

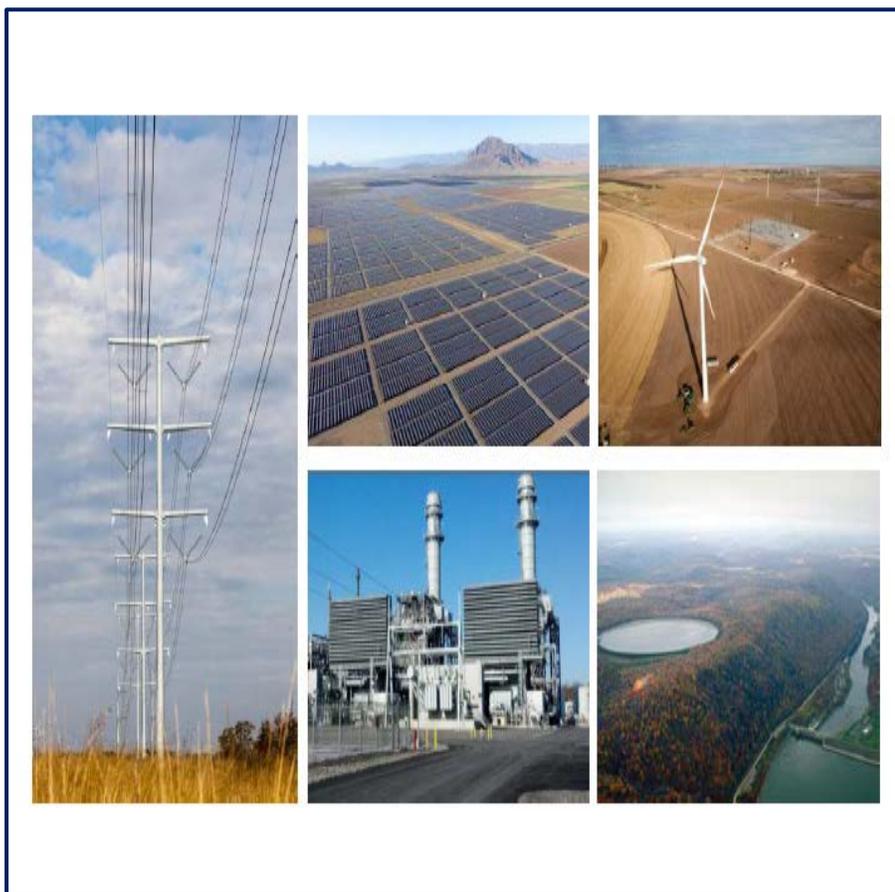


LS Power Development, LLC

Document Type: Policy

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Environmental, Social and Governance (ESG) Policy



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DOCUMENT OWNER	
Name	Title
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DOCUMENT APPROVAL	
Approved: <u>Jeff P. Wade</u>	Date: <u>4/30/21</u>
Name: <u>Jeff Wade</u>	Title: <u>Chief Compliance Officer</u>
Document Review Requirements: The ESG Policy shall be reviewed periodically.	

Revision	Date	Author/Reviewer(s)	Reason / Comments
2.0	05/01/2021	Jeff Wade, Kathy French	Updated in connection with periodic review of Policy; clarified and elaborated on certain aspects of ESG efforts

Overview

LS Power¹ recognizes that Environmental, Social and Governance (ESG) issues continue to increase in prominence, resulting in significant impacts on all aspects of our development and investment related activities. The North American power markets are fragmented and complex, and ESG issues are escalating that complexity. Thus, we examine ESG factors when analyzing power industry trends, selecting and managing assets where we believe our experience will enable us to reduce risks and impacts to the environment and local communities, increase value for stakeholders, improve the safety and efficiency of operations and, where possible, expand and modernize assets.

