

Sustainable value creation **Responsible Ownership**



Certified



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Sustainable value creation

Responsible Ownership
is integral to sustainable value
creation at TowerBrook

As a **purpose-driven** investment
firm, we believe Responsible
Ownership will deliver superior
risk-adjusted returns for our investors.



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.

Our business

We work to protect and grow the savings of our investors and their families



Approximately
89m
beneficiaries¹

Many of our limited partners invest with us on behalf of working and retired people around the world. A significant proportion of these are public servants, who include teachers, firefighters and healthcare professionals.

\$21.1bn
capital raised since inception²

- Disciplined investment approach
- Capital structuring experience
- Prudent use of leverage
- Responsible Ownership

invested in
12 funds³

- 6 PE Funds: for-control equity investments, approximately \$100m-\$400m
- 3 Structured Opportunities Funds (TSO): not-for-control equity or structured asset investments, approximately \$40m-\$150m
- 1 co-investment partnership, Ascension TowerBrook Healthcare Opportunities (ATHO): \$984m already committed for healthcare investments
- TowerBrook TMX Continuation Fund: a single-asset continuation fund
- TowerBrook Impact Opportunities (TIO): majority and minority investments in impact companies

via almost
200
institutional investors

TowerBrook's investors include public pension funds, sovereign wealth funds, financial institutions, endowments and family offices across North America, Europe and Asia.

partnering with
46
portfolio companies⁴ and investments

with over
190,000
full-time employees⁵

generating a combined revenue⁶ of
\$27.5bn

supported by
147
TowerBrook team members including 92 investment professionals

- A single, integrated team in Europe and the United States
- 24 nationalities, fluent in 21 languages
- Headquartered in London and New York, with offices in Frankfurt, Madrid and Paris

Creating sustainable value for all stakeholders

Investors and their beneficiaries, employees, customers, suppliers and communities



Better decisions are made
when profit is informed by purpose,
and value is guided by values.

Introduction

Sustainable value creation

At TowerBrook, our focus is on sustainable value creation. We set out to do this in a way that is aligned with our purpose, mission and values. Everything that underpins our efforts – from our investment strategy, to our culture, to those we do business with – is informed by our belief that superior risk-adjusted returns are delivered by an unwavering commitment to Responsible Ownership. We firmly believe that better decisions are made when profit is informed by purpose, and value is guided by values.

Having this strong purpose helps us navigate turbulent times. 2022 has been marked by the simultaneous heightening of a myriad of economic and political risks. Russia's invasion of Ukraine, spiking energy prices and inflation, as well as interest rate pressure on both sides of the Atlantic, all pose significant challenge for businesses globally. But with challenge comes opportunity. Our stakeholders' appetite for accountability regarding the way businesses operate has never been higher. Combined with the ongoing advancement of technology unlocking new innovations, this year has been a dramatic accelerator of change for environmental, social and governance considerations.

Making a positive impact

TowerBrook Responsible Ownership™ guides us and feeds into every stage of our investment process, spanning due diligence and transaction, through transformation, and ultimately, transition. Our aim is to build well-governed, purpose-led businesses that endeavour to make a positive contribution to peoples' lives and society as a whole, with a responsibility for stewardship of our planet.

The natural extension to this focus is the launch of TowerBrook's Impact Opportunities (TIO) strategy. TIO is specifically designed to invest in purpose-driven, growth-orientated companies that seek to have a measurable positive social and environmental impact in line with one or more of the UN's Sustainable Development Goals (UNSDGs). Our resources include a network of advisors with whom we have built decades of experience in responsible investing, including a dedicated Impact Advisory Board who bring specific expertise in sustainability and TIO's target industry sectors.

Proudly filing to recertify as a B Corp

In early 2022, we filed for our recertification as a B Corp. While we still await the outcome, our scoping exercise points to an increase to our B Impact assessment score, as a result of our ongoing drive for discipline across our Responsible Ownership practices and processes. Our status as a B Corp is hugely important to us; it is a testament to our efforts to bring much more than capital to our partners. We bring a purpose-driven approach and a culture informed by our values.

Our culture also embodies a deep commitment to diversity. We continue to strive to make progress in this regard, with the launch of more inclusive practices within our offices as well as a public commitment to improve the diversity of our portfolio company Boards. This year we are pleased to report that TowerBrook was rated as one of the Top 5 most inclusive PE & VC firms by the Equality Group, and awarded the highest score possible in the Human Rights Campaign Foundation's 2022 Corporate Equality Index.

Collaborating for the future

As we move forward, it is clear that tackling carbon-driven climate change must be central to our Responsible Ownership endeavours. This year, as members of the iCI, we contributed to efforts to advance the collection of greenhouse gas emissions data within private equity portfolios. We are pleased to report that, in 2022, we have seen a material increase in the number of our controlled portfolio companies monitoring Scope 1, 2 and 3 carbon emissions, with some laying out their pathways for transitioning to net-zero. By 2023, it is our aim that all TowerBrook controlled portfolio companies will be in a position to monitor and report on their carbon emissions.

Responsible Ownership is an ongoing journey; it takes deep commitment and partnership. We are pleased to report the progress made within TowerBrook and across our portfolio this year, as well as to acknowledge the areas where we have further to go. As highlighted in this Report, several of our portfolio companies have now formalised their environmental, social and governance (ESG) commitments and are reporting publicly on their ESG performance. We are proud to play our role as responsible owners in supporting them to drive better outcomes for people, planet and partnership.

Making purpose-driven decisions

Purpose

is at the heart of our Responsible Ownership commitment

We believe that responsible policies and practices concerning **people**, **planet** and **partnership** help drive long-term **performance** improvements in our portfolio companies and position them for sustainable growth

People	Planet	Partnership
Diversity, equity and inclusion (DE&I)	Energy and water	Stakeholder engagement
Compensation and benefits	Raw materials, waste and recycling	Organisation and governance
HR standards	Greenhouse gas (GHG) emissions	
	Policy and organisation	

Performance

See page 10 for our Responsible Ownership Statement, and page 26 for details of our annual survey of TowerBrook portfolio companies

TowerBrook’s Impact Opportunities strategy

The launch of TowerBrook Impact Opportunities (TIO) is a natural extension of our differentiated and disciplined investment approach, in line with our Responsible Ownership principles

See page 20 for more details

Reporting rigorously and transparently

TowerBrook files for **recertification as a B Corp** targeting an improved assessment score

Our estimated improvement reflects progress made over 35 separate initiatives

See page 18 for more details

TowerBrook is a founding member of the **ESG Data Convergence Initiative**

This icon represents an ESG Data Convergence metric

This important industry initiative aims to standardise ESG metrics to enable meaningful comparative reporting across portfolio companies. This year marked a landmark moment for the initiative as the first data convergence survey was issued by participating GPs to their portfolio firms

The six metrics can be found where you see the above icon

- Scopes 1, 2 and 3 greenhouse gas (GHG) emissions
- Board diversity
- Work-related injuries
- Net new hires
- Employee engagement
- Renewable energy

See page 22 for more details

TowerBrook reports annually to the UNPRI on **progress towards implementing its six principles**

In 2021, TowerBrook received scores of:

- 4*** Investment and Stewardship Policy (90/100)
- 5*** Private Equity-specific reporting (90/100)

Top 1% Preqin ESG transparency data shows TowerBrook in top 1%

See page 22 for more details

Developing fairer societies

TowerBrook has achieved:

Top 5 Ranked in Top 5 firms in Equality Group’s Inclusive Index

Top score

Achieved highest mark in Human Rights Campaign Foundation’s 2022 Corporate Equality Index

→ **A member of** the Council for Inclusive Capitalism

→ **A founding signatory of** the ILPA Diversity in Action initiative

See page 24 for more details

The **TowerBrook Foundation** partners with organisations on both sides of the Atlantic that are aligned with our purpose and values and where our contribution can have a meaningful and lasting impact

We support Resurgo, Stonewall, Habitat for Humanity, TEAK Fellowship, Out for Undergrad (O4U), The Opportunity Network (OppNet), Bookmark Reading, Black Girl Ventures (BGV), Imperial NHS Trust, SEO London, The Impetus Connect Fund, The COMMIT Foundation, and The Pat Tillman Foundation (PTF)

TOWERBROOK Foundation

See page 48-49 for more details

The **Living Wage Project**

TowerBrook has partnered with Business for Social Responsibility (BSR) in a project to help portfolio companies develop metrics to enable them to track responsible employment policies and become better, more sustainable businesses

See page 30 for more details

Working to protect the planet

TowerBrook is a **founding signatory** of iCI UK

The U.K. network of initiative Climat International

We are **members of** the Private Equity Sustainable Markets Initiative Task Force

TowerBrook has representatives on the Leadership Team, Action Committee and Climate Working Group

TowerBrook supports the Terra Carta principles

The principles adopted by the Sustainable Markets Initiative as its guiding framework

100% TowerBrook **offsets** its **carbon emissions**

We have developed our methodology for measuring and offsetting our carbon emissions

See page 23 for more details

We support our portfolio companies to understand their footprint

TowerBrook has rolled out an emissions framework to our portfolio companies and all management teams are required to report on their approach to managing their carbon footprint

How does your company manage its GHG emissions?

Scope 1 (direct emissions from owned or controlled sources)?	Scope 2 (indirect emissions from the generation of purchased energy e.g. electricity)?	Scope 3 (all other indirect emissions not in Scopes 1 and 2, e.g. business travel)?
50% Do not monitor GHG Scope 1 23% Monitor and have reduction targets 50% Monitor GHG Scope 1	50% Do not monitor GHG Scope 2 15% Monitor and have reduction targets 50% Monitor GHG Scope 2	30% Do not monitor GHG Scope 3 13% Monitor and have reduction targets 70% Monitor GHG Scope 3

See page 36-37 for more details

Responsible Ownership is fundamental to our strategy for sustainable value creation

As a purpose-driven investment firm, TowerBrook is committed to Responsible Ownership. Responsible Ownership considerations are integrated into every stage of our investment process and drive the development of policies, action plans and metrics for our portfolio companies.

We ensure that the Boards and management teams of our portfolio companies are familiar with our Responsible Ownership Statement, aligned with our values and principles, and equipped to put them into practice. The 200-day Plan that we develop for prospective portfolio companies includes relevant Responsible Ownership policies, together with procedures to implement these policies and monitor their effectiveness.

We partner with the management teams of our portfolio companies to ensure alignment on the strategy for value creation, agree on clear objectives and deliverables and set appropriate metrics to measure progress.

We describe TowerBrook's approach to Responsible Ownership in terms of the five Ps that combine to shape our handprint. Starting from a shared **Purpose**, we focus on **People**, **Planet** and **Partnership**, all of which contribute to delivering the fifth P: **Performance**.

We hold ourselves and our portfolio companies accountable to our investors, their beneficiaries and all our stakeholders.

Management of our Responsible Ownership Programme

We have formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, tasked with the management and oversight of all aspects of Responsible Ownership and their integration into the strategy, activity and culture of TowerBrook in accordance with our purpose.

We take steps to ensure that this Statement and our corresponding practices are understood and shared across the TowerBrook team, our portfolio companies, key service providers and stakeholders. We keep this Statement, and our monitoring of the ways in which it is implemented, under continuous review.

Aligning our handprint with the UN's Sustainable Development Goals



Purpose is at the heart of our Responsible Ownership commitment



People



In addition to our commitment to comply with all applicable laws and regulations, we expect every member of the TowerBrook team to exemplify the highest standards of ethical conduct and to act with regard for the wellbeing, health and safety of others.

We support our portfolio companies to develop best practices in respect of working conditions, including the health, safety and wellbeing of their employees, their compensation structures and remuneration practices.

We also encourage our portfolio companies to take steps to further employee engagement and to enhance the availability of opportunities for ongoing professional development in the workplace.

We believe that a diverse and inclusive workforce embodying integrity, teamwork and respect for others will stimulate new ideas and lead to positive outcomes. We seek to encourage diversity in, and the development of, our people through recruitment and retention programmes as well as through training and mentoring. We expect our team and our partners, their employees and other stakeholders to treat others fairly and without prejudice in respect of gender, gender identity, gender expression, race, ethnic or national origin, socioeconomic status, immigration status, status as a protected veteran, status as an individual with a disability, age, religion, sexual orientation or other applicable legally protected characteristics.

Planet



We believe we have a responsibility to promote effective stewardship of our planetary resources in order to protect the future. We support TowerBrook portfolio companies to manage their environmental performance effectively so as to minimise the impact of their business processes on the natural environment.

We encourage all the companies in which we invest to take a proactive approach to the management of their environmental footprint and to seize opportunities to further the positive impact they can have on their environment.

We monitor and support their efforts to incorporate sustainable environmental considerations into their practices, with particular regard to the consumption of energy, water and other resources, the use of raw materials, the impact of transport and travel, the elimination of waste and the reuse of materials where possible.

We work to ensure that we incorporate these and other environmental sustainability practices into the day-to-day activities of our firm, and we encourage our portfolio companies to do likewise.

Partnership



We approach governance as a true partnership with the management teams to whom we entrust the direction and development of TowerBrook's portfolio companies. We partner with the independent directors and Chairs of these companies in support of our Responsible Ownership objectives.

TowerBrook aims to put in place appropriate financing structures designed to enable our portfolio companies to meet their financial obligations, including during challenging trading conditions. This means that levels of debt will typically be set conservatively to enable companies to operate robustly, even in turbulent economic circumstances.

We require early implementation of effective governance and reporting structures in our portfolio companies. We expect Boards to meet all regulatory and compliance requirements, including those governing privacy and data security, and to adopt a comprehensive Code of Conduct, as well as formal policies and processes in respect of anti-bribery and money laundering regulations. We also expect Boards to introduce and enforce anti-harassment policies.

We seek to ensure that TowerBrook's investments do not support companies that maintain discriminatory or unethical practices. We actively encourage our portfolio companies to partner with their key suppliers to ensure that they also adopt policies that demonstrate a commitment to ethical behaviour and the respect of human rights.

Just as we expect our portfolio companies to rigorously manage enterprise risks, we monitor their efforts to track people, planet and partnership risks and to identify and act on linked value creation opportunities.

Performance



We believe that responsible policies and practices concerning people, planet and partnership help drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

We focus on the **responsible management** of material factors at every stage of the process



Responsible Ownership is integrated into our investment process

Transact



Engaging in extensive diligence

As soon as we have identified a company for potential investment, we focus on risks and opportunities related to Responsible Ownership. A seller who is concerned to make the right decision for the business also tends to select for values, which can be a decisive factor in choosing to partner with TowerBrook.

We then conduct extensive due diligence related to the company's industry and its specific risk profile. If due diligence identifies material issues, our Transaction Committee evaluates whether the issues can be managed, remediated or mitigated in a responsible manner.

The 200-day Plan we develop with each prospective PE portfolio company, and TSO structured investment where applicable, includes business-specific Responsible Ownership action items together with procedures to implement, monitor and test their effectiveness.

EPSA

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

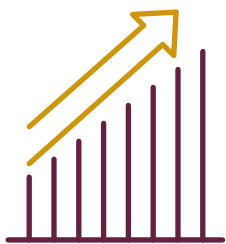
EPSA is a global consulting firm specialising in operational and financial performance, BPO outsourcing, innovation and supply chain optimisation. Based in France, EPSA services over 4,500 clients in 35 countries across multiple sectors.

EPSA has positioned itself as a major player in driving business performance, and in helping companies and public administrations to navigate the social and environmental challenges that will shape the economy of the future.

TowerBrook seeks to help support EPSA's long-term growth initiatives, which include accelerating the evolution of service offerings, investing in digital solutions, and strategically expanding via organic growth and targeted bolt-on acquisitions.

EPSA's culture and approach to responsible business practices aligns with TowerBrook's purpose. The company has an established EPSA Equality programme, dedicated to improving diversity within the organisation, as well as its EPSA Foundation, which focuses on assisting vulnerable individuals in accessing, re-entering or remaining in the labour force.

Transform



Partnering to drive improvement

TowerBrook’s post-close operational value creation framework has been developed across both TowerBrook PE and TSO strategies over 22 years.

As part of our 200-day Plan, we seek to ensure that portfolio companies put in place essential business ethics and compliance policies and practices (e.g., anti-bribery, anti-money laundering, anti-harassment and anti-slavery) and also, more strategically bespoke initiatives as appropriate (e.g., supply chain optimisation and broad-based equity ownership).

We actively collaborate with portfolio companies on opportunities to gain accreditation and/or certification for their efforts (e.g., B Corp status). We also partner with management teams in each controlled portfolio company to develop and monitor the action plan that will allow the company to address relevant opportunities for improvement.

Infopro Digital

FTEs	3,800
Revenue (LTM to Sep 30, 2022)	€527 million
Investment date	June, 2016 (PE IV)

Infopro Digital is a European B2B information, data and technologies business. TowerBrook acquired Infopro Digital in 2016 and, since then, has supported it to develop and expand its platform capabilities as well as provided capital for a series of synergistic acquisitions, transforming the company from a French B2B information provider into a major European information, data and technologies provider.

