

TOWERBROOK

Diversity, equity and inclusion at TowerBrook



Certified



Corporation

2023

Inside this Report

Who we are	01
Purpose and Mission	02
Introduction	04
Our approach to DE&I governance	06
Our public commitments	07
Our recruitment initiatives	08
Monitoring our diversity	09
DE&I in our investment process	10
Tracking portfolio progress	11
Portfolio case studies	14
Training to support our DE&I objectives	20
Policies, processes and culture	22
Affinity groups at TowerBrook	26
Our DE&I partnerships	28
Speaker activity	32
Independent DE&I review	33

TOWERBROOK

Who we are

We are a single team of **146 people**, including **92 investment professionals**¹. TowerBrook has raised a total of **12 funds** and **over \$21.1 billion of capital** since inception²

We are experienced investors with a commitment to fundamental value and a disciplined approach to investing

We partner with 46 portfolio companies and investments with over 190,000 full-time employees generating a combined revenue of over \$27.5bn³

We value working in many different cultures and across jurisdictions

TowerBrook was the first mainstream private equity firm in the world to attain certification as a B Corp in 2019

26 nationalities

- | | | |
|-----------|------------|---------------|
| Algerian | Guatemalan | Portuguese |
| Brazilian | Hungarian | Russian |
| British | Indian | South African |
| Canadian | Irish | Spanish |
| Chinese | Italian | Swiss |
| Dutch | Jordanian | Ukrainian |
| French | Kenyan | U.S.A. |
| Finnish | Korean | Zimbabwean |
| German | Lebanese | |

21 languages spoken fluently

- | | | |
|-----------|-----------|------------|
| Afrikaans | German | Marathi |
| Arabic | Gujarati | Portuguese |
| Cantonese | Hindi | Punjabi |
| Dutch | Hungarian | Russian |
| English | Italian | Spanish |
| Finnish | Korean | Swahili |
| French | Mandarin | Ukrainian |

Purpose

We work to **protect and grow the savings of our investors and their families** by partnering **with management teams and employees** to build **excellent companies** that make a **positive impact** on society.

By following our values, we can demonstrate that responsible ownership is excellent business practice that **creates value for all stakeholders**.

Mission

Our mission is to deliver superior, risk-adjusted returns to our investors on a consistent and responsible basis.

Integrity, partnership, discipline and creativity are fundamental to the way we work. We strive to excel in everything we do.

Integrity & partnership: our values

Teamwork and a collegial environment are central to our culture. We value honesty and humility. We respect the views of others and we encourage debate and intellectual curiosity.

We recruit outstanding people who are able to work across diverse cultures and regions as one team. We align our interests within our team and with our investors and management partners. We believe in supporting the local communities where we live and work.

Discipline & creativity: our business

We are committed to our strategy. This requires patience and discipline in identifying and developing investment opportunities.

We seek to partner closely with exceptional managers to drive value creation in all our investments. We encourage creative thinking: it fosters flexibility, resourcefulness and the entrepreneurial spirit.

Introduction

TowerBrook’s support for diversity, equity and inclusion is integral to our culture and our identity as a firm

At TowerBrook, we are working to build a diverse, equitable and inclusive firm that facilitates engagement and breeds excellence. We believe that diverse and inclusive teams make better decisions and better decisions help build better businesses that can achieve their full potential and have a positive impact on society.

Events of recent years have taught us many lessons, all of which point to the importance of building a business and a culture that are truly reflective of our values and purpose as a firm. We are steadfast in our commitment to Responsible Ownership™ and integral to that journey is the advancement of diversity, equity and inclusion (DE&I) within both our own firm and our portfolio companies.

We recognise that the development and implementation of an effective DE&I programme is complex and takes time. Meaningful change requires honest introspection and the courage to tackle difficult questions. We are committed to doing the deep and sustained work that this requires and consider transparency key to our efforts to improve. We publicly state DE&I commitments as part of our membership on the Council for Inclusive Capitalism and diligently track our progress, reporting to the Council on an annual basis and to our wider stakeholders through our Responsible Ownership Report. We also report our metrics publicly as signatories to the UNPRI.

TowerBrook seeks to play an active role in advancing DE&I within our industry. Our firm was a founding signatory of ILPA’s Diversity in Action initiative established in 2020 and participates in its Data Capture Best Practices Working Group. In November 2022, TowerBrook Managing Director Abrielle Rosenthal joined ILPA’s CEO to co-facilitate an in-person roundtable and share TowerBrook’s approach to the actions in the DE&I Signatory Framework with other GPs and LPs.

We endeavour to improve industry access for underrepresented groups and offer investment-facing internships in both our New York and London offices through partnerships with The Opportunity Network in the U.S. and 10,000 Black Interns in the U.K. We have also extended opportunities to interns from organisations promoting LGBTQ+ inclusion and veterans support. This work sits alongside our commitment to provide \$1 million in total funding by the end of 2023 from the TowerBrook Foundation to selected organisations that are working to combat systemic racism, inequity and injustice, and where we can partner through volunteer engagement.

Targeting greater diversity alone is not enough. To succeed we believe firms must also create an inclusive culture to attract, retain and motivate talent from all backgrounds. At TowerBrook we now have nine employee-led affinity groups serving a range of historically underrepresented groups in private equity. Our affinity groups are dedicated to promoting cultural awareness, encouraging allyship and fostering inclusion. These groups are highlighted to every TowerBrook new joiner as a resource and opportunity for employees to contribute to our culture.

We are encouraged by the recognition we are receiving. In February 2023, we were pleased to be among the top ten PE firms listed in Equality Group’s PE & VC Inclusive Index for the third year in a row. We were also awarded the top score possible in the Human Rights Campaign Foundation’s 2022 Corporate Equality Index.

The initiatives driving these outcomes, together with information on our policies and how they are applied in our firm and our portfolio companies, are described on the following pages. While we are pleased to demonstrate progress, we know that we are on a continuing journey. There are many more ways we can improve and there is always more work to be done. We keep our DE&I programme under constant review.

Top score of 100% in Human Rights Campaign Foundation’s 2022 Corporate Equality Index

Ranked within Top 10 for three years running in Equality Group’s PE and VC Inclusive Index

Diversity matters

Ongoing research shows that companies that harness the power of diverse talent deliver better results

Diverse teams deliver greater value

Diversity matters. Not only is a commitment to promoting equality of opportunity and greater representation among diverse groups at all levels of business the right thing to do for society, there is also evidence that it is the right thing to do for business.

A 2020 report by McKinsey,⁴ which builds on the work of previous studies conducted in 2014 and 2017, showed that companies in the top quartile for ethnic/cultural diversity on executive teams were 36% more likely to have financial performance above national industry medians (see below). Similarly, companies in the top quartile for gender diversity on executive teams were 25% more likely to have financial performance above national industry medians.

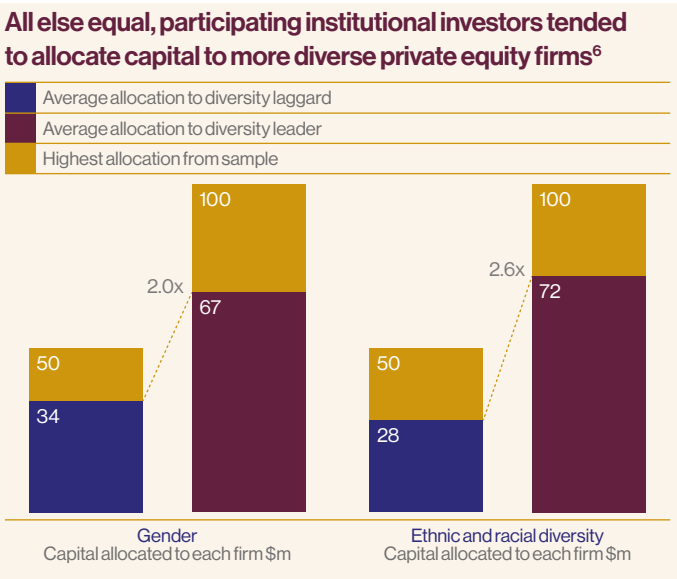
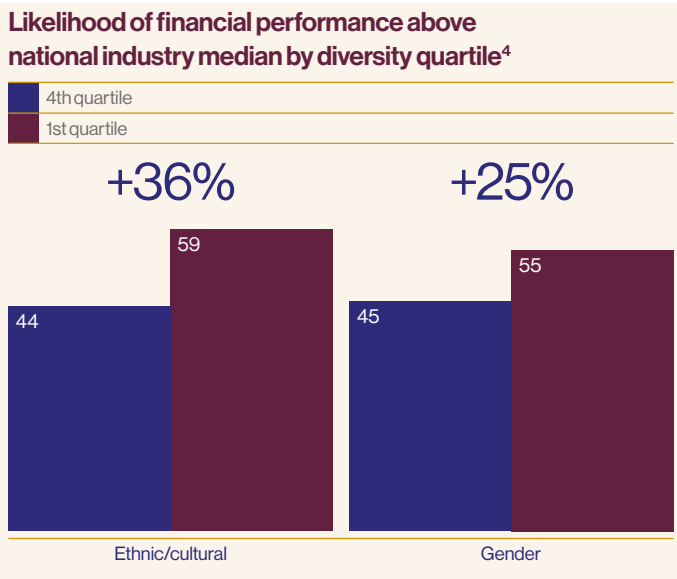
Inclusion and culture harness the potency of diversity

We believe successful implementation of a strategic DE&I programme is key to unlocking higher performance. A quantitative study of 850 senior HR, R&D and digital functions in 2022 by Boston Consulting Group⁵ across various industries reported that firms that had taken action to embrace diversity as part of their DNA were 2.2 times more likely to be a world class innovator and 2.5 times more likely to be a fast-growing company.

Institutional investor focus on DE&I is intensifying

As the role of DE&I in building better businesses becomes ever clearer, focus among institutional investors is growing. In November 2022, a McKinsey study⁶ among a sample of institutional investors reported that during private equity fundraising more metrics concerning the diversity of the PE investment team, portfolio Boards and portfolio management committees were being requested than in previous years. In 2014/15, 7% of global private equity firms stated they reported diversity metrics whereas in 2020/21 this had risen to 52%. The study also pointed to a diversity premium; in the sample, all else being equal, institutional investors tended to allocate capital to more diverse PE firms (see below).

This supports the findings of a November 2020 Edelman study⁷ of 600 U.S. institutional investors, in which 63% of respondents agreed that disclosing employee DE&I data furthers trust in companies. 92% either strongly agreed (44%) or somewhat agreed (48%) that strong DE&I data has a positive impact on share price. 70% reported that they now apply exclusionary screening based on DE&I data.





Setting the tone from the top

The importance of diversity, equity and inclusion is made explicit at every level of our firm and throughout our investment activities

Our DE&I governance framework

We are determined to ensure that our core values around diversity, equity and inclusion are reflected in a strong and consistent tone from the top, supported by robust governance.

TowerBrook's Management Committee retains ultimate responsibility for TowerBrook's DE&I programme and DE&I is a standing item for discussion at TowerBrook's Management Committee meetings.

Our Diversity, Equity and Inclusion Committee is composed of senior-level TowerBrook professionals and leads the development of our DE&I programme and the assessment of its impact.

Our DE&I programme is shared with our key stakeholders, including limited partners, consultants, advisors and service providers, and our DE&I statement is publicly available on our [website](#).

DE&I is a topic at our annual Limited Partner (LP) meeting and we report on DE&I data to LPs on request.

While our programme is led by senior members of our team, we view DE&I as a firmwide initiative that requires the active participation of the full firm in order to be successful.

Our annual 360° performance review process requires every team member to be evaluated against specific DE&I considerations and held accountable for their contribution to promoting diversity, equity and inclusion values both within the firm and externally.

As well as taking steps to improve the diversity of our own firm, TowerBrook promotes DE&I actions and initiatives across our portfolio companies, and we are committed to improving the representation by women and underrepresented racial and ethnic groups on our controlled portfolio company Boards.

“Diversity, equity and inclusion is integral to our purpose and culture as a firm, and our approach to Responsible Ownership. TowerBrook is committed to supporting a diverse and inclusive workforce that embodies integrity and teamwork.”

