



CLIMATE TRANSPARENCY REPORT

2019

TowerBrook Capital Partners

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-1327B6E7-36F7-48D8-B775-F961D64DA063/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate 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 PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	TowerBrook Capital Partners
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	>50% Private Equity Internally Managed
Signed PRI Initiative	2017
Region	North America
Country	United States
Disclosure of Voluntary Indicators	86% from 38 Voluntary indicators

TowerBrook Capital Partners

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

TowerBrook’s values stand at the core of our mission and are at the foundation of our belief in responsible ownership. The full text of our Purpose Statement, our Mission Statement, and our Responsible Ownership Statement are publicly available on our website (<https://www.towerbrook.com/responsible-ownership/>). Our Responsible Ownership Statement covers planet, people, partnership, performance, transparency, and the management of the responsible ownership program.

We identify and consider responsible ownership risks and opportunities throughout our investment process. We are prepared to invest in imperfect businesses in order to help build them into better businesses. There are some areas we specifically exclude: we will not invest in companies whose business involves tobacco, armaments or sexual exploitation: and we will not invest in companies that we know are involved in violations of internationally recognised human rights or exploitative, discriminatory or harmful practices without a plan for remediation. In addition to our commitment to comply with all applicable laws and regulations, we strive to achieve the highest standards of ethical conduct in our own firm and expect our portfolio companies to do the same.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

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. As such, Responsible Ownership is an explicit component of the TowerBrook Playbook. The 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. TowerBrook’s Responsible Ownership Statement is reviewed at least once annually by the Responsible Ownership Committee and by the Risk and Compliance Committee. TowerBrook revised our Responsible Ownership Statement in 2018.

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

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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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 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.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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- Yes
- No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

	Explain the rationale
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While TowerBrook endorses the general principals behind the TCFD, we are still evaluating the initiative and considering whether we will publicly support it.

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes
- No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
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N/A

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.towerbrook.com/responsible-ownership/}

- Attachment (will be made public)

- Screening / exclusions policy

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.towerbrook.com/wp-content/uploads/TowerBrook_Responsible_Ownership-2018.pdf}

- Attachment (will be made public)

- We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment
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- URL

URL

{hyperlink:https://www.towerbrook.com/wp-content/uploads/TowerBrook_Responsible_Ownership-2018.pdf}

- Attachment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches

URL/Attachment

- URL

URL

{hyperlink:https://www.towerbrook.com/wp-content/uploads/TowerBrook_Responsible_Ownership-2018.pdf}

- Attachment
- Active ownership approaches

URL/Attachment

- URL

URL

{hyperlink:https://www.towerbrook.com/wp-content/uploads/TowerBrook_Responsible_Ownership-2018.pdf}

- Attachment
- Reporting

URL/Attachment

- URL

URL

{hyperlink:https://www.towerbrook.com/wp-content/uploads/TowerBrook_Responsible_Ownership-2018.pdf}

- Attachment
- We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

TCP's Responsible Ownership Report was published in November 2018 and is available on our website. TCP intends to publish a Responsible Ownership Report going forward on an annual basis.

TowerBrook became a certified B Corp in February 2019. All Certified B Corps share their B Impact Report publicly on bcorporation.net. The B Impact Report is the summary of a company's scores on the B Impact Assessment by category and contains no question-level information. TowerBrook's B Impact Report is available on: <https://bcorporation.net/directory/towerbrook-capital-partners-lp>.

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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Responsible Ownership Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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The Firm's Management Committee formally considers ESG-related issues on an annual basis, which include climate-related issues.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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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. 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.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 13.3	Additional information. [OPTIONAL]
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Responsible ownership considerations are integrated into every stage of our investment process and formally considered for decisions including asset allocation, allocation between geographic markets, and allocations amongst sectors, amongst others.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

	other description
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Encouraging internal and/or external portfolio managers to monitor emissions risk; working to develop carbon emissions tracking framework for TCP and our portfolio companies.

- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

- Qualitative consideration of climate-related risks and opportunities, as appropriate.
- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

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. We also include climate-related indicators on our list of ESG Markers. Investment professionals reviewing potential opportunities that could potentially be impacted by climate change must discuss any such issues with TowerBrook's Transaction Committee at an early stage in the investment consideration process. TowerBrook also seeks to engage with its preferred ESG consultants at an early stage in the investment consideration process to identify climate change risks and opportunities.

- Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No

