Kimmeridge

Investing in Energy for Today, Tomorrow and Our Future

Table of Contents

01 Introduction

Message from Ben Dell, Managing Partner

As we release our second annual sustainability report, I'm proud to share the significant progress we have achieved in our commitment to responsible investments across the energy spectrum. Our long-term strategic approach is grounded in the idea that meeting the world's increasing energy demands requires a balance between energy security, affordability, and decarbonization. We maintain this balance by implementing pragmatic, high-integrity solutions that show strong capital discipline and span the entire energy value chain.

In 2024, we achieved several critical milestones across our portfolio:

Scaling Nature-Based Carbon Removals: Afforestation, which involves planting new trees in previously unforested areas, is one of our most effective and impactful decarbonization strategies. Through our investment in Chestnut Carbon, a nature-based carbon removal developer, we are improving biodiversity while helping sustainability-focused companies reduce their carbon footprints. In 2024, Chestnut Carbon completed Phase II of its U.S. afforestation project, planting 10 million trees and expanding total acreage to over 21,000 acres. Chestnut also finalized its first sale of improved forest management credits, reflecting strong demand for high-quality carbon removals.

Advancing Verified Low-Carbon Natural Gas: Natural gas is essential to meeting U.S. energy needs — and by advancing verified carbon reduction strategies, we can increase the value of our LNG assets, while elevating their environmental profiles. In 2024, Caturus Energy, LLC (formerly known as Kimmeridge Texas Gas), and Commonwealth LNG initiated third-party certification of natural gas production through the MiQ Standard, a stand-alone framework to assess methane intensity at each stage of the supply chain. This certification will support the delivery of responsibly sourced wellhead-to-water LNG cargoes.[1]

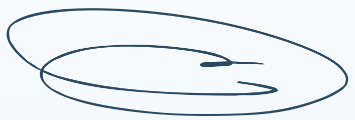
Deepening Community Impact: Kimmeridge is committed to making a positive impact on the communities where we operate. In 2024, our portfolio company, Commonwealth LNG, launched a comprehensive community investment program in Cameron Parish, Louisiana, where the company is developing an LNG export terminal. Our initial investment includes healthcare infrastructure and scholarship endowments for local students.

Accelerating Power Market Innovation: Through Kimmeridge Carbon Solutions, we are working to accelerate the energy transition to net zero. With this goal in mind, we led the $14.5 million Series B financing for SYSO, a leader in solar, storage, and renewable energy management. The investment will support the company's growth in the renewable power and battery storage markets.

While we are proud of the progress made over the past year, our core philosophy remains unchanged. We continue to believe that achieving a durable energy transition requires investment across conventional and emerging energy sources — integrating responsible upstream operations, LNG infrastructure, carbon solutions, and energy innovation to meet growing global energy demand while advancing meaningful emissions reductions.

Since inception, we have raised over $5.6 billion across eleven funds and co-investments, demonstrating our ability to identify opportunities that both meet our investors' objectives and contribute to long-term sustainability goals. We remain committed to delivering strong returns while building a more resilient, efficient, and lower-carbon energy system for the future.

Thank you for your continued trust and partnership.



Ben Dell
Managing Partner

"Since inception, we have raised over $5.6 billion across eleven funds and co-investments, demonstrating our ability to identify opportunities that both meet our investors' objectives and contribute to long-term sustainability goals."

[1] Caturus Energy, LLC, along with Commonwealth LNG, are now part of Caturus, the only independent, fully integrated natural gas and LNG export platform in the US. Caturus is being built by Kimmeridge, and it sits within its flagship fund.

About Kimmeridge

Founded in 2012, Kimmeridge is an alternative asset manager specializing in the energy sector. The Firm is distinguished by its deep technical expertise, proprietary research, and data-driven analysis.

Our investment philosophy is grounded in fundamental research and a commitment to thought leadership in the energy industry. Guided by our core values of integrity, innovation, and teamwork, Kimmeridge strives to deliver differentiated returns across our three strategic investment sleeves: Private Investments, Public Engagement, and Carbon Solutions. The Private Investments strategy targets high-quality oil and gas assets in North America. The Public Engagement strategy invests in public energy companies to advocate for shareholders and drive business model reform. The Carbon Solutions strategy takes a comprehensive and pragmatic approach to investing across the energy transition landscape. We focus on technologies that drive both durable decarbonization and sustainable returns.

90+

Investment Professionals in New York, Boston, and Denver.[2]

$5.6B+

Raised Over $5.6 Billion of Limited Partner Commitments Since Inception

[2] Kimmeridge has since opened offices in London and Abu Dhabi

About this Report

Scope and Frameworks

This report provides an overview of Kimmeridge ("the Firm," "we," or "our") and our approach to sustainability, including our focus on environmental, social, and governance (ESG) issues. It outlines our progress, initiatives, and performance metrics.

Our reporting approach is aligned with internationally recognized standards and guidelines, energy sector frameworks and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We also follow the American Exploration and Production Council (AXPC) Environmental, Social and Governance (ESG) Metrics and Framework Template. As reporting standards evolve, we will evaluate new and emerging frameworks to ensure our disclosures remain transparent and relevant.

The 2024 Sustainability Report covers data from January 1 through December 31, 2024. The sustainability data presented in the appendix reflect performance across upstream and operated assets in Kimmeridge Funds IV, V, and VI, as well as related co-investment vehicles.

For more information about our sustainability work, please visit the Responsibility section on our website. To learn how we integrate ESG considerations into our investment processes, please refer to our Sustainable Investment Policy.

Stakeholder Engagement

Active engagement with stakeholders is a core component of our sustainability program. Ongoing dialogue helps shape our strategies and supports portfolio companies in developing focused sustainability goals and initiatives. We include a broad range of stakeholders, including investors, financial partners, local communities, employees, portfolio company leadership, suppliers, and government entities. These diverse perspectives help us better understand emerging risks, opportunities, and evolving priorities.

Materiality Analysis

Now in our second year of sustainability reporting, we have built on the foundation established through the 2023 materiality assessment. We recognize that material issues are not uniform across stakeholders or investment strategies, and this concept is reflected in our approach.

To create a meaningful sustainability program, we began by identifying the issues that are most relevant to both our stakeholders and our long-term business objectives. Building on our 2023 assessment, we again worked with a third-party firm in 2024 to update our understanding of key sustainability topics through targeted discussions and stakeholder feedback. The assessment included interviews across the Firm and our portfolio companies. Feedback focused on climate, safety, human capital, and our net zero strategy — priorities that continue to guide our efforts.

