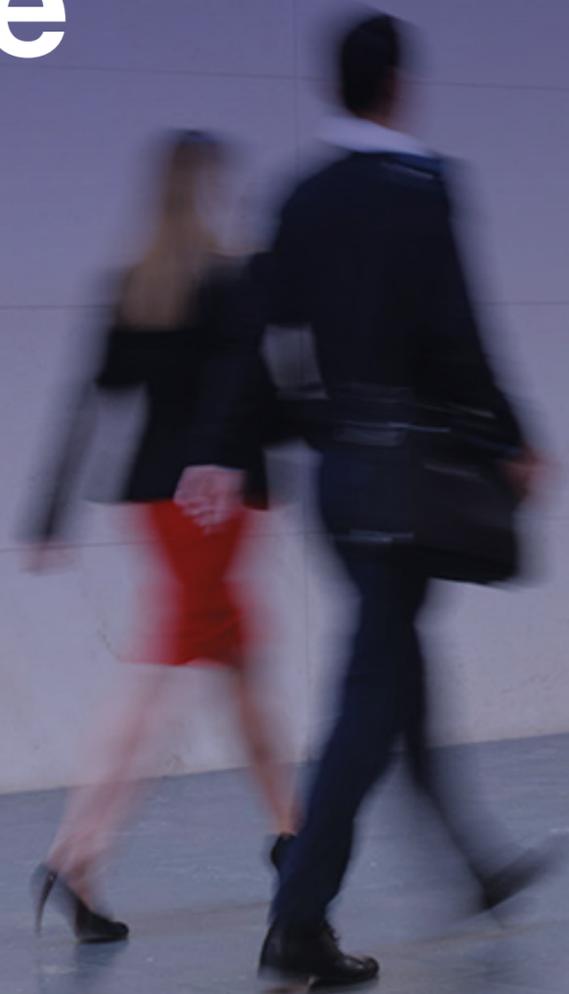


Building better businesses Responsible ownership



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The right thing to do

Responsible ownership is central to the way we do business at TowerBrook

We believe responsible ownership is the right way to conduct our business and will deliver better long-term returns for our investors.

Purpose

We work to protect and grow the savings of our investors and their families by partnering with management teams 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.

Purpose allows us to fulfil our mission while remaining true to our values



Letter from the Co-Chief Executives

The value of purpose

Purpose is essential to the welfare and success of any organisation. At TowerBrook, purpose provides a “true north” that allows us to navigate through all types of challenges. Knowing our purpose helps us to remain focused on the goals that truly matter. It also allows us to fulfil our mission while remaining true to our values.

Responsible ownership and value creation

The values, ethics and culture we describe in our purpose and mission statements guide our investment decisions. Our work requires integrity, partnership, teamwork, diversity, discipline and creativity. These are the watchwords of TowerBrook’s mission and the cornerstones of the culture that can deliver it.

By approaching our business in a responsible way from the outset, we believe we can build better and more sustainable businesses that create value for our investors. TowerBrook seeks to invest in companies that can deliver profitable growth by providing valued products and services, offering inclusive access to worthwhile jobs and making a positive contribution to their communities. We partner with experienced management teams whose values, as well as their ambitions for their business, are aligned with our own.

Responsible ownership is therefore an integral part of the way we work. It is the right thing to do, and it makes good business sense. It is also a source of competitive advantage for TowerBrook, making our firm more attractive to current and future investors, business partners and members of our team.

Responsible ownership is also about challenge and change. It evolves with society and will always remain a work in progress. We will continue to learn as our firm grows and as we develop our policies and practices. We are fortunate to be able to partner with a large and growing network of strong management teams, senior executives and advisors. We draw on their experience to improve our firm and help our portfolio companies to become better businesses.

Reporting on progress

Responsibility, accountability and transparency go hand in hand. We are committed to reporting regularly to investors on our responsible ownership performance, both as investors and within our own firm. We measure our progress under three headings: *people*, *planet* and *partnership*. Sound policies and practices in all three areas will, we firmly believe, drive *performance*.

TowerBrook adheres to the UN’s Principles for Responsible Investment (PRI). We therefore also report annually to the PRI on our overall approach to responsible investment, our governance framework and policies and how we incorporate consideration of responsible investment issues into the allocation of assets and resources.

Our aim is to understand more about how we can support our portfolio companies and take action to help them, and us, to improve. In preparing TowerBrook’s 2018 Responsible Ownership Report, we have therefore capitalised on the materiality framework of the Sustainable Accounting Standards Board to develop a consistent set of metrics that will help us track progress over time.

Looking ahead

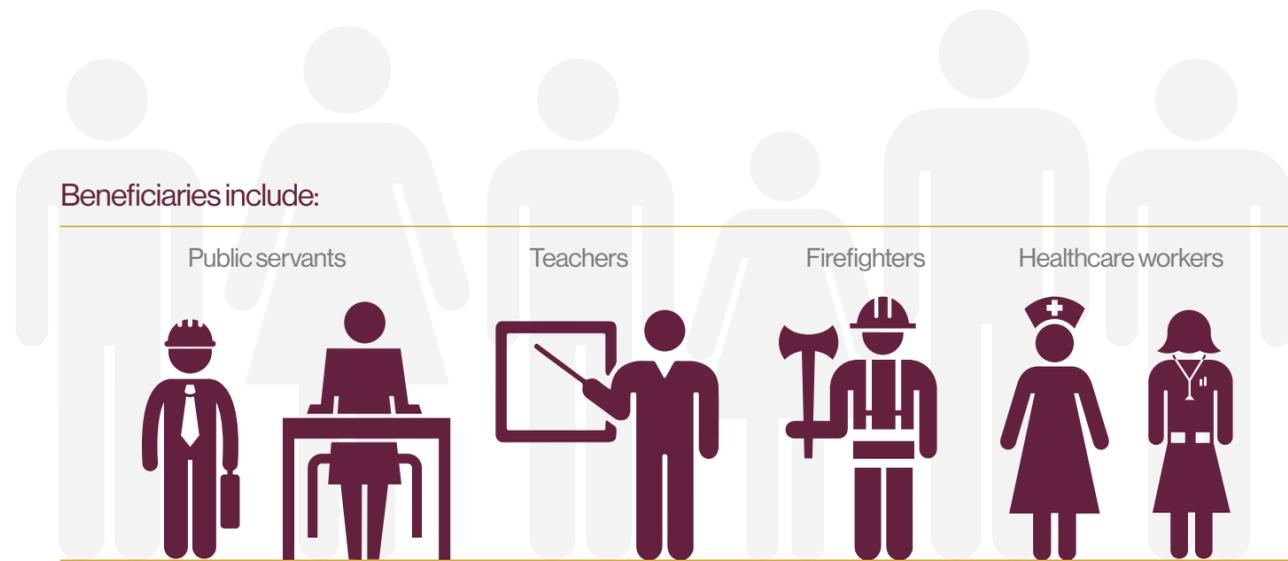
We operate in a volatile and complex environment where constantly emerging challenges will also reveal many new opportunities. We have a deep conviction that our purpose, our team and our commitment to responsible ownership will help us convert those opportunities for the benefit of all our stakeholders.

Neal Moszkowski
Founder and Co-CEO

Ramez Sousou
Founder and Co-CEO

Our business

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



95
TowerBrook team members

- A single, integrated team in Europe and the US
- 22 nationalities, 14 languages
- Focus on complex, proprietary transactions
- One firm with one global profit pool

34,841
portfolio company employees

- Ethical business policies
- Responsible people policies and practices
- Employee engagement

27
portfolio companies

- Experienced management teams supported by strong Boards
- Alignment of interests
- Focus on profitable growth

15
countries

- Supporting global growth plans
- Experience in multiple jurisdictions
- Fluency in different languages and cultures

7
funds raised

- Five PE Funds: for-control equity investments, c.US\$100m–US\$400m
- Two Structured Opportunities Funds: not-for-control equity or structured asset investments, c.US\$40m–US\$150m

US\$12.4 billion
assets under management

- Strong history of creating value
- Disciplined investment approach
- Capital structuring expertise
- Prudent use of leverage
- Responsible ownership

Creating value for...

almost **200**
institutional investors

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

on behalf of

more than **50 million**
beneficiaries

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

Responsible ownership is excellent business practice that creates value for all stakeholders

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 each prospective portfolio company includes a relevant Responsible Ownership Policy, together with procedures to implement the policy and monitor its 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.

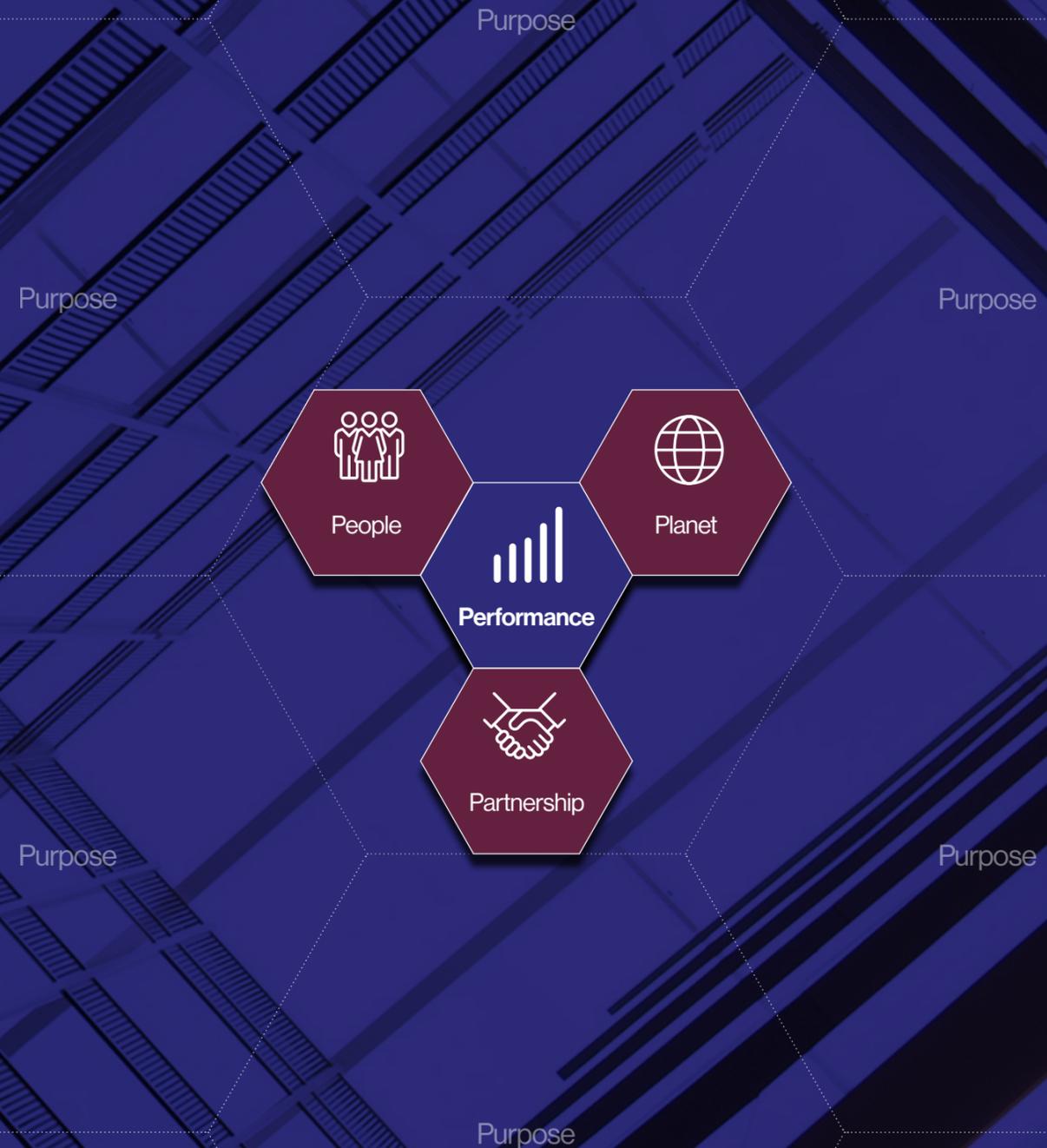
We describe TowerBrook's approach to responsible ownership in terms of three Ps: *people*, *planet* and *partnership* – all of which contribute to delivering the fourth P – *performance*.

