportunities in the pipeline described above will materialize and, if they do materialize, on the terms described herein.

# Letter from our team

## Market Update

2022 was a turbulent year for energy globally – a post-COVID economic rebound met with relatively inelastic energy supply and exogenous geopolitical shocks, leading to spiking energy prices across the world felt most acutely in import-reliant regions lacking domestic energy resources / energy self-sufficiency. While we have recently seen energy prices moderate, we believe the social and economic costs of elevated and highly volatile energy prices coupled with broader security of supply concerns will reinforce policymakers' resolve to ensure reliable access to cheaper, more secure, and more sustainable sources of energy. We expect renewable energy assets to play an increasingly important role in these efforts, particularly as renewables continue to be increasingly cost-competitive with conventional energy resources while also representing one of the few universally available domestic energy sources globally.

Annual clean energy investment, 2017-2022(\$bn)<sup>1</sup>



The energy market volatility experienced in 2022 reinforced that the challenge of meeting this energy trilemma (provision of cheap, reliable, and sustainable energy) is complex, difficult, and high-stakes, with significant social and economic costs to failure to achieve a balance of all three components. While the leveled cost of delivering renewable power continues to trend favorably, an affordable, orderly, and reliable / resilient energy transition will require ongoing support for thermal energy for many years. This reality is increasingly generally acknowledged among policymakers (including those focused on climate change and decarbonization), recognizing that temporary measures – such as price caps, strategic petroleum reserve releases and hardship subsidy programs – do not solve (and may ultimately aggravate) structural imbalances.

1. International Energy Agency.

2. Climate Watch, the World Resources Institute (2020).

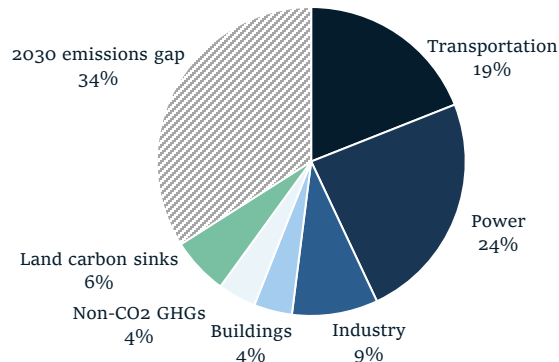
3. Rapid Energy Policy Evaluation and Analysis Toolkit

## Policy response to the energy transition

The passage of the Inflation Reduction Act ('IRA') – which includes nearly \$370 billion of provisions to tackle climate change and speed deployment of clean energy – is particularly noteworthy not only for its size but also the breadth of its measures, which span renewable energy, electric vehicles, carbon capture, methane reductions, renewable fuels, nuclear energy, and incentives for decarbonizing carbon-intensive industries (among others).

Current predictions suggest the IRA will make meaningful progress towards the US' goal of a 50% reduction in GHG emissions from 2005 levels by 2030 (i.e. from 6.6 Gt CO<sub>2</sub>-e, to 3.3 Gt CO<sub>2</sub>-e annually), closing nearly 2/3rds of the remaining gap (taking GHG emissions from today's ~5.6 Gt CO<sub>2</sub>-e, to ~3.8 Gt CO<sub>2</sub>-e). The IRA's impact is, in time, likely to extend beyond the US, as policymakers elsewhere formulate similar legislation (for example, Europe's Green Deal) to maintain economic competitiveness while also furthering energy independence and decarbonization goals.

Inflation Reduction Act: Expected Contributions to Additional Net U.S. GHG Emissions Reductions<sup>3</sup>



Beyond supporting the direct deployment of renewable and low carbon energy, the IRA and similarly structured policies will impact global supply chains through additional subsidies and credits available to domestic manufacturers of componentry (e.g. batteries, solar wafers modules, wind turbines and nacelles etc.) critical to the buildout of lower carbon infrastructure. In addition to the positive economic impacts of onshoring some of this manufacturing capacity, we expect manufacturers which have historically had an excessive concentration within jurisdictions prone to worker abuses will be pressured to improve their labor practices given the risk of being crowded out by a resurgent domestic manufacturing sector. This may furthermore introduce a tradeoff of higher input costs (with production shifting to more expensive jurisdictions) but greater diversification and security of supply for western economies.

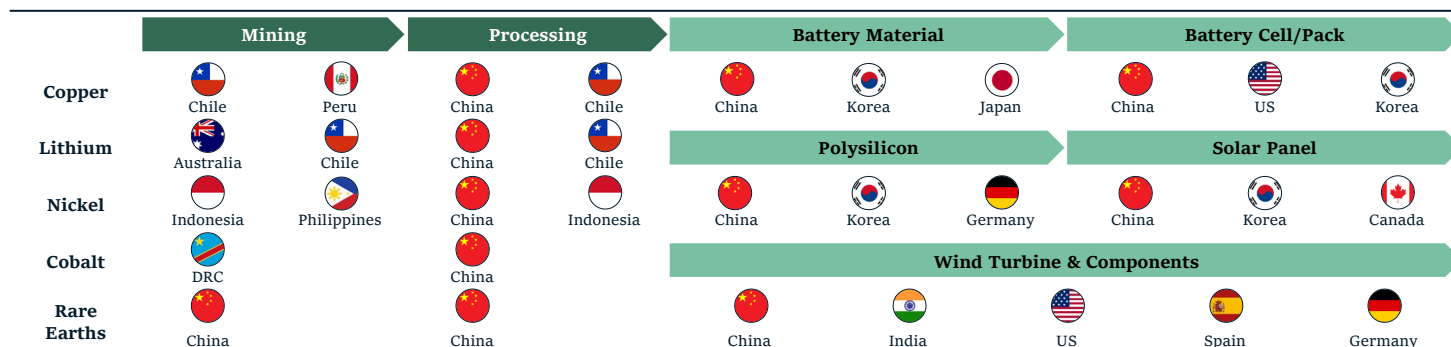
Notwithstanding the potential positive externalities from increased domestic manufacturing, addressing the primary input

# Letter from our team

## Critical mineral needed for clean energy technologies<sup>1</sup>

	Copper	Cobalt	Nickel	Lithium	REEs	Chromium	Zinc	PGMs	Aluminium
Solar PV	●	●	●	●	●	●	●	●	●
Wind	●	●	●	●	●	●	●	●	●
Hydro	●	●	●	●	●	●	●	●	●
CSP	●	●	●	●	●	●	●	●	●
Bioenergy	●	●	●	●	●	●	●	●	●
Geothermal	●	●	●	●	●	●	●	●	●
Nuclear	●	●	●	●	●	●	●	●	●
Electricity Networks	●	●	●	●	●	●	●	●	●
EVs & battery storage	●	●	●	●	●	●	●	●	●
Hydrogen	●	●	●	●	●	●	●	●	●

## Supply chain of Clean Energy Technologies<sup>2</sup>



supply chain remains potentially an even more challenging component of scaling the energy transition economy:

- The buildout and manufacturing of clean energy infrastructure and componentry will lead to a dramatic increase in demand for critical minerals, such as copper, cobalt, nickel and lithium; and
- The mining and processing of these minerals is concentrated within jurisdictions prone to laxer labor, health and safety, and environmental standards.

These considerations are not new, however, we believe they will become more acute as the energy transition accelerates and, accordingly, we remain vigilant to human rights risks within the supply chains across our investments. Policymakers are similarly acting upon these growing challenges, and we expect to see further legislation directed at corporates and investors pertaining to mandatory supply chain diligence (such as the EU's Corporate Sustainability Due Diligence Directive) and ongoing reporting.

1. International Energy Agency. Shading indicates the relative importance of minerals for a particular clean energy technology, which are discussed in their respective sections in this chapter. CSP = concentrating solar power; PGM = platinum group metals. In this report, aluminium demand is assessed for electricity networks only and is not included in the aggregate demand projections.

