

# Championing responsible transformation

## Responsible Ownership 2024



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TowerBrook  
Responsible  
Ownership™



## Message from Co-CEOs

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



**Karim Saddi**  
Co-CEO

Welcome to TowerBrook's 2024 Responsible Ownership (RO) Report. This year's Report has undergone a refresh. It is designed to present our RO efforts and material portfolio environmental, social and governance (ESG) metrics in a focused and concise manner, making it easier to read, understand and digest.

Across all TowerBrook fund strategies, we remain committed to ESG transparency and accountability. In this, our eighth year of responsible ownership reporting, we share ESG data from 45 of our portfolio companies.<sup>1</sup> For our 2024 survey, we partnered with technology and advisory specialist firm and B Corp, Novata, to streamline our data collection and enhance benchmarking. We believe this insight helps identify areas where our portfolio companies outperform, as well as where we can provide more support.



**Jonathan Bilzin**  
Co-CEO

This year, TowerBrook's Delta Fund has closed two new investments: Liftwerx and AQUAchiara. Following extensive due diligence, we believe both companies are well positioned for our Delta capital investment to drive transformation and help scale and amplify measurable positive impact. We are also pleased to share our second BlueMark verification statement and our "Gold" Fund ID rating.

The Report also features RO case studies from across our portfolio. These highlights span decarbonization, employee engagement, biodiversity, supply chain management, championing talent, and initiatives encouraging more conscious business practices. As responsible owners, we seek to support our portfolio companies, at whatever stage they are in their journey, to create sustainable value. From our "AI Risks and ESG Framework," to the work we are doing to estimate our total Scope 3 financed emissions, responsible ownership is a crucial element of our approach to value creation.<sup>2</sup>

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

# 95m

Approximately 95 million beneficiaries<sup>3</sup>

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

# \$22.5bn

Regulatory AUM of \$22.5 billion<sup>4</sup>

A disciplined investment approach, capital structuring experience, prudent use of leverage, and our commitment to responsible ownership.

# 13 Funds

Invested in 13 Funds<sup>5</sup>

6 Private Equity Funds, 3 Structured Opportunities Funds (TSO), 1 co-investment partnership (ATHO), 2 single asset continuation Funds, and our Delta Fund.

# 200

Via almost 200 institutional investors

These include public pension funds, sovereign wealth funds, financial institutions, endowments and family offices.

# Creating sustainable value for all our stakeholders

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

# 58

Partnering with 58 portfolio companies and investments<sup>6</sup>

# 193,000

With nearly 193,000 full-time employees<sup>7</sup>

# \$42.7bn

Generating a combined revenue in excess of \$42.7 billion<sup>8</sup>



Certified B Corp since 2019

2023 score of 120.4

# 144

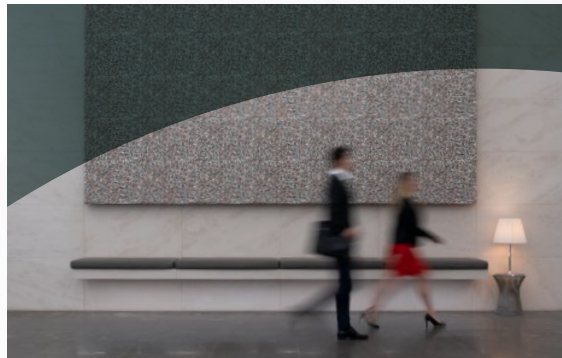
Supported by 144 TowerBrook team members including 93 investment professionals

Note: Please see Disclaimer for important information regarding this performance including information related to the notes referenced above. Past performance is not indicative of future results.

# Purpose

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

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



# Mission

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

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

## **Integrity & partnership: our values**

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

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

## **Discipline & creativity: our business**

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

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



# Championing RO within the investment process

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

## Purpose



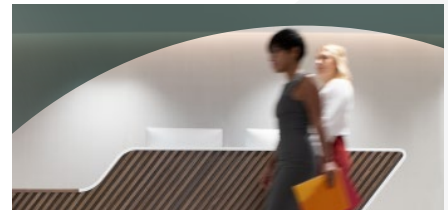
### People

- Championing talent
- Compensation and benefits
- HR standards



### Planet

- Energy and water
- Raw materials, waste and recycling
- Greenhouse gas (GHG) emissions
- Biodiversity



### Partnership

- Stakeholder engagement
- Policy and organization
- Community initiatives

## Performance





We focus on the **responsible management** of material ESG factors at every stage of our investment process. Responsible ownership forms the foundation of our approach through **transaction, transformation and transition.**



**Transact** includes the sourcing and evaluation of prospective investments and the structuring and execution of our transactions. We conduct extensive due diligence related to the prospective company's industry and its specific risk profile. We evaluate whether any material issues can be managed or mitigated in a responsible manner, and look for value creation initiatives to transform and accelerate the business. The 200-day Plan we develop with prospective portfolio companies includes business-specific ESG action items related to responsible ownership.

**Transform** refers to the actions taken to seek to build sustainable value once companies are in our portfolio. Our responsible ownership post-close value creation framework has been developed since TowerBrook's inception, and we continue to develop and deepen our approach. As part of our 200-day Plan, we aim to support companies to put in place essential business ethics and compliance policies, as well as identify bespoke value creation initiatives. We aim to actively collaborate with portfolio companies to share ESG best practice and to support them to seek accreditation and certification where relevant.

**Transition** relates to the actions taken to prepare portfolio companies ahead of TowerBrook's eventual exit. We are committed to transparency and may use bottom-up accounting methodologies to identify the contribution of specific responsible ownership initiatives. We aim to address material outstanding matters and disclose material issues to prospective purchasers, to establish an appropriate valuation.

# Making a mark: our RO journey to date<sup>10</sup>

We believe **responsible policies and practices** concerning People, Planet and Partnership help drive long-term performance improvements in our portfolio companies and position them for sustainable growth.

2005 <sup>11</sup>	2006	2017	2018	2019
Purpose is at the heart of our commitment to responsible investing	The TowerBrook Foundation	First annual Responsible Ownership survey  Responsible Ownership Report published  PRI signatory	Responsible Ownership survey developed building on B Corp framework and methodology	TowerBrook becomes a B Corp
				



# 2024

## 2005

2020

Founding signatory of iCI UK



Founding signatory of ILPA's Diversity in Action initiative



"A" PRI rating in Strategy and Governance and PE-Specific Reporting

Featured as Harvard Business School "ESG in action" case study

2021

Council for Inclusive Capitalism membership



Founding member of the EDCI



Sustainable Markets Initiative Private Equity Task Force member

TowerBrook Delta launched

Signatory to OPIM

Top 1% Prequin's transparency metric

Top 5 Equality Group's Inclusive Index

Wharton ESG Partnership

2022

Supporter of the Terra Carta mandate and 2030 roadmap



GIIN membership



Top score in Human Rights Campaign Foundation's Equality Index

Designation of our PE and TSO Funds as Article 8

2023

Recertification as a B Corp



Aligned with Invest Europe Reporting Guidelines



Designation of our Delta Fund as Article 9



First Delta Fund impact investments closed

The Bridge community launched



BlueMark verification



TowerBrook portfolio company ESG Roundtables

2024

Improvement in BlueMark verification



Partnered with Novata and used benchmarks

Improved GHG data collection

Introduction of EDCI's net zero metric

# Transparent and focused reporting

## Robust RO reporting

TowerBrook believes that clear and transparent ESG-related disclosures are fundamental to the advancement of responsible investing. We have held this view since our firm's inception and have been collecting data and reporting on our portfolio's responsible ownership performance since 2017. Comparability and accountability are central to our efforts and in recent years we have developed and streamlined our data collection and reporting practices to increase focus on the most material topics and highlight where we can take action.

# 8

Years of TowerBrook  
Responsible Ownership  
ESG data collection



As a Principles for Responsible Investment (PRI) signatory, we commit, where consistent with our fiduciary duties, to implementing the six principles for responsible investment. Our most recent PRI Transparency Report and full Assessment Report can be found on our website.



TowerBrook is a founding member of the ESG Data Convergence Initiative (EDCI), which now has over 450 general and limited partner members who have all agreed to measure and report on material ESG indicators in a similar manner. As a member of the Steering Committee, and along with our fellow EDCI members, we are working towards the industry-wide adoption of a standard set of material, performance-based reporting metrics.



In 2023, TowerBrook took steps to align the question set within our RO survey with the Invest Europe ESG Reporting Guidelines to help ensure reporting convergence and greater comparability of figures.



This year, we partnered with Novata, an ESG management platform and advisory practice, to further simplify and streamline our RO survey and enable universal and sector benchmarking.


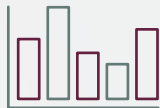




# Streamlining our survey with Novata in 2024

# 45

Companies were surveyed for this Report in 2024<sup>12</sup>

## This year's surveyed companies

Our RO survey is designed to deliver a comprehensive assessment of responsible policies and practices across our portfolio companies. This year, working with Novata, we have streamlined our survey to enable benchmarking, helping to provide actionable insight.

