

TOWERBROOK

Partnering for progress Responsible Ownership



TowerBrook Responsible Ownership Report
2023



Certified



Inside this Report

TowerBrook at a glance	02
Purpose and Mission	04
Introduction	07
Our Responsible Ownership journey	08
Our 2023 highlights	09
Responsible Ownership Statement	10
Our investment process	14
Our impact fund	18
Reporting on progress at TowerBrook	22
TowerBrook's portfolio: our 2023 survey	28
People: data and case studies	30
Planet: data and case studies	38
Partnership: data and case studies	46
The TowerBrook Foundation	52
Looking forward	55
Notes and Disclaimer	56



Responsible ownership is integral to sustainable¹ value creation at TowerBrook

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



TowerBrook at a glance

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



Approximately

91m

beneficiaries²



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.

\$23.2bn

capital raised since inception³

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

invested in

12 funds⁴

- 6 PE Funds: for-control equity investments, approximately \$100m-\$400m⁵
- 3 Structured Opportunities Funds⁶ (TSO): not-for-control equity or structured asset investments, approximately \$40m-\$150m⁵
- 1 co-investment partnership, Ascension TowerBrook Healthcare Opportunities (ATHO): \$984m already committed for healthcare investments
- TowerBrook TMX CF: a single-asset continuation fund
- TowerBrook Delta: 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
51
portfolio companies⁷
and investments



with over
192,500
full-time employees⁸



generating a combined revenue⁹
in excess of
\$38.2bn

supported by
149



TowerBrook team members
including 96 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



- Certified B Corp since 2019
- 2023 score of **120.4**



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.

As **responsible owners**
we seek to make a positive
contribution to our ecosystem
and the wider world



Introduction

A year of change

At TowerBrook we seek to deliver superior, risk-adjusted returns on a sustainable basis. 2023 has been a year of rapid change; one of heightened risk but also opportunity. In every context – from climate to the fast-moving technological landscape to a step change in stakeholder expectations – we believe that strengthening environmental, social and governance (ESG) performance is a major strategic lever in building better, more resilient companies. As we identify market participants increasingly aligned that ESG risks and opportunities present investment risks and opportunities, we are encouraged to see forward-thinking businesses, both within our portfolio and globally, focus on improving responsible business practices and monitoring ESG metrics with greater breadth and depth.

Responsible ownership

TowerBrook wholeheartedly supports this progress and believes in the power of private equity to help tackle some of the world's biggest challenges. TowerBrook has from inception considered responsible ownership and robust practices concerning people, planet, and partnership as fundamental to a strategy for sustainable value creation. As a purpose-driven investment firm, our commitment to TowerBrook Responsible Ownership™ informs our identity and culture. This longstanding commitment was the key driver of our efforts to become the world's first mainstream private equity firm to certify as a B Corp in 2019.

Our B Corp recertification

Marking our own progress, this year we were delighted to receive our B Corp recertification. Our new score of 120.4 is a material uplift to our previous – already strong – score of 95.6. This external recognition of our ongoing journey as responsible owners is hugely important to us: it helps communicate our unwavering commitment to our strategy and highlights our continuous drive to improve. It also reflects the immense contribution made by TowerBrook's team members every day in their efforts to live by our purpose and values. Informed by our own experience, we have also been proud to support four TowerBrook portfolio companies to become B Corp certified in 2023 during our ownership tenure, adding to the other B Corp certified businesses within our portfolio (for more details see pages 22-23).

Our impact investments

2023 has also been a year of significant progress for our impact strategy, TowerBrook Delta. We are excited to have closed our first two investments for Delta, partnering with growing businesses that directly contribute to the UN Sustainable Development Goals (UN SDGs). We are delighted to partner with the co-founders and management teams to further strengthen these businesses and to support them in improving their own impact, and thus increase our positive handprint as a firm. We are also pleased to share the results of our first independent verification of our Delta strategy by BlueMark, highlighting the maturity of TowerBrook's approach to impact investing.

Supporting a purpose-led portfolio

We remain firmly committed to transparency and accountability. We continue to report on our Responsible Ownership performance, and this year went a step further to align our annual survey to the Invest Europe ESG Reporting Guidelines. In 2023 we developed a Human Rights Policy Statement and an AI Acceptable Use Policy, enabling us to better support our portfolio companies in these important risk areas. We have also taken steps to better connect the wealth of talent and expertise across our network by developing The Bridge, a collaboration platform designed to foster greater connection, share insights, and contribute to sustainable value creation across our portfolio.

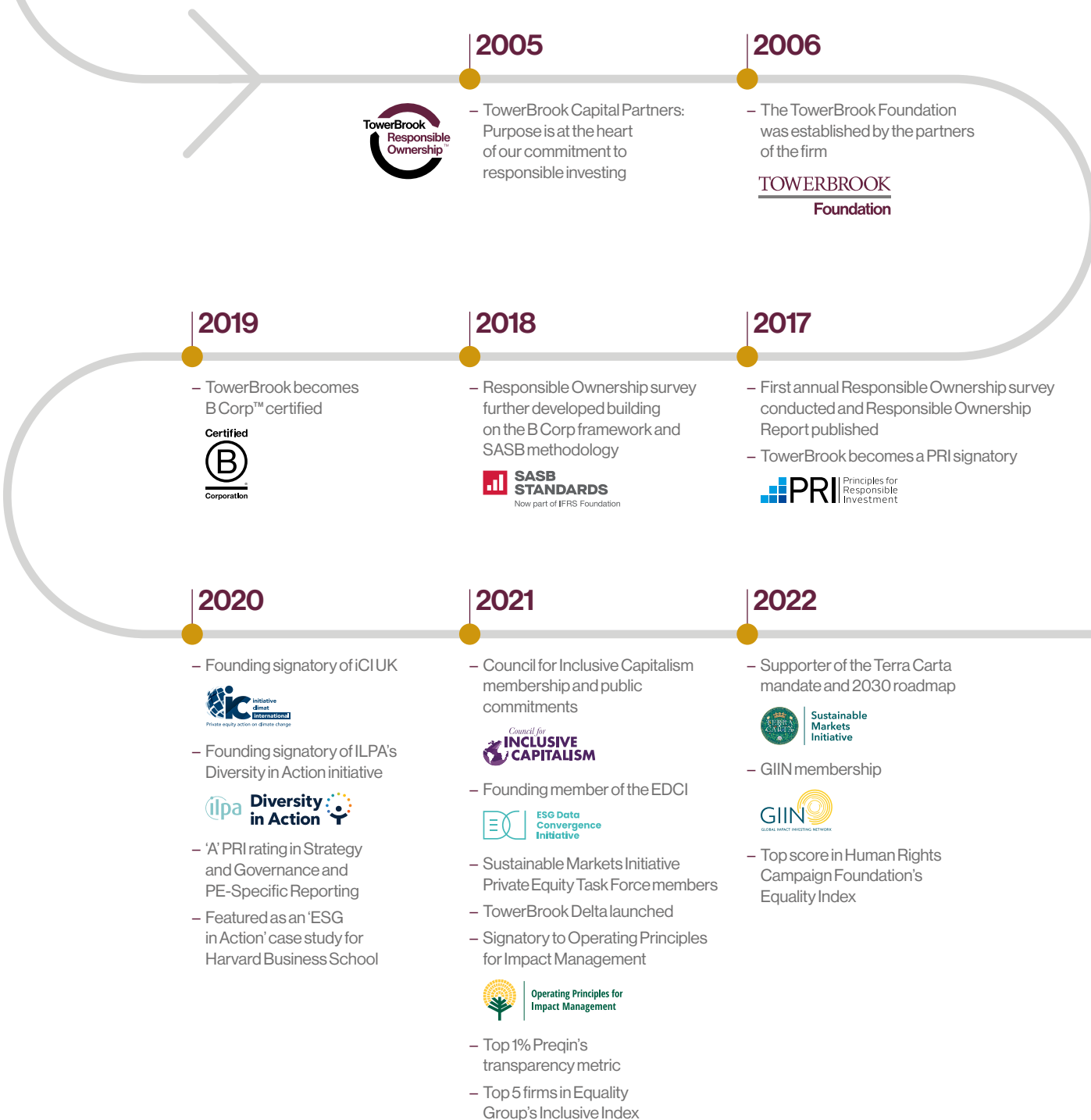
Looking forward

As we look to the future, climate-related risks and opportunities continue to be front of mind as the world seeks to urgently address its GHG emissions and make the transition to cleaner forms of energy. We are proud to play a role in the industry's ESG metric standardisation efforts through our work with the ESG Data Convergence Initiative (EDCI) and Invest Europe. We are also encouraged that more of our portfolio companies reported in 2023 that they are tracking their environmental impact than in previous years. As we move towards 2024, we acknowledge our role and responsibility as private equity owners in helping to accelerate sustainable stewardship of the planet and positive outcomes for people.

We are encouraged to see forward-thinking businesses, both within our portfolio and globally, focus on improving their responsible business practices and monitoring ESG metrics with greater breadth and depth.

Our Responsible Ownership journey to date

We believe **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



Our 2023 highlights

We have been working to **deliver against our commitment** to responsible ownership during 2023

2023

Purpose driven portfolio

Recertified
as a B Corp with a 120.4 score



Encouraged ESG certifications
across our portfolio

Supported B Corp certification
for four portfolio companies in 2023

The Bridge
community launched



See pages **22-23** for more details

Responsible and rigorous reporting

Aligned with
Invest Europe
Reporting Guidelines



PRI scores for this reporting period
– 4* Investment and Stewardship Policy
– 5* Private Equity Specific Reporting

Top 1%
Preqin transparency data
with a metric of 97%

See pages **26-27** for more details

Supporting ESG improvements

Human Rights Policy
published

Enhanced tracking of GHG emissions
across our portfolio

AI Acceptable Use Policy
published

See pages **24, 40 and 55** for more details

Making a positive impact

Impact assessment tool
developed

Two deals
closed

BlueMark
verification



See pages **18-19** 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 typically 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 TowerBrook Responsible Ownership™ initiative

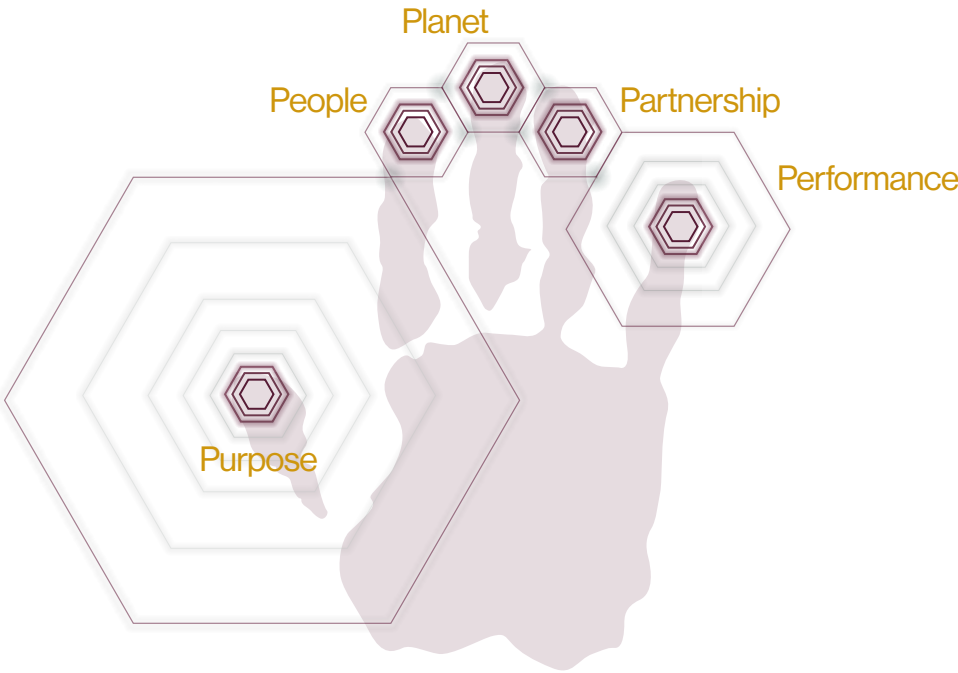
TowerBrook's Management Committee retains ultimate responsibility for the TowerBrook Responsible Ownership™ initiative.




We have formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, to support the Management Committee with the management and oversight of responsible ownership and its integration into the strategy, activity and culture of TowerBrook, in accordance with our purpose.

We take steps to seek 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 ongoing review.

Our Responsible Ownership framework

Our handprint embodies TowerBrook’s approach to responsible ownership across ESG considerations



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

Purpose is at the heart of our commitment to Responsible Ownership



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 equitable 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 initiatives 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 (including pregnancy, childbirth or related medical conditions), 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 to improve the impact of their business processes on the natural environment.

We encourage 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 change 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 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 anti-money laundering regulations. We also expect Boards to introduce and enforce anti-harassment policies.

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.

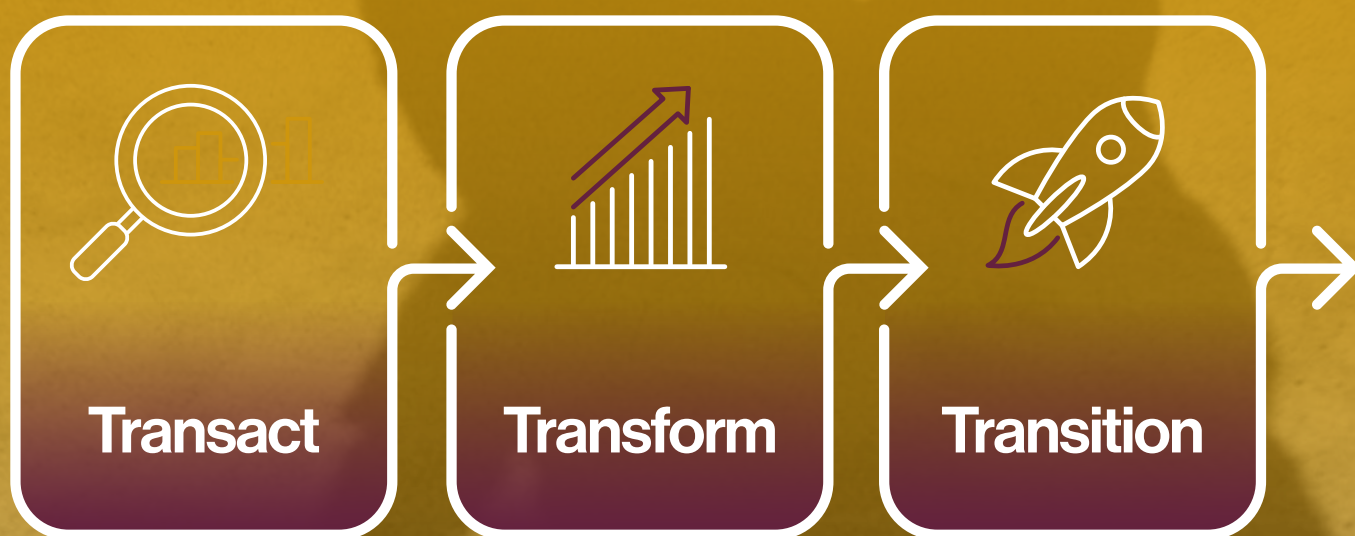
Just as we expect our portfolio companies to rigorously manage enterprise risks, we monitor their efforts to track people, planet and partnership risks and to identify and act on linked value creation opportunities.

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

When we identify 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.

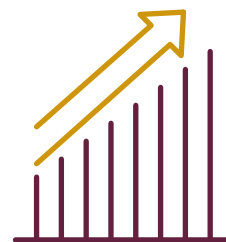
The 200-day Plan we develop with prospective portfolio companies includes business-specific Responsible Ownership action items together with procedures to implement, monitor and test their effectiveness.

Maxor

Investment date	March, 2023 (PE V)	<p>This goal aligns with TowerBrook's commitment to responsible ownership and we believe plays a role in contributing to Goal 3 of the UN SDGs: to ensure healthy lives and promote wellbeing at all ages. We see potential for Maxor to strengthen its market identity as a provider-oriented pharmacy solutions platform.</p> <p>TowerBrook is excited to partner with the Maxor management team, led by CEO Mike Ellis, to continue their efforts to build Maxor into a leading independent pharmacy solutions platform to improve prescription drug access, affordability, and outcomes.</p>
<p>Maxor is a U.S.-based diversified pharmacy solutions platform seeking to enhance prescription drug access, costs, and outcomes for plan sponsors and healthcare providers. Maxor operates four primary lines of business, with capabilities including pharmacy benefit management, pharmacy cost containment, outsourced pharmacy management for hospitals and healthcare providers, and specialty pharmacy services for patients with complex diseases.</p> <p>Our investment into Maxor further advances TowerBrook’s healthcare franchise and longstanding partnerships with Ascension Health and other leading not-for-profit health systems. Building on Maxor’s existing capabilities, with TowerBrook’s capital and sector expertise, we seek to partner with management to build a provider-oriented, clinically-driven pharmacy solutions platform to deliver better prescription drug outcomes, lower costs, and accelerate the shift to risk-based care models.</p>		

Responsible Ownership is integrated into our investment process continued

Transform



Partnering to drive improvement

TowerBrook's post-close operational value creation framework has been developed across both TowerBrook PE and TSO strategies over 23 years.

As part of our 200-day Plan, we seek to have portfolio companies put in place essential business ethics and compliance policies and practices (including 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, such as B Corp certification. 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.

CarTrawler

Investment date	July, 2020 (PE V)
-----------------	-------------------

CarTrawler is a B2B mobility platform for the global travel industry, based in Dublin, Ireland. The platform connects CarTrawler's customers, which include travel companies, airlines and hotels, with car rental suppliers and mobility options. This enables integration of car rental and mobility offerings into customer booking systems.

When TowerBrook invested in CarTrawler, it already had an experienced management team, although being headquartered in Dublin – a location popular with many technology companies – it faced high competition for talent from other digital businesses located nearby.

Supported by TowerBrook and in line with our view that shared ownership contributes to sustainable value creation, in 2021 CarTrawler worked to transform its employee reward proposition by introducing an inclusive employee share option structure, designed to share financial benefit across all employees, drive alignment, and help attract and retain talent.

Two years on, the management team led by CEO Peter O'Donovan report that the shared ownership structure has been highly motivating. They point to it as one of the key contributing factors in reducing employee attrition, as well as the firm's continued ability to attract highly experienced and talented people. Employee engagement and satisfaction have also steadily increased, as evidenced by surveys in these areas.

Under TowerBrook's ownership, CarTrawler continues to advance its responsible people policies and practices across wellbeing, employee engagement and DE&I, and in 2022 introduced gender pay gap reporting in line with Irish legislation.



TowerBrook's support for our shared ownership structure enables us to do the right thing for our most important asset: our people.

Peter O'Donovan
CEO, CarTrawler



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.

We aim to address material outstanding matters and disclose material issues to prospective purchasers, wherever appropriate. 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.

Kevin's Natural Foods

Investment date	August, 2021 (TSO II)
-----------------	-----------------------

Kevin's Natural Foods is a U.S.-based manufacturer and supplier of healthy, convenient meals and foods. Its mission is to enable 'even the busiest people to eat clean at home' with chef-inspired sous-vide meals, side dishes and sauces. Kevin's has enjoyed double digit growth since it was founded in 2019 and its products are now available across 17,000+ retail and online locations in the U.S., U.K., Canada and Mexico.