As a developer, investor and operator, LS Power focuses on **providing lower cost, more technologically advanced and cleaner energy solutions, as well as improving the functionality, reliability, resiliency and efficiency of energy infrastructure across the U.S.** To do this, we continually strive to:

- Meet the needs of our employees, contractors, customers and neighbors
- Be protective of the environment
- Engage with local communities
- Support competitive markets

LS Power recognizes how ESG factors can affect risk adjusted returns in our industry and outcomes for stakeholders. As a result, we are committed to ensuring that our business activities are conducted in a manner that reflects intentional and responsible ESG management across the investment process. Our goal is to operate consistent with industry best practices, with an aim towards minimizing risk, identifying and mitigating conflicts, and maximizing value for all stakeholders, which include not only our investors but also the communities in which we develop, own and operate our assets.

LS Power's overarching goal, whether building or acquiring low cost, efficient forms of generation and enhancing the operations of these facilities, is to reduce the market share of higher cost and less efficient forms of power generation, thereby reducing the overall carbon footprint of the electric grid and providing the added societal benefit of reducing the cost of electricity for consumers.

Our investment professionals and subject matter experts conduct extensive diligence, including ESG topics, on project sites and target assets. This due diligence may be done with the assistance of third party service providers – e.g., operations and maintenance contractors (O&M Contractors) and environmental experts – and is reflected in Investment Committee documentation. To the extent issues are identified, we seek to develop remediation plans which are implemented prior to the sale of an asset to minimize future risks to the environment, promote human health, protect local communities, and ensure long-term viability.

¹ This ESG Policy applies to LS Power Development, LLC, LS Power Equity Advisors, LLC, and their respective affiliates, including the development companies, operating companies, and private funds owned and operated by such entities.

Environmental Policy Statement

LS Power is committed to protecting the quality of human health, local communities and the environment as it creates value for its investors. This commitment is demonstrated through our business operations which include:

- Developing, constructing, acquiring and operating facilities in a manner that meets all applicable federal, state and local environmental regulatory standards, as well as going beyond regulatory requirements when financially justified by risks and returns
- Carefully monitoring our power generation and transmission operations and promptly taking appropriate steps to correct any non-compliance and mitigate any resulting adverse environmental impacts
- Training and educating employees and plant staff on the potential environmental impacts associated with plant operations and the procedures for mitigating negative impacts in accordance with all applicable federal, state and local environmental regulatory standards
- Evaluating and monitoring performance by periodically conducting self-assessments and third party audits of our power plant operations
- Continually seeking to optimize projects and operations to minimize carbon impacts while also reducing the cost of electricity to the grid
- Maintaining and expanding our expertise in environmental trends, including distributed generation, renewable energy certificates, carbon pricing, and energy storage, in an effort to improve how our assets impact local communities and broader environmental issues relevant to the power and energy markets
- Customizing our projects to reflect local and regional issues, including design features that promote recycling or conservation of water and co-generation opportunities for neighboring industries

Health and Safety Policy Statement

LS Power is committed to the health and safety of its employees, customers, contractors and neighbors. We strive to operate industry-leading facilities with respect to the protection of human health and safety, minimize risks to human health and maintain a safe environment in and around our facilities and workplaces. This is a core competency supported by LS Power's leadership at all levels, and is viewed throughout our organization as the individual and collective responsibility of all LS Power employees. This commitment is critical in the selection of our contractors and other service providers, all of whom must share these principles and values.

LS Power advocates for the health and safety of our employees and onsite service providers by:

- Educating and training employees to evolve and institutionalize health and safety values
- Requiring contractors and employees to be accountable for understanding and incorporating industry accepted health and safety practices in their daily work

- Requiring the O&M Contractors to implement health and safety procedures at each facility
- Meeting or exceeding all applicable regulatory agency health, safety and reporting requirements, including Occupational Safety and Health Administration (OSHA) and other applicable agency requirements
- Fostering an open dialog on health and safety issues with employees and encouraging their ongoing involvement in a process of continuous improvement of health and safety practices
- Establishing and monitoring objectives to improve employee health and safety
- Prioritizing health and safety in the operating practices and procedures of our facilities
- Interacting with our facilities' host communities and local emergency services providers
- Evaluating the O&M Contractors' safety performance track records and auditing performance
- Increasing ownership of health and safety matters at each facility by appointing and empowering facility management as the primary point of responsibility for implementation and oversight
- Engaging third party environmental, health and safety experts to assist in improving site health and safety matters

Social Responsibility & Community Involvement Policy Statement

In every community where LS Power operates, we actively work to minimize environmental impact, stimulate local economies through tax revenue, create job and training opportunities, and hire local talent. We believe that LS Power's passion for contributing time, talent and value to our communities of operation (current and future) sets us apart from our industry peers.