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

Management of our Responsible Ownership Programme

We take steps to ensure that this Statement and our corresponding practices are understood and shared across the TowerBrook team, our portfolio companies, key service providers and other stakeholders. We have formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, that is tasked with the management and oversight of our Responsible Ownership Programme. We keep this Statement, and our monitoring of the ways in which it is implemented, under continuous review.

People + Planet + Partnership = Performance



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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 encourage practices, both within TowerBrook and in our portfolio companies, that support the development of an engaged and productive workforce.

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

We respect the human rights of those affected by our investment activities and seek to ensure that our investments do not support companies that use child or forced labour or maintain discriminatory practices. We encourage our portfolio companies to ensure their key suppliers have policies that demonstrate a commitment to respect human rights.

Since 2006, a portion of the profits of our business has been allocated to the TowerBrook Foundation. The Foundation partners with organisations that work to effect sustainable improvements in local communities in the US, Europe and beyond. For more detail, see page 34.

Planet



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

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

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

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

Partnership



We approach governance as a true partnership with the management teams to whom we entrust the direction and development of TowerBrook's portfolio companies.

From the outset, we 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 and fit-for-purpose governance and reporting structures in our portfolio companies. We also expect them to adopt clearly articulated governance principles designed to ensure that their approach to social, environmental and ethical issues is consistent with our commitment to the values of responsibility, integrity and sustainability. 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

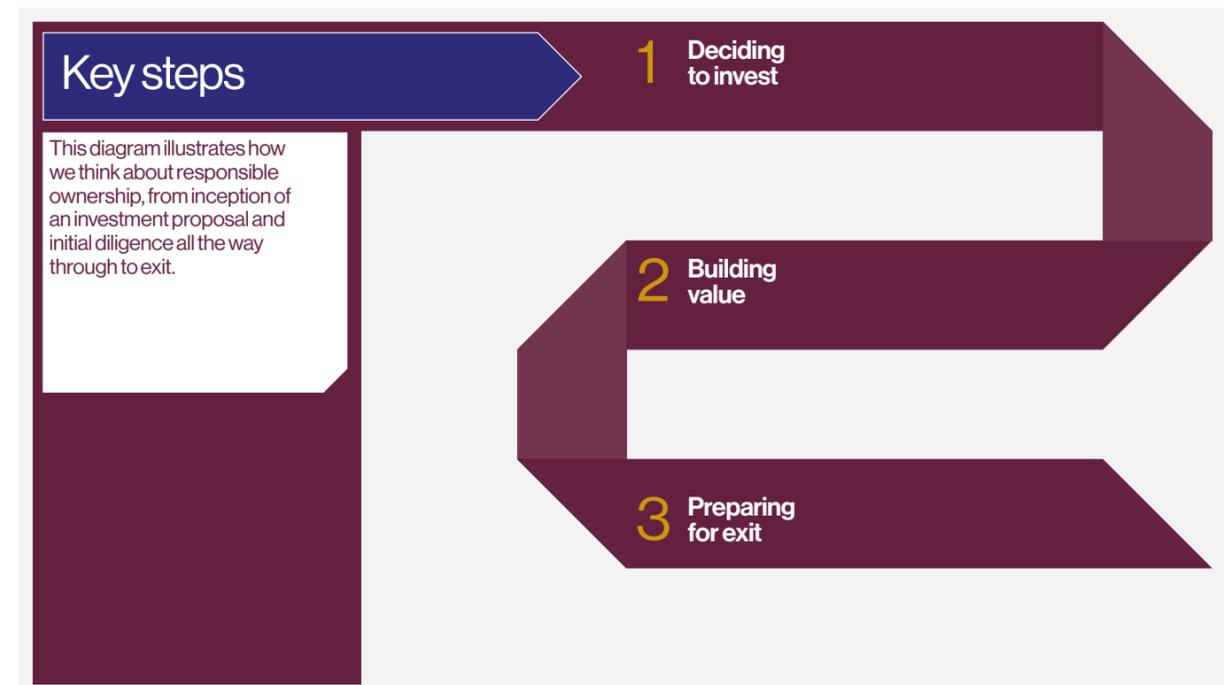


We believe that responsible policies and practices concerning people, planet and partnership can drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

We encourage clear, accurate, timely and transparent activity reporting affecting all material aspects of our portfolio companies, including those related to responsible ownership. Should any material responsible ownership issue arise with our existing portfolio companies, we will work closely with their management teams to seek an appropriate outcome.

Responsible ownership considerations are integrated into our decision-making processes throughout the life-cycle of our investments

Our investment process



By following robust and clear processes from the outset, and working in partnership with our management teams and advisors, we seek to enhance productivity and performance and build businesses with integrity and sustainability.

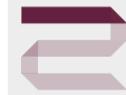
As soon as we have identified a prospective investment, we focus on issues related to responsible ownership. During diligence, we explore these further and evaluate whether and how any risks can be managed, remediated or mitigated in a responsible manner. At signing, wherever practicable and applicable, we seek to include provisions to address any material responsibility issues identified during diligence.

Following acquisition, we seek to ensure that all our portfolio companies institute formal Anti-Bribery, Code of Conduct, Corporate Governance and Health & Safety policies. We require all TowerBrook-controlled companies to develop bespoke metrics in respect of their policies and procedures, and to review their effectiveness on a regular basis. We expect all our management teams to engage directly with their suppliers to verify that they have responsible working practices.

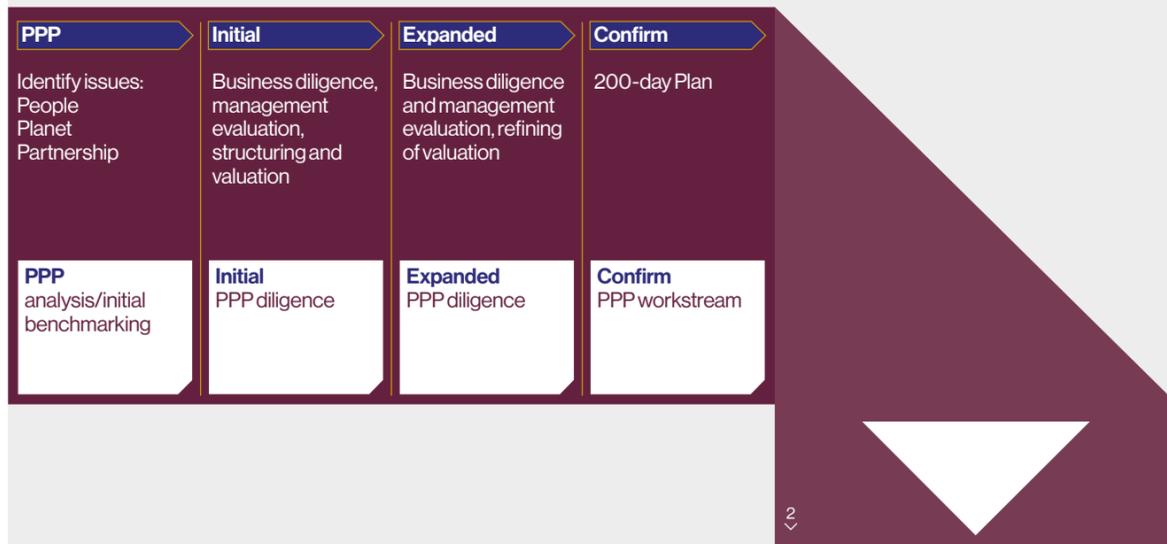
When we exit an investment, we consider all issues relating to responsible ownership. Transparency about what has been achieved, and also about what remains to be done, is important in building trust with prospective purchasers and establishing an appropriate valuation. We take opportunities to tell the story of how TowerBrook's approach to responsibility in business has helped to create value during the period of our ownership.

Our investment process continued

1



Deciding to invest



2



Building value



Case study Van Geloven



Full-time employees at March 31, 2018	1,259
Sales, LTM to December 31, 2017	€234.1m

- Van Geloven is an established manufacturer of branded and private label frozen convenience foods and snacks with significant market share in Dutch and Belgian retail markets
- At the time of its acquisition by TowerBrook, Van Geloven's management team was seeking to secure further growth via geographic expansion, add-on acquisitions and development of operational and manufacturing excellence
- Before deciding to invest, TowerBrook carried out extensive due diligence that confirmed the potential to partner with the company's management team in order to build Van Geloven into a stronger business
- TowerBrook established a strong Board that included senior executives with long experience in the industry
- Strategic priorities included the sustainable sourcing of high quality, traceable raw materials and an increased focus on transparency with both customers and media
- New, low-fat and vegetarian recipes were designed to capture a greater share of a market increasingly keen to eat healthier food. Initiatives included oven-prepared rather than deep-fried products; a salt reduction policy applied to snacks and spring rolls; elimination of artificial additives (MSG/E621); and the introduction of a range of vegetable-based snacks
- Van Geloven's strategy to develop healthier products, together with its strong market position and increased profitability, proved highly attractive to McCain, which purchased a majority stake in the business in 2016

Case study Metallo



Full-time employees at March 31, 2018	431
Sales, LTM to December 31, 2017	€1,018.0m