Jonathan Bilzin
Co-CEO, TowerBrook

06 © 2023 TowerBrook
Diversity, equity and inclusion at TowerBrook



Since June 2020, we have implemented a detailed policy for director appointments in our prospective investments and review the Board composition of our current portfolio companies periodically. We have set a target to have at least two women on every controlled portfolio company Board by 2025.

We monitor our portfolio's performance regarding a wide range of key DE&I indicators spanning policies, recruitment best practice, goal setting and governance via our annual Responsible Ownership survey. We also monitor the diversity of ownership and workforce for our key suppliers.

“Improving our team's diversity is an ongoing, firmwide initiative. Every single one of us at TowerBrook has a role to play in building and cultivating an inclusive culture which promotes respect for others and encourages new ideas and perspectives.”

Karim Saddi
Co-CEO, TowerBrook

Holding ourselves accountable

We make transparent and measurable public commitments to diversity, equity and inclusion

Council for Inclusive Capitalism

TowerBrook is a member of the Council for Inclusive Capitalism and Ramez Sousou, our Co-Founder and Co-Chair, is a member of the Steering Committee. The Council for Inclusive Capitalism is a global non-profit organisation that joins moral and market imperatives to build a more inclusive, sustainable and trusted economic system that addresses the needs of our people and the planet. Through this initiative TowerBrook has set out public commitments which reflect our organisational goals for DE&I. These cover governance diversity targets and the measurement of key supplier diversity as well as our efforts to tackle wider systemic racism, inequity and injustice. Our membership on the Council for Inclusive Capitalism is part of our efforts to work towards a just and sustainable financial system for all.

We have set public commitments:

- Increasing the diversity of our portfolio company Boards through implementing a policy of at least one diverse Board member on the Boards of all controlled portfolio companies acquired from 2021 and at least two female members by 2025
- Measuring our key vendors' diversity of ownership, leadership and team representation, and setting goals over time for increasing procurement spend with diverse vendors
- Fighting against systemic racism, inequity and injustice by providing \$1 million in total funding by the end of 2023 to organisations where we can partner towards this objective
- Promoting best practices in ESG standards, reporting and transparency across our portfolio of investments and reporting on ESG metrics, including DE&I metrics, annually for our portfolio

“Inclusive capitalism is business at its best; our members commit to driving profitability in ways that create value for all people, address inequality, and protect the planet.”

Meredith Sumpter
CEO, Council for Inclusive Capitalism

ILPA Diversity in Action

TowerBrook is a founding signatory of the ILPA Diversity in Action initiative established in 2020, which brings together over 300 member organisations comprising LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. Signatories must commit to four foundational actions as well as at least two of nine optional actions spanning talent management, data collection and industry engagement. TowerBrook has chosen to undertake all nine optional actions and has also joined the ILPA Data Capture Best Practices Working Group.

Foundational actions:

- Publicise a DE&I statement
- Set organisational DE&I goals
- Track internal hiring and promotion by gender and race/ethnicity
- Provide DE&I data for any new fundraises

Optional actions:

- Ensure senior-level DE&I accountability
- Provide unconscious bias training
- Track gender and race/ethnicity within portfolio company Boards/management teams
- Promote diversity within portfolio Boards
- Support DE&I research
- Provide DE&I data for all funds
- Support industry efforts to educate underrepresented groups about careers in private markets



“The ILPA Diversity in Action initiative is designed to motivate private markets participants to engage in the journey toward becoming more diverse and inclusive. We're excited to see how TowerBrook is helping to build momentum around the key actions that we know advance DE&I.”

Jennifer Choi
CEO, ILPA

Building a diverse team

We take action to help ensure TowerBrook recruits excellent people from diverse backgrounds

Our recruitment initiatives

We take a long-term view to advancing DE&I within our firm, seeking to recruit top talent from a diverse pool of candidates, particularly at junior levels, then working to support, mentor, develop, engage and retain outstanding individuals over time.

We start by taking action to ensure we see a pipeline of diverse candidates for consideration for open positions and meet periodically with our key recruiters to convey the importance of DE&I considerations in all our searches.

For our investment professionals and financial/operations searches we instruct our recruiters to provide initial screen resumes on a no-names basis, with gender- and racial/ethnicity-identifying information redacted.

We instruct recruiters to ensure that a specified percentage of candidates on any shortlist are female and also reflect other markers of diversity, e.g. underrepresented populations as appropriate.

We include a statement in all job descriptions and postings that formalises our commitment to diversity, equity and inclusion. We review the language of our job descriptions to identify and eliminate potential bias.

To promote a consistent approach to recruitment across our offices, we have introduced a number of common procedures for our investment Associate searches. These include the use of scorecards with objective criteria, completion of a feedback form by interviewers and presentation of summary data on candidates (again without names or gender- and racially-identifying data).

We commit to taking steps to eliminate bias from our recruitment processes and interviews, and have implemented firmwide DE&I training sessions to specifically address this topic. For details of our DE&I training see pages 20-21.

TowerBrook is an equal employment opportunity employer. We do not discriminate based upon race, religion, colour, national origin, gender (including pregnancy, childbirth, or related medical conditions), sexual orientation, gender identity, gender expression, age, status as a protected veteran, status as an individual with a disability (including COVID-19 status), or other applicable legally protected characteristics.

Improving our familiarity among diverse talent

To support our recruitment objectives, we take action to encourage greater familiarity with our firm among diverse talent. Since 2019, TowerBrook's New York office has held an annual reception hosted by senior members of our team for female investment banking analysts and analysts from historically underrepresented groups who are interested in private equity Associate positions. Our London office also holds similar events periodically. These receptions, which took place over Zoom during the pandemic, are designed to familiarise potential recruits with TowerBrook's purpose and culture and allow them to hear directly from senior and junior members of our firm. Attendees are invited to raise questions and engage in discussion in an informal setting, outside the confines of an interview. This initiative has led to successful hires within TowerBrook.

“Attending TowerBrook’s reception for female investment banking analysts gave me a strong sense of TowerBrook’s purpose and culture. I went on to seek an Associate position within the firm.”

Chhavi Aggarwal
Associate, TowerBrook, and attendee of the TowerBrook annual reception for diverse talent in New York in 2019

Monitoring our diversity

We measure the impact of our DE&I-focused recruitment initiatives

TowerBrook team composition

We collect data where possible on the diversity of our team in terms of gender, race, ethnicity, sexual orientation, age and veteran status. In 2020, we introduced a firmwide diversity survey that enables team members to self-identify for both visible and non-visible diversity.

We also track diversity across our new hires, promotions and employee turnover and carried out a review in January 2023 of average employee tenure by both gender and non-gender diversity.

As described on the opposite page, we take a long-term view to advancing DE&I within our firm, seeking to recruit talent from a diverse pool of candidates, particularly at junior levels, then working to support, mentor and develop this talent over time and promote from within.

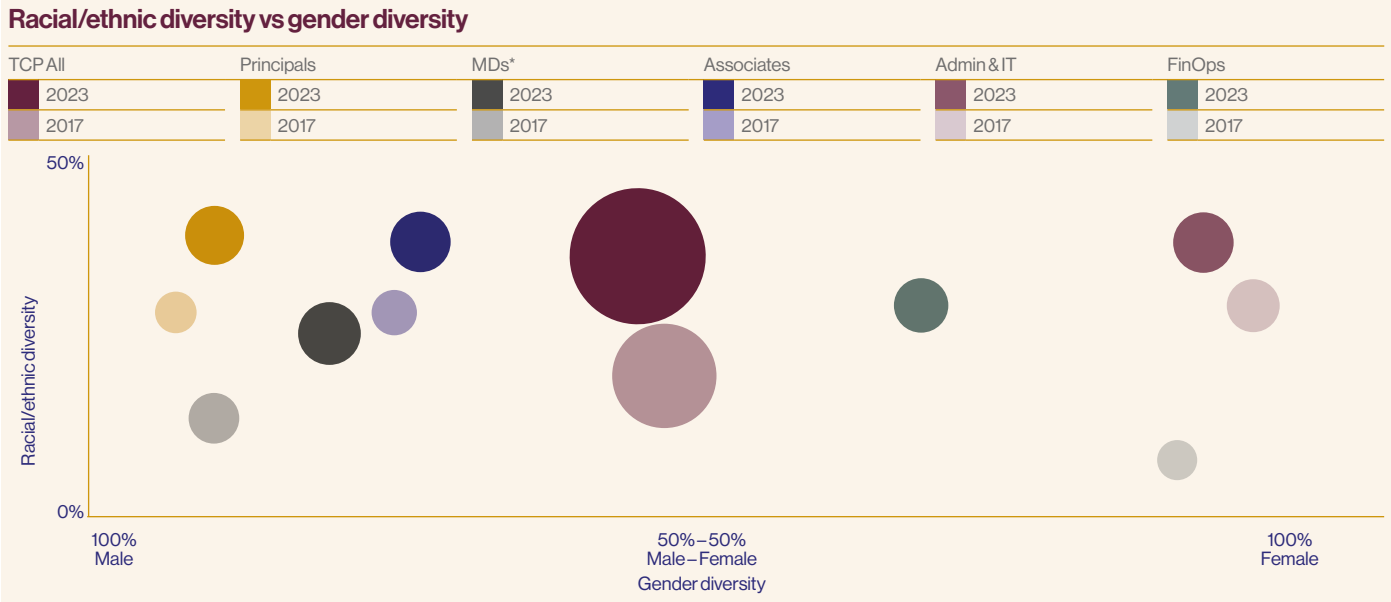
We are starting to see the effect of this approach on the composition of the TowerBrook team with greater diversity being reflected at senior as well as junior levels. We are now seeing impact, not just within our Associates, but also at Principal and MD levels as promotions occur over time.

As of January 31, 2023 for our full firm, 39% of our 146 employees self-identified as diverse, incorporating race, ethnicity and other non-gender diversity markers, and 43% self-identified as female. Within our investment team, 40% self-identified as diverse and 20% as female. Within senior management, 29% self-identified as diverse and 19% as female.

The chart below shows the overall profile of our firm's gender diversity and racial/ethnic diversity across different functions within our team since 2017. We are pleased to report that TowerBrook is more diverse for both gender and racial/ethnic diversity than it was then. Nonetheless, we also recognise that we have more work to do and we continue to focus on improving our efforts around recruitment, retention, support and the measurement of data over time.

“We are proud of the firm and the progress we have all made towards creating a more diverse team, although we acknowledge we have much more work ahead on this journey.”

Jennifer Glassman
CFO and Co-Chair of DE&I Committee, TowerBrook



Note: Data as at 31 January 2023
*Includes Senior Advisor, Co-Chairs and Co-Chief Executive Officers

Nurturing more diverse companies

We seek to build diverse portfolio company Boards

Our investment process

We require all members of our investment team to be familiar with the TowerBrook Playbook, a core document that distils our experience, describes our investment process and explains how we seek to add value to companies in which we invest.

By its nature, our Playbook is continually evolving. Over the past few years we have added a number of elements to ensure that diversity, equity and inclusion and their implications are considered throughout the investment process.

The Playbook specifically includes DE&I considerations as markers for discussion. This means that investment teams must raise to our Transaction Committee at an early stage in the investment process any potential target company that is identified as 'promoting a culture counter to the values of diversity, equity and inclusion'.

We encourage investment teams to seek out opportunities for value creation by considering DE&I factors in our 200-day Plans for each investment we make. We also mobilise the resources of our Portfolio Group and our Advisory Boards to support our portfolio companies in their DE&I journey.

We have added a DE&I module to our Responsible Ownership Toolkit to flag that DE&I is another lever for value creation and to support structured discussion and consideration of this area with the Chairs and management teams of the companies in which we invest.

Prior to exit, we examine our actions as responsible owners and work to translate these into measurable value added – for example higher revenues, lower costs, less waste, enhanced brand equity, better access to talent, etc. In an environment where investors are increasingly expected to engage with management on workplace culture, and specifically on the evidence for DE&I, this is an area that is growing in importance.

Portfolio company Boards

TowerBrook values the importance of Board diversity to promote healthy exchange of ideas fuelled by a range of perspectives and experiences. We work with the Chair of each of our controlled portfolio companies at the time of acquisition to assemble an outstanding and diverse Board that reflects the relevant competencies targeted in our people thesis. Our Chair Welcome Pack formalises that assembling a diverse Board is a priority mandate for our controlled portfolio company Chairs.