	 <b>Consumer</b>	 <b>Financial Services</b>	 <b>Healthcare</b>	 <b>Industrials</b>	 <b>Technology, Media and Services</b>	 <b>Green Industries</b>
<b>PE</b>	<ul style="list-style-type: none"> <li>- AA</li> <li>- Azzurri Group</li> <li>- Bruneau</li> <li>- Ignite Fitness</li> <li>- J.Jill</li> <li>- KeHE</li> <li>- Stonebridge</li> </ul>	<ul style="list-style-type: none"> <li>- Coaction</li> <li>- Premium Credit</li> <li>- Rewards Network</li> </ul>	<ul style="list-style-type: none"> <li>- Acacium Group</li> <li>- Compassus</li> <li>- Maxor</li> <li>- R1RCM</li> <li>- Regent Surgical Health</li> <li>- TRIMEDX</li> </ul>	<ul style="list-style-type: none"> <li>- ACPS Automotive</li> <li>- Aernnova</li> <li>- AustroCel Hallein</li> <li>- GSF</li> <li>- Sabena technics</li> <li>- Sateba</li> <li>- Uperio</li> </ul>	<ul style="list-style-type: none"> <li>- CarTrawler</li> <li>- EFESO Management Consultants</li> <li>- EisnerAmper</li> <li>- Infopro Digital</li> <li>- Talan</li> <li>- Team EIFFEL</li> </ul>	
<b>TSO</b>	<ul style="list-style-type: none"> <li>- IZIPIZI</li> <li>- JJA</li> </ul>	<ul style="list-style-type: none"> <li>- Battea</li> <li>- CAVU Investment Partners</li> <li>- Law Finance Group</li> <li>- PennantPark</li> <li>- Precede Capital</li> </ul>	<ul style="list-style-type: none"> <li>- PT Solutions</li> <li>- US Acute Care Solutions</li> </ul>	<ul style="list-style-type: none"> <li>- GBA</li> </ul>	<ul style="list-style-type: none"> <li>- EPSA</li> <li>- Euro Media Group</li> <li>- La Maison Bleue</li> <li>- The Independents</li> </ul>	
<b>Delta</b>						<ul style="list-style-type: none"> <li>- TXO</li> <li>- Envevo</li> </ul>

RO data presented throughout this Report refers to our 2024 data collection exercise and shows portfolio company performance as of Dec 31, 2023. Data percentages cover surveyed companies only.<sup>13</sup>

Where portfolio company case studies are featured, the introductory FTE and revenue figures are as of Sep 30, 2024.

Purpose continued

# Amplifying impact with TowerBrook Delta

TowerBrook  
Delta



## TowerBrook Delta's theory of change

TowerBrook's impact strategy seeks to invest in fast growing companies that directly advance at least one of the United Nations Sustainable Development Goals (UN SDGs) and their associated sub-targets, and helping these companies scale sustainably to amplify their positive impact.

Informed by the insights of our dedicated Delta Advisory Board, and using our Impact Assessment Tool, we perform deep due diligence on specific opportunities where we believe we have identified substantial scope for positive impact or acceleration of impact. Once an investment is made, we seek to closely monitor and manage the impact of our investment and report on measurable and meaningful impact KPIs.

# \$500m

Delta capital raised since inception  
to Sep 30, 2024<sup>14</sup>



UN SDGs advanced by current portfolio

## Our Delta Fund Investments

# TXO

A B2B provider of telecoms asset management and disposal services, focusing on repair, reuse and recycling.

# envevo

An electric vehicle (EV) ChargePoint installer for commercial clients, aiming to support the world's transition to clean energy.

# LIFTWERX

Specialized wind energy contractor, using pioneering up-tower crane technology for wind turbine repairs.\*

# AQUA CHIARA

Microfiltered water dispenser solution for commercial clients, aiming to minimize emissions associated with bottled water consumption.\*

\*New investments, not in scope for the 2024 RO survey.



Scan QR code to read the full Envevo case study

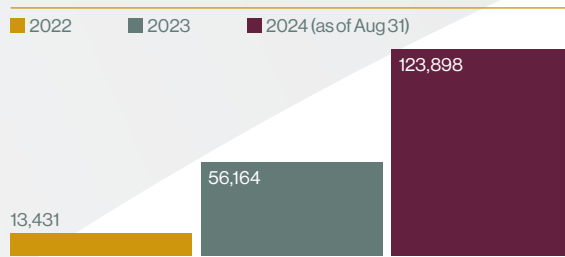


## Accelerating the EV transition

FTEs	151
Revenue	£44.8m
Investment date	April, 2023 (Delta)

Envevo is an EV ChargePoint installer and Independent Connection Provider (ICP) serving commercial clients. Based in the U.K., Envevo's capabilities help overcome barriers to widespread EV adoption, supporting global efforts to reduce CO<sub>2</sub> emissions, and advancing the world's transition to clean energy. TowerBrook's investment seeks to increase Envevo's positive environmental impact by accelerating the firm's expansion domestically and overseas. We closely monitor and report on selected KPIs to measure the impact of our investment through the hold cycle.

### Total carbon emissions avoided saving (LTM – cumulative) kgs (000s) CO<sub>2</sub>e<sup>15</sup>



# 109,650

Total charging capacity installed as of Aug 31, 2024 (LTM – cumulative)

# 998

Number of units installed as of Aug 31, 2024

Purpose continued

# Building on our impact management



## BlueMark verification in 2024<sup>16</sup>

BlueMark is a provider of impact verification services for investors and companies. Its methodologies draw on a range of industry standards, frameworks and regulations.

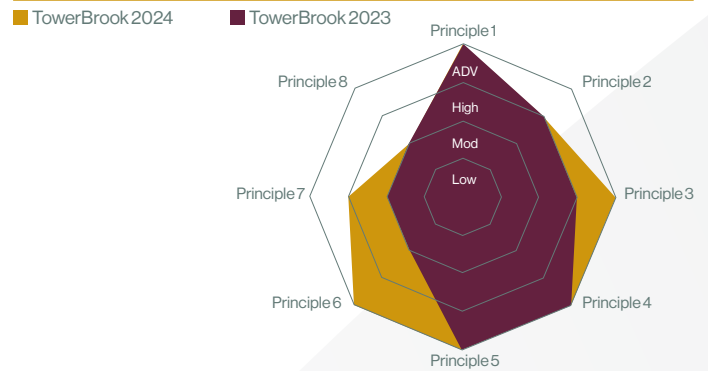
We first engaged BlueMark in 2023 to conduct an independent verification of the alignment of our Delta practices with the Operating Principles for Impact Management (OPIM) for the calendar year 2022.<sup>17</sup>

At that time, we achieved “Advanced,” the highest rating possible, for Principles 1, 4 and 5, “High” for Principles 2 and 3, and “Moderate” for Principles 6, 7 and 8. The latter three Principles required evidence of policy and process implementation post investment and through exit, which we cannot yet demonstrate at this early stage.

This year, in our second verification assessment with BlueMark,<sup>18</sup> we are pleased to show continued progress. We have been upgraded to “Advanced” for Principles 3 and 6, and “High” for Principle 7, demonstrating the rigor of our impact management policies and practices.

We also participated in a BlueMark Fund ID assessment for TowerBrook Delta.<sup>19</sup> This rates the Delta Fund against a holistic framework of BlueMark identified best practices spanning four key pillars: impact strategy, impact reporting, impact management and impact governance. In 2024, we received a “Gold” rating.

## TowerBrook’s summary alignment to the Impact Principles is shown below, relative to TowerBrook’s 2023 OPIM



“

This level of measurement and accountability informs our strategy for transformation, helping our portfolio companies to sustainably accelerate.

**Gordon Holmes**  
Chief Investment Officer, TowerBrook

”

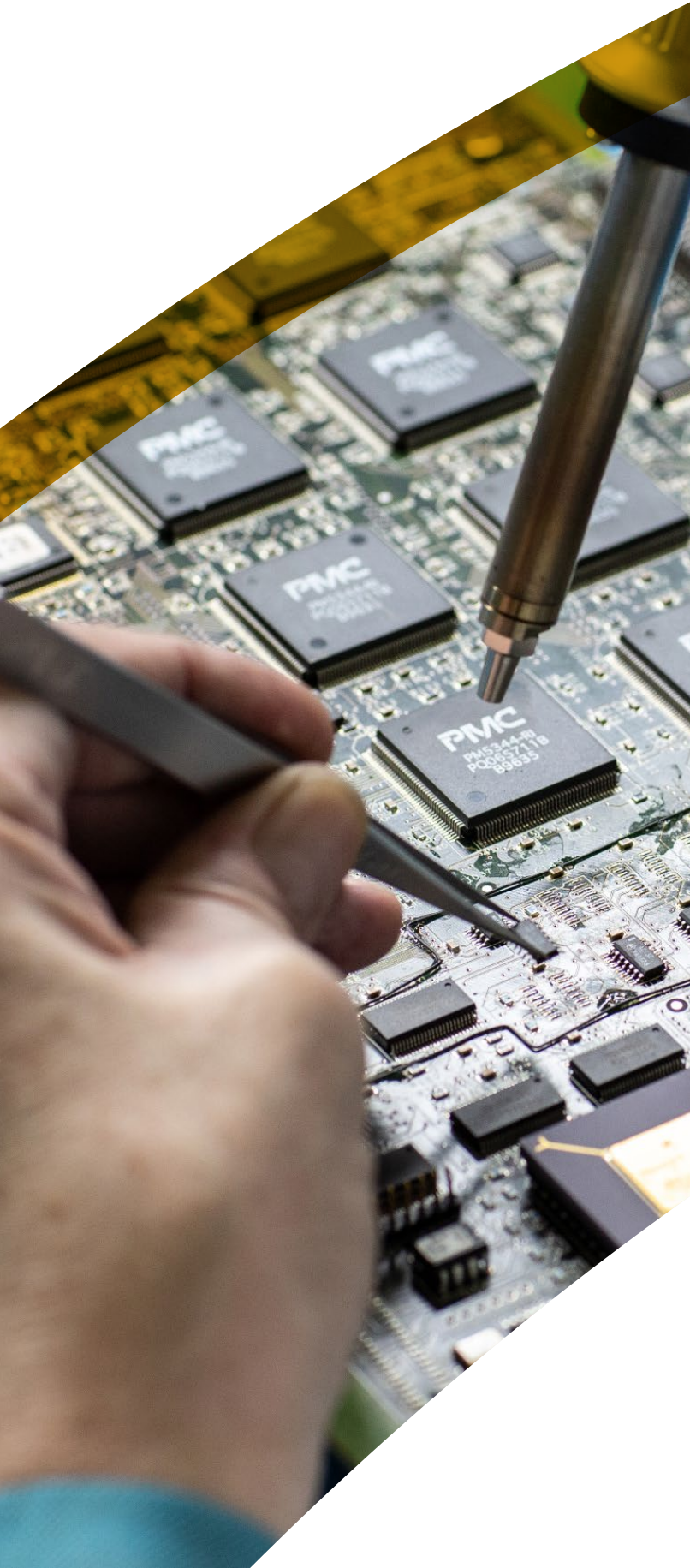
Scan QR code for 2024  
OPIM Verifier Statement