In partnership with TowerBrook, Kevin's developed its responsible business practices. It put in place a profit-sharing plan to enable all its employees to share in the value they created. It also took the necessary steps to certify as a B Corp. Drawing on TowerBrook's experience, Kevin's formalised its processes, KPIs and targets across a range of social, environmental and governance indicators to develop a comprehensive ESG scorecard.

Kevin's achieved B Corp certification in early 2023, joining the approximately 4,000 purpose-led businesses around the globe that meet high standards of social and environmental performance, transparency, and accountability.¹⁰ The certification acknowledged Kevin's commitment to making a positive impact on the health of its customers and the lives of its employees, as well as the company's efforts to improve sustainable packaging practices, including an estimated reduction in plastic use by 894,548 lbs in 2023.¹¹

Kevin's ESG initiatives and the potential for future value creation through ESG informed the positioning of the company for exit. In summer 2023, Mars, Incorporated – a global confectionery and food company – announced its acquisition of Kevin's. The Kevin's brand will join the major names in the Mars Food and Nutrition segment.

Our impact fund: TowerBrook Delta

Delivering on our **impact strategy** with TowerBrook Delta

Our impact strategy

We believe that impact investing plays a key role in addressing the world's environmental and social challenges. TowerBrook's impact strategy seeks to invest in fast growing businesses that directly advance the UN SDGs and their associated sub-targets. TowerBrook Delta represents the next step for us on our journey as responsible owners, complementing our PE and TSO strategies.

Target industry areas

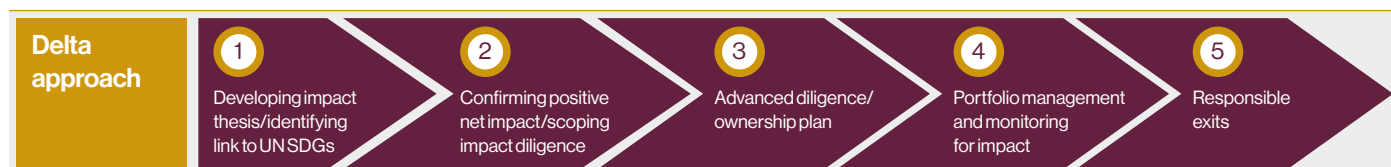


Advisory Board

We combine our experience as responsible owners with the expertise of our dedicated Delta Advisory Board. The Delta Advisory Board is comprised of a diverse group of experienced executives who embrace TowerBrook's purpose and bring relevant industry experience in key sectors aligned with the Delta themes. The Delta Advisory Board is chaired by Alessandro Carlucci, TowerBrook SAB member and Chair of Business for Social Responsibility (BSR), a global non-profit business network and consultancy dedicated to sustainability. Together, we apply TowerBrook's deep knowledge of our core sectors along with our Advisory Board's differentiated insights, to target specific opportunities where we can develop tailored investment theses in sectors where we have identified substantial scope for positive impact or acceleration of impact.

GIIN membership

We are members 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 powerful complementary force to philanthropy and government aid to support advancement of the UN SDGs. During 2023, TowerBrook team members collaborated with peers within the GIIN network to exchange insights spanning impact underwriting, impact measurement and impact reporting, and TowerBrook's Chief Sustainability Officer co-facilitated a session at the GIIN conference in October on 'Designing a Practitioner Guide for Impact Management Now'. We intend to continue to work together with other members to reduce barriers to impact investing and advance development so that more investors can allocate capital to fund solutions that result in positive environmental and social impact.





Using our rigorous impact assessment tool

TowerBrook's Impact Assessment Tool

TowerBrook Delta takes a rigorous approach to impact underwriting and screening to ensure all investments have products or services that contribute actively to advancing the UN SDGs and the UN SDG sub-target goals.

We have built a robust Impact Assessment Tool to facilitate analysis of a company's impact characteristics against Delta's identified impact priorities. The tool takes a two-phased approach and is based on the existing application of the TowerBrook Responsible Ownership™ framework across our PE and TSO competencies, and enhanced by an advanced level of deep impact due diligence which assesses a company's potential to advance the UN SDG sub-targets.

The tool is informed by our experience as a certified B Corp and draws on the B Impact Assessment framework, as well as certain aspects of the GIIN's Operating Principles for Impact Management, the Impact Management Project, PRI requirements, Sustainable Accounting Standards Board (SASB), the Sustainable Finance Disclosure Regulation (SFDR) requirements for Article 9 funds, the UN SDGs and the Financial Stability Board's TCFD recommendations.

TowerBrook has partnered with Bridgespan Social Impact to assess the underwriting thesis of potential Delta investments. During 2023, TowerBrook Delta made two investments, which are detailed on pages 20-21.

Operating Principles for Impact Management

As responsible owners, it is our intention to help drive the advancement of impact investing and further industry best practice. TowerBrook has been a signatory of the Operating Principles for Impact Management since 2021 and we published our second Disclosure Statement for TowerBrook Delta in August 2023. By aligning with the 9 Impact Principles, we seek to publicly demonstrate our commitment to a global standard for managing impact investments throughout the investment lifecycle. Disclosing our level of alignment provides transparency and helps propel the impact investing industry to greater consensus and comparability. Full details of our independent verification by BlueMark are detailed opposite.

BlueMark verification

BlueMark is a provider of impact verification services for investors and companies. Founded in 2020, BlueMark's mission is to strengthen trust in impact investing. BlueMark's verification methodologies draw on a range of industry standards, frameworks, and regulations, including the Impact Management Project, the Operating Principles for Impact Management, the Principles for Responsible Investment, SDG Impact, and the Sustainable Finance Disclosure Regulation.

TowerBrook engaged BlueMark to independently verify the alignment of our impact management practices with the Operating Principles for Impact Management for calendar year 2022. BlueMark's assessment findings cover both areas of strength and areas for improvement, as reflected in the [Verifier Statement](#).

BlueMark's verification highlighted that, when comparing TowerBrook Delta's alignment with that of other funds in operation for less than one year, we outperformed our peer group. We achieved "Advanced", the highest rating possible for Principles 1, 4 and 5, reflecting our Impact objectives, ESG risk management and Impact due diligence. We were also rated as "High" for Principles 2 and 3, reflecting our Portfolio-level impact management and Investor contribution. Delta's recent launch limits our ability to receive full marks across Principles 6, 7 and 8, which require evidence of policy and process implementation post investment and through exit, which we do not yet have. This is reflected by our "Moderate" score in these areas.



BlueMark's verification demonstrates TowerBrook Delta's disciplined approach to impact due diligence and measurement.

Alessandro Carlucci
Chair, TowerBrook Delta Impact Advisory Board



Spotlight on: TXO

Impact case

Delta seeks to invest in companies enabling the circular economy, thereby seeking to advance UN SDG sub-targets 11.6 (Reduce the adverse per capita environmental impact of cities) and 12.5 (Substantially reduce waste generation through prevention, reduction, recycling and reuse).

According to the UN, the world produces 50 million tons of e-waste per year and only 20% of this is formally recycled.¹² Rapid changes in technology result in millions of electronic devices and infrastructure becoming obsolete every year. Research indicates that global e-waste in the telco industry will increase by 140% from 2020 to 2050 in a business-as-usual scenario.¹³

In line with this thesis, Delta invested in TXO in 2023. TXO is a B2B provider of telecom asset management and disposal services, providing clients with end-to-end solutions for the sourcing, maintenance, repair, reuse, recycling, and resale of their communications infrastructure.

We believe that impact is inherent in TXO's service proposition – its core operations enable the reduction and recycling of e-waste and support the transition towards a circular economy. These revenue-producing activities tie directly to positive environmental impact.



During due diligence, the Delta team worked to estimate the carbon emissions savings that TXO achieves through reduced product manufacturing, extended useful life of technology hardware, and improved efficiency of telco networks. Post investment, our analysis¹⁴ suggests that up to 57,880 tCO₂e of avoided emissions have been enabled by TXO in FY 2023.¹⁵

Through value creation initiatives Delta aims to help increase the reach and depth of TXO's impact by accelerating growth and expanding capabilities in main markets. Delta intends to track this growth through monitoring impact KPI's, developed in partnership with TXO management.

Logic model



1. Problem

- The telco industry contributes 1.6% of global GHG emissions¹⁶

2. Solution

- The telco industry reduces its carbon footprint and promotes the circular economy

3. Inputs

- Financial capital
- Human capital
- Value creation initiatives
- Impact measurement framework

4. Company activities

- Site decommissioning
- Recycling services
- Refurbishment
- Resale

5. Outputs

- Obsolete products disconnected from grid
- Obsolete products recycled
- Useful life of products extended
- Usable products reused

6. Impact

- Outcomes align with UN SDGs 11 & 12
- CO₂ avoided
- KWh saved
- Kg saved from landfills
- Raw materials saved

57,880 tCO₂e¹⁴

Estimated emissions avoided
enabled by TXO for FY 2023¹⁵

Spotlight on: envevo

Impact case

Delta seeks to invest in companies enabling the energy transition toward renewable sources and electrification in alignment with UNSDG sub-targets 7.1 (Ensure universal access to affordable, reliable and modern energy services) and 9.4 (Upgrade infrastructure and retrofit industries to make them sustainable).

A typical passenger vehicle with an internal combustion engine (ICE) emits 4.6 tCO₂e per year.¹⁷ Electric vehicles (EVs) powered by renewable energy sources have gained traction as a cleaner and more sustainable alternative. However, the widespread adoption of EVs rests on availability of the necessary EV infrastructure to combat range anxiety among potential consumers.

In line with this thesis and to support the transition to vehicles powered by cleaner renewable energy, Delta invested in Envevo in 2023. Envevo's business is the design and installation of EV charging stations in the U.K. and the offering of comprehensive services covering the entire project lifecycle, providing seamless integration of EV charging infrastructure for its partner companies.

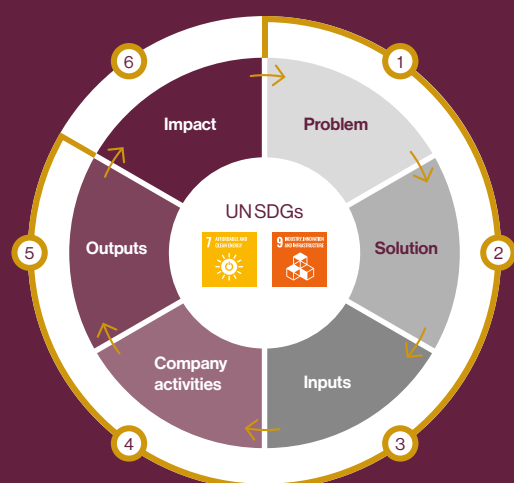
Envevo's capabilities play a pivotal role in overcoming the barriers to widespread EV adoption, and support efforts to reduce CO₂ emissions and improve energy efficiency.



During impact diligence we estimated Envevo's environmental impact, and post-investment we have been working with third party advisors to evolve Envevo's carbon modelling. Based on the company's current methodology,¹⁸ which was refined post-investment, we estimate that in 2022 Envevo helped to enable 321,223 tCO₂e of avoided emissions.

Delta seeks to support Envevo to increase its positive environmental impact by expanding its regional footprint and exploring international growth opportunities, as well as developing value creation strategies related to wider ESG considerations.

Logic model



1. Problem

- ICE vehicles produce significant GHG emissions
- Range anxiety is barrier to adoption of EVs

2. Solution

- Improve EV charging infrastructure and efficiency

3. Inputs

- Financial capital
- Human capital
- Value creation initiatives
- Impact measurement framework

4. Company activities

- Design and installation of EV charging stations
- Project management
- Maintenance

5. Outputs

- Charging stations installed
- EV use increased
- Increased energy efficiency

6. Impact

- Outcomes align with UNSDGs 7 & 9
- CO₂ avoided
- kWh saved

321,223 tCO₂e

Based on company's methodology, estimated emissions avoided enabled by Envevo as of Dec 31, 2022¹⁸

Reporting on progress at TowerBrook

Recertifying as a B Corp™ and nurturing a growing portfolio of B Corps

TowerBrook’s 2023 B Corp recertification

As a B Corp in the private equity industry, we are counted among firms that are leading a global movement for an inclusive, equitable, and regenerative economy.

TowerBrook first certified as a B Corp in 2019. In doing so, we became part of a global community of businesses that meet high standards of social and environmental impact.

This year we received confirmation of our recertification as a B Corp and are delighted to announce a material uplift to our B Impact Assessment score. TowerBrook’s new score of 120.4 is the result of a 3-year internal effort across our firm to further improve our ESG policies, processes, and practices, using our 200-day Plan methodology. It represents a 24.8-point improvement, which is a 26% increase on our score in 2019.

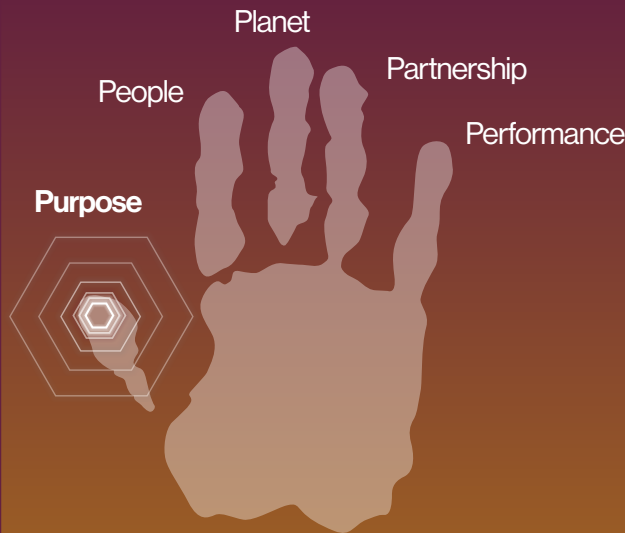
This recertification has taken place within the context of a tightening B Impact Assessment methodology, as the B Corp movement evolves to set a new high and credible standard for what it means to be a responsible business, both now and in the future.

TowerBrook’s B Impact Assessment™ improvement:

95.6	TowerBrook 2019 score
120.4	TowerBrook 2023 score

Our recertification score reflects the maturity of the TowerBrook Responsible Ownership™ initiative and the dedication of the entire team in our ongoing work to increase TowerBrook’s positive handprint as a business.

TowerBrook’s growing portfolio of B Corps²⁰



KeHE	Nov-15
AustroCel Hallein	May-20
Kevin’s	Jan-23
Coaction	Feb-23
Validity	Mar-23
Izipizi	Jun-23

Workers	Governance	Community	Environment	Customers

Supporting ESG certifications and best practice sharing across our portfolio

Portfolio certifications

Independent ESG certification plays an important role in the drive towards greater accountability as well as more comparable ESG reporting, accelerating the advancement of responsible business practices for the benefit of both people and planet.

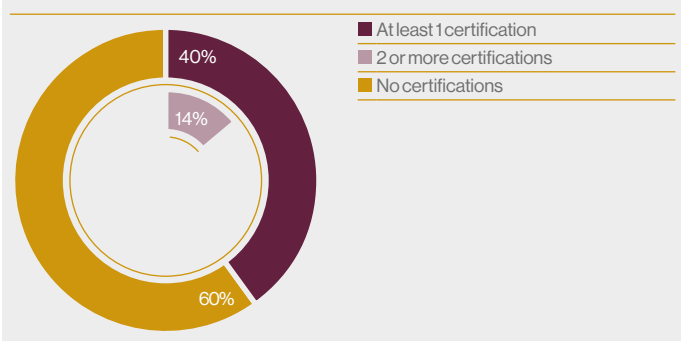
As responsible owners, we seek to monitor and promote the use of external certifications and other formal ESG benchmarks across our portfolio to identify areas of strength as well as where there is room for improvement.

As of Jun 30, 2023, 40% of our portfolio reported they had at least one independent certification in place and 14% had two or more.¹⁹

At this date, TowerBrook’s portfolio included six B Corps,²⁰ of which five companies²¹ had achieved their certification under our ownership and four of these certified during 2023. 12% of our portfolio had Ecovadis certification, joining the 100,000 companies across 200 industries²² using this common rating platform and universal scorecard.

	#	%
Ecovadis	6	12%
B Corp	6	12%
Other	13	26%

Independent certifications



Spotlight on: The Bridge

As responsible owners, we look to advance collaboration across our ecosystem. The Bridge is an online platform designed to connect our portfolio company executives, enhance collective knowledge, and share best practice across our companies.

TowerBrook’s team, our portfolio company executives, and our network of experienced advisors have a wealth of insights, experience, and learnings to offer one another. At the end of 2022 we introduced a pilot of our new digital collaboration tool, The Bridge, to provide an easy and seamless way for the individuals within TowerBrook’s ecosystem to connect and collaborate, drawing upon the extensive expertise we have within our network.

The Bridge is designed to enhance collective knowledge, create business opportunities, and accelerate value creation across ESG considerations and other themes, including procurement and digital collaboration.

The platform’s features include direct messaging, allowing peers within TowerBrook’s network to connect and collaborate; communities and forums structured by functions, industries and geographies, where users can interact, discuss trends and share insights; a Knowledge Hub, with relevant materials, case studies and best practices; as well as business opportunities, including a directory of our portfolio companies with details of expertise and service offerings.





Improving our policies and processes to **promote respect for human rights**

TowerBrook's approach to human rights

As a purpose-driven investment firm, respect for human rights has been at the core of our Responsible Ownership commitment since inception and is specifically mentioned within our Responsible Ownership Statement. We acknowledge our sector's ethical responsibility to respect and take appropriate action to protect the human rights of people impacted by our investments.

In May 2023, we published TowerBrook's Human Rights Policy Statement (see opposite), setting out publicly our commitment to respect international human rights standards. This includes, without limitation, those human rights expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organisation's Declaration on Fundamental Principles and Rights at Work.

TowerBrook's approach to human rights has been developed with reference to the United Nations Guiding Principles on Business and Human Rights. Where national or local law and international human rights conflict, TowerBrook adheres to national law, while seeking ways to respect international human rights to the extent possible.

TowerBrook's Management Committee is responsible for the management and oversight of our Human Rights Policy Statement, monitoring its use, ensuring its effectiveness is regularly reviewed, and addressing any inquiries concerning TowerBrook's human rights policies. The Policy Statement will be subject to ongoing review by TowerBrook on an annual basis.

Our portfolio performance

In our 2023 Responsible Ownership survey²³ we asked our portfolio companies to confirm whether they had a due diligence process to identify, prevent, mitigate, and address adverse human rights impacts. In the inaugural round of data collected for this metric, 34% confirmed that as of Dec 31, 2022, they had a process in place. Going forward, we seek to continue to raise awareness of this important responsibility across our portfolio.

Our Human Rights Policy Statement

TowerBrook is committed to conducting our business and investment activities with respect for human rights. We will work to develop and implement proportionate human rights diligence and risk screening processes to identify material human rights risks in our investment process, in accordance with our Policy Statement. Key details from this Statement can be found below and the full Statement is available on our [website](#).

As responsible owners, all our TowerBrook Delta investments undergo human rights diligence pre-acquisition. Across our wider portfolio, we aim to conduct human rights diligence pre-acquisition as appropriate. We support portfolio companies to implement policies, action plans and related procedures to identify and address material human rights risks in their activities and supply chains, including in our 200-day Plan and throughout ownership, as appropriate.

We will survey our portfolio companies annually on whether they have a human rights policy and whether they have a process to identify, prevent, mitigate, and address adverse human rights impacts. We will communicate publicly how we address human rights risks internally and externally in our annual Responsible Ownership Report.

