



**PRIVATE RI REPORT**

**2021 PILOT**

**TowerBrook Capital Partners**

**Generated 2022-08-18**

# About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities.

This **Private RI Report** is an export of your responses to the PRI Reporting Framework during the 2021 reporting period. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish – to share with your stakeholders. The **Private RI Report** supports dialogue within your organisation, as well as with your clients, beneficiaries and other stakeholders if you chose to share it externally.

You will also receive a **Public RI Report**, which only includes responses to mandatory indicators and responses to voluntary indicators that you agreed to make public. Unlike this **Private RI Report**, the **Public RI Report** will be publicly available on the PRI website.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

## Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

## PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# Senior Leadership Statement (SLS)

## Senior leadership statement

### Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- **Why does your organisation engage in responsible investment?**
- **What is your organisation's overall approach to responsible investment?**
- **What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?**

As a purpose-driven investment firm, TowerBrook is committed to responsible ownership. TowerBrook has a clear and consistent process that helps us scrutinize prospective investments, manage them responsibly and deliver sustainable results for our investors. 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, across our family of funds. We describe TowerBrook's approach to responsible ownership in terms of five Ps: starting from a shared Purpose, we focus on People, Planet and Partnership, all of which contribute to delivering the fifth P: Performance. We invest in companies that deliver profitable growth by providing valued products and services, offering inclusive access to worthwhile jobs and making a positive contribution to their communities. TowerBrook partners with our portfolio companies to embed responsible risk management processes, pursue Board and management diversity and implement rigorous environmental, social and governance policies. We hold ourselves and our portfolio companies accountable to our investors, their beneficiaries and all our stakeholders.

We are committed to reporting to our investors on our responsible ownership performance, both as investors and within our own firm. We have committed to surveying 100% of our controlled portfolio companies and using best efforts to survey 100% of our other investments annually on practices and metrics relating to people, planet and partnership, and to reporting on our key findings publicly. We believe that responsible policies and practices concerning people, planet and partnership can drive long-term performance improvements and value creation in our portfolio companies and position them for sustainable growth.

We have formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, tasked with the management and oversight of all aspects of RO and their integration into the strategy, activity and culture of TowerBrook in accordance with our purpose. We have published a Responsible Ownership Statement which is available on our website, and take steps to ensure that this Statement and our corresponding practices are understood and shared across the TowerBrook team, our portfolio companies, key service providers and stakeholders. We keep our Responsible Ownership Statement under continuous review.

Our approach to RO applies to all private equity investments made by TowerBrook for which TowerBrook has control or significant influence. In cases where TowerBrook is a minority investor, where other circumstances impact TowerBrook's ability to assess, set, or monitor ESG-related performance goals, or where we identify material ESG issues that cannot reasonably be addressed, TowerBrook will take reasonable efforts to encourage consideration of relevant ESG-related principles by the investee company.



## Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policy makers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

TowerBrook believes that private equity has an important role to play in confronting and finding solutions for societal challenges by providing capital to build shared prosperity and creating opportunities for sustainable, profitable investment. Over the past 12 months, we have been working to translate our purpose into action that promotes people, planet and partnership in our investments, as well as furthering greater diversity, equity, inclusion and social justice.

Following our investment in our first Certified B Corporation, KeHE, we supported a second portfolio company, AustroCel Hallein, to achieve B Corp certification in May 2020. Together with TowerBrook's own certification as a B Corp in 2019, this has further sharpened our focus on the importance of developing metrics to help us track responsible ownership.

In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry. In 2020, TowerBrook joined Initiative Climate International as a founding member, committing alongside leading private equity investors to actively engage with our portfolio companies to reduce carbon emissions and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. TowerBrook is also a founding member of the NY GP ESG Working Group subcommittee on carbon initiatives. In 2021 TowerBrook joined the Council for Inclusive Capitalism with The Vatican, a non-profit organization that seeks to build a more inclusive, sustainable, and trusted economic system that addresses the needs of our people and the planet. As a member, TowerBrook publicly states measurable and meaningful commitments to further an inclusive capitalism and promote the UN SDGs.

Within our firm, in the past 12 months we launched an initiative to focus on the gender and non-gender diversity of our controlled portfolio company boards, and set targets of at least one gender diverse board member on each such board by 2021, and at least two gender diverse board members on each such board by 2025. In 2020 we established employee affinity groups to encourage inclusion within our offices, including for LGBTQ+ and Black employees, female professionals, and working parents. We also expanded our external DE&I partnerships, including joining Stonewall's Diversity Champion's program, and partnering with Out Investors, a global organization working to make the direct investing industry more welcoming for LGBTQ+ individuals, as well as partnering with The King Center to promote efforts to fight racial injustice. And finally, TowerBrook partnered with #100 Black Interns in London and The Opportunity Network in New York to provide investment facing summer internships for underrepresented groups during 2021.

During 2020, TowerBrook was ranked in the top decile for transparency of ESG reporting by Prequin. In early 2021, was ranked as one of the Top 5 firms in the PE News/Equality Group 'PE and VC Diversity and Inclusion Ranking'.

## Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

**What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?**

Increasing the diversity of our portfolio company boards through a policy of at least one gender diverse board member on the boards of all controlled portfolio companies acquired since 2021 and at least two by 2025. Measuring by end of 2021 vendors' key diversity of ownership, leadership and team representation, and setting goals for increasing procurement spend with diverse vendors. Surveying 100% of our controlled portfolio companies and using best efforts to survey 100% of our other investments annually on practices and metrics relating to people, planet and partnership, and to reporting on our key findings publicly. Providing \$1 million of funding and volunteer support by end of 2023 to organizations fighting against systemic racism, inequity and injustice.

## Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

**The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.**

Name Neal Moszkowski and Ramez Sousou

Position co-Chairs and co-CEOs

Organisation's name TowerBrook Capital Partners

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by TowerBrook Capital Partners in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of TowerBrook Capital Partners's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

# Organisational Overview (OO)

## Organisational information

### Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

### Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

- (A) Yes

● (B) No

## Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

## Assets under management

### All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 15,221,922,486.00
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(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
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(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 0.00
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## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

**Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.**

Percentage of AUM	
(A) Listed equity – internal	0.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	0.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	85.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external	0.0%
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(Q) Other – internal, please specify:	
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Structured Opportunities and Alternative Strategies	15.0%
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(R) Other – external, please specify:	0.0%
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(S) Off-balance sheet – internal	0.0%
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(T) Off-balance sheet – external	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 PE	CORE	OO 5, OO 5.1	N/A	PRIVATE	Asset breakdown	GENERAL

**Provide a further breakdown of your private equity assets.**

**(A) Internal allocation**

(1) Venture capital	0.0%
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(2) Growth capital	0.0%
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(3) (Leveraged) buyout	85.0%
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(4) Distressed, turnaround or special situations	1.0%
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(5) Secondaries	0.0%
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(6) Other, please specify:	
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Structured Opportunities	14.0%
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# Stewardship

## Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

### (1) Private equity

(A) Through service providers

☐

(C) Through internal staff

☒

(D) Collaboratively

☐

(E) We did not conduct stewardship activities for this asset class

☐

# ESG incorporation

## Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(J) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(W) Other [as specified]	<input checked="" type="radio"/>	<input type="radio"/>

# Voluntary reporting

## Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

	(1) Yes, report on the module
ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>



# ESG/sustainability funds and products

## Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

### Percentage

(E) Private equity

0.0%

(K) Other

0.0%

# Climate investments

## Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

10.0%

# Other asset breakdowns

## Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PRIVATE	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

### (6) Private equity

(A) Developed	100.0%
(B) Emerging	0.0%
(C) Frontier	0.0%
(D) Other	0.0%

## Private equity: Sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	OO 5	N/A	PRIVATE	Private equity: Sectors	GENERAL

What is the percentage breakdown of your organisation's internally managed private equity investments by sector?

### Percentage of total internally managed private equity AUM

(A) Energy	0.0%
(B) Materials	0.0%
(C) Industrials	22.0%

(D) Consumer discretionary	15.0%
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(E) Consumer staples	5.0%
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(F) Health care	31.0%
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(G) Financials	6.0%
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(H) Information technology	21.0%
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(I) Communication services	0.0%
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(J) Utilities	0.0%
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(K) Real estate	0.0%
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## Private equity: Nature of ownership

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 5	N/A	PRIVATE	Private equity: Nature of ownership	GENERAL

**What is the percentage breakdown of your organisation's internally managed private equity investments by investment vehicle?**

(A) Direct investment	(1) 0%
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(B) Fund investment	(5) >75%
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(C) Separate account	(2) 1–10%
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## Private equity: Ownership level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 5	N/A	PRIVATE	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your organisation's private equity investments by level of ownership?