Scan QR code for 2024 Delta  
Fund ID Verifier Statement





Scan QR code to read the full TXO case study



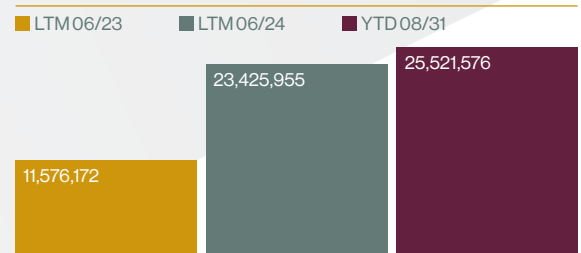
# TXO

## Measuring impact of a circular model

FTEs	349
Revenue	£88.0m
Investment date	June, 2023 (Delta)

TXO is a B2B provider of telecoms asset management and disposal services, providing clients with end-to-end solutions for the sourcing, maintenance, repair, reuse, recycling, and resale of their communications infrastructure. Its core operations unlock the value inherent within the circular economy and aim to avoid carbon emissions associated with new production and waste disposal. This year, supported by the Carbon Trust, TXO has been enhancing and developing its carbon calculator to robustly measure the avoided CO<sub>2</sub> emissions made possible by its operations.

### Total carbon emissions avoided saving (period – cumulative) kgs (000s) CO<sub>2</sub>e<sup>20</sup>



# 13,451

Products processed and repaired (LTM as of Aug 31, 2024)

# 1,886

E-waste recycled and landfill avoided kgs (000s) (LTM as of Aug 31, 2024)

# People

We believe that **diverse teams** build better, more resilient businesses, leading to improved outcomes for our stakeholders

# 5,815

## Net new hires<sup>21</sup>

In line with the EDCI reporting framework, we measure the real impact of our business activity by monitoring new hires net of leavers, and excluding the impact of jobs that existed previously and were subsequently acquired during M&A activity.



# Championing inclusion to create value

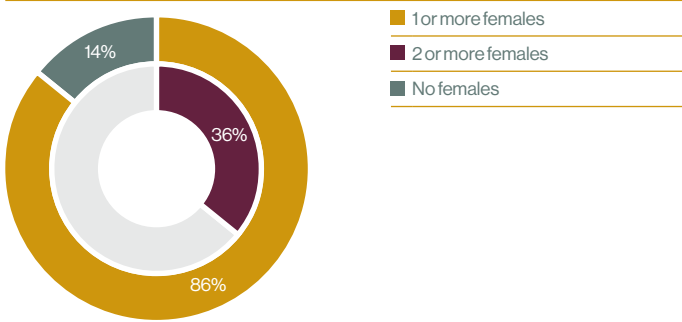
## Advancing diversity at TowerBrook

We made a public commitment in 2021 to increase the gender diversity of our controlled or majority-owned PE portfolio company boards.<sup>22</sup> For calendar year 2023, 86% of our controlled or majority-owned PE portfolio company boards had at least one female board member and 36% had two or more.<sup>23</sup> We acknowledge we have more work to do in this area and continue to push ourselves to identify exceptional diverse talent across our boards.

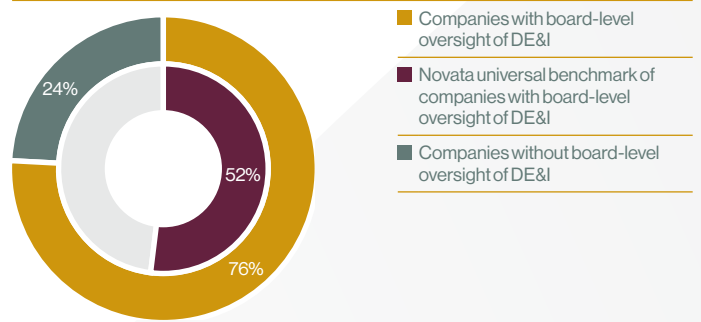
## Supporting fair practices across our portfolio

At TowerBrook we track our portfolio's progress across a range of policies and practices designed to reduce bias and promote inclusion. 76% of the portfolio reported they have board-level oversight of DE&I. This compares favorably with the Novata universal benchmark of 52%.<sup>25</sup> 78% of our portfolio had a policy in place to support these initiatives, compared to the universal benchmark of 67%.

**Board gender diversity<sup>23</sup>**  
(PE controlled or majority-owned portfolio boards)



**Board-level oversight of DE&I**



27%

Average (median) share of female C-suite members<sup>24</sup>

58%

Portfolio companies carried out annual DE&I training

78%

Portfolio companies had a diverse recruiting policy<sup>26</sup>



Scan QR code to read the full Compassus case study



# COMPASSUS®

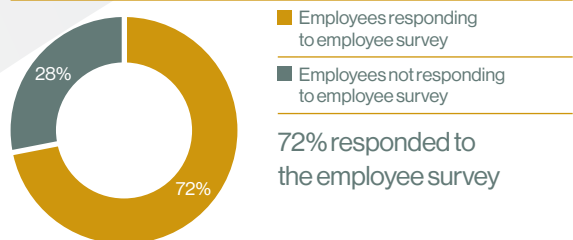
## Delivering on our people promise

FTEs	6,043
Revenue	\$820.3m
Investment date	December, 2019 (PE V)

Compassus is a U.S. provider of person-centered home-based patient care services. Offering home health, infusion therapy, palliative, and hospice care, Compassus operates in over 270 locations across 30 states as of Nov 30, 2024. The company's mission is "to advance wellbeing and honor quality of life," which is embodied in the firm's overarching philosophy of "Care for who I am."

In 2024, the company closely aligned its people promise with its patient promise, acknowledging that: "Care for who I am means care for who we are." To deliver this, building on insights from its employee engagement survey, the firm has devised what it calls the "social determinants of work." This consists of six elements (health and wellbeing, flexibility, family, safety, transportation, and education) that the firm considers fundamental to creating a culture in which people from all backgrounds can thrive.

### Employee survey response rate in 2024



## 16 hours

Average upskilling hours per employee at Compassus

# Encouraging equitable pay practices

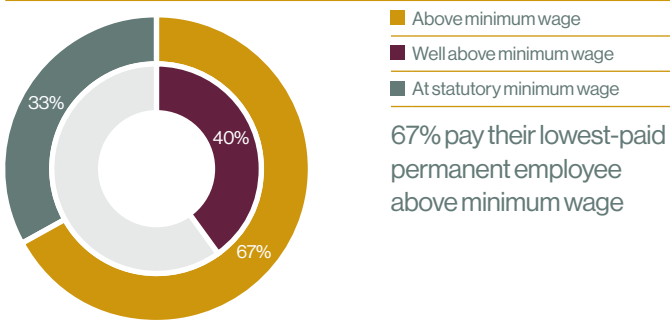
## Protecting the lowest paid

TowerBrook encourages equitable remuneration practices across our portfolio. Over two-thirds (67%) of our companies reported that their lowest paid employee was paid “above” the relevant statutory minimum wage, with 40% reporting their lowest-paid employee was paid “well above” the minimum level, defined as over 10% more. Over half (54%) had a living wage policy whereby they seek to pay the minimum living wage as set out by an external benchmark for their region.

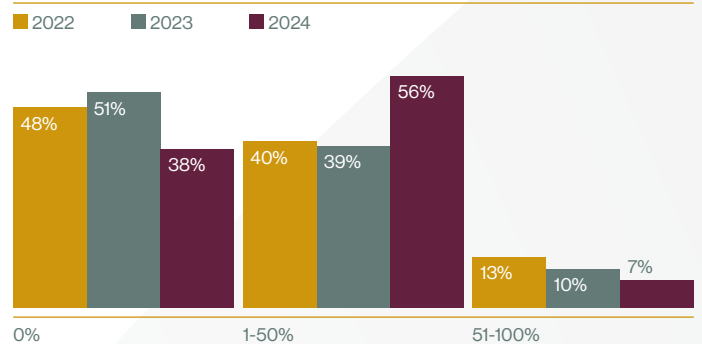
## Advocating shared ownership

We believe promoting employee ownership can incentivize performance improvements and employee engagement, contributing to sustainable value creation. This year, nearly two-thirds (63%) of our portfolio reported that they grant stock options to at least some employees.