The means through which TowerBrook will meet its responsibility to respect human rights will be proportionate to, among other factors, the investment size, sector, operational context, ownership, and structure.

34%

of TowerBrook's portfolio companies
reported they had a due diligence process
to identify, prevent, mitigate and address
adverse human rights impacts

Tracking diverse representation and our carbon footprint

Monitoring DE&I at TowerBrook

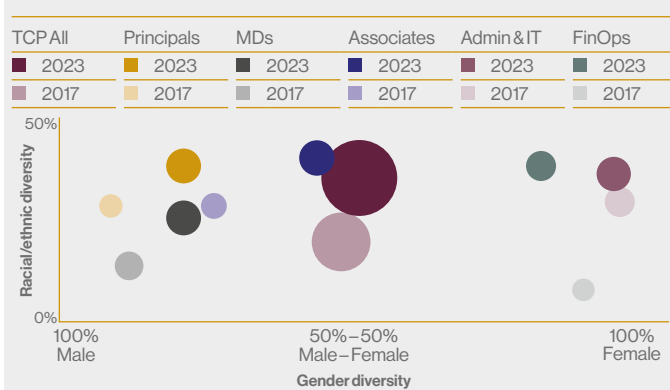
TowerBrook is committed to supporting diverse and inclusive people practices that embody integrity, teamwork, and respect for others. This commitment is echoed in our mission and is central to our culture. Ongoing monitoring across a range of DE&I considerations serves to highlight where we aim to target our efforts. We track the diversity of our firm every month, sharing the data with our Management Committee. We also monitor the diversity of our portfolio company Boards on a quarterly basis, and monitor the diversity of our portfolio company senior management teams and broader employee base through our Responsible Ownership survey. In addition, we monitor the actions our portfolio companies are taking to improve diverse representation across gender and underrepresented ethnic groups, and to promote inclusion.

TowerBrook looks for opportunities to align with our financing counterparties by creating financial incentives to improve diversity. In 2021, TowerBrook amended the terms of the capital call line of credit for the private equity funds to include a KPI metric related to gender diversity on the Boards of control investments in the private equity funds. As TowerBrook demonstrates year-on-year improvement in the average number of female directors on the Boards of control investments, the interest rate margin on the capital call line will be reduced.

Supplier diversity

In 2023, we conducted our second annual survey to measure the diversity of our material vendors. The survey acts to promote our commitment to DE&I within our supplier group, as well as to generate data to inform our DE&I initiative going forward. The survey captured data for calendar year 2022 related to diverse ownership, diverse representation, use of a DE&I Statement, and the existence of structured initiatives to manage DE&I in the workplace. Of our key service providers who responded,²⁴ 82% had a DE&I initiative in place and 68% had a DE&I Statement. 36% had female representation at ownership level and 32% at senior management level, and 17% had underrepresented group membership at ownership level and 13% at senior management level.

Racial/ethnic diversity vs gender diversity



Note: Data as at November 2023
Includes Senior Advisors, Co-Chairs and Co-Chief Executive Officers

Our carbon footprint

TowerBrook continues to refine measurement and management of carbon emissions, both internally and across our portfolio. For our firm, we calculate our Scope 1, 2 and 3 GHG emissions annually.²⁵ We aim to purchase carbon offsets for 100% of these emissions which, in alignment with the GHG Protocol, exclude financed emissions which are currently being calculated and addressed separately with our portfolio companies. TowerBrook's Scope 1, 2, and 3 GHG emissions for 2022 were 1,615 tCO₂e. The bulk of our footprint was driven by air travel (64%) and building emissions (28%).

Our London offices are based in St. James's Market, a building that includes solar panels on the roof, enhanced heat and power technology, and a zero-waste approach to recycling. In New York, our offices are located at Park Avenue Tower, which has a recently upgraded HVAC system, LED lighting throughout, an on-site apiary, and renewable energy credits are purchased for the full building. Park Avenue Tower is operated by EQ Office, a U.S. company with a commitment to sustainability. In 2022, EQ Office reduced environmental impacts across its portfolio, using green power for over nine million square feet and diverting 67% of construction waste from landfill. Our Frankfurt and Madrid offices, and our portfolio holding company office in Amsterdam, have implemented recycling initiatives, encourage use of energy-efficient appliances, and promote the reduction of paper waste. TowerBrook acknowledges that our New York offices stand on the homeland of the Lenape (Lenapehoking) people, and we respect and honour the caretakers of this land.



Reporting transparently and working to drive industry alignment

PRI

As a UN PRI signatory, TowerBrook commits, where consistent with our fiduciary duties, to implementing the six principles for responsible investment, investing in a manner that integrates ESG considerations into our investment decision-making and ownership. In implementing the principles, we are proud to play a role in contributing to the development of a more sustainable financial system and we report annually in a transparent manner on our activities and progress. From this reporting, the PRI provides signatories with an assessment score allowing them to benchmark against peers and identify improvements to their responsible investment processes. Since the last reporting cycle, the PRI has been working to develop its framework to complement the evolving ESG regulatory landscape and support its growing signatory base. In line with the PRI's requirements, TowerBrook made our submission in Q3 2023, and we expect our updated score in 2024. Our most recent PRI scores (2021) as well as the full Assessment Report and Transparency Report can be found on our [website](#).

Our latest PRI scores (2021) are:

4* (90/100) for Investment and Stewardship Policy

5* (90/100) for Private-equity specific reporting

Sustainable Markets Initiative Private Equity Task Force

TowerBrook is a member of the Sustainable Markets Initiative, and we play an active role in the Private Equity Task Force, which is the first ever CEO-level private equity working group. It was established in 2021 to consider ways the industry can effect change and accelerate transition to a sustainable future. The Task Force is focused on integrating climate-change related considerations into the investment process, identifying the value of and risks to biodiversity and natural ecosystems, and bringing clarity to sustainability-related metrics for private markets. Senior representatives from TowerBrook participate within the Private Equity Task Force leadership team, Action Committee, and Climate Working Group, as well as the newly formed Human Rights Working Group. During 2022 and 2023, we are proud to have supported three key Private Equity Task Force publications: 'ESG Metrics in Private Equity', 'Valuing Carbon in Private Markets', and 'Nature Positive: The Next Horizon for Investors'.

EDCI

TowerBrook is a founding member of the ESG Data Convergence Initiative (EDCI) and a member of the Steering Committee. The initiative – created in partnership with a group of global GPs and LPs with ILPA as secretariat and BCG as long-term benchmarking and advisory partner – works to streamline the private equity industry's historically fragmented approach to collecting and reporting ESG data, to improve transparency, comparability, and accountability across privately-held portfolio companies. In 2023 TowerBrook is proud to complete the second round of data collection aligned with the EDCI reporting framework, gathered as part of our annual Responsible Ownership survey.

The EDCI seeks to move towards the industry-wide adoption of a set of standard, material, performance-based metrics, creating a critical-mass of comparable data enabling industry benchmarks. As of year-end 2023, the metrics consisted of: Scope 1 and 2 GHG emissions (Scope 3 is optional), renewable energy use, board and senior leadership diversity, work-related injuries, net new hires, and employee engagement. In 2023, the EDCI Steering Committee announced an additional metric – net zero – to add to the 2024 reporting cycle, which we will seek to collect and report on through our 2024 Responsible Ownership survey. (For more details, see page 41.)

We believe that themes emerging from the first year of EDCI member data analysis show the effectiveness of the private equity investment model in its capacity to drive positive change during the investment hold period, as well as the positive correlation between portfolio company ESG performance and financial performance.



ESG Data
Convergence
Initiative

Preqin

Preqin is a major provider of data, analytics and insights to the alternative assets community. Preqin's transparency metric shows the percentage of ESG indicators publicly disclosed across 37 key data points derived from commonly accepted ESG frameworks most relevant to the private market ecosystem. In 2023, TowerBrook's transparency metric was 97%, putting us within the top 13 fund managers among a universe of nearly 50,000, and in the top 1% of private market GPs and LPs.

Spotlight on: Invest Europe

We have aligned our Responsible Ownership survey with the Invest Europe ESG Reporting Guidelines



TowerBrook believes clear, transparent, and comparable ESG disclosures are fundamental to the advancement of responsible investing. We have held this belief since our firm's inception, and it informs our approach to responsible ownership.

We seek to advance the standardisation of ESG metrics across our industry to drive greater comparability and accountability. We see this as both an ethical and financial imperative, as strong ESG performance is becoming more widely understood as a contributor to value creation. During 2022/23 – and building on the ESG metric industry initiative we have contributed to through the EDCI – we have taken steps to fully align the data collected within our Responsible Ownership survey with the Invest Europe framework.

“

There is a clear need for greater transparency of PE/VC firms' ESG practices and strategy, and the impact of both the firms themselves and their portfolio of investments on people and planet. Aligning with Invest Europe's ESG Reporting Guidelines does not only ensure that investors and stakeholders can get access to such sustainability information; it also contributes to the broader goal of enhancing harmonisation and alignment of ESG reporting expectations and requirements across the industry.

Eric de Montgolfier
CEO, Invest Europe

”

To do this, we added 12 new metrics – across different areas such as fossil fuels, biodiversity, human rights, community relations, and company goals.

Our 2023 reporting cycle, reflecting TowerBrook's portfolio company ESG performance as of Dec 31, 2022, is aligned with the full Invest Europe recommended and optional datasets. We continue to keep our survey and data collection methods under ongoing review.

**INVEST
EUROPE**

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. The survey has been refined and extended over the past seven years, reflecting the ongoing progress of our own responsible ownership journey as a firm. In addition to providing material metrics required for disclosure, we believe our survey is an effective way of reiterating our commitment to responsible ownership and support for ESG-related considerations, and highlighting areas where we and our portfolio companies can make further improvements to 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 aspects of the B Impact Assessment to give us further insight into how our companies' activities affect their key stakeholders and communities. Each year we review and build on the survey to address topical issues and move towards greater alignment with other established frameworks. For example, in 2022, we expanded our questions around carbon measurement and climate change policies and aligned the reporting date with the EDCI. In 2023, we added questions on human rights and business ethics policies, and added additional metrics to fully align the survey with the Invest Europe framework (for more details, please see page 27).






Our most comprehensive survey to date

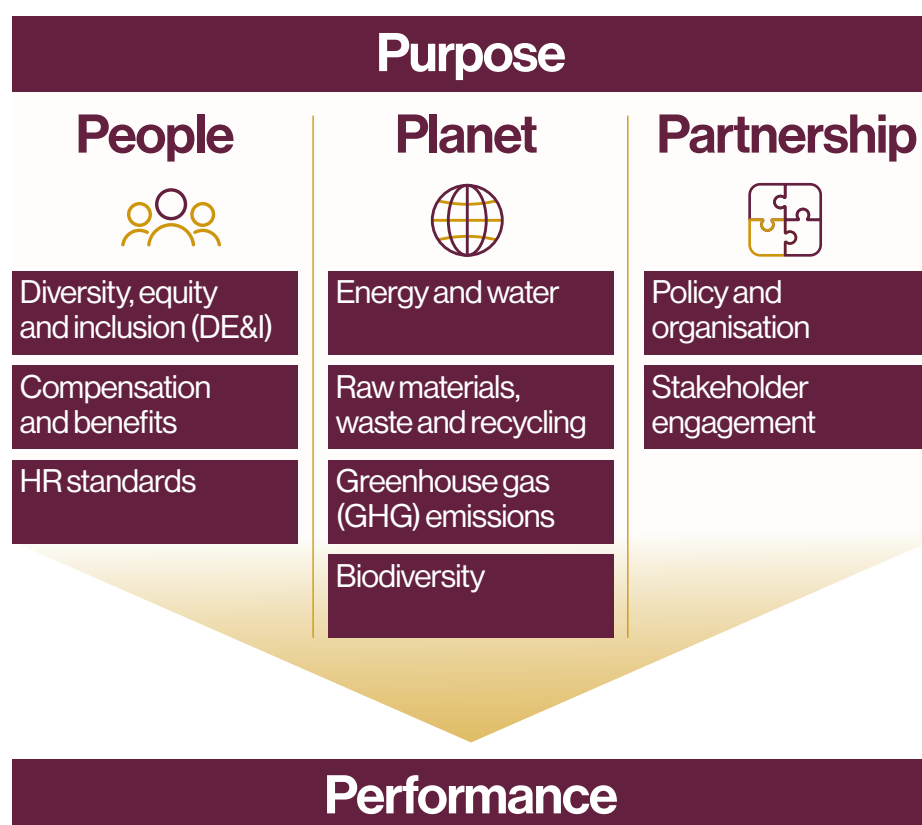
Prior to the start of our 2023 reporting cycle, we conducted a thorough review of our Responsible Ownership survey, cross-checking against a range of reporting frameworks to assess our existing data coverage. In our efforts to improve industry alignment, we added a total of 12 questions to our survey. We also made adjustments to the phrasing of 10 questions. Our 2023 survey consisted of 89 primary questions across a broad range of material ESG considerations, making it our most comprehensive to date.

The results of our 2023 survey show our portfolio companies' performance as of 31 December 2022.²⁶ The data presented in this Responsible Ownership Report, when presented as a year-on-year comparison, consists of a changing perimeter that reflects our evolving portfolio over time.²⁷ We acknowledge that movements in data can be attributable to changes in the portfolio as well as TowerBrook's involvement as a responsible owner. We take this approach to give greater overall visibility of ESG performance across the TowerBrook portfolio. All figures presented in this Report are rounded to the nearest whole percentage.²⁸ We continue to strive to develop our reporting in line with our commitment to ensuring transparency and accountability for our responsible ownership performance.



41 companies were surveyed for this Report

	 Consumer and Distribution	 Financial Services	 Healthcare & Healthcare Services	 Industrials	 TMS
PE	<ul style="list-style-type: none"> – The AA – Azzurri Group – Bruneau – Ignite Fitness – J.Jill – KeHE – Stonebridge 	<ul style="list-style-type: none"> – Coaction – Premium Credit – Rewards Network 	<ul style="list-style-type: none"> – Acacium Group (ICS) – Compassus – R1RCM – Regent – TRIMEDX 	<ul style="list-style-type: none"> – ACPS Automotive – Aernnova – AustroCel Hallein – GSF – Sabena technics – Sateba – Swissport – Uperio 	<ul style="list-style-type: none"> – CarTrawler – EisnerAmper – Infopro Digital – Talan
TSO	<ul style="list-style-type: none"> – Izipizi – JJA – Kevin's Natural Foods 	<ul style="list-style-type: none"> – Battea – CAVU – Law Finance Group – PennantPark – Precis 	<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 – La Maison Bleue



Survey framework

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

The EDCI 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.





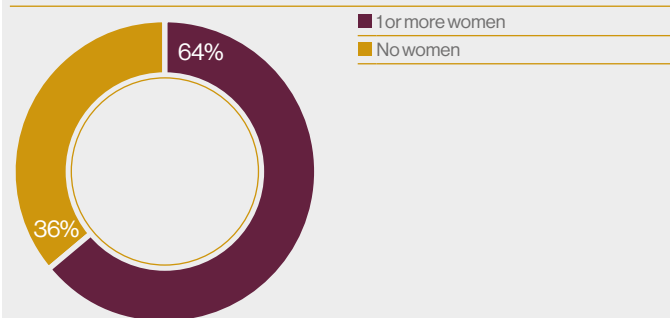
People

Diversity, equity and inclusion

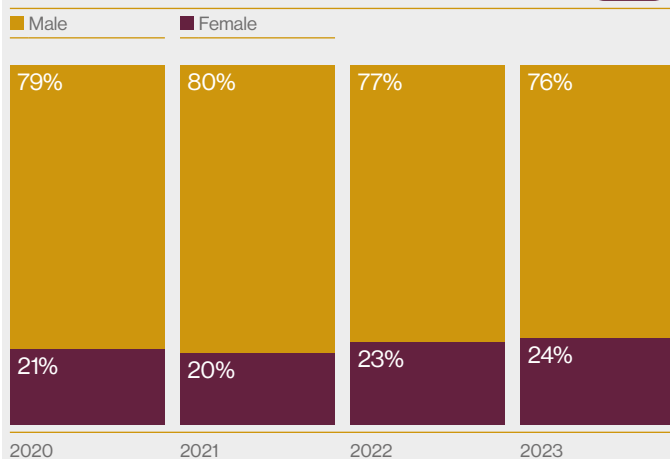
TowerBrook believes that diverse teams build better, more resilient businesses. We have made a public commitment to increase the gender diversity of our controlled portfolio Boards. We seek to have at least one gender diverse (female) member on each of the controlled or TowerBrook majority-owned portfolio company Boards²⁹ acquired since 2021, rising to at least two female members by 2025. In our 2023 reporting cycle, as of Dec 31, 2022, 64% of our controlled or majority-owned portfolio company Boards had a least one female member and 29% had two or more. This represents a decrease from last year in companies with one female Board member due to portfolio evolution, and an increase in companies with two or more female Board members. At a senior management level, we're encouraged to see a steady increase in gender diversity, up to 24% female reported in 2023, rising from previous years. When collecting diversity data, 56% of our portfolio companies asked employees to self-identify.

As reported by the Global Parity Alliance, a collaboration between the World Economic Forum and McKinsey, in its report: 'Diversity, Equity and Inclusion: Lighthouses 2023',³⁰ a growing number of management teams have identified the importance and urgency of leading conversations within their firms and taking action to drive progress. A range of DE&I success factors are identified as having the most impact for underrepresented groups, including a meaningful definition of success, accountable and invested business leaders, and rigorous tracking and course correction. At TowerBrook, we encourage the adoption of practices aligned with these success factors. In 2023, we were pleased to see 63% of the portfolio report that their company has designated an individual or group explicitly responsible for DE&I, marking an improvement on prior years. We were also encouraged to see 44% had measured job satisfaction, promotion, and retention rates for different demographic groups. Going forward we seek to support more portfolio companies to set specific, measurable DE&I goals.