- At the time of its acquisition by TowerBrook, Metallo was part of a group composed of two European businesses engaged in the recycling and refining of scrap metal
- TowerBrook partnered with management to unlock value via the successful sale of the scrapyard business, allowing a clear strategic focus on maximising the potential of the refining business and its advanced metallurgical technologies
- Responsible ownership requirements, aligned with TowerBrook's purpose and values, were implemented throughout the business
- Senior management remuneration was linked to responsible ownership performance
- A 'breakthrough safety management' strategy, was adopted focusing on individual behaviour and strong employee involvement in building a safety culture
- A €35 million zinc fumer project, funded during TowerBrook's ownership, was completed within 18 months
- The fumer was a transformational move for Metallo, allowing the business to leverage its metallurgical knowhow to achieve zero-waste status, with all recycled materials transformed into patentable products and re-usable commodities
- A new scrubber was commissioned, enabling a significant decrease in sulphur dioxide emissions
- Metallo has achieved a meaningful reduction in dust levels, which are now below the industry average
- In 2016 Metallo received a 'Sustainable Company' certificate from its local community
- As part of its continuing efforts to promote responsible business practices, Metallo has produced a video, to be shown to all employees during group teach-in sessions, on its Code of Conduct and anti-bribery policy
- Metallo holds CFSI¹ certification as a conflict-free tin smelter

1. Conflict Free Sourcing Initiative

3



Case study
Autodistribution

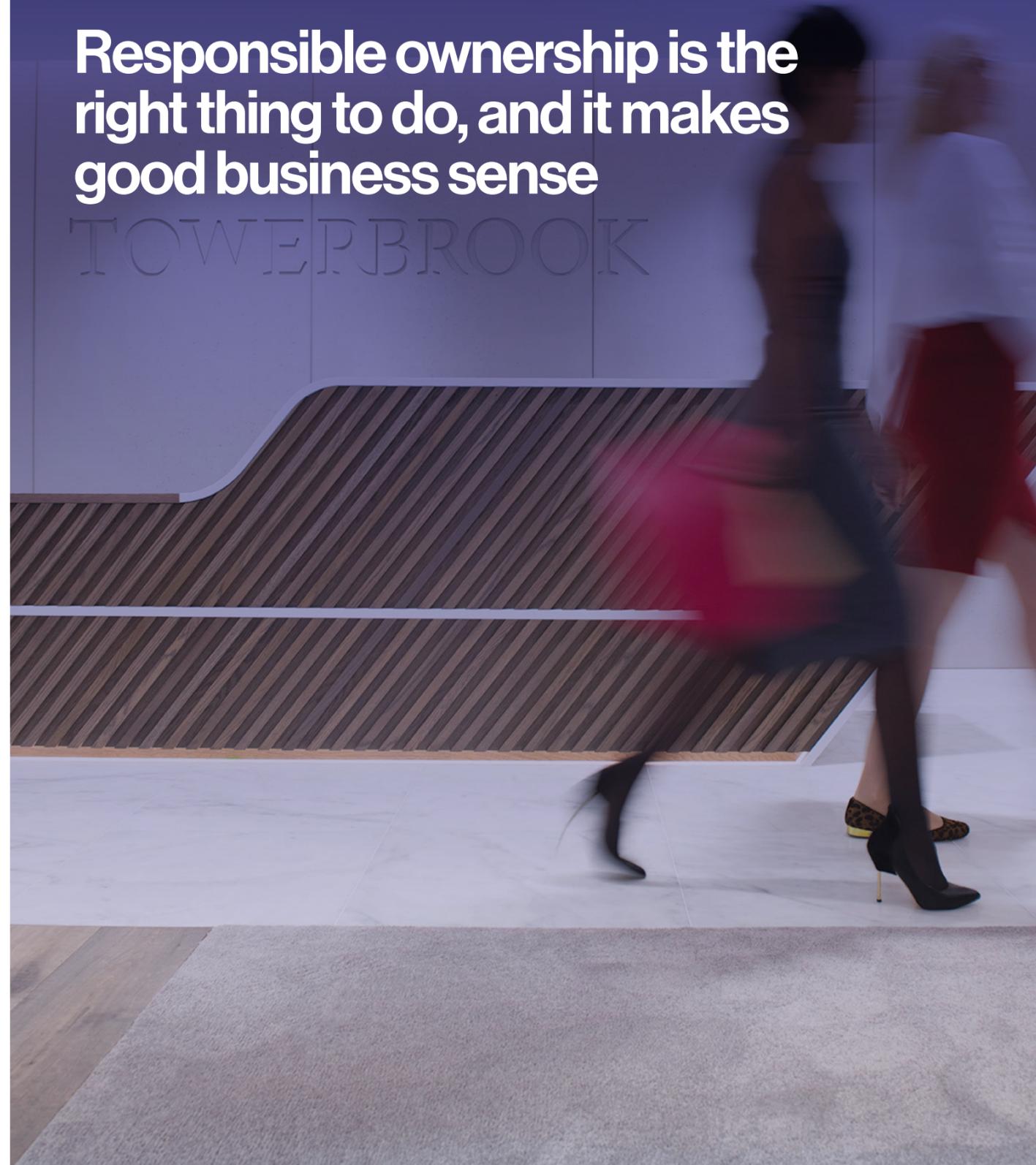


Full-time employees at exit in 2015	6,500
Sales, LTM to December 31, 2017	€1,170.1 m

- Autodistribution is a vertically integrated distributor of automotive parts to the French and European aftermarket, the most profitable segment of the automotive industry
- An equity injection from TowerBrook allowed the troubled company to avoid imminent liquidation and continue trading, providing employment to approximately 6,000 people
- In investing in the business, TowerBrook sought to create a more valuable asset for a future owner by restructuring its finances, securing the jobs of its workforce, rebuilding its organisation and restoring its market position
- In partnership with management, a comprehensive Profit Improvement Plan (PIP) was developed to support Autodistribution's transformation into a focused, efficient and profitable business
- A key feature of the PIP was the decentralisation of significant amounts of decision-making to help create a more entrepreneurial environment. The re-energised business was able to attract first-class executive talent to further strengthen the management team
- Building loyalty was also a priority for Autodistribution. Independent distributors became shareholders in the company, and employee and trade union relations improved markedly and rapidly
- A set of IT tools was created to allow distributors and garages to manage their businesses and create a cleaner, safer working environment
- Transparency with stakeholders was further improved with the introduction of new systems for reporting and compliance covering all aspects of the business, from rebates to product quality and customer service
- The success of the initiatives undertaken during TowerBrook's ownership was reflected in an 8x oversubscribed bond offering that allowed Autodistribution to further strengthen its market position and paved the way for exit by TowerBrook

Responsible ownership is the right thing to do, and it makes good business sense

TOWERBROOK



We are committed to transparency with our investors and our portfolio companies, reporting to them annually on our responsible ownership performance

TowerBrook and the PRI

TowerBrook adheres to the United Nations Principles for Responsible Investment (PRI). In doing so, TowerBrook commits to investing in a manner that demonstrates our implementation of the PRI's six principles for responsible investment (see below). TowerBrook also commits to reporting to the PRI annually in a transparent manner on our activities and our progress towards implementing the principles.

As signatories, we are required to report on how we incorporate ESG issues into asset allocation, our governance framework, how we communicate and implement our policies and the resources we allocate to responsible investment.

The PRI provides reporting signatories with an assessment of their progress in responsible investment. The assessment is designed to provide signatories with an understanding of where their organisation sits in relation to peers at local and global level, across asset classes, and over time. Its purpose is to help signatories identify and prioritise areas for improvement, and to stimulate dialogue between signatories on responsible investment activities and processes.

TowerBrook has received a score of "A" (27/30) for Strategy & Governance, and a score of "A+" (29/30) for Private Equity-specific reporting (fundraising and pre- and post-investment processes).

The PRI assessment methodology can be found on www.unpri.org/signatories/about-pri-assessment. TowerBrook's Transparency Report is available on www.unpri.org, and our Transparency Report and Assessment Report are available on www.towerbrook.com/responsible-ownership/pri.

The PRI's Six Principles for Responsible Investment

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

23 of our portfolio companies were surveyed for this Report



Consumer

BevMo
JJA
J.Jill
Kaporal
La Maison Bleue
Van Geloven
Wilton



Financial Services

Fortiva
Law Finance Group
Rewards Network



Healthcare & Healthcare Services

ICS
R1 RCM
TRIMEDX



Industrials

ACPS Automotive
Aernnova
Austrocel Hallein
GSE
Metallo



TMT & Knowledge

Data Center
Gravity Media Group
Infopro Digital
OVH
The Learning Network

Our methodology

In 2017, we published the first TowerBrook Responsible Ownership Report. We charted five areas: gender diversity, environmental impact, responsible sourcing, employee engagement and strategic giving.

In 2018, we set out to broaden and deepen our understanding of the many areas in which we can support responsible policies and practices in all the companies in which we invest.

We undertook a detailed survey of 23 of our 27 portfolio companies, generating a rich set of data that will help us further that aim. We sought to develop our metrics in a way that will allow us to track and report on progress over time.

Our focus on best practice in responsible ownership led us to study the methodology established by the Sustainable Accounting Standards Board (SASB), an independent body dedicated to enhancing the efficiency of capital markets by fostering the high-quality disclosure of material sustainability information that meets the needs of investors.

Research² has shown that firms with good ratings on sustainability issues that are material to their industry or sector significantly outperform firms with poor ratings on these issues. A recent study³ confirms that companies that perform better on material sustainability dimensions are rewarded by the market with a higher multiple. That multiple becomes even higher if there is positive public sentiment about a company's sustainability performance.

We concluded that the SASB framework was particularly relevant to TowerBrook because it is thoroughly researched and grounded in materiality and value creation.

Drawing on the framework proposed by SASB, we therefore developed a methodology for TowerBrook that remains firmly anchored in the SASB standards, while being relevant to the changing universe of our portfolio companies. We mapped the larger number of sectors listed by SASB onto five broad industry groups of TowerBrook portfolio companies: Consumer, Industrials, Financial Services, Healthcare & Healthcare Services and TMT & Knowledge.

Our purpose in measuring is to understand where we can make differences that improve business practices and help us build better, more valuable businesses.

What, how and where

We sought and received a wealth of qualitative, as well as quantitative, information from our portfolio companies. We have drawn on this detail to illustrate the range of initiatives and actions under way in businesses on both sides of the Atlantic.

2. Mozaffar Khan, George Serafeim, Aaron Yoon; Corporate Sustainability: First Evidence on Materiality. The Accounting Review: November 2016, Vol. 91, No. 6, pp. 1697-1724
3. George Serafeim; Public Sentiment and the Price of Corporate Sustainability (October 12, 2018). Harvard Business School Accounting & Management Unit Working Paper No. 19-044

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People



Working conditions

Health, safety and wellbeing

Reward and remuneration

People development

People management

Diversity

Recruitment and training

HR policies

Employee engagement

Planet



Inputs

Environmental policy

Raw materials

Energy management

Water use

Outputs

Emissions

Waste

Product efficiency

Partnership



Corporate governance

Board

Business ethical policies

Reporting

Behaviour

Action and accountability

Privacy and data security

Culture and community

Performance



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

Survey framework

The diagram above summarises the areas covered by our survey.