(A) A majority stake (50% and above) (3) 11–50%

(B) A significant minority stake (between 10–50%) (4) 51–75%

(C) A limited minority stake (less than 10%) (1) 0%

## Context and explanation

### ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

Description

(C) Other – internal

TowerBrook has a clear and consistent process that helps us scrutinize prospective investments, manage them responsibly and deliver sustainable results for our investors. Responsible ownership considerations are integrated into every stage of the investment process, and drive the development of policies, action plans and metrics for our portfolio companies. (1) Initial Screening: TowerBrook seeks to conduct robust reviews of potential ESG risks early in the investment process. TowerBrook has drafted and continuously evolves a list of ESG Markers, including, but not limited to, certain industries or countries that present heightened ESG risk and investor sensitivities. Investment professionals reviewing potential opportunities in such industries or connected to such countries, or which otherwise could reasonably pose material ESG risks, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of ESG factors is evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify ESG-related risks and opportunities. (2) Due Diligence: Once an early stage investment proceeds to due diligence, TowerBrook conducts ESG-related diligence targeted to the Company's industry and specific risk profile. **(response continued in row below)**

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TowerBrook has developed a standard ESG diligence request list to confirm a target company's level of compliance with TowerBrook's ESG policies and relevant legislation and regulation. Additionally, TowerBrook has developed a specific detailed ESG diligence request list for certain industries, such as consumer goods and manufacturing. TowerBrook's investment team members may also conduct site visits, as appropriate. TowerBrook's preferred ESG consultants would be retained during the diligence stage to conduct a fulsome ESG diligence review. TowerBrook's due diligence processes are designed to ensure that material issues, including ESG, are addressed when considering and evaluating investment opportunities. TowerBrook seeks to undertake ESG due diligence on applicable private equity investments, including, but not limited to, those with industrial manufacturing capabilities. Environmental diligence typically comprises environmental Phase I site assessments, but this can be extended to include Phase II site assessment if necessary. TowerBrook may also conduct diligence on anti-corruption, data privacy, supply chain, safety and other governance matters, as appropriate. **(response continued in row below)**

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TowerBrook's due diligence process for structured opportunities investments may also take into account ESG considerations, as appropriate. During diligence, TowerBrook also extensively references key executives and non-executives affiliated with the company, testing among other things for integrity and ethical reputation to help shape our view of the broader company's culture and attitudes. (3) Transaction Closing: At signing, TowerBrook's legal team would ensure that investment or shareholders' agreements include, where practicable and applicable, detailed ESG clauses. Furthermore, the legal team seeks to draft such agreements so that they clearly outline how ESG matters would be handled during the life of the investment. Such agreements seek to document what the Portfolio Company commits to undertake in relation to ESG, and to give the TowerBrook funds future leverage should the portfolio company fail to implement what has been agreed. Additionally, such agreements establish specific mechanisms for monitoring ESG activities, such as information and inspection rights. The legal team and investment teams also work to verify due diligence findings via representations and warranties in the purchase agreement, and seek specific indemnification as appropriate..

## Investment and Stewardship Policy (ISP)

### Responsible investment policy & governance

#### Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Approach to stewardship
- ☐ (F) Approach to sustainability outcomes
- ☒ (G) Approach to exclusions
- ☐ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- ☒ (I) Definition of responsible investment and how it relates to our fiduciary duty
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives
- ☒ (K) Responsible investment governance structure
- ☒ (L) Internal reporting and verification related to responsible investment
- ☒ (M) External reporting related to responsible investment
- ☐ (N) Managing conflicts of interest related to responsible investment
- ☐ (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

TowerBrook actively monitors ESG at the portfolio company level, ensuring that systems and resources are in place to enable ESG risks to be effectively managed and that each portfolio company assigns specific management responsibility for ESG operations. At the portfolio level, ESG is a recurring topic on the board agenda multiple times during the year, and at least once annually is reviewed formally in a process led by the committee tasked to oversee ESG issues. Because TowerBrook appoints independent chairpersons, who are held to our ESG standards, to its portfolio companies, this process benefits from an additional layer of oversight. As part of its general ESG oversight, TowerBrook would review existing compliance with sustainability, and ethical business guidelines, as appropriate, and would encourage portfolio company management to introduce new guidelines if we deemed this necessary. (1) 200-Day Plan: In connection with TowerBrook's recent revision of its ESG policies, the 200-day plan for each portfolio company includes development and publication of an appropriate ESG policy and development of procedures to implement, monitor and test such policy.

Each 200-day plan includes standard ESG items, as well as any specific ESG items identified during diligence as relevant for a particular target company. Individual portfolio company action plans are designed, where appropriate, to address any opportunities for improvement. (2) Ownership: During ownership, ESG related risks are managed by the boards and management teams of the individual portfolio companies. Since TowerBrook invests in a wide range of sectors, ESG risks vary widely from company to company. In connection with its recent enhancement of Responsible Ownership policies, TowerBrook now seeks to discuss the importance of ESG with each CEO of private equity portfolio companies, together with the Chair, who would have been separately instructed during onboarding with a Chair Welcome Pack that explicitly addresses Responsible Ownership and the Chair's role therein.

TowerBrook intends to actively monitor ESG at the portfolio company level, ensuring that systems and resources are in place to enable ESG risks to be effectively managed and that each portfolio company assigns specific management responsibility for ESG operations. TowerBrook's approach to ESG has been to ask each portfolio company's Audit & Risk Management Committee to review regularly such ESG risks as are relevant to that company. This practice is now evolving to establish a dedicated ESG (or similar) committee on each portfolio board, or else the chair opting to take explicit ownership of ESG at the board level. Portfolio company management is encouraged to engage directly with third parties (such as suppliers, developers, and contractors) to verify sound ESG practices. Furthermore, TowerBrook seeks to ensure adequate training on ESG at the portfolio company level, which may include sensitivity/diversity training and supply chain management training..

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

**Indicate which of your responsible investment policy elements are publicly available and provide links.**

☒ **(A) Overall approach to responsible investment. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(B) Guidelines on environmental factors. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(C) Guidelines on social factors. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(D) Guidelines on governance factors. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(E) Approach to stewardship. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(G) Approach to exclusions. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):**



(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(K) Responsible investment governance structure. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(L) Internal reporting and verification related to responsible investment. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☒ **(M) External reporting related to responsible investment. Add link(s):**

(1) [https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement\\_2019\\_US.pdf](https://assets.towerbrook.com/wp-content/uploads/2020/02/09181520/TowerBrook-Responsible-Ownership-Statement_2019_US.pdf); (2) [https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf); (3) <https://www.towerbrook.com/us/responsible-ownership/>

☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

**What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?**

- ☐ (A) Overall approach to responsible investment
- ☐ (B) Guidelines on environmental factors
- ☐ (C) Guidelines on social factors
- ☐ (D) Guidelines on governance factors

**AUM coverage of all policy elements in total:**

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- ☒ (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- ☒ (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- ☐ (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- ☒ (A) Board and/or trustees
- ☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- ☐ (C) Investment committee
- ☒ (D) Other chief-level staff, please specify:
- ☐ (E) Head of department, please specify department:
- ☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- ☒ (A) Board and/or trustees  
☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))  
☒ (C) Investment committee  
☒ (D) Other chief-level staff [as specified]  
☒ (E) Head of department [as specified]  
☒ (F) Portfolio managers  
☒ (G) Investment analysts  
☐ (H) Dedicated responsible investment staff  
☒ (I) Investor relations  
☐ (J) External managers or service providers  
☒ (K) Other role, please specify:  
     Portfolio Group  
☒ (L) Other role, please specify:  
     Responsible Ownership Committee  
☐ (M) We do not have roles with responsibility for implementing responsible investment.

## People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief-level staff	(3) Investment committee	(4) Other chief-level staff [as specified]	(5) Head of department [as specified]
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>(6) Portfolio managers</b>	<b>(7) Investment analysts</b>	<b>(9) Investor relations</b>	<b>(11) Other role</b>	<b>(12) Other role</b>
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

**Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.**

1. Investment acumen: (a) Consideration of Responsible Ownership and ESG risks and opportunities when evaluating investment opportunities; (b) Focus on appropriate risk-reward when evaluating investment opportunities in adherence to the firm's Mission Statement; (c) Ability to evaluate investment opportunities in light of the firm's Purpose Statement.
2. Portfolio company value added: (a) Promotion of Responsible Ownership principles and playbook, identification of relevant KPIs, and demonstration of leadership in respect to portfolio Boards and management teams to ensure alignment with TowerBrook's approach to value creation; (b) Focus on Responsible Ownership steps in 200-day Plan; (c) Ability to seek opportunities to create and promote diversity and inclusion initiatives and policies when working with boards and management teams.
3. Cross portfolio value added: Identification of opportunities to leverage Responsible Ownership learning and initiatives across portfolio companies where possible.
4. Culture and teamwork: promotion of Responsible Ownership values, diversity and inclusion, and development of extraordinary talent.

TowerBrook's annual 360 degree performance appraisal process solicits both quantitative and qualitative feedback on every individual at the firm from all levels and all levels across the firm to gain as broad a picture of performance as possible. This process lies at the heart of our culture and is critical to our success as a firm. We rely on an external provider to run the process so that feedback from colleagues and peers is professionally organized and presented. A rigorous and complete process is extremely important to the firm. It informs our decisions regarding progression and compensation and allows individuals to build on their strengths and to focus on any highlighted areas for improvement over the coming 12 months.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

**(1) Board and/or trustees**

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(D) Objective on ESG performance ☒

**(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))**

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(D) Objective for ESG performance ☒

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**(3) Investment committee**

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(A) Objective for ESG incorporation in investment activities ☒

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(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

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(D) Objective for ESG performance ☒

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**(4) Other chief-level staff**

---

(A) Objective for ESG incorporation in investment activities ☐

---

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

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(D) Objective for ESG performance ☐

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**(5) Head of department**

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(A) Objective for ESG incorporation in investment activities ☐

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(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

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(D) Objective for ESG performance ☐

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**(6) Portfolio managers**

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(A) Objective on ESG incorporation in investment activities ☒

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(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

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(D) Objective for ESG performance ☒

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**(7) Investment analysts**

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(A) Objective for ESG incorporation in investment activities ☒

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(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

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(D) Objective for ESG performance ☒

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**(9) Investor relations**

---

(A) Objective on ESG incorporation in investment activities ☒

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(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

---

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

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(D) Objective for ESG performance ☒

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**(11) Other role**

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(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
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(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
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(D) Objective for ESG performance	<input checked="" type="checkbox"/>
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**(12) Other role**

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(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>
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(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>
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(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>
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(D) Objective for ESG performance	<input checked="" type="checkbox"/>
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(G) We have not linked any RI objectives to variable compensation	<input type="checkbox"/>
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

**How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?**

- ☒ (A) Quarterly or more frequently
- ☐ (B) Bi-annually
- ☐ (C) Annually
- ☐ (D) Less frequently than annually
- ☐ (E) On an ad hoc basis
- ☐ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

## Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

**Does your organisation incorporate ESG factors into your strategic asset allocation?**

- ☐ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- ☐ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- ☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- ☒ (D) Not applicable, we do not have a strategic asset allocation process

# Stewardship

## Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(C) Private equity 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- ☒ (A) Key stewardship objectives
- ☐ (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- ☐ (C) Prioritisation approach depending on entity (e.g. company or government)
- ☒ (D) Specific approach to climate-related risks and opportunities
- ☒ (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- ☒ (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- ☒ (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- ☒ (H) Approach to collaboration on stewardship
- ☒ (I) Escalation strategies
- ☒ (J) Conflicts of interest
- ☒ (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- ☒ (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

**Describe any additional details related to your stewardship policy elements or your overall stewardship approach.**

TowerBrook's stewardship policy is part of our wider Responsible Ownership program and can be found in our Responsible Ownership statement, our investment playbook, our ESG markers and other internal policies and procedures.