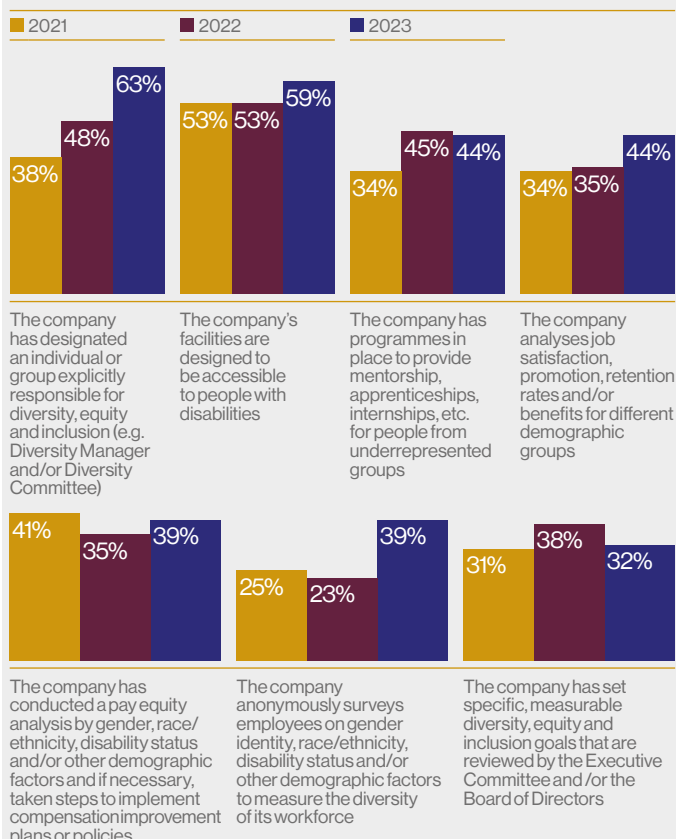
Gender distribution of Board appointees



Gender distribution of senior management teams



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

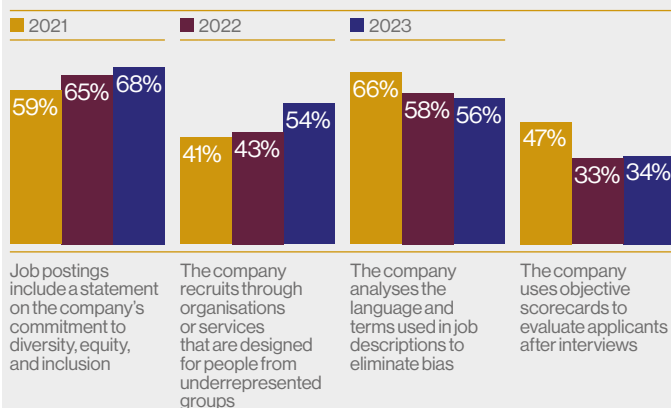




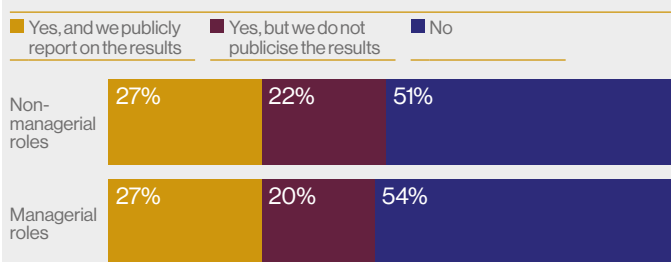
At TowerBrook we track our portfolio's adoption of a range of recruitment best practices designed to reduce bias and enhance a company's success in recruiting diverse talent. We continue to encourage our portfolio to improve the use of objective and non-biased recruitment procedures such as those outlined in the chart below, including the use of objective scorecards to evaluate applicants. In 2023, we were encouraged to see that 68% of our portfolio reported that they include a statement expressing their commitment to DE&I on job postings, and over half (54%) said they recruited through channels designed for people from underrepresented groups. TowerBrook supports the advancement of pay equity and we monitor whether our portfolio companies track differences in average pay by gender or underrepresented group membership. In 2023, almost half of our portfolio companies confirmed that they track this differential for managerial and non-managerial roles, as shown in the chart below, and 27% reported publicly on the results.

We believe training forms a crucial component of a DE&I initiative, helping establish an inclusive culture and encouraging underrepresented talent to join, stay, succeed, and lead within a company. We monitor our portfolio's implementation of DE&I training across a range of specific topics including discrimination and harassment, unconscious bias, anti-racism, and culture more generally, as well as DE&I training implemented at leadership levels. We are encouraged to note that 78% of our portfolio reported they have training or initiatives in place around discrimination and harassment, 51% provide training on unconscious bias, and 56% provide their management and leadership team with DE&I training. Boston Consulting Group's 2022 research³¹ shows that to harness the power of diversity, DE&I needs to be part of a company's DNA. We seek to support our portfolio companies that do not currently have DE&I training in place around discrimination and anti-harassment to address this as a priority.

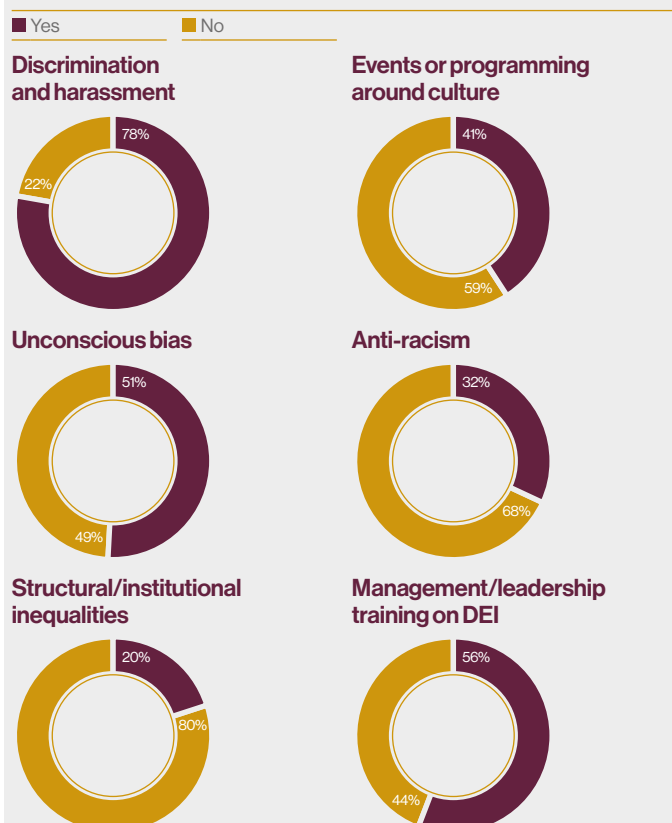
Does your company do any of the following with regards to recruiting and hiring?



Do you track whether there are differences in average pay for comparable roles by gender or membership of underrepresented groups?²⁸



Does your company offer employees training or programmes relating to diversity, equity, and inclusion?





People

Net new hires

As responsible owners, we carefully monitor job creation across our portfolio to allow us to support value creation in a sustainable way for society. In line with the EDCI reporting framework, we measure the real impact of our business activity by monitoring new hires net of leavers, and excluding the impact of jobs that existed previously and were subsequently acquired during M&A activity. Our 2022 net contribution is shown below.³² TowerBrook also believes that shared ownership, through the granting of stock, stock options or stock equivalents, is not only an equitable practice, but is a driver of value creation due to its potential to drive performance improvements and employee engagement. In 2023, nearly half (49%) of our portfolio firms reported having equity participation structures in place for at least some of their workforce, and 10% had these in place for the majority (51-100%) of their employees. The slight decline on this figure in 2023 is due to our evolving portfolio perimeter.

8,260 

Net new hires³²

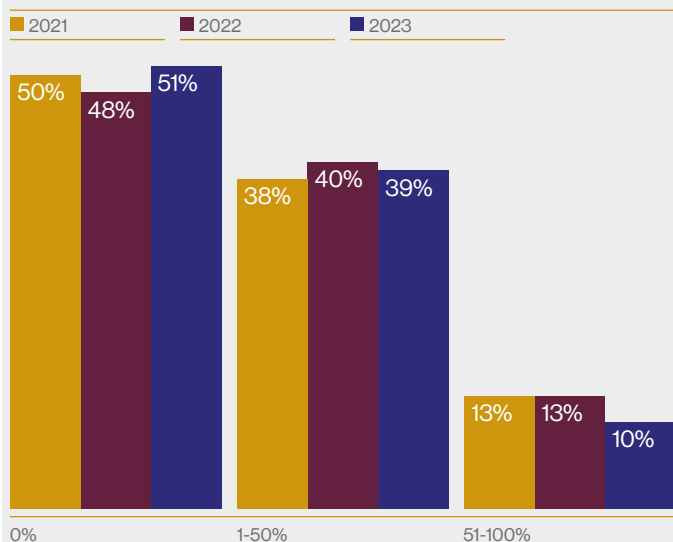
Remuneration

TowerBrook encourages equitable remuneration practices across our portfolio companies and monitors their reported implementation. As expected, all our companies pay at least the statutory minimum wage to their lowest paid workers, and we are pleased to report that almost three-quarters pay more, with 15% paying 1-10% above, and 59% paying over 10% above statutory minimum wage. Building on this, informed by our partnership during 2021/22 with Business for Social Responsibility (BSR), we also track whether our portfolio companies pay a living wage. This is defined as a wage that provides the means for an individual to purchase the goods and services necessary to attain a basic standard of living and accumulate a minimum level of savings, as aligned with the social and cultural expectations of the community and/or country where the individual is located. In 2023, 22% of our companies said they had a formal commitment to pay a living wage as measured by an external benchmark. 12% also said their key suppliers had a commitment to do so.

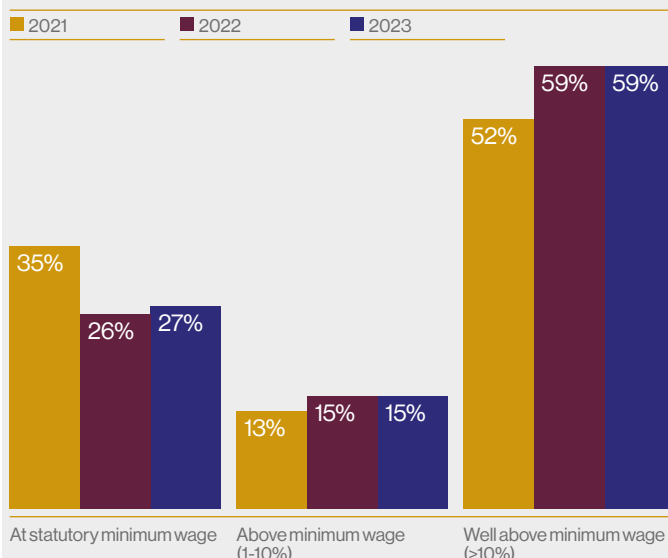
22%

TowerBrook portfolio companies have a formal initiative or commitment to pay the living wage as measured by an external benchmark

What percentage of all full-time employees has been granted stock, stock options or stock equivalents?²⁸



How is your lowest-paid permanent, full-time employee paid today?





Training and career development

We believe that high performing businesses harness the power of their people by investing in their employees' skills and professional development. We measure how our portfolio companies perform across a range of training and career development metrics, including training hours undertaken, support for employees to pursue ongoing educational or professional qualifications, and the number of employees benefitting from this support. In 2023, of the 49% of our portfolio companies reporting they tracked training hours, the average time spent per employee on training was 14 hours. The overwhelming majority of our portfolio (95%) said they provided support for their employees to pursue further educational or professional qualifications, with 51% reporting that these initiatives were ad hoc and 44% reporting that these initiatives were formal. Of the companies that provided this support, 49% said that in 2022, 11% or more of their employees benefitted, and 31% said that in 2022 more than a quarter (26% or more) of their employees benefitted.

14 hours

Average training hours by employee³³

95%

TowerBrook companies provide support to employees in pursuit of further educational or professional qualifications

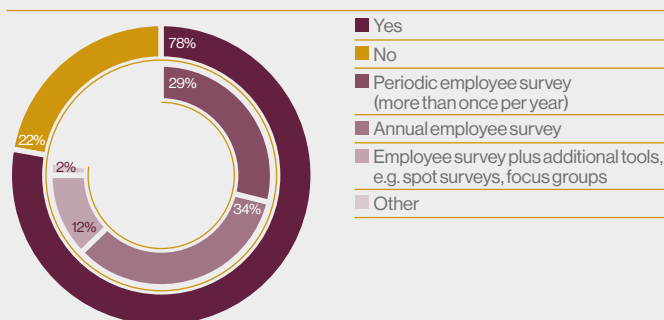
31%

TowerBrook portfolio companies say more than a quarter of their employees have benefitted from this support in 2022

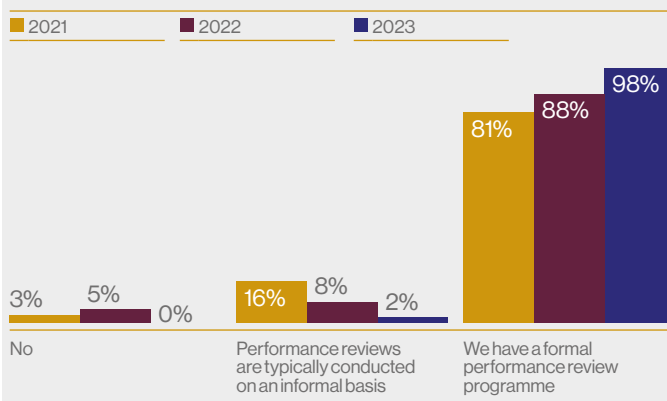
Employee engagement

In Gallup's 'State of the Global Workplace: 2023 Report',³⁴ it is estimated that "low engagement costs the global economy \$8.8 trillion." In its 2020 meta-analysis of 456 research studies across 276 firms,³⁵ it highlighted the granular link between engaged workers and profitability, showing a 23% profitability differential between top and bottom quartile engagement performers, as well as positive impacts on productivity, customer loyalty, quality, absenteeism, and wellbeing. At TowerBrook, we track our portfolio's approach to measuring employee engagement as a key lever of value creation and align our data collection efforts with the EDCI. We also track our portfolio's approach to performance development, which can drive engagement levels. In 2023, we are encouraged to see that 78% of our portfolio reported having a formal measurement process to track employee engagement, up from 70% last year. We are also pleased to report that 98% of our portfolio companies said they have a formal performance review process in place.

Is there a formal measurement process to track employee engagement?²⁸



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



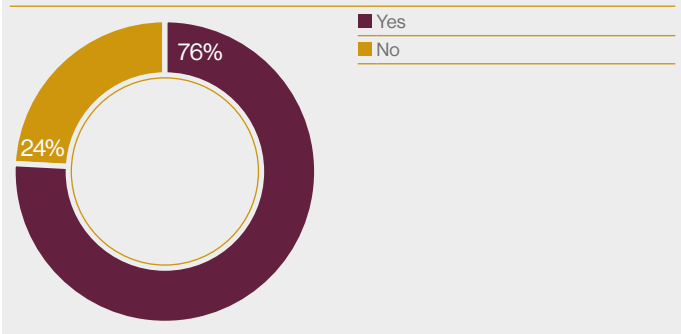


People

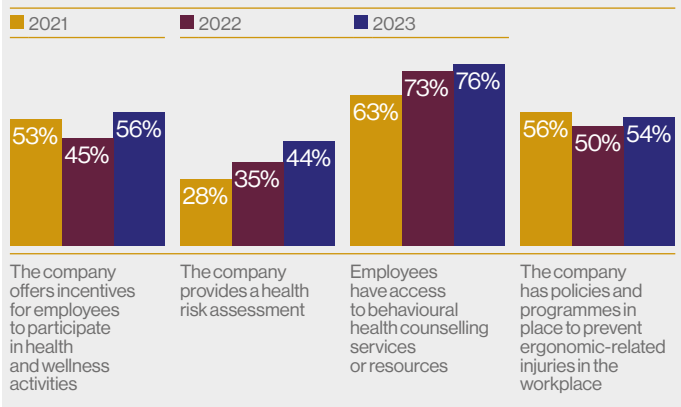
Wellbeing

Wellbeing remains a key focus as a driver of employee performance and sustainable value creation in a rapidly changing work context. As reported in Deloitte's 2023 'Wellbeing at Work' survey,³⁶ "to make progress on accountability, 76% of the C-suite agree that workforce wellbeing should be measured and monitored and 83% say it should be discussed at the board level. In addition, 85% of executives believe companies should be required to publicly report their workforce wellbeing metrics." At TowerBrook we monitor our portfolio's approach to health and wellbeing, and in 2023 we are encouraged to report that 76% of our portfolio companies reported that they had a proactive health and wellbeing strategy in place, 76% offered employees access to counselling, 56% offered incentives for employees to participate in health and wellness activities, 54% had policies in place to prevent ergonomic related injuries in the workplace, and 44% provided a health risk assessment.

Do you have a proactive health and well-being strategy?



Do your company policies support any of the following additional health and wellness initiatives (over and above insurer-provided programmes)?



EISNERAMPER

EisnerAmper is a U.S.-based audit, advisory and tax services provider with expertise across multiple jurisdictions

FTEs	4,024
Revenue (LTM to Sep 30, 2023)	\$878.60 million
Investment date	July, 2021 (PE V)

EisnerAmper provides audit, accounting, advisory, consulting and tax services expertise and support to a wide range of clients, across a range of jurisdictions. Based in the U.S. and competing against some of the world's largest accountancy firms, attracting, nurturing, and retaining talent is key to the company's competitive advantage and ongoing success.

EisnerAmper seeks to differentiate by creating a strong company culture and employee value proposition. Over the last few years, the organisation has invested significantly into employee wellbeing through its Thrive: Discover Your Wellbeing Program. Thrive is designed to support EisnerAmper employees and their families by providing integrated resources structured under five wellbeing pillars: Physical, Financial, Emotional, Social and Environmental.

Through Thrive, the company offers employees access to benefits across a range of partnerships including Guide+Thrive, a mental wellbeing service giving access to counselling and advice; Motion Connected, an app designed to engage employees with frequent physical fitness challenges; Cigna Healthcare resources; and PerkSpot employee discounts.

Additionally, EisnerAmper has invested to enhance its medical insurance benefits, impacting the 79% of employees who are enrolled into one of its plans. In 2022, the company extended its package to give employees the choice of three medical insurance plan options – co-pay, core, or buy-down – to best suit their needs and preferences. The company also made improvements to its leave of absence for new parents, better supporting the needs of talent within the firm.

Spotlight on training and career development

Case study



EPSA Group is a global consulting firm specialising in operational efficiency, based in France

FTEs	2,967
Revenue (LTM to Sep 30, 2023)	€380.10 million
Investment date	January, 2022 (TSO II)

EPSA Group helps clients to foster optimal operations and greater profitability. Its consulting capabilities span digital transformation, procurement efficiency, innovation support, energy, and environmental transition, as well as tax and finance. It also offers a single marketplace to support client procurement.

As a consulting firm advising clients that expect high levels of subject matter expertise, nurturing EPSA's talent is essential, as is the need to ensure its employees' skills and qualifications remain up-to-date and relevant in a fast-moving world. To meet this need, in 2022 EPSA launched EPSA Campus.

EPSA Campus is a Group-wide digital hub of knowledge and e-learning. With over 371 courses available, the hub is designed to meet the professional development needs of the firm across its full range of functions and at all levels of seniority. These needs include gaining insight into the various roles and functions across the Group, understanding the Group's vision and values, and having access to a knowledge management tool to capture and share expertise.

EPSA Campus also enables the promoting and sharing of internally produced content in multiple formats, and optimal deployment of internal knowledge to accelerate cross-selling efforts. Additionally, EPSA Campus enhances a sense of belonging through onboarding employees. It also plays a role in talent retention, aligning business expectations set by management with the training preferences expressed by employees, as well as providing training and self-learning opportunities for employees, including hard skills, soft skills, languages, and IT.

In 2023, the EPSA Campus hub counted approximately 750 registered learners on its system, representing 27% of EPSA's employees across 752 course registrations. A total of 2,264 learning hours had been completed to date across the firm and the average learner had spent 4.5 hours within the learning system. The most popular course was Performance Management, with 1,189 hours completed, followed by training on the company's long-standing CSR initiative, EPSA for Good. 310 hours were spent by EPSA employees on Language Skills.

In 2023, EPSA Campus also underwent a redesign to enhance the learning experience and is currently being rolled out internationally, with the project due for completion in November 2023. As part of this international rollout, EPSA Campus is being translated into four languages: English, Italian, Spanish, and German.

Additionally, EPSA worked to strengthen ESG governance, with the introduction of a new Responsible Commitment department established in 2023. This department has responsibility for EPSA's existing CSR and diversity initiatives, EPSA for Good and EPSA Equality, as well as the marketing, communications, and HR functions, positioning the company's commitment to responsible business at the heart of its future growth.