How the lowest-paid permanent employee is paid



Full-time employees granted stock options or equivalents<sup>27</sup>



# 54%

Portfolio companies with a living wage policy

# 63%

Portfolio companies that grant stock options to employees



Scan QR code to read the full KeHE case study



## Shared ownership as a driver of value creation

FTEs	7,416
Revenue	\$8,202.2m
Investment date	May, 2019 (PE IV)

KeHE Distributors, LLC (KeHE) is a major distributor of natural and organic, specialty, and fresh products to more than 31,000 natural food stores, chain and independent grocery stores, e-commerce retailers, and other specialty products retailers throughout North America.<sup>28</sup> KeHE, a Certified B Corp, drives its mission of serving to make lives better, throughout all aspects of its operation. TowerBrook maintained an ownership stake in KeHE from 2019 to 2024.<sup>29</sup>

KeHE aims to use its business as a force for good. It believes that key to this is its equitable approach to remuneration. Every employee who has worked for KeHE for one year (or 1,000 hours), at every level of seniority, is eligible to join the Employee Stock Ownership Plan (ESOP), which has been in place since 2007. KeHE's leaders report that the ESOP is central to company culture and contributes to employee buy-in and motivation. During the company's fiscal year 2024 reporting period (May 2023 to April 2024), 1,471 employees became new KeHE owners, and 243 employee-owners had ESOP accounts worth one million dollars or more. Many of these were warehouse workers.

**3,677**      **1 year**

Employee ESOP retirement savings accounts worth more than \$100,000

How long employees need to have worked at KeHE to be eligible for stock

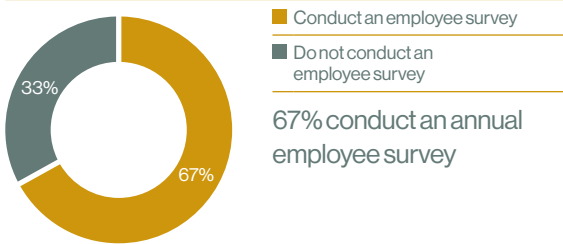
# Tracking employee engagement and development

## Harnessing the power of people

At TowerBrook, we believe that to enable sustainable high performance, businesses must invest in their people to attract, motivate and retain talent. We seek to encourage our portfolio to conduct annual employee surveys to garner insight from their workforce, which can inform the overall value proposition.

We monitor how our portfolio companies perform across a range of employee engagement and professional development metrics, including whether they conduct an employee survey, the response rate they receive, whether they provide formal performance reviews, and upskilling hours by employee.

### Companies conducting an annual employee survey



# 83%

Average (median) employee survey response rate

“

TowerBrook is in the business of transformation. We champion talented teams, working collaboratively to co-create compelling strategies that enable sustainable growth.

**Abrielle Rosenthal**

Chief Sustainability Officer, Managing Director and Co-Chair Responsible Ownership, TowerBrook

”

# 100%

Portfolio companies provided a formal performance review

# 11 hours

Average (median) upskilling hours per employee<sup>30</sup>





Scan QR code to read the full Maxor case study



# Maxor

## Developing an insight-led employee value promise

FTEs	1,303
Revenue	\$3,603.7m
Investment date	March, 2023 (PE V)

Maxor is a U.S.-based diversified pharmacy solutions platform dedicated to improving patient outcomes and lowering the total cost of care through their clinically integrated set of pharmacy care services. Maxor works to optimize the pharmacy experience for patients, customers and their members, and healthcare providers across its lines of business which include pharmacy benefit management, rebate and formulary management, end-to-end pharmacy management services, and specialty pharmacy services for patients with complex diseases.

With a large B2B business as well as extensive patient-facing operations, Maxor's people needs are diverse. The company has worked hard to bring cohesion across its business units, to generate one team and culture, united by a holistic approach to its people. In the last 12 months Maxor has built out its employee value promise across five pillars. It did this based on insights from its employee survey, which in 2024, had an 80% response rate. This view of employee engagement and opinion helps to guide Maxor's strategic decision-making and has been instrumental in identifying where to focus resources for meaningful impact.

# 80%

Employee survey participation rate

# Planet

We believe the private equity sector has an important role to play in the world's transition to a **sustainable future** and at TowerBrook we actively partner with others to contribute to this transformation

# 5,587<sub>tCO<sub>2</sub>e</sub>

TowerBrook's 2023 Scope 1, 2 and 3 carbon emissions (excluding financed emissions)<sup>31</sup>

We calculate our Scope 1, 2 and 3 operational emissions annually<sup>32</sup> and seek to purchase carbon offsets for our business travel, which in 2023 amounted to 2,982 tCO<sub>2</sub>e.



# Contributing to the transition to an environmentally sustainable future

## Monitoring GHG emissions

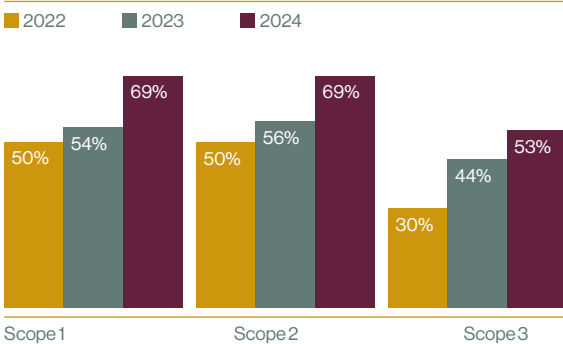
We are committed to contributing to the transition to an environmentally sustainable future. As responsible owners, we expect that our portfolio companies measure their Scope 1, 2 and 3 greenhouse gas (GHG) emissions and we encourage setting of carbon reduction targets for those companies in a position to do so.

We are pleased to see an increase in the proportion of our portfolio reporting that they tracked GHG emissions this year, in line with our increased education in this area and Novata's Carbon Navigator tool now available to portfolio companies. We are also taking steps to begin to estimate our total Scope 3 financed emissions using peer-group benchmarking (see page 39) and we expect this reporting to be more robust in future years.

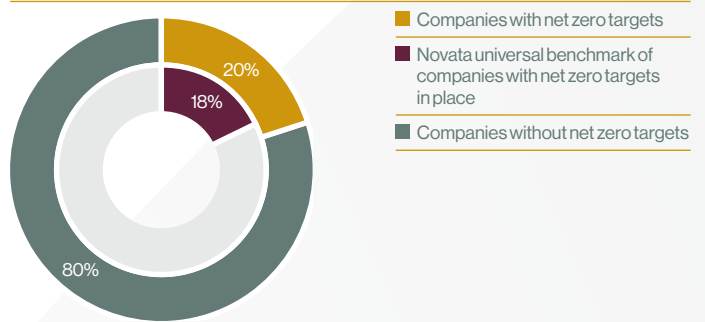
## Net zero target

In line with the EDCI's metrics, in 2024 we added a question to monitor our portfolio companies' net zero commitments. Setting a target date to reach net zero requires a company to be tracking their GHG emissions with accuracy. In the first round of data collection for this metric, 20% of our portfolio reported they had a net zero target, as compared with the Novata universal benchmark of 18%. The average net zero target date across the portfolio was 2040.

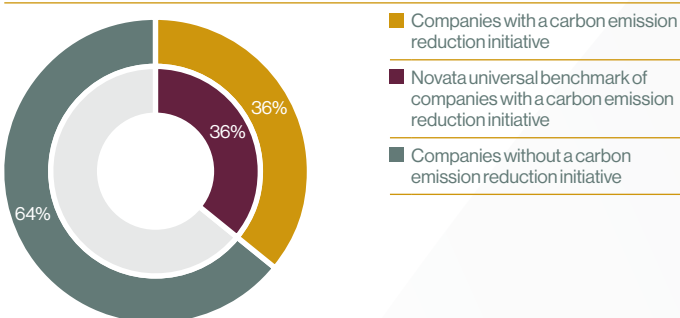
### Monitoring GHG emissions



### Net zero targets



### Carbon emission reduction initiatives



# 2040

Average date for those with net zero targets



Scan QR code to read the full Azzurri case study



# AZZURRIGROUP

## Choosing regenerative ingredients

FTEs	6,315
Revenue	£295.6m
Investment date	July, 2020 (PE V)

Azzurri Group is a U.K. hospitality investment platform, operating brands including Zizzi, ASK Italian, Coco di Mama, Boojum and Dave's Hot Chicken. Two years ago, informed by a detailed materiality assessment, it developed its "Recipe For A Better Future" sustainability strategy and set out a commitment to reach net zero by 2040. The bulk of the firm's emissions (well over 80%) are Scope 3 and related to the supply chain associated with its menu.<sup>33</sup>

The Azzurri Group team has analyzed the top ten emissions factors by brand. Within ASK Italian, it identified that the flour used in pizza dough, which accounts for a third of the menu, was among the top five emissions factors. In 2024, ASK Italian switched to Wildfarmed flour. This is a regenerative product grown without pesticides and chemical fertilizers, and in fields which allow dual cropping of wheat and barley to better retain the nutrients in the soil and encourage biodiversity. By using Wildfarmed flour, ASK Italian has reduced its dough's carbon footprint by approximately 50%.