2. International Energy Agency. DRC = Democratic Republic of Congo; EU = European Union; US = United States; Russia = Russian Federation; China = People's Republic of China. Largest producers and consumers are noted in each case to provide an indication, rather than a complete account.

3. Target returns are not a guarantee or prediction of performance and are based on Stonepeak's beliefs and a variety of assumptions made by Stonepeak. The GRF target returns have been prepared on the basis of estimates and assumptions believed to be reasonable; however, actual results and events may differ materially from the assumptions underlying such targeted returns and, accordingly, there can be no assurance that such target returns will be achieved.

## Conclusion

Stonepeak continues to focus and implement its four impact priorities of: (i) standardizing our reporting, (ii) assessing GHG emissions, (iii) focusing on supply chain risks, and (iv) continuing to integrate responsible investing best practices across our business where applicable. We believe that GRF is well positioned to deliver upon its target returns in tandem with growing its positive impacts<sup>3</sup>. As with our other strategies, we believe responsible investing is good investing, and that the efforts to further these priorities both enhances value for our investments (and thereby for our LPs) in tandem with creating positive outcomes for the communities in which we operate, from which we procure critical inputs, and which we serve with clean energy supply. We look forward to reporting our progress to you throughout 2023, and welcome your engagement.

**Hajir Naghdy**

Senior Managing Director & Executive Committee Member

**Ben Harper**

Managing Director, Head of ESG



# 2022 Priority initiatives

## Supply Chain Integrity

GRF's portfolio companies' supply chains have increased exposure to health and safety issues given that materials are often sourced from nations with weaker labor regulations. Furthermore, given the nature of development platforms, there is increased risk of construction injuries.

Over 2022, Stonepeak engaged with all GRF portfolio companies to construct and implement an employee code of ethics and responsible contractor policy where employee health & safety measures were a key focus. Health & safety is also monitored and regularly evaluated during the construction of the platforms seeking to mitigate employee injuries.

- **SRE** has integrated supply chain health and safety measures between both upstream and downstream suppliers according to international standards.
- **Peak Energy** has had zero work injuries since construction which we believe is due to the implementation of the occupational health, safety and environmental plan that aims to promote best safety practices.



## GHG Assessments

CO2 is a key proponent in the current climate change crisis and in order to further its carbon impact, it is imperative for Stonepeak to generate renewable energy and mitigate carbon emissions.

To ensure that Stonepeak is creating a positive carbon impact, efforts are being made to obtain and monitor data. Stonepeak engaged with all its GRF portfolio companies to track and monitor GHG scope 1,2 emissions, and scope 3 where appropriate, with assets having initiatives built into the business plan to reduce these over time.

- **Stonepeak Island Transition** engaged with carbon emissions expert to validate GHG emissions data for Scope 1, 2 and 3.
- When the business reaches scale, **GreenPeak** aims to undertake a detailed carbon footprint assessment.

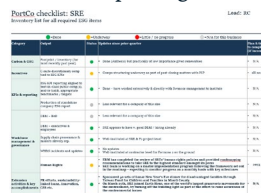


## Standardization of Reporting

To gauge the impact of the portfolio in a meaningful manner and identify areas of improvement it is imperative for Stonepeak to report ESG KPIs of the GRF portfolio companies.

Stonepeak introduced a standard reporting template that each portfolio company completes and is presented quarterly to Stonepeak Executive Committee.

### Internal ESG reporting dashboard

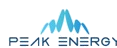


## Integrating ESG Best Practices

To create positive impact across all fronts of sustainability Stonepeak focuses on structuring and implementing ESG best practices.

Over 2022, Stonepeak has conducted a cross application of ESG standards as determined by regulators and industry stakeholders in all GRF's portfolio companies. This includes amending legal documents to include ESG and decarbonization covenants and aligning certain staff members to ESG through remuneration policies.

- **Stonepeak Island Transition** memorializing the decarbonization legacy assets through the amendment of the shareholder agreement.
- **Peak Energy** amended its remuneration policy to be linked to ESG KPIs to ensure alignment of c-suite members to sustainability.



## Physical Resiliency

To ensure our portfolio companies are physically resilient to potential risks from climate change as measured by the modeled increase in frequency and severity of natural perils.

Building on the physical assessments at development stage, the team is utilizing a specialist external tool, to turn sophisticated climate science into actionable data - incorporating this analysis of physical asset vulnerability as part of asset management, and in due diligence on new opportunities.

- Natural perils analysis will be conducted for future developments as **Stonepeak Island Transition** replaces legacy thermal generation with renewable energy as part of its decarbonization strategy.
- As part of **Maas'** due diligence, we conducted an in-depth natural perils assessment of 14 cattle ranch partner facilities with an emphasis on future water availability, heatwave, drought, and wildfire risks.



# Our approach to impact reporting



## Impact and stewardship within the context of the Fund's activities

While the Fund is not explicitly an 'impact fund' insofar as the execution of its mandate does not intentionally target nonfinancial goals or objectives (i.e., explicit ESG or impact metrics), the Fund seeks to generate meaningful, tangible, and measurable positive impacts in principally the following respects:



**Reducing GHG emissions and taking climate action** by contributing to the decarbonization of the electricity grid, displacement of fossil fuels, and repurposing of waste fossil fuels (such as renewable natural gas).



**Providing affordable and clean energy** to commercial and utility offtake clients of the Fund's projects via the construction and operation of renewable and transitional generation and transport facilities, which increasingly tend to have a lower all-in levelized cost of energy production than thermal generation alternatives.



**Contributing to decent work and economic growth** by executing on the Fund's strategy of investing in, constructing and operating renewable and transitional energy generation and transport projects, as well as scaling its full-service development and asset management platforms. Our focus on supply chain and procurement practices supports this goal.



**Contributing to the development of sustainable cities and communities by improving air quality** resulting from the switching from thermal to renewable and transitional electricity generation sources.



**Helping to ensure sustainable consumption and production patterns** by implementing across the Fund sustainable procurement practices and by encouraging the Fund's investee companies to recycle where possible.

## Our approach to impact reporting

We and our portfolio company management teams are mindful of the importance our investor partners place on impact reporting that is:



**Transparent**, meaning it is made available to all the Fund's stakeholders.



**Reliable**, meaning the data, metrics and conversions provided are clearly understood and labeled, and ultimately sourced from robust management reporting systems.



**Comparable**, meaning the metrics are tied to well-recognized impact frameworks.







**Substantive**, meaning we report on those activities and metrics that we believe are most material to the operations of the Fund, its investee companies and projects, and our investor partners.

With the above in mind, the primary impact framework methodology pursuant to which this report has been prepared is the UN Sustainable Development Goals ("SDGs"). Where relevant, contribution of a given metric or Fund outcome to a specific SDG is supported by the linking to the SDGs of Impact Reporting and Investment Standards ("IRIS") metrics, as produced by the Global Impact Investing Network ("GIIN"). We have reported according to this methodology at both the Fund and individual portfolio company level in an effort to provide as much transparency as we reasonably can.

# Impact dashboard summary

FY2022 and since inception<sup>1</sup>

Impact		FY 2022	Since inception <sup>1</sup>
Renewable energy produced (kW/h) <sup>2</sup>		416,348,482	569,343,242
Equivalent cars off the road from renewable energy production <sup>3</sup>		65,659	89,021
Worker contractor hours		3,247,988	24,030,517
Full time equivalent jobs created		10	90

<sup>1</sup> Stonepeak began tracking the above-referenced ESG metrics in Q1 2020 for the GRF portfolio. No GRF asset produced any renewable energy prior to 2020 other than Madison Energy in 2019.

<sup>2</sup> On a gross basis.

Based on the US Environmental Protection Agency ("EPA") calculator.