This process helps ensure our reporting remains relevant and that sustainability is integrated across our investment and operational practices.

Kimmeridge's Long-Term Energy Framework

We believe consumers ultimately want affordable and reliable energy that also carries a lower carbon footprint. Looking ahead, we envision an increasingly integrated energy system in which fossil fuels, supported by carbon capture and nature-based offsets, coexist with renewable energy that is reinforced by advances in storage solutions. The pace of this transition will depend on continued innovation in storage technology, the evolution of carbon pricing mechanisms, and the realities of decarbonization and consumer expectations. Over time, we expect the market to reflect a balance between traditional and renewable sources, working together to meet growing global demand while addressing the challenges of climate change.

Integrating Carbon Offsets into Long-Term Decarbonization Strategies

Fossil fuels, carbon capture technologies, and nature-based solutions all play meaningful roles in the global energy transition. Within the fossil fuel sector, emissions reductions across power, upstream, midstream and transportation sectors are essential. Elimination of global emissions in the coming decades will rely on carbon removal. To that end, integrating carbon offsets into long-term decarbonization strategies can be a reliable solution for meeting sustainability goals.

As decarbonization efforts advance, nature-based solutions, such as afforestation and reforestation, remain among the most cost-effective and scalable near-term options for carbon removal. In addition to their climate benefits, these projects support biodiversity, strengthen ecosystems, and provide economic value to local communities.

Achieving net zero emissions by 2050 will require a significant expansion of carbon credit markets. When governed by high-integrity standards, carbon markets can mobilize capital, drive innovation, and provide flexible mechanisms for companies and countries to meet climate goals.

According to the International Energy Agency's Net Zero Emissions by 2050 Scenario (NZE2050), carbon offsets are crucial in addressing residual emissions from sectors that are challenging to fully decarbonize, including heavy industry, shipping, and aviation. The NZE2050 pathway relies on a combination of engineered removal technologies, such as carbon capture, utilization, and storage (CCUS), direct air capture (DAC), and bioenergy with carbon capture and storage (BECCS), alongside nature-based solutions, to help close the remaining emissions gap.

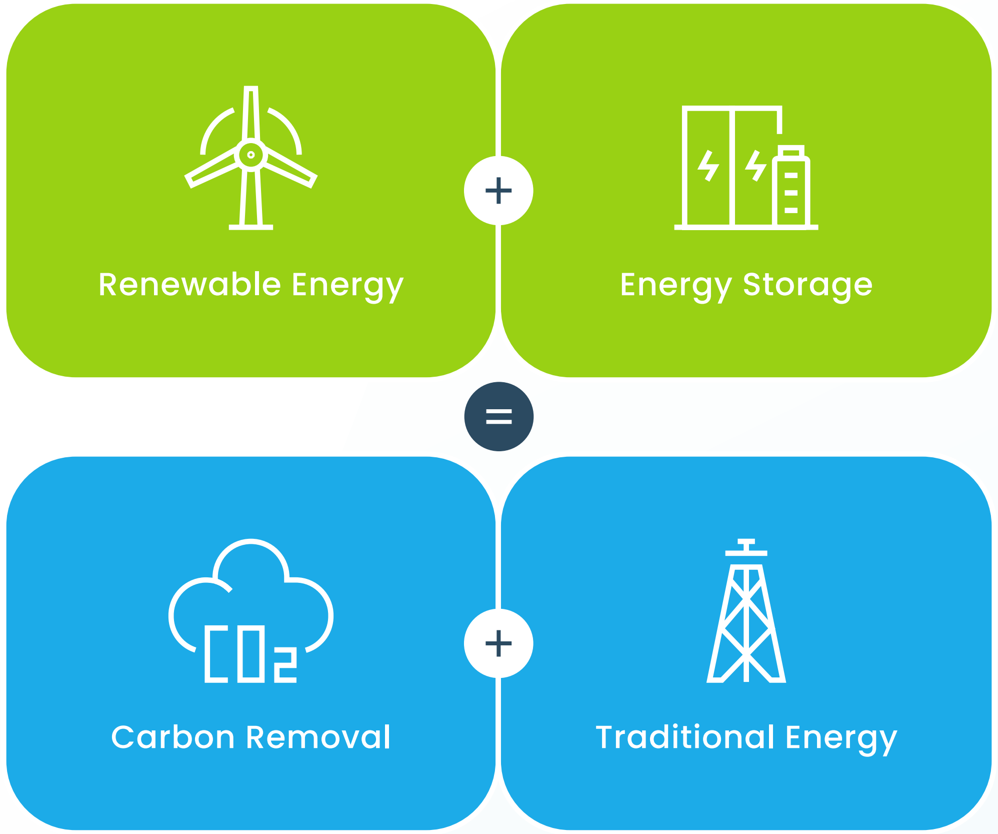
In the International Energy Agency (IEA)'s Announced Pledges Scenario (APS), carbon credits also contribute to helping countries meet their existing climate pledges under the Paris Agreement. In this scenario, nature-based solutions remain a significant part of current market activity, while emerging removal technologies are expected to increase in prominence over time as policies, standards, and technologies continue to evolve.

Renewable Energy with Storage

Renewable energy sources, particularly wind and solar, become even more powerful when paired with advanced storage systems. As a result, this sector is expanding its share of global electricity supply. According to BloombergNEF, renewables, including hydro, wind, and solar, are projected to provide approximately 67% of global electricity by 2050,[3] up significantly from current levels. BloombergNEF reports that the 2024 global investment in renewables was around $728 billion, representing an increase of approximately $128 billion from 2023 figures.[4] Storage capacity is also scaling rapidly, with global installed battery storage projected to grow significantly by 2030, according to the IEA. As costs continue to fall, many new solar and wind projects paired with storage are delivering increasingly affordable and reliable power. The ongoing expansion of storage technologies enables these resources to supply more consistent electricity, enhance grid stability, and facilitate broader integration of renewables across global energy markets.

Expanding Energy Storage at SYSO Technologies

Demonstrating our commitment to advancing clean energy innovation, Kimmeridge led SYSO Technologies Series B fund raise in 2024. SYSO is a leader in solar energy, energy storage, and renewable energy management. This investment supports the deployment and integration of large-scale battery storage projects, leveraging cloud-based technologies to enhance performance, optimize asset utilization, and improve overall grid reliability. In 2024, SYSO operated 70 renewable energy sites that collectively supplied 188,930,000 kWh of solar-generated electricity and 24,790,000 kWh of stored battery power back to the grid. Together, SYSO's total renewable output of 213,723,000 kWh offset approximately 34,752 tons of coal-derived emissions, underscoring the environmental benefits of scalable clean energy solutions.