International growth has driven the need for a strategic approach to ESG, in recognition of its role in facilitating a common company culture, boosting integration and connectivity, and driving alignment across Infopro Digital’s multiple jurisdictions. A global ESG framework has been developed, which is implemented by regional leaders, and is designed to deliver an optimal combination of top-down best practice sharing and bottom-up local expertise and engagement activity.

In 2022, Infopro Digital laid out a comprehensive ESG roadmap laying out its targets for the next three years across a wide range of ESG considerations. These span decarbonisation (notably in the digital field), and diversity and equal opportunity initiatives including the introduction of a charitable programme supporting employability to be rolled out to its countries. To foster deep employee engagement with the ESG framework, Infopro Digital has launched a global programme, called Small Steps, aiming to generate momentum and awareness of ESG across the business, further strengthening company culture and alignment.

Transition



Positioning better businesses

Prior to exit, we examine our complete handprint as responsible owners and investors, and work to translate actions taken into value added – for example, higher revenues, lower costs, less waste, enhanced brand equity, better access to talent, etc.

Wherever practicable, we use bottom-up accounting methodologies to identify the specific contribution of a Responsible Ownership initiative or programme.

We endeavour to address outstanding matters and make full disclosure of any material issues to prospective purchasers. Transparency about what remains to be done, as well as about what has been done, is important in building trust and establishing an appropriate valuation.

TRIMEDX

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

TRIMEDX is a major provider of technology-enabled clinical asset management services based in Indiana, U.S.A., serving over 4,500 provider locations, with over 2.1 million clinical devices under management. The company was founded by Ascension Health, one of the largest non-profit health systems in the U.S., with which TowerBrook has a co-investment partnership. TowerBrook acquired a co-controlling interest in 2016.

Under TowerBrook’s co-ownership, TRIMEDX has scaled significantly through continued acquisition of new customers and broadening of platform capabilities. During this period, the company has also solidified and strengthened its responsible business practices, with a particular strategic focus on people and culture as significant drivers of value creation.

Employee mental health, wellbeing, engagement, and DE&I are core elements of TRIMEDX’s people agenda, and have been formalised through the introduction of an Associate Value Proposition. The focus is on creating a culture where employees feel valued at work, and inspired and enabled to contribute to their full potential. Actions are continually taken to further improve employee experience based on regular engagement survey feedback.

TowerBrook’s support for TRIMEDX’s enhanced people proposition, as a driver of sustainable value creation, has strengthened alignment within the partnership and established a shared understanding of the importance of strong company culture as a basis for future success. In June 2022, TowerBrook completed the sale of TRIMEDX from PE Fund IV into a newly raised TMX Continuation Fund, allowing its Fund IV investors to realise capital relating to the investment whilst allowing TowerBrook and new co-investors to participate in the future growth of TRIMEDX.

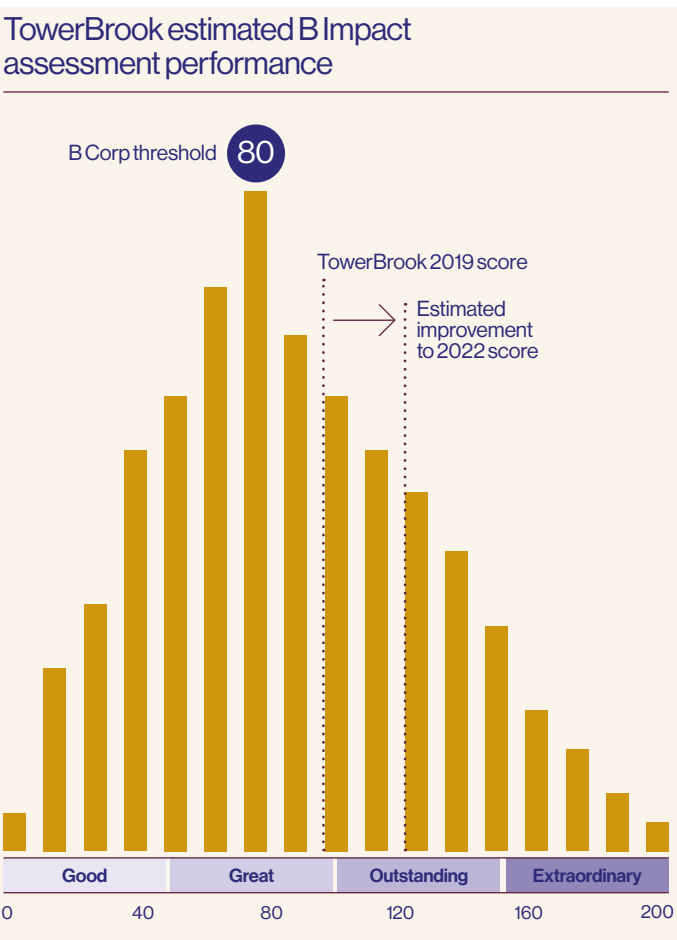
Filing for recertification as a B Corp targeting measurable improvement

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability. We are proud to be part of this global movement using business as a force for good.

TowerBrook was the first mainstream private equity firm to become a Certified B Corp in 2019, reflecting our deep commitment to Responsible Ownership. Our B Corp status, supported by our B Impact assessment score, validates and benchmarks our performance across a range of ESG indicators.

B Corps are required to recertify every three years. In line with our existing Responsible Ownership strategy and using our established 200-day Plan methodology, shortly after certification, we launched a firmwide initiative to drive ongoing improvement to our ESG policies, processes and performance. As a result of the commitment of the TowerBrook team, we have delivered multiple Responsible Ownership initiatives that continue to reduce our footprint and increase our handprint as a business.

In early 2022, we filed for recertification. While we are still in the recertification process, we estimate an increase to our B Impact assessment score. Subject to confirmation, we believe this would put us in the range considered to be 'outstanding' by B Lab. Our expected progress has been made despite a tightening of the B Impact assessment methodology, and reflects the robustness of TowerBrook Responsible Ownership™ principles, policies, monitoring and reporting.



“ B Corps are accelerating a global culture shift to redefine success in business and build an inclusive, equitable and regenerative economic system for all people and the planet. ”

Jorge Luis Fontanez
Chief Executive Officer, B Lab U.S. and Canada

The B Impact assessment methodology measures company performance across five key impact areas including governance, workers, environment, community and customers. The resulting score is based on both operational factors, taking into account firms' day-to-day business practices and policies, as well as impact business models designed specifically to create measurable positive social and environmental outcomes.

TowerBrook's efforts to use the B Impact methodology to drive improvement at our own firm spanned 35 initiatives across all five key impact areas. Below are a range of examples, further delivering against our Responsible Ownership strategy, and which we expect to contribute to an improved B Impact assessment performance.

People

- We further improved diversity in the workplace, with the launch of an employee self-identification survey and firmwide workshops on inclusivity
- We improved our employee welfare policies (e.g., bereavement leave, volunteer leave)
- We ensured we had processes in place to gather input from employees prior to policy or practice changes (e.g., return to office survey)
- We improved our retirement plans and employee access to, and education around, financial products

Planet

- We developed a methodology to track our carbon emissions and enhanced our programme to offset through carbon credits
- We further decreased TowerBrook's environmental footprint by employing specialist contractors to safely dispose of electronic waste
- We seek to purchase non-toxic cleaning products

Partnership

- We socialise our Responsible Ownership (RO) programme with the chairs of our portfolio company Boards, and require that RO/ESG is a recurring topic at Board level
- We implement business ethical policies across our portfolio
- We track the social and environmental performance of our portfolio companies annually



Introducing our fund dedicated to impact opportunities

TowerBrook’s Impact strategy

TowerBrook Impact Opportunities (TIO) is a natural evolution of TowerBrook’s differentiated and disciplined investment approach.

It represents the next step for us on our Responsible Ownership journey, increasing our ability to deliver sustainable, risk-adjusted returns, as well as growing our positive handprint as a business.

In line with our purpose, ESG considerations are factored into every stage of the TowerBrook investment process. We work diligently to bring integrity to the measurement and management of these considerations in partnership with our PE and TSO portfolio companies. Within TIO we intend to go further; to quantify and maximise the positive impact to society created as a result of the products and services of the businesses we invest in.

To deliver our TIO strategy, we seek to partner with exceptional entrepreneurs and management teams focused on growing businesses that generate specific, measurable social or environmental impact. These companies will have business models that directly contribute to advancing one or more of the UNSDGs.

Combining our experience as responsible owners with the expertise of our carefully-curated, dedicated TIO Advisory Board (see right), we have developed a robust methodology to ensure that the positive impact of our investments can be quantified. This methodology seeks to identify sector-specific key performance indicators linked to positive impact, or acceleration of impact, which can be tracked during the investment holding period.

Target industry areas

The TIO strategy will focus on sectors with substantial scope for positive impact, as well as those with purpose-driven businesses where positive impact can be accelerated. These sectors are expected to include:

- education and human capital development
 - financial products and services
 - food and agriculture
- healthcare
 - environmental technologies, green industry, and clean energy

TIO Advisory Board



Alessandro Carlucci
Chair, Impact Advisory Board

Alessandro Carlucci has extensive experience in the retail and consumer industries.

Mr. Carlucci is currently Board Chair of Business for Social Responsibility (BSR), a global non-profit business network and consultancy dedicated to sustainability. It is his strong belief that the best way to do business is to integrate economic, social and environmental aspects of a company which, in turn, generates greater value for all stakeholders. He is also Chair of the Brazilian shoemaker, Arezzo & Co. Previously, Mr. Carlucci worked for 25 years at Natura Cosmetics, covering a number of different departments and working in several countries. He spent the last 10 years at Natura as its CEO, and during his tenure, Natura grew fourfold. At the same time, it reduced its relative CO₂ emissions by 33 percent and, by offsetting its emissions, became a carbon-neutral company. Previously, Mr. Carlucci was a Board member of Renner, a fashion retailer in Brazil, a member of the Advisory Board of Itaú-Unibanco and a member of the Board of the Alcoa Advisory Board Latin America. He also served as Board Chair at the World Federation Direct Selling Association.



Meghan FitzGerald
Impact Advisory Board member

Meghan FitzGerald is a global healthcare strategist, investor, academic and author. She has worked in every domain of healthcare from front line patient care through to the Fortune 500 while serving as an Adjunct Professor at Columbia University.

Ms. FitzGerald is a private equity investor where she serves as an advisor to several firms. Recently she was the CEO and Managing Partner at Letter One’s inaugural health vehicle allocating \$4 billion in three years within pharma services and animal health. Prior to this Ms. FitzGerald spent nearly 20 years in Corporate America as an operator and strategist working for many prominent healthcare firms including Merck, Pfizer and Medco. Before transitioning out of Corporate America, she was the EVP of Strategy, M&A and Health Policy at Cardinal Health (CAH) and a member of the Executive Committee. She is a member of the Board of Directors at Tenet Healthcare (THC), a Fortune 200 healthcare services company and is the founder of K2HealthVentures, a life science investment fund. Ms. FitzGerald earned her Bachelor of Nursing from Fairfield University, her Masters of Public Health from Columbia University and her Doctor of Public Health (DrPH) at New York Medical College, focusing on health policy and the social determinants of health.



Michelle Clayman
Impact Advisory Board member

Michelle Clayman is the Founder, Managing Partner and Chief Investment Officer of New Amsterdam Partners LLC, an institutional money management firm based in New York City.

Ms. Clayman is a member of the Board of Trustees of Stanford University where she also serves as Chair of the Advisory Council of the Michelle R. Clayman Institute for Gender Research. She is a member of the Vice Chancellor’s Circle at Oxford University and a Johnson Honorary Fellow of St. Anne’s College, Oxford. She sits on the Dean’s Council at Harvard Divinity School. She is Board Chair of the Girl Scout Council of Greater New York. Ms. Clayman has served as President of the Society of Quantitative Analysts, as well as on the Boards of the Institute of Quantitative Research in Finance and U.S. SIF – the Forum for Sustainable and Responsible Investing. She has been published in the Financial Analysts Journal, the Finance Professionals’ Post and the Journal of Investing and is a co-editor of Corporate Finance: A Practical Approach (Wiley 2008). She was also a co-editor of the 2016 UNPRI publication: A practical guide to ESG integration for equity investing. She has chaired the Equity Curriculum Committee of the CFA Institute. Ms. Clayman earned her B.A. in Philosophy, Politics and Economics from the University of Oxford and her MBA from Stanford University.



Barbara Kux
Impact Advisory Board member

Barbara Kux is a highly experienced Board member with longstanding international Executive and Non-Executive experience in leading green tech, energy, healthcare, consumer goods and digital technology companies.

Ms. Kux began her career as a Management Consultant at McKinsey in Germany. In 2008, she became the first woman to be appointed to the Managing Board of Siemens, where she increased the results from green businesses and supply chains by several billion Euros, something she had also achieved in her previous role as a member of Group Management at Royal Philips. Previously, she held leadership roles at Nestle and ABB, where she established businesses in the new markets of Central and Eastern Europe. As a member of the SDSN Leadership Council for the United Nations she contributed to the definition of the UNSDGs. Ms. Kux has been nominated to the High Level Panel for Decarbonisation Pathways by The E.U. Commission. She is a member of the Advisory Council for INSEAD and has been appointed Director in Residence for Corporate Governance. Her current Board roles include Vice Chair of Firmenich, Board member of Henkel and member of the International Advisory Board of Adobe. Fortune Magazine has ranked her repeatedly as a leading international businesswoman and she has been named as one of the 50 INSEAD Alumni who have changed the world. Ms. Kux earned her MBA with distinction from INSEAD.



David Levin
Impact Advisory Board member

David Levin has extensive experience in media, publishing, education and technology, having spent 20 years as the CEO of four global companies, leading them through cycles of innovation, business model evolution, geographic reorientation and cultural renewal, and more than 100 transactions. Previously, he served as Chair of the Supervisory Board of TLN, a TowerBrook portfolio company.

Mr. Levin serves as Executive Chair of COFRA Sustainable Food and is also the Chair of Hartford Care, a private care group. He serves on the Board of NASDAQ listed Emerald Exhibitions EEX and of Bangalore based Educational Initiatives Pvt Ltd as well as being an advisor to Alvarez and Marsal’s Education practice and the University Entrepreneur in Residence at Arizona State University. From 2014 to 2017 Mr. Levin was President and CEO of McGraw-Hill Education, where he was pivotal in the transition from a traditional educational publisher to a full-spectrum digital education company. Before McGraw-Hill, he served for nine years as the CEO of UBM, a listed B2B media group, later acquired by Informa. From 2002 to 2005 Mr. Levin served as CEO of Symbian Software, an innovative U.K. and Sweden based software group where he was responsible for the development of the operating system that powered the first 100 million smartphones. Prior to Symbian, he spent three years as CEO of Psion PLC, a listed London based consumer and business technology company. From 1994 to 1999 Mr. Levin held several roles including CFO and COO for Euromoney Institutional Investor PLC, having previously spent four years at Apax Partners in London and acting as MD to a European portfolio engineering company. Mr. Levin started his business career with Bain & Company after having served previously as a Second Lieutenant in the British Army’s Royal Regiment of Fusiliers. He earned his BA from the University of Oxford and his MBA from Stanford.

“Our dedicated Impact Advisory Board is comprised of seasoned executives who embrace TowerBrook’s purpose and bring relevant industry experience in key sectors aligned with our Impact strategy.”

Abrielle Rosenthal
Managing Director, Chief Sustainability Officer and Chief Human Resources Officer, TowerBrook



Reporting rigorously to drive greater accountability

PRI assessment

TowerBrook adheres to the United Nations Principles for Responsible Investment (PRI). In implementing these principles, TowerBrook is proud to play a role in contributing to developing a more sustainable financial system.

As signatories, we commit to investing in a manner that demonstrates our implementation of the PRI's six principles for responsible investment. We also commit to reporting to the PRI annually in a transparent manner on our activities and progress towards implementing the principles. The PRI provides reporting signatories with an assessment score, allowing them to benchmark in relation to their peers and encourage dialogue between signatories on responsible investment processes.

In 2020, we received 'A' for Strategy and Governance, and 'A' for Private Equity-specific reporting. In 2021, the PRI updated its assessment methodology, incorporating a more detailed and stringent criteria including increased requirements for carbon measurement as a factor within its Investment and Stewardship Policy score. The methodology can be found on the PRI [website](#).

In 2021, TowerBrook received scores of:
4* (90/100) for Investment and Stewardship Policy
5* (90/100) for Private Equity-specific reporting

TowerBrook has chosen to make both our [Transparency Report](#) and our [Assessment Report](#) publicly available on our website. The next reporting cycle takes place in 2023.

Preqin ESG transparency data

Preqin is a major provider of data, analytics and insights, including ESG transparency and risk data, to the alternative assets community. The Preqin transparency metric indicates the percentage of ESG core data indicators that are publicly or privately disclosed. Preqin has identified 37 transparency indicators derived from commonly accepted ESG data and engagement frameworks (including SASB, ILPA, TCFD and PRI) that are most applicable to the private market ecosystem. TowerBrook's 2022 Preqin ESG transparency percentage was 97%, putting us in the top 1% of private market GPs and LPs.