# Summary operating statistics

FY2022



**Total GRF**

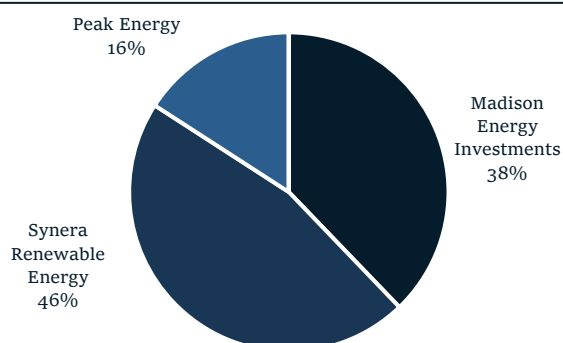
## Developer / OpCo statistics

GRF + co-investor ownership (%)	95%	51%	100%	99%	100%	100%	
Start FY22 full time employees ("FTEs")	18	108	9	n/a	744	14	<b>893</b>
End FY22 FTEs	31	110	11	n/a	751	n/a	<b>903</b>
End FY22 FTEs male/female	20 / 11	51/59	9/2	n/a	n/a	n/a	<b>80/72</b>
BoD meetings held / Stonepeak attendance rate	4 / 100%	10/100%	1	n/a	n/a	n/a	<b>15</b>
Taxes paid	0	1.5mm	0	n/a	n/a	n/a	<b>\$1.5mm</b>
# community engagements	n/a	7	0	n/a	n/a	n/a	<b>7</b>
Hours employee training	n/a	545	9	n/a	n/a	n/a	<b>554</b>

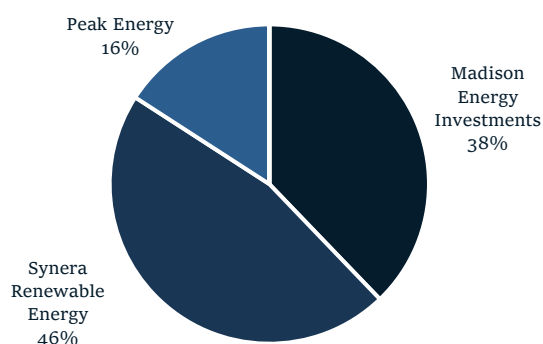
## Project statistics (1/1/22 - 12/31/22)

Total contractor hours	263,054	2,797,122	30,710	157,112	n/a	n/a	<b>3,247,998</b>
Contractor reportable incidents	0	0	0	n/a	n/a	n/a	<b>0</b>
US\$ (mm) value of project works funded, 100% basis	149mm	818mm	103mm	15.4mm	45mm	83mm	<b>~\$1.2bn</b>
Megawatts ("MW") capacity operational, year-end	148	128	46	0	110	3.1 <sup>1</sup>	<b>432</b>
MW capacity in construction, year-end	126	376	0	24	28	n/a	<b>555</b>
Renewable energy generated (kw/h) <sup>4</sup>	157,454,782	192,832,000	66,061,700	n/a <sup>2</sup>	n/a <sup>4</sup>	n/a <sup>3</sup>	<b>416,348,482<sup>5</sup></b>
Equivalent tons/CO <sub>2</sub> avoided	68,114	83,418	28,578	n/a	n/a	n/a	<b>180,110</b>

## Renewable energy generated (kw/h)<sup>6</sup>



## Equivalent tons/CO<sub>2</sub> avoided<sup>6</sup>



Note: As of December 31, 2022.

1. Maas does not directly produce renewable electricity; rather, Maas operates digestors which produce renewable natural gas for pipeline injection
2. Not operational
3. Maas does not generate renewable energy but removes methane emissions from the atmosphere.
4. Stonepeak closed on Maas and Stonepeak Island Transition in October and June 2022, respectively. However, the table above is with respect to FY2022 for each company.
5. On a gross basis
6. Based on 100% equity



# GRF projected lifetime ESG impact



**Total GRF**

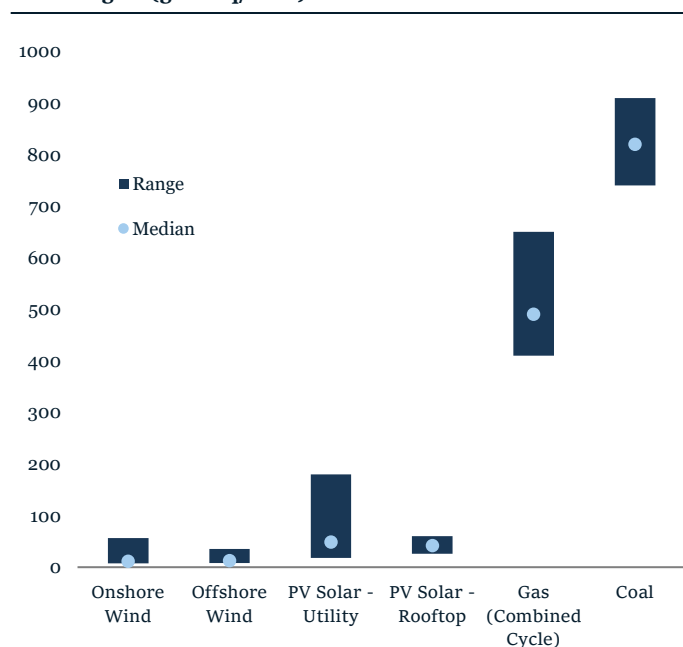
	<i>Increase in green energy production</i>	<i>Increase in green energy generation (Completion of Formosa II)</i>					<i>Positive impact contribution</i>
Technology	C&I solar	Offshore wind	Utility solar	Utility solar	Energy Transition	Energy Transition	
<b>Total MW</b>	~362	504 <sup>1</sup>	46.0	45.0	138.0	3.1 <sup>2</sup>	<b>1,098.5</b>
Net capacity factor	13.5%	~44%	14.8%	14.5%	Various	n/a	
Project useful life (years)	30	30	26.7	30	Various	20	
<b>Lifetime megawatt-hours (“MWh”) generated</b>	12,843,036	50,268,206	1,590,096	3,858,000	n/a	n/a	<b>68,559,338</b>
Country	USA	Taiwan	North Asia	Taiwan	Caribbean	USA	
Average CO <sub>2</sub> (metric tons) / MWh of domestic electricity sector production <sup>3</sup>	0.71	0.63	0.49	0.62	n/a	n/a	
<b>Lifetime metric tons CO<sub>2</sub> avoided</b>	9,101,635	34,442,610	779,147	1,066,587	n/a	n/a	<b>45,389,979</b>
Total lifecycle emissions (metric tons CO <sub>2</sub> ) <sup>4</sup>	616,466	232	76,324	185,184	n/a	n/a	878,206

## A note on estimating lifecycle emissions

While renewable energy provides a critical pathway to rapidly decarbonize the global electricity sector (estimated as being responsible for between 25-30% of manmade GHG emissions<sup>4</sup>), a “cradle-to-grave” or full lifecycle analysis that includes emissions associated with materials extraction, construction and installation, operations, and decommissioning reveals there are small but perceptible emissions from renewable energy. Depending on the technology, the IPCC<sup>6</sup> estimates that renewables emit between 10x and up to 100x fewer GHG emissions over their lifecycles than thermal generation (such as natural gas and coal), and renewable energy full lifecycle emissions are generally trending down as technology improves capacity factors and associated extractive and manufacturing processes become more efficient.

The table above is intended to provide an estimate for the full lifecycle emissions of the Fund’s investments as at end FY22, recognizing that comprehensive carbon disclosure frameworks (such as those modeled off the Taskforce for Carbon Related Financial Disclosures) increasingly require disclosing entities to consider the GHG impacts of their investments in this manner.