[3] BloombergNEF Insights | [4] https://about.bnef.com/insights/finance/energy-transition-investment-trends/

Critical Factors Shaping the Energy Transition

CARBON PRICING

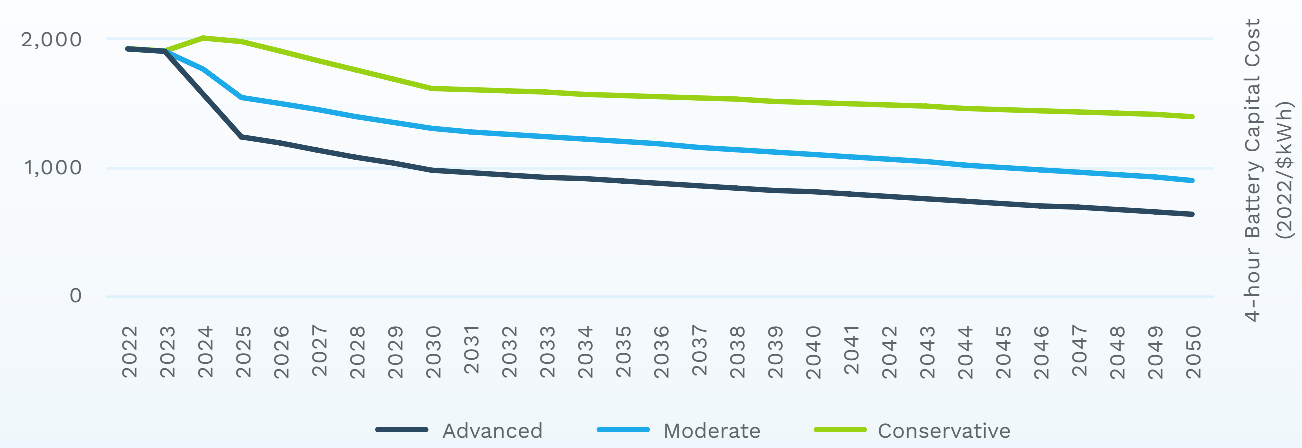
Carbon pricing continues to expand globally, with 113 instruments now implemented and generating more than $102 billion in revenue each year. Nearly all major middle-income economies have adopted or are actively developing carbon pricing mechanisms, reflecting growing alignment on market-based climate solutions. Today, about 28% of global emissions are covered by a direct carbon price, up from just 5% in 2005, and as these systems evolve, they will play an increasingly important role in shaping the relative competitiveness of energy sources worldwide.[5]

ENERGY STORAGE COSTS

The declining cost of energy storage technologies remains a key enabler for renewable integration. In its 2025 update, NREL shows projected utility-scale battery costs falling significantly over the past decade, with 2035 capital cost estimates ranging from about $147/kWh in a low-cost scenario to $339/kWh in a high-cost scenario. These projections highlight how rapidly storage is becoming more affordable and scalable, helping renewables compete more effectively by addressing intermittency and improving grid reliability.[6]

Battery cost projections for 4-hour lithium-ion systems

These values represent overnight capital costs for the complete battery system.



[5] openknowledge.worldbank.org | [6] https://docs.nrel.gov/docs/fy25osti/93281.pdf

Our Investment Strategies

Our investment approach is informed by our perspective on the evolving energy landscape, with a focus on acquiring assets positioned at the low end of the cost curve. We invest across public and private markets and capital structures, allowing us to capture opportunities and drive returns throughout a broad range of market environments.

Traditional Energy & Infrastructure

Our flagship strategy targets oil and gas assets that are low-cost, high-efficiency, and offer high returns. With a best-ideas approach, we focus on asset quality while demonstrating flexibility in our investment structures.

Public Engagement

Our public engagement investment strategy focuses on publicly listed energy companies with high-quality assets that require business model reform, better alignment of executive and shareholder interests, and/or improved environmental stewardship.

Carbon Solutions

Our carbon solutions team focuses on investments positioned at the low end of the carbon cost curve. Our investments span various industries, including solar and wind development, carbon removals, and software, all unified by the goal of advancing the energy transition without sacrificing economic returns.

02

Governance

Sustainability Governance and Leadership

Kimmeridge's Sustainable Investment Approach integrates and embeds sustainability governance, policies, and analysis in everything that we do and in our day-to-day processes.

Composed of professionals with deep expertise across the energy, sustainability, and finance industries, the team supports sustainability integration across the Firm and within individual investment strategies, while also working closely with Kimmeridge's portfolio companies. More recently, Caturus has achieved sufficient size and scope to warrant onboarding of an embedded sustainability professional to hone asset-specific sustainability initiatives.

Our team works in coordination with legal, compliance, and investment functions to implement the Firm's Sustainable Investment Policy. A core focus is aligning directly operated upstream assets within our flagship Fund VI to advance toward net zero Scope 1 and 2 emissions.

Sustainability Milestones

- **2022** — Sponsored Veritas, GTI Energy's Methane Emissions Measurement + Verification Initiatives
- **2023** — Collaborated and Endorsed the Ceres Investor Network E&P Net Zero Round Table and Principles
- **2023** — Participated in the University of Texas Institute of Technology Permian Dialogue
- **2023** — Responsibility for the firm's sustainability approach and initiatives transitioned to the Chief Operating Officer.
- **2023** — Raised Flagship Fund VI with a net-zero target for Scope 1+2 Emissions for our directly operated upstream investments
- **2024** — Adopted Carbon Credit Procurement Policy
- **2024** — Achieved net-zero emissions for Fund VI through the purchase of high-quality voluntary carbon credits
- **2024** — Partnered with Pickering Energy Partners to complete a comprehensive materiality assessment to further gain insight into sustainability priorities and opportunities
- **2024** — Caturus initiated the process to obtain MiQ certification for its natural gas operations, engaging independent auditors to assess methane emissions performance through rigorous monitoring and measurement standards

Sustainability Benchmark

Kimmeridge has developed a proprietary Sustainability Benchmark to support the consistent integration of sustainability across the investment life cycle. The Benchmark provides a structured framework for assessing and managing material sustainability factors, focusing on key areas such as governance, emissions, human capital, health and safety, lobbying, the environment, and reporting. By establishing clear standards and expectations, the Benchmark helps standardize policies and target-setting across portfolio companies, while ensuring transparency, accountability, and alignment with the Firm's broader sustainability objectives. It is universally applied, yet flexible enough to accommodate unique characteristics and varying levels of operational control across the portfolio.