ESG Data Convergence Initiative

TowerBrook is proud to have completed the inaugural round of data collection for the ESG Data Convergence Initiative (EDCI), created in partnership with a group of global GPs and LPs, with ILPA acting as secretariat of the project.

The Initiative was designed to streamline the private equity industry's historically fragmented approach to collecting and reporting ESG data, in order to create a critical mass of material, performance-based, comparable ESG data from portfolio companies.

TowerBrook and the other founding members of the Initiative believe that a standardised set of ESG metrics, as well as a mechanism for comparable reporting, will drive better financial outcomes, enable greater transparency and the provision of more comparable portfolio information for LPs.

The six initial metrics consist of: Scopes 1, 2 and 3 (optional) GHG emissions; renewable energy; board diversity; work related injuries; net new hires; and employee engagement.

As a founding member of the EDCI Steering Committee, and chair of the EDCI external engagement working group, TowerBrook is committed to collecting and reporting publicly on the EDCI metrics. We have included the six metrics within our annual Responsible Ownership survey of portfolio companies, driving accountability across our portfolio and encouraging progress towards the integration of ESG policies and practices.

The EDCI Steering Committee meets periodically to assess the prior year's data and refine and build on these initial metrics, prioritising materiality. This collaboration is intended to be a long-term mechanism to increase the quality, availability and comparability of ESG data in private markets.



ESG Data
Convergence
Initiative

The metrics from this year's reporting cycle are published within the People, Planet and Partnership sections of this Report, and are labelled with this icon.



Playing a role in the industry's major climate initiatives

Accelerating the transition to net-zero

TowerBrook believes the private equity sector has an important role to play in accelerating the world's transition to a sustainable future and protecting the goals of the Paris Agreement. As responsible owners, we seek to support our portfolio companies in reducing their carbon emissions and ultimately moving towards net-zero. We play an active role in the industry's collaborative efforts, with the aim of becoming part of the global solution to climate change.

iCI

TowerBrook is a founding signatory of iCI UK (now iCI Europe), the regional network of iCI (initiative Climat International), a global community of investors who commit to mutually collaborate to share knowledge, tools, experience and best practice to help build and manage climate-aligned and climate-resilient portfolios. The network's objective is to call the global PE industry to action to tackle carbon emissions in their portfolios and accelerate the private sector's role in meeting the objectives of the Paris Agreement and Glasgow Pact.

PESMIT

TowerBrook is an active supporter of the Sustainable Markets Initiative (SMI), a global forum with a mission to lead and accelerate the world's transition to a sustainable future by putting nature, people and planet at the heart of global value creation. TowerBrook plays a leadership role in the Private Equity SMI Task Force (PESMIT), with senior representatives from TowerBrook participating within the PESMIT Leadership Team, Action Committee, and the Climate Working Group.

“We are proud to be part of the Private Equity SMI Task Force, working together with peers and industry leaders to accelerate change under the mandate of the Terra Carta.”

Ramez Sousou
Founder and Co-Chair, TowerBrook
Member of the Private Equity SMI Task Force

Terra Carta

TowerBrook supports the Terra Carta, the charter adopted in 2021 by the SMI as its guiding framework and roadmap towards a sustainable future. In doing so, we commit to the charter's principles that are relevant for our industry, in putting nature, people and planet at the core of value creation.

Under the mandate of the Terra Carta, the SMI seeks to encourage a dramatic shift in corporate strategies and operations, a reformed global financial system, and an enabling environment that attracts investment and incentivises action to protect the planet.

TowerBrook's support of the Terra Carta aligns with our ongoing approach to Responsible Ownership, and our consideration of people, planet and partnership as central to our purpose. We support the Terra Carta principles through our ongoing work with PESMIT and the numerous industry committees in which we participate.

Within TowerBrook

TowerBrook continues to refine our measurement and management of carbon emissions, both within our own business and across our portfolio. Within TowerBrook we calculate our carbon footprint on a yearly basis, taking a bottom-up approach to data collection based on our specific activity, and we purchase offsets for 100% of those emissions.⁷ Within our portfolio, as detailed on page 36 and 37, we collect Scope 1, 2 and 3 emissions and work with certain portfolio companies to set carbon reduction targets.

Our London offices are located in St. James's Market, a development that includes solar panels on the roof, enhanced heat and power technology, and a comprehensive zero-waste strategy. In New York, TowerBrook's offices are located at Park Avenue Tower, an energy-efficient building with an upgraded HVAC system enabling significant energy savings and reduced carbon emissions, as well as an on-site urban apiary. TowerBrook's Frankfurt and Madrid offices, and our portfolio holding company office in Amsterdam, have implemented policies such as recycling initiatives, the use of energy-efficient appliances, and the reduction of paper waste. We continue to work to improve responsible environmental practices in all our offices. TowerBrook acknowledges that our New York offices stand on the original homeland of the Lenape (Lenapehoking) people, and we respect and honour the caretakers of this land.

Improving our diversity, equity and inclusion policies and practices

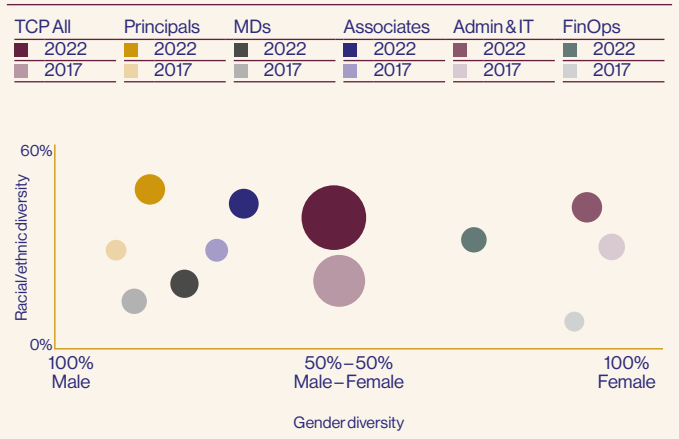
Diversity at TowerBrook

TowerBrook is committed to supporting a diverse and inclusive workforce that embodies integrity, teamwork and respect for others, and encourages new ideas and perspectives. This commitment is echoed in our mission and is central to our culture. Our Diversity, Equity and Inclusion Statement can be found on our website.

We have a senior-level Diversity, Equity and Inclusion (DE&I) Committee, which leads the development of our DE&I programme. Our objectives span both our own business and the DE&I performance of our portfolio companies.

TowerBrook asks our partners and employees to self-identify gender, racial and ethnic diversity, sexual orientation, veteran status, and any other markets of diversity. As the chart shows, through our efforts to recruit, retain and develop talent from a range of backgrounds, the profile of the firm is more diverse than it was five years ago, although we recognise there is still more work to do for continued improvement.

Racial/ethnic diversity vs gender diversity



Note: Data as at November 2022
Includes Senior Advisor, Co-Chairs and Co-Chief Executive Officers

Our DE&I commitments

As a member of the Council for Inclusive Capitalism, we publicly commit to taking action, both within our business and in our role as responsible owners, to advance a more sustainable and inclusive economic system.

In line with our commitments, we share our diversity and inclusion expectations and values with our portfolio company Board chairs, and ensure that the Boards of all our controlled portfolio companies acquired since 2021 have at least one diverse member. (For more details of our portfolio company Board diversity, see page 29). We also take steps towards increasing the gender and non-gender diversity of our material suppliers.

During 2022, we have continued to deliver against our commitment made in 2020 to provide \$1 million in funding through our TowerBrook Foundation by the end of 2023, to selected organisations dedicated to fighting against social and racial injustice and advancing equal opportunities (see pages 48-49).

ILPA Diversity in Action initiative

TowerBrook is a founding signatory of the ILPA Diversity in Action initiative. As signatories, we undertake four foundational actions, and have undertaken all nine optional actions, spanning talent management, training and industry engagement. We also play an active role in the ILPA Data Capture Best Practices Working Group and co-facilitated an ILPA in-person roundtable on DE&I best practice.

Inclusion at TowerBrook

This year, we improved our DE&I practices with firm workshops on inclusivity. Building on our established nine employee affinity groups, these initiatives encourage inclusion within our offices for LGBTQ+, Asian, Black and LatinX employees, Veterans, female professionals, working parents and those living with abilities and disabilities. In 2022, we were pleased to be recognised by the Equality Group index as one of the Top 5 most inclusive firms within private equity and venture capital. We were also delighted to score top marks in the Human Rights Campaign Foundation's Corporate Equality Index 2022, the foremost benchmarking survey and report in the U.S., measuring corporate policies and practices related to LGBTQ+ workplace equality.

Taking responsible action in light of Russia's invasion of Ukraine

Our humanitarian response

TowerBrook was deeply concerned by Russia's invasion of Ukraine and we were keen to play a role in supporting the people directly affected. In May 2022, we made a donation to our TowerBrook Foundation partner, Habitat for Humanity, to support the needs of those fleeing Ukraine when the war broke out.

Habitat for Humanity has been supporting shelter needs in Central and Eastern Europe since 1992, and immediately responded to the needs of refugees in the current crisis, providing temporary shelter and other urgent assistance as they began arriving in nearby countries. At the six-month anniversary of the beginning of the war, the fighting had forced nearly one-third of the population of Ukraine out of their homes. With many still unable to return home, Habitat for Humanity has since ramped up its work with local and national governments and partners to help those fleeing the conflict obtain mid to long-term housing.⁸

In July 2022, we made a donation to our TowerBrook Foundation partner, Bookmark Reading, in support of a campaign designed to help Ukrainian refugee families arriving in the U.K. For every £5,000, a Bookmark Box filled with bi-lingual literary resources, including books and tablets with pre-loaded language apps, was provided to 33 families. The materials were designed specifically for families with children aged between 5 and 9, to support their wellbeing and personal and social development, following the trauma they had experienced. TowerBrook employees in London spent time volunteering with the charity, helping to pack the boxes, which Bookmark delivered to 6,500 Ukrainian families with children who arrived in the U.K. at the start of the war.

TowerBrook's portfolio companies have also been active in their humanitarian response, with many providing direct support to those affected by the war. Efforts of our portfolio companies ranged from monetary donations, to volunteering and company-wide collection of much-needed products. Companies reporting their involvement include: La Maison Bleue, Validity, Acacium Group, Azzurri Group, Gravity Media, JJA, Kaporal, KeHE, Infopro Digital and Bruneau.

Sanctions

Given the heightened geopolitical risks, we have enhanced our robust policies and procedures to ensure compliance with relevant Sanctions Regulations including those issued by the E.U., the U.K. (H.M. Treasury) and the U.S. Treasury Department's Office of Foreign Assets control (OFAC).

As responsible investors, we have stringent KYC measures in place and conduct the relevant sanctions screening checks at every stage of our investment process; from identifying a possible investment, to screening of transaction counterparties, including banks, at exit. We also conduct sanctions screening of significant equity holders within our portfolio companies, as well as counterparties to our vendor contracts.

TowerBrook uses the World-Check database for our sanctions screening, incorporating 800+ sanction, regulatory and law enforcement lists, and 5,900+ official/government lists. Screening is performed on a continuous basis once a name is entered, with TowerBrook being notified immediately if the system identifies a positive match.

Divesting Russian assets

When Russia invaded Ukraine, TowerBrook immediately reviewed our portfolio company activities in Russia. Carefully taking advice on compliance with the relevant sanctions, we divested ACPS Automotive's Russian manufacturing business in April 2022, and vetted the ultimate buyer, in line with our commitment to Responsible Ownership.

“The partners in this response – governments, corporations, UN agencies and community organisations – have been inspiring.”

Rick Hathaway
Vice President, Europe and Middle East,
Habitat for Humanity International⁸

We are committed to transparency, reporting annually on our Responsible Ownership performance

Our survey and methodology

TowerBrook's annual Responsible Ownership survey is designed to deliver a comprehensive assessment of responsible policies and practices across our portfolio companies.⁹ The survey has been refined and extended over the past six years, reflecting the ongoing progress of our own Responsible Ownership journey. In addition to providing key metrics, our survey highlights a number of areas where we, and our portfolio companies, can make further improvements and build better, more valuable businesses.

TowerBrook's survey methodology is anchored in the standards proposed by the Sustainable Accounting Standards Board (SASB), which are grounded in materiality and value creation. We have incorporated many of the elements of the B Impact assessment to give us further insight into how our companies' activities affect their key stakeholders and communities. Each year we build on the survey and add bespoke questions to address topical issues; for example, this year we expanded our questions around carbon measurement and climate change policies, and asked about our portfolio companies' humanitarian response to the war in Ukraine.






40 companies were surveyed for this Report

Our treatment of the data

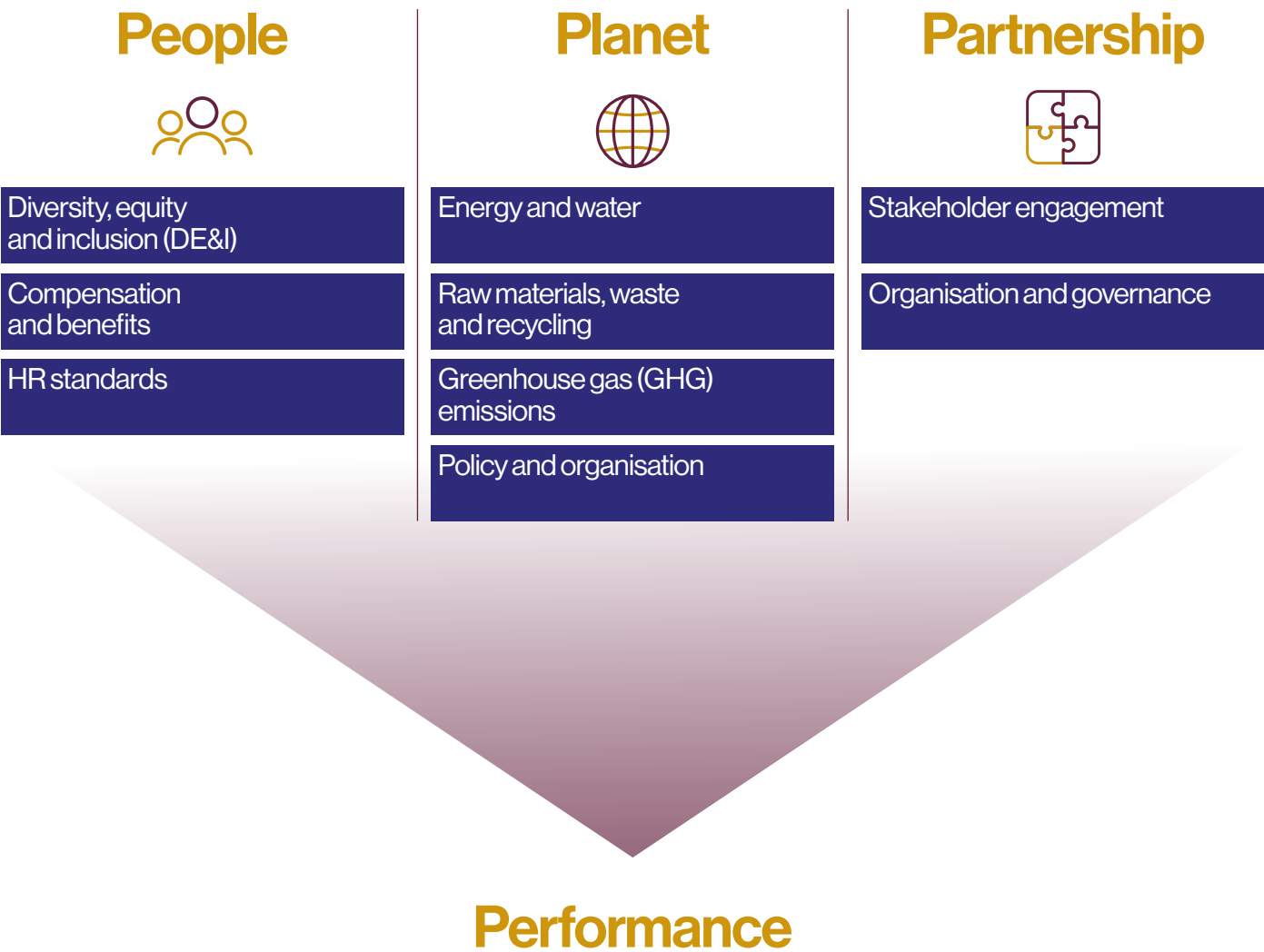
This year marked the inaugural round of data collection for the ESG Data Convergence Initiative (see page 22). To increase comparability, transparency and accountability among the group of participating GPs and LPs, we have aligned our RO survey this year to collect data as of December 31, 2021.¹⁰

In this year's Report, we have also changed our treatment of time-series data.¹¹ Where year-on-year comparisons are presented, these reflect the changing composition of our portfolio over time. We have moved to this approach to provide greater overall visibility of ESG performance across TowerBrook's portfolio, highlighting areas of progress as well as where improvements can be made.