**Lifecycle CO<sub>2</sub> equivalent from selected electricity supply technologies (gCO<sub>2</sub>eq/kWh)<sup>4</sup>**



Note: 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. Total project MW based on operating, in construction and contracted development projects as of FY 2022. Net capacity factor and useful life assumptions represent management and Stonepeak assumed averages for each company’s project portfolio.

1. SRE owns a 25% equity interest in the 376 MW Formosa II project.

2. Maas does not directly produce renewable electricity; rather, Maas operates digestors which produce renewable natural gas for pipeline injection.

3. Carbon intensity of electricity sectors per the US Environmental Protection Agency (“EPA”), Taiwan Bureau of Energy and the United Nations Framework Convention on Climate Change.

4. Lifecycle emissions for each technology based on the Intergovernmental Panel on Climate Change and the assumed lifetime production figures depicted in this analysis.

5. EPA: Sources of Greenhouse Gas Emissions (2019).

6. Lifecycle emissions for each technology based on the Intergovernmental Panel on Climate Change (“IPCC”) and the assumed lifetime production figures depicted in this analysis.

# 01



Case study

# Synera Renewable Energy



# Synera Renewable Energy (“SRE”)

## Overview



### Development Platform

SRE is a leading Taiwanese offshore wind developer and operator that has developed ~7 gigawatts (“GW”) of projects (across Taiwan and Japan)<sup>1</sup> since its establishment in 2012

- Led construction of Formosa I, the first offshore wind project in Taiwan, and now provides overall corporate and asset management services in addition to managing ongoing operations and management (“O&M”) via maintenance contracts with specialized contractors to ensure asset integrity
  - Due to a sale and purchase in early 2023, Stonepeak now has 7.5% ownership in Formosa I
- Owns 25% of Formosa II and played a key role in the development and delivery of Formosa II
  - Construction and installation of all 47 turbines was completed by January 2023 and fully commissioned by March 2023
- The SRE team has grown from 53 members to a team of 110 individuals since Stonepeak entered the business. Key hires in 2022 included technical package leads, a HSE director, business development managers, and Head of HR
  - The business is targeting 213 total hires by end of 2023 mainly to support the business’ expansion for Formosa 4, Formosa 5, Formosa 6/7 and growth into Japan and Korea OSW<sup>2</sup>



## ~7 GW

of projects since 2012<sup>3</sup>

## owns 25%

of Formosa II

## 376 MW<sup>1</sup>

offshore wind project

## 47

turbines



1. There is no guarantee that Formosa IV, V, VI and VII will be successfully developed and if it is developed, on the terms currently contemplated.

2. In advanced discussion with a local developer in Korea for a pipeline of 1.5GW of OSW.

3. This includes Formosa I (128MW), Formosa II (376MW), Formosa IV and V (total of 2.59GW), Formosa VI and VII (total of 1.75GW) and a portfolio in Japan offshore wind (total of 2.22GW).





### Impact on Industry & Communities

- Presented a 100% environment-friendly booth in the industry-wide Energy Taiwan 2022 Exhibit, a business-to-business trade show that allows exhibitors to showcase their products and services in the renewable energy industry to local stakeholders including students. SRE set up a workshop in this exhibit, attracting wide attention from visitors with more than 60 students participating in it



### Impact on Supply Chain

- Facilitated the connection between upstream and downstream suppliers, and the integration of talents, health and safety regulations of wind farm with international standards



### Impact on Government & Industry Stakeholders

- Long-standing commitment with local stakeholders and community to foster discussions regarding renewable energy development in Taiwan



### Collaboration with Government stakeholders and Industry Bodies with Outcomes

- Firmly committed to supporting the government's goal of promoting offshore wind and renewable energy and to phase out nuclear power plants and generate 20% of its electricity through renewable energy by 2025
  - In addition to Formosa II, Stonepeak and SRE commenced its latest projects in Formosa IV and Formosa V (totaling ~2.5 GW), expected to be a transitional project in Taiwan's broader "fixed-to-floating" offshore renewable energy transition<sup>1</sup>
  - SRE progressed on additional projects including a 2.2 GW Japanese offshore wind platform and a 680MW Korean offshore wind pipeline



### Impact on Community

- SRE partnered with the Tongyuan Fishermen's Association and the environment-focused NGO, Rethink, to organize a one-day beach clean-up activity in early April 2022. Over 100 people participated in this event and around 500 kilos of trash was removed



### Impact on renewable energy development

- Member of Taiwan Offshore Wind Industry Association** (formed by eight offshore wind majors in 2019) to promote the long-term development of the industry, stable policies and regulatory framework, as well as strengthen education and training
- Member of Taiwan Renewable Energy Alliance ("TRENA")**, an active non-governmental organization consisting of 60 corporates which promotes renewable energy, urges the government to formulate laws and renewables related policies
- One of the initiators of Taiwan's first Global Wind Organization training center**, delivering basic safety and technical training for the industry



### Impact on Community

- Donated 119 "SRE Offshore Wind Picture Books" to elementary schools in Miaoli County, Taiwan, to promote offshore wind education as well as tablets to a foundation that supports low-income families in Taiwan
- Launched reading campaigns and physical exhibitions in partnership with nearly 250 public libraries across six counties in Taiwan to expand the breadth and depth of energy education
- Recognized at the 2022 Taiwan Sustainability Action Awards, the most prestigious CSR awards in Taiwan, for outstanding dedication to green energy education
- Sponsorship with TRENA and TEIA

1. There is no guarantee that Formosa IV and V will be successfully developed and if it is developed, on the terms currently contemplated.

# SRE

## Summary of impact



		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced</b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	Expecting avoidance of 625k metric tons of CO2 per year from Formosa II once operational
	<b>Employee training hours</b>	Number of training hours provided for employees (full-time, part-time, or temporary) during the reporting period.	OI7877	545 training hours provided for employees
	<b>Energy generated for sale: renewable</b>	Amount of energy generated and consumed by the organization from renewable sources during the reporting period.	OI2496	192,832,000 kWh  Formosa II has added 376 MW of renewable energy generation capacity to the local electricity grid following commissioning in March 2023
	<b>Purchase contracts</b>	Number of contracts/purchase agreements that the organization holds for purchase of its products/services. Report contracts fulfilled and outstanding as of the end of the reporting period.	PI9988	Formosa II had engaged three Engineering, Procurement, Construction and Installation ("EPCI") contractors who had 106 subcontractors for the construction works  At least weekly reviews were conducted by management to ensure effective integration of Health, Safety & Environmental ("HSE") practices
	<b>Full-time employees: total</b>	Number of paid full-time employees at the organization as of the end of the reporting period	OI3160	110
	<b>Full-time employees: female</b>	Number of paid full-time female employees at the organization as of the end of the reporting period.	OI6213	59
	<b>Community service hours contributed</b>	Number of hours volunteered by full-time and part-time employees of the organization during the reporting period.	OI8429	300 hours
	<b>Biodiversity assessment</b>	Indicates whether the organization has undertaken biodiversity-related assessments to evaluate the biological diversity present on the land that is directly or indirectly controlled by the organization.	OI5929	Biodiversity assessment was undertaken as part of Formosa II environmental studies. Biodiversity Management Plan and Biodiversity Action Plan are in place to safeguard biodiversity associated with any project activities during construction and operations
	<b>Life on land</b>			

Note: Certain impact related information has been obtained from third parties, including companies in which investments have been made by Stonepeak. While such sources are believed to be reliable, none of Stonepeak, the Fund, any placement agent, or any of their respective directors, officers, employees, partners, members, shareholders, or their affiliates, or any other person, has taken any steps to verify, or assumes any responsibility for the accuracy or completeness of such information or the methodologies or assumptions on which such information is based. There can be no assurance that the Fund's other portfolio investments will achieve comparable results or that anticipated impact metrics returns will be achieved. 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. Total project MW based on operating, in construction and contracted development projects as of FY 2021.