Environment	Social	Governance
CLIMATE & EMISSIONS	SAFETY & HUMAN CAPITAL	ACCOUNTABILITY & RISK MANAGEMENT
• Greenhouse gas emissions • Flaring • Climate risks and opportunities • Produced water and water sourcing • Biodiversity risks and opportunities • Fluids management • Waste management	• Safety, health, and security • Training and development • Attracting talent • Community engagement	• Governance and ethics • Risk oversight and management • Regulatory compliance • Supply chain

Sustainability Across Our Investment Process

At Kimmeridge, we believe integrating sustainability and climate-related factors into our investment approach supports our goal of delivering risk-adjusted returns. We will continue to embed sustainability throughout our investment life cycle, using our proprietary Sustainability Benchmark and data analytics tools to inform decision-making.

TAILORED ESG STRATEGY AND MONITORING

We conduct annual sustainability assessments across the portfolio using detailed questionnaires and ongoing engagement. Our approach is tailored to each investment based on its specific risks and characteristics. For investments where we hold operational control, we implement detailed action plans and improve reporting practices to drive accountability.

EARLY-STAGE DILIGENCE AND RISK ANALYSIS

Our Sustainable Investment Approach is comprehensive, and it begins with a pre-investment review that goes beyond financial performance. The team evaluates climate risk, water resources and impacts, safety records, and local carbon pricing.

OPERATIONAL ENGAGEMENT AND SUPPORT

We work closely with management early in the investment process to prioritize sustainability goals. Our team provides support through planning sessions and workshops that cover emissions reduction strategies, project execution, data quality and audit readiness.

PERFORMANCE TRACKING AND REPORTING

Throughout the holding period, we monitor progress against sustainability metrics and provide regular updates. We refine our reporting tools on an ongoing basis to enhance data collection and identify opportunities for performance improvement.

VALUE CREATION THROUGH SUSTAINABLE PRACTICES

At exit, we focus on showing the long-term value created through our sustainability work. We aim to leave portfolio companies with embedded ESG practices that continue after our ownership. The improvements we help implement, ranging from enhanced operations to reduced risk exposure, are designed to create lasting value for all stakeholders.

Portfolio Company Engagement

Kimmeridge is committed to driving sustainability outcomes across its portfolio by working directly with management teams to advance environmental, social, and governance performance. We believe that engagement delivers a greater long-term impact than divestment, as it enables continuous improvement and encourages companies to adopt higher sustainability standards.

CONTROLLED PRIVATE ASSETS

For controlled, private investments, the Sustainable Investment Approach allows us to work directly with leadership to integrate sustainability considerations into day-to-day operations. Using our internal Sustainability Benchmark, we help strengthen environmental stewardship, social responsibility, and governance practices while identifying targeted opportunities for operational improvement and long-term value creation.

NON-CONTROLLED AND PUBLIC EQUITY INVESTMENTS

For non-controlled and public equity positions, we take a proactive advisory approach. Our engagement includes ongoing dialogue with company leadership, tailored recommendations based on identified risks and opportunities, and continuous monitoring of public disclosures and proprietary data sources to track progress and encourage sustainability enhancements.

Across the portfolio, our objective remains consistent: to help companies operate more efficiently, reduce environmental impacts, enhance transparency, and create lasting value by aligning sustainability with long-term business success.

Thought Leadership

We have developed extensive research on the evolving energy landscape, the path to net zero, and opportunities to build resilient, high-performing businesses through energy transformation.

Representatives from Kimmeridge and its portfolio companies participated in several of the leading forums on energy transition and decarbonization. Kimmeridge's leadership reaffirmed its position as thought leaders on emerging market trends, evolving regulations, capital-flow dynamics, and innovation in alternative investments.

Kimmeridge leaders made tangible contributions to the following events:

- The AIM Alternative Investment Summit
- J.P. Morgan's Energy Transition Tour,
- The CCS/Decarbonization Finance Summit,
- Carbon Unbound NYC,
- Reuters Sustainability USA
- Barclays' Investing in Nature conference.
- Natural Capital Investment Americas 2024
- Corporate Investments into Forestry & Biodiversity
- Carbon Unbound - The Leading Carbon Removal Business Summit
- KeyBanc 2nd Annual Taking Charge: ET Symposium

These engagements served as strategic platforms for collaboration with leading innovators, for constructive dialogue with institutional investors, and for the collection and analysis of market intelligence to inform Kimmeridge's investment and decarbonization strategies.

Ethics

We are committed to upholding the highest ethical standards across the Firm, guided by clear policies, consistent leadership, and ongoing employee engagement.

Our leadership team sets the tone for the Firm's culture of transparency, integrity, and accountability. Leadership reinforces the importance of ethics through clear communication, leading by example, and ensuring that all policies, guidelines, and expectations are readily accessible to employees and regularly reviewed.

Policy Framework

We maintain a comprehensive compliance manual and employee handbook. These documents cover a range of key areas, including employment practices, employee conduct, travel and expense policies, communications, benefits, leaves of absence, conflicts of interest, anti-bribery and anti-corruption, political contributions and involvement, data protection, confidentiality, and reporting misconduct.

Certification and Oversight

All employees are required to complete a quarterly, as well as an annual, certification process, affirming their understanding and compliance with Firm policies. We leverage the ComplySci software platform to manage the certification process and track completion. Certification content is reviewed annually and updated as needed to reflect regulatory changes and evolving ethical considerations.

Training and Awareness

We conduct annual employee training programs that include cybersecurity, compliance, and anti-harassment training. Each year, training content is refreshed to incorporate updated laws, regulations, and emerging areas of risk. These programs help ensure employees remain informed and engaged on critical ethical obligations and evolving compliance standards.

Influence

We extend our commitment to ethical conduct to our portfolio companies by encouraging them to maintain strong ethics and compliance programs.

Cybersecurity

Kimmeridge maintains cybersecurity through strong data protection policies, including our written Information Security Plan, Contingency & Disaster Recovery Procedure, and Business Continuity Plan. These policies support a proactive and structured approach to identifying and managing cybersecurity threats.

We emphasize cybersecurity education through structured training programs for all employees. Each employee completes both an annual cybersecurity awareness session and a separate, individual cybersecurity training session. In 2024, our participation rate was 100%.