We continue to strive to develop our Responsible Ownership reporting in line with our commitment to ensuring transparency and accountability for our Responsible Ownership performance.

	 Consumer and Distribution	 Financial Services	 Healthcare & Healthcare Services	 Industrials	 TMS
PE	<ul style="list-style-type: none">- The AA- Azzurri Group- Bruneau- ECP-PF- J.Jill- Kaporal- KeHE- Stonebridge	<ul style="list-style-type: none">- Coaction- Rewards Network	<ul style="list-style-type: none">- Acacium Group (ICS)- Compassus- R1- Regent- TRIMEDX	<ul style="list-style-type: none">- ACPS Automotive- Aernova- AustroCel Hallein- Sabena technics- Sateba- Swissport- Uperio	<ul style="list-style-type: none">- CarTrawler- EisnerAmper- Infopro Digital- Talan
TSO	<ul style="list-style-type: none">- JJA- Kevin's Natural Foods	<ul style="list-style-type: none">- Battea- CAVU- PennantPark- Precis- Validity- Law Finance Group	<ul style="list-style-type: none">- PT Solutions- USACS	<ul style="list-style-type: none">- GBA	<ul style="list-style-type: none">- EPSA- Gravity Media Group- La Maison Bleue

Purpose is at the heart of our Responsible Ownership commitment



We believe that responsible policies and practices concerning people, planet and partnership help drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

Survey framework

The diagram above shows how our survey framework maps to our Responsible Ownership Statement, and how we have organised areas of enquiry under the headings of People, Planet and Partnership. Key findings in the areas listed here are discussed on the following pages.



People

Building diversity, equity and inclusion

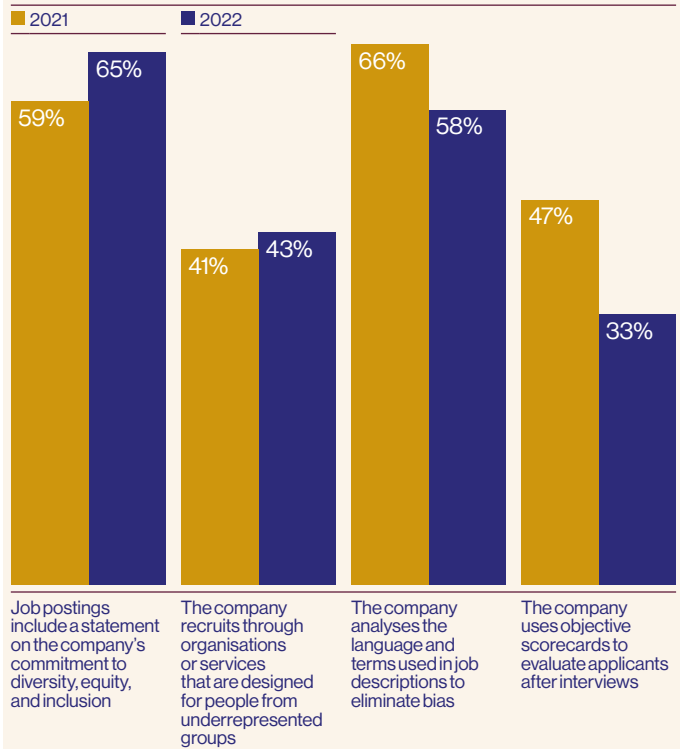
The case for diversity continues to grow as companies seek to thrive in the face of recessionary forces. In its 2022 report, 'Inclusion, diversity and equity',¹² KPMG points to its belief that “inclusion, diversity and equity are fundamental to drive the future success of any organisation.” This echoes McKinsey’s 2020 report, 'Diversity wins: how inclusion matters',¹³ which points to evidence that “the relationship between diversity on executive teams and the likelihood of financial outperformance has strengthened over time.”

We seek to build better businesses within our portfolio by encouraging implementation of forward-thinking DE&I policies and practices. An example of this is within recruitment, where our survey tracks actions that enhance the ability to recruit diverse talent. We are proud that more companies this year reported the inclusion of a DE&I statement in job postings, as well as an increased proportion stating they recruit through organisations or services designed for people from underrepresented groups. The data also highlights areas where we have an opportunity to share best practice going forward.

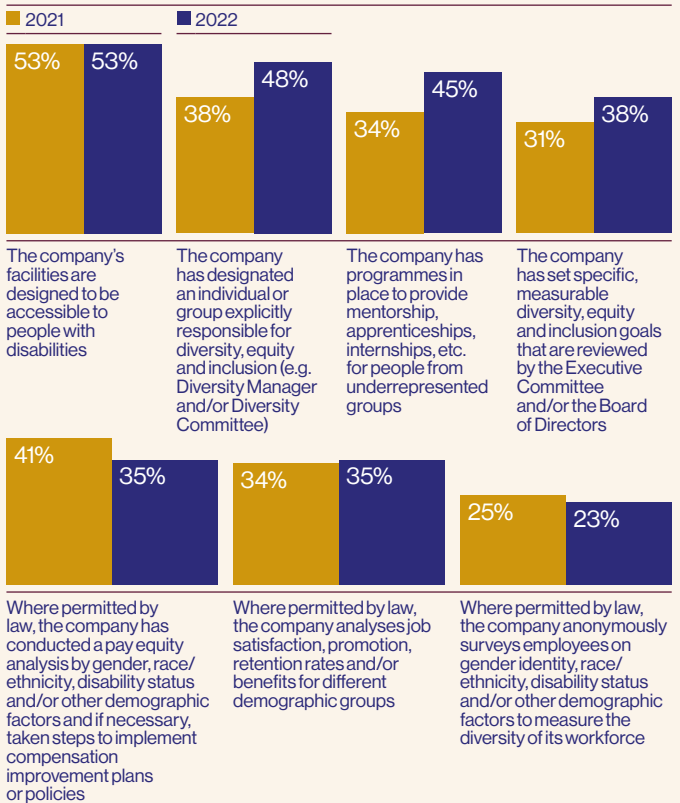
We consider diversity and inclusion a strategic priority for our portfolio companies to enhance their resilience and successfully position them for sustainable value creation. We are encouraged to see that over the past year, our portfolio has reported improvements across a range of DE&I metrics. 38% reported setting specific, measurable DE&I goals that are reviewed by the Executive Committee or Board, up from 31% in 2021. Alongside, 48% reported their business has a designated individual or group explicitly responsible for DE&I, up from 38% in 2021.

An increased proportion reported that mentoring or apprenticeship programmes are in place to develop people from diverse backgrounds and underrepresented groups. Those stating that their facilities are accessible to people with disabilities has remained constant at 53%, representing a higher number of companies than in 2021. We also monitor actions taken by our portfolio companies, where applicable by law, to track pay equity and employee satisfaction amongst different employee groups. We continue to push for improvement and to champion best practice in this area.

Does your company do any of the following with regards to recruiting and hiring?



Does your company do any of the following to manage and improve the diversity, equity and inclusion of your workplace?



Job creation and development opportunities

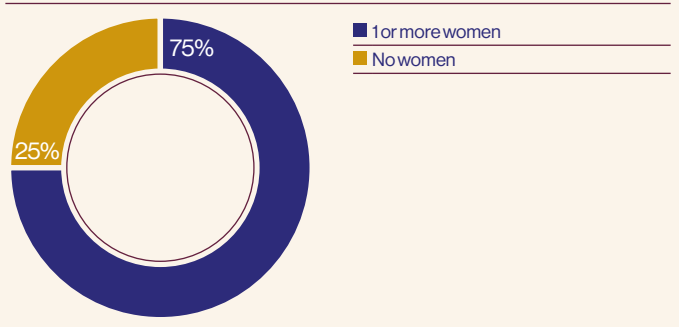
As described by the TOMs methodology, which is used to calculate social value,¹⁷ job creation is an important measure of an organisation’s contribution to society, or its handprint. We measure organic job creation to reflect the real value created by our business activity, excluding the impact of jobs that existed previously and were subsequently acquired due to M&A activity.¹⁸ This year, we are pleased to report TowerBrook portfolio companies contributed 4,508 net new jobs to society during 2021.

Maximising the impact of organic FTE growth, at TowerBrook we believe regular, formal performance reviews contribute to building better businesses by increasing the satisfaction and performance of employees. We are pleased to see that 95% of our portfolio companies reported they conduct reviews with their employees, with 88% stating they did so on a formal basis. This represents an increase on 2021, when 81% of the portfolio reported a formal programme of performance reviews.

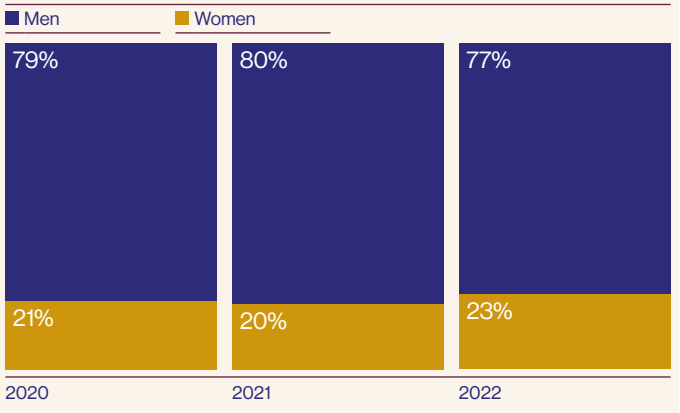
At TowerBrook, we commit to taking steps to increase the gender diversity of our portfolio companies’ Boards. We have made a public commitment to have at least one gender diverse member on each of our controlled or majority-owned portfolio company Boards, and to work to increase that to a minimum of two by 2025. We are making progress, with 50% having added one or more women to their Boards since the start of January 2021. Currently, 75% of our controlled or majority-owned portfolio companies have one or more female Board member and 21% have two or more.¹⁴

Across our whole portfolio, in 2022 women represented 23% of the composition of senior management teams, a slight increase from 2021 when the same group¹⁵ reported that 20% of the senior management were women. This is above the global average according to Deloitte’s 2022 report, ‘Women in the Boardroom: A global perspective’,¹⁶ which stands at 19.7%.

Gender distribution of Board appointees

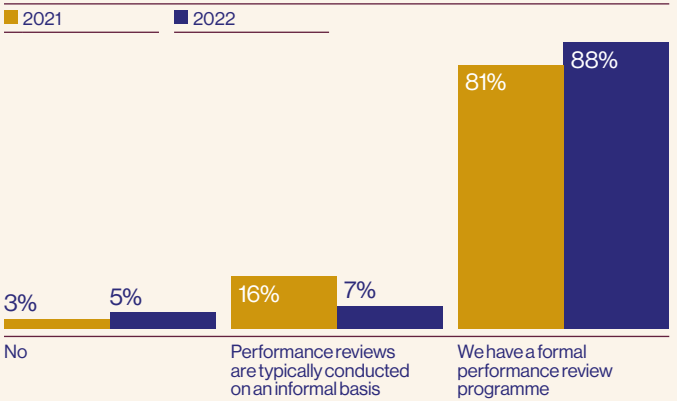


Gender distribution of senior management teams



4,508 net new FTE jobs created in 2021

Does your company provide regular performance or career development reviews to employees?



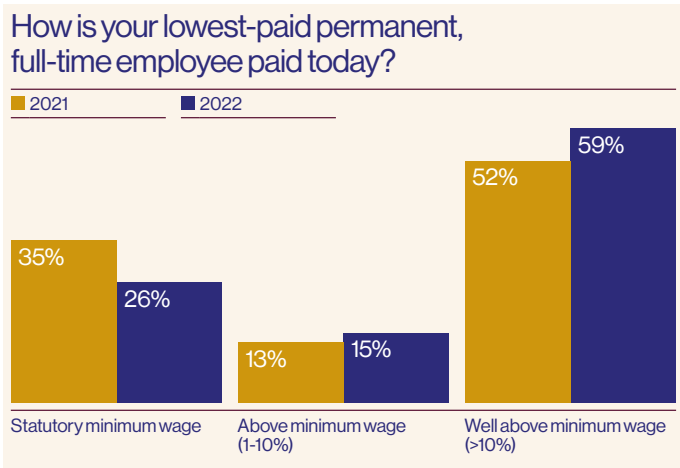
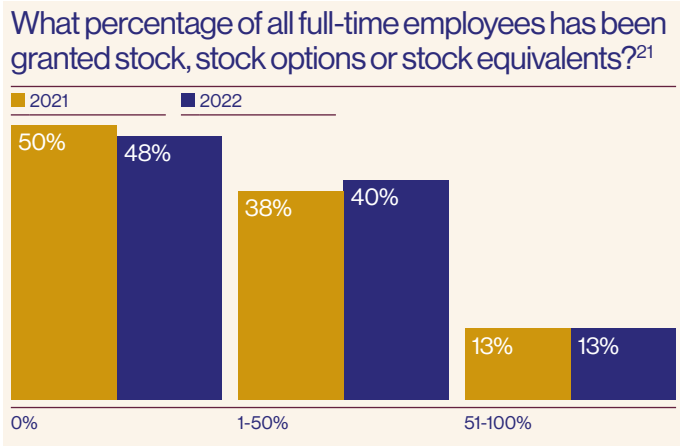


People

Monitoring reward and remuneration

TowerBrook believes employee ownership can act as a driver of improved business performance by increasing alignment between employee behaviours and firmwide strategic objectives. Over half of TowerBrook’s portfolio companies (53%) reported they have equity participation schemes in place, granting stock, stock options or stock equivalents. 13% reported that equity schemes exist for more than half their employees and the majority¹⁹ of this 13% stated that between 75-100% of their employees benefit from equity ownership.

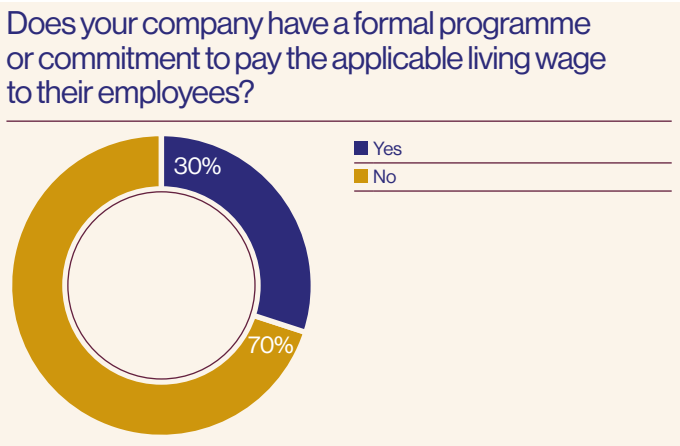
All TowerBrook companies who track this measure²⁰ pay at least the statutory minimum wage and we are pleased to see an increase in companies stating they pay their lowest-paid permanent staff above the statutory minimum. In 2022, 74% reported they paid either above (1-10%) or well above (>10%) minimum wage, up from 65% in 2021. We saw a fall in those that reported they paid their lowest-paid member of staff at minimum wage, down to 26% from 35% in 2021.



The Living Wage Project

TowerBrook has partnered with Business for Social Responsibility (BSR) to develop a Living Wage Project, designed to help portfolio companies become better, more sustainable businesses. BSR is a non-profit sustainable business network and consultancy, working with more than 300 member companies and partners globally, to develop business strategies and solutions that build a just and sustainable world.

In the initial phase of our partnership, BSR provided support to TowerBrook to help us better understand the methodology and metrics for the calculation of a living wage. This year marked the baseline round of data collection on living wage across our portfolio. In 2022, 30% of TowerBrook’s portfolio reported that they had a formal programme or commitment to pay the applicable living wage to their employees. In the next phase of the Project, with BSR’s support, we will drill deeper into these metrics and work with our portfolio companies to educate on this topic and identify appropriate goals going forward.



“Taking the approach of a ‘wage-maker’ is to proactively ensure that all workers receive, at a minimum, a compensation sufficient to support the purchase of, and access to, the goods and services necessary to meet basic needs and to maintain a decent standard of living.”