TowerBrook takes steps to ensure that our Responsible Ownership Statement and our corresponding practices are understood and shared across the TowerBrook team, our portfolio companies, key service providers and other stakeholders. We see this as an ongoing effort, and seek to continuously improve our practices in this regard. For example, TowerBrook published a revised investment playbook in February 2020 which includes ESG screens and additions regarding diversity and inclusion considerations into the investment process (with additions around governance diversity). TowerBrook also revised its Responsible Ownership Statement in 2019. Responsible Ownership Statement is also shared with our limited partners and senior management of our portfolio companies and other investments. In addition, our Responsible Ownership Statement and strategy is captured in the Chair Welcome Pack provided to every portfolio chair. TowerBrook keeps the Responsible Ownership Statement, and our monitoring of the ways in which it is implemented, under continuous review.

## Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

**How is your stewardship policy primarily applied?**

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

## Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

### (3) Private equity

(A) Maximise the risk–return profile of individual investments

☐

(B) Maximise overall returns across the portfolio

☐

(C) Maximise overall value to beneficiaries/clients

☒

(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)

☐

## Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

### (3) Private equity

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(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property

☐

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(B) The materiality of ESG factors on financial and/or operational performance

☒

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(C) Specific ESG factors with systemic influence (e.g. climate or human rights)

☒

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(D) The ESG rating of the entity

☐

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(E) The adequacy of public disclosure on ESG factors/performance

☐

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(F) Specific ESG factors based on input from clients

☒

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(G) Specific ESG factors based on input from beneficiaries

☐

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(H) Other criteria to prioritise engagement targets, please specify:

☐

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(I) We do not prioritise our engagement targets

☐

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## Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

**Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.**

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	4
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	2
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (ICI) or similar)	3

## Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

**Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.**

TowerBrook has a clear and consistent process that helps us scrutinize prospective investments, manage them responsibly and deliver sustainable results for our investors. Responsible ownership considerations are integrated into every stage of the investment process, and drive the development of policies, action plans and metrics for our portfolio companies.

#### (1) Initial Screening:

TowerBrook seeks to conduct robust reviews of potential ESG risks early in the investment process. TowerBrook has drafted and continuously evolves a list of ESG Markers, including, but not limited to, certain industries or countries that present heightened ESG risk and investor sensitivities. Investment professionals reviewing potential opportunities in such industries or connected to such countries, or which otherwise could reasonably pose material ESG risks, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of ESG factors is evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify ESG-related risks and opportunities.

#### (2) Due Diligence:

Once an early stage investment proceeds to due diligence, TowerBrook conducts ESG-related diligence targeted to the Company's industry and specific risk profile. TowerBrook has developed a standard ESG diligence request list to confirm a target company's level of compliance with TowerBrook's ESG policies and relevant legislation and regulation. Additionally, TowerBrook has developed a specific detailed ESG diligence request list for certain industries, such as consumer goods and manufacturing. TowerBrook's investment team members may also conduct site visits, as appropriate. TowerBrook's preferred ESG consultants would be retained during the diligence stage to conduct a fulsome ESG diligence review.

TowerBrook's due diligence processes are designed to ensure that material issues, including ESG, are addressed when considering and evaluating investment opportunities. TowerBrook seeks to undertake ESG due diligence on applicable private equity investments, including, but not limited to, those with industrial manufacturing capabilities. Environmental diligence typically comprises environmental Phase I site assessments, but this can be extended to include Phase II site assessment if necessary. TowerBrook may also conduct diligence on anti-corruption, data privacy, supply chain, safety and other governance matters, as appropriate. TowerBrook's due diligence process for structured opportunities investments may also take into account ESG considerations, as appropriate. During diligence, TowerBrook also extensively references key executives and non-executives affiliated with the company, testing among other things for integrity and ethical reputation to help shape our view of the broader company's culture and attitudes.

#### (3) Transaction Closing:

At signing, TowerBrook's legal team and investment teams work to verify due diligence findings via representations and warranties in the purchase agreement, and seek specific indemnification as appropriate. The legal team may seek to include detailed ESG clauses in investment or shareholders' agreements, where practicable and applicable. Such clauses may outline how ESG matters would be handled during the life of the investment, or to document what the Portfolio Company commits to undertake in relation to ESG, and to give the TowerBrook funds future leverage should the portfolio company fail to implement what has been agreed. Additionally, such agreements may establish specific mechanisms for monitoring ESG activities, such as information and inspection rights.



## Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(C) Example 3	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
(A) Example 1	B Corporation Certification	TowerBrook helped industrial portfolio company AustroCel to become B Corporation certified
(B) Example 2	Secured employee jobs under new management	TowerBook helped industrial portfolio company ACPS to secure a new buyer that would bring in new cash flows and in the process of management turnover helped find a way to keep all employee jobs.

(C) Example 3	Carbon footprint measurement, goal setting, and value creation opportunities	TowerBrook joined Initiative Climate International as a founding member, committing alongside leading private equity investors to actively engage with our portfolio companies to reduce carbon emissions and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. TowerBrook is also a founding member of the NY GP ESG Working Group subcommittee on carbon initiatives.
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## Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

**How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?**

- ☒ (A) We engage with policymakers directly
- ☒ (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- ☐ (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?**

- ☐ (A) We participate in "sign-on" letters on ESG policy topics. Describe:
- ☐ (B) We respond to policy consultations on ESG policy topics. Describe:
- ☐ (C) We provide technical input on ESG policy change. Describe:
- ☐ (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
- ☒ (E) We proactively engage regulators and policymakers on other policy topics. Describe:

TowerBrook engages with BVCA and one of TowerBrook's Managing Directors is a member of the Responsible Investment Advisory Group Member to BVCA. The Responsible Investment Advisory Group assists the BVCA in being able to provide practical advice to its members to help them incorporate responsible investment considerations into their business decisions. The Group comprises investors, intermediaries and sustainability/responsible investment practitioners recognized for their excellence, experience, insight and ability to provide strategic guidance to the BVCA.

☒ (F) Other methods used to engage with policymakers. Describe:

TowerBrook engages with different organizations that the firm supports, such as ICI, Net Zero, ILPA and BVCA.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

**Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

☒ (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

The Firm's Management Committee formally considers Responsible Ownership and ESG-related issues on at least an annual basis. Additionally, TowerBrook has formed a Responsible Ownership Committee, composed of senior TowerBrook professionals, including the firm's co-CEOs, to direct the responsible ownership program, including the adoption, implementation and monitoring of policies and procedures to ensure that TowerBrook and its portfolio companies' businesses are conducted in a responsible manner. The Responsible Ownership Committee meets at least quarterly.

☐ (B) No, we do not have these governance processes in place. Please explain why not:

## Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

**Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?**

☒ (A) Yes, we have a policy(ies) in place. Describe your policy(ies):

Membership or financial support of industry groups is approved by both TowerBrook's Management Committee and Responsible Ownership Committee. Membership groups include, but are not limited to, ILPA signatories, BVCA, Net Zero, and BSR member.

☐ (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

☒ (A) Yes. Add link(s):

(1) <https://www.bsr.org/en/industry-focus/financial-services/>; (2) <https://www.towerbrook.com/us/towerbrook-a-founding-signatory-of-the-ilpa-diversity-in-action-initiative/>

☐ (B) No, we do not publicly disclose this policy(ies)

## Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

☒ (A) We publicly disclosed details of our policy engagement activities. Add link(s):

[https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf)

☒ (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

[https://www.towerbrook.com/TowerBrook\\_Responsible\\_Ownership-2020.pdf](https://www.towerbrook.com/TowerBrook_Responsible_Ownership-2020.pdf)

☐ (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

☐ (D) Not applicable, we did not conduct policy engagement activities

# Climate change

## Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

### Does your organisation publicly support the Paris Agreement?

☒ (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

While TowerBrook endorses the general principals behind the Paris Agreement, we are still evaluating the initiative and considering whether we will publicly support it. In June 2020, TowerBrook joined forces to create the first international network of Initiative Climate International (ICI). In establishing a UK ICI network, TowerBrook joined with other PE funds in collectively committing to actively engage with private equity-backed companies globally to reduce carbon emissions intensity and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk.

☐ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

### Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

☐ (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

☒ (B) No, we currently do not publicly support the TCFD

## Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

**How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?**

☒ **(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:**

As responsible owners, TowerBrook will partner with and depend on a portfolio company's Board and Chair to integrate the consideration of environmental, social and governance (ESG) issues into the governance and board committee processes of the portfolio company in a way that is consistent with TowerBrook's values of responsibility, integrity and sustainability. TowerBrook looks to the Chair of each portfolio company to establish internal processes through which the boards are informed about climate-related risks and opportunities.

TowerBrook includes climate-related indicators on our list of ESG Markers. TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and value creation opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed.

☒ **(B) By articulating internal/external roles and responsibilities related to climate. Specify:**

Internally at TowerBrook, the Responsible Ownership Committee has oversight over climate related risks and value creation opportunities. Our process for addressing climate-related risk is embedded in our overall Responsible Ownership Committee's charter, which directs the firm on key ESG issues, including climate-related risks, and the integration of ESG considerations into business processes.

Our portfolio group ensures that the Boards of our controlled portfolio companies have the responsibility to report on material climate-related risks to TowerBrook.