We conduct phishing simulations on a quarterly basis to keep employees alert to evolving threats. Our defenses are supported by tools like our advanced email security solution, first implemented in 2023, which remains effective in reducing exposure to spam and malicious content. In 2024, we updated employee cybersecurity training to address emerging risks, adding content on AI-related threats and increased external targeting of company leaders. Our efforts are focused on promoting a strong security culture and protecting the Firm's data and systems from dynamic cyber risks.

Data Privacy

Kimmeridge is dedicated to protecting the confidentiality and integrity of personal data. Our approach to data privacy is governed by our Privacy Policy and supported by active collaboration with our Compliance team and cybersecurity advisors.

To meet international privacy standards and adapt to evolving regulatory requirements, we implement a range of technical and organizational safeguards. These include data encryption, regular security assessments, strict access controls, email protection tools, and ongoing employee training.

Data protection is a shared responsibility. We emphasize this through required cybersecurity and compliance training, reinforcing that every employee plays a role in maintaining our privacy and security standards.

03 Climate

Climate Strategy

At Kimmeridge, we recognize the importance of addressing climate change effectively while acknowledging the challenges of transitioning to cleaner energy. We believe effective climate action necessitates a pragmatic, solutions-based approach that harmonizes the world's energy needs with decarbonization objectives. By drawing on our extensive expertise in the energy sector, we aim to achieve significant emissions reductions while ensuring a reliable and affordable energy supply.

Unlike approaches that advocate for a wholesale shift away from conventional energy, we believe improving the carbon competitiveness of existing energy sources is a more effective strategy. As renewables expand within the energy mix, they face challenges related to cost, storage limitations, and scalability. In many cases, decarbonized oil and gas, enabled by emissions reductions, carbon offsets, and improved operational practices, can offer a lower-cost and more immediately scalable path to net zero compared with complete system replacement.

We actively collaborate with industry leaders and advocate for transparency, robust climate disclosures, and ambitious emissions reduction targets. As part of our investment process, we carefully assess the climate implications of each opportunity and closely monitor the emissions performance of our portfolio companies. This includes detailed quantification of current and prospective emissions footprints across our investments.

Our investment strategy allows us to acquire and transform assets at both ends of the cost and carbon curves. In particular, we seek opportunities to improve the emissions profiles of underperforming assets, aligning them with net zero ambitions while enhancing long-term value. We believe that well-designed net zero goals, focused on decarbonizing core operations rather than abandoning conventional sector businesses, offer the clearest signal that exploration and production companies can play a constructive role in global decarbonization. By improving the environmental performance of upstream energy production, we can deliver both ecological impact and financial performance, demonstrating that these goals are not mutually exclusive.

Our Net Zero Aim

Kimmeridge is committed to setting ambitious climate targets that reflect leadership in environmental stewardship. Our flagship Fund VI maintains a net zero target for Scope 1 and 2 emissions across its upstream operated assets, demonstrating our focus on reducing the emissions profile of our operations while incorporating high-quality carbon offsets consistent with recognized best practices. For example, in pursuit of contributing to Fund VI's net-zero aim, Caturus recently completed the purchase of carbon credits to offset emissions associated with its 2024 upstream operations. These credits offset emissions equivalent to Caturus' representation in the fund on a prorated basis, calculated according to regulatory-required GHG reporting to the US EPA. This year, Caturus focused its offset portfolio on 100% nature-based credits to ensure the purchase supports the highest-quality projects.

Currently, we operate upstream assets in Fund V, Fund VI, and SoTex Coinvest, which are held within our portfolio company, Caturus Energy LLC (Caturus), operating in South Texas. Caturus Energy's emissions management approach is centered on direct, operational GHG emissions reduction projects, complemented by additional measures that enhance transparency and third-party verification.

In 2024, Caturus Energy and Commonwealth LNG advanced their emissions management efforts by committing to obtain independent certification of natural gas operations under the MiQ Standard, a leading global methane emissions certification protocol. The certification process involves a comprehensive, third-party audited assessment of operational emissions, with a specific focus on methane mitigation, monitoring, and measurement. This certification will provide verified emissions data across the natural gas supply chain and support Caturus' ability to deliver responsibly sourced, wellhead-to-water, net zero LNG cargoes through its secured offtake position at Commonwealth LNG. Caturus is striving to complete its certification process in 2025.

Net Zero

For the second year, our flagship fund VI achieved a net zero target for Scope 1 and 2 emissions across its operated upstream assets while dramatically increasing production by more than 50%.

Climate Risks and Opportunities

Climate-related risks and opportunities are important considerations that influence our Firm's strategy, financial performance, and operational approach. In line with Task Force on Climate-related Financial Disclosures (TCFD) guidelines, we evaluate these factors through detailed due diligence, integrated strategic and financial planning, and ongoing engagement with portfolio companies. This process ensures that climate considerations are integrated throughout the entire investment life cycle, from initial evaluation to active ownership and eventual exit.

CLIMATE RISKS: PHYSICAL AND TRANSITION

Physical risks may directly impact assets and infrastructure while also disrupting operations and supply chains. Transition risks, including evolving regulations and market shifts, create additional complexity. Fluctuating rules on permitting, emissions limits, carbon pricing, and disclosure may affect development timelines, operating costs, and demand. Proactively managing these risks is critical to maintaining long-term value and portfolio resilience.

CLIMATE OPPORTUNITIES: INVESTMENTS

Our Carbon Solutions strategy reflects the opportunities presented by the transition. Leveraging our operational and land aggregation expertise, we invest in assets operating at a cost advantage to decarbonize industrial activity and commercialize scalable alternative energy solutions. This approach allows us to pursue early-stage opportunities that aim to deliver both environmental and financial benefits.

Addressing GHG Emissions

Managing greenhouse gas (GHG) emissions like carbon dioxide (CO_2) and methane (CH_4) in the upstream sector is both an environmental responsibility and a strategic business priority. As first outlined in our white paper "Charting a Path to Net Zero Emissions," Kimmeridge supports a new standard for the upstream sector, governed by five key principles for emissions reduction:

- Eliminate routine flaring by 2025.
- Reduce US methane intensity below 0.2% of gas production by 2023.
- Reduce GHG (Scope 1 and 2) by 50% by 2030.
- Implement routine monitoring and independent verification of emissions.
- Align reporting with Sustainability Accounting Standards Board (SASB) standards and TCFD recommendations.

These principles support enhanced transparency and credibility in the energy industry while underscoring the need for actionable targets and shared best practices. We continue to see uptake of these principles as the upstream sector contributes to the energy transition, promotes responsible operations, and encourages industry dialogue.