LS Power strives to be a good neighbor and partner at all of its development and operating projects by:

- Soliciting and implementing local input during development such that projects fit within the plans and goals of the local community
- Partnering with local communities to help mitigate construction impact and seek the best path toward project completion
- Implementing project-level physical security and cybersecurity audit programs to ensure the integrity and reliability of our power and energy infrastructure
- Creating and providing well-paying jobs, along with supporting revenues for schools and local governments
- Strongly supporting and encouraging continuing education, including the sponsorship of technology and science scholarship funds
- Encouraging our employees and local contractors to submit ideas for ways to give back to the communities around our project locations

- Coordinating with local stakeholders for areas where donations can make real impacts to improve the community
- Encouraging greater diversity within the energy industry, including through the creation of internship opportunities for underrepresented populations

Governance Policy Statement

LS Power integrates ESG into established governance structures to ensure the principles set forth in this ESG policy are properly deployed and effectively implemented in accordance with corporate governance best practices. LS Power's governance is primarily established through the policies contained in our Regulatory Compliance Manual (RCM), Investment Adviser Policies & Procedures (IAPP), Cybersecurity Program Overview, Acceptable Use Policy, North American Electric Reliability Corporation Internal Compliance Program (NERC ICP), Federal Energy Regulatory Commission Internal Compliance Program (FERC ICP), Employee Handbooks and related initiatives.

LS Power clearly defines our commitment to corporate governance and a culture of compliance in our policies and procedures, and we require employees to conduct business with honesty, integrity and fairness. Our Legal and Compliance groups will not only enforce internal policies and procedures to ensure compliance with applicable laws and regulations, but also identify and mitigate potential conflicts of interest and other reputational risks. Additional governance principals include:

- Providing managers with the authority, expertise and resources required to make strategic and operational decisions with respect to the employees, contractors and other third party service providers they oversee
- Recognizing and appreciating that our success over time is a testament to the quality of our employees
- Seeking to position our employees for success with a stable and fulfilling career path and enhancing our focus on diversity, equity and inclusion (DE&I)
- Working with our third-party operators to promote diversity by allocating additional funds at the plant level to provide internships to women and underrepresented populations
- Maintaining compliance hotlines to allow employees and contractors to anonymously report concerns
- Maintaining an open door policy within our HR, Management and Compliance groups, which welcomes all employees to openly raise any concerns or issues
- Identifying within applicable policies those managers and subject matter experts employees should contact for specific topics of concern
- Creating and maintaining management teams and committees to assess and provide oversight of business practices impacting ESG issues
- Diligently reviewing and considering ESG issues with respect to potential asset acquisitions to ensure acquisition and operations plans address any gaps identified

- Working closely with O&M Contractors, including requiring 3rd party audits, to ensure awareness of potential risks and to promptly address such risks
- Encouraging and supporting open and regular communications from Asset Managers to ensure Senior Management is aware of plant operational issues

ESG Policy Review and Assessment

LS Power will conduct periodic reviews of this ESG Policy to ensure the policies set forth herein address contemporaneous risks, global and local social risks and trends, environmental, legal and regulatory developments, and other relevant market factors. In addition to the education and training described herein, employees will be required to affirm that they have reviewed, understand and agree to abide by this ESG Policy and any future updates and amendments.

Please contact Jeff Wade, Chief Compliance Officer (jwade@lspower.com; 212.547.2914) with any questions or concerns regarding this policy.