# 02

Case study

# Madison Energy Investments

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# Madison Energy Investments (“MEI”)

## Overview

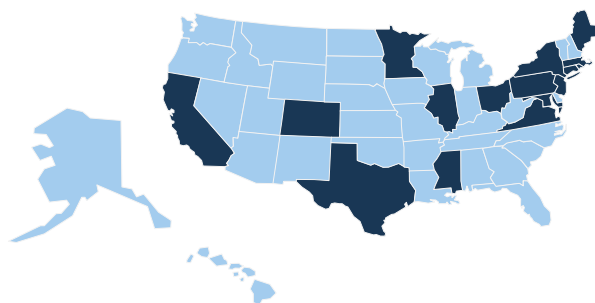
### Summary

- MEI is a management partnership established to pursue the acquisition, construction, and ownership of long-term contracted commercial and industrial (“C&I”) solar projects in the U.S
- MEI had grown to a team of 30 employees as of December 2022, ~43% of whom are women and racial minorities, and MEI’s owned and exclusive portfolio had grown to ~386 MW across 19 states
- During FY22, the company grew its headcount to service the growth of its platform. The passage of the Inflation Reduction Act is expected to further support the US community solar sector generally, with MEI, in our view, well-positioned to capture these tailwinds due to its integrated sourcing, development, and management capabilities
- Stonepeak, MEI and EQT Infrastructure announced in December, 2022 a transaction pursuant to which EQT Infrastructure had agreed to acquire MEI
- At acquisition, the Madison Portfolio totaled to ~111 MW. Efforts were made to build out the platforms and the development projects, which at divestment resulted in the portfolio growing by almost 250%



~386 MW

across 19 states



MEI partnered with Lineage Logistics at its facility in Colton, CA, to install a rooftop array of over 8,400 solar panels capable of producing 5.4MM kWh p.a.



MEI partnered with the Salvation Army Kroc Center in Camden, NJ, to install a rooftop system which is estimated to produce 1.8MM kWh p.a.



### Savings to communities

- **MEI works with communities to provide renewable energy solutions at no upfront cost** to the community and with significant long-term annual savings
  - MEI's typical solar customer saves an estimated ~20% on their electricity, based on the U.S. average price of \$0.12 / kWh
  - One example is MEI's work with **Immaculata High School** of Somerville, NJ, to install over 1,200 solar panels atop the school's facilities (pictured below). The project is expected to produce ~635,000 kWh annually at a rate of ~\$0.083/kWh, allowing the school to obtain inexpensive and green electricity for up to ~80% of its needs, with an estimated saving of ~\$3MM over 25 years. In addition to the financial savings, the project is estimated to offset the GHG emissions caused by over 19,000 trash bags of waste in landfills



### Impact on Industry & Communities

- MEI partnered with other leading solar industry figures to form Accel-Dev, an initiative through which skilled developers with local knowledge may form their own ventures – with the support of Accel-Dev – allowing the developers to develop and originate opportunities at the local level



### Impact on Employees

- Gerard Neely - Director of Business and Market Development - was proud to receive the Clean Energy Leadership Institute emPOWER22 Jedi Champion award, which recognizes passionate, dedicated change-makers in the CELI community that are driving an equitable clean energy future








### Collaboration with Government Stakeholders

- In early 2023, representatives of MEI hosted representatives of the U.S. Department of State and Global Affairs Canada | Affaires Mondiales Canada at its solar array ground mount in Maryland





		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced<sup>1</sup></b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	68,114 metric tons of CO <sub>2</sub>
	<b>Energy generated for sale: renewable</b>	Amount of energy generated and consumed by the organization from renewable sources during the reporting period.	OI2496	157,454,782 kWh
	<b>Client savings premium<sup>2</sup></b>	Ratio of the price savings obtained by the client from purchasing a product/service from the organization compared to the average price that would be otherwise paid for a similar product/service in the local market.	PI1748	~20% savings on electricity bills, based on the U.S. average price of \$0.12 / kWh
	<b>Full-time employees: total</b>	Number of paid full-time employees at the organization as of the end of the reporting period.	OI6213	30
	<b>Full-time employees: female</b>	Number of paid full-time female employees at the organization as of the end of the reporting period.	OI6213	13
	<b>Communities served</b>	Number of hours volunteered by full-time and part-time employees of the organization during the reporting period.	PI2476	19 different states
	<b>Stakeholder engagement</b>	Describes the mechanisms in place to gather input from stakeholders on product/service design, development, and delivery.	OI7914	MEI works directly with customers to create the best renewable energy solution

Note: Certain impact related information has been obtained from third parties, including companies in which investments have been made by Stonepeak. While such sources are believed to be reliable, none of Stonepeak, the Fund, any placement agent, or any of their respective directors, officers, employees, partners, members, shareholders, or their affiliates, or any other person, has taken any steps to verify, or assumes any responsibility for the accuracy or completeness of such information or the methodologies or assumptions on which such information is based. There can be no assurance that the Fund's other portfolio investments will achieve comparable results or that anticipated impact metrics returns will be achieved. 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.

1. Carbon intensity of electricity sector per the US EPA.

2. Per MEI management estimates.



# 03



Case study

# Peak Energy Investments

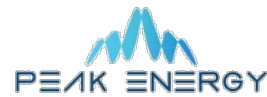


# Peak Energy Investments (“Peak Energy” or “PEI”)

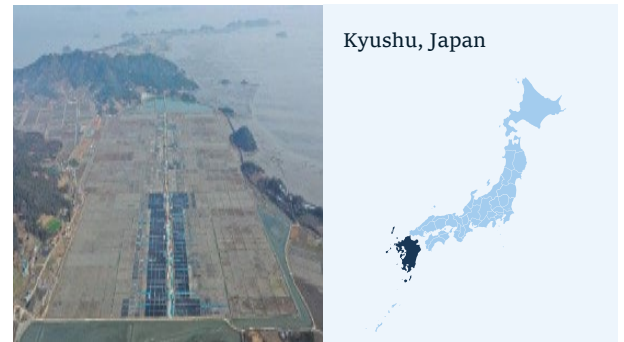
## Overview

### Overview of Peak Energy

- Peak Energy is a 100%-owned renewable platform of the GRF with a focus on acquiring and developing solar and onshore wind assets in the Japanese and Korean markets
- The management team has an established track record of 25 years of experience successfully sourcing, developing, and managing solar and renewables assets, representing more than 3 GW of capacity
- Peak Energy’s asset base was first originated in Japan in mid-2020 and expanded to Korea in late 2020 with a team of 12 renewable professionals as of December 2022
- The portfolio includes a 28 MW solar asset in Kyushu (Project Minamata), which formally reached project completion in December 2021 and Project Iceberg, a 99.9 MW solar project, located in Jeolla province, South Korea, which reached project completion in October 2022



#### Project Minamata snapshot



#### Project Iceberg snapshot



# Peak Energy

## Sustainability Initiatives



### Our Principle – “EIA”

Our “EIA” principle stands for Excellence, Integrity, and Agility – to ensure we safely and sustainably develop, build, and operate renewable energy projects for present and future generations”

– Raul Dealbert, Head of Operations, Japan

- Therefore, efforts are being made to develop a culture of sustainability and professional responsibility to create a positive impact for stakeholders



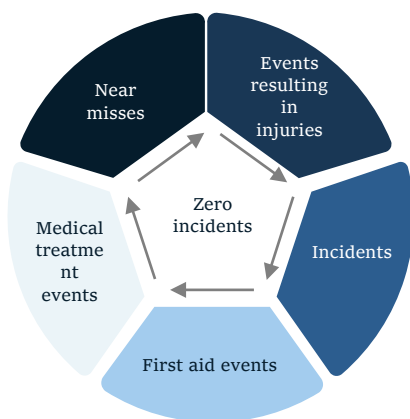
### Impact on Environment

- For both Japan and Korea, the governments have set forth ambitious targets for the transition towards renewable energy sources
- Peak Energy’s mission is to make a contribution by successfully delivering renewable energy projects across Asia
- Peak Energy’s portfolio is expected to result in the avoidance of 144,800 metric tons of carbon dioxide annually, which is equivalent to taking ~25,500 passenger vehicles off the road for a year<sup>1</sup>



