



Environmental, Social and Governance Policy

Overview

Kimmeridge Energy Management Company, LLC (“Kimmeridge”) believes access to energy is essential for economic growth and societal wellbeing. To that end, we support the advancement of the energy transition in various ways, including efforts to reliably develop near net zero energy at a lower cost. We believe that sustainably produced oil and natural gas will play an important role in this transition to a lower carbon economy.

Kimmeridge maintains that the thoughtful consideration of environmental, social and governance (ESG) principles is good business practice, can enhance our approach to investment management and help facilitate our efforts to achieve long-term success for investors.

This policy outlines Kimmeridge’s approach for incorporating ESG into our investment process and describes the ESG practices that Kimmeridge seeks to implement across the industry, our business and in our direct operations.

ESG at Kimmeridge

Founded in 2012, Kimmeridge is an alternative asset manager focused on the energy sector. The firm is differentiated by its deep technical knowledge, proprietary research and data gathering.

We are committed to creating a culture of integrity, trust and respect so that our team members can thrive and contribute to the firm’s growth and performance. Integrating ESG factors throughout our firm’s operations and advocating for these principles in public company investments directly supports the culture that we aim to build and the risk-adjusted returns that we aim to deliver. These factors include:

- Measuring, reporting and reducing GHG emissions from our direct development operations,
- Encouraging an ESG framework in the non-operated assets and companies we are associated with, where possible,
- Recruiting and cultivating diversity of thought, which we believe can foster creativity and help the firm achieve its investment goals,
- Advancing diversity, equity and inclusion, with initiatives and training to support these efforts,
- Cultivating team wide development and growth with the implementation of semi-annual performance reviews and feedback processes, and
- Providing opportunities for employees to participate in community-based volunteer programs.

Focus Areas

Kimmeridge strives to be a leader in both private equity and in the energy sector with respect to its approach to ESG. We publish research papers and articles and use our platform to advance several key focus areas that we believe can improve the sustainability and durability of the energy

sector. Most notably, Kimmeridge has been a pioneering advocate for the energy industry to embrace a new business model underpinned by:

Environmental Stewardship. Kimmeridge believes that leading energy companies should chart a path towards net zero emissions in their direct operations by 2030.

Responsible Utilization of Capital. This is characterized by lower capital intensity, moderated growth, expanding margins, generating returns above the cost of capital and returning increasing amounts of capital back to shareholders.

Alignment and Accountability. Kimmeridge advocates for good governance practices, encouraging boards and management teams to adopt compensation policies that are aligned with shareholder interests, such as appointing outside directors, refreshing and de-staggering boards, pursuing consolidation and enhancing transparency.

Integrating ESG into the Investment Process

Investments

We believe integrating ESG insights and data into our investment process and focusing on ESG throughout the investment lifecycle can help manage and mitigate risks and improve capital allocation decisions. ESG considerations vary by investment and may include, but are not limited to, the following:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Reducing Greenhouse gas emissions and emissions intensity • Water management • Biodiversity and reclamation • Fluids management and spills; waste management (including packaging and technology) • Climate risk and opportunities • Clean technology, green buildings and renewable energy 	<ul style="list-style-type: none"> • Workforce diversity, equity and inclusion • Workforce health and safety • Workforce training and development 	<ul style="list-style-type: none"> • Governance and ethics • Regulatory compliance • Risk management • Conflicts of interest • Procurement practices

The members of Kimmeridge’s investment teams are responsible for sourcing and researching investment ideas, conducting financial modeling and analysis, and considering and monitoring investment risk profiles relating to such investments. Each private investment vehicle managed or sponsored by Kimmeridge maintains an Investment Committee comprised of senior investment professionals. The Investment Committee is responsible for oversight of each fund’s investment program and maintains investment discretion over all portfolio decisions. The Investment Committee must provide its approval of any investment prior to allocating fund or investor capital.