Prior to 2020, our data on Board diversity indicated that we needed to work harder to bring about improvement in this area. In July 2020, TowerBrook re-committed to improving representation by women and underrepresented racial and ethnic groups on our controlled portfolio company Boards. (For detail of our commitment see page 7).

To that end TowerBrook adopted a detailed policy for director appointments to ensure a disciplined process is in place for consideration of diverse Board candidates for target companies at the time of acquisition. Specifically, once a transaction reaches execution, if the investment team has not yet identified a diverse candidate for the Board the team must ensure that there is an open spot on the Board slate to be filled with a diverse candidate.

We also carried out a review of the Board composition of existing portfolio companies to determine whether any additional director competencies were desirable. Where these were identified, a search was initiated for a diverse candidate.

“As we work on our firm’s commitment to DE&I, TowerBrook seeks to build excellent companies and an important part of this is assembling Boards that benefit from diversity of backgrounds, experiences and crucially, diversity of thought. This is an area which we continue to improve and which can make a real difference to the success of the companies in our portfolio.”

Gordon Holmes
Chief Investment Officer, TowerBrook



Tracking portfolio progress

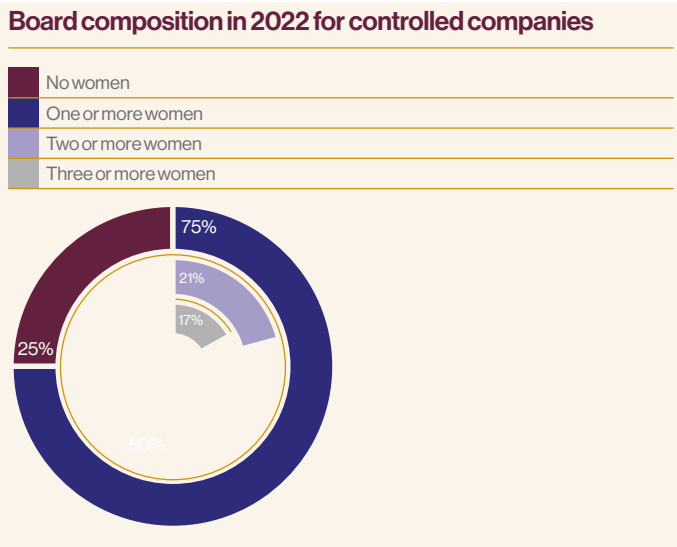
We monitor the DE&I performance of our portfolio annually and highlight best practice

Our annual Responsible Ownership survey

One of the key indicators of a successful DE&I programme is transparency. Every year we carry out a detailed Responsible Ownership (RO) survey of our portfolio companies to better understand how we can support the companies we invest in to develop responsible policies and practices under our ownership, and to hold ourselves accountable for their progress. Our survey covers gender and non-gender diversity and also asks about specific actions companies are taking to manage and improve DE&I, including around recruitment, training, culture and employee development. It also includes specific questions about whether companies have conducted a gender pay gap analysis, whether they have anti-harassment policies and procedures, and whether they have policies that facilitate parental leave, childcare, flexible working, and working from home. In 2022, the TowerBrook RO survey included 40 portfolio companies.⁸

Portfolio company Board composition

We track the composition of TowerBrook’s controlled portfolio Boards on an ongoing basis. By December 31, 2022, 75% of our majority-controlled portfolio companies had one or more women on their Board, 21% had two or more and 17% had three or more. This represents significant progress since the end of 2020, when 44% of our majority-controlled portfolio companies had one or more women on their Boards and just 11% had two or more.



We expect to see these figures improve over time as we continue to implement our director appointment policy in our new controlled portfolio investments.

Collecting diversity markers

Among the 40 companies surveyed, we are encouraged to see a year-on-year increase⁹ in those reporting that they track diversity metrics among their FTEs.

	2020	2021	2022
Tracking gender	84%	87%	98%
Tracking non-binary	11%	13%	18%
Tracking underrepresented groups	39%	45%	45%

In 2022, of those portfolio companies stating they track diversity metrics, 92% reported that they collect this data at the time of onboarding. Some also collect it more frequently: 27% reported that they collect it annually and 12% reported that they collect it on an ad hoc basis.

53% of the portfolio reported that they asked employees to complete a self-identification survey as opposed to relying on company determination or other means to collect DE&I data.

Comparing diversity markers

In 2022, of those companies stating that they track gender and underrepresented groups respectively, we are able to see the overall FTE composition with the comparable senior management composition.

	FTE composition	Senior management composition
Female (reported by 98% of the portfolio)	41%	23%
Underrepresented groups (reported by 45% of the portfolio)	32%	8%

Monitoring DE&I progress in our portfolio continued

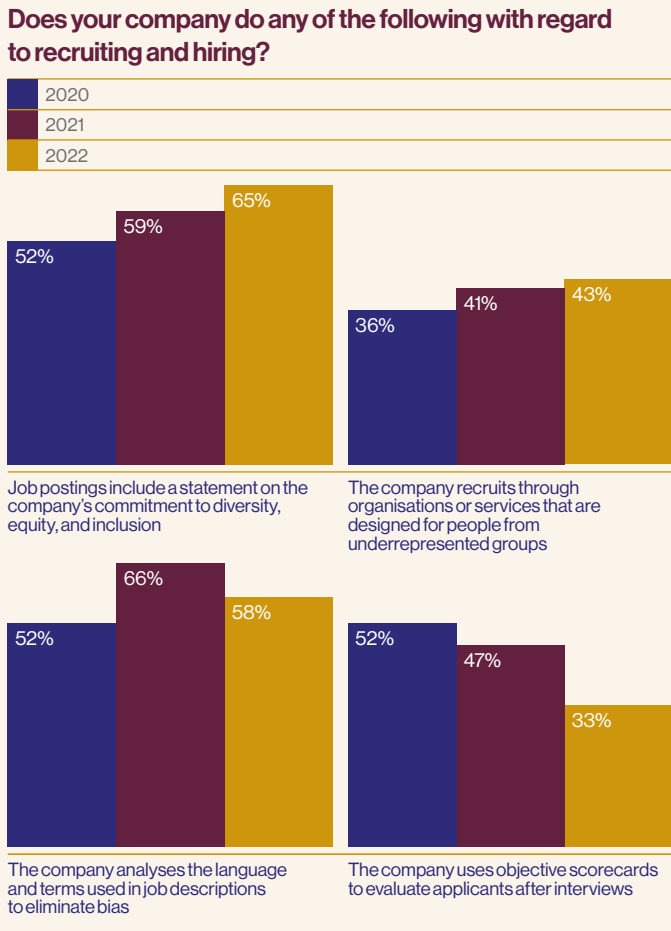
“ We track our portfolio companies’ DE&I initiatives and performance through our annual Responsible Ownership survey and support our companies in making continued DE&I improvements as an integral part of building better businesses.

Abrielle Rosenthal
Managing Director, Chief Sustainability Officer
and Co-Chair of DE&I Committee, TowerBrook

DE&I within recruiting and hiring

We seek to promote best practice by encouraging the adoption of forward-thinking HR policies and practices in our portfolio. We also monitor the actions taken by our portfolio companies that enhance their ability to recruit diverse talent.

We are encouraged by the increase over time in the proportion of the portfolio reporting the use of job postings that include the company’s commitment to DE&I, as well as increasing use of recruiting through organisations or services focusing on historically underrepresented populations. We continue to highlight areas where we have identified room for improvement and can support companies in value creation through DE&I initiatives. For example, we hope to see more of our companies reporting the use of objective scorecards to evaluate applicants after interviews.



Training on diversity, equity and inclusion

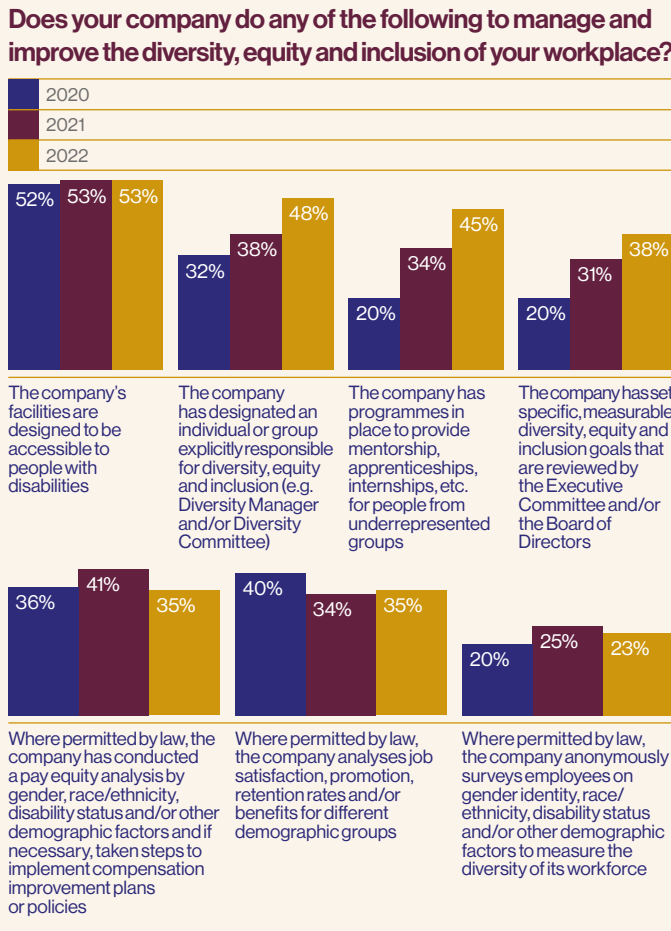
We believe that companies that commit to promoting DE&I should provide training and programming that encourages underrepresented talent to join, stay, succeed and lead within their organisations. We are encouraged to see that there has been an increase overall in the number of companies conducting training and programming in 2022 around three areas that we consider to be fundamental to a successful DE&I strategy. The number of companies in 2022 providing training around unconscious bias has increased by five companies since 2021, representing 48% of the portfolio; the number of companies providing training around culture in 2022 has increased by two companies since 2021, representing 38% of the portfolio; and the number providing management/leadership DE&I training in 2022 has increased by two companies since 2021, representing 43% of the portfolio.



Initiatives to manage and improve diversity, equity and inclusion in the workplace

We believe strong governance, specific goal setting and measurement all play a role in driving effective DE&I programmes. We encourage our controlled portfolio companies to develop and implement DE&I strategies and policies, and to collect data as appropriate according to the jurisdiction in which they are located.

We are pleased to see improvements in the number of portfolio companies adopting DE&I measures since 2020. This is the case even where as a percentage of our growing portfolio the headline figure has fallen.



We are particularly encouraged by the steady increase in the proportion of our portfolio reporting that they have designated an individual or group explicitly responsible for DE&I (e.g., a Diversity Manager and/or a Diversity Committee), which sits at 48% of the portfolio in 2022. We note the year-on-year increase in the proportion of the portfolio setting specific, measurable DE&I goals that are reviewed by the Executive Committee and/or the Board which sits at 38% of the portfolio in 2022, up from 20% in 2020.

The proportion of the portfolio with programmes in place to provide mentorship, apprenticeship and/or internships to people from underrepresented groups has also grown, up from 20% in 2020 to 45% in 2022. While we are satisfied with the direction of progress, we appreciate there is more to do and we commit to working with our portfolio companies that have not yet put these initiatives in place to encourage them to consider doing so.

Monitoring supplier diversity

TowerBrook launched our first Supplier diversity survey in January 2022 to collect data regarding the diversity of our material vendors for the calendar year 2021. Our survey comprised questions spanning use of a DE&I statement, the existence of programmes to manage and improve DE&I in the workplace, as well as measuring the percentage of females and underrepresented groups firmwide, at senior management level, and the company-owner level.

Of those responding¹⁰, we were encouraged to see that 86% reported they have a DE&I programme in place and 75% reported they have a DE&I statement. While our inaugural round of data collection provides a starting point, we are aware of the need to drive higher engagement levels in order to set informed targets and drive meaningful impact. Incorporating the learnings from this benchmark exercise, we launched our second Supplier diversity survey in January 2023 to collect data for the calendar year 2022.