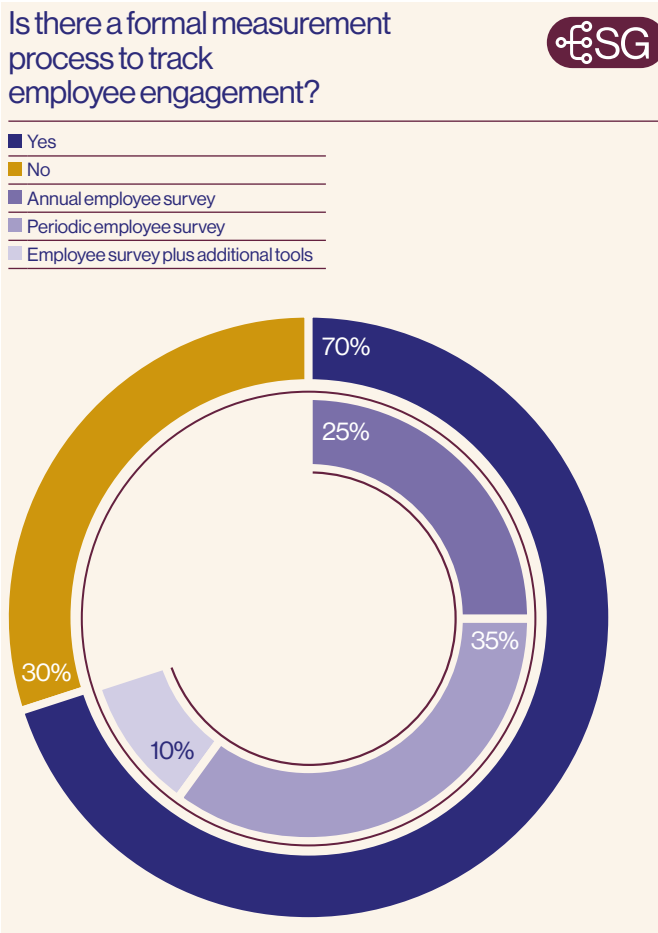
Roger McElrath
Associate Director, BSR



Employee engagement

As Gallup’s ‘State of the Global Workplace: 2022 Report’²² points out, “Business units with engaged workers have 23% higher profit compared with business units with miserable workers. Additionally, teams with thriving workers see significantly lower absenteeism, turnover and accidents; they also see higher customer loyalty.” Employee engagement is also contained within the initial six metrics for the ESG Data Convergence Initiative and has been incorporated into our annual RO survey.

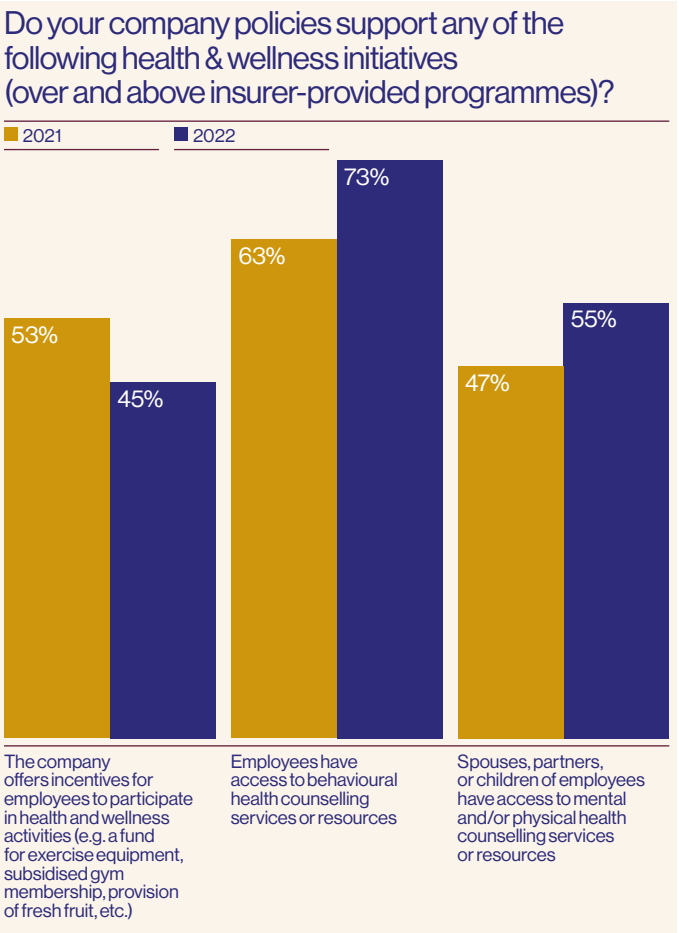
In 2022, over two-thirds (70%) of TowerBrook portfolio companies reported that they have a formal measurement process in place to track employee engagement. Within this 70%: 25% reported their employee survey is conducted on an annual basis; 35% reported that it is conducted on a more frequent, periodic basis; and 10% reported they combine an employee survey with additional tools, for example focus groups, to gain further insight. In 2023, we intend to extend our reporting to include employee response rates and satisfaction scores, highlighting engagement levels across our portfolio.



Promoting health and wellbeing

As more businesses increasingly adopt hybrid-working models, priorities for health and wellbeing provision are changing with mental health becoming a key focus. As the McKinsey Health Institute points out in its 2022 article, ‘Present company included: Prioritising mental health and wellbeing for all’²³ “Employers have the opportunity to move the needle on burn-out, to explore ways to help workers struggling with mental health and wellbeing challenges, and to explore ways to create the healthiest environments for employees.”

In 2022, we saw an increase across our portfolio in the reported provision of employee access to behavioural health counselling services or resources; 73% of companies stated they offer this compared to 63% in 2021. Similarly, higher numbers reported an increase in access to these services for employees’ spouses, partners or children; 55%, up from 47% in 2021. The number of companies offering traditionally office-based health initiatives, such as the provision of fresh fruit or subsidised gym membership grew by one, although as a proportion of the portfolio, this decreased to 45%, reflecting the greater mental health focus.





Gravity Media Group

Gravity Media Group is a global provider of complex live broadcast facilities and creative production services, serving international customers including the BBC, ATP Media, UEFA, Supercars, Netflix and Sky Atlantic. It brings live coverage of top-tier sporting events – including the U.S. Open Tennis, ATP Masters 1000, EURO Championships – and world-class entertainment to screens around the world.



FTEs	427
Revenue (LTM to Sep 30, 2022)	£114 million
Investment date	September, 2016 (TSO I)

A key strategic objective for Gravity Media is to diversify its talent pool, with particular focus on supporting a sustainable pipeline of women working in the areas of engineering, technical operations, sales and marketing. The company actively works to help train and nurture the next generation of female talent, and for the last two years has partnered with Rise, a U.K. based advocacy group targeting greater gender diversity within the broadcast technology sector.

In 2022, Gravity Media sponsored the annual Rise Awards, networking events, training sessions, and Rise Up education outreach programme, with the aim of inspiring, mentoring and developing talented women in the sector. The Rise 2022 mentoring programme saw two mentees from Gravity Media in Australia and two mentees from Gravity Media in the U.S. participate. The company is also providing volunteers for the

next Rise Up Academy scheduled to take place during late 2022 and early 2023. This outreach programme delivers broadcast engineering and technical workshops to primary and secondary school children aged 9 through to 18 years old.

As a Corporate Supporter of media-sector diversity-focused charity MAMA Youth, Gravity Media has also taken steps to improve access to broadcast careers for people from underrepresented groups. Through this partnership, initially launched in 2021, Gravity Media seeks to help the charity prepare young people aged 18-25 from underrepresented backgrounds or with limited educational or employment opportunities, for a successful career in the media. In 2022, Gravity Media offered a permanent opportunity to one person from the programme based in its Chiswick Production Centre in the U.K.

Building on its work to improve sector diversity, as well as its existing environmental accreditations, this year Gravity Media publicly announced its intention to become the sector leader in ESG. The company is currently formalising its ESG delivery framework, focusing initially on diversity and inclusion, employee wellbeing and sustainability. Gravity Media expects to begin reporting against the new framework in 2023.



Acacium Group



To read Acacium's Interim Responsible Business Report, click [here](#) or use the QR code

Acacium Group is a global healthcare solutions partner offering staffing, managed services and innovative delivery models to health and social care systems and the global life sciences industry.

FTEs	2,643
Revenue (LTM to Sep 30, 2022)	£635 million
Investment date	July, 2014 (PE IV)

As a key supplier to the NHS in the U.K., Acacium is increasingly required to demonstrate how it is measuring and reporting its contribution to society as a business. This summer, Acacium published its first interim [Responsible Business Report](#) using the TOMs methodology used by the public sector to calculate social value, which focuses on themes, outcomes and measures. In this interim Report, Acacium Group reported £5.8 million in social value created during the first six months of 2022. The company has made a public commitment to reporting transparently on an ongoing basis, and to aligning its strategy as a responsible business with the UNSDGs.

A component of Acacium's responsible business approach, spanning People, Planet and Community, is the company's commitment to diversity and inclusion (D&I). As a people-centric business, Acacium has long been mindful of the need to attract, develop and retain talent from all backgrounds. It kicked off its current D&I strategy in 2020, focusing on three key strategic priorities: celebrating diversity; awareness and education; and developing employee networks to support inclusion. These networks include Race and Ethnicity, LGBTQ+, Disability, Body Image, and Gender (which includes sub-groups focused on menopause and men's mental health).

This commitment to supporting D&I is central to company culture and permeates every level of the organisation. Acacium has an Executive Board-level sponsor for D&I who is supported by a dedicated Head of Culture and Inclusion, as well as a D&I Board. In addition, senior leaders act as high-profile sponsors of the employee networks. Ongoing training covering D&I Fundamentals such as Know your bias, Inclusive Leadership, and Understanding Race support the goal to embed D&I within company culture and 212 D&I training hours were delivered in the first six months of 2022. Greater LGBTQ+ inclusion has also been promoted this year by asking employees to include their preferred pronouns within the company's employee self-service HR system.

Acacium has been particularly focused on disability inclusion and its new London office has been designed with an accessibility lens, with significant input from Acacium's internal Disability network. Facilities include: wide aisles and clear routes; neurodiverse workspaces created to be conscious of the effects of space, lighting and sound; moveable furniture; high-rise desks; and a hot-desking system clearly marking accessible desks and allocating suitable desks to those with long-term conditions. The building also better serves a diverse workforce, with a prayer room, a dedicated wellbeing room with a fridge to allow breast-feeding mothers to express and store milk, and unisex restrooms. The London office is now used by the Group as a blueprint when taking on new offices or considering office re-design in existing buildings.

“ Societal leadership is now a core function of business and we, along with our stakeholders, have a key role in addressing societal problems. Our purpose is to improve people's lives through healthcare, social care and life sciences and as part of this we are committed to embedding responsible business practices throughout the Group.

Mike Barnard
Chief Executive Officer, Acacium Group





CarTrawler

CarTrawler is a B2B mobility platform for the global travel industry, based in Dublin, Ireland. The platform connects travel companies, airlines and hotels with car rental suppliers, enabling CarTrawler’s partners to build their brands by expanding their offering.

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

CarTrawler works in partnership with many of the world’s biggest travel brands, providing mobility services for over a quarter of the top 100 airlines globally, including easyJet, Alaska Airlines, Jetstar, SWISS, KLM and Emirates, plus online travel agencies, such as eDreams, Hotels.com and Hopper.

In 2021, in consultation with TowerBrook and in line with our commitment to sustainable value creation, CarTrawler implemented an inclusive employee equity scheme as a key component of its total reward proposition. The equity scheme was introduced for three reasons: first to drive alignment, incentivising CarTrawler’s employees to take individual responsibility in their role to increase the value of the business; second to share financial benefit, improving outcomes for the company’s employees across all functions; and third, to help attract and retain talent, by creating a highly competitive remuneration offering, in a market where competition for talent is high.

Now entering its second year, the company reports that the equity scheme is proving to be highly motivating. It has been credited with creating a company-wide shift in focus towards profit and value creation, and has formed an important basis for embedding a shareholder mindset across the business. The company ran a series of education seminars when the scheme launched, explaining EBITDA and its drivers, and continues to provide regular EBITDA updates during company townhalls. Employees also have ongoing access to an online portal where they can see a visual representation of their equity in real-time.

The equity offering has become a key component of CarTrawler’s employee proposition, and is believed to be a contributor to the company’s ability to attract high-quality talent. Attrition has fallen quarter by quarter since the introduction of the scheme and is now at an all-time low across all functions. Employee engagement and satisfaction within CarTrawler has increased, with results from its bi-annual Pulse survey reaching their highest ever score of 84 in July 2022. This is up from 81 in December 2021 and 20 points above the company’s 2019 levels, positioning CarTrawler five points above the Glint global high-performance benchmark for technology companies.

Alongside the equity scheme, CarTrawler has sought to further improve its employee experience during 2022. To help with the challenges of hybrid working, particularly employee burn-out, the company established its Heads-Up initiative designed to reduce the stigma associated with talking about mental health in the workplace. Kicked off by CarTrawler’s Leadership Team in an open and honest session in January 2022, and supported by a team of 40 mental health first aiders, known as Heads-Up Buddies, the objective was to raise awareness and signpost access to resources. CarTrawler also facilitates Friday’s Unplugged, a half day mental health break on the last Friday of the month.

In 2023, the company intends to further develop its support for mental health with particular focus on raising awareness of neurodiversity and usage of its existing employee assistance programme within particular employee segments. This programme is provided in partnership with its healthcare provider and offers a suite of resources including counselling during times of crisis. The company also plans to continue with its provision to support employees’ overall health, including: Monday meditation provided virtually; weekly yoga, tennis and football; an active sports and social club; complimentary fresh fruit; and ergonomic assessments.

“CarTrawler’s employees all now share in our success and feel they are part of a purpose-led, values-driven organisation.”

Peter O’Donovan
Chief Executive Officer, CarTrawler



Compassus

Compassus is one of the largest providers in the U.S. of patient-focused in-home care, including home health, infusion therapy, palliative and hospice care. The company operates in over 30 states at nearly 200 locations providing high-quality care and managing patients’ advanced illnesses.



FTEs	4,575
Revenue (LTM to Sep 30, 2022)	\$690 million
Investment date	December, 2019 (PE V)

Post-pandemic, healthcare companies globally have faced significant challenges associated with increased employee burn-out and nurses leaving the profession. This higher level of turnover causes continuity issues, making it more difficult to deliver consistently high levels of service. In 2021, to enable the company to continue to deliver against its purpose and vision, Compassus laid out its strategic priority to be an Employer of Choice. During 2022, it has worked to deliver against this priority, with a broad spectrum of initiatives.

Compassus strives to provide a supportive and empowering environment for its employees ensuring its nurses feel recognised and valued for the work they do. In January 2022, it launched a Paradise Award for nurse managers, a rolling programme allowing nurses from across the field to nominate managers who have gone above-and-beyond for patients. The award brings both recognition for excellence, a financial reward in the form of a cash bonus, and additional holiday hours, allowing those who have gone the extra mile some time off to recharge.

Investment into leadership development has been strengthened this year, with training programmes launched for first- and second-line clinical managers. Leading Individuals has been designed for nurse managers, and Leading Leaders for their

clinical line managers. In-person training for both programmes take place at Compassus’ headquarters in Nashville, Tennessee, and is followed by remote development and coaching. Five cohorts of Leading Individuals have been through the programme during the course of 2022, with one additional cohort planned before year end.

Alongside, Compassus has published a Compassus Leader Toolkit, providing resources for managers at all levels. The online toolkit, which takes the form of a friendly avatar based on the ideal Compassus leader, gives managers support on a variety of practical management topics, including how to give feedback, conduct performance reviews, and the most appropriate language to use when interacting with their teams.

In October 2022, to better formalise its clinical employees’ career development opportunities, the company introduced its Nursing Career Ladder, putting in place four new discrete levels of nursing, each with associated levels of commitment, expectations, training, and enhanced compensation. This organisational model is new to the home health sector (post-acute market), bringing it more into line with the organisation within hospitals (the acute market). It is designed to give Compassus nurses a clearer pathway for their career development, as well as to be formally recognised for that development, encouraging greater job satisfaction and retention.

A key measure for Compassus in these efforts is employee retention. As a result of this strategic focus, the company is already seeing better results with significantly decreased turnover at the 90-day mark across three key clinical roles: home health nurses, hospice nurses, and nurse managers. Longer staff tenure enables Compassus to provide better patient service and increases its capacity to grow as a business. Looking forward to 2023, Compassus intends to roll-out similar measures across its care consulting/growth team.

Compassus is also keen to play a role in supporting the sector to grow the number of trained nurses. A pilot programme, Compassus Scholars, was launched this year in collaboration with a partner nursing school in Ohio. Designed for students who have expressed an interest in becoming nurses but have been put off due to financial constraints, the pilot provides 15 months of sponsorship for their training, and guarantees selected students a position once they’ve qualified. The pilot is currently supporting a cohort of eight students.