The investment team will prepare a detailed memorandum in support of each project or investment that is the subject of analysis. These “IC Memos” will contain key factors surrounding an investment including but not limited to a detailed presentation of the investment thesis, financial modeling and projections, potential return profiles, risk factors, scenario modeling, along with macroeconomic factors, advantages and disadvantages, geographical information, geologic profile, ownership composition, valuation estimates, return profile, performance information as well as ESG factors and considerations.

Each IC Memo will typically include a section analyzing ESG factors relating to a particular investment or project, representing the investment team’s views on how such considerations impact the investment. The substance of these factors will differ depending on the nature of the particular investment or project. For example, when reviewing an asset acquisition or corporate transaction with respect to an oil and gas operator, the investment team would consider a number of environmental factors impacting the company’s assets and operations. This would typically include, when available, a review of GHG emissions from oil and gas production and operations, efforts to reduce such emissions and ability to implement reduction on a go forward basis, the composition of the oil and gas produced by the company or assets and related CO2 impact, planned measures for reducing such emissions such as through operational improvements, and/or acquiring carbon offsets or credits to mitigate the emissions generated from the company or its operations.

Direct Operations

We view our approach to ESG as essential to being a successful energy operator. Kimmeridge is committed to advancing responsible development where we operate. We believe this will create value for our stakeholders by helping to mitigate risks, reduce costs, increase efficiency of operations and minimize our environmental footprint. Our framework includes five pillars:

- Upholding good governance practices
- Prioritizing health & safety
- Protecting land, water and air through responsible development
- Cultivating a strong culture and investing in the workforce
- Supporting projects that contribute to the long-term well-being of the surrounding communities

Engagement

We regularly engage with our limited partners, stakeholders and industry on ESG matters. We present on ESG topics and data at Kimmeridge’s annual investor meetings.

Kimmeridge looks to advance ESG matters in its investment activities and will typically use its platform as and ownership positions to advocate for improvements in these areas. Kimmeridge Energy Engagement Partners (KEEP) invests in the public equity markets and employs an investment approach aimed to drive continued improvement in ESG among its portfolio companies. Whether through Kimmeridge’s engagement with industry participants through its KEEP investment strategy, or in its leadership roles on company boards, Kimmeridge is a vocal proponent of ESG, encouraging management teams to improve ESG reporting practices, reduce

GHG emissions and maintain good corporate governance.

Reporting

Kimmeridge is committed to reporting to clients and investors on our ESG performance, including appropriate ESG data for the oil and gas assets we operate. Our clients and investors will typically receive such reports on a quarterly basis once operations commence meaningfully and data is available. These reports typically include key statistics and metrics such as average daily well production, water production and use of fresh water, gas sold, vented, flared and otherwise used in operations, and among and intensity of GHG emissions generated. We also present on ESG topics and data at our annual investor meetings.

Scope

This policy is intended to provide a framework for integrating ESG considerations across the lifecycle of the firm's investments. Kimmeridge's influence and control of companies, assets and projects in which we invest varies significantly. Where we maintain control of a company, we expect to integrate ESG into business operations and monitor ESG performance. Kimmeridge will endeavor to incorporate the applicable elements of this policy across the firm's investments where we have limited ability to control ESG integration (i.e., as a minority shareholder). This policy was informed by the United Nations Principles for Responsible Investment and a range of key ESG frameworks and reporting guidance.

An Evolving Process

We believe that integrating ESG matters throughout our business is critical to our success as a firm. Our approach will continue to evolve as we receive stakeholder feedback, advance our ESG initiatives and adjust to a dynamic ESG reporting landscape.

Compliance Review and Oversight

Our ESG Policy will be reviewed at least annually as our approach evolves in light of stakeholder feedback, advancements in our ESG initiatives and as we adjust to the ESG reporting landscape. In addition, our compliance team will review disclosure and data provided in marketing materials, including a review of performance metrics used.