Talan

Talan is a European IT services provider, based in France and founded in 2002



FTEs	3,919
Revenue (LTM to Sep 30, 2022)	€420 million
Investment date	November, 2020 (PE V)

Talan focuses on operations and consulting, with a mission to accelerate client transformation through innovation and IT.

TowerBrook’s approach to Responsible Ownership and long-standing commitment to social and environmental stewardship align with Talan’s positioning. TowerBrook’s investment in Talan was notable as it was the first ever unitranche financing to include an ESG ratchet and the first time an ESG ratchet had been included in a transaction’s legal documentation.

For Talan, the company’s top line is driven by organic growth. A variety of social measures, including customer satisfaction, human resources management and innovation, are crucial to the company’s future success. In light of that, when agreeing the terms of TowerBrook’s financing, two criteria were set: greater diversity of management and increased employee training, with targeted ratchet reductions for these points.

For the share of women among group managers, a baseline was set of 22%, rising to 24% in year one, 26% in year two, and 36% in the final year. For the share of group employees engaged in training programmes, the baseline was set at 37%, rising to 40% in year one, 43% in year two, and 60% in the final year.

The ESG ratchet reflects how ESG targets are integrally linked to financial targets. The firm arranging the transaction, Tikehau Investment Management, reported in Private Debt Investor magazine in November 2022 that it is now using this as a reference for future investments to encourage ESG best practice.¹¹

“TowerBrook’s investment in Talan underlines our common commitment to address the world’s social and environmental issues, and our shared ambition to establish Talan as a leading player of the digital transformation globally.”

Mehdi Houas
Chair, Talan

TRIMEDX

TRIMEDX is a major provider of technology-enabled clinical asset management services, based in Indiana, U.S.A.



FTEs	3,154
Revenue (LTM to Sep 30, 2022)	\$1,233 million
Investment date	May, 2016 (PE IV) June, 2022 (TMX Continuation Fund)

TRIMEDX serves over 4,500 provider locations, with over 2.1 million clinical devices under management.

TRIMEDX works to support and protect a culture with diversity, equity and inclusion at its foundation, and to create a workplace where associates can contribute to their fullest potential. The company’s DE&I mission is to ‘embrace the power of our uniqueness and shared experiences to make a difference for our associates, our clients and our communities.’ To that end, TRIMEDX has put in place a DE&I framework consisting of 5 pillars, spanning workforce, workplace, community, marketplace and suppliers. Its objectives across these pillars are to attract the best talent, create an inclusive and engaged work environment, achieve a positive reputation, generate high customer satisfaction, and put in place beneficial partnerships.

The company has set out a three-year roadmap to help accelerate impact, initially working to strengthen commitment to the DE&I strategy among the workforce and within the workplace by implementing its HR programme through a DE&I lens. In 2022, TRIMEDX expanded the use of a self-identification survey, updated to include gender identification and orientation as well as other diversity markers, to all current associates as well as to new joiners at onboarding. It also communicated company policy regarding the use of pronouns on a voluntary basis, implemented Juneteenth as a company holiday, added parental leave as a benefit, and implemented unconscious bias training for all associates and leaders.

The company is also taking steps to monitor the status and progress of underrepresented groups as well as identifying and implementing actions to improve its pipeline of talent. It has progressed the purpose of its Associate Resource Groups with increased focus on recruitment. It has also expanded its partnerships, linking up with diversityjobs.com, American Asian alliance, Goodwill, and Martin University (the only historically Black college in Indiana), to help achieve its goal. Going into 2023, the company seeks to sustain progress with those solutions that demonstrate progress in underrepresented groups and strengthen allyship and advocacy initiatives. It also intends to advance the company’s goals within the wider DE&I framework, building on the existing work it has undertaken to capture diversity information from new suppliers.

R1

R1 is a U.S.-based, publicly traded healthcare technology-driven solutions provider



FTEs	27,800
Revenue (LTM to Sep 30, 2022)	\$1,673 million
Investment date	February, 2016 (PE IV)

Located in the U.S., India, and the Philippines, R1 is a provider of technology-driven solutions that transform the patient experience and financial performance of hospitals, health systems, and medical groups. R1 published its first annual ESG Report in 2021, reporting on the calendar year 2020.

Within R1’s ESG framework is the company’s commitment to Inclusion and Diversity (I&D). R1’s I&D vision is to have a diverse workforce to reflect the communities it serves, and for the diversity of its team to be a competitive advantage, enabling the company to attract the best talent and deliver excellent results for customers. R1 has set long-term goals for diverse representation in senior leadership roles, defined as director-level and above, of 50% women (Global) and 30% racially/ethnically diverse. As of December 31, 2021, the company was at 49% and 18% respectively, and as of December 31, 2022, these figures had improved to 52% and 19%.

As reported in the company’s ESG Report published in March 2022, R1 expanded its recruiting process in 2021 to support and track diverse candidates for hires and promotions. Initially

launched at the vice president-level, this process was then expanded to all director-level positions and above. R1 also built on its Executive Team I&D scorecard, initially launched in 2020, with the introduction of Quarterly Business Reviews (QBRs) for each executive leader, designed to review progress against the company’s I&D agenda, with key metrics including promotions, hires, turnover, engagement scores, and succession planning. During this year, R1 also began publishing its quarterly I&D scorecard internally to create more transparency and awareness of the strategy and progress across the business.

To foster an inclusive culture, R1 hosts global I&D programming and communications and runs an annual Unleash Talent Week. During its 2021 Unleash Talent Week, it ran sessions on unconscious bias, virtual keynotes and an I&D focused book club. The company utilised its ongoing partnership with the University of Southern California’s Race and Equity Center, and a partnership with BridgeWorks, to focus on building employees’ knowledge on topics such as addressing homophobia and heterosexism and multi-generational differences in the workplace. In 2022, it expanded the Unleash Talent Week event further to feature keynote addresses and resources to support professional and personal development.

R1’s progress on inclusive culture is tracked and measured through R1’s annual engagement survey. In 2022, the company saw positive levels of employee favourability in response to annual engagement survey questions related to I&D. In this survey, 87% of respondents believe their people leader values inclusion and supports a diverse workforce, 84% agreed that R1 demonstrates a commitment to developing and retaining a diverse workforce, and 82% felt employees are treated equally with fairness and respect, regardless of background or position.

“We focus on inclusion, collaboration and empowering our Associates to foster a culture where we work together as one team to serve our customers and their patients.”

Lee Rivas
CEO, R1

KeHE

KeHE is a distributor of natural, organic and fresh foods

FTEs	6,379
Revenue (LTM to Sep 30, 2022)	\$6,683 million
Investment date	May, 2019 (PE IV)

KeHE distributes to more than 30,000 retailers across North America and is one of the world’s largest Certified B Corps.

KeHE has organised its business around The Good Path™, which the company describes as a ‘conscious decision to choose a destination beyond commercial success’. KeHE believes that consumers want brands that represent them and that retailers have an opportunity to support the social justice movement by stocking their shelves with products made by diverse suppliers.

In 2019, it established DIVERSEtrade™, an initiative that identifies and helps grow supplier businesses led by women, minority, disabled, veteran and LGBTQ+ people within its portfolio to help them navigate distribution and remove barriers. KeHE’s mission for the initiative is to attract, retain and grow diverse suppliers and ultimately be a mentor to those brands to enable growth.

To participate, a supplier must have a current Women’s Business Enterprise Natural Council, National Minority Supplier Development Council, National LGBT Chamber of Commerce, Disability:In, or U.S. Veteran Owned certification on file with KeHE. Since its launch, the initiative has grown rapidly and in 2022, KeHE’s DIVERSEtrade™ supported 380+ certified diverse suppliers with over 241 women-owned, 126 minority-owned, 7 LGBTQ+-owned, 1 disability-owned and 5 U.S. veteran-owned businesses.

EPSA

EPSA Group is a global consulting firm

FTEs	1,500
Revenue (LTM to Sep 30, 2022)	€175 million
Investment date	January, 2022 (TSO II)

EPSA Group specialises in operational and financial performance, BPO outsourcing, innovation and supply chain optimisation. Based in France, EPSA services over 4,500 clients in 35 countries across multiple sectors.

In 2022, EPSA reorganised the various programmes that made up its CSR implementation under a single banner: EPSA for Good. This banner includes EPSA Equality, the Group’s commitment to working towards equality across genders and for people with disabilities. EPSA believes that a business that wants to perform must reflect the society in which it operates. It seeks to take a cohesive approach to HR, promoting gender equality and inclusion for people with disabilities, and combatting all other forms of discrimination in professional contact at all levels of the company.

The Group monitors the gender diversity of its employees, which it reports as 53% women, 47% men. It finalised its diversity policy in 2022, putting in place a diversity network, female leadership training, disability management courses, diversity e-learning, and variable remuneration for directors based on CSR/social footprint criteria. 35% of staff have been trained in integrating people with disabilities into teams, and there are now over 40 volunteers in the EPSA Equality network for gender. Under the banner of EPSA for Good, the EPSA Equality initiative is in the process of renewing its Diversity Label, a public recognition of its commitment.

The AA

The AA is one of the largest roadside assistance providers in the U.K.



FTEs	6,961
Revenue (LTM to Sep 30, 2022)	£1,016 million
Investment date	March, 2021 (PE V)

The AA services 515 million consumer and manufacturing members and the U.K.'s largest fleet and leasing companies.

ESG sits at the heart of the AA's corporate strategy, encompassing three pillars of People, Community and Planet. As part of its People pillar, in 2022, the AA launched a D&I committee, made up of senior leaders and key decision makers, to champion the adoption and implementation of its D&I strategy. Two diversity targets have been set for its Group Executive Committee (GEC) and Senior Leadership Team (SLT), which the AA aims to reach by the end of 2026. These are to increase gender diversity to 40% and ethnic diversity to 10%. The AA reports annually on progress, and in 2022, these measures were at 38% and 6% respectively.

To promote greater diversity in recruitment, hiring managers have been trained in recruitment skills and have access to updated and enhanced selection tools helping ensure leaders are reflecting the company's values and behaviours.

The AA has diverse shortlists when recruiting for senior roles and advertises positions through channels specifically aimed at reaching underrepresented groups like Working Mums and the BYP Network empowering Black professionals. The company supports recruitment of veterans and is a signatory of the Armed Forces Covenant as well as a holder of that group's Employer Recognition Scheme Gold Award. It promotes job opportunities through the Career Transition Partnership, the MoD's official provider of Armed Forces Resettlement.

The AA's diversity targets are supported by activities which help lead to greater inclusion. Since July 2021, the AA has established five employee network groups, with over 200 members, and each with a dedicated senior sponsor. These span multi-faith and ethnic minorities, LGBTQ+, encouraging gender balance, people with a caring responsibility, and visible and invisible disabilities. As an example of the employee networks in action, in March 2022, the Balance (gender) network launched a pilot maternity leave returner buddy scheme, with the aim of supporting returners to the business through shared-experience in a confidential setting. The AA's employees are also enabled to express their gender identity and sexual orientation within the company's systems, which includes the gender-neutral title Mx.

Career development is a firmwide focus and in particular for diverse groups. 2022 saw the launch of I Will Accelerate, the AA's first career development programme for ethnically diverse people across the organisation. The company is also running its second cohort of Driven Women, a career development programme designed to accelerate the career progression of women in mid-level management roles. In line with U.K. Government legislation, the AA publishes an annual Gender Pay Gap Report, which can be found on its corporate website. The company also offers apprenticeships, employing over 65 entry-level apprentices, and has 130 existing employee apprenticeships ranging from Customer Service level 2 to MBA level 7. In 2022, the AA partnered with 10,000 Black Interns, whose mission is to 'transform the horizons and prospects of young Black people in the U.K. by offering paid work experience', to provide a number of internship placements in the summer.

CarTrawler

CarTrawler is a B2B mobility platform for the global travel industry

FTEs	414
Revenue (LTM to Sep 30, 2022)	€161 million
Investment date	July, 2020 (PE V)

In 2021, CarTrawler implemented an inclusive employee equity scheme as a key component of its total reward proposition. The equity scheme was introduced to share financial benefit across the whole firm as well as drive alignment and help attract and retain talent. Now in its second year, the company reports that the equity scheme, combined with other factors, is proving to be highly motivating. Attrition has fallen quarter by quarter and in 2022, reached an all-time low across all functions. Employee engagement and satisfaction has increased with results from the company's bi-annual engagement survey reaching their highest ever levels in December 2022.