### Health & Safety Management

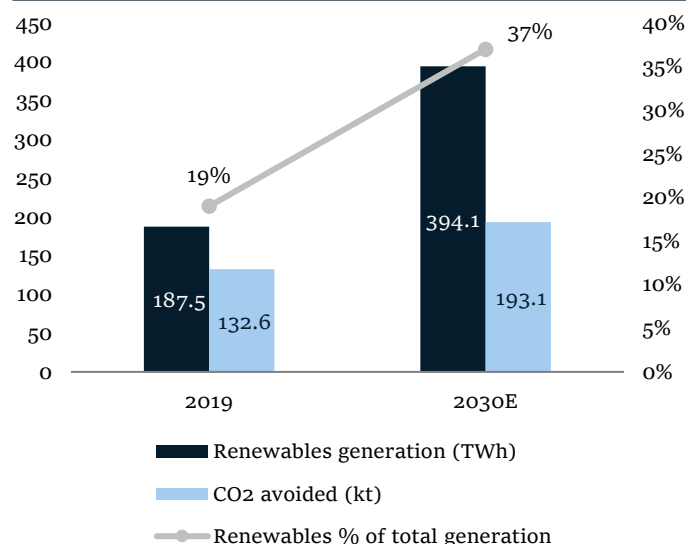
- The Peak Energy team is committed to maintaining a safe working environment for all employees and contractors
- Zero work injuries or construction incidents since inception
- Established an Occupational Health & Safety and Environmental Plan to promote best safety practices



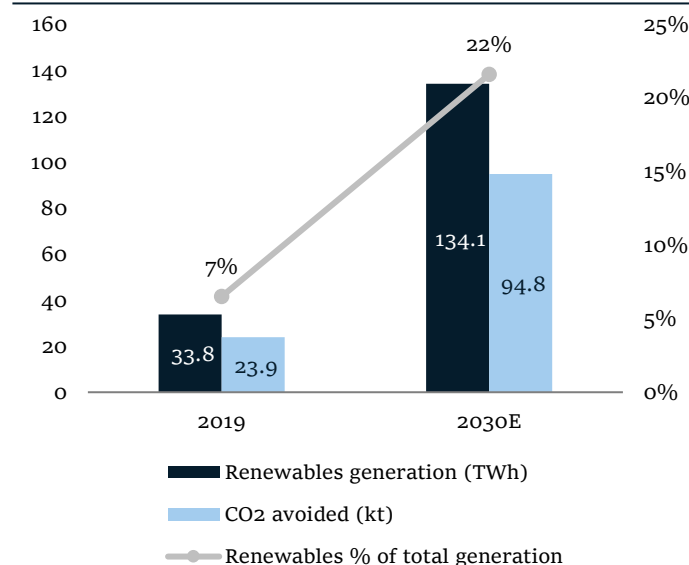
### Impact on Environment

- With Project Iceberg achieving commercial operations date (“COD”) in October 2022, the project generated 30,895 MWh in 2022, displacing an estimated 21.9 kt CO<sub>2</sub>e. The actual generation has outperformed the forecast by 8.2%
- The cumulative power generation from Project Minamata in 2022 YTD is 36,721 MWh, displacing an estimated 26.0 kt CO<sub>2</sub>e. The actual generation has outperformed the forecast by 2.3%

Japan’s renewables target and CO<sub>2</sub> avoided<sup>2</sup>



Korea’s renewables target and CO<sub>2</sub> avoided<sup>3</sup>



1. As of December 31, 2021.

2. Ministry of Economy, Trade and Industry: Japan, 6th Strategic Energy Plan. November 2021.






3. Ministry of Trade, Industry and Energy: Korea, 10th Basic Plan for Long-term Electricity Supply and Demand. December 2020. ([https://www.kimchang.com/en/insights/detail.kc?sch\\_section=4&idx=26720](https://www.kimchang.com/en/insights/detail.kc?sch_section=4&idx=26720))



# Peak Energy

## Summary of impact



		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced<sup>1</sup></b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	28,578 metric tons of CO <sub>2</sub>
	<b>Energy generated for sale: renewable</b>	Amount of energy generated and consumed by the organization from renewable sources during the reporting period.	OI2496	66,061,700 kWh
	<b>Full-time Employees: minorities/ previously excluded</b>	Number of paid full-time employees hired by the organization during the reporting period.	OI8147	12
	<b>Occupational injuries</b>	Number of occupational injuries which affected any full-time, part-time, and temporary employees of the organization during the reporting period.	OI3757	0
	<b>Environmental impact objectives<sup>2</sup></b>	Environmental impact objectives pursued by the organization – amount of natural resources preserve	OD4108	Avoidance of consumption 66,099 barrels of oil
	<b>Waste reduced<sup>2</sup></b>	Amount of waste reduced by the organization during the reporting period through programs for substitution, recycling, or recovery	OI7920	9,889 tons of waste recycled instead of landfilled

Note: Certain impact related information has been obtained from third parties, including companies in which investments have been made by Stonepeak. While such sources are believed to be reliable, none of Stonepeak, the Fund, any placement agent, or any of their respective directors, officers, employees, partners, members, shareholders, or their affiliates, or any other person, has taken any steps to verify, or assumes any responsibility for the accuracy or completeness of such information or the methodologies or assumptions on which such information is based. There can be no assurance that the Fund's other portfolio investments will achieve comparable results or that anticipated impact metrics returns will be achieved. 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.

1. Carbon intensity of electricity sector per the United Nations Framework Convention on Climate Change.

2. Based on EPA calculator.





04

Case study

# GreenPeak Renewables

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# GreenPeak Renewables (“GreenPeak”)

## Sustainability Thesis

### Summary

- GreenPeak is a platform created in partnership with a leading Taiwanese solar developer, Smart Green Energy, that has a dedicated focus on the solar market in Taiwan
- GreenPeak’s inaugural 25MW project – located in Yunlin, Taiwan – continued toward COD in 2023 with module installation completed. Over 140,000 hours of labor was completed in 2022, with no reportable incidents
- Phases 2-3 of GreenPeak’s Yunlin, Taiwan project – representing an additional 13MW capacity – secured feed-in tariffs and construction permits with COD expected to be Q4, 2023



## 38 MW<sup>1</sup>

Expected with the completion of both Asset I Phase 1 and Phases 2-3



Aerial view of 25MW inaugural project



Aerial view of 25MW inaugural project



Cable pulling works onsite at inaugural 25MW project






1. 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. .



# GreenPeak

## Summary of impact



		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced<sup>1</sup></b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	~42.4 kt CO <sub>2</sub> e (expected once Asset 1 is complete)
	<b>Energy generated for sale: renewable</b>	Amount of energy generated and consumed by the organization from renewable sources during the reporting period.	OI2496	220,825 metric tons of CO <sub>2</sub> (expected)
	<b>Full-time Employees: minorities/ previously excluded</b>	Number of paid full-time employees hired by the organization during the reporting period.	OI8147	N/A
	<b>Occupational injuries</b>	Number of occupational injuries which affected any full-time, part-time, and temporary employees of the organization during the reporting period.	OI3757	0
	<b>Environmental impact objectives<sup>2</sup></b>	Environmental impact objectives pursued by the organization – amount of natural resources preserve	OD4108	Expected avoidance of consumption 98,165 barrels of oil
	<b>Waste reduced<sup>2</sup></b>	Amount of waste reduced by the organization during the reporting period through programs for substitution, recycling, or recovery	OI7920	14,671 tons of waste recycled instead of landfilled

Note: Given Greenpeak's initial asset is in construction, we have indicated the expected impact of the initial asset once it becomes operational, on a full-year basis. Certain impact related information has been obtained from third parties, including companies in which investments have been made by Stonepeak. While such sources are believed to be reliable, none of Stonepeak, the Fund, any placement agent, or any of their respective directors, officers, employees, partners, members, shareholders, or their affiliates, or any other person, has taken any steps to verify, or assumes any responsibility for the accuracy or completeness of such information or the methodologies or assumptions on which such information is based. There can be no assurance that the Fund's other portfolio investments will achieve comparable results or that anticipated impact metrics returns will be achieved. 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.