# 50%

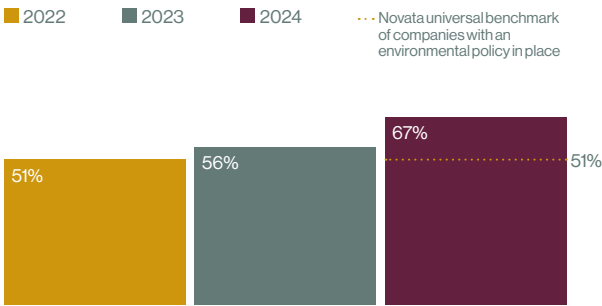
Reduction in the carbon footprint of ASK Italian's dough by using Wildfarmed flour<sup>34</sup>

# Seeking to advance robust environmental management

## Setting policy and implementing systems

We seek to monitor both environmental policy and environmental management system adoption across our portfolio. We are encouraged to see that both measures have increased over time. 67% of our portfolio reported they had an environmental policy in place, compared to the Novata universal benchmark of 51%. 53% reported they had implemented an environmental management system.

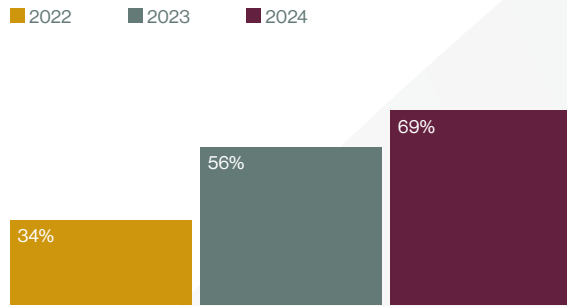
### Environmental policy adoption



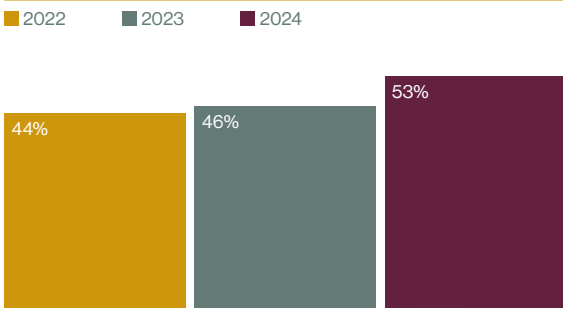
## Energy and water usage

We believe monitoring energy usage is an important factor in managing a firm's carbon footprint. This year, 69% of our portfolio reported they tracked their total energy usage, up from 56% in 2023. 47% monitored renewable energy consumption, and among these companies the median proportion of renewable energy used was 11%. We also encourage our portfolio companies to monitor water consumption where this is material to the business.

### Companies tracking total energy usage



### Environmental management system implementation



11%

Average (median) renewable energy consumption<sup>35</sup>

33%

Portfolio companies tracked water usage



Scan QR code to read the full  
OVHcloud case study



## A sustainable cloud by design

FTEs	2,900
Revenue	€993.1m
Investment date	October, 2016 (TSO I)

OVHcloud is a major European cloud provider delivering public and private cloud products, shared hosting and dedicated server solutions, founded in 1999. Early in the company's journey, OVHcloud's founders had the foresight to realize that, to scale sustainably, an energy efficient cooling method was a priority. The team designed a pioneering water-cooling system, integrated into the design and build of all OVHcloud servers, which in 2023, celebrated its 20th anniversary.

The use of water as opposed to air conditioning for cooling is more energy efficient, due to the thermal resistance of water compared to air.<sup>36</sup> This has allowed OVHcloud to improve levels of power usage effectiveness and water usage effectiveness per data center.<sup>37</sup> OVHcloud retains control of the design and production of its servers,<sup>38</sup> building and repairing its components in its cloud factories in France and Canada. This model also allows the company to embrace a more circular approach, extending product lifecycles through repairs and upgrades, and at end-of-life, dismantling and reusing valuable components and precious metals.

# 0.37l/kWh

OVHcloud's water usage effectiveness (WUE) ratio, compared to cloud industry average of 1.8l/kWh<sup>39</sup>

# 1.26

OVHcloud's power usage effectiveness (PUE), compared cloud industry average of 1.56<sup>40</sup> according to 2024 estimates

# Supporting the adoption of measures to reduce environmental impact

## Highlights from our portfolio

Our long-standing experience in responsible ownership positions us well to partner with companies that share a commitment to protecting our planet. We are proud to highlight a range of initiatives being taken by our portfolio companies, across a range of industries and sectors, designed to care for the planet and protect its biodiversity.



Scan QR code to read the full Precede Capital case study

## PRECEDE

### Green development loans

FTEs	11
Revenue	N/A
Investment date	January, 2021 (TSO II)

Precede Capital provides development finance for large-scale real estate projects across the U.K. and has recently launched a pre- and post-construction bridging loan product for loans of £5m+. Precede Capital screens all prospective loans against its negative screening criteria and its ESG scorecards. These ESG scorecards are bespoke to the type of loan product offered and have been developed in partnership with Precede Capital's independent sustainability consultant, Longevity Partners.

Each ESG scorecard generates a weighted overall score, which reflects how well the asset and sponsor group have performed against Precede Capital's ESG criteria. Beyond this, if the relevant project satisfies Precede Capital's bespoke Green Loan Framework (which aligns with the LMA Green Loan principles), the relevant loan may be classified as a Green Loan. In 2024, Precede Capital made a Green Loan for a modular construction project in West London\* which is targeting a BREEAM "Excellent" rating and an Energy Performance Certificate (EPC) score of "B."



Non-bank lenders like ourselves are ideally placed to support modern methods of construction projects, and by extension, the delivery of a more sustainable housing market.

**Karen Dunstan**

Co-Founder, COO and General Counsel, Precede Capital



## Green Loan Framework eligibility

Precede Capital's Green Loan Framework eligibility requires the use of loan proceeds to contribute to the financing of specified categories which include renewable energy generation, energy efficiency, pollution prevention control, biodiversity, low carbon transportation, water and wastewater management, the circular economy and green buildings.

\*Precede Capital through its partnership with QuadReal Property Group finances a BTR development in Acton, West London.





Scan QR code to read the full Sabena technics case study



## Promoting biodiversity and supporting protection of endangered plant species

FTEs	3,937
Revenue	€795.0m
Investment date	June, 2019 (PE IV)



Sabena technics is a major European services provider dedicated to international civil and government aeronautics. In 2021 the group underwent a comprehensive sustainability exercise, seeking to take a proactive approach to standards compliance and to reduce its environmental impact.

In its Dinard site, it has been working with the local administration, Communauté de Communes Côte d'Émeraude, to draw up a plan for responsibly managing its land to promote biodiversity. The plan laid out a list of actions, including letting wildflower areas grow. In March 2024, two new species of plants were discovered: the "bee orchid" and the "green-winged orchid." Both are included on the "Red" list of European Endangered species and are now growing undisturbed on site.

# Partnership

As a purpose driven investment firm, we are proud to **invest in a portfolio of businesses** that are aligned with our values and principles

“

We are committed to supporting the needs of our LPs; providing transparency and moving towards data convergence to enable benchmarking.

**Filippo Cardini**

COO and Head of Investor Relations, TowerBrook

”



# Monitoring key governance policy implementation

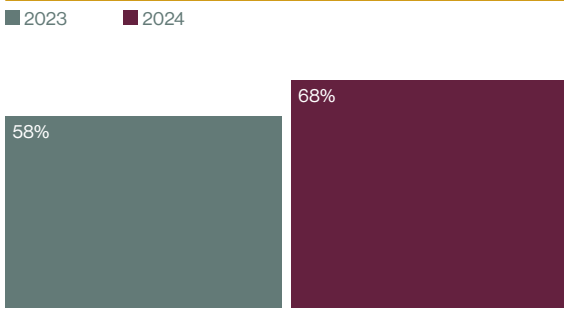
## Managing business ethics to reduce risks

We believe that core to responsible ownership is the management of risks related to business ethics. Mitigating these risks plays an important role in protecting the value created for all stakeholders. We survey our portfolio on a wide range of risk mitigation policies and practices and encourage adoption of these informed by materiality.

96%

Portfolio companies with a code of conduct

### Supplier code of conduct



69%

Portfolio companies with a sanctions policy (up 8% from 2023)

“

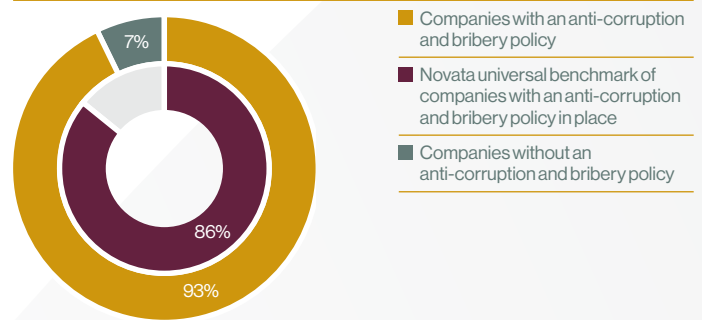
We draw on the power of collaboration, partnering with portfolio companies to foster meaningful, measurable ESG progress that strengthens resilience and drives tangible value creation.

**Ronald Van Loo**

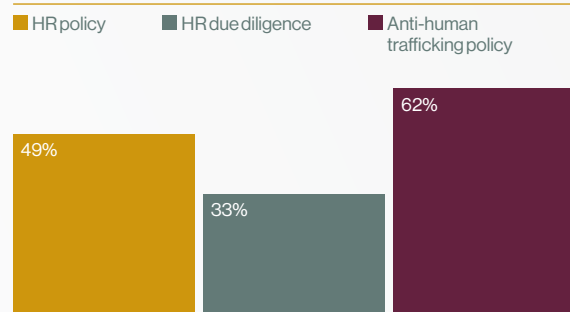
Global Head of Portfolio Group and Co-Chair, Responsible Ownership, TowerBrook

”

### Anti-corruption and bribery policy



### Human rights considerations



## Health and safety

We seek to monitor the implementation of health and safety policies as well as the incidence of work-related injuries by sector. 91% of our portfolio companies had a health and safety policy in place, which compares favorably to Novata's universal benchmark of 90%. Adoption levels are 100% of companies in Industrials, Healthcare and Green Industries, reflecting the materiality of health and safety policies to those industries.