While CO_2 emissions from combustion processes present a long-term climate challenge, we encourage the upstream energy sector to focus near-term efforts on methane monitoring and reduction activities. Methane is a potent short-lived climate pollutant, and each kilogram has a global warming potential equivalent of about 30 kilograms of CO_2 over a 100-year time span. In 2024, we aimed to address methane emissions and advance our overall emissions reduction strategy by pursuing MiQ certification, an independent standard that grades methane performance based on measurement, reporting, and reduction practices. This move reflects our commitment to transparency and accountability in methane management.

Additional supporting initiatives include increasing the frequency of leak detection, and monitoring nitrogen oxides (NO_x) and sulfur oxides (SO_x), which contribute to air quality concerns and regulatory risk. Kimmeridge advocates for the values of its investment partners by advancing emissions performance in its portfolio companies.

Advancing Emissions Transparency and Industry Standards

Kimmeridge catalyzes change in the energy sector by facilitating emissions reduction practices and supporting stronger reporting standards. Our practices include detailed emissions assessments, regional benchmarking, and peer comparisons. Company sustainability disclosures and other third-party data platforms provide further information to inform our approach.

We advocate for urgent action on emissions mitigation, data verification, and the establishment of both absolute and intensity-based reduction targets, along with clear road maps for achieving them. Kimmeridge also supports collaborative industry efforts to enhance measurement, reporting, and accountability in greenhouse gas emissions. We work closely with organizations that advocate for emissions transparency and reductions, including the CH_4 Connections Methane Emissions Conference, co-hosted by GTI Energy and the Energy Institute at Colorado State University. Kimmeridge was proud to support both Climate Week NYC and the Forbes Sustainability Conference in 2024, and we will continue to actively seek out other networks that promote emissions performance standards across the upstream sector.

Lowering Emissions from Completions Operations at Caturus Energy

In 2024, the Caturus Energy team made meaningful progress toward minimizing GHG emissions by modernizing its fleet of hydraulic fracturing equipment. Since the emissions-intense stage of upstream exploration and production is well completion, pursuing the frac fleet transition was an important step to reduce emissions while maintaining operational excellence. In the first half of 2024, Caturus introduced dual-fuel combustion pumps capable of burning natural gas in place of diesel. In the second half of 2024, Caturus fully transitioned its primary frac fleet to an eFleet, allowing all pumps to be powered electrically.

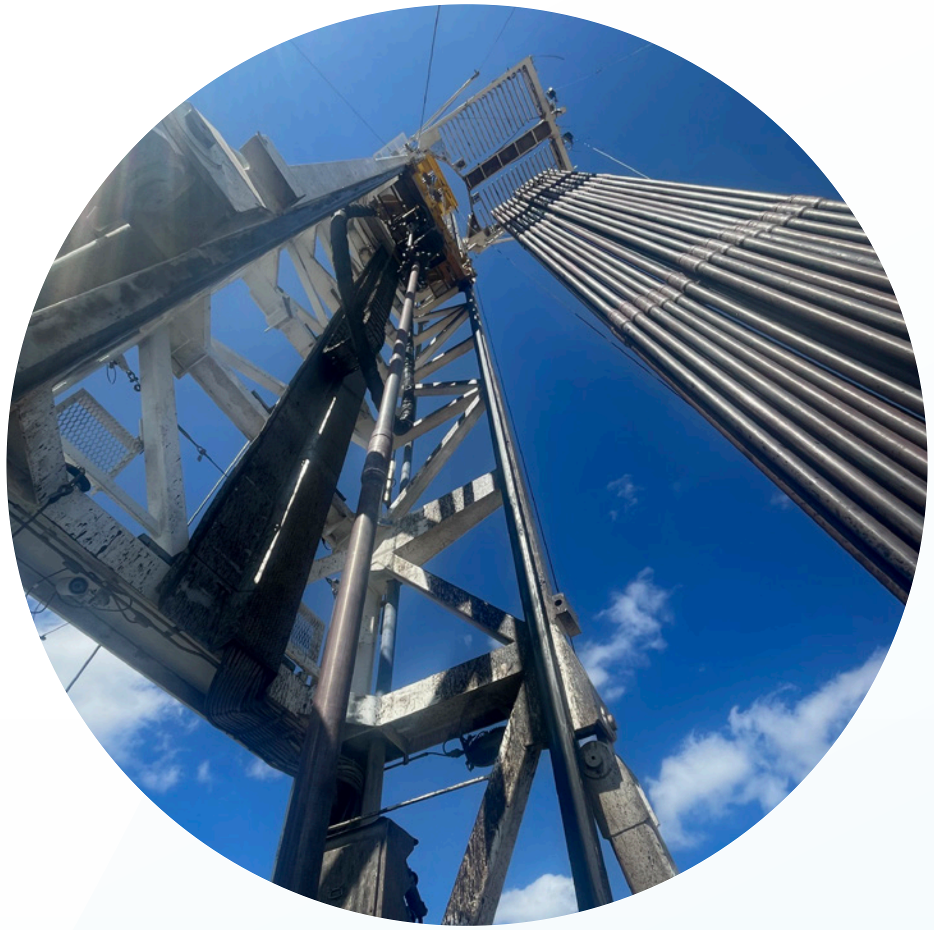
These fuel transitions corresponded to a total annual consumption of nearly 600,000 cubic feet of natural gas in lieu of diesel. This led to an annual emissions reduction of more than 11,000 metric tons of CO_2e, a quantity roughly equivalent to the annual emissions from 2,770 U.S. homes.[7]

[7] https://www.epa.gov/ghgemissions/assumptions-and-references-household-carbon-footprint-calculator

04

Safety

Safety Culture and Oversight



Safety is a core value deeply embedded in our culture and operations, protecting employees, contractors, and communities. We work closely with our portfolio companies to implement safety programs and foster a culture where safety is a top priority. This approach helps mitigate risks, prevent workplace incidents, and improve operational efficiency. For portfolio companies under our operational control, safety performance is regularly reviewed at the board level.

Ongoing Safety Engagement

Frequent and transparent communication is central to our safety management approach. At Caturus, the Sustainable Investment Approach includes weekly meetings with Health, Safety and Environmental (HSE) leadership to maintain open dialogue and ensure rapid response to emerging safety concerns. In 2024, Caturus conducted safety reviews through a tiered structure, including monthly meetings with field personnel focused on key risk areas such as dropped objects and heat management. Caturus also holds quarterly meetings with field management, safety representatives, and operational leadership, as well as ongoing discussions with management and engineering during safety meetings. These regular touchpoints help align field operations with leadership priorities and support continuous improvement in safety performance.