“

The world is moving fast, and consulting must stay ahead to add value. EPSA Campus and its wide range of relevant and targeted training is both good for our people and a sustainable move for our business.

Matthieu Gufflet
Founding President, EPSA Group

”

Spotlight on shared ownership

Case study



KeHE is a major North American distributor of natural, organic, specialty and fresh food products

FTEs	7,499
Revenue (LTM to Sep 30, 2023)	\$8,160.80 million
Investment date	May, 2019 (PE IV)

KeHE is one of the world's largest B Corps by FTEs, first certifying in November 2015. Its journey as a business has been driven by a belief that Everything Grows from Goodness, and KeHE's approach to ESG rests on the concept of More Goodness, More Growth.

As a B Corp, KeHE is required to recertify every three years and the company has seen its B Impact Assessment score increase over time. In 2022, KeHE was identified for the 4th year as B Corp Best for World: Workers, with KeHE's verified ranking for employee practices being within the top 5% of all B Corps of a corresponding size.

A key driver of this outcome is KeHE's approach to shared ownership. All employees who have worked for KeHE for one year (or 1,000 hours) at every level of seniority across the company's sixteen distribution hubs are eligible to join the company's Employee Share Option Program (ESOP) to become employee-owners. KeHE's employees do not make a financial contribution for their stock and on an annual basis KeHE awards stock options up to 25% of an employee's eligible annual wage. In 2023, the company was nearly 90% employee owned.

The ESOP enables KeHE's people to share in the value they create for the company, advancing equity and driving employee alignment with KeHE's future success. In April 2023, the ESOP share price had seen a 221% increase from the same date in 2018 and KeHE had \$50 million in ESOP value owned by employees.



KeHE's approach to employee equity extends beyond its ESOP. The company tracks its remuneration against the Massachusetts Institute of Technology Living Wage Calculator. It also has an Employee Benevolence Program supporting people experiencing catastrophic events and hardship, with 62 grants and \$133,000 deployed during the reporting year to April 2023. Complementing this is a Holiday Benevolence Program supporting those struggling financially during the holiday season and a Scholarship Benevolence Program supporting children of KeHE employees to attend further education.

Building on its culture of benevolence and with understanding that sometimes people are not in full hardship but cannot afford much beyond the essentials, in 2023 KeHE ran a pilot of its Goodness in a Wish Program. This initiative gave KeHE's employees the opportunity to nominate colleagues for grants designed to pay for a wish that was unlikely to come true without KeHE's support.

Spotlight on employee engagement and equity

Case study



Acacium Group

Acacium Group³⁷ is a global healthcare delivery partner offering workforce, technology and sector expertise

FTEs	2,643
Revenue (LTM to Sep 30, 2023)	£635.00 million
Investment date	July, 2014 (PE IV)

A key supplier to the NHS, independent providers of healthcare services and life sciences in the U.K. for over 40 years, 2022/23 has been a time of substantial growth for the Acacium Group. Uniting multiple brands under a common purpose, the business embedded its U.S. acquisition of Favorite Healthcare, acquired Sanctuary Recruitment in Australia and Sumo Medical Staffing in the U.S., and expanded its life sciences specialism with the addition of R&D Partners.

Acacium Group has firmly positioned a commitment to being a responsible business at the heart of its strategy. Building on its purpose and values, 2022 saw Acacium Group establish a dedicated Responsible Business function to oversee, support and improve company practices across a spectrum of ESG considerations. For its people, Acacium Group has strengthened performance across employee engagement, career development, equity, and diversity and inclusion, in what it describes as a more holistic approach.

Acacium Group actively listens to its stakeholders and runs an annual engagement survey to gather employee views of the company's strengths and areas to improve. Recent results indicated that employees would welcome more structured career development. Responding to this, Acacium Group put in place measures designed to better support its people to progress internally. These included the launch of a dedicated careers hub highlighting group-wide opportunities, talent attraction roadshows, and automatic flagging of internal candidates for open positions.

A second key theme from its survey was the rising cost of living. High inflation was impacting employee livelihoods globally, and in 2022 the group launched an initiative to support all colleagues and promote greater equity. This included dedicated cost of living payments, mental health support, financial education, and financial planning resources. Acacium Group also made material improvements to the benefits of its U.S. colleagues as operations were integrated, with equitable practices applied across the group.

DE&I is already well-established at Acacium Group and in 2022 the company further strengthened its procedures including conducting pay audits to understand pay equity, rolling out the implementation of a competency-based interview framework to help eliminate bias from hiring as well as introducing new training to further mitigate bias. The group has also developed partnerships with purpose-led careers platforms and recruitment agencies to better reach underrepresented talent.

Acacium Group's holistic people efforts have been consistently supported by structured communications initiatives designed to facilitate better colleague engagement with Acacium Group's strategy, purpose and values.



Through our annual engagement survey, we actively listen to our employees and take action to improve, for the benefit of all our people and the customers they serve.

Mike Barnard
CEO, Acacium Group





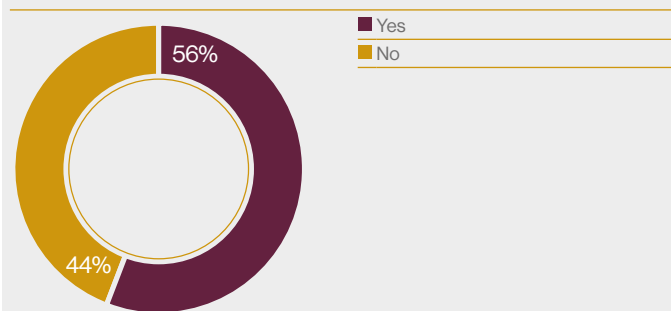
Planet

Environmental policy

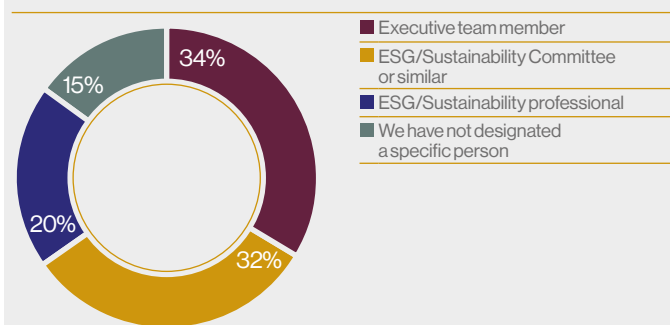
TowerBrook believes the private equity sector has an important role to play in accelerating the world's transition to a sustainable future and protecting the goals of the Paris Agreement. This year, in line with the Invest Europe framework, we are reporting on our portfolio companies' responses regarding their approach to environmental policy and management. In 2023, 56% of our portfolio said they had an environmental policy which sets out clear commitments and targets to improve the company's environmental footprint. 49% reported that their company had implemented an environmental management system to manage any potential impact from business operations on the environment, and 29% said this system had been externally certified (for example, ISO 14001 or to an equivalent standard). This is broadly in line with Invest Europe's inaugural 2022 ESG KPI study of 659 European private equity and venture capital firms across 2,100 funds and 5,895 companies, where 31% of companies said they had a certified system in place.³⁸

As McKinsey sets out in its September 2023 article,³⁹ 'Full throttle on net zero: Creating value in the face of uncertainty', we agree that "Companies that take disciplined and courageous action on both resilience and sustainability have a unique opportunity." We believe that such firms can reposition themselves ahead of firms "that focus on just the short-term shocks, or organisations that might even step back from their sustainability commitments." Informed by our experience as a B Corp and our insights as active members of the Sustainable Markets Initiative Private Equity Task Force, EDCI, and Invest Europe, we monitor our portfolio's approach to environmental policies, management, and governance. In our Responsible Ownership survey, we ask about where the direct responsibility for the environmental agenda lies within each company. In 2023, 34% of our portfolio reported that responsibility sat with an Executive team member, 32% reported that it sat with an ESG Committee, and 20% said it sat with an ESG professional.

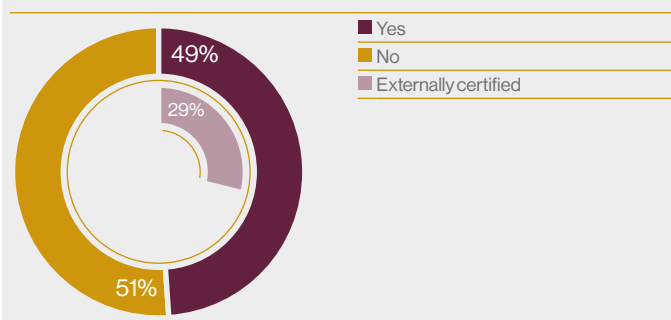
Does the company have an environmental policy which sets out clear commitments and targets to improve the company's environmental footprint?



Who is directly responsible for environmental management?



Has your company implemented an environmental management system to manage any potential impact from business operations on the environment, and has this been externally certified (e.g. to ISO 14001 or equivalent standard)?



Climate change is increasingly becoming a global priority, with governments, industries, and investors embarking on the race to achieve net zero.

Sustainable Markets Initiative
Valuing Carbon in Private Markets, April 2023⁴⁰





Renewable energy consumption

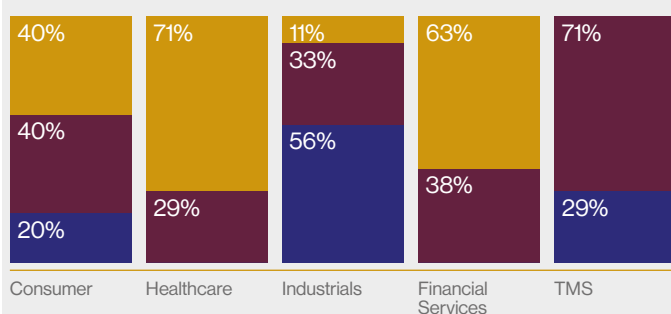
At TowerBrook we look to encourage our portfolio companies to track energy consumption, and in 2023 63% of our companies reported that they monitor this metric. Drilling down, this figure is made up of 100% of our TMS, 89% of our Industrial, 60% of our Consumer, 38% of our Financial Services and 29% of our Healthcare companies. Within Industrials, over half (56%) of our companies reported that they have set reduction targets, up from 50% in 2022. Within TMS, 29% have set reduction targets, up from 14% in 2022. We continue to work with our portfolio to promote the importance of monitoring energy consumption. We also track the use of renewable energy across our portfolio. Of those monitoring energy consumption in 2023, almost two-thirds reported that they use at least some renewable energy, up from 59% in 2022. This breaks down as 54% stating that 50% or less of their energy comes from renewable sources, and 12% stating that more than half of their energy comes from renewable sources.

Water consumption and recycling

In addition to tracking energy consumption and promoting the transition to renewable energy sources, we seek to encourage our portfolio to adopt responsible approaches to water consumption and waste management. In 2023, 44% of our portfolio reported that they track water consumption. This represents over three-quarters of our Industrial companies and 70% of our Consumer companies. Of those, the Industrial companies have started to make headway in reducing water consumption, with 33% setting reduction targets. Additionally, we monitor our portfolio's approach to waste management, with 37% of our portfolio tracking hazardous waste. This percentage rises to 60% for companies in the Consumer sector and 56% for companies within the Industrial sector, reflecting the increased materiality in these industries. We also track our portfolio's approach to recycling. The bar graph below shows the proportion of TowerBrook's portfolio that reported they recycle paper, cardboard, plastic, and glass and metal.

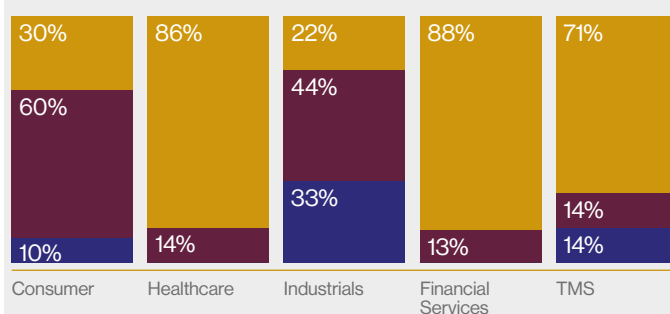
Does your company monitor energy consumption?²⁸

- We monitor energy consumption, and have specific reduction targets
- We monitor energy consumption but do not have reduction targets
- We do not currently monitor energy usage

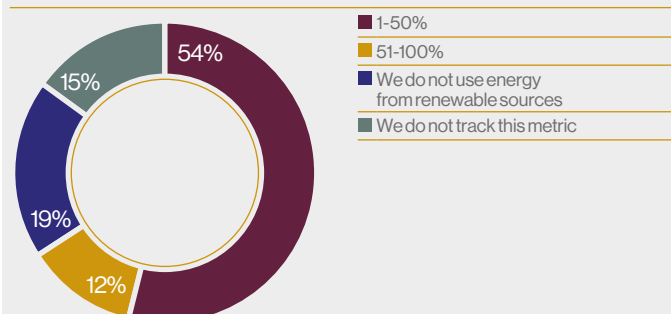


Does your company monitor water consumption?²⁸

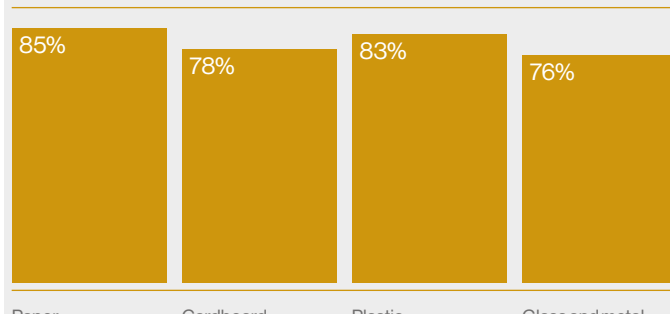
- We monitor water consumption, and have specific reduction targets
- We monitor water consumption but do not have reduction targets
- We do not currently monitor water usage



Approximately what percentage of the energy used in your business came from renewable sources?



Does your company have a company-wide recovery and recycling programme?





Planet

GHG Emissions Scope 1,2 & 3

As responsible owners, we acknowledge that private finance forms a significant part of the effort to tackle climate change, and we are taking steps to support our portfolio companies on the urgent green transition required to foster a low emission, climate-resilient world. We seek to encourage our portfolio companies to measure their Scope 1, 2 and 3 GHG emissions. Moreover, we promote the setting of GHG emissions reduction targets, outlining a goal against a baseline year, as well as public disclosure to foster greater transparency and accountability. In 2023, 54% of our portfolio companies reported that they monitor Scope 1 (direct emissions from owned or controlled sources), 56% reported they monitor Scope 2 (indirect emissions from the generation of purchased energy), and 44% reported they monitor Scope 3 (all other indirect emissions). Some of our portfolio companies have also set reduction targets: 27% have reduction targets for Scope 1, 24% for Scope 2, and 17% for Scope 3.

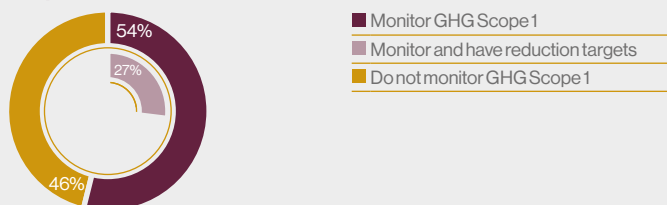
GHG tracking over time

We are pleased to report that these figures represent an improvement compared to 2022, as shown in the bar graph below. We are particularly encouraged to report a material increase in those companies monitoring Scope 3. This has risen from 30% in 2022 to 44% in 2023 and reflects growing support among the companies in our portfolio to take action to measure emissions in their supply chain. We are also pleased to see an increase in those companies setting GHG emissions reduction targets across Scope 1, 2 and 3. In 2022, this stood at 23%, 15%, and 13% respectively, compared to 2023 when this had risen to 27%, 24% and 17%. Given the urgency of the world's climate task, we acknowledge there is still more to do to help accelerate adoption of target-setting. As responsible owners, we firmly believe in the importance of transparency to foster greater accountability and we encourage disclosure. The percentage of TowerBrook's portfolio companies that publicly report on their GHG emissions is 37%.

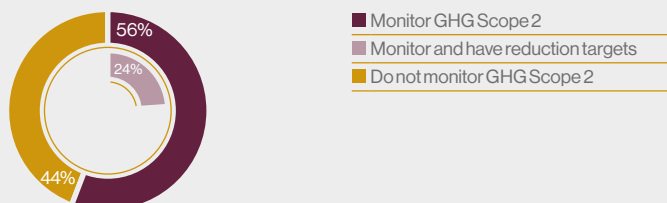
How does your company manage its GHG emissions for:



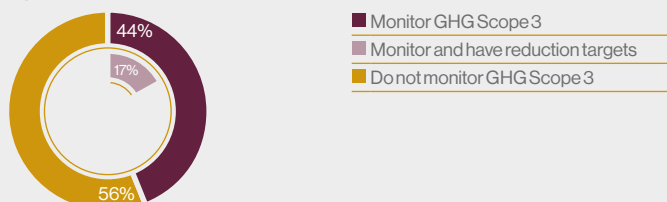
Scope 1 (direct emissions from owned or controlled sources)?



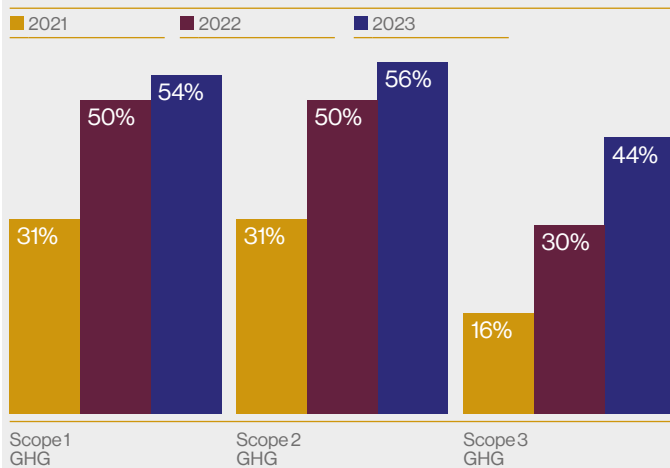
Scope 2 (indirect emissions from the generation of purchased energy e.g., electricity)?



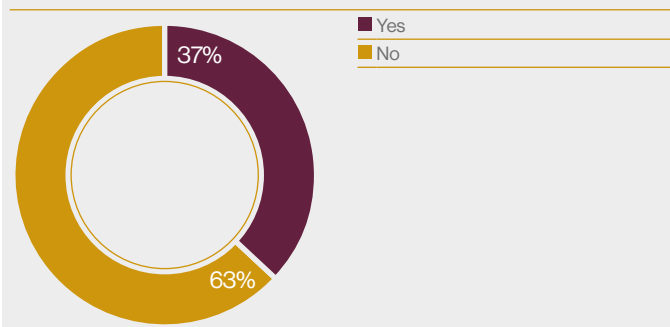
Scope 3 (all other indirect emissions not in Scopes 1 and 2, e.g., business travel)?



Companies monitoring GHG emissions over time



Does your company publicly report on its GHG emissions?