We understand that, in reality, policies and practices are interconnected and do not lend themselves to such neat division. For example, greater product efficiency is likely to benefit people as well as planet, and attention paid to data security has as much to do with respect for the individual as it does with good corporate behaviour.

With that in mind, this diagram is intended to serve as a guide to the topics we explored across our portfolio companies. Our key findings in some of the areas listed above are highlighted on the following pages.

Footprint and handprint

The term 'footprint' describes the resources and energy consumed in running businesses. Footprint can be reduced through greater efficiency and the reduction of waste. Organisations with products and services that have a positive effect on their environment and society can think of the resulting impact in terms of their 'handprint'. Healthier eating habits and better patient outcomes are examples of handprint. A decreasing footprint or an increasing handprint can reflect improving business performance.



People

Diversity

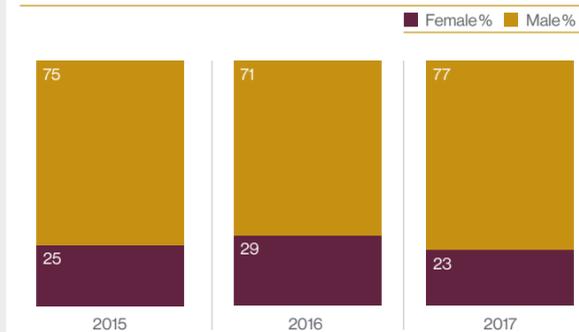
We believe that more diverse teams make better decisions, and that better decisions create more valuable companies.

We asked our portfolio companies about gender and non-gender diversity in their businesses.

We focused on areas where TowerBrook can have a positive impact, principally at Board level, where we now engage recruiters in ensuring a diverse pool of candidates for senior positions.

Our findings are illustrated below.

In your business, what is the gender distribution of independent Board members appointed by TowerBrook over the last three years?



This chart shows figures for all 23 companies surveyed

According to McKinsey's recent study⁴ of diversity in the workplace, for publicly listed companies in the US in 2017, women made up 26% of Boards and only 19% of executive committees. In the UK, the figures were 22% and 15% respectively. The study also showed that companies in the top quartile for gender diversity in executive teams were 21% more likely to outperform on profitability and 27% more likely to have superior value creation.

We asked our portfolio companies about the issue of a gender pay gap in respect of like roles. Ten of those surveyed (43%) told us they already carry out or have plans to conduct gender pay gap analysis in the context of general compensation strategy. As one company explained:

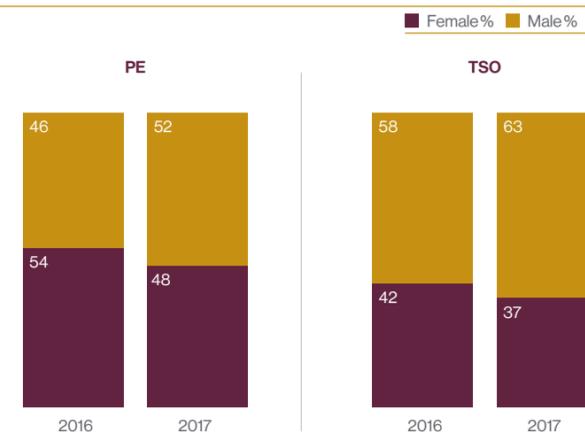
"We can still do more to encourage women to progress into higher paid roles. Our plans include supporting equal opportunities for our candidates, continuing to create an inclusive culture, identifying any barriers to gender equality, creating clear and transparent opportunities for progression, supporting working parents and regular salary benchmarking and pay reviews."

All 23 TowerBrook portfolio companies surveyed have policies to facilitate parental leave, childcare, flexible working and working from home.

In respect of changes in your management team, what is the gender distribution?

This chart shows the gender distribution of changes to management teams in all 23 companies surveyed. Our study defined management to include managerial and leadership roles beyond the executive committee.

TowerBrook has greater direct involvement at management level in companies that we control (PE) than in those where we have made not-for-control investments (TSO). Wherever possible, we seek to promote greater gender diversity in leadership teams.



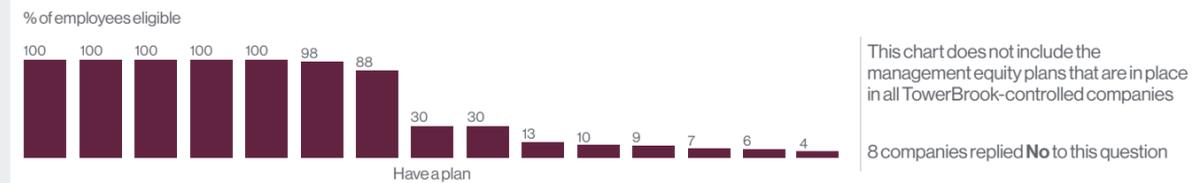
4. Delivering through diversity, McKinsey, January 2018

Reward and remuneration

While the features of profit-sharing plans will vary from company to company, they are all designed to increase commitment and create a culture of ownership and shared responsibility for the performance of the business.

65% of the portfolio companies surveyed operate profit-sharing plans. In over 25% of companies surveyed, almost all employees are eligible to take part in them.

Do you have profit-sharing plans in your business, and if so what percentage of employees is eligible to take part in them?



This chart shows figures for the last year on which the companies reported, i.e. 2017

Recruitment and training

McKinsey's 2018 study⁴ showed that companies in the top quartile for ethnic/cultural diversity on executive teams are 33% more likely to have industry-leading profitability. The study concludes that companies that successfully embed inclusion in their organisations can create a strong corporate ethos that resonates across employee, customer, supplier, investor, and broader stakeholder groups. We asked our portfolio companies what recruitment and training initiatives they had put in place to support diversity (including non-gender diversity) in their businesses.

16 companies (70% of those surveyed) said they had specific initiatives in place; almost all of these included measures to improve recruitment policy and practice.

"We post openings only on job boards that are inclusive and accessible to a diverse applicant pool."

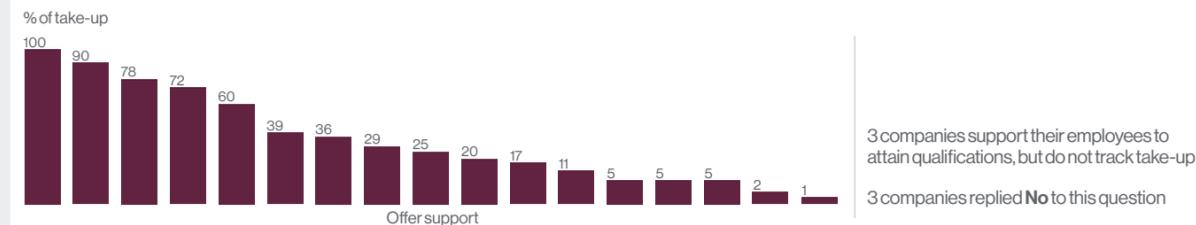
Diversity and inclusion programmes in TowerBrook's portfolio companies include training on bias, harassment and discrimination as well as on realising the potential of the company's workforce.

People development

Nearly 90% of the companies surveyed support their employees to attain further educational or professional qualifications. In five companies (30% of those surveyed),

at least 60% of employees have benefited from the opportunities available to them over the last three years.

Do you support your employees to attain further educational or professional qualifications? If so, what percentage of eligible employees has benefited from this opportunity in the last three years?



This chart shows figures for the last three years on which companies have reported



People

Health, safety and wellbeing

The consistent implementation of robust health and safety policies is a priority for responsible businesses. At the same time, there is widespread recognition that a focus on collective wellbeing can make businesses more attractive to new recruits as well as to existing employees.

More than 60% of portfolio companies surveyed have dedicated wellness-at-work programmes aimed at creating a positive work environment. Respondents to our survey listed numerous features of their programmes, including:

- discounted gym membership and/or on-site gym equipment
- individual sports and nutrition coaching
- the provision of low-fat food options and free fruit
- ergonomically designed workstations and education in posture awareness
- fitness challenges, often with monetary incentives

Several companies focus on mental as well as physical health, running “anti-burnout” sessions, sleep programmes and initiatives to encourage work/life balance.

One of our companies has launched a mental health awareness programme for managers, and reports strong support for the ongoing rollout of a network of accredited mental health first-aiders across its business.

61%

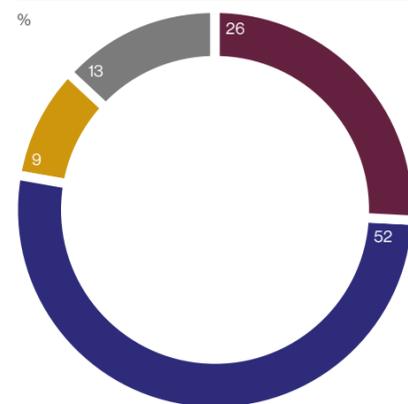
of portfolio companies surveyed operate dedicated wellness-at-work programmes

Employee engagement

We believe that the productivity and will to innovate of an engaged workforce accelerates value creation.

A total of 18 out of the 23 TowerBrook portfolio companies surveyed (78%) measure employee engagement via a formal survey at least once a year. 29% supplement their annual survey with additional tools such as spot surveys and focus groups.

How often do you measure employee engagement?



- More than once a year
- Once a year
- Less than once a year
- No formal measurement process

Case study



Infopro Digital

Anticipating the growing demand for regulatory monitoring and compliance management services, TowerBrook portfolio company Infopro Digital acquired Red-on-line, a local provider of environmental, health and safety compliance solutions in what was then an immature and fragmented market.

Under Infopro's ownership since 2009, Red-on-line (ROL) has grown from a French monitoring service into a global solutions provider with legal experts, engineers and sales teams across Europe and the Americas.

Full-time employees at March 31, 2018	3,153
Sales, LTM to December 31, 2017	€360.3m

ROL's solutions help to deliver greater workplace safety at more than 16,500 industrial sites across 83 countries. Building on Infopro's established position as a multimedia B2B information and services provider, ROL marries content, software and consultancy with a range of modules designed to support public and private sector businesses to implement and report on their continually evolving responsibilities.

Efficient, timely monitoring and relevant software tools help to reduce workplace risks and foster the creation of a safety culture that empowers everyone in the workforce to take charge of safety. A safe, clean environment means fewer accidents, improved morale and increased productivity, and can lead to substantive economic value creation.

ROL's integrated value proposition also drives a customer retention rate of over 95%. The development of the business has resulted in transformation of its revenue profile and growth prospects since its acquisition by Infopro. Continuing growth is expected to be fuelled both by expanding customer needs and initiatives that allow ROL to further develop its offering via new technologies at the intersection of data intelligence and the internet-of-things.

“ROL supports public and private sector businesses to implement and report on their continually evolving responsibilities.”