### Average (median) incidence of work-related injuries per 100 employees

Sector	2024
Healthcare	0.67
Industrials	4.03
Consumer	2.68
Financial Services	0.00
TMS	0.36
Green Industries	10.08

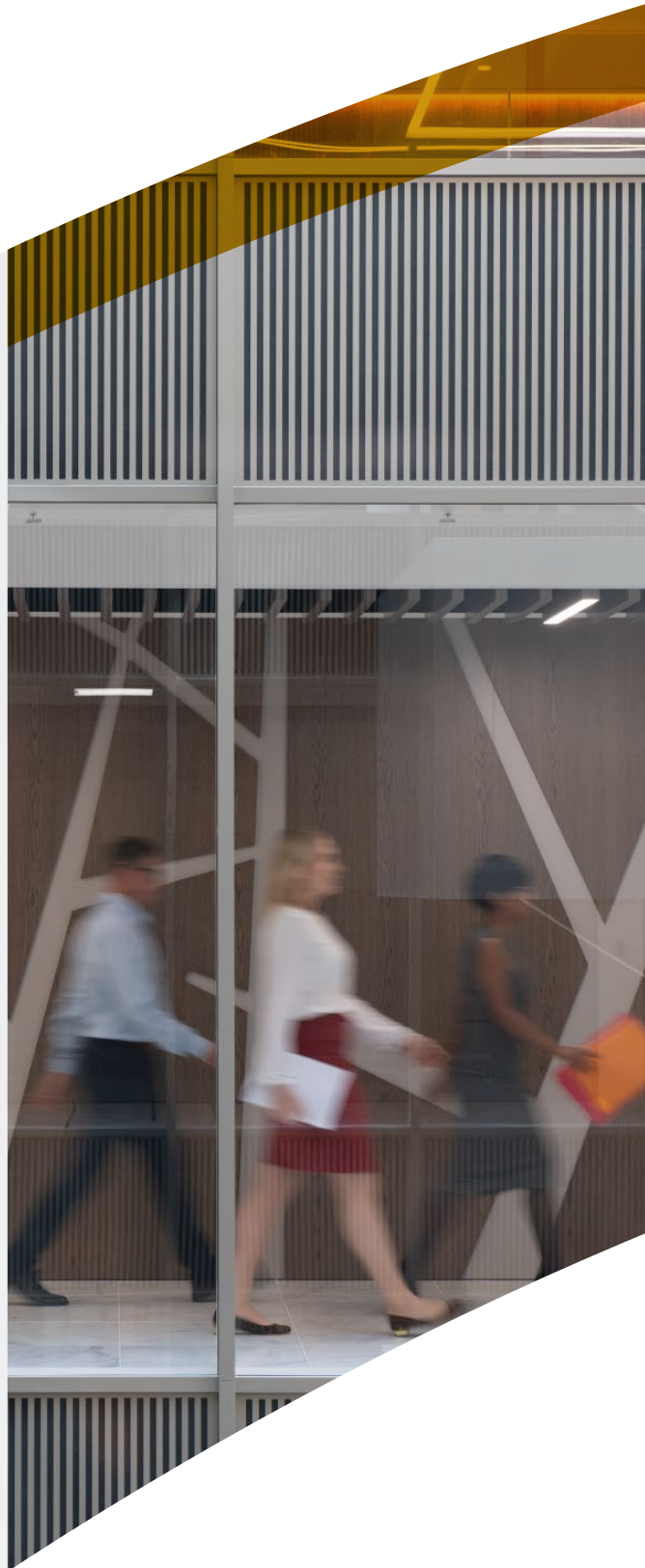
### Reporting on material ESG disclosures

# 91%

Portfolio companies with a health and safety policy

# 1

Work-related fatality in 2023, caused by a person falling ill at their place of work



# Using **technology** responsibly and nurturing **innovation**

## Data privacy

Protecting sensitive customer data is not only a legal requirement, but a key TowerBrook value. As responsible owners, we take a systematic approach to reviewing our portfolio companies' compliance with the relevant data privacy legislation in their jurisdiction.

# 100%

Portfolio companies have a data privacy policy

## Cybersecurity

TowerBrook is committed to cybersecurity and the safeguarding of the proprietary information of all our stakeholders. During 2024, we continued to support our portfolio companies to upgrade their approach to cybersecurity, following our schedule of work launched in 2023 and consisting of six key actions spanning measures across cyber assessment, risk transfer, recovery and compliance. This year, our focus has been on business continuity and ethical AI. We also aim to run twice-yearly roundtables for our portfolio companies, where executives can exchange ideas and share best practices and learnings. In 2024, these sessions were the leading topic in the cross-company exchanges on our collaboration platform, The Bridge.

# 2

Cybersecurity roundtables in 2024

# “

Digital and technology offer opportunities for transformative value creation, but also present challenges and risks that could impact ESG outcomes.

**Jamaria Kong**

Managing Director, TowerBrook, London

Companies must understand and take action to mitigate those risks to protect and enhance the value they are creating.

**Himanshu Udeshi**

Managing Director Digital, TowerBrook, New York

# ”

## Ethical approach to AI

In 2024, we created TowerBrook's "AI Risk and ESG Framework" to manage and mitigate the risks posed by AI across our portfolio. The framework consists of a heatmap of considerations, across data inputs, AI generated outputs, and the environmental impact of running the data servers required to enable and sustain AI systems. We use this framework to support our portfolio companies in the ethical adoption of AI in their sectors.



Scan QR code to read the full JJA case study



# JJA

## Seeking to create an innovative tool to drive positive change

FTEs	2,293
Revenue	€1,096.8m
Investment date	March, 2018 (TSO I)

JJA is a French B2B supplier of home furnishings and associated products. In 2020, the company announced the launch of its corporate social responsibility (CSR) strategy, The Good Living Project, and has been progressively moving to an eco-design approach. To enable this, JJA has been developing an innovative tool designed to allow an accurate overview of the environmental and social footprint of each individual item.

Working with external consultants, it has tracked each raw material's impact across GHG emissions, air pollution, soil usage and biodiversity, waste management, water pollution, and water consumption. The exercise has now been completed for all 300 materials in its database, across an inventory of 22,000 items.

Using this insight, JJA has calculated a Good Living Score for each product, across six categories including materials, transportation, recyclability, duration of use, reparability, and work conditions of those in the supply chain. The score has been shared with key suppliers and is due to roll-out to customers in 2025.

# 22,000 items

JJA's product inventory now with a transparent Good Living Score

# 300 materials

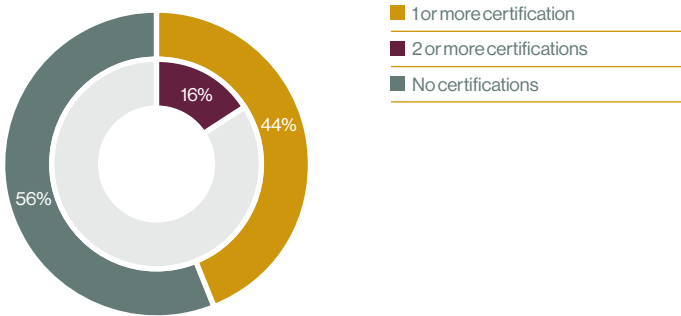
Analyzed for their environmental impact

# Empowering and equipping our portfolio

## Encouraging certification

We believe independent certifications play an important role in the drive towards greater ESG accountability, transparency and industry standardization. We encourage our portfolio companies to seek certifications, where relevant, that recognize their ESG efforts.

### Companies with external certifications



**ecovadis** 8 companies

**Certified B Corporation** 6 companies

# 22%

Portfolio companies received an industry award or other recognition for ESG efforts

## Championing our portfolio company ESG community

At TowerBrook we seek to bring together our portfolio companies to create a community within which we collectively advance our knowledge and expertise. In November 2023, we held our first ESG Roundtable, designed to bring our European portfolio company executives together to exchange ideas and facilitate discussion about ESG's role in value creation. This session focused on decarbonization, regulations, and responsible governance. In October 2024, we held our second ESG Roundtable, with a focus on ESG management across the supply chain, value creation and EU Corporate Sustainability Reporting Directive preparedness.

# 2

In-person ESG roundtables held

# 80%

TowerBrook's European portfolio represented

## The Bridge

The Bridge is TowerBrook's online platform, connecting our portfolio company executives so they can share ESG, technology, and procurement best practices. It provides a simple way for our network to exchange ideas with one another, to discuss learnings, enhance collective knowledge and create business opportunities.



The Bridge connects the extensive experiences across our ecosystem and network.





# LANGAN

## Estimating our Scope 3 financed emissions

FTEs	1,674
Revenue	\$403.6m
Investment date	January, 2024

Langan Engineering and Environmental Services (Langan) provides an integrated mix of engineering and environmental consulting services in support of land development projects, corporate real estate portfolios, and the energy industry. A TowerBrook investment, Langan's clients include developers, property owners, public agencies, corporations, institutions, and energy companies around the world.