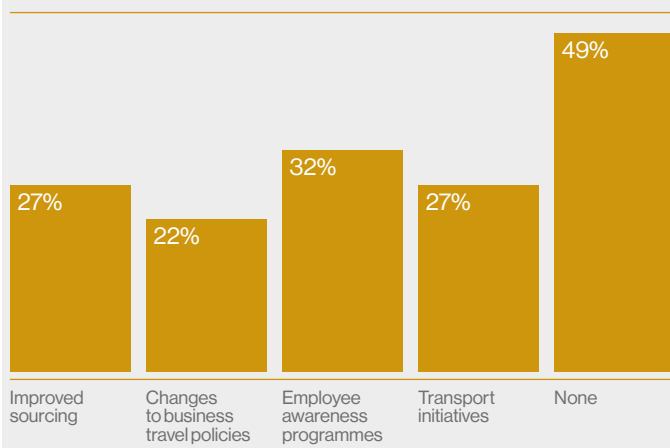




Carbon reduction initiatives

Over half (51%) of our portfolio companies reported that they had taken measures during 2023 to reduce the company's carbon footprint. 32% reported that they had run employee awareness initiatives, 27% said they had made improvements to sourcing, 27% reported that they had put in place transport initiatives, and 22% reported that they had changed their business travel policy. Going into 2024, we seek to strengthen our efforts even further in this space; to continue to drive a greater awareness across our portfolio of what we see as the private sector's important and undeniable role in tackling climate change, and to share best practice regarding Scope 1, 2, and 3 GHG emissions monitoring and management using our digital hub, The Bridge (see page 23). Our aim is to support those companies which are not yet monitoring their GHG emissions or implementing any carbon reduction initiatives to begin to put in place these environmental management practices, as appropriate.

Which of the following initiatives has your company taken to reduce its carbon footprint?



The challenge of a 'green transition' to a low-emission, climate-resilient world is immense, and it is urgent.

Simon Stiell

UN Climate Change Executive Secretary
Keynote Speech at the Opening of the New York Climate Week,
September 2023⁴¹



Spotlight on: Net zero

In its 2024 reporting cycle, TowerBrook will include a net zero metric related to portfolio company level carbon reduction and net zero commitments, in line with the EDCI's 2023 additional metric.

As a founder member, TowerBrook supports the EDCI's mission to drive convergence around meaningful environmental, social and governance metrics for the private markets.

The newly announced net zero metric will consist of three simple multiple-choice questions for portfolio companies to identify: whether the portfolio company has a carbon reduction strategy or plan in place, whether the portfolio company has a short term (5-10 year) GHG emissions reduction target in place, and whether the portfolio company has a long-term net zero goal.

In line with the EDCI guiding principles, the metric is designed to be meaningful, straightforward, comparable, actionable, and globally accepted. The EDCI chose to add the net zero metric based on the recommendations developed by its Net Zero Working Group, drawing from views across the EDCI community and in close consultation with the Institutional Investors Group on Climate Change (IIGCC) and iCI net zero frameworks currently in development. In 2023, the EDCI surveyed its member signatories on the addition of the metric and over two-thirds of those responding voted to add it, helping to increase industry momentum towards positive climate action.⁴²

TowerBrook is proud to support the EDCI's action in increasing the availability of clear, benchmarkable insights around climate action at a portfolio level.



**ESG Data
Convergence
Initiative**



AustroCel Hallein is a sustainable producer of high-quality wood pulp and bioenergy

FTEs	290
Revenue (LTM to Sep 30, 2023)	\$161.00 million
Investment date	September, 2017 (PE IV)

AustroCel Hallein has been in the business of cellulose manufacture for 130 years. At the time of TowerBrook's investment, its core operation was the efficient, sustainable and environmentally friendly use of wood as a raw material for the production of high-quality pulp for textiles. Under TowerBrook's ownership, AustroCel has significantly invested into its operations to become part of the circular economy and a major producer of clean bioenergy.

The production of pulp suitable for textile manufacturing results in by-products, including reject material, sludge, lignin and wood sugars. In traditional pulp mills, the bulk of these are disposed of. However, with the right technical production capability, they can be used in the production of green energy such as heat and power. AustroCel invested €90m over five years to develop a circular approach to value creation, harvesting the value of some of these by-products through a state-of-the-art bioethanol plant alongside enhanced production capacity.

AustroCel's bioethanol plant began operating at the end of December 2020 and is the world's largest wood-based plant by volume.⁴³ It enables AustroCel to not only meet its zero-waste ambitions but also create significant added value through the production of second-generation bioethanol, a fuel considered to be particularly environmentally friendly as it does not compete with food production. Alongside, the company produces biogas used for green electricity and heating, and ligno-sulphonate used in agriculture as a biodegradable soil conditioner. In 2023, these value-added operations accounted for approximately 20% of AustroCel's revenue.



As of FY 2022, the company was almost entirely carbon neutral for Scope 1 and 2, with approximately 97% of its own energy requirements met with the bioenergy produced by its operations.⁴⁴ Surplus bioenergy is sold and AustroCel is a major supplier to the Austrian public grid, supplying green electricity and district heating to more than 20,000 households in the areas of Hallein and Salzburg, directly contributing to a reduction in Austria's CO₂ emissions.

The company is a certified B Corp. Looking forward to 2024, AustroCel seeks to explore wider opportunities related to its circular model including within the developing biogenic CO₂ market.



We are proud of 'Green AustroCel' and our circular approach to value creation. It's hugely compelling to see how much added value is created by raw materials that were previously considered waste.

Wolfram Kalt
CEO, AustroCel Hallein



Spotlight on sustainability strategy

Case study



Aernnova is an aircraft aerostructures manufacturer focused on the design, manufacture and servicing of aircraft components

FTEs	5,361
Revenue (LTM to Sep 30, 2023)	€851.90 million
Investment date	January, 2018 (PE IV)

Aernnova partners with several of the world's major aerospace OEMs including Airbus, Boeing, and Embraer. The aerospace industry is subject to increasing regulation, stakeholder scrutiny, and partner expectations regarding climate impact. We believe that only the aerospace businesses who commit to reducing their carbon footprint, as well as investing in the innovation required to transition the industry towards net zero, have a sustainable future.

Aernnova has responded by strengthening its ESG strategy and in 2022 expanded its targets and KPIs across a broad range of ESG metrics, building on its existing comprehensive Health and Safety and Quality/Standards monitoring. The company took steps to articulate its ESG governance with the introduction of a Sustainability Committee and the Board publicly disclosed Aernnova's nine ESG targets in October 2022 to promote accountability.

Three of those targets relate to the firm's environmental impact. By 2030, Aernnova seeks to reduce its energy consumption by 40%, reduce its carbon footprint by 40%, and recycle 90% of its waste. It is developing a carbon footprint calculation tool to monitor its Scope 3 emissions, which it plans to submit to MITERD (the Spanish government department responsible for the transition to green energy) in early 2024, as well as seek to become Ecovadis certified.

To meet its energy reduction target, Aernnova has two main initiatives. In 2022, it started to roll-out the energy management system (EMS) successfully implemented in its Coasa operation in 2018, which had achieved a 13% energy reduction in one year. By FY 2022, the EMS had been fully implemented in two more of its 16 locations across the Group, Aernnova Aeroestructuras Alava and Aernnova Composites Illescas, with more locations following in 2023. The company also launched an energy efficiency awareness campaign among employees.



Alongside these efforts to reduce its own carbon footprint, Aernnova is playing a role in the sector's key collaboration and innovation activity, working to transition the aerospace industry to a net zero future. In June 2022, the European Commission launched the Alliance for Zero Emission Aviation (AZE) to support the industry's green transition through use of operational efficiencies, sustainable aviation fuel and market-based carbon offsets. Aernnova became a member of the Alliance when it first launched, joining more than 300 experts from 140 firms, and has actively contributed to the Alliance's working group on Aviation Regulation, Certification and Standards to help prepare for the entry of hydrogen and electric aircraft.

Aernnova is also a founder member of the Clean Aviation joint undertaking (formerly Clean Sky2). This forms part of the Horizon Europe EU funding initiative and is designed to promote R&D and accelerate innovation. Clean Aviation's scope for funding operates under three pillars: Ultra-efficient short medium range (SMR) aircraft, Hybrid electrical regional aircraft (HER) and Hydrogen (H2) propulsion. Aernnova is part of three Clean Aviation innovation projects related to the aerospace structures it manufactures, all of which align with the company's overall sustainability strategy. These include two projects led by its partner Airbus – UPWing to study new wing architecture and FASTER H2 reviewing the technical performance of green biocomposites – as well as a third project, HERA, led by Italian defence company, Leonardo, focused on sustainable manufacturing and technology.

Spotlight on carbon emissions reduction

Case study



Sabena technics is a major independent European provider of maintenance and modification services for civil and military aircraft operators

FTEs	3,618
Revenue (LTM to Sep 30, 2023)	€710.80 million
Investment date	June, 2019 (PE VI)

The Sabena technics Group operates across 30 locations globally and serves over 500 customers. It performs 350 heavy maintenance checks a year and repairs over 55,000 aircraft components.

Operating within the aviation industry in a context of increasing scrutiny and higher stakeholder expectations means that reducing its environmental footprint is a key focus area for Sabena technics. The Group is taking steps to go above minimum legal requirements, with a proactive approach to standards compliance that goes beyond regulatory compliance in a responsible effort to boost transparency and accountability.

French regulations regarding GHG emission reporting requirements only apply to the two largest Sabena technics subsidiaries and extend to Scope 1 and 2 emissions. However, in line with its proactive and transparent approach, in 2022, Sabena technics expanded its reporting to include all subsidiaries in the Group regardless of size and to incorporate Scope 3 emissions reporting. It published its FY 2021 figures with the independent CDP environmental scorecard and intends to do so annually.

As of FY 2021, the Group's carbon emissions across Scopes 1, 2 and 3 totalled 280,640 tCO₂e. Scopes 1 and 2 accounted for 25,641 tCO₂e and the majority was driven by Scope 3 emissions. The Group tracks its emissions by type as well as by site, with 76% of total emissions coming from purchases, 11% from energy usage, 6% from travel and 4% from transport of aircraft from the customer. Looking deeper at Scopes 1 and 2, four items account for the bulk of this. 34% was driven by kerosene consumption related to the company's recent acquisition of a subsidiary servicing and operating helicopters, 14% was related to electricity generation, 13% to heating of its site in Bordeaux and 11% to heating of its site in Toulouse.



In 2022, Sabena technics set out a strong ambition aligned with the Paris Agreement and Science Based Targets Initiative 1.5°C scenario, putting in place targets set from its baseline year of FY 2021 and informed by its detailed carbon monitoring. By 2030, the Group seeks to reduce its GHG Scope 1 and 2 emissions by 42% through a combination of increased use of renewable energies in its main site in Bordeaux as well as implementation of an energy management system across all locations.

The Group is also beginning to involve its top suppliers – accounting for 45% of its purchasing expenditure – in a process to quantify and reduce their GHG emissions. It has already taken steps in 2021 to contractually commit suppliers to comply with the Group's CSR charter. Going forward it hopes to measure individual supplier GHG emissions where possible.

To deliver its environmental strategy, Sabena technics has put in place a structured and consolidated approach led by the Group and supported by local coordination on each site. It has set up a monthly Environmental Committee comprised of Group project leads and site Facility and QHSE managers. Environmental KPIs are reviewed at Executive Committee level every month.

Spotlight on responsible supply chain management

Case study



GSF is a major player in the cleaning and related services sector based in France and serving a global customer base

FTEs	42,487
Revenue (LTM to Sep 30, 2023)	€1,246.60 million
Investment date	July, 2022 (PE V)

GSF's mission is to make life easier for its partners to focus on their core missions by providing facility services related to cleaning, hygiene, waste management, maintenance of green spaces, as well as mail handling, preparation of meeting rooms and vehicles.

Now with more than 41,000 employees, the company's commitment to responsible business sits at the heart of its operations and its formal efforts date back to 2005 when it became a member of the UN Global Compact. It made its first voluntary submission to Ecovadis in 2012, published its first CSR report in 2013, and became a signatory of the diversity charter in 2014. In 2018 the company was awarded the Responsible Purchasing and Supplier Relations label by the French government ministry, a mark recognising French companies that have developed sustainable balanced relations with their suppliers. In 2020, the company updated its CSR strategy to include a broader range of ESG considerations based on a materiality matrix and in 2022 published an updated code of ethics.

As of 2023, the company is in its third year of being rated Platinum in the Ecovadis sustainability rating and maintains its position as being within the top 1% of companies evaluated, achieving particularly high scores related to the environment and human rights. Its score has risen steadily over time, from a base of 61 out of 100 in 2012, to 86 in 2022 compared to a sector average of 46.

Within carbon management GSF was acknowledged by Ecovadis as "Advanced", defined as a company with comprehensive elements of a GHG management system and advanced carbon reduction commitment, actions, and reporting capabilities.



GSF also benchmarks progress against CDP, a second independent analysis which allows the company to track where there is room for improvement at a granular level for its climate commitment.

To reduce its carbon footprint, in 2021 the company introduced solar panels on the roof of its headquarters in France, and in 2022, production from these panels generated 24% of the headquarters' energy consumption, representing a saving of 246,049 kWh and 14 tCO₂e. Going forward GSF seeks to strengthen the commitment and actions taken to further reduce its carbon footprint through a range of measures. These may include development of a mobility culture, greening the automobile fleet, reduction of home/work distance, reduction in the number of journeys made where possible, and further transitioning the energy efficiency of its buildings.

GSF also takes a responsible approach to sourcing and procurement. Building on its existing strength and recognition in this area, GSF has defined a responsible purchasing scorecard and metrics to support this position, which includes the share of suppliers who have signed the sustainable procurement charter, and the share of major suppliers assessed on GSF's CSR criteria. As of 2022, 100 of GSF's suppliers had signed the charter, and 100% of Tier 1 and 80% of Tier 2 suppliers respectively were assessed on GSF's CSR criteria. The company is currently preparing to apply for certification as a B Corp.



Partnership

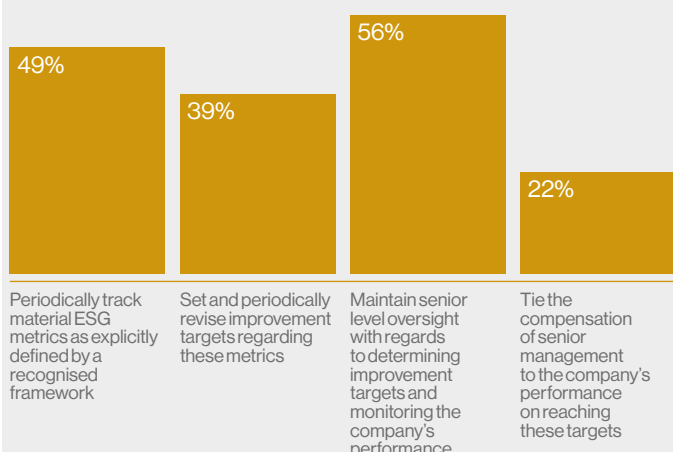
Purpose driven portfolio

In line with our own approach to responsible ownership, we believe that companies that have a clear purpose and strong values are better positioned to create long-term sustainable value. As a purpose driven investment firm, we are proud to invest in a portfolio of businesses that are aligned with our values and principles. In 2023, 83% of our portfolio reported that they had published a Purpose and/or Mission Statement. Alongside, 68% had published a set of values, 68% of portfolio companies reported that they had published an ESG or CSR Statement, and 54% had published a DE&I Statement. Translating this purpose into an actionable plan, 49% of our companies reported that they periodically track material ESG metrics as explicitly defined by an established framework, 39% set and periodically revise ESG metric improvement targets, and 56% maintain senior level oversight with regards to determining improvement targets and monitoring the company's performance. 22% have gone a step further and reported tying the compensation of senior management to the company's performance against ESG targets.

Has your company published any of the following statements?

Purpose and/or mission	83%
Values	68%
ESG or CSR Statement	68%
DE&I Statement	54%

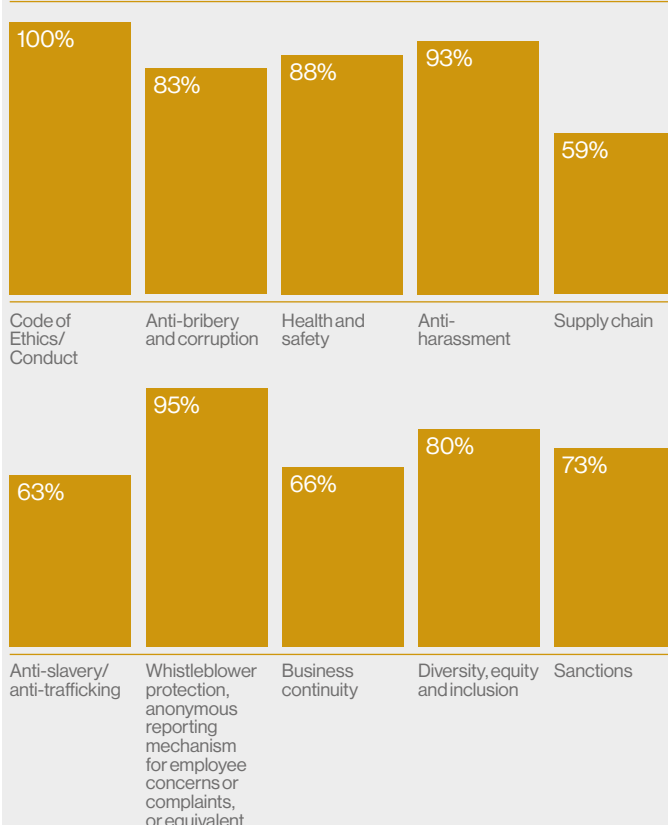
ESG monitoring and management



Business ethical risks

Management of business ethical risks plays an important role in protecting the value created for all stakeholders and is a core component of responsible ownership. We survey our portfolio across a wide range of ethical business practices, as shown in the bar graph below. In 2023, 100% of our portfolio companies said they had a code of ethics/conduct in place, 95% reported that they had whistleblower protection, 93% anti-harassment, and 88% health and safety. For health and safety, we track the response by industry, which breaks down as: 100% Healthcare, 100% Consumer, 86% TMS, 78% Industrial, and 75% Financial Services. Overall, while we have seen improvements in some business ethical risk areas from last year, including among companies with a code of ethics/conduct in place, we seek to increase adoption and implementation of the other important policy areas across the portfolio during 2024, with a particular focus on anti-harassment across all companies, and on health and safety, where material.

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





Work-related injuries

TowerBrook monitors the incidence of work-related injuries across our portfolio by sector. We track this both as a total measure and as the incidence of work-related injuries per 100 employees to provide context and allow for easier comparison. For the 2023 reporting cycle, the incidence of injuries across TowerBrook's portfolio is shown in the chart below.⁴⁵ Within those sectors reporting an incidence of 3.00 or more injuries per 100 employees, the 2023 figures represent a decline in injuries for our portfolio companies within the Consumer sector (down from 5.04 in 2022), and an increase in injuries within the Industrial sector (up from 4.73 in 2022).