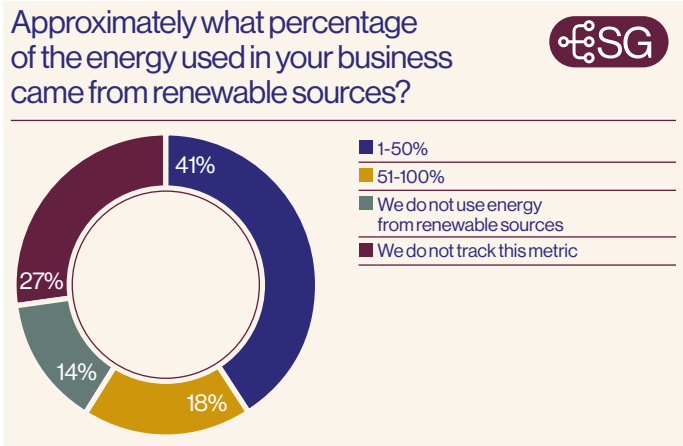
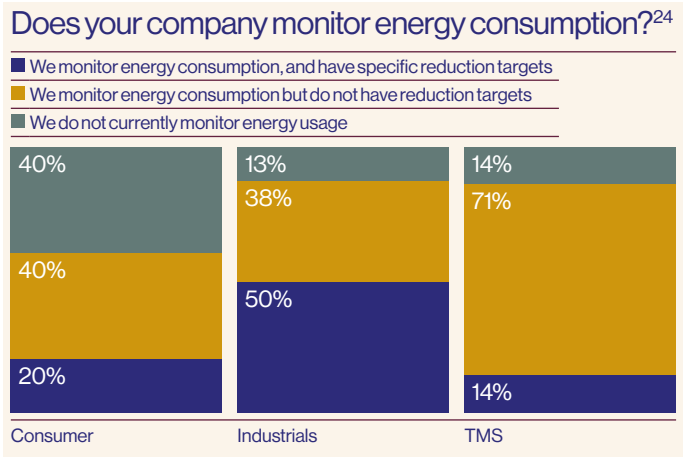
Planet

Energy consumption

We encourage our portfolio companies to monitor energy consumption and this year are pleased by the progress made within the Industrials sector in particular. In 2022, we have seen a step change in the overall proportion of our portfolio companies reporting that they monitor energy consumption; 88% this year, compared to 63% in 2021.

We were also encouraged to see an increase among companies in this sector who reported going a step further and setting reduction targets for energy consumption; 50% reported setting reduction targets in 2022 compared to 25% last year. In 2023, we seek to continue to highlight and socialise these results across our portfolio with a view to encouraging improvements within other sectors.

As responsible owners, we champion the adoption of clean energy as a means to reduce Scope 2 emissions. Of the 22 portfolio companies who reported they monitor energy usage, 59% stated at least a portion came from renewable sources. 41% reported renewables accounted for between 1-50% of their energy use; 18% stated renewables accounted for 51% or more.



Aernnova

Aernnova is an aircraft aerostructures manufacturer specialising in the design, manufacturing and servicing of aerostructures for major OEMs including Airbus, Boeing, Embraer and Bombardier.

FTEs	4,746
Revenue (LTM to Sep 30, 2022)	€704 million
Investment date	January, 2018 (PE IV)

With its headquarters located in Spain, Aernnova operates across a network of 17 locations in seven countries, with specialised business units for engineering, composites, metallic components and servicing. In recent years, Aernnova has made a number of acquisitions.

Aernnova monitors its electricity usage and in 2022 extended the implementation of energy management systems across four companies, with a view to continuing this extension in 2023. The management system has allowed Aernnova to identify energy used during times when there is no production, for example at the weekends, and take measures to reduce consumption. It has put in place more energy efficient lighting and is installing timers into heating systems to reduce their working hours.

Aernnova takes steps to optimise use of natural gas, which is used for paint booths, ovens and surface treatments, by producing in batches. The company also optimises heating of water tanks used in surface treatments through utilisation of covers designed to reduce heat loss. Going forward, Aernnova plans to increase its use of renewable energy. Currently, solar energy is used on a small scale to heat water in some rest-rooms, however Aernnova is targeting more solar panel installation in 2023.

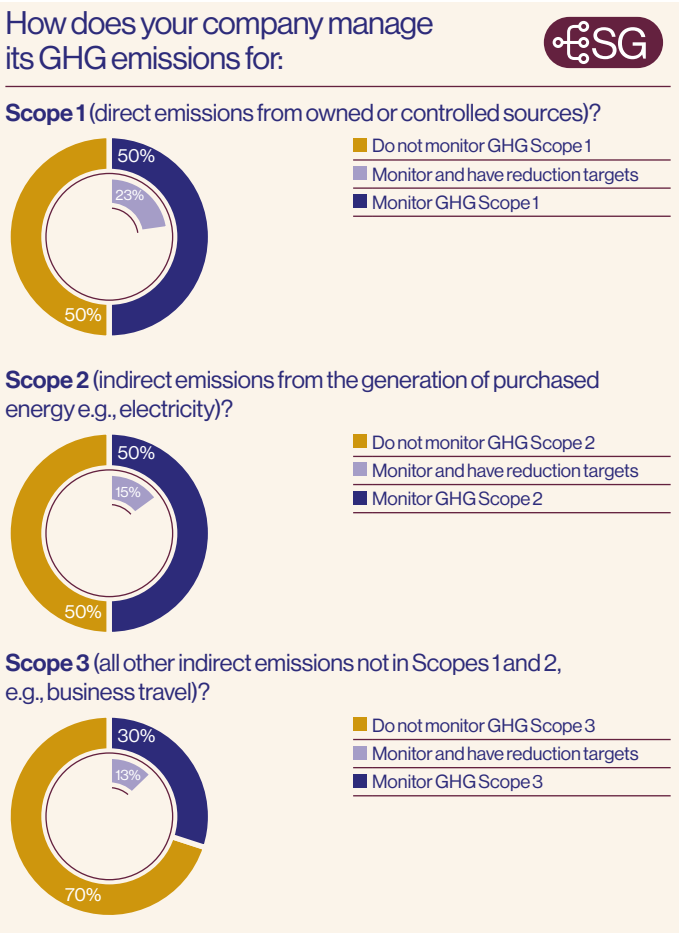
Aernnova has taken steps to reduce its water consumption and plans to roll out initiatives more widely. In some plants, the reuse of waste water from surface treatment rinsing tanks is under study. In rest-room facilities in Barcelona, the company has installed devices to reduce water use by 50%. Aernnova is also investigating new solutions for waste management for composite waste.



Measuring GHG emissions

With the delegates at COP27 assessing the effectiveness of the world's implementation of the Paris Agreement, it is crucial we intensify our efforts to reduce GHG emissions. As responsible owners, we seek to help our portfolio companies accelerate towards a net-zero future and this year we have been working with management teams to share industry best practice and insights from our numerous climate-focused collaborations.

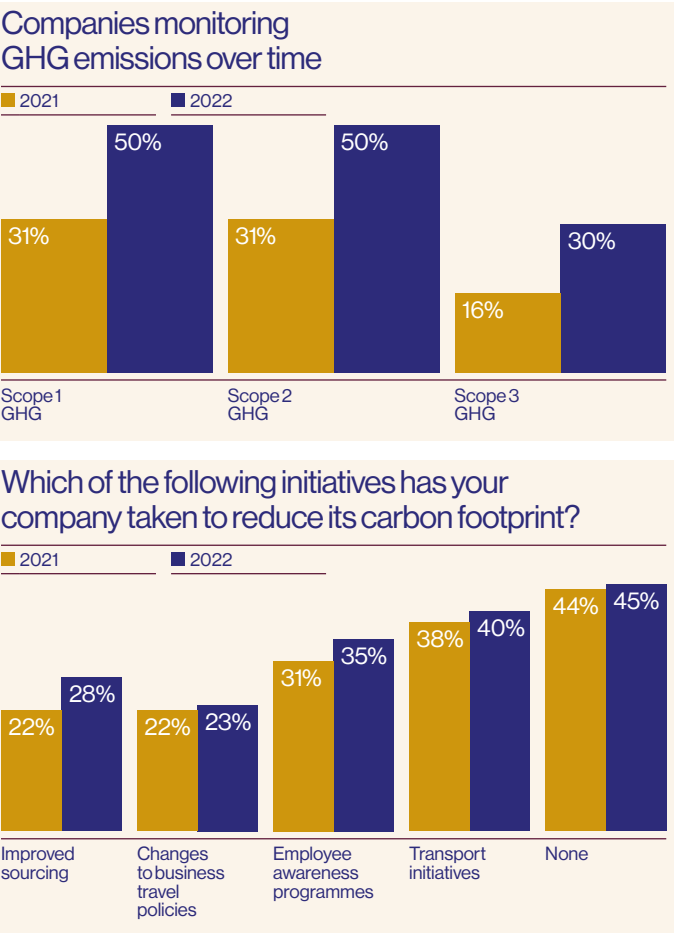
Our goal is to help our portfolio companies measure their Scope 1, 2 and 3 GHG emissions and ultimately move to set binding reduction targets. In this regard, we are pleased to report a material change in 2022 compared to 2021 in the proportion of our portfolio companies reporting they monitor Scope 1, 2 and 3 GHG emissions, as detailed in the charts below. 50% of our portfolio companies stated they now monitor their Scope 1 emissions (direct emissions from owned or controlled sources), with 23% reporting they had set reduction targets. This has increased from 31% and 16% respectively last year.



For Scope 2 emissions (indirect emissions from the generation of purchased energy), we see a similar level of increase. 50% of our portfolio reported they monitor Scope 2, with 15% stating they had set reduction targets. This is up from 31% and 13% respectively last year. Encouragingly, the percentage of companies who reported they monitor Scope 3 emissions (all other indirect emissions, including emissions in the supply chain) has also increased. In 2022, 30% reported they monitor Scope 3, up from 16% last year, and those setting reduction targets also increased to 13% this year, up from 6% in 2021.

Supporting portfolio companies to measure Scope 1, 2 and 3 emissions and setting reduction targets, where appropriate, will be a strategic priority for TowerBrook in 2023.

Across TowerBrook's portfolio, over half (55%) reported they had run initiatives in the prior year designed to reduce their carbon footprint. 28% reported initiatives to improve sourcing, 23% stated they had made changes to business travel policies, 35% said they had run climate-based employee awareness programmes, and 40% reported transport initiatives.





ACPS Automotive

ACPS Automotive is a major European manufacturer of towbars for passenger cars, SUVs and vans. Founded in 1955 and headquartered near Stuttgart, Germany, the company generated annual sales of around €300 million in 2021.



The FIT4FUTURE programme is a global effort and is underpinned by a comprehensive range of KPIs, which have equal weighting to those measuring financial and commercial success. A strategic goal is for ACPS Automotive's improved carbon performance to become a key differentiator for the business.

ACPS Automotive measures its Scope 1, 2 and 3 carbon emissions and has performed a thorough life cycle assessment of its products to understand where it can make carbon reductions. Just under 10% of ACPS Automotive's carbon emissions are Scope 1 and 2, so within the direct control of the company. These result from the heat treatment of its products, as well as energy use within its plants and offices. 90% of its emissions are Scope 3 and come from its supply chain, predominantly steel.

Going forward, a key influencer of ACPS Automotive's carbon performance will be its ability to source steel from suppliers who share a commitment to carbon reduction, producing steel in a way that minimises carbon emissions (known as green steel). ACPS Automotive's roadmap reflects the projected availability of green steel, as well as the company's existing supplier contracts.

ACPS Automotive develops, manufactures and sells trailer and carrier systems at nine locations in Europe, U.S.A. and Mexico. Its target markets are automotive manufacturers and end-users, as well as companies in the aftermarket, such as garages and dealers. ACPS Automotive also holds more than 140 patents and grants licenses to third parties.

In January 2022, the company went through a restructuring exercise to position sustainability at the heart of its operations, in order to deliver against an ambitious decarbonisation programme, which it calls FIT4FUTURE.

The programme commits the business to net-zero by 2040 and rests on six key principles. These principles lay out ACPS Automotive's intention to make decarbonisation a key strategic pillar in the company's decision-making, and eliminate the intention, long-term, to carbon offset, instead seeking material carbon reduction within its operations and supply chain.

“To make our contribution to mitigating climate change, we have set ourselves the goal of achieving CO₂-neutral production by 2040. For us, this responsible action and our economic success go hand in hand.”

Caspar Baumhauer
Chief Executive Officer and
Managing Director, ACPS Automotive



Swissport

Swissport is the largest independent global aviation services business providing ground handling and cargo handling services (based on revenue and airports served). Headquartered in Zurich, Switzerland, it operates at 285 airports worldwide, and in 2021 served 97 million airline passengers, handling roughly 5.1 million tons of air freight at over 100 cargo warehouses.



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

Prior to 2022, Swissport did not have a comprehensive ESG strategy. There had been extensive focus on health and safety, as well as a number of isolated initiatives to reduce emissions, but without a clear sustainability roadmap, the efforts did not do enough to meet the increasing pressure from customers and airport partners demanding a more responsible offering.

With TowerBrook's support, this year Swissport significantly ramped up its ESG efforts and appointed a new Chief Strategy and Sustainability Officer at the start of 2022. In September, the company publicly announced extensive goals for the decarbonisation of its operations and waste management, as well as targets for increased diversity among its people to better reflect the communities in which Swissport operates.

The new sustainability agenda is aligned with an ambitious growth plan and will support Swissport in its long-term development and success. It is built around a comprehensive set of strategic ESG measures and includes a focus on introducing more electric vehicles, the avoidance of waste in its cargo centres and airport lounges, as well as additional D&I efforts to improve its attractiveness as an employer.

Swissport intends to reduce its carbon emissions by at least 42% by 2032. To achieve this, the company plans to increase the share of electrically powered vehicles in its fleet to at least 55% during this period. Swissport seeks to avoid waste by eliminating all disposable plastic tableware in its subsidiary's airport lounges by 2025, replacing items with recyclable or reusable products. In cargo handling, the company is introducing a new global waste management policy, with completion of the roll-out across its 100+ sites targeted by 2027.

Attracting and retaining talent is a strategic focus. Swissport believes enhancing employee diversity can make the company more creative, innovative and successful, and has laid out concrete 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, its Global Management Team.

Going forward the focus will be on leadership levels below C-suite, where women are currently underrepresented. Swissport is initially aiming for a proposition of 25% women at this tier, with an ambition to achieve a 40% share of women in management within the next five years.

“We are committed to contributing our share in helping to make a more sustainable aviation future a reality. For us, sustainability goals are not a compulsory exercise, but an opportunity which contributes to long-term value creation.”

Warwick Brady
President and Chief Executive Officer,
Swissport International AG

Spotlight on carbon emissions reduction

Case studies



KeHE



To read KeHE's Goodness Report, [click here](#) or use the QR code

KeHE is one of North America's largest distributors of natural, organic, specialty and fresh food products, distributing to more than 30,000 retailers.



Through a partnership with the U.S. Environmental Protection Agency's Smartway Program, KeHE measures and benchmarks the progress of these initiatives, to help further reduce the fleet's environmental impact.

The global warming potential (GWP) of KeHE's refrigerants has also been improved, putting the company on track to meet its commitment to a 20% reduction of GWP by 2030. At the company's new facility in Dallas, Texas, which opened in September 2022 to replace two older facilities, the refrigerants installed have 84% lower GWP than their predecessors. Refrigerated trucks used at six locations are now cooled more sustainably using Shorepower technology. These plug-in to the local grid rather than using their engine, typically producing zero on-site emissions.

To reduce the impact of waste, KeHE has set targets to cut food waste in half and divert 90% from landfills by 2030. Progress is underway with plans to introduce cardboard and plastic recycling programmes at all warehouses and a new zero-waste guide for distribution centres. The introduction of an Employee Appreciation event further diverts waste by selling salvaged products to KeHE associates at low prices.

Measures have been taken to increase the adoption of renewable energy sources. At KeHE's Goodyear, Arizona, facility which opened in Q4 2021, the building incorporates a solar-panelled car parking facility, harnessing clean energy. Across all KeHE's buildings, seven are certified by widely-used green building rating system (LEED), which rates the building's environmental performance across a variety of factors including water consumption, insulation, roofing structures and energy use. Certification efforts are in progress for two more of its buildings.

“At KeHE, our goal is not simply to be a successful company; it is to be a force for good in the world, and to steward the time, talents, and resources we've been given to make a positive impact on as many lives as we can.”

Brandon Barnholt
President and Chief Executive Officer, KeHE

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

As one of the world's largest Certified B Corps, KeHE is driven by more than commercial success. Through its supply chain it seeks to align conscious businesses with conscious consumers, using its position as a distributor to make a positive impact on the lives of its people, communities and the planet.

KeHE has four Sustainability Commitment areas spanning transportation, refrigerants, waste and energy. Within transportation, this year KeHE was proud to achieve a 12% reduction in GHG emissions, as a result of its transportation initiatives, putting the company on track to meet its target of a 20% GHG emissions decrease in this area by 2030.

Five compressed natural gas tractors were introduced in California as an alternative to diesel, reducing each vehicle's emissions by approximately 70%. Upgrades to its fleet, reducing the average vehicle age from 5 years in 2021 to 3.5 years in 2022, increased the collective miles per gallon by 4.4%. Route optimisation measures resulted in a 7.1% reduction in miles driven.



The AA



To read the AA's ESG Report, [click here](#) or use the QR code

The AA is one of the largest roadside assistance providers in the U.K., servicing 515 million consumer and manufacturing members and the U.K.'s largest fleet and leasing companies. Operating for over 115 years, the AA has built a trusted and well-recognised brand, enabling it to expand into insurance, insurance underwriting, financial services and driving services.



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

TowerBrook has been supporting the AA on its journey to put ESG at the heart of its strategy, providing the company with a clear context for its strategic objectives, operational initiatives, targets and measures of progress. Core to this strategy and programme of delivery is the concept that 'driving doesn't have to cost the earth.'