1. Carbon intensity of electricity sector per the United Nations Framework Convention on Climate Change.

2. Based on EPA calculator.





# 05

Case study

# Stonepeak Island Transition

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# Stonepeak Island Transition (“Island Transition”)

## Overview

### Development Platform

Stonepeak Island Transition LP (the “Island Transition”) was formed with the goal to invest in enhancing access to sustainable, reliable, and affordable electricity generation across the Caribbean and Central America

- In Q2 2022, the Island Platform closed on two initial investments: (i) the San Fermin Solar Farm (“San Fermin”) and (ii) InterEnergy Group Limited (“InterEnergy” or “IEG”)
- A sustainability committee was built out within the portfolio company to ensure that decarbonization initiatives and goals were being implemented in an effective manner
- ESG reporting systems are integrated into the platform to track GHG emissions data for both the portfolio company and its key subsidiaries, each in accordance with the operational control approach as per the Greenhouse Gas Protocol published by the World Resources Institute and World Business Council for Sustainable Development
- Transition initiatives of InterEnergy were memorialized by amending and restating the shareholder agreement upon closing of the transaction
  - This ensured the decommissioning of certain legacy assets in addition to aggressive renewables deployment targets

### Stonepeak Island Transition

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## 900 MW

Renewable generation capacity to be developed or added through mergers and acquisitions<sup>1</sup>

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## 226 ktCO<sub>2</sub>/year

Expected to be avoided by 2025

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## 2050

Goal to achieve net zero by

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<sup>1</sup>. There can be no guarantee that any M&A for Island Transition will materialize with respect to renewable generation

# Island Transition

## Sustainability Initiatives



### Decarbonization of legacy assets

- Seeking to extend Jamaican assets' power purchase agreements ("PPAs") with the additional condition that the electricity generation capacity associated with the PPAs is converted to natural gas fired power plants or replaced with renewable capacity
  - If this condition cannot be met, then there will be strategy to decommission the generation assets by a certain timeline
- Island Transition aims to achieve a 25% reduction in electricity generated from fuel oil fired power plants per year by 2027, and replace Consorcio Energético Punta Cana – Macao's ("CEPM's") generation capacity with a lower emitting power source (e.g. natural gas fired power plant(s) and / or renewable generation capacity) upon expiration of the Sultana PPA in 2026
- To support decarbonization efforts across its portfolio, Island Transition aims to develop or add through M&A 400MW of renewable generation capacity no later than 2025 and 900MW no later than 2030 (the "Renewable Capacity Requirements")



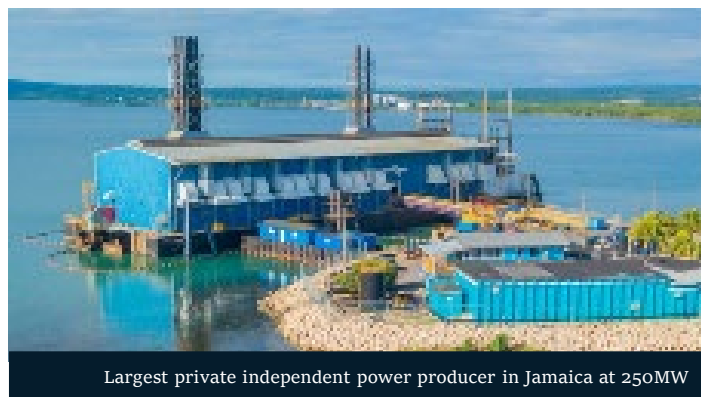
### Substantive target setting

- Over the next 12 months, InterEnergy will develop and submit each of the following for approval by the Board:
  - A strategic plan for InterEnergy and its Key Subsidiaries, as defined in the amended and restated shareholders' agreement, that is aligned with the objectives of the Paris Agreement (the "**Paris-Aligned Plan**") (i.e., a plan for the Company and its Key Subsidiaries to achieve net-zero CO2 emissions by 2050)
  - An 8-year business plan (the "**8-Year Emissions Reduction Plan**") that is consistent with both the Paris-Aligned Plan and the Emissions Intensity Reduction Pathway, and achieves the GHG Targets
  - Each annual business plan of the Island Transition shall be consistent with the 8-Year Emissions Reduction Plan and the Paris-Aligned Plan



### Sustainability Oversight

- Sustainability committee established within the portfolio company to ensure that decarbonization initiatives and goals are being implemented and overseen in an effective manner
- Developing an integrated ESG reporting system to track GHG emissions data for both the portfolio company and its key subsidiaries, each in accordance with the operational control approach as per the Greenhouse Gas Protocol published by the World Resources Institute and World Business Council for Sustainable Development
- Carbon emissions expert engaged to verify GHG data for Scopes 1, 2 and 3



Largest private independent power producer in Jamaica at 250MW



315MW district energy system in the Dominican Republic



# Island Transition

## Summary of impact



		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced</b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	66 ktCO <sub>2</sub> /year avoided
	<b>Energy generated for sale: renewable<sup>1</sup></b>	Amount of energy generated and consumed by the organization from renewable sources during the reporting period.	OI2496	416MW 389MW renewable generation (InterEnergy) 27MWdc Operating solar generation facility (San Fermin)
	<b>Full-time employees: total</b>	Number of paid full-time employees at the organization as of the end of the reporting period	OI3160	N/A
	<b>Full-time employees: female</b>	Number of paid full-time female employees at the organization as of the end of the reporting period.	OI6213	N/A

1. Stonepeak closed on Maas and Stonepeak Island Transition respectively in October and June 2022. However, the table above is with respect to FY2022 for each company.





06



Case study

# Maas Energy Works





# Maas Energy Works Inc. (“MEW”)

## Overview

### Summary

- Maas Energy Works Inc. (“MEW”) focuses on the development, operation and ownership of dairy manure digestors; these digestors capture and process raw biogas to produce utility-grade natural gas while also helping generate recycled water/fertilizer to aid the dairy farmer
- Fugitive methane and other GHG emissions from animal manure can be captured as renewable natural gas (“RNG”), which is a drop-in fuel source that can replace fossil natural gas to decarbonize electricity, heating and industrial processes
- Maas has strong regulatory support through the California Low Carbon Fuels Standards (“LCFS”) Program, Renewable Fuel Standard Program and the Inflation Reduction Act



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~3.1 Bcf

of methane captured per year

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~50

digestors under operation

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~40

additional digestors under construction or in development



The covered lagoon manure digester creating renewable energy from cow manure, Open Sky Ranch, Riverdale, California



Maas Energy Works partners with dairy farmers to create clean renewable energy by developing and operating manure digestors.