Infopro Digital: a platform for further growth

- Operations in 15 countries
- Multimedia products and services to help professionals across different industries and sectors achieve greater productivity and efficiency
- Portfolio of more than 100 established brands focused on specific customer groups
- Value-enhancing strategic acquisitions of Insight Group (UK, 2017) and DOCUgroup (Germany, 2018)

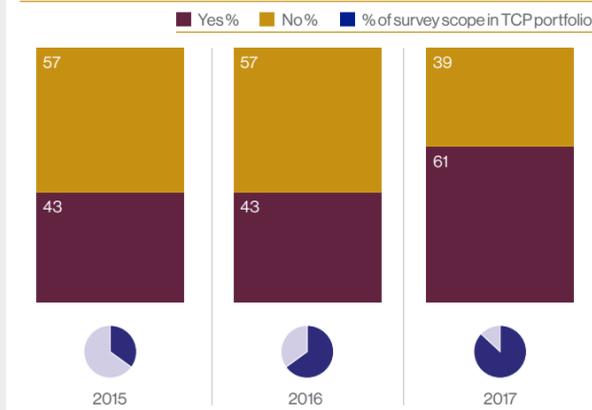


Planet

Environmental policy

We believe that companies that ascribe value to the environment are more likely to have a long-term view of value creation that aligns with ours.

Have you reviewed your environmental policy at least once during the year?



61% of all 23 companies surveyed reviewed their environmental policy at least once in 2017, and over 40% of those surveyed reviewed their policies in each of the preceding two years. Survey responses showed that companies in the Industrials group are closely focused on environmental issues and review their policies most frequently, with 100% of them reviewing their environmental policy in 2017.

The chart on the left shows responses from all 23 portfolio companies surveyed.

The blue pie-charts show the proportion of the companies in the survey scope that were in TowerBrook's portfolio in each of 2015, 2016 and 2017.

Raw materials

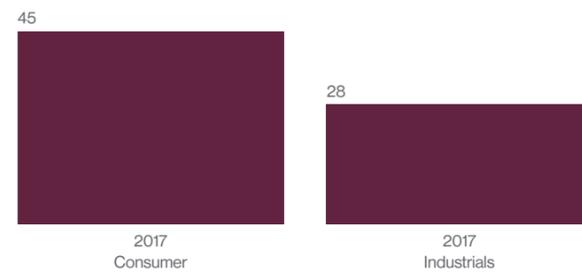
In this part of our study we gathered relevant data in respect of companies in the Consumer and Industrials groups.

Voluntary sustainability standards are an important means of providing assurance that products and materials traded in complex, global supply chains have been produced in an ethical and environmentally benign way. Recent evidence⁵ suggests these standards are drivers of the adoption and improvement of corporate practices.

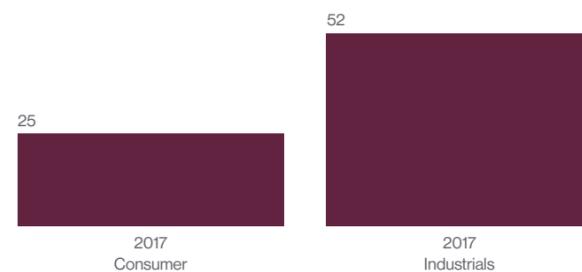
According to the Institute of Scrap Recycling Industries, scrap recovery and recycling added US\$106 billion to the US economy in 2015 while significantly reducing energy demand. REMADE, a public-private partnership funded in part by the US Department of Energy, was established in 2017 to address technology needs in recycling, remanufacturing and reuse in order to reduce energy consumption and raw material dependence in US manufacturing.

5. The effectiveness of standards in driving adoption of sustainability practices: A State of Knowledge Review, ISEAL Alliance, 2018

What percentage of your raw materials is third-party certified to an environmental sustainability standard?



What percentage of your input materials is recycled or remanufactured?



Energy management

We believe that focusing on resource efficiency is indicative of management excellence, which also drives broader value creation.

A major report⁶ presented to the UN in September 2018 emphasises that bold climate action is already delivering tangible benefits to businesses and could deliver at least US\$26 trillion in economic benefits through to 2030, compared with business as usual.

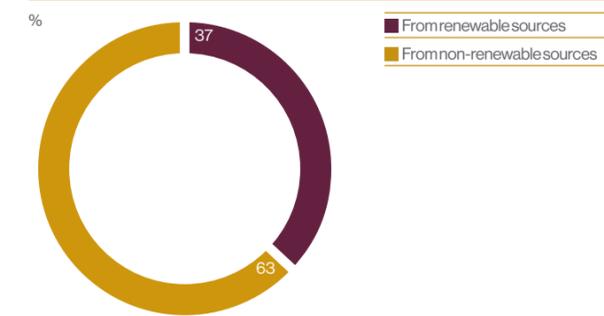
We asked all our portfolio companies about the steps they are taking to manage energy consumption. Overall, more than 90% of respondents monitor consumption of resources such as water, gas and electricity, and more than 60% report a range of initiatives including:

- evaporative cooling systems
- retrofitting motion-sensor LED lighting systems
- use of solar energy panels
- provision of charging points for hybrid and electric vehicles
- efforts to reduce paper use

"Our energy co-ordinator manages our energy plan together with all our departments. Monthly monitoring is key."

6. Unlocking the Inclusive Growth Story of the 21st Century, Global Commission on the Economy and Climate, 2018

What percentage of the energy used in your business is from renewable sources?



The chart above shows responses from businesses in the Industrials group

91%

of portfolio companies surveyed monitor energy consumption, and 61% have initiated projects to make more efficient use of energy resources

Waste

300 million tonnes of plastic waste were generated globally in 2015. Plastic packaging is mostly single-use, especially in B2C applications, and most of it is discarded the same year it is produced⁷.

83% of all portfolio companies surveyed have taken action to reduce or eliminate waste caused by single-use products. The initiatives they have introduced apply to day-to-day administrative operations as well as to business processes where relevant. They include:

- recycling bins for paper, glass, plastic, aluminium
- recycling of electrical products and batteries with compliant partner organisations

7. Single-use plastics: a roadmap for sustainability, UNEP, 2018

- compostable cups and/or provision of durable drinks containers to employees
- multiple-use cloths for certain production processes
- provision of 100% recyclable bags in stores

For more detail about the elimination of waste in TowerBrook's industrial businesses, see case studies on Metallo on page 15 and Aernnova on page 33.

83%

of portfolio companies surveyed have taken action to reduce or eliminate waste caused by single-use products



R1 RCM

R1 RCM partners with US healthcare providers to help them manage their revenue cycle more efficiently and cost-effectively, allowing them to reinvest capital in patient care and outcomes.

Using proven, standardised methodology and a proprietary performance management system, R1 RCM works to transform and manage the commercial infrastructure of care organisations in an increasingly complex healthcare landscape.

“Values, experience, proven processes, scalable infrastructure and industry-leading technology make R1 RCM a value-added partner for healthcare providers.”

Full-time employees at March 5, 2018	9,065
Sales, LTM to December 31, 2017	US\$449.8m

The company’s customers are principally non-profit care providers committed to providing access to healthcare for those in need. R1 RCM’s goal is to increase its customers’ revenue, reduce the number of accounts receivable (A/R) days, and decrease the cost of revenue cycle operations – while at the same time improving efficiency, compliance and patient satisfaction.

By partnering with R1 RCM, care providers can expect to achieve a reduction of up to 20% in A/R days and up to 30% in the cost of revenue cycle operations. These savings can then be reinvested in improving the patient experience before, during and after a stay in a care facility.

Meaningfully improved outcomes for both patients and physicians are enabled by R1 RCM’s continuing investment in technology, talent and scale. The focus is on simplicity, transparency, efficiency and innovation. The company’s innovative technologies allow automation of scheduling and registration processes, making access to care quicker and easier for patients. The demystification of costs also helps patients understand and manage the costs of care.

Under TowerBrook’s ownership, R1 RCM has grown to become the largest independent end-to-end revenue cycle provider in the US, scaling from c.10,000 to c.16,000 employees in the course of 2018 with the acquisition of Intermedix and an expanded commercial relationship with Intermountain Healthcare.

- Acquisition of Intermedix accelerates strategy to integrate revenue cycle across all payment models and care settings, further strengthening R1RCM’s position in the evolving US healthcare ecosystem
- Strengthened acute care position through successful onboarding of more than US\$8 billion of Ascension acute NPR (net patient revenue)



TRIMEDX

First established in 1998 in Ascension’s St Vincent Hospital in Indianapolis, TRIMEDX is now the largest independent provider of clinical asset management services in the US.

Clinical assets typically account for more than 25% of capital expenses in US hospitals, with more than US\$40 billion spent on healthcare equipment every year.

Partnership and alignment

TowerBrook’s long-term strategic partnership with Ascension Health, the largest non-profit health system in the US, includes investments in The Broadlane Group, Sound Physicians, R1 RCM and TRIMEDX. Together with Ascension, we developed these around managed, outsourced services to care providers in the complex and rapidly changing US healthcare sector. TowerBrook and Ascension share a desire to build great companies that can not only deliver commercial value but make lasting, positive contributions to the lives of the stakeholders they serve.

Full-time employees at March 31, 2018	1,385
Sales, LTM to December 31, 2017	US\$554.5m

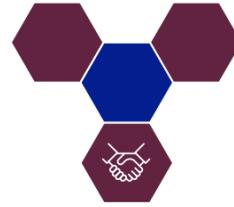
Through its clinical asset management services, TRIMEDX plans, manages and maintains clinical equipment fleets for its hospital clients. Extending the useful life of equipment in this way leads to increased up-time, patient safety and compliance, which benefits patient care. It also generates significant cost savings. By engaging the services of TRIMEDX, a hospital can typically expect to save up to 15% of its equipment-related operating costs and up to 25% of its annual capex budget for new equipment. Recurring savings can be reinvested in patient care.

With a comprehensive service delivery model built around a proprietary analytics platform, TRIMEDX partners with its customers to monitor and forecast equipment performance, track maintenance events and access detailed data on the history, location and prognosis of specific pieces of equipment, from thermometers to MRI scanners. The company’s proprietary technology allows it to monitor equipment remotely on a daily basis, potentially resulting in a lower CO₂ impact than high-travel alternatives.

In partnering with Ascension to support the continued development of TRIMEDX, TowerBrook is working to build value in a business that enables better patient outcomes and delivers wide-ranging benefits.

Through end-of-life equipment management and the TRIMEDX Foundation, the company provides equipment maintenance and training and helps to co-ordinate donations of medical equipment to developing countries and communities in need.