☒ **(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:**

TowerBrook is a founding signatory of iCi UK, the UK network of Initiative Climate International which was established in France in 2015. The network's purpose is to call the global PE industry to action on climate change by (1) recognizing its adverse effects on the global economy, which presents both risk and opportunities for investments, (2) joining forces to contribute to the objective of the Paris Agreement to limit global warming, and (3) actively engaging with portfolio companies to reduce their greenhouse gas emissions

☒ **(D) By incorporating climate change into investment beliefs and policies. Specify:**

TowerBrook's process for addressing climate-related risk is embedded in our overall Responsible Ownership Committee's charter, which directs the firm on key ESG issues, including climate-related risks, and the integration of ESG considerations into business processes. We also include climate-related indicators on our list of ESG Markers. TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and value creation opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed.

☒ **(E) By monitoring progress on climate-related metrics and targets. Specify:**

TowerBrook has expanded our collection of data on climate relative factors from our portfolio companies. TowerBrook surveyed our portfolio companies in 2020 on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level. We plan to survey our portfolio companies in greater detail in 2021 on climate related data. TowerBrook reports on the results of our portfolio company climate-related metrics on an annual basis.

- ☐ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:
- ☒ (G) **Other measures to exercise oversight, please specify:**  
 TowerBrook hires consultants, especially specialist ESG consultants, to engage on ESG measures.
- ☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

#### What is the role of management in assessing and managing climate-related risks and opportunities?

- ☒ (A) **Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

TowerBrook's process for addressing climate-related risk is embedded in our overall Responsible Ownership Committee's charter, which directs the firm on key ESG issues, including climate-related risks, and the integration of ESG considerations into business processes. We also include climate-related indicators on our list of ESG Markers. TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and value creation opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed.

- ☒ (B) **Management implements the agreed-upon risk management measures. Specify:**

As there is no established industry risk framework for managing climate-related risks and opportunities, TowerBrook intends to develop and implement our own organization-wide framework to analyze such risks and opportunities. TowerBrook continues to collaborate with other GPs and organizations such as the PRI and SASB on PE industry best practice.

- ☒ (C) **Management monitors and reports on climate-related risks and opportunities. Specify:**

TowerBrook has expanded our collection of data on climate relative factors from our portfolio companies. TowerBrook will survey our portfolio companies in 2020 on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level. We plan to report in greater detail in 2020 on climate related data.

- ☒ (D) **Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

The Firm's Management Committee, Responsible Ownership Committee and Risk and Compliance Committee each formally considers ESG-related issues on at least an annual basis, which include climate-related issues. In May 2021 TowerBrook created the role of Chief Sustainability Officer, which will provide thought leadership around the development, measurement and reporting of climate related risks, opportunities and measures.

- ☒ (E) **Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:**

In February 2019, TowerBrook became a Certified B Corporation (“B Corp”), becoming the first mainstream private equity fund in the world to receive this recognition. B Corp certification is awarded to companies that are leaders in their commitment to ESG and responsible business practices. TowerBrook has partnered with B Corp around climate-related risks and opportunities, including developing a detailed and robust methodology for measuring our carbon footprint.

- ☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

## Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?**

- ☒ (A) **Specific financial risks in different asset classes. Specify:**

TowerBrook reviews these data points when applicable.

- ☒ (B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

TowerBrook reviews these data points when applicable.

- ☒ (C) **Assets with exposure to direct physical climate risk. Specify:**

TowerBrook reviews these data points when applicable.

- ☒ (D) **Assets with exposure to indirect physical climate risk. Specify:**

TowerBrook reviews these data points when applicable.

- ☒ (E) **Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

TowerBrook reviews these data points when applicable.

- ☒ (F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

TowerBrook reviews these data points when applicable.

- ☐ (G) Other climate-related risks and opportunities identified. Specify:

- ☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

**Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?**

- ☐ (A) Specific financial risks in different asset classes. Specify:
- ☐ (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- ☐ (C) Assets with exposure to direct physical climate risk. Specify:
- ☐ (D) Assets with exposure to indirect physical climate risk. Specify:
- ☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- ☐ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- ☒ (G) **Other climate-related risks and opportunities identified, please specify:**

TowerBrook is currently working to track metrics across our portfolio to measure the likelihood and impact of climate risks. TowerBrook surveys portfolio companies annually on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level.

TowerBrook purchases carbon offsets on an annual basis to neutralize the environmental impact created by our carbon footprint. TowerBrook tracks all flights and car services taken by our team members in connection with business travel and uses this data to calculate our carbon emissions based on EPA guidelines. We refined in 2019 our approach for measuring our carbon emissions and developed a more precise methodology which considered additional inputs such as hotel night stays, office building emissions and printing paper used. TowerBrook has partnered with carbonfund.org for our carbon offset program, and has purchased credits in a Trukstop Electrification Project to offset our 2018, 2019 and 2020 emissions. We plan to report in greater detail on our carbon emissions program in 2021.

- ☐ (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

**Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.**

TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and value creation opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed.

TowerBrook is currently working to identify and track metrics across our portfolio to measure our carbon footprint. TowerBrook surveys our portfolio companies annually regarding greenhouse gas (GHG) emissions for Scope 1, Scope 2 and Scope 3, carbon offset programs (including purchases of certified carbon credit), other initiatives to reduce carbon footprint. TowerBrook also surveys portfolio companies annually on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level. We plan to report in greater detail in 2021 on this data.

TowerBrook purchases carbon offsets on an annual basis to neutralize the environmental impact created by our carbon footprint. TowerBrook tracks all flights and car services taken by our team members in connection with business travel and uses this data to calculate our carbon emissions based on EPA guidelines. We refined in 2019 our approach for measuring our carbon emissions and developed a more precise methodology which considered additional inputs such as hotel night stays, office building emissions and printing paper used. TowerBrook has partnered with carbonfund.org for our carbon offset program, and has purchased credits in a Truskstop Electrification Project to offset our 2018, 2019 and 2020 emissions. We plan to report in greater detail on our carbon emissions program in 2021.

## Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

**Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.**

- ☐ (A) An orderly transition to a 2°C or lower scenario
- ☐ (B) An abrupt transition consistent with the Inevitable Policy Response
- ☐ (C) A failure to transition, based on a 4°C or higher scenario
- ☐ (D) Other climate scenario, specify:
- ☒ (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

## Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

### Which risk management processes do you have in place to identify and assess climate-related risks?

- ☐ (A) Internal carbon pricing. Describe:
- ☐ (B) Hot spot analysis. Describe:
- ☐ (C) Sensitivity analysis. Describe:
- ☐ (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- ☐ (E) TCFD reporting requirements on companies. Describe:
- ☒ (F) **Other risk management processes in place, please describe:**

TowerBrook has expanded our collection of data on climate relative factors from our portfolio companies. TowerBrook surveyed our portfolio companies in 2020 on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level. We plan to survey in greater detail in 2021 on climate related data, and utilize such data for risk management across our portfolio.

- ☐ (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

### In which investment processes do you track and manage climate-related risks?

- ☒ (A) **In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:**

TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and value creation opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed.

- ☐ (E) In the asset class benchmark selection process. Describe:
- ☐ (F) In our financial analysis process. Describe:
- ☐ (G) Other investment process(es). Describe:
- ☐ (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

**How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?**

☒ **(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:**

The Risk and Compliance Committee charter includes identifying and assessing climate risks for TowerBrook. The Risk and Compliance Committee discusses management of climate risk on a periodic basis, and as particular issues may arise.

☒ **(B) Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk). Describe:**

Climate risks would be addresses together with traditional risks as appropriate. For example, climate risk is considered as part of business continuity risk, and assessment of climate risk forms part of TowerBrook's disaster recovery scenario analysis and testing.

☐ (C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

☐ (D) Executive remuneration is linked to climate-related KPIs. Describe:

☐ (E) Management remuneration is linked to climate-related KPIs. Describe:

☒ **(F) Climate risks are included in the enterprise risk management system. Describe:**

Our deal teams and deal team leads are responsible for identifying, in cooperation with the portfolio company, any potential climate-related issues. TowerBrook seeks to conduct robust reviews of potential climate-related issues early in the investment process. Investment professionals reviewing potential opportunities which present climate-related issues, or which impact industries which could reasonably present climate-related issues, must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process.

☒ **(G) Other methods for incorporating climate risks into overall risk management, please describe:**

Materiality of climate-related issues are evaluated on a case-by-case basis. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate-related risks and opportunities. Teams also partner with the relevant portfolio companies to resolve any given climate-related issues and escalate to the executive team where needed. TowerBrook surveys portfolio companies annually on any climate-related incidents or factors that impacted the business over the past year, whether the company has (or is developing) a climate strategy, and whether the company addresses climate risk at the board level.

☐ (H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

## Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

**Have you set any organisation-wide targets on climate change?**

- ☐ (A) Reducing carbon intensity of portfolios
- ☐ (B) Reducing exposure to assets with significant climate transition risks
- ☐ (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- ☐ (D) Aligning entire group-wide portfolio with net zero
- ☐ (E) Other target, please specify:
- ☒ (F) No, we have not set any climate-related targets

## Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

**What climate-related metric(s) has your organisation identified for transition risk monitoring and management?**

- ☒ (A) Total carbon emissions
- ☒ (B) Carbon footprint
- ☐ (C) Carbon intensity
- ☐ (D) Weighted average carbon intensity
- ☐ (E) Implied temperature warming
- ☐ (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- ☐ (G) Avoided emissions metrics (real assets)
- ☐ (H) Other metrics, please specify:
- ☐ (I) No, we have not identified any climate-related metrics for transition risk monitoring

## Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- ☒ (A) Weather-related operational losses for real assets or the insurance business unit
- ☐ (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- ☒ (C) Other metrics, please specify:  
 TowerBrook considers climate related metrics and scenarios as part of our business continuity planning and disaster recovery program and testing.
- ☐ (D) Other metrics, please specify:
- ☐ (E) We have not identified any metrics for physical risk monitoring

## Sustainability outcomes

### Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- ☐ (A) No, we have not identified the sustainability outcomes from our activities
- ☒ (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (B) The Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- ☒ (G) Other framework/tool, please specify:  
SASB
- ☒ (H) Other framework/tool, please specify:  
B Impact Assessment
- ☐ (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- ☒ (A) At the asset level
- ☐ (B) At the economic activity level
- ☒ (C) At the company level
- ☐ (D) At the sector level
- ☐ (E) At the country/region level
- ☐ (F) At the global level
- ☐ (G) Other level(s), please specify:
- ☐ (H) We do not track at what level(s) our sustainability outcomes were identified