In 2024, TowerBrook commissioned Langan to help us better estimate our Scope 3 financed emissions, which occur downstream and within the operational control of our portfolio companies. To do this, Langan is performing peer benchmarking for our portfolio companies, as well as compiling a GHG emissions inventory for our investment portfolio (category 15). This inventory is intended to include an estimate of GHG emissions for those companies that do not track or report emissions and a heatmap analysis of all our portfolio companies.

# Doing the right thing for our communities

## TOWERBROOK Foundation

The TowerBrook Foundation invests in the communities in which we live and work by supporting carefully selected partners that are aligned to our purpose and values, and where we believe our contribution can have a lasting impact. The TowerBrook Foundation was established by the partners of the firm in 2006 and is an integral part of our identity and culture, reinforcing the values we seek to promote. The TowerBrook Foundation is funded from the profits of TowerBrook’s investments and is a 501(c)(3).

### TowerBrook Foundation partners (2020-2023)<sup>41</sup>

### Charitable donations across our portfolio<sup>42</sup>

\$17.2m

Total amount from our portfolio to charity

\$52,115

Average (median) company donation

### Our office partners

In New York, our offices are located in Park Avenue Tower,<sup>43</sup> a building operated by EQ Office, a company that shares our commitment to sustainability, as evidenced in the 2023 EQ Office Sustainability Report, which featured a conversation with our CSO.<sup>44</sup> In London, we are based in St James’s Market, a building using solar panels, enhanced heating and power technology and with a zero-waste approach. Our Paris and Madrid offices, and our portfolio holding company office in Amsterdam, all have recycling, waste and energy reduction initiatives in place.



Scan QR code to read the full La Maison Bleue case study



**La Maison Bleue**  
Groupe

## Investing time, effort and resources to better serve families in our community

FTEs	6,000
Revenue	€337.4m
Investment date	October, 2016 (TSO I)

Founded in 2004, La Maison Bleue provides early years childcare across 600 nurseries in France, the U.K., Luxembourg and Switzerland. The company's approach to CSR, Smile4Children, was set out in 2018. This year, it has further strengthened its commitment to quality under a program called Quality 2024. A major component of this is the introduction of a full-time nursery manager role within the majority of settings, as well as dedicated training for those looking to progress to this role.

Alongside, La Maison Bleue's HR policy seeks to support vulnerable families. Recognizing that many of its own employees are impacted by the challenges of single parenthood, in 2023, the company signed a partnership with the "Femmes & Avenir" Endowment Fund. Through this, it takes steps to raise awareness among employees, and especially managers, to provide personalized support for those employees who are struggling with the demands of juggling single parenting and work.

“

The needs of the children we care for sit at the heart of everything we do. We are committed to putting the right measures in place to strive for good outcomes for them at this crucial stage in their development.

**Claire Laot**  
CEO, La Maison Bleue

”



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protocols. Impacts of such initiatives may also reflect factors such as economic, social or industry trends that are not related to the initiative presented. All information and data in the Report is presented as of Nov 30, 2024, unless otherwise indicated, and, except as required under applicable law, TowerBrook has no duty to update the information contained herein. In addition, unless the context otherwise requires, the words "include," "includes," "including," and other words of similar import are meant to be illustrative rather than restrictive.

For certain of the TowerBrook investment partnerships, case studies have been presented with respect to certain investments only (the "Selected Investments").<sup>45</sup> The purpose of these case studies is to provide illustrative examples of our Responsible Ownership practices in certain investments and should not be viewed as a recommendation of any particular security or company. The Selected Investments may be more favorable than other investments made, or that will be made, for a particular TowerBrook investment partnership, and the Selected Investments are not necessarily representative of the investments that will be made by any TowerBrook investment partnership that TowerBrook may manage or advise in the future, whether with a similar strategy or not. The Report is not intended to be, and should not be read as, a full and complete description of each investment transaction within any particular TowerBrook investment partnership. Unless otherwise stated, references to Responsible Ownership or other ESG initiatives, priorities or practices at portfolio companies are not intended to indicate that TowerBrook has materially contributed to such actions and such initiatives, priorities, or practices are subject to change, even materially.

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

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

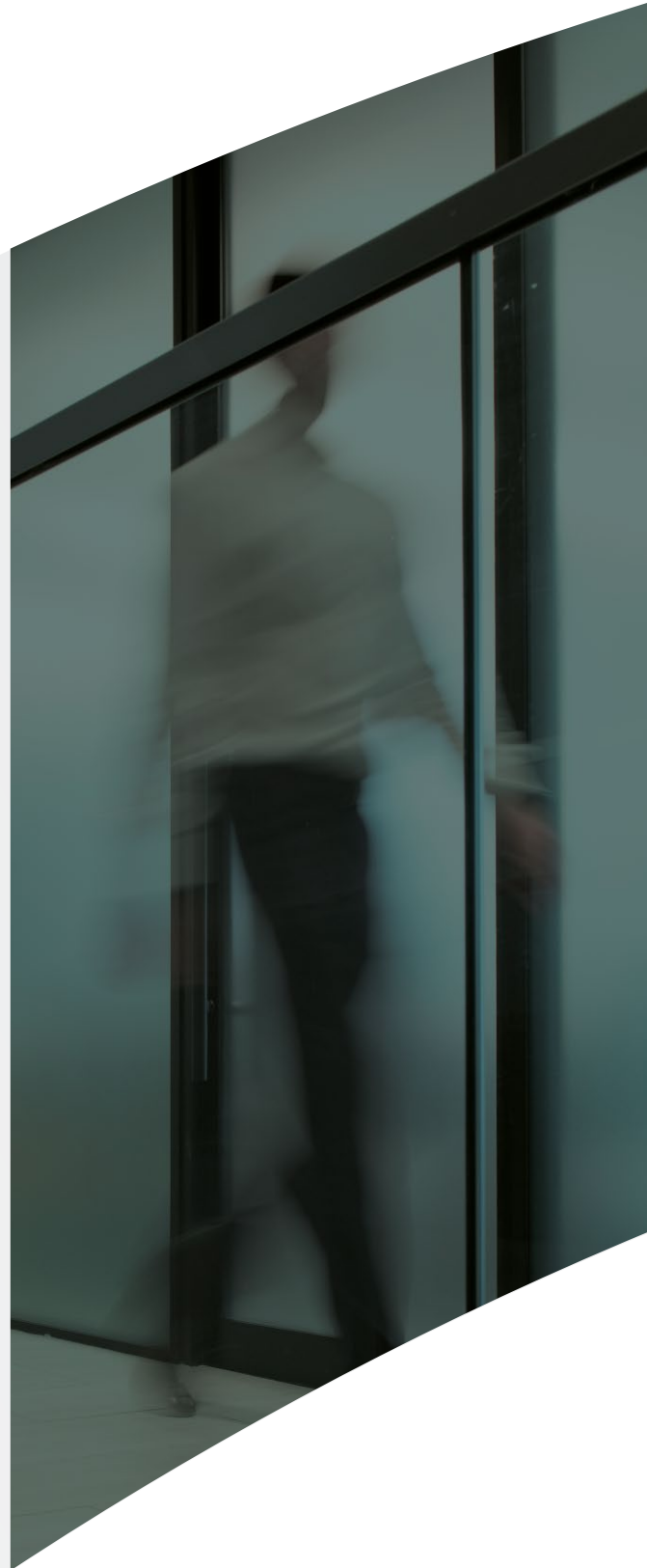
No representation or warranty is made regarding TowerBrook's use of some or all of the Responsible Ownership processes described herein. There can be no assurance that such Responsible Ownership processes or any other ESG-related policies and procedures, as described in this Report, including policies and procedures related to responsible investment or the application of ESG-related criteria or reviews to the investment process, will continue; such policies and procedures could change, even materially, or may not be applied to a particular investment. TowerBrook is permitted to determine in its sole discretion that it is not feasible or practical to implement or complete certain of its Responsible Ownership or ESG initiatives, policies, and procedures based on cost, timing, or other considerations. Statements about Responsible Ownership or ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on factors including, but not limited to, the relevance or implementation status of a Responsible Ownership or ESG initiative to or within the portfolio company; the nature and/or extent of investment in, ownership of or, control or influence exercised by TowerBrook with respect to the portfolio company; and other factors as determined by investment teams, corporate groups, asset management teams, portfolio operations teams, companies, investments, and/or businesses on a case-by-case basis. By participating in any of the third-party ESG organizations described herein, TowerBrook does not intend to engage in any behavior that would lessen or restrict competition, and has not reached any agreements with third parties to restrict competition. TowerBrook's views may also be different than those of such third-party ESG organizations, and TowerBrook's status as a signatory, member, or participant thereof is subject to change at any time in its sole discretion. The receipt of any awards, scores or other recognition by TowerBrook or the portfolio companies described herein is no assurance that TowerBrook's investment objectives have been achieved or successful. Further, such awards, scores and other recognition are not, and should not be deemed to be, a recommendation or evaluation of TowerBrook's investment management business.

ESG factors are only some of the many factors TowerBrook considers in making an investment, and there is no guarantee that TowerBrook will make investments in companies that create positive ESG impact or that consideration of ESG factors will enhance long term value and financial returns for limited partners. To the extent TowerBrook engages with portfolio companies on Responsible Ownership or ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the financial or ESG performance of the investment. Except where opinions and views are expressly attributed to individuals, general discussions contained within this Report regarding the market or market conditions represent the view of either the source cited or TowerBrook. Nothing contained herein is intended to predict the performance of any investment. There can be no assurance that actual outcomes will match the assumptions or that actual returns will match any expected returns.