Average incidence of work-related injuries per 100 employees



Consumer	3.45
Healthcare	1.53
Industrials	5.68
Financial Services	0.00
TMS	0.22

Work-related fatalities

As responsible owners, TowerBrook seeks to encourage portfolio companies to put into place appropriate measures to reduce work-related accidents and help prevent work-related fatalities. In instances where these incidents tragically occur, we support our portfolio companies to take the necessary steps required to comply with the applicable laws and disclosure regulations of the local jurisdiction and to provide an appropriate level of support to company employees and other parties involved, as appropriate. During the 2022 reporting period, TowerBrook's portfolio sadly experienced four fatalities, which occurred at two companies within the Industrials sector, GSF and Uperio. The two fatalities at GSF were related to employees falling ill at their place of work, with one taking place prior to TowerBrook's ownership tenure. In both instances the company offered support and counselling to the families affected and employees who worked with the deceased. The other two fatalities at Uperio were work-related accidents, with one involving an employee removing a safety harness and the other involving a contractor. The company has offered support and counselling to the families affected, as well as employees witnessing the events and those familiar with the deceased. Furthermore, Uperio has enhanced the health and safety screening of contractors and put into place enhanced screening tools to identify high risk personality traits in employees.

Cybersecurity

As responsible owners, TowerBrook is committed to cybersecurity and the safeguarding of the proprietary information of our portfolio companies. In 2023, we upgraded our cybersecurity approach adopting a more rigorous cybersecurity initiative across our portfolio companies, which now forms part of the Board mandate. The upgraded cybersecurity initiative consists of six key actions and builds further on our 2022 guidance – spanning measures that we expect our portfolio companies to take across cyber assessment, risk transfer, recovery, and compliance – and that collectively enhance our portfolio's long-term cyber risk management capability. To support our portfolio companies to implement the upgraded steps around cybersecurity, we have rolled out detailed guidance, and we also aim to share cybersecurity best practice through our digital hub, The Bridge (see page 23 for more details), and bi-annual TowerBrook portfolio company cybersecurity roundtables.

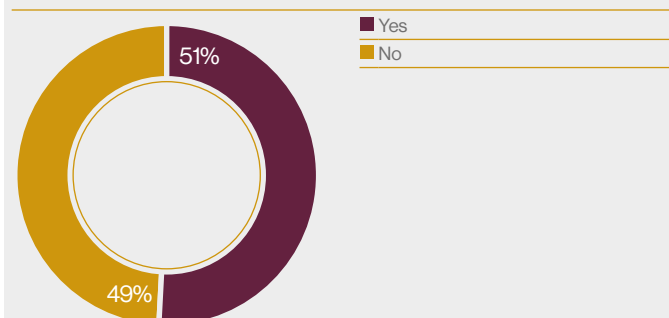
Charitable giving and volunteering

TowerBrook believes that business can be a force for good and we encourage our portfolio companies to support their local communities and charitable causes, particularly those aligned with the company's values. We are delighted to report that in 2023, 79% of TowerBrook's portfolio⁴⁶ reported that they had donated to charitable causes during 2022, and 51% had sponsored employee volunteering initiatives.

79%

TowerBrook's portfolio donating to charitable causes

Does your company sponsor employee volunteering?



Spotlight on B Corp certification

Case study



CO/ACTIONSM



Coaction is a U.S.-based specialty property and casualty insurance company

FTEs	388
Revenue (LTM to Sep 30, 2023)	\$1,138.50 million
Investment date	August, 2021 (PE V)

Coaction Specialty Insurance Group (Coaction) is a full specialty underwriter across six major product verticals: property, casualty, entertainment, executive liability, binding authority, and multi-line. Coaction was originally founded in 2009 as ProSight. In August 2021, the company completed a go-private transaction with TowerBrook and private equity firm, Further Global. Under the new co-ownership, Coaction has worked towards incorporating ESG into its governance and risk management frameworks, aligning relevant metrics with SASB and TCFD.

In undertaking the B Corp certification process, Coaction reviewed its performance against a comprehensive range of ESG factors (including governance, environment, community, employees, and customers), and set up a diverse cross-functional group within the team responsible for delivery. In many cases – particularly for social considerations including DE&I, employee, and customer practices – the task was to highlight Coaction’s existing strong policies and processes. In other areas, the certification process helped the company identify how it could take steps to improve.

One improvement was related to monitoring environmental impact and ensuring there were mechanisms in place for capturing the company’s Scope 1, 2 and 3 emissions. This motivated Coaction to seek input from landlords and facility providers regarding electricity consumption, water consumption and GHG emissions, and to challenge where this information was not already being collected. It also led Coaction to engage with an external carbon accounting firm to help develop an emissions framework and to identify the levers available to better manage its carbon footprint.



In April 2022, the company converted its structure to become a public benefit corporation (PBC) marking its legal commitment to incorporate ESG into its decision-making for public benefit as well as shareholder benefit. The company also underwent a rebrand. In early 2023, Coaction received its B Corp certification.

“

Coaction is driven towards empowering our policyholders and team members while fostering a sustainable future for all. As a public benefits corporation and a certified B Corp, we are proud to contribute towards a more equitable economy.

Jonathan Ritz
CEO, Coaction

”

Spotlight on responsible business practices

Case study



R1 RCM is a NASDAQ-traded technology solutions provider for the healthcare sector

FTEs	27,500
Revenue (LTM to Sep 30, 2023)	\$2,135.10 million
Investment date	February, 2016 (PE IV)

R1 RCM's solutions seek to improve the revenue cycle and transform the patient experience for hospitals, health systems and physician groups. Located in the U.S., India and the Philippines, the company's technology capabilities span end-to-end operations from initial patient appointment scheduling through to billing, as well as risk, finance, and payroll, enabling R1 RCM's healthcare partners to focus on delivery of care for patients.

The company is committed to running its business responsibly and, in furtherance of this commitment, seeks to improve access to healthcare for the millions of uninsured patients across the U.S. through its Patient Financial Advocacy (PFA) Programs, which leverage R1 RCM's technology to identify people in need of financial support to pay for healthcare.

The reach, efficiency and impact of the Patient Financial Advocacy Programs is increased by R1 RCM's proprietary tool, R1 Entri™. The platform is designed to create a better patient experience from the moment of registration, improving data entry, appointment check-in and payment processes. However, the benefits of Entri™ go beyond the patient experience. The platform also automatically identifies patients who are uninsured or underinsured in real time when they visit a healthcare setting and flags them to one of R1 RCM's 350 PFA counsellors. The counsellor then reviews the federal, state and local options available to the patient, including, for example, eligibility for Medicaid (which differs among states) as well as non-Medicaid options, to try to reduce the financial burden of their care.

In 2022, R1 RCM reported that its PFA counsellors had proactively connected with 99% of all flagged uninsured inpatients and 85% of all flagged emergency room patients to screen them for the available financial options.



Aligning with the relevant industry body best practice and focusing on empathy and helpfulness, R1 RCM seeks through these conversations to educate and guide patients on the complexities and expectations of securing insurance coverage.

The company maintains relationships with local, state and federal agencies, as well as charities and other firms, to help deliver the best possible access to financial support informed by the latest eligibility context. In May 2023, when the U.S. eligibility criteria for Medicaid changed post pandemic, R1 RCM ran a proactive text and email communication campaign to support its Medicaid patient population, prompting them to update their personal data linked to eligibility with their healthcare providers.



Over the past five years R1's Patient Financial Advocacy Programs have helped more than 530,000 patients convert from uninsured to fully covered, improving equitable access to healthcare.

Lee Rivas
CEO, R1 RCM



Spotlight on responsible business practices

Case study



TRIMEDX is a U.S.-based provider of healthcare clinical asset management services, clinical engineering and medical device cybersecurity

FTEs	3,000
Revenue (LTM to Sep 30, 2023)	\$1,305.90 million
Investment date	May, 2016 (PE IV), June, 2022 (TMX CF)

TRIMEDX is a purpose-led business with a vision to advance and improve patient care through optimal use of clinical assets. Its mission is to help healthcare systems unlock the full value of their clinical assets, using medical equipment more efficiently and securely by focusing on compliance, risk management, asset optimisation and improved utilisation.

Over recent years, TRIMEDX has developed a strong Associate Value Proposition for employees across a range of initiatives, benefits, and rewards, and has consciously cultivated a diverse and inclusive culture. However, up until the end of 2021, this was not being viewed through a wider ESG lens. At the start of 2022, the company took steps to articulate its approach to ESG monitoring and management, using the SASB materiality framework for the Professional and Commercial Services industry. Looking at both long-term and short-term goals, TRIMEDX developed an ESG Fact Sheet, collating its intentions and key metrics across all social, environmental and governance considerations. The first Fact Sheet was published at FY 2022.

One of these metrics concerns supplier diversity. In 2022, the company took action to monitor the diversity of its key suppliers and begin to improve the proportion of spend with those who share TRIMEDX's commitment to DE&I. It included DE&I metrics within its RFPs and has introduced a formal supplier selection process to use when considering where to award business. The evaluation scorecard puts DE&I alongside traditional quality, cost, delivery, and company considerations. When contracts are being agreed, TRIMEDX ensures that a commitment to advancing DE&I is written into the contract language. Going into 2023, TRIMEDX seeks to use the supplier diversity information it has gathered to inform more strategic decision-making in this area.



Strengthening its ESG governance, TRIMEDX has expanded the scope of its previous Human Capital Committee to incorporate Human Capital and Sustainability. This Committee reports to the Board of Directors and meets quarterly to review progress of the company's ESG KPIs and roadmaps to improve. Going forward, TRIMEDX plans to build out its environmental metrics and in 2023 engaged an external consultant to help measure its Scope 1 and 2 GHG emissions. It intends to extend this to Scope 3 in 2024. It also plans to develop metrics related to the positive environmental and social impact of its work to extend the useful lifespan of clinical equipment and to redirect/recycle components from equipment, thereby reducing waste to landfill.



We are proud to share our first ESG Fact Sheet highlighting our ethical and inclusive approach in supporting our associates, clients and communities. We feel fortunate to have capital partners who support us to run TRIMEDX responsibly and deliver on commitments to all our stakeholders.

Henry Hummel
CEO, TRIMEDX





The AA is a major U.K. roadside assistance provider with an insurance business and propositions across the driving category

FTEs	7,175
Revenue (LTM to Sep 30, 2023)	£1,084.00 million
Investment date	March, 2021 (PE V)

The AA's ESG strategy is focused on driving positive outcomes for the AA's stakeholders. One important aim is to make driving safer and reduce the number of deaths on Britain's roads.

In 2023, the AA celebrated a major milestone in its decade-long campaign to change the U.K. Government policy on smart motorways. The context dates to 2006 when a segment of the M42 in the West Midlands was used as a pilot for smart motorways. The far-left lane, previously allocated as the emergency lane for breakdowns, was converted into a 'live' lane and replaced with emergency stop areas every third of a mile. Soon afterwards, the decision was taken without consultation to increase the distance between emergency stop areas to 1.5 miles. What this meant in practice was that if a vehicle broke down in a 'live' lane where vehicles travel at speeds of 70mph, driver and passenger safety was often severely compromised.

As a breakdown service, the AA immediately understood the dangers posed by this decision. It conducted its own research into the safety considerations, including polling its member drivers, making freedom of information requests, and gathering data from inquests and coroners about motorway deaths. Through its research it established that 38% of all breakdowns happen in 'live' lanes and on average it takes 17 minutes for a vehicle to be spotted. It also established that at least 38 deaths over five years were directly caused by the policy adopted on these roads.

Informed by its research and in the absence of any centrally compiled safety data, the AA has been at the forefront of the campaign against smart motorways for more than a decade, seeking to ensure that the government understood the dangers of these roads and the risks to the U.K.'s drivers.

In 2020, the company worked closely with BBC Panorama on 'Britain's Killer Motorways', alongside the mother of an 8-year-old boy who had been killed when the family's car broke down. This broadcast had a significant impact, bringing to life the preventable personal tragedy.

In April 2023, the AA wrote to the Prime Minister again sharing evidence and outlining major concerns. Later that month the Government announced that all planned building of new smart motorways was now cancelled in part due to safety concerns, and existing smart motorways, making up 10% of England's motorway network, will undergo a previously announced safety refit to create 150 more emergency stopping places and improved technology. When the announcement was made, the AA's President received a letter from the Prime Minister informing the company of the decision.

The AA's community work also operates through its registered charity, The AA Charitable Trust. During 2022/23, the Trust found 71% of fatal crashes involving young drivers occur on rural roads. To raise awareness of the risks, the Trust worked with the mother of an 18-year-old passenger, Caitlin, who was killed in a car crash to promote 'Caitlin's Message' among new drivers and their parents. To extend reach, the Trust worked with the AA's advertising and media buying agencies to promote 'Caitlin's Hour', a radio broadcast highlighting the specific hour that most young people lose their lives on the road.



We are pleased to have played a part in making U.K. roads safer for all drivers. It is a massive achievement that collectively we have managed to influence major Government infrastructure policy for the better through our research and campaigning.

Edmund King OBE
President, The AA



Responsible to our communities

The TowerBrook Foundation

The TowerBrook Foundation invests in the communities in which we live and work by supporting carefully selected partners that are aligned with our purpose and values, and where we believe 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).

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 up to \$10,000 annually.



In the U.S. we partner with The Opportunity Network (OppNet), which enables youth from historically underrepresented communities to explore and chart their career pathways. In 2023, TowerBrook's New York office hosted two investment-facing summer interns through OppNet's OppIgnited initiative and hosted 20 students for an OppNet Career Immersion Day. TowerBrook Managing Director and CSO, Abrielle Rosenthal, serves on the OppNet Board.



Out For Undergrad (O4U) is a non-profit with a mission to help high achieving LGBTQ2+ undergraduates reach their full potential. TowerBrook partners with O4U to offer investment-facing summer internships in our New York office.



TowerBrook is a member of GAIN's Empower Investment Internship Programme in partnership with Level 20, designed to raise the application rate among young women and non-binary people for entry level investment roles. TowerBrook hosted one investment-facing intern from GAIN in our London office in summer 2023.

10,000 Black Interns In the U.K., we are one of the founding investment management firms to support the 10,000 Black Interns initiative, launched in 2020 with the aim of improving diversity in the investment management industry. TowerBrook hosted one investment-facing intern from 10,000 Black Interns in our London office in summer 2023.



The TEAK Fellowship is a non-profit providing access to outstanding educational and transformative experiences for NYC students from low-income families. TowerBrook hosted one investment-facing summer intern in our New York office in 2023. TowerBrook Co-CEO, Jonathan Bilzin, serves on the TEAK Board and four TowerBrook employees currently serve as mentors to TEAK Middle School Fellows.



TowerBrook sponsors SEO London's Alternative Investment Programme (AIP) designed to provide training, mentoring and coaching to underrepresented, underserved and underprivileged students and junior professionals seeking a career in alternatives.



TowerBrook is a member of Out Investors, a global network with a mission to make the direct investing industry more welcoming for LGBTQ+ professionals.



Impetus is a charity seeking to promote systemic change so that young people from underserved and underrepresented communities get access to opportunities to succeed in school, work, and life. Its Connect Fund aims to decrease the employment gap faced by young people from ethnic minorities and disadvantaged backgrounds. TowerBrook COO and Head of Investor Relations, Filippo Cardini, serves on the Impetus Board.



Habitat for Humanity is a global, non-profit that helps people and communities develop strength and self-reliance through shelter. TowerBrook's support has been in place since 2018 and our CIO, Gordon Holmes, serves on the Habitat for Humanity Great Britain Board.



The COMMIT Foundation empowers service members, veterans and their families to create purposeful and fulfilling transitions to post-service lives. TowerBrook partners with COMMIT to help veterans in the communities in which it works.



The Pat Tillman Foundation (PTF) empowers remarkable military service members, veterans and spouses with academic scholarships, lifelong leadership development opportunities, and mentors. TowerBrook Managing Director and President of ATHO, Ian Sacks, serves on the Board of PTF.

Spotlight on social impact: Resurgo

The TowerBrook Foundation partners with Resurgo to support its Spear Programme, seeking to transform the lives of young people who are not in employment, education or training (NEET) as a result of barriers to employment



Resurgo's social impact theory of change has been mapped out for 15 years. It starts with a targeted view of exactly who it is there to serve. The charity collects comprehensive data on its Spear Programme participants, including demographic data, income data, educational attainment, if they have a care background, mental health issues, and if they have a criminal record. Once participants are enrolled, Resurgo's Spear Programme provides them with a year of coaching, starting with intensive six-week training run by experienced coaches, and followed up by regular communication and contact.

Resurgo monitors the Spear Programme's social impact through three key metrics: Work Readiness (assessed during coaching), 3-month EET (whether they are in work or training

“

It's a priority for us to measure social impact – to know that our efforts to transform society really are making a difference.

Jo Rice
CEO and Co-Founder, Resurgo

”

3-months after the programme), and 12-month EET. As of 2023, 60% of Spear Programme participants were in work at 3-months, rising to 75% in work at 12-months. Moreover, due to the nature of the programme and its focus on personal relationships and trust, the 'known rates' of the 3- and 12-month EET datapoints are high at 97% and 95% respectively. Resurgo publishes impact dashboards visible to everyone within the organisation, fostering an impact-led culture.

Resurgo also seeks to verify its social impact externally. In 2022, Resurgo partnered with the U.K. Government Department of Work and Pensions Employment Data Lab to track the employment success at 24-months of a sample group with the same characteristics, compared to those who have gone through the Spear Programme. This showed the Spear Programme to be impactful, reducing the chance of being NEET by 20%. It also indicated that, if the U.K.'s current population of NEET young people had access to something as effective as the Spear Programme, unemployment could be reduced by 130,000.

Spotlight on: The ESG Initiative at the Wharton School

TowerBrook is proud to support the research work of the ESG Initiative at the Wharton School of the University of Pennsylvania, strengthening the role of business in creating a more inclusive, equitable and sustainable global economy

The ESG Initiative at Wharton brings together Wharton faculty and students to conduct academically rigorous research that shapes the future of investing, consulting, and strategy. Its work within its Impact Investing Research Lab is designed to drive innovative research on the practice of strategic impact investing to achieve both positive returns and real social impact highlighting, in fact, the contingent financial materiality of impact.

The Lab's flagship asset is the Impact Finance Database (IFD), a collaboration between the Wharton School, Harvard Business School, and University of Chicago Booth School for Business, together forming the Impact Finance Research Consortium. The IFD comprises a comprehensive repository of data on the financial performance, legal governance, management characteristics and impact strategies of impact investing funds across the world.

In 2023, the IFD research team concluded a multi-year data collection effort, consisting of responses from over 200 investment firms with impact investment interests, representing over \$273.5 billion in impact assets under management, and over 2,950 legal documents, financial statements, and impact reports.

Insights from this research are now being pulled together and written up, including a 2023 Report into 'Catalytic Capital in Impact Investing'. These materials are designed to be used by the sector as reference documents for data driven insights and examples of innovative strategies that can achieve both financial returns and meaningful social impact.

“

As the world struggles with socioeconomic inequality, climate change, overburdened healthcare systems, and other formidable challenges, the methodology of impact investing presents a compelling input into addressing many of the challenges faced by ESG investors and strategists. Our research plays a pivotal role in building and sharing knowledge at the intersection of business and social impact to, in the words of Joseph Wharton, 'solve the social problems incident to our civilization'.

Witold J. Henisz
Vice Dean and Faculty Director, ESG Initiative at Wharton

”



Exploring the next **responsible value creation opportunities**

“

Responsible ownership provides the direction against which we chart new opportunities for sustainable value creation. AI is a perfect example of a value creation opportunity where, as responsible owners, we have an important role to play in making sure it is deployed ethically.