Kevin's Natural Foods

Kevin's is a manufacturer and supplier of healthy convenience foods

FTEs	175
Revenue (LTM to Sep 30, 2022)	\$136 million
Investment date	August, 2021 (TSO II)

Kevin's 'clean-eating' food products are sold by more than 40 U.S. retailers in more than 10,000 locations, serving over 1.9 million customers. In January 2023, Kevin's became a Certified B Corp. In its journey to achieve certification Kevin's worked to formalise its DE&I policies, incorporated DE&I into its onboarding process and developed its ESG scorecard. Kevin's is now closely tracking gender and age distribution of Kevin's FTEs, management team and Board. The firm is dedicated to employee care and prosperity, and all Kevin's employees are equity owners.

Rewards Network

Rewards Network provides financing and marketing for restaurants

FTEs	383
Revenue (LTM to Sep 30, 2022)	\$115 million
Investment date	September, 2017 (PE IV)

Based in Chicago, Rewards Network supports more than 17,000 local restaurants across the U.S. to grow their businesses and serve their communities. The firm has worked to establish an inclusive company culture within its office and online, and has positioned affinity groups at the centre of its employee engagement activity. The four affinity groups, which consist of Asian-American and Pacific Islanders, the Black Engagement Network, Women Leaders and Pride, contribute content to the Culture Committee's calendar of educational, social and culinary events and in 2022 included: Black History Month, Hispanic Heritage Month and Women's Month.

Swissport

Swissport is a global aviation services business providing ground and cargo handling

FTEs	48,000
Revenue (LTM to Sep 30, 2022)	€2,514 million
Investment date	December, 2020 (PE V)

Swissport believes enhancing employee diversity can make the company more creative, innovative and successful and has laid out targets to improve its gender mix. Across Swissport, female employees account for one third of the workforce, exceeding the International Air Transport Association's target of 25%. The same share has been reached in Swissport's highest executive management level. Going forward, the company's focus is on improving the gender diversity of its mid-level leadership where women are currently underrepresented. Swissport is initially aiming for a proportion of 25% women at this tier, with an ambition to achieve a 40% share of women in management within the next five years.

Enhancing employee understanding

We conduct ongoing training to eliminate bias from our processes and culture

Our DE&I training

TowerBrook's diversity, equity and inclusion training programme is designed to facilitate honest and open engagement around DE&I for all our team members.

All new joiners have a one-to-one induction meeting with a senior member of the compliance team. In this meeting TowerBrook's policies on anti-harassment and equal opportunity employment are covered and the core tenets of our DE&I programme are discussed.

On an annual basis, TowerBrook provides training firmwide on our anti-harassment/anti-racism policies and fostering a culture of respect. Supporting this, we deliver an ongoing programme of training designed to enhance the team's understanding of DE&I considerations and promote best practice. On this page are highlights from the last six years.

In 2017, TowerBrook brought in Dr. Mahzarin Banaji of Harvard University to provide unconscious bias training to our team members.

In 2018, we arranged mandatory half-day training sessions for all team members with Exponential Talent, a firm that specialises in the development and implementation of diversity and inclusion strategies for innovation and performance. Topics covered at these sessions included an overview of biased language and specific training on the elimination of bias in interviewing, recruitment, reviews and staffing allocation.

This training was followed up in 2020, with a session for the entire firm on eliminating bias in the 360° performance review process, in connection with the launch of our 2020 annual reviews. This training focused on common biases that can impact reviews, academic research around the topic and specific tools to disrupt bias, e.g., an understanding of the use of agentic versus communal language.

Also in 2020, we brought in organisational psychologists to provide a Zoom workshop on unconscious bias to our entire firm, followed by a series of small-group facilitated discussions around a recruitment case study.

In 2021, TowerBrook entered into a partnership with the Atlanta-based Martin Luther King, Jr. Center for Nonviolent Social Change. The King Center provided training to our full team on confronting systemic racism and social injustice in a nonviolent way.

In 2022, we invited Professor Tony Mayo from Harvard Business School to provide a workshop to our New York investment team and senior financial/operations team on how to build greater diversity within personal and professional networks (see the deep dive on page 21 opposite).

In 2022, we also held further training firmwide on implicit and unconscious bias provided by Professor Elizabeth Haines, Ph.D. This session was recorded and will be required viewing for all new joiners going forward.

Deep dive The role of networks

We run practical training to help our team play their role in supporting diverse recruitment

Creating diverse personal and professional networks

In October 2022, the TowerBrook DE&I Committee welcomed Harvard Business School's Tony Mayo to the New York office to provide training designed to help our investment team and senior financial/operations professionals better understand the role of personal and professional networks in advancing diversity.

Networks play a fundamental role in recruitment, particularly at senior levels. Understanding how relevant decision-makers involved in hiring form their own networks of contacts is crucial to helping advance the identification and recruitment of outstanding talent from diverse backgrounds.

The training session and associated preparatory work was designed to encourage the team to reflect on their own personal and professional networks including what measures, if any, they could take to make them more diverse over time.

Ahead of the session, all participants were asked to complete two items of pre-work, including a review of a relatable private equity/venture capitalist case study, as well as their own custom Personal Network Assessment. All participants received their own Personal Network Report (informed by the Assessment) designed to make the training practical and relatable for everyone participating.

At the training session, Professor Mayo facilitated a discussion about how networks are formed. The team then engaged in a review of their individual networks and actionable ways to make them more diverse across different dimensions.

Of those who provided feedback, almost 90% said they found the training worthwhile or very worthwhile. 100% said that the event would impact the way they network, with just over 60% saying it would change the way they network at least 'somewhat' and almost 40% going further, saying it would change it or would change it 'very much'.

About the facilitator

Tony Mayo is the Thomas S. Murphy Senior Lecturer of Business Administration and C. Roland Christensen Distinguished Management Educator in the Organizational Behavior Unit of Harvard Business School (HBS). He currently teaches Leadership and Organizational Behavior (LEAD) and Authentic Leader Development in the MBA Program. He also serves as the course head for LEAD. Tony recently co-created two HBS Online courses: Leadership Principles, which helps new and aspiring leaders unleash the potential in themselves and others; and Organizational Leadership, which equips experienced team leaders and aspiring executives with the skills, strategies, and tools to rise to expanded leadership responsibilities and guide their organizations effectively. Previously, he was the course head of FIELD, Field Immersion Experiences for Leadership Development, an experiential, field-based course focused on leadership, globalization, and integration. Prior to his work on FIELD, he co-created and taught the elective course, Great Business Leaders: The Importance of Contextual Intelligence. In addition, Tony teaches extensively in leadership-based executive education programs.

“Considering the composition of networks within private equity is central to advancing the sector's diversity. It takes honest reflection by individuals and proactive action to build more diverse personal and professional networks.”



Tony Mayo
Professor,
Harvard Business School

Fostering an equitable culture

We are seizing opportunities to bring about real culture change backed by equitable and inclusive policies

Our policies

TowerBrook is committed to conducting our business with the highest ethical standards and to providing a safe and inclusive working environment. This commitment is reflected in our Employee Handbooks for New York and London, which contain policies to support diversity, equity, inclusion and respect.

Our policies include an equal opportunity policy, policies that prohibit sexual harassment and other unlawful harassment, a consensual relationship policy and complaint/grievance procedures. TowerBrook provides in-person training to all team members on these policies at least annually.

In 2020, we reviewed our Handbooks and formalised and enhanced a number of employee-friendly policies with a view to further improving our firm. Our enhanced policies support flexible working and working from home and reflect the need for remote working health and safety and home office equipment needs.

We seek to accommodate learning differences and disabilities, and we encourage (but do not require) disclosure of these. We will make reasonable efforts to remove any disadvantages that might arise as the result of a learning difficulty or disability.

To supplement our existing policies and procedures, we have introduced a reporting service through an external company, Safecall, which provides a professional, independent and confidential means for employees to report any concerns.

TowerBrook also has an equitable remuneration policy, and conducts a review of pay equity across our firm annually in relation to gender and underrepresented racial/ethnic groups.

Leaders are committed to diversity and inclusion as top priorities – 4.42*

People with different backgrounds are treated with respect – 4.58*

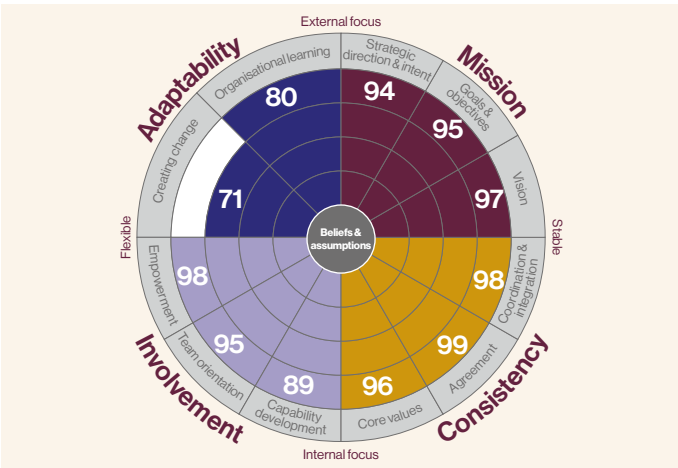
*TowerBrook's 2022 engagement survey (where 4 is agree and 5 is strongly agree)

Our culture survey

TowerBrook is committed to nurturing a team culture that is aligned with our purpose and values. Our culture informs not only how we manage our business and build relationships among ourselves but also how we grow our portfolio, interface with our local communities and deliver value for our investors and management partners.

To further this objective, we participate in an annual firmwide culture survey administered by Denison. Responses are anonymous and include voluntary disclosure of demographic data. Our pooled responses are benchmarked against a global dataset of other organisations. The results of TowerBrook's culture survey allow us to analyse the job satisfaction and engagement of team members, and to identify any meaningful disparities in responses by demographic factors. The deeper understanding of our culture gained from the survey supports thoughtful actions that will help us build a better, stronger firm.

The survey includes an additional module on diversity, equity and inclusion that allows us to analyse the effectiveness of our DE&I programme and the degree of buy-in and support among team members. Our scores in this area started from a strong base in 2019, when we conducted our first survey. Our 2022 survey showed a score of 4.45 (where 4 was agree and 5 was strongly agree) for the statement 'People with different backgrounds are made to feel included and like they belong'. A similarly high proportion of respondents (4.42) agreed that the leaders of the firm are committed to diversity and inclusion as top priorities, and that there is good support for learning about diversity (4.47).



Deep dive Our parental leave policy

We are dedicated to supporting team members who wish to take parental leave



Our policy in detail

Primary caregiver: The specific leave for primary caregivers depends upon the length of service, but at a minimum all employees who are primary caregivers receive 10 weeks leave at full pay following birth/adoption (increasing to 12 weeks if leave commences in the third or later year of service). Primary caregivers also receive at least 10 days additional full pay to be taken at any time within the first year, increasing to 20 days if leave commences in the third or fourth year of service, and 25 days if leave commences any time after the fourth completed year of service.

Secondary caregiver: TowerBrook aims to provide a supportive environment for secondary caregivers to take time off work to help look after and spend time with family. Secondary caregivers whose leave commences in the second year of service receive two weeks leave at full pay. Secondary caregivers whose leave commences at any time after the second completed year of service receive two weeks leave at full pay, plus five days additional full pay to be taken at any time within the first year after birth/adoption.

Additional benefits: We recognise that team members taking and returning from a period of parental leave may require additional assistance and support. The additional benefits offered by TowerBrook include:

TowerBrook's parental leave policy

We benchmark our parental leave policy against the market standard among our peer and non-peer firms, and keep it under continuous review. We continue to think through ways to provide assistance and support to team members embarking on and returning from a period of parental leave.