- In 2017, TRIMEDX provided clinical engineering solutions and service data for more than 1.7 million devices valued at over US\$16 billion
- In September 2018, TRIMEDX announced its intention to acquire Aramark’s healthcare technologies business. This acquisition will meaningfully increase the technician workforce of TRIMEDX and further broaden its customer portfolio and ability to service other hospitals



Partnership

Business ethical policies

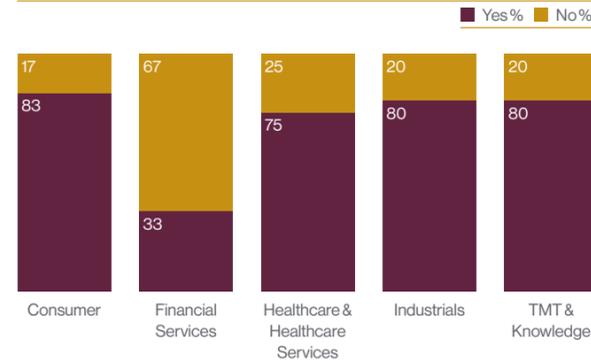
We believe that the integration of values and ethics into business practice can lead to economic value creation.

Overall, two-thirds of all companies in our survey already have policies and processes in place for managing business ethical risks throughout their supply chains.

19 of the 23 portfolio companies surveyed have taken specific steps to improve their corporate governance during the last year. In several cases, our companies reported the strengthening of existing compliance teams, including by the creation of new senior positions.

Approximately 50% of companies surveyed reviewed and updated their Code of Conduct and/or their relevant policies and procedures during 2017. Improved internal communications to ensure understanding of and compliance with these was also mentioned by 13 respondents.

Do you have policies and processes in place for managing business ethical risks throughout your supply chain?



The figures above are a snapshot of 2017 only and therefore do not reveal significant action that may have been taken in the previous year

Privacy and data security

Recent research⁸ shows that the average cost for each lost or stolen record containing sensitive and confidential information continues to rise, reaching US\$148 in 2018, and the global average cost of a data breach now stands at nearly US\$3.9 million. The actual cost will depend on the nature of the business that has lost control of its data, the type of data that has been breached and the severity of the attack. In all cases, failure to follow clear procedures and to communicate transparently can lead to lasting reputational damage.

As part of our 200-day Plan, we seek to ensure that all our portfolio companies have up-to-date cybersecurity and data privacy policies and procedures in place. Our survey revealed that in the course of 2017 over 90% of companies surveyed took major steps to ensure data security and fraud prevention linked to new and emerging threats, underlining the ongoing importance of this issue.

Culture and community

We believe that companies with clear values that are involved in their communities build more valuable brands with better access to talent.

More than 70% of portfolio companies surveyed reported sponsorships and community partnerships under way in their businesses. Nearly 50% of all portfolio companies surveyed have a formal programme of engagement with

local, national or international charitable organisations. Those that do not have company-wide programmes commented on divisional initiatives, with the emphasis on activities chosen by employees. Many of these focus on education and improving opportunities for young people to access the world of work. For more detail on the activities of our portfolio companies in this area, see page 36.

8. Cost of a Data Breach study, sponsored by IBM and carried out by the Ponemon Institute, 2018

Partnership in practice

As HR director of Kaporal, Emmanuelle Germani has been free to build a role with a CSR dimension. That work is already bearing fruit, with Kaporal receiving the Michael Page/ANDRH Grand Sud award this year for its “pragmatic, action-based approach to CSR, making it a force for cohesion and employee advocacy”.

“I arrived at Kaporal in 2013, following the acquisition of the business by the private equity firm TowerBrook. In the early years Kaporal had been in start-up mode, but following the acquisition there was a real desire to establish a proper HR function. My brief was to get the function up and running. I was aware of the issues around social responsibility, so I quickly made sure that the 150 employees at head office became involved.

We didn’t make lengthy presentations. I focused instead on specific actions that would engage people. For example, I’ve never used the acronym CSR. I prefer to develop initiatives on disability, or recycling, or the environment – all of course driven by volunteers. That made for a cohesive,

Right: This interview first appeared in *Les Nouvelles Publications Economiques et Juridiques* in July 2018 and is reproduced here by kind permission of the publisher, the journalist, Alexandra Zilbermann, and Emmanuelle Germani of Kaporal.



‘feel-good factor’ in tune with the values of the business. The employees took ownership of social responsibility and started coming up with their own ideas – for example, Kaporal Ekolo, a collaborative initiative that promotes eco-friendly and socially responsible projects within the business. Although they’re modest in scale, these are the kind of actions that make everyone proud to belong to the brand. Our CEO, Laurence Paganini, is totally supportive. I sit on the executive committee (*comité de direction*), and without that support nothing would be possible. Of course, the priority is the success of the business, but the employees involved invest several hours of their time, every month, in projects that raise their awareness of the issues.

It’s still a little too early to quantify the positive impact on the workforce in terms of absenteeism, sickness or employee turnover. We’ll be able to do so once the initiatives we’ve been nurturing for the last two years have really bedded down. We’re not aiming for 100% employee participation, but I think that over time more and more people will feel this concerns them and will want to become involved. Collecting unwanted clothing, recycling plastic bottle tops – these things raise awareness on a day-to-day basis. Responsible citizenship has its rightful place in business.”

“Responsible citizenship has its rightful place in business.”

Kaporal in figures

- 620 full-time employees at March 31, 2018
- €125.6m sales in FY 2017: online sales + 23%, store sales + 13%
- 120 stores, 15 franchises, 1,600 points of sale

Note: The Michael Page/ANDRH Human Resources Awards is a French public-private partnership initiative, established in 2012. Its national sponsors include *Cadremploi*, *Edenred* and *Le Figaro Economie*



AustroCel Hallein

As an independent producer of high-quality dissolving wood pulp, a key ingredient in the production of viscose staple fibre, AustroCel Hallein is a sustainable business in a growing global market.

Viscose is more sustainable than cotton, and is gaining market share from both cotton and polyester. AustroCel's core customers are Chinese viscose manufacturers who are increasing capacity to capture this market growth.

“ Our aim was to develop a governance framework and culture that would allow AustroCel to access opportunities for further growth. ”

Full-time employees at March 31, 2018	254
Sales, LTM to December 31, 2017	€138.1m

Prior to acquisition, TowerBrook conducted extensive diligence on all aspects of AustroCel Hallein's business. Our diligence confirmed that AustroCel sources wood from sustainably managed forests (PEFC/FSC) in Austria and Germany, and almost all the wood chips used in its production processes are the residue from saw mills. The business generates virtually no CO₂ emissions, is sulphur-free, and is fully compliant with standards for both air and water emissions. Leveraging its biomass input, AustroCel produces renewable energy for its own needs and sells the surplus to the local grid. The company's efforts were rewarded with an Austrian National Energy Globe award in 2017.

Our 200-day Plan for AustroCel included the appointment of a new Chair with extensive relevant experience, the establishment of Board committees with responsibility for risk and sustainability, the introduction of firm-wide compliance training and a drive for a 'zero incident' mindset in respect of health and safety. Our aim was to develop a governance framework and culture that would allow AustroCel to access opportunities for further growth.

AustroCel is currently focused on expanding production capacity, developing more specialty-grade products for a diversified customer base, and evaluating the construction of a bio-ethanol plant on site to maximise the revenue-generating potential of the renewable energy generated by the business.

- Produces 150k tons p.a. of softwood DWP
- 99.5% of fuels used are biofuels
- 94% of pulp wood is residue from sawmills
- Promotes more sustainable blended textiles and technical fabrics
- Generates power for up to 30,000 local households



Aernnova

In the fast-growing aerospace sector, Aernnova is recognised as a key player, supplying engineering services, aerostructures and components to all key OEMs, including Airbus, Boeing, Embraer and Bombardier.

Aernnova is a major global manufacturer of empennages (tail assembly structures). It is also one of the largest European Tier 1 and Tier 2 aerospace manufacturers, with more than 30 years of experience in the design and manufacture of composite components that reduce the weight and increase the fuel efficiency of aircraft.

“ Aernnova's ongoing contribution to greater efficiency will support its aim to become the preferred supplier to the world's leading aircraft manufacturers. ”

Full-time employees at March 31, 2018	4,266
Sales, LTM to December 31, 2017	€694.8m

Aernnova has consistently invested in innovation, positioning itself to supply the fastest-growing aircraft platforms such as the A350 family, the B787 family and the newly launched A220 (the former C-Series) that is positioned to take advantage of the expanding market for narrow-body jets. The company has an order book worth €3.7 billion, or the equivalent of 90% of expected revenues over the next 5 years. Aernnova's operational excellence has been repeatedly recognised by its customers and the company is one of only three Airbus Accredited Members in the world.

TowerBrook is supporting Aernnova's consolidation strategy, adding international expertise to its Board and pursuing potential for further internationalisation, especially in Asia and North America.

With manufacturing and assembly facilities in Spain, the US, Mexico and Brazil, Aernnova has a strong commitment to environmental protection and promotes continuous improvements of its products and processes.

Key environmental indicators (e.g. consumption of energy and natural resources, CO₂ footprint, waste and emissions) are monitored in all plants, and annual action plans implemented to improve environmental performance. Energy efficiency audits have been carried out since 2010, long before this became a legal requirement in Spain in 2016. Further measurement tools and software to help control energy consumption were introduced in 2017.

Extensive measures to improve waste management include the substitution of hazardous solvents and the elimination of chromates in the production process.

- Aernnova is an active participant in BIND 4.0, the Basque Country's industry accelerator programme that helps entrepreneurs to explore innovative technologies in fast-growing markets such as advanced manufacturing, information management and smart energy
- In 2017 Aernnova approved a new Code of Ethics and set up an online Ethical Channel allowing all its employees to communicate concerns about ethics, integrity or the guidelines contained in the Code

A positive impact on society

The TowerBrook Foundation was established in 2006 to support the wider communities in which we live and work.

The Foundation is an integral part of TowerBrook's Responsible Ownership Programme and is embedded in the identity and culture of our firm. The Foundation is funded from the profits of our business and is registered as a charity, with TowerBrook Managing Directors serving on its Board.

Through the Foundation, we seek to make a lasting, positive contribution to the communities and environments in which we operate. We believe that giving together will help us to grow as a firm as well as making a difference to those we support.

TowerBrook has sought to develop relationships with selected organisations where we can be directly involved and where our investment and service can have a measurable impact.

TowerBrook team members engage in a range of activities with these organisations, including supporting management to increase effectiveness, volunteering on practical projects and helping to raise awareness of the organisation's work. Our teams in London and New York often collaborate to support selected organisations in particular projects.

To encourage the fundraising efforts of individuals, The TowerBrook Foundation also sponsors an employee participation programme whereby an employee's charitable contribution is matched threefold. The Foundation also partners with our portfolio companies to support their community involvement and charitable giving.



Habitat for Humanity is a global, non-profit housing organisation active in more than 70 countries across the world. Anchored by the conviction that housing provides a critical foundation for breaking the cycle of poverty, Habitat has helped more than 13 million people to develop strength, stability and self-reliance by building or rehabilitating homes.

Habitat's vision is of a world where everyone has a decent place to live. Habitat builds durable, healthy, energy-efficient and sustainable houses using green building techniques and materials.

In 2015, TowerBrook team members visited Cambodia to help build and repair 231 houses for families affected by HIV/AIDS. In 2017, TowerBrook's 2-day offsite engaged team members from both New York and London in helping build houses in an economically challenged area of Baltimore in the US. TowerBrook also provided a cash grant to support Habitat's 2017 Hurricane Response.