Karim Saddi
Co-CEO, TowerBrook

”

“

Through our VisionOn events, we draw on the extensive experience and insight of our people, ecosystem and networks, to stimulate creative thinking that serves two aims: to deliver sustainable value for our investors and impact positively on our stakeholders.

Jonathan Bilzin
Co-CEO, TowerBrook

”

Ethical AI

We believe there is a clear and growing role for the use of AI in responsible value creation. The latest annual McKinsey Global survey on the current state of AI confirms the explosive growth of generative AI tools. In its 2023 report, ‘The state of AI in 2023: Generative AI’s breakout year’,⁴⁷ McKinsey finds that less than a year after many of these tools debuted, one third of the respondents to its survey said their firms are using generative AI in at least one business function, and over a quarter said it is now on their Boards’ agendas.

The expected business disruption and opportunity from generative AI is significant, not least due to its impact on the workforce. At TowerBrook, we believe a rigorous assessment of that impact – through a social, environmental and governance lens, as well as through the more traditional operational and financial lens – is fundamental to ensure the value created by AI is sustainable.

In 2023, we held two firmwide Academy training sessions focused on AI and its ethical and responsible deployment. In the first session we discussed AI’s various use cases as well as ESG-risk considerations, including privacy, managing potential for bias, and traceability. We also reviewed AI’s wider ESG impact, for example its impact on the workforce and job creation levels. Incorporating the team’s insights and feedback, in 2023 TowerBrook published an AI Acceptable Use Policy, which incorporates Ethical AI and responsible usage. As part of the policy adoption process, we formally communicated the AI Acceptable Use Policy and took Q&A during firmwide team meetings.

VisionOn

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 identify new opportunities for sustainable value creation. We have held ten VisionOn events over the last seven years, spanning topics from Shared Ownership and the Future of Work, as well as looking in depth at industry trends within Aero, Auto and Retail.



Notes and references

- 1 References to "sustainability", "sustainable value creation" or variations thereof are not intended to reflect the meaning of "sustainable investment" under the Regulations (EU) 2019/2088
- 2 The total number of beneficiaries of TowerBrook's limited partners across all funds to date has been calculated from publicly available data and is approximate as of Nov 30, 2023. This number will vary over time, reflecting changes in the composition of our investor base and its constituents
- 3 Represents aggregate committed capital for PE I, II, III, IV, V, VI, TSO I, II, III, TAS, TowerBrook Delta and ATHO vehicles, coinvest SMAs, and commitments to a continuation fund as well as all LP co-investment in TowerBrook portfolio companies since inception (Feb 7, 2001). Includes commitments and co-investments that are signed but yet to close
- 4 11 private investment partnerships and one co-investment partnership
- 5 Figures represent invested capital per transaction
- 6 TowerBrook has not yet commenced investing out of TSO III
- 7 Portfolio companies include all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2023, including three investments that have signed and are in the process of closing
- 8 The number of full-time employees or equivalent (FTEs) shown throughout this Report is at Sep 30, 2023, for all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2023
- 9 The combined revenue in the 12 months to Sep 30, 2023, generated by the 51 companies in which TowerBrook had an investment interest at Nov 30, 2023; this figure is based on Nov 17, 2023, conversion rates
- 10 See B Lab website for additional information: [About B Lab UK](https://www.bcorporation.net/en-gb/about-b-lab) ([bcorporation.uk](https://www.bcorporation.net/en-gb/about-b-lab))
- 11 Sourced from Kevin's Natural Foods press release, Feb 2023: 'Kevin's Natural Foods achieves distinction as a Certified B Corporation™' ([prnewswire.com](https://www.prnewswire.com))
- 12 Sourced from UN Environment Programme press release, Jan 2019: 'UN report: Time to seize opportunity, tackle challenge of e-waste' ([unep.org](https://www.unep.org))
- 13 Sourced from United Nations Framework Convention on Climate Change article, Jul 2021: 'The mobile sector's race to circularity' (unfccc.int)
- 14 The carbon modelling methodology for TXO consists of an 'input-output' economic model to assess the carbon footprint of major telco OEMs who publish the carbon intensity of their revenue publicly, which allows us to make an estimate on carbon emissions avoided enabled by TXO solutions. Our calculation includes an assumption regarding the provision of a 2nd life piece of equipment (through TXO's repair, reuse or resale services) and the years of additional use it provides. TowerBrook monitors its methodologies used on an ongoing basis, therefore, the methodologies of such estimates may change year over year. For a discussion of estimates and projections, see the Disclaimer that accompanies these materials
- 15 TXO's fiscal year ends Jun, 30
- 16 Sourced from Boston Consulting Group press release, Jun 2021: 'Telco Sector Can Be Game-Changer on Sustainability, Shrinking Its Own, Other Industries' Carbon Footprints' ([bcg.com](https://www.bcg.com))
- 17 Sourced from U.S. Environmental Protection Agency: 'Greenhouse Gas Emissions from a Typical Passenger Vehicle' ([epa.gov](https://www.epa.gov))
- 18 The carbon modelling methodology for Envevo determines the net lifetime CO₂ emissions avoided that are enabled by Envevo's services. It compares the full life cycle CO₂ emissions of distance travelled in an electric vehicle compared to an average UK vehicle (petrol, diesel, electric & hybrid) and then deducts the estimated tCO₂e required to produce an average electric vehicle. It is based on a number of assumptions including: EVs travelled distance over their lifespan; the average EV electricity usage and the carbon emissions required to produce; and the lifespan of charging points. TowerBrook monitors its methodologies used on an ongoing basis, therefore, the methodologies of such estimates may change year over year. For a discussion of estimates and projections, see the Disclaimer that accompanies these materials
- 19 Percentages refer to number of companies held. Portfolio company certifications listed include all companies in which TowerBrook had an investment interest, controlling or otherwise as of Jun 30, 2023, consisting of 50 companies, excluding Kaporal
- 20 Portfolio companies with B Corp certification are shown as of Jun 30, 2023, across all companies in which TowerBrook had an investment interest, controlling or otherwise at this date, excluding Kaporal
- 21 Companies achieving B Corp certification during TowerBrook's ownership tenure are AustroCel Hallein (in 2020), and Kevin's Natural Foods, Coaction, Validity and Izipizi (in 2023)
- 22 Figures according to Ecovadis: ([ecovadis.com](https://www.ecovadis.com))
- 23 For full details of TowerBrook's 2023 Responsible Ownership survey, please refer to notes 26-28
- 24 82 vendors responded to our 2022 Supplier Diversity survey, an increase on our 2021 response rate of 28; of the 82 respondents, 41% are TowerBrook key service providers
- 25 Our calculation is based on a methodology co-developed with B Lab and ClimeCo (previously the Carbon Fund) and we take a bottom-up approach to data collection. Scope 3 does not incorporate financed emissions generated by TowerBrook's portfolio. This is aligned with the GHG Protocol recommendations that specify that financed emissions are optional for Scope 3: ([ghgprotocol.org](https://www.ghgprotocol.org))
- 26 The 41 companies surveyed for this Report included all companies in which TowerBrook had an investment interest, controlling or otherwise at Jun 30, 2023, at the time of issue of our Responsible Ownership survey, with the exception of: Access Financial, Data Centers SPV, Kaporal, Newtek, OVH Cloud and Validity, and our new investments Envevo, Maxor, The Independents and TXO. The data reflects company figures as of Dec 31, 2022
- 27 All comparative figures presented use data from our 2023, 2022 and 2021 portfolio snapshots. In 2023 the snapshot consisted of 41 companies (outlined in note 26 above). In 2022 the snapshot consisted of 40 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2022, with the exception of Access Financial, Ascent, GSF, Izipizi, OVH Cloud and Premium Credit). In 2021 the snapshot consisted of 32 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jun 30, 2021, with the exception of CAVU, Law Finance Group, PennantPark, Preci and USACS)
- 28 All survey results are rounded to the nearest 1% which may affect cumulative total
- 29 For our 2023 RO Report, controlled and majority-owned portfolio company Boards are defined as companies in which TowerBrook's fund ownership is greater than 50% or TowerBrook controls a majority of the Board seats. By contrast, in our 2022 RO Report, controlled and majority-owned portfolio companies were defined as any in which TowerBrook's ownership stake (including any co-investment) was higher than 50%. DE&I targets do not apply to certain TowerBrook funds where the investment strategy does not facilitate sufficient ownership or control, such as Structured Opportunities, co-investment partnerships or a single-asset continuation fund
- 30 Extract sourced from Global Parity Alliance report, a collaboration between the World Economic Forum and McKinsey & Co., Jan 2023: 'Diversity, Equity and Inclusion: Lighthouses 2023' ([weforum.org](https://www.weforum.org))
- 31 Extract sourced from Boston Consulting Group report, Mar 2022: 'Innovation without borders: when innovation has no borders, culture is key' ([bcg.com](https://www.bcg.com))
- 32 Adjusted for TowerBrook's equity share in each portfolio company, as of Dec 31, 2022, based on the 36 companies that reported they track this metric. Represents attributable FTE growth only
- 33 Training hours calculated among the 49% of portfolio companies that reported they track this measure
- 34 Extract sourced from Gallup report: 'State of the Global Workplace: 2023 Report' ([gallup.com](https://www.gallup.com))
- 35 Extract sourced from Gallup report, Oct 2020: 'The Relationship Between Engagement at Work and Organizational Outcomes', 2020 Q12® Meta-Analysis: 10th Edition ([gallup.com](https://www.gallup.com))
- 36 Extract sourced from Deloitte Insights, Jun 2023: 'Advancing workplace well-being' ([deloitte.com](https://www.deloitte.com))
- 37 TowerBrook has a minority stake in Acacium Group
- 38 Extract sourced from Invest Europe, Mar 2023: 'ESG KPI report: Managing what you measure' (investeurope.eu)
- 39 Extract sourced from McKinsey & Co. article, Sep 2023: 'Full throttle on net zero: Creating value in the face of uncertainty' ([mckinsey.com](https://www.mckinsey.com))
- 40 Extract sourced from Sustainable Markets Initiative report, Apr 2023: 'Valuing carbon in private markets' ([sustainable-markets.org](https://www.sustainable-markets.org))
- 41 Extract sourced from UN website, Simon Stiell speech, Sep 2023: 'We can. We will. That is the attitude we need to bring to COP28' (unfccc.int)
- 42 Sourced from ESG Data Convergence Initiative newsletter, Sep 2023
- 43 Sourced from the company's website: 'Bioenergy for electricity and heating' (austrocel.com)
- 44 Scope 3 has been excluded from the summary on the basis that it was not monitored by the company as of Dec 31, 2022
- 45 Work-related injury figures relate to the 29 companies who track this measure
- 46 Of the 39 companies that responded to this question
- 47 Extract sourced from McKinsey & Co. report, Aug 2023: 'The State of AI in 2023: Generative AI's breakout year' ([mckinsey.com](https://www.mckinsey.com))



To read our full disclaimer,
click [here](#) or use the QR code

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

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

Any information or data regarding portfolio companies or other investments of a TowerBrook investment partnership contained herein is based on information obtained directly from the respective company or sourced through publicly available data, and certain other information has been obtained from third parties and in certain cases has not been updated through the date hereof. TowerBrook cannot guarantee the accuracy or completeness of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. No representation, warranty or undertaking, express or implied, is given by TowerBrook, its officers, partners, employees, affiliates, directors, shareholders or agents (each a "TowerBrook Person") as to the accuracy or completeness of the information or opinions contained in the Report, and TowerBrook expressly disclaims liability therefor. Certain statements about TowerBrook made by portfolio company executives herein are intended to illustrate TowerBrook's business relationship with such persons, including with respect to TowerBrook's facilities as a business partner, rather than TowerBrook's capabilities or expertise with respect to investment advisory services. Portfolio company executives were not compensated in connection with their participation, although they generally receive compensation and investment opportunities in connection with their portfolio company roles, and in certain cases are also owners of portfolio company securities and/or investors in TowerBrook-sponsored vehicles. Such compensation and investments subject participants to potential conflicts of interest in making the statements herein. Except where opinions and views are expressly attributed to individuals, general discussions contained within this Report regarding the market or market conditions represent the view of either the source cited or TowerBrook. Past performance is NOT indicative of future results, and TowerBrook makes no representation in this regard. Nothing contained herein is intended to predict the performance of any investment. Analyses regarding the impact of TowerBrook's Responsible Ownership practices are based on TowerBrook's internal analysis and information provided by the applicable portfolio company, rely on assumptions, and, unless otherwise noted, are estimates that have not been verified by a third party and are not necessarily reported according to established voluntary standards or protocols. Impacts of such initiatives may also reflect factors such as economic, social or industry trends that are not related to the initiative presented. All information and data in the Report is presented as of Nov 30, 2023, unless otherwise indicated, and, except as required under applicable law, TowerBrook has no duty to update the information contained herein. In addition, unless the context otherwise requires, the words "include," "includes," "including," and other words of similar import are meant to be illustrative rather than restrictive.

For certain of the TowerBrook investment partnerships, case studies have been presented with respect to certain investments only (the "Selected Investments"). The purpose of these case studies is to provide illustrative examples of our Responsible Ownership practices in certain investments and should not be viewed as a recommendation of any particular security or company. The Selected Investments may be more favourable than other investments made, or that will be made, for a particular TowerBrook investment partnership, and the Selected Investments are not necessarily representative of the investments that will be made by any TowerBrook investment partnership that TowerBrook may manage or advise in the future, whether with a similar strategy or not. The Report is not intended to be, and should not be read as, a full and complete description of each investment transaction within any particular TowerBrook investment partnership. Unless otherwise stated, references to Responsible Ownership or other environmental, social, and governance ("ESG") initiatives, priorities or practices at portfolio companies are not intended to indicate that TowerBrook has materially contributed to such actions and such initiatives, priorities, or practices are subject to change, even materially.

The awards and designations presented in this Report are the opinions of the respective parties conferring the award or designation and not of TowerBrook. No such person conferring any of the included awards or designations is affiliated with TowerBrook or is an investor in TowerBrook-sponsored vehicles. The receipt of compensation influences, and is likely to present a potential material conflict of interest, related to any granted award or designation. TowerBrook did not pay for any granted award or designation, and any fees were paid to service providers in exchange for their contracted work with respect to assessments conducted.

The Report may contain forward-looking statements, projections, targets, forecasts and estimates (collectively, "Projections"). Projections are hypothetical and are for illustrative purposes only, and no assumptions or comparisons should be made based upon this information. Projections are necessarily speculative in nature, and it can be expected that

some or all of the assumptions underlying the Projections may not materialise and/or that actual events and consequences may vary significantly from the assumptions upon which projections contained herein have been based. TowerBrook cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for TowerBrook to anticipate all factors that could affect our actual results. Actual events often depend upon factors that are beyond the control of TowerBrook, and additional risks of which TowerBrook is not currently aware could cause actual results to differ. Future events may differ or results or actual performance could differ materially and adversely from those expressly or implicitly reflected, or contemplated in Projections, and hypothetical projections are subject to inherent limitations. Accordingly, investors should not place undue reliance on Projections as a prediction of actual results or actual performance. The inclusion of Projections should not be regarded as a representation, warranty, prediction or guarantee by TowerBrook or any TowerBrook Person regarding the reliability, accuracy or completeness of the information contained herein, or the performance of any TowerBrook investment partnership or any particular investment of such investment partnership. Except under applicable law, TowerBrook is under no obligation to update or keep current such information. Additionally, terms such as "Responsible Ownership," "ESG," "impact" and "sustainability" can be subjective in nature, and there is no representation or guarantee that these terms, as used by TowerBrook, or judgment exercised by TowerBrook in the application of these terms, will reflect the beliefs or values, policies, principles, frameworks or preferred practices of any particular investor or other third-party, reflect market trends or are consistent with specific regulated meanings, including terms such as "sustainable investment", "sustainability risk" and "sustainability factor" as defined by Regulation (EU) 2019/2088.

Certain information contained herein relating to any goals, targets, intentions, or expectations is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Without limited the foregoing, there is no guarantee that any ESG measures, targets, programs, commitments, incentives, initiatives, or benefits will be implemented or applicable to the assets held by funds advised or managed by TowerBrook and any implementation of such ESG measures, targets, programs, commitments, incentives, initiatives or benefits may be overridden or ignored at the sole discretion of TowerBrook at any time and in accordance with relevant sectoral legislation unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to Regulation (EU) 2019/2088. Any ESG measures, targets, programs, commitments, incentives, initiatives, or benefits referenced are not promoted to investors and do not bind any investment decisions of the management or stewardship of any funds advised or managed by TowerBrook for the purpose of Regulation (EU) 2019/2088 unless otherwise specified in the relevant fund documentation or regulatory disclosures. The United Nations Sustainable Development Goals (SDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the Firm's application of the SDGs, as such application is subject to change at any time and in the Firm's sole discretion.

No representation or warranty is made regarding TowerBrook's use of some or all of the Responsible Ownership processes described herein. There can be no assurance that such Responsible Ownership processes or any other ESG-related policies and procedures, as described in this Report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. TowerBrook is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its Responsible Ownership or ESG initiatives, policies, and procedures based on cost, timing, or other considerations. Statements about Responsible Ownership or ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of a Responsible Ownership or ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of or, control or influence exercised by TowerBrook with respect to the portfolio company; and other factors as determined by investment teams, corporate groups, asset management teams, portfolio operations teams, companies, investments, and/or businesses on a case-by-case basis. By participating in any of the third-party ESG organisations described herein, TowerBrook does not intend to engage in any behavior that would lessen or restrict competition, and has not reached any agreements with third parties to restrict competition. TowerBrook's views may also be different than those of such third-party ESG organisations, and TowerBrook's status as a signatory, member, or participant thereof is subject to change at any time in its sole discretion. The receipt of any awards, scores or other recognition by TowerBrook or the portfolio companies described herein is no assurance that TowerBrook's investment objectives have been achieved or successful. Further, such awards, scores or other recognition are not, and should not be deemed to be, a recommendation or evaluation of TowerBrook's investment management business. In addition, the act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilised or judgement exercised by TowerBrook will reflect the beliefs or values, internal policies or preferred practice of investors, other asset managers or with market trends. ESG factors are only some of the many factors TowerBrook considers in making an investment, and there is no guarantee that TowerBrook will make investments in companies that create positive ESG impact or that consideration of ESG factors will enhance long-term value and financial returns for limited partners. To the extent TowerBrook engages with portfolio companies on Responsible Ownership or ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment. There can be no assurance that the operations and/or processes of TowerBrook as described herein will continue, and such processes and operations may change, even materially. The actual investment process used for any or all of TowerBrook's investments may differ materially from the process described herein.

Except where opinions and views are expressly attributed to individuals, general discussions contained within this Report regarding the market or market conditions represent the view of either the source cited, the relevant portfolio company or TowerBrook. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

**Change becomes
progress** when it is
guided by purpose.





TOWERBROOK

Contact details

London

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

Tel: +44 20 7451 2020

New York

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

Tel: +1 212 699 2200

Frankfurt

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

Tel: +49 69 5050 6042 03

Madrid

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

Tel: +34 91 954 2361

Paris

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

contact@towerbrook.com

towerbrook.com

Design and production

SebCo.co.uk

Print

This publication is printed by Hardings Print Solutions Ltd, a Carbon Neutral Company. It is printed on Revive Offset, which is manufactured from sustainably certified pulp sources, contains de-inked, recycled fibre and is a Carbon Balanced paper product. The paper stock carries full FSC®, EU Ecolabel, ISO 14001 and ISO 9001 certification.