Safety Awareness

In 2024, we expanded our safety focus to address specific risk areas across portfolio operations. Significant efforts were made around ground disturbance, with enhanced procedures for line locating, sign-offs, and safe-to-dig protocols implemented in the fourth quarter. Additional emphasis was placed on heat management, with targeted training, employee guidance materials, and acknowledgment requirements introduced to support safe work in extreme temperatures.

Safety Manual and Management Platform

The comprehensive safety manual remains a foundational resource across all upstream operated assets. In 2024, the manual underwent several targeted revisions, including enhancements to the permit-to-work process for ground disturbance, updates related to dropped object prevention, and additional clarifications based on field feedback. We continue to update the document through a cross-functional process, incorporating input from operations, regulatory, and corporate teams to ensure it remains practical, comprehensive, and aligned with evolving operational needs.

Our online safety management platform serves as the central hub for safety materials, training, and performance tracking. In 2024, the platform was expanded to include additional inspection protocols as new equipment was introduced. Employees are required to acknowledge review of updated content, using real-time tracking to provide visibility into document awareness and compliance. The platform supports safety operations by automating workflows, managing corrective actions, and enhancing company-wide oversight of safety performance.

05
Human Capital

Human Capital Overview

Building an Inclusive and Engaged Workforce

At the end of 2024, Kimmeridge employed 92 full-time professionals across its New York, Boston and Denver offices, and is expanding into London and Abu Dhabi. As the Firm continues to grow, we remain focused on preserving our entrepreneurial culture while formalizing programs that support long-term employee development and engagement. Guided by our Values Statement, which reflects the Firm's core values of innovation, integrity, and teamwork, we strive to foster an inclusive work environment. We believe that diverse teams, comprising a range of perspectives and experiences, enhance decision-making and drive better outcomes.

Continuous Feedback and Culture Development

Kimmeridge views employee feedback as central to maintaining an engaged and high-performing workforce. As in previous years, we conducted our annual comprehensive culture survey, providing leadership with valuable insight to assess progress, identify opportunities for improvement, and align organizational priorities. Additionally, the Firm's leaders participated in a 360° feedback process, evaluating themselves, their peers, and broader team members. This exercise helped each partner identify personal growth opportunities while promoting accountability and enhancing overall leadership effectiveness.

Professional Growth and Leadership Development

In 2024, we expanded participation in technical development programs. Fifteen employees attended the four-day School of Energy program in Houston, up from 10 participants the prior year, reflecting growing demand for advanced sector-specific training. Monthly speech and presentation coaching also continued, offering both group and one-on-one sessions. Employees also had the opportunity to participate in a targeted five-week performance coaching program for additional professional development.

We maintained our $2,500 per year, per person reimbursement program, which allows employees to pursue external training and personal development opportunities tailored to their individual career goals.

Internship Program and Early Talent Development

Our internship program remains a vital component of our talent development strategy. In 2024, interns completed a two-month summer program that included mentorship, meaningful projects, and final presentations. Each intern's project was designed in coordination with their team and supervisor to provide hands-on experience aligned with the Firm's business objectives.

Kimmeridge Gives Back

Through the Kimmeridge Gives Back program, we support the communities where we live and work. In 2024, employees across our offices participated in hands-on volunteer initiatives that strengthened local neighborhoods and created a meaningful impact.

Kimmeridge x New York Cares

In May, team members helped enhance local greenspace by planting 40 lilyturf plants at Tompkins Square Park, replacing a chain-link fence with an attractive green wall. This effort not only improved the aesthetic of the area but also contributed to a more sustainable urban environment.

Wish for Wheels

Employees partnered with Wish for Wheels to build and donate 50 brand-new bikes for second-grade students at Knapp Elementary, a Title 1 school in Denver, Colorado. Every child not only received a bike but also participated in a hands-on session to learn how to ride safely. This event provides students with a new sense of freedom and encourages physical activity, helping to foster confidence and independence in young riders.

06

Sustainability Performance

Case Study

Commonwealth LNG: Community Investment in Cameron Parish, Louisiana

Commonwealth LNG is developing an LNG export terminal on the Gulf Coast near Cameron, Louisiana. We are excited about the impact this project will have in the LNG industry — and we are committed to investing in Cameron Parish, Louisiana, to ensure we have a positive impact on the local community.

As part of its long-term commitment to Cameron Parish, Commonwealth LNG announced a comprehensive community investment program targeting local medical and educational gaps in 2024. The initiative includes the donation of a $450,000 mobile healthcare unit to the Lower Cameron Hospital Service District. This mobile unit will enable healthcare workers to provide local medical services pending the rebuilding of South Cameron Memorial Hospital, which was destroyed by Hurricane Laura.

Cameron Parish is a geographically large area, but it is among the more sparsely populated regions of Louisiana. As a result, local students interested in pursuing advanced education opportunities may be required to travel to other regions to do so. Commonwealth worked with Cameron Parish school officials to fund a newly created "Explorer Program," providing a $200,000 initial grant to help defray the cost of student travel to attend leadership and STEM activities.

Commonwealth also supported workforce development initiatives at SOWELA Technical College in Lake Charles by donating $100,000 to establish 10 endowed industrial technology scholarships. The company also provided $100,000 in near-term assistance with scholarships, which were awarded to 22 students for the upcoming spring semester.

Commonwealth remains active at McNeese State University, with company representatives serving on advisory committees in the business and engineering disciplines. In the fall of 2024, Commonwealth donated $205,000 to the McNeese State University Foundation, facilitating three near-term scholarships and an endowment to create the Commonwealth LNG Scholarship, a perpetual scholarship designated for engineering or business majors with priority consideration for Cameron Parish residents.

Case Study

Chestnut Carbon: Scaling Nature-Based Carbon Removals

Expanding Reforestation Across the U.S.

In 2024, Chestnut Carbon continued to scale its U.S.-based afforestation efforts, marking the completion of Phase II of the Chestnut Sustainable Restoration Project. To date, the company has planted more than 17 million native trees across over 30,000 acres of previously marginal cropland and pasture, transforming underutilized land into biodiverse, native forests. This includes Chestnut's expansion into Texas, where its inaugural 300-acre project near Nacogdoches will enhance water and air quality, support wildlife, and improve local environmental resilience in a region recently impacted by wildfires. Chestnut plans to reforest hundreds of thousands of acres in the years to come. In 2024, Chestnut joined the American Fisheries Society as part of its efforts to support improved water quality and riparian ecosystems. The Restoration Project has restored 120 miles of waterways across the southeastern US as of December 31, 2024.