Parental leave statement

- TowerBrook is dedicated to supporting team members who wish to take any form of parental leave in accordance with the terms of our parental leave policies as set out in our London and New York Employee Handbooks
- We aim to attract and retain a talented and diverse workforce, and recognise that individual family challenges are unique and flexibility in support is valuable
- We appreciate the commitment our team members have made to our firm, and we are equally committed to fostering a work environment and career progression that is supportive to primary and secondary caregivers
- We strive to offer a generous and flexible parental leave plan to provide support for time off when a baby is born or adopted, and ongoing support when employees return from leave

- on-site lactation accommodation
- backup childcare for up to 15 days per year
- a work-life referral hotline
- flexibility in the timing of annual reviews for employees having leave within the year
- executive coaching for primary caregivers who are investment or senior financial professionals to help them plan for leave and return, along with coaching during the first year after return from leave

Providing equal opportunities

Our regular performance reviews are supported by mentorship and training programmes

Performance reviews

TowerBrook explicitly includes DE&I as part of our annual 360° performance review process. We expect each team member to promote diversity and inclusion and to seek opportunities to communicate these values to a wider group, both internally and externally. Team members are evaluated and held accountable for their contribution in this area as part of the 360° performance review process.

Each year we analyse our set of 360° performance review questions to identify and eliminate any wording that could contain hidden bias. Prior to launching the review process, we provide training to the firm on reducing bias in written reviews. We also include in the review system a landing page with written guidance on reducing bias when writing reviews. We examine the reviews once submitted to identify and remove any potentially biased language.

Staffing allocation

TowerBrook has implemented a formal review of our Associate staffing allocations to ensure that work is distributed in a fair and equitable manner. This includes enhanced tracking of Associate staffing metrics and a formal lookback analysis over time. The analysis allows us to screen for any patterns for gender and race/ethnicity and to ensure that all Associates receive balanced access to staffing on investment opportunities.

Mentoring programme

TowerBrook provides a formal mentoring programme for all mid-level and junior team members, including investment team and financial/operations Principals and Associates. The mentoring programme is designed to accelerate the professional development of the mentee and add to the transparency of development paths, while at the same time providing an opportunity for leadership development for the mentor.

As part of the programme mentors and mentees agree on key growth opportunities in the mentee's professional development, and distil these into a development plan containing core growth objectives. Mentor/mentee pairs are encouraged to meet monthly to review progress against the core objectives and map next steps, with a deeper meeting each quarter. Performance feedback on the mentor/mentee relationship is also part of the mentor's end-of-year performance review.

While our mentorship programme is not specifically geared towards diverse populations, we consider it an integral part of our DE&I programme as it serves to ensure that all our team members have equal access to senior mentors and receive equitable opportunities to be supported for success.

Our employee-led affinity groups (see pages 26 and 27) also provide formal and informal mentoring programmes for specific populations within our team.

People with different backgrounds have fair and equal access to personal and professional development – 4.45*

People with different backgrounds have fair and equal opportunities for promotion – 4.37*

*TowerBrook's 2022 engagement survey (where 4 is agree and 5 is strongly agree)

Promoting diverse representation

We believe diverse perspectives and experiences help inform better decision making and minimise risk of group think

Encouraging diverse perspectives

At TowerBrook we value diversity of thought because we believe different perspectives create richer discussions that drive better-informed decision making. Diversity of thought supports our firm's purpose, which is to build better companies. We have extended our thinking about DE&I to support more diverse workplace representation that includes formerly overlooked and underrepresented communities beyond gender, race, ethnicity and sexual orientation.

Physical ability

We believe the inclusion of individuals with varying physical abilities and experiences can bring new perspectives to teams and help businesses build a more diverse and inclusive environment. We have established ABLE, an employee-led affinity group for employees working with disabilities and/or who are neurodiverse (for details of TowerBrook's affinity groups see pages 26 and 27). Our objective is to keep accessibility front-of-mind as well as identify opportunities for improvement. As an example, our annual RO Report now incorporates a braille invitation on the back cover communicating to visually-impaired readers that they may request an audio version. We encourage our portfolio companies to ensure their recruitment and workplace processes are designed with accessibility in mind, and that their premises are accessible and compliant with the ADA (Americans with Disabilities Act) or other applicable local laws and regulations. We also include a question about accessibility of company facilities in our annual portfolio company survey.

Name pronunciation

The accurate pronunciation of names supports employees to feel valued and included. TowerBrook has rolled out name pronunciation software on our website that enables team members, if they wish, to record their name so it can be played back by clicking a button on their biography webpage.

Neurodiversity

Neurodiversity is becoming recognised as another aspect of overall diversity. Most hiring processes, management practices and workplace procedures have been created for neurotypical brains without taking the neurodivergent into account. It is now understood that teams that include both neurotypical and neurodivergent thinkers can reduce group think, challenge assumptions and increase efficiency by questioning existing processes thereby contributing to the performance and growth potential of businesses. TowerBrook has implemented formal policies to support employees with learning differences. We also endeavour to socialise and promote the latest thinking about neurodiversity among our portfolio companies. Where we come across an example of good practice, we seek to highlight it (see our portfolio company Acacium Group's approach to supporting neurodiverse colleagues on page 33 of our 2022 RO Report).

Veterans

Military service emphasises leadership, teamwork and accountability, trains in problem-solving and decision-making and values integrity, honesty and attention to detail. A study of veteran hiring, performance and turnover found that veterans, on average, perform at higher levels and are less likely to leave, generating positive outcomes for businesses. The analysis showed that for a company of 1,000 employees with 25% veteran new hires, cost savings amounted to \$325,000 p.a.¹² The TowerBrook Foundation partners with two organisations that support veterans in their return to civic life, the COMMIT Foundation and the Pat Tillman Foundation (see pages 28 and 30). Through these we post our job description for Associates as well as summer interns in our New York office. We have also constituted an employee-led affinity group dedicated to veterans and have added a specific, optional question around veteran status to our internal DE&I self-identification survey.

Advancing employee inclusion

We promote inclusion through our employee-led affinity groups

TowerBrook employee-led affinity groups

Employee-led affinity groups play a vital role in realising the benefits of team diversity, enhancing the welfare and productivity of individual team members and serving the firm as a whole. At TowerBrook, we recognise and value the important contribution that affinity groups make towards a number of key goals:

- attracting, recruiting, and retaining diverse employees
- promoting diversity, cultural awareness, allyship, and an inclusive work environment
- increasing job satisfaction, morale, and productivity
- fostering professional development and learning through mentoring, networking, open dialogue, and the exchange of ideas
- providing support and resources for team members
- supporting our business by reinforcing our DE&I initiatives internally and in our industry

In 2020, we launched a process for constituting and supporting employee-led affinity groups within TowerBrook to serve as a network and resource for various populations within the firm. We began with five and have added four more over time to reflect our growing diversity. Every new joiner is given an overview of TowerBrook's affinity groups as part of their induction process and the groups play an active role in our daily working life and culture as a firm.

ABLE

ABLE's purpose is to create a source of partnership and mentorship for employees (or friends of the TowerBrook community) that are working and living with a range of disabilities.

- In early 2023, ABLE hosted Bo Parfet, an impact investor and adventurer who discussed challenges facing neurodiverse employees working in the finance industry

Asian Professionals Affinity Group (APAG)

The Asian Professionals Affinity Group serves as a network and resource group to support recruitment, retention, personal and professional development and celebration of Asian professionals at TowerBrook.

- In May 2022, APAG hosted a voluntary firmwide training session, Bystander Intervention in the Workplace, delivered by the U.S.-based non-profit organisation, Right To Be

BOLD

BOLD aims to connect, develop and support TowerBrook's Black employees through community and enrichment events, and to serve as a key resource to the firm regarding issues, needs and policies affecting recruitment, retention and advancement of Black professionals.

- In February 2022, BOLD hosted a U.S. Black History Month event, Advancing Black Leadership. This event involved a panel featuring Black speakers from TowerBrook's own network including Amran Hussein, Partner at Paul Weiss, and Harold Martin Jr., CEO of Taco Mac, and Board member of Rewards Network, a TowerBrook portfolio company
- In June 2022, BOLD hosted a firmwide Juneteenth event featuring Professor Tony Mayo from Harvard Business School. This was followed by a Heritage Lunch event for the New York office
- In October 2022, BOLD hosted a firmwide U.K. Black History Month event in discussion with Professor David Olusoga OBE, focusing on Black history in the U.K. and systemic racism

Bridges

Bridges serves as a network and a resource for LGBTQ+ employees and allies, promoting the benefits of equality and diversity and fostering general awareness of LGBTQ+ employees and their contributions.

- In June 2021, Bridges hosted Stonewall U.K. to provide an LGBTQ+ firmwide awareness training event during Pride Month
- In June 2022, Bridges hosted a Pride Month firmwide lunch and learn event, Celebrating Pride. This event was held in conjunction with the TowerBrook interns recruited through our TowerBrook Foundation partner, Out4Undergrad

Juntos

Juntos aims to connect, develop and support TowerBrook's Hispanic/Latinx employees through community and enrichment events as well as serve as a key resource to the firm regarding issues, needs and policies affecting recruitment, retention, and advancement of Hispanic/Latinx professionals. It also aims to share and increase awareness of our cultural heritage at TowerBrook.

- In May 2022, Juntos hosted a Cinco de Mayo celebration and lunch and learn session for employees in the TowerBrook New York office
- In October 2022, Juntos hosted a Heritage Lunch for employees in the New York office during Hispanic Heritage Month
- Also in October 2022, Juntos organised a salsa lesson and dinner event for its affinity group members

Second Shift

Second Shift's purpose is to support its members in achieving work/life balance by providing a forum for working parents/caregivers to share experiences and best practices, and promote an inclusive and supportive culture at TowerBrook for working parents/caregivers through sponsoring initiatives to attract, develop and retain talented employees who are balancing working and caregiving.

- In May 2021, Second Shift hosted a talk by authors, Rob Parsons and Katharine Hill, for working parents on how to support and strengthen family life during challenging times
- In March 2022, Second Shift hosted a firmwide lunch and learn session, delivered by a specialist fertility counsellor on how to support friends and colleagues through fertility and pregnancy loss

Task Force TowerBrook

Task Force TowerBrook's mission is to both identify, coordinate, and advance initiatives to improve the lives of military veterans, in particular their professional transition and add value to TowerBrook by building relationships with potential talent, business partners and advisors from military backgrounds.

- In both November 2021 and November 2022, we held a Veteran's Day event in association with our TowerBrook Foundation partners, the Pat Tillman Foundation and the COMMIT Foundation, to raise awareness of those who have served and the ongoing initiatives supporting veterans in their return to work

Women Investment Professionals

Women Investment Professionals serves as a network and resource for female members of the investment team to support recruitment, retention and engagement, and to provide opportunities for personal and career development at TowerBrook.

- In January 2022, Women Investment Professionals, in collaboration with TowerBrook's Women Professionals group (see below), co-hosted a session focusing on how women can effectively seek out, receive and deliver feedback. The session was led by executive coaches from U.S.-based coaching company, the BodaGroup, and was open to members of both groups

Women Professionals

Women Professionals serves as a network and resource for female professional team members to provide informal mentorship, support retention and engagement and to add opportunities for personal and professional development of women at TowerBrook.

- In April 2021, Women Professionals hosted a firmwide lunch and learn discussion about how to be an ally. An ally is someone who, while not a member of a specific group themselves, shows their support, empathy and engagement with the issues the group faces

Health and Wellness Committee

We believe that if employees feel happy and healthy, they are more likely to feel motivated to excel at work. We have set up a dedicated Health and Wellness Committee which organises educational and cultural events designed to promote the health and wellbeing of the entire team. Topics are wide-reaching spanning nutrition, work-life balance and mental health, as well as cultural and team-building events designed to deepen our inclusive culture. During 2022, the Committee hosted two DE&I related events: a self-defence class and a firmwide webinar on menopause. TowerBrook continues to encourage adoption of the health and wellness benefits offered to our team, including one-to-one mental health coaching, gym membership and the range of benefits provided by our employee assistance programme.

Driving greater access

We offer investment-facing internships that serve to widen industry access for underrepresented groups

TowerBrook acknowledges that improving access to careers in private equity for historically underrepresented groups and building more diverse talent pipelines is a DE&I priority. Through a number of carefully selected partners supported by our TowerBrook Foundation we offer investment-facing internships to students from underrepresented populations in both our London and New York offices. These internships provide an opportunity for underrepresented talent to gain experience in private equity. Our internships may also lead to opportunities for an Analyst and ultimately a private equity Associate role at TowerBrook.