TowerBrook Co-CEO Ramez Sousou is a director of Habitat for Humanity International and Managing Director Gordon Holmes is a director of Habitat for Humanity Great Britain.

Previously supported

The TowerBrook Foundation is proud to have partnered with organisations that share our values and work to improve the lives of people around the world. Past recipients of grants and in-kind support include *Uncommon Schools*, a US-based non-profit organisation that starts and manages outstanding urban charter schools; *Ubuntu Pathways*, a non-profit organisation that provides an integrated support system of health, education, and social support in the townships of Port Elizabeth, South Africa; *Place2Be*,



City Year runs a mentoring programme that engages young people in tackling inequality in education through a year's full-time voluntary service in at-risk schools in inner-city communities. The double benefit of this activity is that students living in poverty are supported while young adults also develop leadership skills, thereby investing in their own future. TowerBrook was a founding partner in the launch of City Year in Britain in 2010 and has supported City Year in New York since 2012.

City Year is active in more than 350 schools in the US, the UK and South Africa. Grants from The TowerBrook Foundation have been accompanied by the involvement of TowerBrook team members in London and New York and the pairing of TowerBrook professionals with students in schools with an active City Year presence.

TowerBrook Managing Director Joseph Knoll and Senior Principal Shannon Barton serve as directors of City Year London and City Year New York, respectively.

a UK-based children's mental health charity that runs in-depth training programmes to improve the emotional wellbeing of pupils, families, teachers and school staff; and *Tomorrow's People*, a UK employment charity.

TowerBrook was a founder member of *Impetus - The Private Equity Foundation*, whose aim is to find, fund and build the most promising charities focused on transforming the lives of disadvantaged young people.

A wide range of initiatives

Our portfolio companies engage in many ways with their communities, locally, nationally and internationally. Here we highlight a small selection of the initiatives under way in different TowerBrook portfolio companies in the US and Europe.

70%

of portfolio companies surveyed reported sponsorships and community partnerships under way in their businesses.

Rewards Network



Full-time employees at March 31, 2018	286
Sales, LTM to December 31, 2017	US\$92.4m

Rewards Network actively encourages its restaurant partners to focus on providing a comfortable and enjoyable experience for every guest, and provides advice on specific operational changes that can improve accessibility. Practical guidance is offered on a range of topics including flat entrances, ramps, automatic doors, the provision of braille menus, the installation of accessible bathrooms, seating that will accommodate wheelchairs and training staff in how to welcome guests with special needs and/or service dogs.

The Learning Network (TLN)

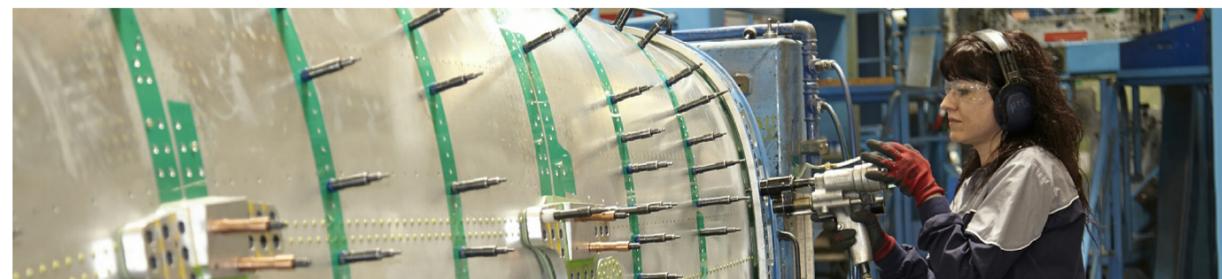


Full-time employees at March 31, 2018	316
Sales, LTM to December 31, 2017	€297.5m

The Learning Network (TLN) is involved in several social and community projects that bring together employees from across the business. 2017 saw the fifth anniversary of TLN's support for the Roparun, a relay race from Hamburg and Paris to Rotterdam that raises money to help care for cancer patients. Teams from TLN take part in the run and the business matches the sums raised by its employees.

TLN also supports the *Schoenmaatjes* (literally, 'shoe-mates') project, run in conjunction with the Edukans Foundation, whose mission is to train and educate people for a better life. For this project, children in the Netherlands fill a shoebox with school gear, toiletries and toys to be sent to children in schools, orphanages, refugee camps and shelters in developing countries.

Aernnova



Full-time employees at March 31, 2018	4,266
Sales, LTM to December 31, 2017	€694.8m

Aernnova supports *Alianza Por La Solidaridad* (Alliance for Solidarity) a NGO that channels the efforts of more than 40,000 volunteers and trained professionals to promote self-sufficiency and sustainability and protect human rights in developing countries in Latin America, Europe and Africa. Aernnova has also committed to support *Banco de Alimentos* (The Food Bank), matching donations by its employees to this nationwide organisation that collects and distributes

food throughout Spain to those in need in order to mitigate the effects of marginalisation, unemployment and poverty.

Aernnova's employees are involved in numerous community initiatives. These include mixed-ability sports and the 5+11 Foundation, an organisation that promotes the development of a healthy lifestyle and positive values for children through sports, underlining the importance of effort and teamwork. The company also participates in the Science, Technology and Innovation Week hosted by the University of the Basque Country (UPV/EHU), running a workshop (How To Design A Plane) for participants of all ages.

The J.Jill Compassion Fund



Full-time employees of J.Jill Inc. at March 31, 2018	1,484
Sales, LTM to December 31, 2017	US\$698.1m

The J.Jill Compassion Fund was established in 2002 by J.Jill, a publicly-traded, US-based, omnichannel retailer of women's apparel, accessories and footwear. The Fund is named for the compassion that connects us all when we come together to help women in our communities. It works to support community-based organisations that help disadvantaged and homeless women regain their self-sufficiency.

J.Jill's customers can also participate in this endeavour, with the company donating 100% of the net proceeds from sales of a range of limited-edition products to the J.Jill Compassion Fund.

Since its inception, the Fund has given more than US\$14 million in grants and in-kind donations to more than 100 organisations across the US that help women in need achieve independence through programmes that offer them education, job training, life skills and safe, affordable housing. In 2017, 19 organisations received a total of US\$565,000 in grants.

In September 2017, J.Jill contributed a portion of the funds from the J.Jill Compassion Fund to disaster relief in response to Hurricanes Harvey and Irma. The company also donated 130,000 units of clothing to affected communities through its partnership with Good360. In August 2018, J.Jill launched a multimedia campaign highlighting some of the women working with Compassion Fund-supported organisations who have inspired positive change in their communities.

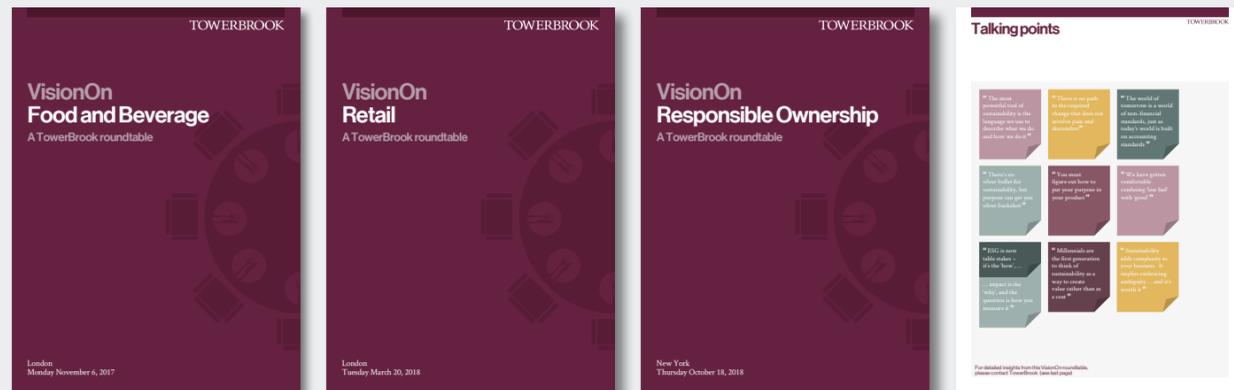
VisionOn

TowerBrook VisionOn roundtables bring together sector experts, senior executives and members of our team in a small, private forum where they can exchange ideas and chart new opportunities for sustainable value creation.

Through sharing our experience and insights, we aim to make mutually beneficial connections, stimulate creative thinking and partner with leaders to deliver value for our investors, now and in the future.

The format of VisionOn is that each of our guests briefly discusses a topic they believe will substantially impact the area of focus over the next five to ten years. Their presentations are followed by a candid Q&A among peers.

Our first VisionOn roundtable focused on the Food and Beverage sector, and the second on Retail. In October 2018 we held a special edition of VisionOn in New York, focusing on Responsible Ownership.



For details of each VisionOn roundtable, click on its cover above
For more information, please contact visionon@towerbrook.com

Our VisionOn partners and their Responsible Ownership topics in October 2018

Alessandro Carlucci
How sustainability impacts the C-suite

Chair of global sustainability consultancy BSR; former CEO of Natura (the largest company in the world to achieve B-Corp status); Chair of Arezzo&Co; Research Adjunct, NYU Stern School of Business; Executive in Residence, Columbia University

Daryl Brewster
How corporate purpose drives sustainable value

CEO of CECP, a coalition of CEOs aiming to create a better world through business; formerly CEO of Krispy Kreme Doughnuts, Inc.; President of Kraft's North American Snacks, Confections, Cereal, and Pet portfolio; President of Planters Specialty Products

David Marquet
How purpose and intent deliver performance

Creator of Intent-Based Leadership; author of *Turn the Ship Around! A True Story of Turning Followers Into Leaders*; former captain of naval submarine USS Santa Fe

Rachel Kyte
How purpose can drive you away from carbon intensity

CEO of Sustainable Energy for All (SEforALL); Special Representative of the UN Secretary-General for SEforALL; former World Bank Group Vice President and Special Envoy for Climate Change

Robert Eccles
Connecting sustainability and returns with a common language

Visiting Professor of Management Practice at the Said Business School, University of Oxford; formerly a tenured professor at Harvard Business School. Founding Chair of the Sustainable Accounting Standards Board (SASB) and one of the founders of the International Integrated Reporting Council (IIRC)

Jeffrey Hollender
Closing the gap between what we are doing and what's required

Co-founder and Chair of the American Sustainable Business Council; founding CEO of Seventh Generation; author of *The Responsibility Revolution* and *Planet Home*

Lois Quam
Empowering women, delivering growth

CEO of Pathfinder International; former COO of The Nature Conservancy; head of the Global Health Initiative at the US Department of State, responsible for providing more than US\$8 billion annually to help solve major health challenges in 80 countries; founding CEO of Ovations (now a division of UnitedHealth Group)

Rick Ridgeway
Measuring sustainable impact

VP Environmental Affairs, Patagonia; founding Chair of the Sustainable Apparel Coalition; recipient of National Geographic Lifetime Achievement in Adventure award

“The most powerful tool of sustainability is the language we use to describe what we do and how we do it.”