Delivering High-Integrity Carbon Removals

Chestnut continues to meet the growing demand for high-quality nature-based carbon removals. In 2024, the company completed multiple sales of Improved Forest Management (IFM) carbon removal credits to large corporate buyers, pricing at a premium relative to recent public transactions. All credits are certified through Verra and Gold Standards, undergo rigorous third-party audits, and meet the highest standards of additionality, verification, and permanence.

Supporting Local Communities and Economic Growth

The Chestnut Restoration Project is delivering local economic benefits by creating jobs and supporting regional businesses. The initiative has generated 15 full-time positions and over 100 seasonal jobs across five states. Chestnut partners with regional operators, including ArborGen Nursery for seedling supply and DDK Forestry & Real Estate for forestry consulting, ensuring that reforestation projects contribute directly to local economies.

Chestnut recently joined the Morrilton Chamber of Commerce and Conway County Economic Development Corporation in central Arkansas, where over 3,000 acres, or 11% of the Project's land, is located. Throughout Phase I and II of the Project, Chestnut Carbon's restoration operations have supported an estimated $24 million in economic output, over 400 jobs, and $13 million in value added (verified in Beacon Economics study).

Commitment to Sustainable Forestry Practices

Chestnut manages all projects in adherence with Forest Stewardship Council® (FSC) principles, ensuring responsible and sustainable forest management. Backed by Kimmeridge since its founding in 2022, Chestnut Carbon is focused on developing high-integrity, nature-based carbon removal solutions that help companies across industries meet their decarbonization and net zero targets.

The Sustainable Restoration Project became the first US-based project verified through the Forest Stewardship Council® Verified Impact Program for Biodiversity Conservation – Restoration of Natural Forest Cover. This verification certifies that Chestnut's forest management practices have quantified positive impacts on biodiversity conservation by restoring native forestlands in the United States.

FOREST FOOTPRINT	2023	2024
Acres Leased (Verra)	**67,631**	**108,283**
Acres Owned (Gold Standard)	**21,395**	**11,380**
Seedlings Planted	**10,146,522**	**7,000,000**
Carbon Sequestered by Forests	**66,283 MT CO_2e**	**182,135 MT CO_2e**
Acres Certified by the Forest Stewardship Council	**17,411**	**10,521**

Kimmeridge Funds' Sustainability Data

This table represents portfolio company data for upstream, operated assets across Kimmeridge Funds IV, V, and VI, and related co-investment vehicles for 2024.

Performance data presented in this table include estimates and may be incomplete for certain metrics due to partial-year ownership of acquired assets.

	2023	2024
GREENHOUSE GAS EMISSIONS		
Scope 1 GHG Emissions (Metric Tons CO_2e)	**186,125**	**231,010**
Scope 1 GHG Intensity Scope 1 GHG Emissions (Metric Tons CO_2e)/Gross Annual Production as Reported Under Subpart W (MBoe)	**9.90**	**8.05**
Percent of Scope 1 GHG Emissions Attributed to Boosting and Gathering Segment	**N/A**	**N/A**
Scope 2 GHG Emissions (Metric Tons CO_2e)	**669**	**734**
Scopes 1 & 2 Combined GHG Intensity (Scope 1 GHG Emissions (Metric Tons CO_2e) + Scope 2 GHG Emissions (Metric Tons CO_2e))/ Gross Annual Production as Reported Under Subpart W (MBoe)	**9.94**	**8.07**
Scope 1 Methane Emissions (Metric Tons CH_4)	**1,307**	**996**
Scope 1 Methane Intensity Scope 1 Methane Emissions (Metric Tons CH_4)/Gross Annual Production–As Reported Under Subpart W (MBoe)	**0.07**	**0.03**
Percent of Scope 1 Methane Emissions Attributed to Boosting and Gathering Segment	**N/A**	**N/A**
FLARING		
Gross Annual Volume of Flared Gas (Mcf)	**343,348**	**301,373**
Percentage of Gas Flared Per Mcf of Gas Produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)	**0.33%**	**0.19%**
Volume of Gas Flared Per Barrel of Oil Equivalent Produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (Boe)	**0.018**	**0.010**

	2023	2024
SPILLS		
Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	**0.082**	**0.487**
WATER USE		
Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	**0.438**	**0.820**
Produced Water Recycle Rate Recycled Water (Bbl)/Total Water Used (Bbl)	**16.2%**	**8.0%**
Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer, or other comparable tool or methodology to determine the water-stressed areas in your portfolio?	**NO**	**NO**
SAFETY		
Employee TRIR[8] # of Employee OSHA Recordable Cases x 200,000/Annual Employee Work Hours	**N/A**	**N/A**
Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000/Annual Contractor Work Hours	**N/A**	**N/A**
Combined TRIR # of Combined OSHA Recordable Cases x 200,000/Annual Combined Work Hours	**N/A**	**N/A**
SUPPORTING DATA		
Gross Annual Oil Production (Bbl)	**1,282,203**	**1,776,661**
Gross Annual Gas Production (Mcf)	**105,108,356**	**161,622,805**

[8] Total Recordable Incident Rate (TRIR) measures the number of recordable workplace injuries and illnesses per 200,000 hours worked, consistent with the U.S. Occupational Safety and Health Administration (OSHA) methodology.

	2023	2024
SUPPORTING DATA, CONTINUED		
Gross Annual Production (Boe)	**18,800,262**	**28,713,795**
Gross Annual Production (MBoe)	**18,800**	**28,714**
Gross Annual Production–As Reported Under Subpart W (MBoe)	**18,800**	**28,714**
Produced Liquids Spilled (Bbl)	**359**	**92**
Fresh Water Used (Bbl)	**8,237,909**	**23,557,361**
Recycled Water (Bbl)	**1,335,514**	**1,893,794**
Total Water Used (Bbl)	**N/A**	**N/A**
Employee OSHA Recordable Cases	**1**	**0.00**
Contractor OSHA Recordable Cases	**3**	**0.00**
Combined OSHA Recordable Cases	**4**	**—**
Annual Employee Work Hours	**N/A**	**N/A**
Annual Contractor Work Hours	**N/A**	**N/A**
Methodology	**—**	**—**
Annual Combined Work Hours	**—**	**—**