In the U.S. we partner with the Opportunity Network (OppNet), to take part in their internship program, **Opportunity Ignited**. Designed to support the development of the next generation of diverse leaders in investment management, Opportunity Ignited also helps investment firms boost their capacity to create the workplace conditions that will help people of colour learn, perform and succeed in their careers. TowerBrook welcomed two interns as part of this program during 2021 and 2022, and will welcome two interns during summer 2023. TowerBrook CSO, Abrielle Rosenthal, serves on the Opportunity Network Board.



In 2022, we offered three investment internship opportunities in our New York office through **Out for Undergrad (O4U)**, a non-profit organisation with a mission to help high-achieving LGBTQ2+ undergraduates reach their full potential. Allies and members of the Bridges (LGBTQ+) affinity group attend O4U's annual business conference and job fair, and TowerBrook will again offer summer internships to students from O4U in 2023 in our New York office.



In 2022, TowerBrook joined **GAIN's** Empower Investment Internship Programme in partnership with Level 20. GAIN's mission is to address the investment industry pipeline and raise the application rate among young women and non-binary people for entry level investment roles in the U.K. TowerBrook will host one investment facing intern through this programme in our London office in 2023.

“

Welcoming interns from diverse and underrepresented backgrounds not only creates a pipeline of exceptional talent, but also helps firms create a more inclusive culture where this talent can thrive, grow and succeed long-term.

AiLun Ku
CEO, Opportunity Network

”



In the U.K. we became one of the 80 founding investment management firms to support the **10,000 Black Interns** initiative launched in 2020 with the aim of improving diversity in the investment management industry. Through this partnership, TowerBrook offers summer intern opportunities to Black interns in our London office, and hosted two during each of 2021 and 2022 and will welcome two interns in summer 2023.



The **COMMIT Foundation** empowers service members, veterans and their families to create purposeful and fulfilling transitions to post service lives. TowerBrook partners with COMMIT to support veterans in all communities to access services helping them identify their passions, build strong networks and leverage their skills in civilian careers. TowerBrook hosted an intern from the COMMIT Foundation in our New York office in 2021.



The **TEAK Fellowship** is a non-profit unlocking access to outstanding education and transformative experiences for NYC students from low-income families. TEAK's free 10-year middle school, high school, and college prep, access and success program empowers exceptional students to achieve their potential regardless of their economic circumstances. TowerBrook has partnered with TEAK since 2019 to offer career advice and mentoring, and our New York office hosted two TEAK interns in summer 2021, one in 2022, and will welcome one intern in 2023. TowerBrook Co-CEO, Jonathan Bilzin, serves on the TEAK Board.

Creating a more equitable industry

We sponsor industry initiatives promoting diversity and inclusion in private equity

We believe the private sector can play an important role in advancing DE&I to provide a more just and equitable society, and we seek to improve the representation of diverse and underrepresented groups within our own industry. We take steps to identify and support organisations and networks that are engaged in efforts to drive this objective, providing financial support along with our team's time, experience and expertise.



Stonewall is a U.K. Human Rights Organisation that supports the LGBTQ+ community and allies all around the world. Stonewall addresses LGBTQ+ inclusion in the workplace by policy and practice review, aiming to help employers attract, support and retain LGBTQ+ talent. In 2021, TowerBrook joined Diversity Champions, the world's longest running workplace inclusion programme designed to ensure all LGBTQ+ employees are free to be themselves in the workplace. Stonewall also provided LGBTQ+ inclusivity training to TowerBrook in 2021.



TowerBrook is a founding sponsor of **Black Women in Asset Management (BWAM)**, a U.K.-based organisation of professionals in the asset management industry aligned around a common goal to advance and retain Black women leaders across all investment strategies. BWAM has a mission to champion the positive impact of the talented Black women who work in asset management and provide the tools that will enable them to thrive. BWAM runs a programme of events and networking opportunities that help prepare and support the next generation of Black women leaders in the industry.



TowerBrook supports **Level 20**, a non-profit organisation that aims to deliver greater representation at all levels for women in the European private equity industry.



TowerBrook is a member of **Out Investors**, a global network whose mission is to make the direct investing industry more welcoming for LGBT+ individuals. Out Investors runs events and programmes involving LGBT+ investment professionals and investment-adjacent roles, including portfolio value creation, fund management and investor relations.



In 2021, TowerBrook partnered with **SEO London** as a sponsor of its Alternative Investment Programme (AIP). AIP includes outreach to underrepresented, underserved and underprivileged target populations and provides a programme of intensive training, mentoring and coaching to deepen skill sets and social capital. TowerBrook volunteers offered their time and experience, training and engaging diverse first- and second-year investment bankers and consultants to support their talents as they rise professionally and facilitate their entry to the private equity industry.



TowerBrook is supporting the research work of the **ESG Initiative at Wharton** which has a mission to strengthen the role of business in creating a more inclusive, equitable and sustainable global economy. Our sponsorship is helping to fund research into racial equity investing, as well as to support the compilation of an impact finance database and a rigorous study of impact performance.

Partnering with purpose

We support our communities in tackling inequality through charities aligned with our purpose

The TowerBrook Foundation

The TowerBrook Foundation invests in the communities in which we live and work by partnering with carefully selected organisations that are aligned with our purpose and values, and where our contribution can have a lasting impact.

The TowerBrook Foundation is an integral part of our identity and culture that reinforces the values we seek to promote within our business. We believe that giving together will help us to grow as a firm as well as making a lasting difference to those we support. The TowerBrook Foundation is funded from the profits of our business and is a 501(c)(3) organisation.

We engage in a range of activities that include supporting charities to become more effective, devoting resources in kind and volunteering time to practical projects, and helping to raise awareness of the charities' work, including among our portfolio companies, so that they can grow and thrive. The Foundation offers to match gifts whereby individual donations from any TowerBrook team member are matched on a 3:1 basis, up to a cap.



U.K.-based **Resurgo** focuses on supporting young people with serious barriers to employment and connecting them via its Spear programme to employment. In 2019, the TowerBrook Foundation committed to support Resurgo over three years, both financially and with volunteers, so that it can continue to equip these young people with confidence, motivation and the vital skills they need to succeed in long-term employment. In 2022, employees from TowerBrook's London office spent time at the Resurgo Spear Centre in Islington, London, carrying out mock interviews with Spear trainees.



Black Girl Ventures is an organisation that funds and scales tech-enabled, revenue-generating small businesses founded by people who identify as Black/Brown women. Employees from our New York office participate as mentors to potential entrepreneurs and act as judges for pitch competitions. In 2022, TowerBrook volunteered at pitch practices and participated in a 'Shark-Tank'-like presentation, showcasing the efforts of rising entrepreneurs.



Habitat for Humanity International is a global, non-profit housing organisation that helps people and communities develop strength, stability and self-reliance through shelter. Their vision is of a world where everyone has a decent place to call home. TowerBrook has supported Habitat for Humanity since 2018 across a range of community projects, including in Addis Ababa, Ethiopia, as well as in Philadelphia, Baltimore, Queens and Newark, U.S.A., providing opportunities for TowerBrook's colleagues to volunteer on site and witness the impact first-hand. In 2022, TowerBrook provided funding for Habitat for Humanity's Ukrainian refugee programme across eastern Europe. TowerBrook CIO, Gordon Holmes, serves on the Board of Habitat for Humanity Great Britain.



City Year U.K. is a youth and education charity that empowers diverse 18 to 25-year-olds to act as mentors to pupils furthest from opportunity and tackle educational inequality through a year of full-time volunteering in school. TowerBrook was a founding partner in the launch of City Year in the U.K. and supported its work in both the U.S. and U.K. over an eight-year period.



Bookmark is a U.K.-based charity seeking to give children the reading skills and confidence they need for a fair chance in life through a volunteer-led programme and delivery of essential reading materials. TowerBrook volunteers support primary school children in a growing network of schools by delivering one-to-one reading programmes. In 2022, TowerBrook volunteers also spent several days packing boxes as part of the Bookmark Box campaign, delivering literary resources to Ukrainian refugee families arriving in the U.K. with primary-age children.



The **Pat Tillman Foundation (PTF)** identifies remarkable military service members, veterans and spouses, empowering them with academic scholarships, lifelong leadership development opportunities and a diverse, high-performing mentors and peers. TowerBrook Managing Director, Ian Sacks, serves on the Board of PTF.

Deep dive Impetus Connect Fund

We aim to help decrease the employment gap faced by young people from ethnic minority, disadvantaged backgrounds and promote systemic change towards a more racially equitable society

Impetus

Impetus is a charitable organisation dedicated to transforming the lives of young people from disadvantaged backgrounds by making sure they receive the right support to succeed in school, work and life. Impetus applies the rigour and discipline of the private equity industry by working as a partner to make good charities even better. Through long-term unrestricted core funding, the expertise of a dedicated investment team and access to a world class pro bono network, Impetus helps to build and scale the activities of its partner charities. TowerBrook COO and Head of Investor Relations, Filippo Cardini, serves on the Impetus Board.

The **Impetus Connect Fund** seeks to promote systemic change towards a more racially equitable society, partnering with high potential charitable organisations focused on supporting young people from ethnic minority backgrounds into employment. During 2022, Impetus conducted extensive due diligence among an original pool of over 160 charities, and in early 2023 selected four with potential for impact at scale.

Sister System

Sister System's mission is to bridge the gap between Black and minority ethnic care-affected girls and mainstream society. The charity provides early-intervention support to care-affected young women aged 13 to 21 to help them sustain positive relationships and mental wellbeing, and progress into employment, education or training. It does this through a combination of therapeutic mentoring to support trauma recovery and mind set; support to obtain accredited level 2 qualifications; peer-to-peer mentoring; and by providing a community to generate a sense of belonging, often in the absence of a stable home setting. In 2022, Sister System supported 127 people through its scheme and generated £327k in income. In 2023, the Impetus Connect Fund invested £60k p.a. for two years.

Babbasa

Babbasa is a Bristol-based social enterprise that sets out to support young people aged 16 to 25 with their professional aspirations, irrespective of background. The community in which it operates experiences a high level of inequality by ethnic minorities and has an ethnic minority employment gap of twice the national level. The charity runs three core programmes which aim to build confidence, develop skills, and connect with employers and mentors. Since it was established in 2013, the social enterprise has helped over 3,000 people, and in 2022, it supported 251 people and generated £585k in income. Recognising the charity's potential for impact in Bristol's ethnic minority community, in 2023 the Impetus Connect Fund invested £80k p.a. for two years.

IMO Charity

Inspire Motivate Overcome (IMO) Charity was founded by members of the South Asian Community to support disadvantaged young people and their families in Blackburn, Lancashire, U.K. In its locality, unemployment levels among Bangladeshi and Pakistani minorities aged 16 to 24 are almost five times higher than the figure for all ethnicities, and its local authority is one of the most deprived in England. The charity delivers a wide range of programmes aimed at supporting young people to progress into employment, education or training, and in 2022, it supported 3,616 young people and generated £828k in income. In recognition of its scope to help transform the life chances of its target South Asian community, the Impetus Connect Fund invested £60k p.a. for two years.

Generation U.K.

Generation U.K. delivers skills bootcamps in a range of professions across London, Greater Manchester, the West Midlands, Yorkshire and Scotland. It first launched programmes in the U.K. in 2019 to address two needs in the U.K. labour market at once: persistent youth unemployment and unmet employer demand in key growth sectors like tech. Its programme combines the technical skills demanded by employers, the wraparound support that young people from disadvantaged backgrounds need, and exceptional employer links to get young people into employment. In 2022, 67% of the young people on Generation U.K. programmes were from ethnic minority backgrounds. In 2023, the Impetus Connect Fund invested £100k p.a. for two years.

Communicating our inclusive values

We seek to communicate our values across our speaker activity

Exchanging ideas and insights

We believe the exchange of ideas and insights is fundamental to advancing DE&I within our industry, both to navigate the challenges of the task ahead as well as share learnings and best practice. We actively seek opportunities to gather insights from our peers and share our own experiences as the first mainstream private equity fund to become a B Corp.

TowerBrook team members participate in a number of industry conferences and events that promote the advancement of DE&I, including Women in Private Equity events and the ILPA DE&I roundtable. We also engage in volunteer speaking events to support our DE&I-focused TowerBrook Foundation partners.