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- ☒ (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consulting with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- ☐ (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- ☒ (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- ☐ (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- ☐ (G) Understanding the geographical relevance of specific sustainability outcome objectives
- ☐ (H) Other method, please specify:
- ☐ (I) We have not yet determined our most important sustainability outcome objectives

## Transparency & Confidence-Building Measures

### Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☒ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☒ (E) ESG objectives of individual funds
- ☐ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☒ (G) Our stewardship approach
- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)

- ☐ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☒ (J) A list of our main investments and holdings
- ☒ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

## Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- ☒ (A) Qualitative ESG analysis, descriptive examples or case studies
- ☒ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☒ (C) Progress on our sustainability outcome objectives
- ☒ (D) Stewardship results
- ☒ (E) Information on ESG incidents where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our assets under management

## Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(C) Private equity

(1) Quarterly

## Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

**What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?**

- ☐ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- ☐ (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- ☒ **(D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report**
- ☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- ☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- ☐ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ **(I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
- ☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

**Who has reviewed/verified the entirety of or selected data from your PRI report?**

- |   |                         |
|---|-------------------------|
| (A) Board and/or trustees   | (1) the entire report   |
| (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) | (1) the entire report   |
| (C) Investment committee  | (4) report not reviewed |

(D) Other chief-level staff, please specify:

Chief Sustainability Officer

(1) the entire report

(E) Head of department, please specify:

Head of Portfolio Group

(1) the entire report

(F) Compliance/risk management team

(1) the entire report

(G) Legal team

(3) parts of the report

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(4) report not reviewed

## Private Equity (PE)

## Policy

### Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	N/A	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policies?

- ☒ (A) Guidelines on how we adapt our ESG approach for the different sectors and geographies we invest in
- ☒ (B) Guidelines on how we adapt our ESG approach for the different strategies and company stages we invest in (e.g. venture capital, buy-out, distressed etc.)
- ☒ (C) Guidelines on screening investments
- ☒ (D) Guidelines on minimum ESG due diligence requirements
- ☒ (E) Guidelines on our approach to ESG integration into 100-day plans (or equivalent) and long-term value creation efforts
- ☒ (F) Guidelines on our approach to monitoring ESG risks, opportunities and incidents
- ☒ (G) Guidelines on our approach to ESG reporting
- ☒ (H) Identification of individuals or a group with ultimate responsibility for ESG
- ☐ (I) Our policies do not cover private equity-specific ESG guidelines

# Fundraising

## Commitments to investors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	N/A	N/A	PUBLIC	Commitments to investors	1, 4

For all of your funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs) or side letters? (If you did not close any funds during this reporting year, refer to the last reporting year in which you did close funds.)

- ☐ (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- ☐ (B) We added responsible investment commitments in LPAs upon client request
- ☒ (C) We added responsible investment commitments in side letters upon client request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable as we have never raised funds
- ☐ (F) Not applicable as we have not raised funds in the last 5 years

## Pre-investment phase

### Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	N/A	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- |   |  |
|---|--|
| (A) We assessed materiality at the portfolio company level, as each case is unique        | (2) for the majority of our potential private equity investments |
| (B) We performed a mix of industry-level and portfolio company-level materiality analysis | (1) for all of our potential private equity investments          |
| (C) We assessed materiality at the industry level only                                    | (4) for none of our potential private equity investments         |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- ☐ (A) We used GRI Standards to inform our private equity materiality analysis
- ☒ (B) We used SASB to inform our private equity materiality analysis
- ☐ (C) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards) in our private equity materiality analysis
- ☐ (D) We used climate risk disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our private equity materiality analysis
- ☒ (E) We used geopolitical and macro-economic considerations in our private equity materiality analysis
- ☒ (F) Other, please specify:  
Impact Assessment

## Due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	N/A	N/A	PUBLIC	Due diligence	1

During the reporting year, how did ESG factors affect the selection of your private equity investments?

- |  |   |
|--|---|
| (A) ESG factors helped identify risks  | (1) for all of our private equity investments selected        |
| (B) ESG factors were discussed by the investment committee (or equivalent)             | (1) for all of our private equity investments selected        |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent) | (1) for all of our private equity investments selected        |
| (D) ESG factors helped identify opportunities for value creation                       | (1) for all of our private equity investments selected        |
| (E) ESG factors led to the abandonment of potential investments                        | (3) for a minority of our private equity investments selected |

(F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions	(2) for the majority of our private equity investments selected
(G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions	(3) for a minority of our private equity investments selected
(H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions	(3) for a minority of our private equity investments selected
(I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions	(3) for a minority of our private equity investments selected
(J) Other, please specify: n/a	(4) for none of our private equity investments selected

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	N/A	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential investments?**

(A) We do a high-level/desktop review against an ESG checklist for initial red flags	(1) for all of our potential private equity investments
(B) We send detailed ESG questionnaires to target companies	(1) for all of our potential private equity investments
(C) We hire third-party consultants to do technical due diligence on specific issues	(1) for all of our potential private equity investments
(D) We conduct site visits and in-depth interviews with management and personnel	(1) for all of our potential private equity investments
(E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent)	(1) for all of our potential private equity investments
(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal)	(1) for all of our potential private equity investments

(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal)

(1) for all of our potential private equity investments

(H) Other, please specify:

TowerBrook has developed a specific detailed ESG diligence request list for certain industries, such as consumer goods and manufacturing. TowerBrook's investment team members may also conduct site visits, as appropriate.

(2) for the majority of our potential private equity investments

## Post-investment phase

### Monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	N/A	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more core ESG KPIs across all your private equity investments?

- ☒ (A) Yes, we tracked environmental KPIs  
☒ (B) Yes, we tracked social KPIs  
☒ (C) Yes, we tracked governance KPIs  
☐ (D) We did not track ESG KPIs across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

Provide examples of the core ESG KPIs you tracked across all of your private equity investments.

- ☒ (A) ESG KPI #1  
 People KPIs: annual training, professional certifications and licenses, tuition assistance or reimbursement, apprentice programs, educational learning/ technical skills, flexible work schedules, conference participation  
☒ (B) ESG KPI #2  
 Planet: GHG emission monitoring, carbon neutrality plans, Co2 emission tracking  
☒ (C) ESG KPI #3  
 Partnership: implementing Code of Ethics/ Conduct, Anti-bribery, Health & Safety, Anti-harassment and Supply chain protocols  
☐ (D) ESG KPI #4  
☐ (E) ESG KPI #5



- ☐ (F) ESG KPI #6
- ☐ (G) ESG KPI #7
- ☐ (H) ESG KPI #8
- ☐ (I) ESG KPI #9
- ☐ (J) ESG KPI #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	N/A	N/A	PUBLIC	Monitoring	1

**For the majority of the core KPIs that you tracked, how did you set targets across your private equity investments?**

- ☐ (A) We set targets to achieve incremental improvements based on past performance
- ☐ (B) We set targets using industry benchmarks/standards
- ☒ (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
- ☐ (D) We did not set targets for the core ESG KPIs that we tracked
- ☐ (E) We did not set targets as we don't track core ESG KPIs

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	CORE	N/A	PE 8.1	PUBLIC	Monitoring	1,2

**What processes do you have in place to support meeting your ESG targets for your private equity investments?**

(A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance	(1) for all of our private equity investments
(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis	(3) for a minority of our private equity investments
(C) We implement certified environmental management systems across our portfolio	(3) for a minority of our private equity investments
(D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	(1) for all of our private equity investments
(E) We hire external verification services to audit performance, systems and procedures	(3) for a minority of our private equity investments
(F) We develop minimum health and safety standards	(1) for all of our private equity investments
(G) We conduct ongoing engagement with all key stakeholders at the portfolio company level (e.g. local communities, NGOs, governments and end-users)	(2) for the majority of our private equity investments

(H) Other, please specify:

n/a

(4) for none of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8.1	PLUS	PE 8	N/A	PUBLIC	Monitoring	1,2

**Describe up to two processes that you put in place during the reporting year to support meeting your ESG targets.**

**Processes to support meeting ESG targets**

(A) Process 1

[Abrielle to provide] : board diversity policy, ethical business policy, RO accelerator initiative, purpose statement, ESG toolbox/roadmap

(B) Process 2

[Abrielle to provide] : board diversity policy, ethical business policy, RO accelerator initiative, purpose statement, ESG toolbox/roadmap

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	PLUS	N/A	N/A	PUBLIC	Monitoring	1, 2

**Describe ESG risks and opportunities that you integrate into your 100-day plans, including who is accountable for their successful completion and how the process is monitored.**

Within TowerBrook, the Portfolio Group and Legal Team monitor relevant Responsible Ownership matters during the deal structuring phase, and would integrate such matters into the deal documentation and/or the 200 day plan, as appropriate.

The 200-day plan for each portfolio company includes development and publication of an appropriate ESG policy and development of procedures to implement, monitor and test such policy. Each 200-day plan includes standard ESG items, as well as any specific ESG items identified during diligence as relevant for a particular target company. Individual portfolio company action plans are designed, where appropriate, to address any opportunities for improvement. Each 200-day plan includes a consideration of Responsible Ownership risk mitigation and value creation opportunities, as applicable.

Ownership

During ownership, ESG related risks are managed by the boards and management teams of the individual portfolio companies. Since TowerBrook invests in a wide range of sectors, ESG risks vary widely from company to company. TowerBrook discusses the importance of ESG with each CEO of private equity portfolio companies, together with the Chair, who would have been separately instructed during onboarding with a Welcome Pack that explicitly addresses Responsible Ownership and the Chair's role therein. TowerBrook intends to actively monitor ESG at the portfolio company level, ensuring that systems and resources are in place to enable ESG risks to be effectively managed and that each portfolio company assigns specific management responsibility for ESG operations. Since TowerBrook invests in a wide range of sectors, ESG risks vary widely from company to company, TowerBrook seeks to discuss the importance of ESG with each CEO of private equity portfolio companies as well as the Board Chair. Additionally, the Chair is separately instructed during onboarding with a Welcome Pack that explicitly addresses Responsible Ownership and the Chair's role therein. TowerBrook seeks to ensure that each portfolio company has established a dedicated board Committee (for example ESG or CRS), or modified an existing governance committee, to (i) establish a corresponding charter that is bespoke to the language, culture and business of each company, (ii) review the company's significant strategies, activities and policies regarding ESG (including labor practices) and community impact and charitable activities, and (iii) make recommendations to the Board that focus on maximizing long-term, sustainable value creation. Portfolio company management is encouraged to engage directly with third parties (such as suppliers, developers, and contractors) to verify sound ESG practices. Furthermore, TowerBrook seeks to ensure adequate training on ESG at the portfolio company level, which may include sensitivity/diversity training and supply chain management training.