In June 2022, the company publicly committed to achieving net-zero for its own emissions by 2035. As a roadside assistance provider, the bulk of the AA's direct environmental impact comes from its fleet. To deliver against its net-zero reduction plans, the AA has positioned itself at the forefront of environmental thought leadership. By actively exploring the technology available to improve its emissions performance, the AA aims to simultaneously enhance its customer experience.

Currently, there is no electric equivalent van that has the payload or towing capacity required to replace the AA's current Euro 6 diesel vehicles like-for-like. To overcome this, the company is investing in and testing different options to transition the fleet

to more sustainable vehicles, using alternative fuels, as well as exploring how to use the fleet in different ways, both to reduce emissions and improve service.

This year, the AA invested in a hydrogen-charging van, a hydrogen fuel-cell vehicle, as well as a fleet of electric vehicles to trial in urban environments. The company has also developed its remote fix strategy, utilising digital technology available to resolve driver issues remotely, saving driving miles and the associated carbon emissions.

The AA has innovated to evolve its breakdown strategy, giving mechanics more capability to fix breakdown issues in situ, reducing the need for diesel flatbed trucks to tow cars long distances. The company has also introduced a Repair Management Solutions project, with the aim of reducing the number of long-distance recoveries by arranging a local repair if a vehicle can't be fixed at the roadside.

These initiatives, along with its focus on managing carbon emissions across the rest of the organisation, are having a positive impact. In 2021/2022, the AA saw a 17% reduction in GHG Scope 1 and 2 emissions from its baseline year of 2019/2020.

Alongside its objective to drive down Scope 1 and 2 emissions, the AA has invested to help drivers make their own electric vehicle (EV) transition. Further EV training has been delivered for the whole patrol force and EV insurance launched for customers with electric vehicles. In March 2022, the AA's Driving School began offering electric tuition cars for driving instructors, and the company's driver-education business, DriveTech, developed courses to help educate those considering the purchase of an EV.

The AA's 2022 ESG Report can be found on its [website](#).

“In a fast-changing world, we now have a role and a responsibility to ensure a better, more sustainable future for all, and our ESG strategy is at the core of this.”

Jakob Pfaudler
Chief Executive Officer, The AA



Partnership

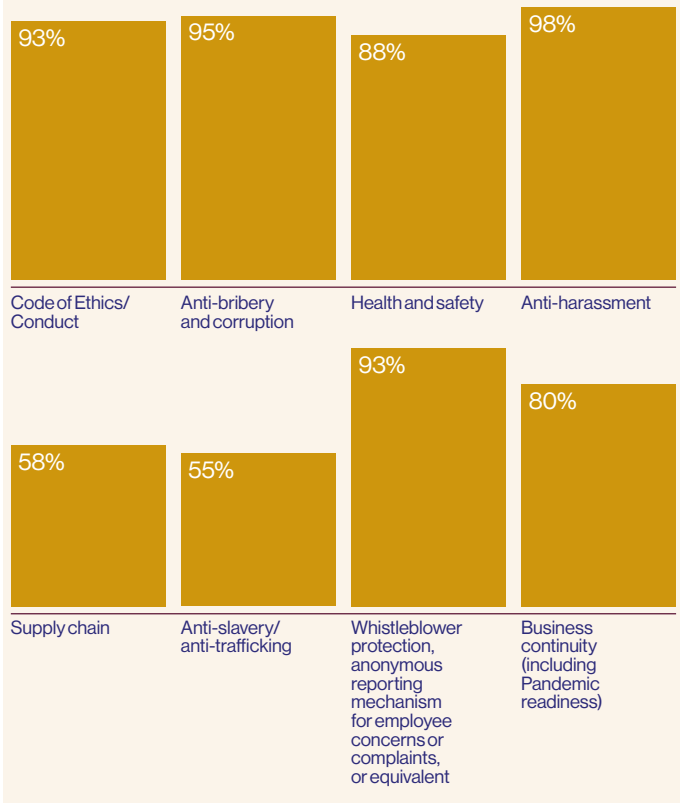
Business ethical risks

At TowerBrook, we believe that managing business ethical risks is an important part of Responsible Ownership and plays a vital role in protecting the value created for all stakeholders. This year our portfolio was surveyed on a wider range of policies that support ethical business practices than in previous years. The results are shown in the chart below.

We are encouraged to see that over 90% of our portfolio companies reported that they had a policy in place for Code of Ethics/Conduct, anti-bribery and corruption, anti-harassment, and whistleblower protection. 88% reported they had a health and safety policy (see more detail opposite), 80% business continuity, 58% supply chain, and 55% anti-trafficking.

We will endeavour to support the ongoing implementation of these key ethical policies and procedures across our portfolio where they are reported as missing. Ultimately, we seek to drive towards a 100% implementation rate for these important policies across our portfolio.

Does your company have policies and processes in place for managing business ethical risks in the following areas?



Health and safety

We are committed to supporting our portfolio companies to hold themselves to the highest health and safety standards. Drilling deeper into health and safety policy adoption by industry sector, as reported by our portfolio companies, this sits at 100% for Healthcare, 90% for Consumer, 88% for Industrials, 86% for TMS, and 75% for Financial Services. We are taking steps to work with our portfolio companies to remedy where this important policy is highlighted as absent.

We also survey our portfolio companies' performance on work related injuries. In line with the ESG Data Convergence Initiative, we publicly report on this data transparently, differentiated by industry. We are encouraged by the low incidence levels, particularly within Financial Services, TMS and Healthcare sectors, as reflected in the table below. Within the Industrials and Consumer sectors, we will endeavour to support our portfolio to reduce these incidence levels further.

Average incidence of work-related injuries per 100 employees

Consumer	5.04
Healthcare	1.36
Industrials	4.73
Financial Services	0.00
TMS	0.15

During this reporting period we also had one incident of a workplace fatality within our portfolio. In June 2021, a pipe in AustroCel's digester house ruptured, tragically resulting in the death of a maintenance worker. Following the incident, the plant remained shut until March 2022, during which time AustroCel underwent an extensive repair and upgrade capital expenditure programme, in addition to a thorough independent risk-assessment, to improve safety at the facility. AustroCel appointed a new Chief Executive Officer in July 2022 who joined the firm with a priority of positioning health and safety as a core pillar of company culture.



Cybersecurity

As responsible owners, TowerBrook is committed to cybersecurity and the safeguarding of the proprietary information of our portfolio companies.

In 2022, TowerBrook's Portfolio Group extended its cybersecurity programme to further enhance long-term cyber risk management. The cyber programme contains:

Cyber governance

- We routinely review the cyber risks in our portfolio companies and advise management teams on risk mitigation
- Cybersecurity is a Board topic for our portfolio companies, with awareness and training programmes provided to support TowerBrook Board members; this includes regulatory and legal compliance requirements
- Cybersecurity is a standing agenda item in all Portfolio Committee meetings, where latest trends in the market are reviewed as well as the latest results of cyber assessments and portfolio-wide outside-in scanning

Cyber assessment

- We continue to monitor the entire portfolio through an outside-in scanning tool. Access to the tool has been provided to the portfolio companies so they can actively monitor and remediate any threats identified
- For the portfolio companies in our PE funds, we have started comprehensive cyber assessments performed by independent third parties. The assessments are performed against leading frameworks

Cyber in risk management

Support is provided in cyber risk management topics such as the transfer, avoidance, reduction, and acceptance of cyber risks. This includes support on cyber insurance acquisition/renewal, crisis response planning, as well as selecting and implementing remediation controls.

CalPERS

CalPERS (California Public Employees' Retirement System) is one of TowerBrook's long-standing limited partners, serving over 2 million members across California's schools, public agencies and state departments.

For CalPERS, ESG risk integration is a strategic objective and integral to its vision to provide a sustainable retirement system and healthcare benefits for members. Its Sustainable Investing (SI) Program seeks to manage high-value ESG risks and opportunities across its investment portfolio, as well as create a foundation for stakeholder engagement regarding these important considerations.

To deliver its SI Program, CalPERS has a dedicated SI team who provide help and counsel to its Investment Office. The team's expertise spans human capital, climate change risk, integrated reporting and financial market structures; better enabling the Investment Office to identify and understand sustainable investment drivers that can impact long-term profitability.

CalPERS continually refines its tools and practices to support sustainable investing through the life cycle of its investments and works to ground its approach in data and evidence. Over the past nine years, it has built a Sustainable Investment Research Initiatives (SIRI) Library, which is now a searchable database of over 1,900 papers on ESG topics, including issues such as income inequality and diversity. CalPERS is also one of the ESG Data Convergence Initiative's founding limited partners.

“TowerBrook's Responsible Ownership approach aligns well with our Sustainable Investing Program and our effort to deliver risk-adjusted returns on behalf of CalPERS' members.”

Julia Jaskolska
CalPERS Private Equity,
Co-Investments and ESG Lead

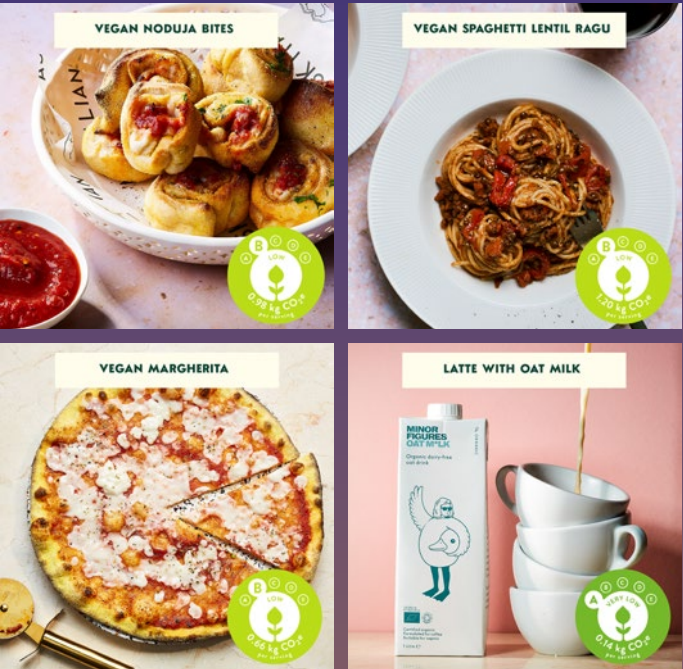


Azzurri Group's ASK Italian restaurant in Horsham has recently introduced low-carbon options to its menu



Azzurri

Azzurri Group is a restaurant operator in the U.K. and Ireland casual dining sector offering Italian food under the Zizzi, ASK Italian and Coco di Mama brands, across an estate of over 200 restaurants and shops.



FTEs	3,301
Revenue (LTM to Sep 30, 2022)	£235 million
Investment date	July, 2020 (PE V)

Azzurri Group's vision is to 'serve better' with food businesses that nourish the needs of its people, customers and the planet. Since 2016, the Group's actions have been guided by its Sustainable Dining Strategy, a commitment to put responsibility at the heart of its business, focusing on the issues that matter most to its stakeholders.

In 2022, the company took its aspirations and governance a step further, setting out its Recipe for a Better Future plan, which builds on Azzurri's existing strategy and lays out firm goals for 2030, aligning with the UNSDGs.

Within this plan, Azzurri has put in place a commitment to reduce the carbon emissions associated with its menu and operations by 2030, with a target to reach net-zero by 2040. The Group intends to deliver on this ambition through rigorous carbon measurement and management of its menu, and sustainable sourcing practices.

Good governance is crucial to the success of this ambition. In 2022, the company undertook its first detailed carbon footprint exercise to track the causes of its emissions. 60% come from the food it serves. Azzurri have enlisted the help of Foodsteps, a start-up organisation whose expertise and software helps them track the environmental impact of food and provide a detailed understanding of emission factors associated with transportation, production and cooking processes. Thanks to Foodsteps, the Group has a better understanding of its potential for positive impact, finding out for instance that ASK Italian's vegan swaps can reduce carbon emissions by up to 70%.

As well as taking action on the supply-side, Azzurri also wants to put its customers in a position where they can make informed choices about what they consume. Through its carbon footprint exercise, it can now begin to carbon-label individual meals and ensure consumers have a choice of low-carbon options. Carbon-labelling is now underway within its Coco di Mama brand and in its early stages within ASK Italian. Azzurri has entered into a partnership with the University of Cambridge to track customer reaction. It plans to extend the carbon-labelling initiative more widely within its Zizzi and ASK Italian restaurants by 2025.

“The science is clear that a shift towards a more plant-based diet can make a significant positive contribution to the environment, while also helping people to live healthier lifestyles. We are passionate about people and the planet, and that passion is something we share with our customers. We're working hard to understand and embrace these changes so our restaurants can continue to do what's right while meeting our customers' needs and exceeding their expectations.”

Steve Holmes
Chief Executive Officer, Azzurri Group

Kaporal

Rewards Network

Kaporal is a fashion business located in Marseille, France, with a direct presence in 12 countries and 1500 points of sale. Kaporal’s purpose statement is ‘clothing generations who want to change the world.’

Rewards Network provides marketing and financial products for local restaurants, with a mission of helping them grow their businesses and serve their communities. Based in Chicago, Illinois, U.S.A., Rewards Network supports 17,000 local restaurants across the United States.

FTEs	481	FTEs	383
Revenue (LTM to Sep 30, 2022)	€89 million	Revenue (LTM to Sep 30, 2022)	\$115 million
Investment date	July, 2013 (PE III)	Investment date	September, 2017 (PE IV)

During 2022, the company worked to build on the corporate social responsibility commitments it laid out in 2020: to put its commitments at the heart of its corporate vision; to offer garments with a smaller environmental footprint; to guarantee a responsible supply chain; to build a responsible business alongside its employees; and to grow its territorial anchorage to Marseille.

Ensuring an ethical and sustainable supply chain is fundamental. Kaporal has a [Code of Conduct](#) for suppliers, and since 2019, has worked with an external partner to conduct a supplier audit. The audit uses the certified SMETA (Sedex Members Ethical Trade Audit) methodology and assesses suppliers based on their organisation’s standards of labour, health and safety, environment and business ethics.

Kaporal is a member of the UN Global Compact and is taking steps to understand its carbon footprint. The company monitors its energy consumption, Scope 1 and 2 emissions, and is at the early stages of monitoring Scope 3. Building on the success of its eco-designed denim Bleu Impact, the company has established a programme, Kaporal Impact, to increase the proportion of the collection that can be externally certified as eco-responsible. In its summer 2021 collection, 13% of items qualified as Kaporal Impact, increasing to 25% and 34% for its winter 2021 and summer 2022 collections respectively.

In April 2022, Kaporal became a member of the France-based [Fashion Green Hub](#), an association dedicated to promoting more sustainable, ethical fashion and creating jobs in local communities. Members of the Hub collaborate to share ideas and best practice across key fashion-industry ESG topics including circular fashion, reuse of clothes, recycled raw materials, and avoiding plastic use in packaging.

The impact of the COVID-19 pandemic on local restaurants has been significant. As restaurants recovered from the significant P&L impact caused by lockdowns, 2022 has seen local restaurants continuing to navigate additional supply and demand issues and staffing shortages.

Through these challenges, Rewards Network has worked closely with its restaurant partners, initially repositioning to help partners obtain government loans. This year, as restaurants emerged from the crisis, Rewards Network has been working in close partnership again to help restaurants re-build and grow by providing marketing to its membership base, sophisticated analytics and access to much-needed financing.

Rewards Network believes its ability to succeed is grounded in its approach to people. Its goal is two-fold: to bring colleagues together, building connection; and to support people to bring their whole selves to work. It has worked to create an inclusive company culture, both within its office and online, fostering an environment which enables and facilitates connection across both the digital divide and a range of backgrounds.

Employee affinity groups have been created, including Asian-American and Pacific Islanders, the Black Engagement Network (BEN), Women Leaders, and Pride. The company’s Culture Committee facilitates a monthly calendar of education and social events. The content is led by the affinity groups with a focus on education and engagement. In January 2022, Rewards Network was named on Built In Chicago’s list of ‘Best mid-size place to work in Chicago’ recognising its compensation, culture and employer benefits.

Kevin’s Natural Foods

Validity

Kevin’s Natural Foods is a U.S.-based manufacturer and supplier of healthy, convenient, refrigerated entrées and side dishes, accompanied by a range of sauces and seasonings. Kevin’s products are sold through more than 40 national and regional retailers in more than 10,000 locations across the U.S., serving 1.9 million loyal customers.

Validity Finance offers clients and law firms the financial resources needed to keep their businesses operating smoothly during lengthy legal battles. It helps clients who otherwise would find it difficult to initiate and maintain commercial claims that protect their interests against large companies and organisations.

FTEs	175	FTEs	22
Revenue (LTM to Sep 30, 2022)	\$136 million	Funding opportunities approved, inception to Sep 30, 2022	67
Investment date	August, 2021 (TSO II)	Investment date	June, 2018 (TSO I) July, 2020 (TSO II)

The company’s mission is to empower even the busiest people to ‘eat clean’ at home. All Kevin’s offerings contain no refined sugar or artificial ingredients and are certified paleo, keto and gluten-free. Kevin’s sous-vide preparation process extends shelf-life, reduces waste and allows the company to offer a broad range of restaurant-quality healthy meals that can easily be prepared at home.