“Millennials are the first generation to think of sustainability as a way to create value, rather than as a cost.”

“Sustainability adds complexity to your business. It implies embracing ambiguity... and it's worth it.”

We promote responsible policies and practices within TowerBrook as well as in our portfolio companies

TOWERBROOK

Inside TowerBrook

People

Diversity and inclusion

We are committed to creating a professional environment that attracts exceptional talent to TowerBrook. Our aim is to continue building a diverse, inclusive team that will thrive on generating ideas, solving problems and stimulating value creation. We are proud of the culture we have nurtured at TowerBrook, and we work hard to ensure it continues to flourish. Over the past year we have launched a number of initiatives designed to promote diversity and inclusion within our firm. These include a policy that requires recruiters to provide an initial slate of résumés on a no-names basis. We encourage continued meetings with our recruitment firms to discuss the importance of diversity and inclusion considerations in our searches.

The strategic management of these initiatives is the responsibility of our newly created, senior-level Diversity Working Group. The Group is developing a far-reaching diversity and inclusion programme for TowerBrook that has already led to an improvement of our recruitment practices, firm-wide training to eliminate bias, a revised mentorship programme and a revision of our parental leave policy.

We expect each member of our team to show leadership in promoting diversity and inclusion, and to seek out opportunities to promote these values both internally and externally.

TowerBrook supports Level 20, a not-for-profit organisation that aims to deliver greater representation at all levels for women in the European private equity industry. Our Co-CEOs have pledged their support to CEO Action for Diversity and Inclusion, a US-based, CEO-driven business commitment to advance diversity and inclusion in the workplace.

People development

We invest in leadership and professional development for senior and junior members of the TowerBrook team to maximise the potential and performance of individuals and of our firm.

The TowerBrook Academy is the principal vehicle for accelerating learning at TowerBrook, and by extension across our portfolio. The Academy hosts events that include a broad spectrum of external advisors and speakers. It also sponsors Associate and Principal training programmes, issue-driven coaching, an onboarding programme for new joiners and technical training for all employees in order to develop their skills and enhance their professional development.

We have also introduced a formal mentoring programme for Associates and Principals. The purpose of this programme is to facilitate the professional development of the mentee while at the same time supporting the leadership development of the mentor and increasing connectivity across TowerBrook. We operate a 360° feedback process that informs our annual performance reviews, in which the effectiveness of each mentoring relationship is reviewed and renewed as necessary.

Health, safety and wellbeing

We encourage a healthy lifestyle for our employees, subsidising healthy food options, providing ergonomic office furniture, supporting informal sporting events and actively promoting a culture of movement to combat sedentary office habits. We appoint health and safety representatives for all our offices and ensure that appropriate training, in accordance with local legal requirements, is relevant and up-to-date.

Our new London office building incorporates 150 bike racks and 15 showers for the use of tenants. The refurbishment of Park Avenue Tower includes extensive gym and recreation facilities for the use of tenants, supporting our aim to create a healthy, stimulating workplace for all our team members.

Inside TowerBrook

Planet

London

In January 2018 TowerBrook moved into new offices in St. James's Market, a Crown Estate/Oxford Properties development that emphasises responsible stewardship of the environment and the public realm.

This new development was designed to meet a number of sustainability principles. Building products, notably timber and stone, were sustainably sourced from the Crown Estate. Solar panels fitted on roofs harness energy from the sun to feed the building's electricity demands, while the latest combined heat and power technology reuses the heat generated from the equipment, reducing overall energy use and carbon emissions.

- Water from sinks and showers is recycled to flush toilets, saving significant amounts of water.
- 'Green roofs' help improve building thermal performance while enhancing air quality and biodiversity.
- A comprehensive waste strategy aims to promote and achieve a zero-waste solution for St. James's Market.

New York

In April 2018 TowerBrook's New York office relocated within the same building, Park Avenue Tower, allowing it to tailor its space to current and future business needs within a substantially upgraded environment.

Three recent major projects have made the building more energy-efficient:

- Improved heating, ventilation and air-conditioning systems have enabled a saving of more than 900,000 kWh and resulted in significantly less carbon being pumped into the atmosphere every year.
- Elevator modernisation has resulted in a further saving of 1.6 million kWh.
- New exterior lighting has reduced the wattage required for this purpose by 37%.

TowerBrook has built on the opportunity afforded by recent legislation on recycling to introduce new waste management disciplines in New York, London and our other offices.

Representative and other offices

We also focus on ways of improving the energy-efficiency of TowerBrook's representative offices in Madrid and Munich and our portfolio company holding office in Amsterdam. As with our London and New York offices, our policy is to reduce the number of printed copies of meeting materials, support recycling and discourage the use of plastics and paper products in the kitchen.

Offsetting our carbon footprint

TowerBrook partners with Trees for Cities in the UK to offset the CO₂ generated by our business travel. In 2017, Trees for Cities, planted 2,504 trees in the North of England on our behalf. This figure was calculated to ensure that the number of trees required to offset our CO₂ output will be in a healthy condition after 100 years. Woodland planting of this kind absorbs pollutant gases produced by urban transportation, provides new habitats for biodiversity and aids flood alleviation.

TowerBrook's New York office takes similar steps to offset the carbon footprint created by our business activities. In the US we partnered with Carbonfund.org to support its Envira Amazonia project, making payments for ecosystem services forest conservation that are directly linked to the CO₂ we generate.



p06: Assets under management of US\$12.4 billion is at March 31, 2018 and is based on March 31, 2018 conversion rates of EUR 1.2324 and GBP 1.4015.

p07: The total number of beneficiaries of TowerBrook's limited partners has been calculated from publicly available data. This number will vary over time, reflecting changes in the composition of our investor base and their constituents. The number of employees of R1RCM is as at March 5, 2018, reflecting the timing of the company's statutory filings. The number of employees of all other portfolio companies is as at March 31, 2018.

p08: This Responsible Ownership Statement applies to all private equity investments made by TowerBrook for which TowerBrook has control or significant influence ("portfolio companies"). In cases where TowerBrook is a minority investor, where other circumstances impact TowerBrook's ability to assess, set or monitor responsible ownership (RO)-related performance goals, or where we identify material RO issues that cannot reasonably be addressed, we may not necessarily be able to fully implement this Responsible Ownership Statement. In such cases, TowerBrook will make reasonable efforts to encourage consideration of relevant RO-related principles by the investee company.

p22: The data presented includes all companies in which TowerBrook funds held an equity interest at March 31, 2018 except: (i) Apple Pie Capital; (ii) FloWorks Holdings LLC; (iii) Sports Capital Holdings, an investment vehicle through which TowerBrook retains an indirect minority equity interest in the St. Louis Blues Hockey Club, Scottrade Center and related assets, and for which TowerBrook has limited governance rights; and (iv) True Religion Apparel, Inc.

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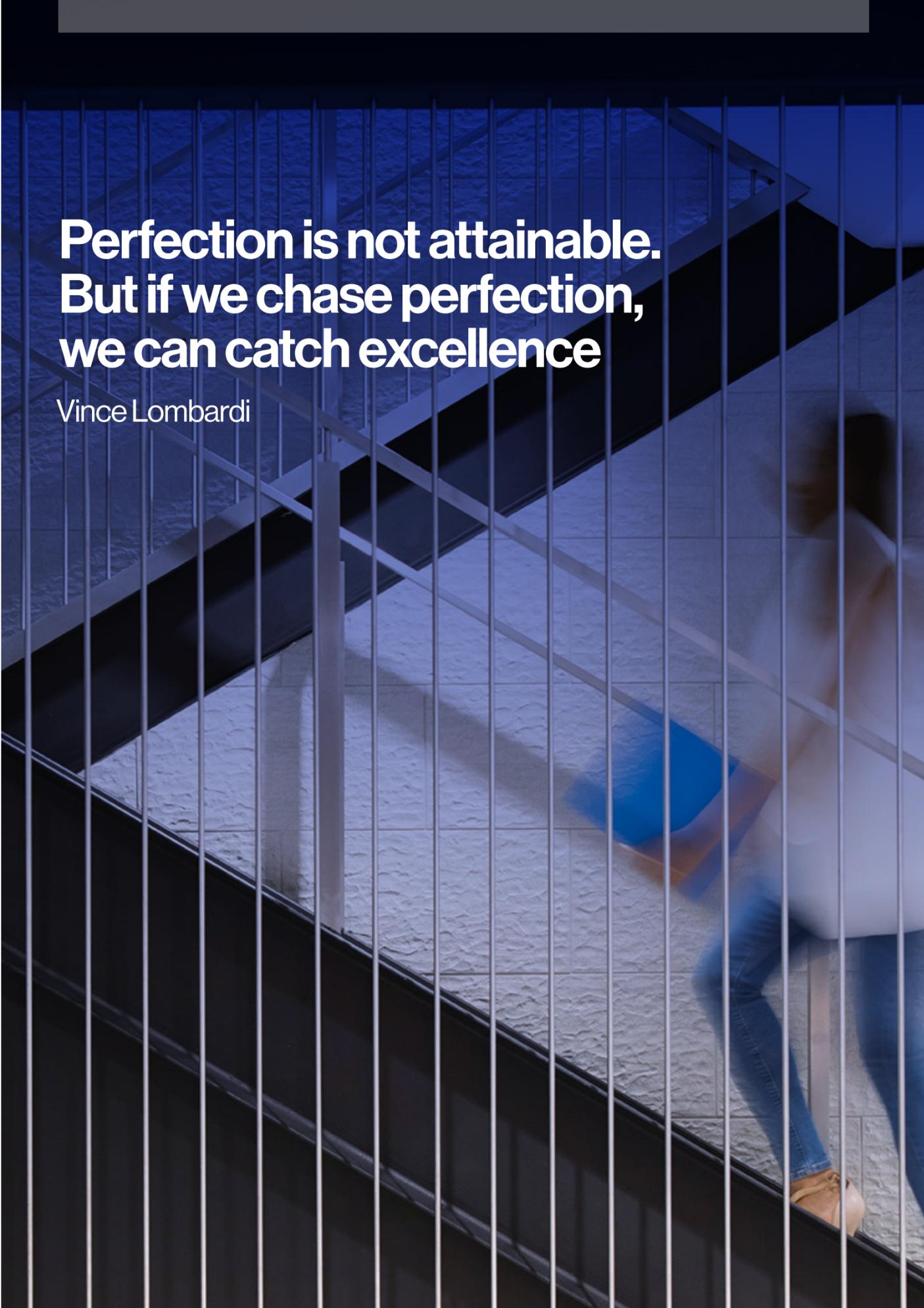
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**Perfection is not attainable.
But if we chase perfection,
we can catch excellence**

Vince Lombardi

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