In 2021, TowerBrook formalized a Responsible Ownership Toolkit and is in the process of holding meetings with senior management of our controlled portfolio companies to discuss how responsible ownership can drive value creation. Potential topics discussed with management include drafting a purpose statement, DE&I as a lever for value creation, using the B Impact Assessment as a driver of value creation, and RO metrics and reporting, as well as procurement and digital.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 10	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG-related risks and opportunities to create value during the holding period of your investments?**

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings	(1) for all of our private equity investments
(B) We adjust our ESG action plans regularly based on performance monitoring findings	(2) for the majority of our private equity investments
(C) We hire external advisors to provide support with specific ESG value creation opportunities	(3) for a minority of our private equity investments
(D) Other, please specify: Assist with the selection of advisors	(2) for the majority of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 11	PLUS	N/A	N/A	PUBLIC	Monitoring	2

**Describe how your long-term ESG action plans are currently defined, implemented and monitored.**

TowerBrook actively monitors ESG at the portfolio company level, ensuring that systems and resources are in place to enable ESG risks to be effectively managed and that each portfolio company assigns specific management responsibility for ESG operations. At the portfolio level, ESG is a recurring topic on the board agenda multiple times during the year, and at least once annually is reviewed formally in a process led by the committee tasked to oversee ESG issues. Because TowerBrook appoints independent chairpersons, who are held to our ESG standards, to its portfolio companies, this process benefits from an additional layer of oversight. As part of its general ESG oversight, TowerBrook would review existing compliance with sustainability, and ethical business guidelines, as appropriate, and would encourage portfolio company management to introduce new guidelines if we deemed this necessary.

**200-Day Plan:**

In connection with TowerBrook's recent revision of its ESG policies, the 200 day plan for each portfolio company includes development and publication of an appropriate ESG policy and development of procedures to implement, monitor and test such policy. Each 200 day plan includes standard ESG items, as well as any specific ESG items identified during diligence as relevant for a particular target company. Individual portfolio company action plans are designed, where appropriate, to address any opportunities for improvement.

**Ownership:**

During ownership, ESG related risks are managed by the boards and management teams of the individual portfolio companies. Since TowerBrook invests in a wide range of sectors, ESG risks vary widely from company to company. In connection with its recent enhancement of Responsible Ownership policies, TowerBrook now seeks to discuss the importance of ESG with each CEO of private equity portfolio companies, together with the Chair, who would have been separately instructed during onboarding with a Chair Welcome Pack that explicitly addresses Responsible Ownership and the Chair's role therein. TowerBrook intends to actively monitor ESG at the portfolio company level, ensuring that systems and resources are in place to enable ESG risks to be effectively managed and that each portfolio company assigns specific management responsibility for ESG operations. TowerBrook's approach to ESG has been to ask each portfolio company's Audit & Risk Management Committee to review regularly such ESG risks as are relevant to that company. This practice is now evolving to establish a dedicated ESG (or similar) committee on each portfolio board, or else the chair opting to take explicit ownership of ESG at the board level. Portfolio company management is encouraged to engage directly with third parties (such as suppliers, developers, and contractors) to verify sound ESG practices. Furthermore, TowerBrook seeks to ensure adequate training on ESG at the portfolio company level, which may include sensitivity/diversity training and supply chain management training.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	N/A	PE 12.1	PUBLIC	Monitoring	1, 2

**How do you ensure that adequate ESG-related competence exists at the portfolio company level?**

(A) We assign the board responsibility for ESG matters	(1) for all of our private equity investments
(B) We mandate that material ESG matters are discussed by the board at least once a year	(1) for all of our private equity investments
(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only	(2) for the majority of our private equity investments
(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)	(2) for the majority of our private equity investments
(E) We support the portfolio company in developing and implementing its ESG strategy	(1) for all of our private equity investments
(F) We support portfolio companies by finding external ESG expertise (e.g. consultants or auditors)	(1) for all of our private equity investments
(G) We share best practices across portfolio companies (e.g. educational sessions or implementation of environmental and social management systems)	(3) for a minority of our private equity investments
(H) We include incentives to improve ESG performance in management remuneration schemes	(3) for a minority of our private equity investments
(I) Other, please specify: n/a	(4) for none of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two initiatives taken as part of your ESG competence-building efforts during the reporting year.**

#### ESG competence-building initiatives

(A) Initiative 1

Sample initiatives: (1) Responsible Ownership rollout; (2) ESG roadmap shared at board level; (3) chair welcome pack; (4) purpose statement

(B) Initiative 2

Sample initiatives: (1) Responsible Ownership rollout; (2) ESG roadmap shared at board level; (3) chair welcome pack; (4) purpose statement

## Exit

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	N/A	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information has your organisation shared with potential buyers of private equity investments?**

(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)

(1) for all of our private equity investments

(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)

(3) for a minority of our private equity investments

(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

(1) for all of our private equity investments

(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)

(2) for the majority of our private equity investments

(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company

(2) for the majority of our private equity investments

(F) We shared key ESG performance data on the asset or portfolio company being sold

(1) for all of our private equity investments

(G) Other, please specify:

Relevant ESG disclosures included in data room

(1) for all of our private equity investments

# Reporting/Disclosure

## ESG portfolio information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	N/A	N/A	PUBLIC	ESG portfolio information	6

During the reporting year, how did you report on core ESG data and targets to your investors or beneficiaries?

- ☒ (A) We reported in aggregate through a publicly disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors or beneficiaries
- ☒ (C) We reported on the portfolio company level through formal reporting to investors or beneficiaries
- ☒ (D) We reported through a limited partners advisory committee
- ☒ (E) We reported back at digital or physical events or meetings with investors or beneficiaries
- ☒ (F) We did ad hoc or informal reporting on serious ESG incidents
- ☐ (G) Other, please specify:
- ☐ (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year

# Sustainability Outcomes (SO)

## Set targets on sustainability outcomes

### Outcome objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	ISP 45	SO 1.1, SO 2	PUBLIC	Outcome objectives	1

Has your organisation chosen to shape any specific sustainability outcomes?

- ☒ (A) Yes  
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 3	PUBLIC	Outcome objectives	1

Please list up to 10 of the specific sustainability outcomes that your organisation has chosen to shape.

#### Sustainability outcomes

(A) Sustainability Outcome #1	Supplier Diversity
(B) Sustainability Outcome #2	Fight Against Systemic Racism
(C) Sustainability Outcome #3	PortCo Board Diversity
(D) Sustainability Outcome #4	Best Practice in ESG Standards, Reporting and Tran



## Target-setting process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 2	SO 3.1	PUBLIC	Target-setting process	1

**Have you set any targets for your sustainability outcomes? Indicate how many targets you have set for each sustainability outcome.**

(A) Sustainability Outcome #1: (3) Two or more targets

(B) Sustainability Outcome #2: (3) Two or more targets

(C) Sustainability Outcome #3: (3) Two or more targets

(D) Sustainability Outcome #4: (3) Two or more targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	Multiple, see guidance	PUBLIC	Target-setting process	1

**For each sustainability outcome, name and provide a brief description of up to two of your targets and list the metrics or key performance indicators (KPIs) associated with them, the targets' deadlines and the percentage of your assets under management to which the targets apply.**

	Target name	Target description
(A1) Sustainability Outcome #1: (Target 1)	Communication, development and collection of metrics regarding diversity and responsible ownership	Communicating with all our current vendors regarding our Responsible Ownership and Diversity and Inclusion expectations and values. Also, developing and collecting metrics from our material vendors to measure the gender and non-gender diversity of ownership, leadership and team representation.

(A2) Sustainability Outcome #1: (Target 2)	Diverse procurement of vendors	Setting specific targets around procurement spend for diverse vendors.
(B1) Sustainability Outcome #2: (Target 1)	Monetary commitment	TowerBrook pledges to commit \$1 million in funding to organizations committed to fighting against systemic racism, inequality and injustice
(B2) Sustainability Outcome #2: (Target 2)	Partnerships with organizations	TowerBrook can partner in a meaningful way through our volunteer time and multi-year funding, with such funding to be split between the US and UK.
(C1) Sustainability Outcome #3: (Target 1)	Communication of TowerBrook policies around diversity	TowerBrook commits to sharing our Diversity and Inclusion expectations and values with our portfolio company board chairs.
(C2) Sustainability Outcome #3: (Target 2)	Increase diversity of the boards of our controlled portfolio companies	TowerBrook commits to ensuring that the boards of all our controlled portfolio companies acquired since 2021 have at least one diverse member.
(D1) Sustainability Outcome #4: (Target 1)	Surveying best practices in ESG standards of all of our controlled portfolio companies	TowerBrook commits to surveying 100% of our controlled portfolio companies and using best efforts to survey 100% of our other investments annually on practices and metrics relating to people, planet and partnership, and to reporting on our key findings publicly.
(D2) Sustainability Outcome #4: (Target 2)	Furthering industry collaboration on best practices of ESG standards	TowerBrook commits to furthering industry collaboration through active participation in PE industry working groups focused around ESG best practices in the US and the UK.
	<b>KPIs/metrics</b>	<b>Target deadline: Year</b>
(A1) Sustainability Outcome #1: (Target 1)	Measurement of the gender and non-gender diversity of ownership, leadership and team representation	2021