### Renewable Natural Gas as the Solution for a Hard-to-decarbonize Industry

- While fossil fuel power generation is a significant contributor to GHG emissions globally (accounting for 27% of all emissions), other harder-to-decarbonize sectors such as agriculture (account for 19% of GHG Emissions) will need tailored solutions where electrification proves difficult
- Agriculture's main GHG culprit is not carbon dioxide but methane—which causes ~28x more warming per molecule than carbon dioxide over the course of a century—and nitrous oxide, which causes ~264x more warming
- Globally, there are roughly a billion cattle raised for beef and dairy, whose enteric methane every year has the same warming effect as 2 billion tons of carbon dioxide and accounts for about 4% of all global emissions<sup>1</sup>
- One of the primary environmental benefits of dairy RNG is not only that it has a net cooling impact but also that its impact is particularly frontloaded – if the global economy focuses its efforts on unabated methane emissions, we can materially reduce warming trends faster

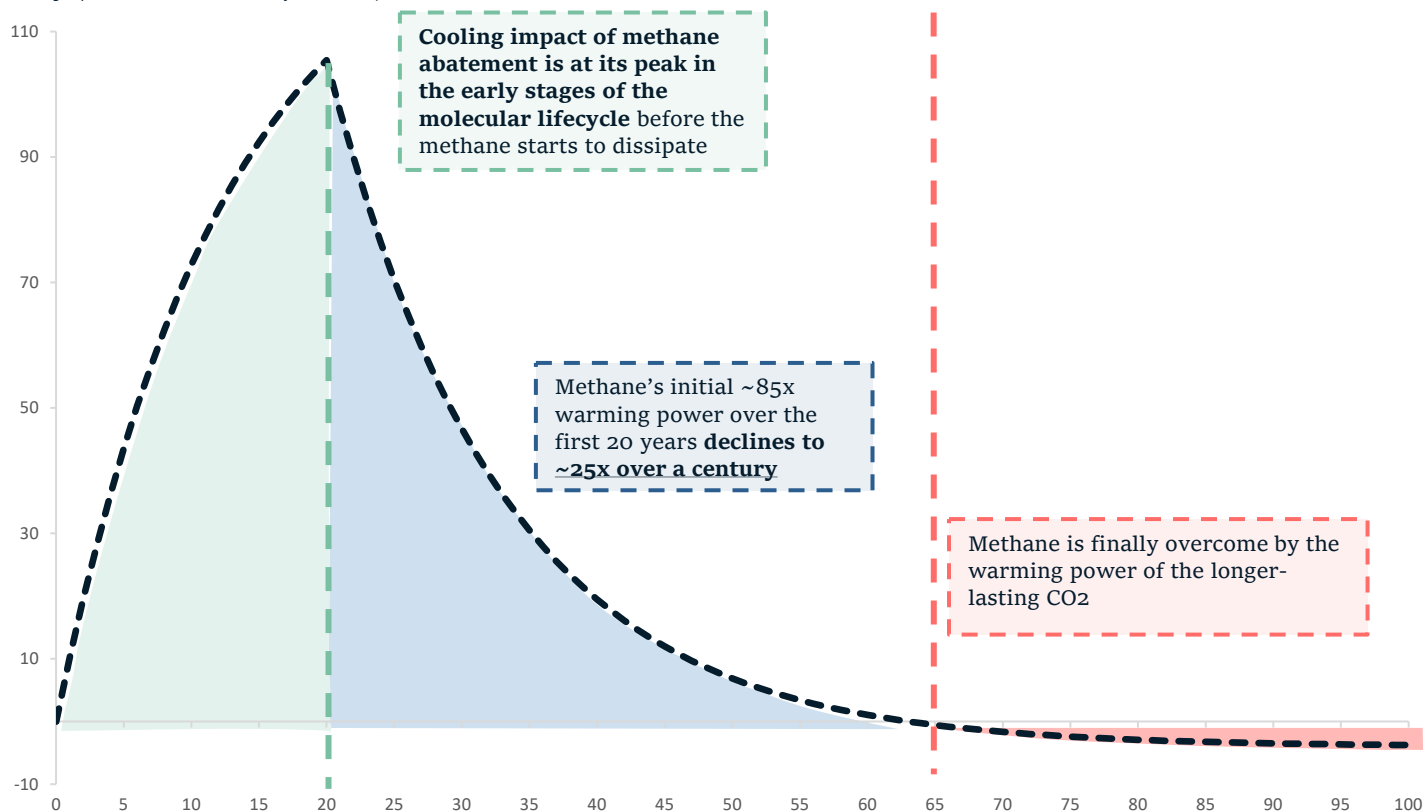


### Methane versus CO<sub>2</sub>

- To contextualize the environmental benefits of RNG's methane capture, we must look at the relative warming impacts over the molecular life cycle of methane released directly into the atmosphere vs. the release of CO<sub>2</sub> from the burning of methane for power usage
- Over the first ~20 years of the life of each molecule, methane has ~80-90x the environmental warming power of CO<sub>2</sub>; however, over the remainder of the century, the relative warming power declines as the methane begins to dissipate (~9-year half-life vs. ~100 years for CO<sub>2</sub>)
- The below chart illustratively shows the equivalent cooling impact of the methane abatement from MEW's current digester projects

#### Equivalent Cooling Impact | Released Methane vs. Methane Capture & Burned for Power Generation

(Warming impact measured in million tons of CO<sub>2</sub> avoided)



Source: EPA; Chemical & Engineering News; Carbon Brief.

1. Bill Gates (2021): "How to Avoid a Climate Disaster: The Solutions We Have and the Breakthroughs We Need".



# MEW

## Summary of impact



		Definition	IRIS Identifier	FY22
	<b>Greenhouse gas emissions of product replaced<sup>1</sup></b>	Amount of GHG that would have been emitted by the replaced product during the lifetime of the organization's product.	PD2243	~3.1 Bcf of methane captured per year via MEW's assets. Over the first 20-year of its lifecycle, methane is ~80x more potent than CO2 for atmospheric-heating
	<b>Full-time Employees: minorities/ previously excluded</b>	Number of paid full-time employees hired by the organization during the reporting period.	OI8147	N/A
	<b>Full Time Employees</b>	Number of paid full-time female employees at the organization as of the end of the reporting period.	OI6213	N/A
	<b>Environmental impact objectives<sup>2</sup></b>	Environmental impact objectives pursued by the organization – amount of natural resources preserve	OD4108	Proper management of manure, as incentivized through implementation of anaerobic digestion, helps (1) capture and utilize methane (carbon negative outcome) (2) aids in recycled water management on the farm site (3) improves creation of solid fertilizer for agriculture uses

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1. Represents a 2021E projection. Carbon intensity of electricity sector per the United Nations Framework Convention on Climate Change.

2. Based on EPA calculator.

# Important information

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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.

While ESG is only one of the many factors the Stonepeak will consider in making an investment, there is no guarantee that Stonepeak will successfully implement and make investments in companies that create positive environmental, social or governance impact while enhancing long-term shareholder value and achieving financial returns. To the extent that Stonepeak engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial, social and environmental results, or the market, society or investors may not view any such changes as desirable.

Successful engagement efforts on the part of Stonepeak will depend on Stonepeak’s skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on Stonepeak’s view of certain ESG-related and other factors, which view could ultimately prove to be incorrect, and creates a risk that a Fund may underperform other funds that do not take ESG-related factors into account (or that do take such factors into account, but not to the same extent as Stonepeak) or, conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

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 any particular investor or group of investors. In evaluating a company, Stonepeak is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause Stonepeak to incorrectly assess a company’s ESG practices and / or related risks and opportunities. In addition, Stonepeak makes investment decisions based on circumstances as they exist at the time the investment is made, and developments that take place subsequent to the investment, where such developments are outside Stonepeak’s control, may not conform to Stonepeak’s expectations around ESG (for example, but not by limitation, concerning a portfolio company’s pivot in its use of technology or its changes to its business plan). ESG-related practices differ by region, sector and issue and are evolving accordingly, and a company’s ESG-related practices or Stonepeak’s assessment of such practices is likely to change over time. Moreover, the consideration of ESG factors in connection with a Fund’s investment activities could be expected to increase the overall amount of investment-related fees, costs and expenses that are incurred by the Fund and, indirectly, its investors.

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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