Driving Kevin’s mission are its people, and the company takes steps to look after them. All its employees are equity owners and it consistently pays above minimum wage to its factory workers. As the company has grown, its ESG ambition and methodology has matured. In May 2022, Kevin’s began the process for certifying as a B Corp, and in October 2022 completed its scoping exercise, with an estimated score that would take it above the B Corp threshold.

Hand-in-hand with its B Corp submission, Kevin’s formalised its ESG scorecard, putting in place key metrics against which it intends to track its progress as a responsible business. These core ESG metrics include recycled packaging, facility recycling, food waste, energy efficiency, DE&I, training and development, and labour as a percentage of sales. Alongside these, every quarter the company now performs a deep-dive into an area of governance, with examples including mission and engagement, ethics and transparency, and risk and opportunity.

Founder and Chief Executive Officer of Validity Finance, Ralph Sutton, is driven to create a more just legal system by enhancing access to capital at fair returns. Validity Finance believes every client has the right to a fair deal, clear term sheets, access to world-class strategic legal advice, and swift and timely responses. Validity operates around five core values of Fairness, Agility, Clarity, Ethics and Strategy, which form the basis of its commitment to clients.

Validity Finance has a mission to help change the industry for the better; providing a best practice example of how the legal profession should be interacting with stakeholders, and encouraging the U.S. legal system to adopt a more values-led approach. In light of the company’s mission, supported by TowerBrook, in 2022 Validity Finance filed to become a B Corp. By completing the actions and documenting the materials required for its submission, Validity was also able to drive improvements to its internal processes and policies to further develop its own business and governance.

Alongside, Validity continued to fund its 10-week Equal Access Fellowship programme, providing training for first year law students from minority backgrounds. This year the company welcomed three diverse students to the programme, who spent the first half of their summer learning the basic principles of litigation funding, and the second working at a legal non-profit of their choice.

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 was established in 2006 by the partners of the firm and is an integral part of our identity and culture, reinforcing the values we seek to promote within our business. We believe that giving together will help us grow as a firm as well as make 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, including volunteering, 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.

Resurgo

U.K.-based Resurgo inspires and equips organisations to transform society through high-impact, scalable programmes. Resurgo's Spear Programme provides young people with a year of coaching support, kicked off with six weeks of intensive training run by highly-qualified coaches, focused on mindset shift and communication skills. 90% of Spear trainees have at least one barrier to entry, such as no academic qualifications, a criminal record or a childhood spent in care, and 75% of those who complete the first six weeks are in work or education a year later. The TowerBrook Foundation's support over three years will help fund Resurgo's expansion plans to create more Spear Centres across London and the U.K. In October 2022, volunteers from TowerBrook's London office visited the Resurgo centre in Islington, London, to carry out mock interviews with Spear trainees.

Stonewall



Stonewall is a major U.K. charity for the LGBTQ+ community. In 2021, TowerBrook joined the Diversity Champions programme, an employer programme for ensuring all LGBTQ+ employees are free to be themselves in the workplace. Stonewall has also provided inclusivity training to TowerBrook.

Habitat for Humanity



Habitat for Humanity is a global, non-profit housing organisation that works in local communities across all 50 states in the U.S. and in more than 70 countries. Habitat has helped more than 39 million people to develop strength, stability and self-reliance by building or rehabilitating homes. Over the past three years, TowerBrook has contributed volunteer hours to a number of builds in locations including Philadelphia and Ethiopia. In 2022, the U.S. team spent time volunteering to support a home build in Irvington, New Jersey. This year TowerBrook also provided funding to Habitat for Humanity to support its work in meeting the immediate shelter needs of Ukrainian refugees (see page 25). TowerBrook Chief Investment Officer, Gordon Holmes, serves on the Board of Habitat for Humanity GB.

TEAK Fellowship



The TEAK Fellowship believes that motivation and potential, not economic circumstances, should determine a student's future. TEAK unlocks access to outstanding education and transformative experiences for exceptional NYC students via intensive after-school and summer school classes. TowerBrook has partnered with TEAK since 2019 and had over 10 mentors volunteer for the programme to date. This year, team members from the New York office attended the 24th annual gala honouring Change Makers and hosting sponsors across all industries. TowerBrook also offers an internship to a former TEAK fellow each summer in our New York office. TowerBrook Co-Chief Executive Officer, Jonathan Bilzin, serves on the Board of TEAK.

Out for Undergrad (O4U)



As a non-profit organisation, O4U's mission is to help high-achieving LGBTQ2+ undergraduates reach their full potential. This is done through site-based conference experiences and ongoing personal and professional development opportunities. In April 2022, TowerBrook attended O4U's business conference and offered three investment internship opportunities in the New York office through its summer programme. Allies and members from the Bridges (LGBTQ+) affinity group in TowerBrook's London and New York offices plan to attend the conference again in 2023, with a view to establishing an ongoing relationship with O4U to offer further internship opportunities.

The Opportunity Network (OppNet)



OppNet serves students from historically underrepresented communities in the U.S., enabling them to plot their journeys through college and realise their career goals. TowerBrook began partnering with the Opportunity Ignited internship programme in 2021, providing investment management internships for OppNet students during the summer. In February and November 2022, members of the TowerBrook investment and FINOPs teams also volunteered in virtual resume workshops for 11th and 12th grade Fellows at OppNet.

Bookmark Reading



Bookmark Reading gives children the reading skills and confidence they need for a fair chance in life, through a flexible volunteer-led programme and the delivery of essential reading resources. In 2022, as well as a donation (see page 25), this year volunteers from TowerBrook's London office spent several days contributing to the Bookmark Box campaign, supporting Ukrainian refugee families with young children.

Black Girl Ventures (BGV)



Black Girl Ventures is an American non-profit organisation that provides Black/Brown woman-identifying founders with access to community, capital, and capacity-building in order to meet business milestones that lead to economic advancement through entrepreneurship. In 2022, TowerBrook offered support through volunteering at pitch practices and participating in a Shark Tank-like presentation, showcasing the efforts of rising entrepreneurs.

Imperial NHS Trust



Imperial College Healthcare NHS Trust provides acute and specialist healthcare for over one million people every year. The Trust particularly serves the local communities around its five hospitals in central and west London. Imperial Health Charity focuses on enhancing the hospital experience for patients, as well as boost staff wellbeing. Since 2020, the Charity has been investing in upgrading staff facilities and expanding counselling services in light of the unprecedented pressures of the pandemic. In 2022, employees from TowerBrook's London office visited Charing Cross Hospital to witness the transformation of one of the staff lounges, an upgrade part-funded by the TowerBrook Foundation.

SEO London



Sponsors for Educational Opportunity (SEO) London, is a U.K.-based charity that provides high-quality education, mentorship and training opportunities to students from under-served and underrepresented backgrounds. The SEO programme focuses on pre-professional career development and long-term success with access to an alumni network offering students an array of career opportunities. TowerBrook contributes to the SEO London Alternatives Investment Programme supporting students that are seeking a career in Financial Services.

The Impetus Connect Fund



The Connect Fund aims to help decrease the employment gap faced by young people from ethnic minorities and disadvantaged backgrounds, and to promote systemic change towards a more racially equitable society. It aims to do this by building and scaling effective, impact-led employment programmes that help young people from ethnic minority backgrounds overcome disadvantage and discrimination.

The COMMIT Foundation



The COMMIT Foundation empowers service members, veterans and their families to create purposeful and fulfilling transitions into 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 has offered an internship to a COMMIT veteran in its New York office.

The Pat Tillman Foundation (PTF)



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

VisionOn

Exchanging insights

TowerBrook VisionOn events bring together sector experts, senior managers and members of our team in a small, private forum where they can exchange ideas and chart new opportunities for sustainable value creation. Through sharing our expertise and insights, we aim to make mutually beneficial connections, stimulate creative thinking, and partner with leaders to deliver value for our investors, now and in the future.

Shared Ownership

Goal 10 of the UNSDGs is to reduce inequality both within and among countries.

Companies can play a role in creating greater equity in society through their ownership structure. Shared ownership enables employee-owners to share in the value created as a result of their talent and efforts, resulting in greater predistribution of wealth. For businesses, it can advance their remuneration proposition, encourage retention, drive workforce alignment, and help foster company culture.

VisionOn events

We have held nine VisionOn events over the last five years. In 2022, our programme continued with our tenth virtual roundtable focused on Shared Ownership.



To see all our VisionOn events, click [here](#) to view the Events section on our website or use the QR code

“Fast and agile decisions at every level of the organisation are increasingly critical, having a shared stake in the game helps align people around a common purpose.”

“The new generation joining us now wants a purpose and a clear return on their investment of time – to them, it is “their” company.”



Kevin McCarty
Chair and Chief Executive Officer,
West-Monroe

Private Equity’s Evolving View of Employee Ownership and Incentives



Dan Costa
Co-Founder and Chief Executive Officer, Kevin’s Natural Foods

Shared Ownership + PE: Transparency and Accountability as drivers of performance



Andrew Murphy
Chief Operating Officer,
The John Lewis Partnership

Our Decentralised Future: How low central control helps employee-owned businesses navigate times of crisis



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

Educating Employees under different Ownership Models



Peter O’Donovan
Chief Executive Officer,
CarTrawler

Instituting Shared Ownership: Employee Journey and Benefits



Chris Meyers
Vice President – Finance and Chief Financial Officer, Amsted Industries

Diversification & Stewardship of Employee Wealth



Brandon Barnholt
President and Chief Executive Officer,
KeHE

Shared Ownership as a Cultural Building Block

“Stewardship of employee wealth is an important consideration in decisions around capital structure and partnering with like-minded outside capital.”



Collaborating with the industry to advance impact investing

As responsible owners, it is our intention to drive the advancement of impact investing and in doing so, enable more businesses to achieve sustainable positive social impact. We collaborate with our peers and research partners to work towards this social good and accelerate the private sector’s role in progressing the UNSDGs.

Global Impact Investing Network (GIIN)

In 2022, TowerBrook became a member of the Global Impact Investing Network (GIIN), a non-profit network dedicated to increasing the scale and effectiveness of impact investing around the world. Along with our fellow GIIN members, we believe that for-profit investments can act as a complementary force to philanthropy and government aid in addressing some of the world’s most pressing environmental and social challenges.

GIIN members are focused on reducing barriers to impact investing so more investors can allocate capital to fund solutions resulting in positive social and environmental impact. In joining the GIIN, we agree to collaborate with our peers and exchange insights spanning impact underwriting, impact measurement, impact reporting best practice and value creation. We intend to work together with other members to advance the industry’s development by playing a role in the facilitation of a deeper understanding of impact investing and measurement.

IFRS Sustainability Alliance

We are also proud to join the IFRS Sustainability Alliance, the global membership programme for sustainability standards, integrated reporting and integrated thinking. Members share a belief in the benefits of a coherent and comprehensive system for corporate disclosure, and the Alliance works to advance members’ understanding of the ESG issues most relevant to financial performance and enterprise value across 77 industries.

Through our membership, TowerBrook seeks to support the PE industry in driving towards a common understanding of the most material impact KPIs within specific industries and sub-sectors. By being at the forefront of this sector-specific KPI development, we hope to accelerate the advancement of social impact investing among GPs and LPs.

Operating Principles for Impact Management

In August 2021, TowerBrook became a signatory to the Operating Principles for Impact Management (OPIM), with our first Disclosure Statement published in August 2022. By aligning with the 9 Principles we publicly demonstrate our commitment to a global standard for managing impact investments. Within TIO, we commit to integrating impact considerations throughout the investment lifecycle, and setting, monitoring, measuring and managing our impact KPIs. As OPIM signatories, we collaborate with a community of over 160 impact investors across 39 countries who seek to learn from each other and establish best practice in the management of impact investments.

Impact Investing Research Lab

TowerBrook is helping to progress the PE industry’s research into impact investing through our support of the Wharton ESG Initiative’s Impact Investing Research Lab. The Lab’s flagship project is the Impact Finance Database, a collaboration between the Wharton School, Harvard Business School, and the University of Chicago Booth School of Business, who together form the Impact Finance Research Consortium.

The Impact Finance Database comprises a comprehensive repository of impact investing data, collected through a multi-faceted survey administered to over 200 funds, detailing their impact measurement practices alongside financial data, legal governance and organisational climate. The research is designed to advance the understanding of how funds identify, measure and track impact investing KPIs, and to provide more rigorous research informing the conversation around impact investing. The Wharton ESG Initiative’s ultimate goal is to enable businesses to achieve sustainable social and environmental impact.

“To fulfil the promise of impact investing, we need hard data, independent analysis, and evidence-based insights. That’s the promise of IFD and the power of this collaboration.”

Dr. Katherine Klein
Edwards H. Bowman Professor at the Wharton School and Faculty Director, Impact Investing Research Lab

Notes and references

1

The total number of beneficiaries of TowerBrook’s limited partners has been calculated from publicly available data and is approximate as of Nov 30, 2022. This number will vary over time, reflecting changes in the composition of our investor base and its constituents

2

Capital raised since inception of \$21.1bn is at Sep 30, 2022, pro forma for additional commitments received in Q4 2022

3

Funds include 11 private investment partnerships and one co-investment partnership

4

Portfolio companies include all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2022

5

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 Nov 30, 2022

6

The combined revenue in the 12 months to Sep 30, 2022, generated by the 46 companies in which TowerBrook had an investment interest at Nov 30, 2022; this figure is based on Sep 30, 2022, conversion rates of EUR 0.9785 and GBP 1.115

7

Our GHG emissions calculations are based on a methodology TowerBrook developed in conjunction with B Lab and Carbon Fund. The majority of TowerBrook’s carbon footprint is generated from Scope 3 emissions, driven primarily by building emissions at our offices and air travel. In 2021, TowerBrook’s GHG emissions were 1,162 metric tonnes

8

More details can be found within Habitat for Humanity’s Ukraine crisis response, six-month report, which can be found at: <https://www.habitatforhumanity.org.uk/wp-content/uploads/2022/09/Ukraine-6-Month-Report.pdf>

9

The 40 portfolio companies surveyed for this Report included all companies in which TowerBrook has an investment interest, controlling or otherwise, at Nov 30, 2022, with the exception of: Access, Ascent, GSF, Izipizi, OVH and Premium Credit

10

This year, to align with the ESG Data Convergence Initiative, our 2022 RO Survey data collection 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 collection 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%

11

This year we applied a different methodology for the treatment of time-series data, in order to better future-proof our RO reporting and to give increased visibility across our portfolio at any given time. In our 2022 Report, all comparative figures presented for 2022/2021 use data from the 2022 portfolio snapshot, consisting of 40 companies (as detailed in the note 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 June 30, 2021, with the exception of CAVU, Law Finance Group, PennantPark, Precis, and USACS). In 2021’s Report, comparative figures presented for 2021/2020 were limited to the same company set that had answered the question in 2020. Given this methodology change, some 2021 figures presented in the 2022 RO Report are different to those contained in the 2021 RO Report where they appeared within a time-series chart

12

Extract sourced from KPMG ‘Inclusion, Diversity and Equity Report’, January 2022, available on its website at: <https://assets.kpmg/content/dam/kpmg/uk/pdf/2022/02/inclusion-diversity-and-equity.pdf>

13

Extract sourced from McKinsey ‘Diversity wins: How inclusion matters’ report, May 2020, available on its website at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

14

Data contains those companies surveyed in 2022 where TowerBrook holds a majority or control position

15

For 2021 and 2020, this data represents the same group of companies where the company existed in its present form

16

Extract sourced from Deloitte ‘Women in the Boardroom: A global perspective’ seventh edition report, available on its website at: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/gx-women-in-the-boardroom-seventh-edition.pdf>

17

Extract sourced from TOMs website at: <https://socialvalueportal.com/solutions/national-toms/>

18

Adjusted for TowerBrook’s equity share in each portfolio company, as of Sep 30, 2022; represents attributable FTE growth only

19

Of the 40 companies responding, four companies of the five stating that they had equity schemes in place for 51% or more of the workforce, reported that these were in place for between 75-100% of employees

20

All surveyed TowerBrook portfolio companies stated they track this measure, with the exception of one company

21

All survey results are rounded to the nearest 1% which may affect cumulative total

22

Extract sourced from Gallup ‘State of the global workplace: 2022 Report’, available on its website at: <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>

23

Extract sourced from McKinsey Health Institute article, October 10, 2022, available on its website at: <https://www.mckinsey.com/mhi/our-insights/present-company-included-prioritizing-mental-health-and-well-being-for-all>

24

All survey results are rounded to the nearest 1% which may affect cumulative total

25

Quote sourced from UN Secretary General António Guterres’ remarks to the High-Level opening of COP27, on 7 November 2022, available on the United Nations website at: <https://www.un.org/sg/en/content/sg/speeches/2022-11-07/secretary-generals-remarks-high-level-opening-of-cop27>



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click [here](#) or use the QR code

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What did you do for our world and for our planet when you had the chance?

António Guterres
UN Secretary-General
November 2022²⁵

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Print
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