(A2) Sustainability Outcome #1: (Target 2)	Metrics around procurement of diverse vendors	2021
(B1) Sustainability Outcome #2: (Target 1)	Monetary commitment of \$1 million to respective organizations by 2023	2023
(B2) Sustainability Outcome #2: (Target 2)	Metrics of TowerBrook employee volunteer time and the firm's monetary commitments	2023
(C1) Sustainability Outcome #3: (Target 1)	Sharing our diversity policy with all of our controlled and not controlled portfolio companies' board chairs	2021
(C2) Sustainability Outcome #3: (Target 2)	Tracking the diversity of the boards of our controlled portfolio companies acquired since 2021	2021
(D1) Sustainability Outcome #4: (Target 1)	Tracking ESG best practices of 100% of controlled companies and other investments	2021
(D2) Sustainability Outcome #4: (Target 2)	Participation in numerous ESG related groups and organizations in both US and UK	2021

**Coverage: % of assets under management**

(A1) Sustainability Outcome #1: (Target 1)	100
(A2) Sustainability Outcome #1: (Target 2)	100
(B1) Sustainability Outcome #2: (Target 1)	100
(B2) Sustainability Outcome #2: (Target 2)	100
(C1) Sustainability Outcome #3: (Target 1)	100
(C2) Sustainability Outcome #3: (Target 2)	100
(D1) Sustainability Outcome #4: (Target 1)	100
(D2) Sustainability Outcome #4: (Target 2)	100

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 3.1	N/A	PUBLIC	Target-setting process	1

Which global goals (or other references) did your organisation use to determine your sustainability outcomes targets? Explain whether you have derived your target from global goals, e.g. by translating a global goal into a target at the national, regional, sub-national, sectoral or sub-sectoral level. Alternatively, explain why you have set your target independently from global goals.

#### Global goals/references

(A1) Sustainability Outcome #1: (Target 1)	UN SDG 5 (Gender Equality) and UN SDG 10 (Reduced Inequalities)
(A2) Sustainability Outcome #1: (Target 2)	UN SDG 5 (Gender Equality) and UN SDG 10 (Reduced Inequalities)
(B1) Sustainability Outcome #2: (Target 1)	UN SDG 10 (Reduced Inequalities) and UN SDG 16 (Peace, Justice and Strong Institutions)
(B2) Sustainability Outcome #2: (Target 2)	UN SDG 10 (Reduced Inequalities) and UN SDG 16 (Peace, Justice and Strong Institutions)
(C1) Sustainability Outcome #3: (Target 1)	UN SDG 5 (Gender Equality) and UN SDG 10 (Reduced Inequalities)
(C2) Sustainability Outcome #3: (Target 2)	UN SDG 5 (Gender Equality) and UN SDG 10 (Reduced Inequalities)
(D1) Sustainability Outcome #4: (Target 1)	UN SDG 3 (Good Health and Well-Being), UN SDG 5 (Gender Equality), UN SDG 8 (Decent Work and Economic Growth), UN SDG 10 (Reduced Inequalities), UN SDG 12 (Responsible Consumption and Production), and UN SDG 13 (Climate Action)
(D2) Sustainability Outcome #4: (Target 2)	UN SDG 3 (Good Health and Well-Being), UN SDG 5 (Gender Equality), UN SDG 8 (Decent Work and Economic Growth), UN SDG 10 (Reduced Inequalities), UN SDG 12 (Responsible Consumption and Production), and UN SDG 13 (Climate Action)

## Tracking progress

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 3.1	SO 5.1, SO 5.2	PUBLIC	Tracking progress	1

**Does your organisation track intermediate performance and progress against your sustainability outcomes targets?**

(A1) Sustainability Outcome #1: (Target 1) (1) Yes

(A2) Sustainability Outcome #1: (Target 2) (1) Yes

(B1) Sustainability Outcome #2: (Target 1) (1) Yes

(B2) Sustainability Outcome #2: (Target 2) (1) Yes

(C1) Sustainability Outcome #3: (Target 1) (1) Yes

(C2) Sustainability Outcome #3: (Target 2) (1) Yes

(D1) Sustainability Outcome #4: (Target 1) (1) Yes

(D2) Sustainability Outcome #4: (Target 2) (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.1	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

**How does your organisation track intermediate performance and progress against your sustainability outcomes targets?**

**Please describe below:**

(A1) Sustainability Outcome #1: (Target 1)

We have developed a vendor management system which contains data on diversity of ownership, leadership and team representation. We intend to monitor this data on a quarterly basis. We also intend to monitor, track and report procurement spend on a quarterly basis.

(A2) Sustainability Outcome #1: (Target 2)	We have developed a vendor management system which contains data on diversity of ownership, leadership and team representation. We intend to monitor this data on a quarterly basis. We also intend to monitor, track and report procurement spend on a quarterly basis.
(B1) Sustainability Outcome #2: (Target 1)	We monitor the TowerBrook Foundation funding on a quarterly basis. We intend to track employee volunteer time on an annual basis.
(B2) Sustainability Outcome #2: (Target 2)	We monitor the TowerBrook Foundation funding on a quarterly basis. We intend to track employee volunteer time on an annual basis.
(C1) Sustainability Outcome #3: (Target 1)	We report on the gender and non gender diversity on the controlled portfolio company boards on a monthly basis.
(C2) Sustainability Outcome #3: (Target 2)	We report on the gender and non gender diversity on the controlled portfolio company boards on a monthly basis.
(D1) Sustainability Outcome #4: (Target 1)	We survey our controlled portfolio companies and other investments on at least an annual basis. We intend to enhance our quarterly portfolio company collection going forward.
(D2) Sustainability Outcome #4: (Target 2)	We survey our controlled portfolio companies and other investments on at least an annual basis. We intend to enhance our quarterly portfolio company collection going forward.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5.2	PLUS	SO 5	N/A	PUBLIC	Tracking progress	1

**Describe any qualitative or quantitative progress achieved during the reporting year against your sustainability outcomes targets.**

**(1) Qualitative progress**

**(2) Quantitative progress**

(A1) Sustainability Outcome #1: (Target 1)	TowerBrook has begun enhancement of our vendor management database to capture gender and non gender diversity of ownership, leadership and team representation for our PE suppliers.	N/A
(A2) Sustainability Outcome #1: (Target 2)	TowerBrook has begun enhancement of our vendor management database to capture gender and non gender diversity of ownership, leadership and team representation for our PE suppliers.	N/A
(B1) Sustainability Outcome #2: (Target 1)	TowerBrook has committed to date to providing \$75k to the King Center, \$250k to Black Girl Ventures, and \$XX to SEO in both the UK and UK.	\$75k to the King Center; \$250k to Black Girl Ventures; \$XX to SEO
(B2) Sustainability Outcome #2: (Target 2)	TowerBrook has committed to date to providing \$75k to the King Center, \$250k to Black Girl Ventures, and \$XX to SEO in both the UK and UK.	\$75k to the King Center; \$250k to Black Girl Ventures; \$XX to SEO
(C1) Sustainability Outcome #3: (Target 1)	TowerBrook has committed to helping the boards of our portfolio committees increase the number of women on their boards by 17% a year.	N/A
(C2) Sustainability Outcome #3: (Target 2)	TowerBrook has committed to helping the boards of our portfolio committees increase the number of women on their boards by 17% a year.	N/A
(D1) Sustainability Outcome #4: (Target 1)	In 2021, TowerBrook will survey [100%] of its controlled portfolio companies and [ %] of our other investments, through our annual RO Survey.	N/A
(D2) Sustainability Outcome #4: (Target 2)	In 2021, TowerBrook will survey [100%] of its controlled portfolio companies and [ %] of our other investments, through our annual RO Survey.	N/A

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 3.1	SO 6.1	PUBLIC	Tracking progress	2

Despite your organisation's efforts to make progress on your sustainability outcomes, there may be stakeholders who have been negatively affected by your organisation's activities. For each of your sustainability outcomes, indicate whether your organisation ensures that stakeholders who have been negatively affected are able to seek an effective remedy.

(A) Sustainability Outcome #1: (2) No

(B) Sustainability Outcome #2: (2) No

(C) Sustainability Outcome #3: (2) No

(D) Sustainability Outcome #4: (2) No

## Investors' individual and collective actions shape outcomes

### Levers for shaping outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	SO 3.1	SO 7.1 - SO 22,	PUBLIC	Levers for shaping outcomes	1, 2, 5

Which levers did your organisation or service providers/external investment managers acting on your behalf use to make progress on your sustainability outcomes during the reporting year?

	(1) Individually	(2) With other investors or stakeholders
(A) Asset allocation	<input type="checkbox"/>	<input type="checkbox"/>
(B) Investee engagement including voting	<input type="checkbox"/>	<input type="checkbox"/>



(C) Systemic stewardship including policy engagement



(D) None of the above



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7.1	PLUS	SO 7	N/A	PUBLIC	Lever for shaping outcomes	1, 2, 5

Considering all the levers you indicated in the previous question, indicate the overall budget you allocated specifically to shaping sustainability outcomes in the reporting year. This indicator refers to the budget dedicated exclusively to shaping sustainability outcomes. Please refer to the Explanatory notes for detailed guidance to determine what to include in the budget figure.

(C) Systemic stewardship including policy engagement

US\$ 0.00

## Systemic stewardship including policy engagement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 17	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

Provide one example of how your organisation engaged with policymakers, either directly or via service providers or external investment managers acting on your behalf, to make progress on each of your sustainability outcomes during the reporting year, excluding collaborative initiatives.

### Example:

(A) Sustainability Outcome #1:

TowerBrook intends to engage with key service providers directly to communicate the importance of diversity ownership, leadership and team representation, and to build this criteria over time into TowerBrook's selection process of key vendors.

(B) Sustainability Outcome #2:

TowerBrook partners with the organizations that we have funded to fight against systemic racism and social inequality. In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. **(response continued in row below)**

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In 2020 we established employee affinity groups to encourage inclusion within our offices, including for LGBTQ+ and Black employees, female professionals, and working parents. We also expanded our external DE&I partnerships, including joining Stonewall's Diversity Champion's program, and partnering with Out Investors, a global organization working to make the direct investing industry more welcoming for LGBTQ+ individuals, as well as partnering with The King Center to promote efforts to fight racial injustice. And finally, TowerBrook partnered with #100 Black Interns in London and The Opportunity Network in New York to provide investment facing summer internships for underrepresented groups during 2021..