Promoting diverse speakers

Communication of our values is a core part of our DE&I strategy. We have committed to including diverse speakers at TowerBrook events including our annual LP meeting. Building on this, through the events held by our affinity groups, we have welcomed a range of inspirational speakers from diverse backgrounds to TowerBrook, including Professor David Olusoga OBE and senior African American executives in our network.


We also seek to ensure a diverse range of speakers as participants in our VisionOn roundtables, bringing a variety of perspectives. These events bring together sector experts, senior executives and members of our team in a small, private forum where they can exchange ideas and chart new opportunities for sustainable value creation.

Our 2022 DE&I conference activity


- Women’s Private Equity Summit 2022
- TowerBrook Sponsorship and Panel Moderator for: ‘Investing with Impact and Achieving Financial Returns – How it Should Affect Your Decisions’
- SEO London Alternatives Academy
- Fireside chat/Q&A on ESG commitment
- SEO Alternative Investment Conference
- Participant in: ‘Sustainable Investing – Energy Transition’
- U.K. Women’s Private Equity Summit Europe 2022
- TowerBrook Sponsorship and Panel Participation: ‘Walking the Walk: Hard Decisions Along the Path to Responsible Investing’
- Institutional Limited Partners Association (ILPA) Summit
- Co-Facilitator of: DE&I breakfast roundtable
- Panel Participant within: ‘ESG Data Measurement and Convergence session’
- Out for Undergrad Business Conference/Career Fair
- Sponsor Mentor at: Black/ethnic minority breakout session



David Olusoga OBE
Professor of Public History,
University of Manchester




Amran Hussein
Partner, Paul Weiss



Harold Martin
CEO, Taco Mac; Board Member of Rewards
Network, a TowerBrook portfolio company



Delilah Rothenburg
Co-Founder and Executive Director,
The Predistribution Initiative



Michelle Clayman
Impact Advisory Board Member,
TowerBrook; Chair of the Advisory Council
for Gender Research

Inviting stakeholder feedback

Robust DE&I policies and performance are of growing importance to our partners

Dyal Capital’s DE&I review

Dyal Capital (Dyal), a division of Blue Owl Capital, is an institutional alternative asset manager with \$47.8bn in assets under management. Investment funds managed by Dyal hold a minority stake in TowerBrook.

Dyal’s Business Services Platform (BSP) has a dedicated DE&I pillar providing support for its partners across people strategy, corporate and investment practices, and community impact. BSP also holds thought leadership roundtables throughout the year to bring GPs together to exchange ideas, with recent topics covering employee resource groups, pay equity and mentorship programmes.

TowerBrook engages with our partners to exchange ideas around DE&I initiatives

BSP provides comprehensive DE&I reviews for its GPs upon request, resulting in actionable feedback. Areas covered include how well DE&I considerations have been implemented into a GP’s organisational governance and culture; the policies, processes and partnerships in place to attract and retain diverse talent; firmwide training; community impact; pre- and post- investment practices; and tracking and measurement.

TowerBrook requested a review by the BSP in 2022 and we have been leveraging the resulting feedback to continue to iterate, expand and progress our internal DE&I programming.





When everyone
is included,
everyone wins.

Reverend Jesse Jackson, Snr.
Civil Rights Activist

Notes and references

1

TowerBrook employees as of Jan 31, 2023

2

12 funds include 11 private investment partnerships and one co-investment partnership. Capital raised since inception of \$21.1bn is at Dec 31, 2022, pro forma for additional commitments received in Q1 2023

3

Portfolio companies include all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jan 31, 2023. The number of full-time employees or equivalent (FTEs) shown throughout this report is at Sep 30, 2022, for all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jan 31, 2023. The combined revenue in the 12 months to Sep 30, 2022, generated by the 46 companies in which TowerBrook had an investment interest at Jan 31, 2023; this figure is based on Sep 30, 2022, conversion rates of EUR 0.9785 and GBP 1.115

4

Diversity wins: why inclusion matters, McKinsey and Company, May 2020

5

Innovation without borders: when innovation has no borders, culture is key, Boston Consulting Group, March 2022

6

The State of Diversity in Global Private Markets, McKinsey and Company, November 2022

7

Edelman Trust Barometer 2020: Special Report on U.S. Institutional Investors, November 2020

8

The 40 portfolio companies surveyed for the 2022 RO Report included all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2022, with the exception of: Access, Ascent, GSF, Izipizi, OVH and Premium Credit. All comparative figures presented for 2022/2021/2020 use data from the 2022 portfolio snapshot, consisting of 40 companies (as above); compared to our 2021 portfolio snapshot, consisting of 32 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jun 30, 2021, with the exception of CAVU, Law Finance Group, PennantPark, Precis, and USACS); and to our 2020 portfolio snapshot, consisting of 25 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jun 30, 2020, with the exception of CAVU, True Religion and Studio Movie Grill). To align with the ESG Data Convergence Initiative, our 2022 RO Survey data reflects our portfolio companies' reported positions as of Dec 31, 2021. These responses are labelled as 2022 and represent our 2022 round of RO data collection. In previous years, our RO Survey data is representative of our portfolio companies' reported positions as of end-Q1 for the labelled year. All survey results are rounded to the nearest 1%

9

In 2021 and 2020, this data represents the same group of companies as in 2022, except where a company had not yet been formed in a prior year

10

We identified 83 key vendors across the London and New York offices. Of the 83 key vendors surveyed, 28 responded, representing a 34% engagement rate from key vendors

11

Private Debt Investor article, November 2022: <https://www.privatedebtinvestor.com/defining-deals-transforming-private-debt/>

12

The Business Case for Hiring Veterans, CEB Corporate Leadership Council, 2013

The information contained in this report (the "Report") is provided by TowerBrook Capital Partners L.P. or TowerBrook Capital Partners (U.K.) LLP (individually or together with their affiliates as the context requires, "TowerBrook") to share our efforts regarding responsible ownership and diversity and inclusion at TowerBrook. The Report is for informational purposes only and does not constitute and should not be construed as an offer to sell or solicitation of an offer to buy any securities or related financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, insurance or other laws of such jurisdiction. Any such solicitation will only be made through formal offering materials that will include, among other disclosures, numerous risk factors relating to private fund investments. Responses to any inquiry that may involve attempting to effect transactions in securities will not be made absent compliance with applicable U.S. and non-U.S. broker-dealer, investment advisor, broker-dealer agent or investment advisor representative registration requirements, or applicable exemptions or exclusions therefrom, and TowerBrook has an absolute right in its sole discretion to choose not to respond to any such inquiry. Any investment decision with respect to a particular fund managed or advised by TowerBrook must be based solely on the definitive and final version of the confidential private placement memorandum, limited partnership agreement, or other governing documents, investment management agreement, subscription agreement(s) and related documentation for the particular fund managed or advised by TowerBrook.

In the United Kingdom, the Report is issued by TowerBrook Capital Partners (U.K.) LLP, which is authorised and regulated by the Financial Conduct Authority and is a sub-advisor to various funds which are unregulated collective investment schemes and are subject to the restriction on promotion of interests in collective investment schemes contained in Section 238 of the U.K. Financial Services and Markets Act 2000 (FSMA).

Any information or data regarding portfolio companies or other investments of a TowerBrook fund contained herein is based on information obtained directly from the respective company or sourced through publicly available data. TowerBrook cannot guarantee the accuracy or completeness of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. No representation, warranty or undertaking, express or implied, is given by TowerBrook, its officers, partners, employees, affiliates, directors, shareholders or agents (each a "TowerBrook Person") as to the accuracy or completeness of the information or opinions contained in the Report. Past performance is NOT indicative of future results, and TowerBrook makes no representation in this regard. Analyses regarding the impact of TowerBrook's responsible ownership practices and diversity and inclusion programme are based on TowerBrook's internal analysis and information provided by the applicable portfolio company and, unless otherwise noted, are estimates that have not been verified by a third party and are not necessarily reported according to established voluntary standards or protocols. Impacts of such initiatives may also reflect factors such as economic, social or industry trends that are not related to the initiative presented. No representation or warranty is made regarding TowerBrook's use of some or all of the processes described herein; applicability is determined on a case-by-case basis. All information and data in the Report is presented as of 31 January 2023, unless otherwise indicated, and TowerBrook has no duty to update the information contained herein.

For certain of the TowerBrook funds, case studies have been presented with respect to certain investments only (the "Selected Investments"). The purpose of these case studies is to provide illustrative examples of diversity and inclusion practices in certain investments and should not be viewed as a recommendation of any particular security or company. The Selected Investments may be more favourable than other investments made, or that will be made, for a particular TowerBrook fund, and the Selected Investments are not necessarily representative of the investments that will be made by any TowerBrook fund that TowerBrook may manage or advise in the future, whether with a similar strategy or not.

The Report is not intended to be, and should not be read as, a full and complete description of each investment transaction within any particular TowerBrook fund.

The Report may contain forward-looking statements, projections, targets, forecasts and estimates (collectively, "Projections"). Projections are hypothetical and are for illustrative purposes only, and no assumptions or comparisons should be made based upon this information. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the Projections may not materialise and/or that actual events and consequences may vary significantly from the assumptions upon which projections contained herein have been based. TowerBrook cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for TowerBrook to anticipate all factors that could affect our actual results. Future events may differ and hypothetical projections are subject to inherent limitations. The inclusion of Projections should not be regarded as a representation, warranty, prediction or guarantee by TowerBrook or any TowerBrook Person regarding the reliability, accuracy or completeness of the information contained herein, or the performance of any TowerBrook fund or any particular investment of such fund. TowerBrook is under no obligation to update or keep current such information.

Additionally, terms such as "Responsible Ownership," "DE&I," "ESG," "impact" and "sustainability" can be subjective in nature, and there is no representation or guarantee that these terms, as used by TowerBrook, or judgment exercised by TowerBrook in the application of these terms, will reflect the beliefs or values, policies, principles, frameworks or preferred practices of any particular investor or other third-party or reflect market trends. Certain information contained herein relating to any goals, targets, intentions, or expectations is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. No representation or warranty is made regarding TowerBrook's use of some or all of the Responsible Ownership processes described herein. There can be no assurance that such Responsible Ownership processes or any other DE&I- or ESG-related policies and procedures, as described in the Report, including policies and procedures related to responsible investment or the application of DE&I- or ESG-related criteria or reviews to the investment process, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. TowerBrook is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its Responsible Ownership or DE&I or ESG initiatives, policies, and procedures based on cost, timing, or other considerations. Statements about Responsible Ownership or DE&I or ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of a Responsible Ownership or DE&I or ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of or, control or influence exercised by TowerBrook with respect to the portfolio company; and other factors as determined by investment teams, corporate groups, asset management teams, portfolio operations teams, companies, investments, and/or businesses on a case-by-case basis. By participating in any of the third-party DE&I or ESG organisations described herein, TowerBrook does not intend to engage in any behaviour that would lessen or restrict competition, and has not reached any agreements with third parties to restrict competition. TowerBrook's views may also be different than those of such third-party DE&I or ESG organisations, and TowerBrook's status as a signatory, member, or participant thereof is subject to change at any time in its sole discretion. DE&I or ESG factors are only some of the many factors TowerBrook considers in making an investment, and there is no guarantee that TowerBrook will make investments in companies that create positive DE&I or ESG impact or that consideration of DE&I or ESG factors will enhance long-term value and financial returns for limited partners. To the extent TowerBrook engages with portfolio companies on Responsible Ownership or DE&I- or ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment.

TOWERBROOK

Contact details

London

TowerBrook Capital Partners (U.K.) LLP
1 St. James's Market
Carlton Street
London SW1Y 4AH
United Kingdom

Tel: +44 20 7451 2020

New York

TowerBrook Capital Partners L.P.
Park Avenue Tower
65 East 55th Street
New York, NY 10022
United States of America

Tel: +1 212 699 2200

Frankfurt

TowerBrook Capital Partners (Germany) GmbH
Taunusanlage 9-10
60329 Frankfurt
Germany

Tel: +49 69 5050 6042 03

Madrid

TowerBrook Capital Partners Spain S.L.
Calle Almagro 36
Escalera izquierda, 3ª planta
28010 Madrid
Spain

Tel: +34 91 954 2361

Paris

TowerBrook Capital Partners (Europe) Limited
4 rue Royale
75008 Paris
France

contact@towerbrook.com
towerbrook.com