# Notes

- 1 The 45 companies surveyed for this Report included all companies in which TowerBrook had an investment interest, controlling or otherwise at Sep 30, 2024, with the exception of: AQUAchiara, CBTS, Demakes, ECIT, IDAK, JSM, Langan, Let's Get Checked, Liftwerx (which were all closed within 4 months of the 2024 RO survey release date), Access Financial, Newtek-TSO II Conventional Credit Partners, TowerBrook Data Center SPV (which are joint venture vehicles outside of the operational control of our firm), and OVHcloud. The data includes Battea, which we exited in Oct 2024. The RO data collected reflects company figures as of Dec 31, 2023. Where portfolio company case studies are featured in this Report, the introductory FTE and revenue figures are as of Sep 30, 2024.
- 2 Please refer to the Disclaimer for important information regarding TowerBrook's approach to Responsible Ownership.
- 3 The total number of beneficiaries of TowerBrook's limited partners across all funds to date has been calculated from publicly available data and is approximate as of Nov 30, 2024. This number will vary over time, reflecting changes in the composition of our investor base and its constituents.
- 4 As of Sep 30, 2024, pro forma for the R1 take private transaction and SMA capital. Represents the securities portfolios, including any uncalled capital commitments, for which TowerBrook provides continuous and regulatory supervisory or management services. Regulatory AUM does not account for the deduction of offsetting liabilities or certain hedging practices and is not an accurate indicator of at-risk capital.
- 5 12 private investment partnerships and one co-investment partnership.
- 6 Portfolio companies include all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2024, including one investment that has signed and is in the process of closing (CBTS).
- 7 The number of full-time employees or equivalent (FTEs) shown throughout this Report is at Sep 30, 2024, for all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2024.
- 8 The combined revenue in the 12 months to Sep 30, 2024, generated by the 58 companies in which TowerBrook had an investment interest at Nov 30, 2024; this figure is based on Sep 30, 2024 conversion rates.
- 9 Our full Responsible Ownership Statement is published on our website: TowerBrook Responsible Ownership Statement 2024.
- 10 The ratings referred to herein were given to TowerBrook by sources referenced, based on methodologies and criteria independent of TowerBrook. With regard to compensation arrangements, TowerBrook (i) contributes an annual signatory fee to PRI, whereby PRI reports on all signatories, and (ii) engages Preqin as a data and analytics platform provider. No such person creating the ratings is affiliated with TowerBrook or is an investor in TowerBrook-sponsored vehicles. Such ratings are solely for informational purposes and should not be construed or relied upon as any indication of future performance of TowerBrook or any of its funds or investments.
- 11 Marks the date that TowerBrook started to officially incorporate the concept of Responsible Ownership into the investment process.
- 12 For details of the 45 companies surveyed, please refer to note 1.
- 13 Unless otherwise indicated, for all questions in the 2024 Report, the percentages represent the positive responses to a particular metric received from the total perimeter (100%) of surveyed companies. Where year-on-year comparisons are presented, these represent a portfolio snapshot year-on-year and consist of a changing perimeter of companies over time. Our 2024, 2023 and 2022 portfolio snapshots are as follows: In 2024, the snapshot consisted of the 45 companies outlined in note 1 above. In 2023 the snapshot consisted of 41 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Jun 30, 2023, at the time of issue of our RO survey, with the exception of: Access Financial, Kaporal, Newtek-TSO II Conventional Credit Partners, OVHcloud, TowerBrook Data Center SPV, Validity, and what were then our new investments, Envevo, Maxor, The Independents and TXO). The 2023 data reflects company figures as of Dec 31, 2022. In 2022 the snapshot consisted of 40 companies (including all companies in which TowerBrook had an investment interest, controlling or otherwise, at Nov 30, 2022, with the exception of Access Financial, Ascent, GSF, IZIPIZI, OVHcloud and Premium Credit).
- 14 Includes Fund commitments and co-invest commitments.
- 15 Envevo's methodology may evolve over time as it continues to be informed by additional data and standards. The company continues to refine its impact KPI's measurement processes. It leverages the work completed by ERM to support with the carbon calculation. Avoided emissions result from the use of EVs, with a lower lifecycle carbon intensity per mile/km traveled, than the average U.K. car fleet (Petrol, Diesel, Electric & Hybrid). EVs are assumed to travel 175,000km over a 12-year lifespan. It is assumed that the average EV uses 0.17 Wh/km and required 9.5 tCO<sub>2</sub>e to produce. Charging points are assumed to have 10-year lifespans, providing 22 kW power, 12 hours per day, 300 days per year.
- 16 TowerBrook and BlueMark have an arrangement in place for BlueMark to independently verify the alignment of our impact management practices with the Operating Principles for Impact Management. This arrangement has been in place for calendar years 2022 and 2023. The ratings referred to (and related to notes 17, 18 and 19) are based on BlueMark methodologies and criteria. TowerBrook provides compensation in connection to the assessment services provided by BlueMark and not in connection with the ratings. No such person creating the ratings is affiliated with TowerBrook or is an investor in TowerBrook-sponsored vehicles. Such ratings are solely for informational purposes and should not be construed or relied upon as any indication of future performance of TowerBrook or any of its funds or investments.
- 17 Our 2023 BlueMark OPIM verification statement is published on our website: 2023 Impact Verifier Statement.
- 18 Our 2024 BlueMark OPIM verification statement is published on our website: 2024 Impact Verifier Statement.
- 19 Our 2024 BlueMark Fund ID statement is published on our website: TowerBrook Delta Fund ID Verifier Statement.
- 20 TXO's methodology may evolve over time as it continues to be informed by additional data and standards. For "avoided emissions," timeframe based on 5 year expected life of reused products from in-year product revenues (lifespan could be higher or lower), relative to the counterfactual where a new product is manufactured instead. CO<sub>2</sub>e calculation includes product and repair related revenues but does not yet include decommissioning services and recycling. Enabled refers to total CO<sub>2</sub>e saving rather than specific attribution between TXO, OEM, TXO supplier and client.
- 21 Adjusted for TowerBrook's equity share in each portfolio company as of Dec 31, 2023, based on the companies that reported they track this metric. Represents attributable FTE growth only.
- 22 From 2023 onwards, we have defined TowerBrook's controlled or majority-owned PE portfolio boards as companies in which TowerBrook's ownership is greater than 50% or TowerBrook controls a majority of the board seats. DE&I initiatives may not apply to certain TowerBrook Funds where the investment strategy does not facilitate sufficient ownership or control, such as Structured Opportunities, co-investment partnerships, or a single-asset continuation Fund.
- 23 The data presented here represents TowerBrook controlled or majority-owned PE portfolio boards only, as of Dec 31, 2023, consisting of 14 companies.

- 24 Average (median) C-suite diversity figures are provided for the 42 portfolio companies that provided a response to this question, representing a 93% completion rate.
- 25 Where universal benchmarks are referred to, these are supplied by Novata and refer to their benchmark across all sectors.
- 26 This metric tracks whether the portfolio company has a recruitment policy that includes the employment of diverse individuals. TowerBrook supports policies which take steps towards creating anonymity and eliminating bias in recruiting.
- 27 Figures may not add to 100% due to rounding.
- 28 Figures as of Nov 30, 2024.
- 29 TowerBrook's PE Fund IV retains a minority equity stake in the company.
- 30 Average (median) upskilling hours is calculated for the 56% of our portfolio that reported they track this measure.
- 31 This figure does not include TowerBrook's Scope 3 financed emissions. Currently 53% of the portfolio report on their Scope 3 emissions. This year, we're taking steps to estimate the remainder where they are not currently being tracked (see the case study featuring our work with Langan on page 39).
- 32 This year we changed our methodology to align with the Novata Carbon Navigator+ carbon calculator. It represents a more comprehensive view of our operational emissions and includes estimates related to vendor spend.
- 33 Full details of the Azzurri Group disclosure to the SASB Restaurants Standard can be found in its Sustainable Dining Report 2023.
- 34 As published on the company website. Carbon reduction based on impact methodology developed by specialized food sustainability platform, Foodsteps.
- 35 Average (median) renewable energy usage is calculated for the 47% of our portfolio that reported they track this measure.
- 36 As published on the company website: Understanding OVHcloud's data centers: how Delta T helps with water efficiency – OVHcloud Blog.
- 37 OVHcloud PUE and WUE figures provided by the company and based on 2024 data.
- 38 As detailed in the OVHcloud press release Jun 4, 2023: OVHcloud celebrates 20 years of innovation in the data center with highly efficient liquid cooled servers.
- 39 As referenced in the 2016 Ernest Orlando Lawrence Berkeley National Laboratory United States Data Center Energy Usage Report | Energy Technologies Area.
- 40 As referenced in the Uptime Institute Global Data Center Survey 2024.
- 41 Third-party logos provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by any such organizations.
- 42 Total value and average (median) value of the companies that reported they had made charitable donations in 2023 (78% of the portfolio).
- 43 TowerBrook acknowledges that our New York offices stand on the homeland of the Lenape (Lenapehoking) people, and we respect and honor the caretakers of this land.
- 44 As reported in the EQ Office 2023 Sustainability and Social Impact Report.
- 45 Case studies were selected using an objective non-performance basis and based on showcasing a range of TowerBrook investments across the U.S. and Europe.



“

Responsible ownership is integral to **sustainable value creation** at TowerBrook.

”

# TOWERBROOK

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