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(C) Sustainability Outcome #3:

Within our firm, in the past 12 months we launched an initiative to focus on the gender and non-gender diversity of our controlled portfolio company boards, and set targets of at least one gender diverse board member on each such board by 2021, and at least two gender diverse board members on each such board by 2025. TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry. TowerBrook also speaks regularly with our key recruiters about the importance of diversity, equity and inclusion in the board director recruitment process.

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(D) Sustainability Outcome #4:

TowerBrook joined Initiative Climate International as a founding member, committing alongside leading private equity investors to actively engage with our portfolio companies to reduce carbon emissions and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. TowerBrook is also a founding member of the NY GP ESG Working Group subcommittee on carbon initiatives.

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 18	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Provide at least one example of how your organisation participated, either directly or via service providers or external investment managers acting on your behalf, in collaborative initiatives to engage policymakers in order to make progress on your sustainability outcomes.

**Example:**

(A) Sustainability Outcome #1:

TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. Supplier diversity and supplier diversity programs within private equity are standing agenda items..

(B) Sustainability Outcome #2:

TowerBrook partners with the organizations that we have funded to fight against systemic racism and social inequality. To that end In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. **(response continued in row below)**

In 2020 we established employee affinity groups to encourage inclusion within our offices, including for LGBTQ+ and Black employees, female professionals, and working parents. We also expanded our external DE&I partnerships, including joining Stonewall's Diversity Champion's program, and partnering with Out Investors, a global organization working to make the direct investing industry more welcoming for LGBTQ+ individuals, as well as partnering with The King Center to promote efforts to fight racial injustice. And finally, TowerBrook partnered with #100 Black Interns in London and The Opportunity Network in New York to provide investment facing summer internships for underrepresented groups during 2021..

(C) Sustainability Outcome #3:

In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry. TowerBrook also speaks regularly with our key recruiters about the importance of diversity, equity and inclusion in the board director recruitment process

(D) Sustainability Outcome #4:

In 2020, TowerBrook joined Initiative Climate International as a founding member, committing alongside leading private equity investors to actively engage with our portfolio companies to reduce carbon emissions and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. TowerBrook is also a founding member of the NY GP ESG Working Group subcommittee on carbon initiatives. In 2021 TowerBrook joined the Council for Inclusive Capitalism with The Vatican, a non-profit organization that seeks to build a more inclusive, sustainable, and trusted economic system that addresses the needs of our people and the planet. As a member, TowerBrook publicly states measurable and meaningful commitments to further an inclusive capitalism and promote the UN SDGs.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 19	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2

**Does your organisation have governance processes in place to ensure that your engagement with policymakers is aligned with your sustainability outcomes?**

**(1) Yes. Please describe:**

(A) Sustainability Outcome #1:

TowerBrook policies and initiatives to further these sustainability outcomes are approved by TowerBrook's Responsible Ownership Committee as well as TowerBrook's Management Committee.

(B) Sustainability Outcome #2: TowerBrook policies and initiatives to further these sustainability outcomes are approved by TowerBrook's Responsible Ownership Committee as well as TowerBrook's Management Committee.

(C) Sustainability Outcome #3: TowerBrook policies and initiatives to further these sustainability outcomes are approved by TowerBrook's Responsible Ownership Committee as well as TowerBrook's Management Committee.

(D) Sustainability Outcome #4: TowerBrook policies and initiatives to further these sustainability outcomes are approved by TowerBrook's Responsible Ownership Committee as well as TowerBrook's Management Committee.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 20	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 4

**Provide an example of how your organisation or the service providers/external investment managers acting on your behalf contributed during the reporting year to a public policy development that will help make progress on your sustainability outcomes.**

**Example:**

(B) Sustainability Outcome #2: TowerBrook partnered with #100 Black Interns in London and The Opportunity Network in New York to provide investment facing summer internships for underrepresented groups during 2021. TowerBrook partnered with The King Center to promote efforts to fight racial injustice, including committing to sponsor The King Center's Beloved Community Talks and bringing The King Center to our firm in summer 2021 to provide racial injustice training.

(C) Sustainability Outcome #3: TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry.

(D) Sustainability Outcome #4:

TowerBrook engages with BVCA and one of TowerBrook's Managing Directors is a member of the Responsible Investment Advisory Group Member to BVCA. The Responsible Investment Advisory Group assists the BVCA in being able to provide practical advice to its members to help them incorporate responsible investment considerations into their business decisions. The Group comprises investors, intermediaries and sustainability/responsible investment practitioners recognized for their excellence, experience, insight and ability to provide strategic guidance to the BVCA.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 21	PLUS	SO 7	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Which of the following best describes your organisation's default position regarding collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

- ☒ (A) We recognise that progress on sustainability outcomes suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- ☐ (B) We collaborate when our individual efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- ☐ (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- ☐ (D) We do not have a default position but collaborate on a case-by-case basis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22	PLUS	SO 7	SO 22.1	PUBLIC	Systemic stewardship including policy engagement	2, 5

During the reporting year, how did your organisation or the service providers/external investment managers acting on your behalf contribute to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes?

	(1) in all cases	(2) in the majority of cases	(3) in a minority of cases	(4) in no cases
(A) By leading coordination efforts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(B) By providing financial support	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) By providing pro bono advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(D) By providing pro bono research	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(E) By providing pro bono training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(F) By providing administrative support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
(G) Other, please specify:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 22.1	PLUS	SO 22	N/A	PUBLIC	Systemic stewardship including policy engagement	2, 5

Please provide details of how you contributed to collaborative initiatives to engage with policymakers in order to make progress on your sustainability outcomes.

Please describe below:

(A) By leading coordination efforts

To that end In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry.

(B) By providing financial support

TowerBrook has committed to providing \$1 million of funding and volunteer support by end of 2023 to organizations fighting against systemic racism, inequity and injustice.

(D) By providing pro bono research

TowerBrook has partnered with the Wharton Social Impact Initiative and participates in academic research studies seeking to understand and quantify the impact of ESG within the investment management industry.

## Global stakeholders collaborate to achieve outcomes

### Tracking progress against global goals

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 23	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

**Does your organisation engage with standard setters, reporting bodies or similar organisations to help track and communicate progress against global sustainability goals?**

● (A) Yes. Please describe:

TowerBrook engages with policy through the different organizations that the firm supports. Following our investment in our first Certified B Corporation, KeHE, we supported a second portfolio company, AustroCel Hallein, to achieve B Corp certification in May 2020. Together with TowerBrook's own certification as a B Corp in 2019, this has further sharpened our focus on the importance of developing metrics to help us track responsible ownership.

In 2021 TowerBrook became a founding signatory of the ILPA Diversity in Action Industry Initiative, bringing together LPs and GPs who share a commitment to advancing diversity, equity and inclusion in the private equity industry. To further support this initiative, TowerBrook joined the ILPA Data Capture Best Practices Working Group. TowerBrook is a founding member of Level 20 and in the past 12 months become a founding member of Black Women in Asset Management, with both organizations dedicated to improving gender and racial diversity, respectively, in the European private equity industry. In 2020, TowerBrook joined Initiative Climate International as a founding member, committing alongside leading private equity investors to actively engage with our portfolio companies to reduce carbon emissions and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk. TowerBrook is also a founding member of the NY GP ESG Working Group subcommittee on carbon initiatives. In 2021 TowerBrook joined the Council for Inclusive Capitalism with The Vatican, a non-profit organization that seeks to build a more inclusive, sustainable, and trusted economic system that addresses the needs of our people and the planet. As a member, TowerBrook publicly states measurable and meaningful commitments to further an inclusive capitalism and promote the UN SDGs.

○ (B) No. Please describe why not:



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 24	PLUS	SO 3.1	N/A	PUBLIC	Tracking progress against global goals	4

**Does your organisation contribute to public goods (such as research) or public discourse (such as media coverage) to make progress on global sustainability goals?**

● **(A) Yes. Please describe:**

TowerBrook has partnered with the Wharton Social Impact Initiative to provide funding and volunteer support towards research that furthers impact within the private equity and asset management industry. TowerBrook is contributing to WSII's initiatives by providing feedback on data collection surveys and other tools used in measurement of impact.

In 2020, TowerBrook's investment in, and subsequent ownership of Metallo, was the subject of a Harvard Business School ESG case study entitled "TowerBrook: ESG in Action". Prepared by Professor Victoria Ivashina, Senior Lecturer Brian Trelstad and Meaghan Conway (MBA 2020) of Harvard Business School, the case speaks to Metallo's responsible ownership journey as a TowerBrook portfolio company.

TowerBrook's senior team participates from time to time in industry conferences and panels focusing on responsible ownership and ESG issues. Participation and speaking engagements by senior team members over the past few years includes the PEI Responsible Investment Forum, ILPA GP Summit, PRI in Person, the PrivCap Private Equity ESG Summit, the Bloomberg Sustainable Business Summit, the ESMT conference on Sustainability Through Digital Innovation and the Private Employee Ownership Leadership Summit. TowerBrook is an active member of the NY GP ESG Working Group, and in 2019 joined with other GPs to form the GP Diversity and Inclusion Working Group and the GP Carbon Working Group, which seeks to develop best practice and collaboration amongst private equity GPs. TowerBrook has also attended recent PRI events for asset managers in New York. TowerBrook partnered in Q1 2020 with the Wharton Social Impact Initiative (WSII) to collaborate to strengthen the Wharton and B Lab Research Collaboration. TowerBrook also partnered with the PRI and SASB in June 2019 to co-host an industry event "ESG Integration Across and Fund's Lifecycle: Where Metrics and KPIs Add Value Beyond Reporting". TowerBrook professionals also lectured during 2019 on Responsible Ownership at both Harvard and Columbia.

○ (B) No. Please describe why not: