2020 - 2021

ESG PERFORMANCE REPORT

TPG

TPG's Annual Review of Environmental, Social, and Governance (ESG) Performance

OUR PRINCIPLES & COMMITMENT

TPG has had a long-standing commitment to fostering strong Environmental, Social and Governance (ESG) performance in its portfolio.[1] Seeking positive ESG outcomes aligns with the core tenets of why – and how – TPG invests. From scrutiny of potential investments in diligence, to business building during ownership, to value creation at exit, we continue to expand the ways we put into practice our enduring commitment to build strong, sustainable companies.

While 2020 presented many challenges – the global pandemic, social unrest and, acutely in the United States, a reckoning with our societal failings with respect to diversity, equity and inclusion – it was also a year that brought tremendous progress and innovation within our portfolio, and saw our companies – and our firm – emerge stronger and excited about the possibilities before us.

We see increased importance – and value-creation potential – in our long-held commitment as an investor to engage meaningfully with all of our stakeholders.

To best support broad stakeholder engagement and improve the environmental and social impacts of our deployed capital, material ESG considerations are managed across multiple functions, including Legal and Compliance, Human Capital, and Operations. Indeed, leaders from each of these areas are represented on the firm's ESG Strategy Council, which reviews progress, activities, risks and opportunities related to the environmental and social impacts of our capital at work. In addition, a dedicated team of ESG-focused professionals supports the firm's activities in these areas.

To ensure alignment with other leading capital allocators and asset owners, as well as regulatory agencies, we collaborate with and publicly support leading ESG-focused organizations and standards setters, including the U.N. Principles for Responsible Investment (PRI), the Sustainability Accounting Standards Board (SASB), and the Taskforce for Climate-related Financial Disclosures (TCFD), among others.

In addition, we partner with innovative researchers and sustainability thought leaders on a range of ESG-related topics, all to support our continuing ambition to understand and improve the environmental and social impacts within the portfolio, and ensure TPG remains at the forefront of emerging ESG-related trends in private equity.

This report was authored to provide a meaningful, substantive update on the recent evolution of TPG's ESG performance, share insights related to our growing set of ESG-focused assets and capabilities, and evidence the firm's commitment to responsible investing in our culture.

We will continue to expand and deepen the ways we leverage our knowledge, network, expertise, and global reach to encourage long-term ESG integration. Our team welcomes the opportunity to engage further on any topic covered in this report.

David Bonderman
Chairman &
Founding Partner

Jim Coulter
Executive Chairman &
Founding Partner

Jon Winkelried
Chief Executive
Officer & Partner

Maryanne Hancock
CEO, Y Analytics &
Partner, TPG

Anilu Vazquez-Ubarri
Firm Partner, Chief
Human Resources
Officer

Joann Harris
Firm Partner, Chief
Compliance Officer

Bradford Berenson
Firm Partner &
General Counsel

1. Statements made herein are on behalf of TPG as one Firm, however it should be noted that the Firm has a variety of investment platforms, each with different investment mandates and objectives. The extent and manner in which ESG factors may be considered in each platform's investment process and portfolio may vary.

ESG PERFORMANCE HIGHLIGHTS

A+/A+

TPG's Rating from PRI in 2020, evidencing continued alignment with PRI's 6 Principles for Responsible Investment within the firm's Strategy & Governance and Private Equity-specific practices

120

women directors appointed since 2017, the direct result of the firm's Board Diversity initiative. As of 2021, 73% of our companies' U.S.-based boards have both gender and racial/ethnic diversity

CARBON NEUTRAL FIRM-LEVEL FOOTPRINT

Purchased a mix of offsets and carbon credits to account for the firm-level operational emissions footprint in 2020 and forward-purchased offsets and carbon credits to address our anticipated emissions throughout 2021

125+

ESG Materiality assessments of current and prospective Portfolio Companies in the past 12 months

400+

Impact assessments of potential investments within the Rise platform

100+

Portfolio Companies completing the firm's Annual ESG survey, enabling detailed review and benchmarking of ESG practices and policies

~50%

of TPG's last two associate classes are women and/or racially and ethnically diverse

IMPACT INVESTING AT SCALE

TPG has developed multiple impact investment platforms (including Rise I, Rise II, Evercare, TPG Rise Climate), which have invested in 68 companies to date.

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TPG'S ESG POLICIES, MEMBERSHIPS, CAPABILITIES, & APPROACH

Building on our history and commitment to material ESG considerations, TPG continues to advance ESG performance within the firm and in our external engagement. Below is an overview of updates to our Global ESG Performance Policy, external engagement, enhanced capabilities, and evolving approach to incorporating material ESG factors in the investment process.

GLOBAL ESG PERFORMANCE POLICY

TPG adopted a formal Global ESG Performance Policy in 2012. Recently, the firm updated the Policy to affirm and clarify the firm's long-standing consideration of – and commitment to – the material ESG performance of prospective investments and portfolio companies throughout the investment period.

This updated Policy includes expanded statements intended to emphasize TPG's support for an array of ESG-related topics, including climate change, social justice, and diversity, equity and inclusion.

TPG's Environmental, Social and Governance (ESG) Performance Policy UPDATED 2021

TPG's ESG Performance Policy codifies the firm's deliberate consideration of material environmental, social and governance factors throughout the Investment process.

The firm's approach to assessment of material ESG considerations aligns with, and incorporates, leading standards promulgated by the Sustainablity Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the Taskforce for Climate-related Financial Disclosures (TCFD). In addition, TPG's investment processes align with the United Nations' Principles for Responsible Investing (UN PRI) 6 Governing Principles.

TPG's focus on material ESG factors generates actionable insights and seeks to enhance long-term financial returns, improving our assessments of risk and value-creation across the portfolio.

In addition, the firm examines performance, opportunities and risks related to:

- Climate Change & Resilience;
- GHG Emissions;
- Human Rights; and
- Diversity, Equity & Inclusion.

TPG's Global ESG Performance Policy Commitment is to:

1. Incorporate consideration of material ESG factors across our diligence and investment processes.
2. Advise and support our portfolio companies in managing ESG performance risks and pursuing value-creation opportunities.
3. Foster greater transparency related to the material ESG performance factors across the portfolio.

ESG-FOCUSED MEMBERSHIPS, COMMITMENTS, & STANDARDS

TPG is a Signatory to, and a Sponsor of, the United Nations' Principles for Responsible Investment (PRI). In addition to completing our annual PRI Report, we are a frequent participant and sponsor of programming led by PRI.

TPG received another **A+/A+** Rating from PRI in 2020, evidencing continued alignment with PRI's 6 Principles for Responsible Investment within the firm's Strategy & Governance and Private Equity-specific practices.

TPG engages and aligns its ESG practices with a range of leading performance-focused organizations and standards setting entities, including the Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), and Global Reporting Initiative (GRI).

PRI Principles for Responsible Investment

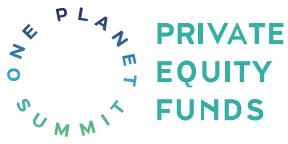
TPG is Aligned to the 6 PRI Principles

1. We will incorporate ESG issues into investment analysis and decision-making processes
2. We will be active owners and incorporate ESG issues into our ownership policies and practices
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest
4. We will promote acceptance and implementation of the Principles within the investment industry
5. We will work together to enhance our effectiveness in implementing the Principles
6. We will each report on our activities and progress toward implementing the Principles

Importantly, TPG has, since 2019, been a public Supporter to the Task Force on Climate-related Financial Disclosures (TCFD), incorporating its guidance and recommendations for investors into firm-level processes. We also support and participate in several climate-related industry groups and initiatives, including:

North America-focused network of investors focused on advancing leading investment practices and corporate engagement strategies to better manage climate risk and scale investment in solutions. TPG became a member in 2021.

International initiative for private equity firms aiming to address climate change in which global community of investors shares knowledge, tools, and best practices to help build and manage both climate-aligned and climate-resilient portfolios. TPG became a member in 2021.



Consortium of Private Investment firms that committed to collaborate within the OPSWF Framework, share best practices with OPSWF and OPAM members, and engage with other key actors, including standard setters, regulators and the broader industry. TPG joined this initiative in early 2021.

Initiative aims to lead and accelerate the world's transition to a sustainable future by putting Nature, People and Planet at the heart of global value creation. TPG joined this initiative in early 2021.

Consortium of public sector leaders, businesses, and investors that declared continued support of climate action to meet the Paris Agreement after the Trump administration withdrew. TPG has been a public supporter since 2017.

Global investor membership body comprised primarily of asset owners and asset managers that works to help define the investment practices, policies and corporate behaviors required to address climate change. TPG became a member in 2021.

ENHANCED ENVIRONMENTAL & SOCIAL PERFORMANCE CAPABILITIES: Y ANALYTICS

Recognizing the growing importance of fact-based, actionable assessments of environmental and social impacts, TPG elected in 2018 to build an innovative capability focused on data-driven decision-making related to environmental and social impacts, known as Y Analytics®.

Initially focused upon creating research-based insights related to the environmental and social impact potential and performance of investments within The Rise Funds, TPG's impact investing platform, Y Analytics has now evolved its assets and capabilities into a broader suite of decision tools that provide visibility into the environmental and social impacts of our capital allocation decisions across the investment cycle.

ANALYTICS

Capital

Environmental & Societal Impacts of Investments

Improved Outcomes

- Assess impact and ESG performance of individual companies
- Prioritize pathways
- Manage and report on impact & ESG performance

Research

Latest Thinking & Research

Improved Approaches

- Advance valuation methodologies
- Curate & disseminate research
- Engage with ecosystem of capital allocators and researchers in this space

Impact Decision Tools:	Impact Decision-Making:	Knowledge Sharing:	Highly Diverse Team:
Impact Multiple of Money™ (IMM)	Due Diligence	25 Publications	55% Women
Impact Yield	Annual Impact & ESG Reports	4 Standard Setting Advisory Committees	30% Ethnically Diverse
Carbon Yield	Portfolio Company Engagement	Industry Conferences	25% Citizenship Outside the US
Y Data™		Business School Teaching	

Recognizing the value and material importance of these ESG performance decision tools and capabilities, TPG expanded Y Analytics' mandate to include the coordination and leadership of ESG performance management across the firm's platforms.

Y Analytics is now responsible for the design, implementation and performance of TPG's ESG strategy, including: how to conduct ESG diligence and screening on applicable investments, encouraging cross-portfolio collaboration and knowledge-sharing, and developing initiative-level engagements designed to create value and improve performance within individual portfolio companies.

Y Analytics works in collaboration with Human Resources and Human Capital, who lead the firm's substantial Diversity, Equity, & Inclusion (DEI) activities, and with Legal & Compliance, who lead overall governance and regulatory performance activities.

Research Depth & Rigor

3,200+
Research Pieces Reviewed

Service to The Rise Funds

400+
Impact Assessments

Talent

~60%
Lived or Worked in Emerging Markets

Community Contributions

320+
Engagements with Capital Allocators

Ecosystem

11
World-class Advisors (Editorial Advisory Board and Research Advisory Council)

ESG

125+
ESG Materiality Assessments

EVOLVING APPROACH TO ESG PERFORMANCE ASSESSMENT & ENGAGEMENT

Defining "ESG": A Clear Focus on Materiality

At TPG, Environmental, Social, & Governance (ESG) includes standards, considerations, and practices relating to the environment, social and human capital, and governance topics. This includes, but is not limited to, material sustainability topics as defined by the Sustainability Accounting Standards Board (SASB).

SASB defines what ESG "means" by identifying material factors within a given industry

Material ESG Factors

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Mgmt.
- Waste & Hazardous Materials Mgmt.
- Ecological Impacts

- Labor Practices
- Employee Health & Safety
- Employee Engagement
- Diversity, Equity and Inclusion

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Mgmt.
- Systemic Risk Mgmt.

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

- Product Design & Lifecycle Mgmt.
- Business Model Resilience
- Supply Chain Mgmt.
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

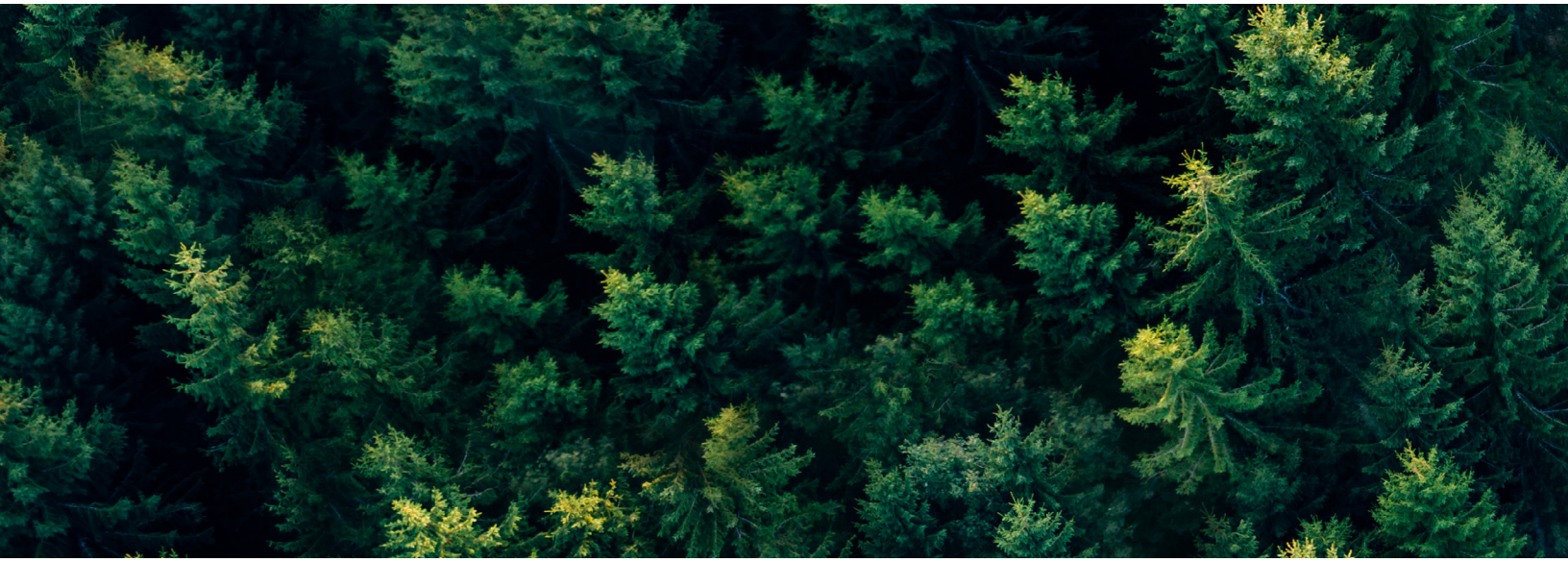
Focusing on materiality is linked to improved financial performance[1]

Annualized alpha from investments in...

1. Khan, Serafeim, and Yoon, Corporate Sustainability: First Evidence on Materiality (2015, updated 2017) examining 2,307 companies between April 1993 to March 2013 (13,397 unique firm years)

Focusing on What Matters

At TPG, we believe that – in addition to improving environmental and social outcomes – assessing material ESG performance facilitates a stronger understanding of business risks and opportunities and can result in enhanced financial returns for stakeholders. Accordingly, financial materiality is a core premise of TPG's approach to assessing ESG risks and performance in the portfolio. Y Analytics has developed assets and processes that investment platforms may use to incorporate the SASB framework of ESG performance factors into investment activities and apply based on a platform's needs and utilization. These SASB standards address the sustainability topics that are reasonably likely to have material impacts on the financial condition or operating performance of companies in a given industry. In identifying these sustainability topics, SASB applies the definition of "materiality" under the U.S. securities laws.



The utilization of SASB's material ESG factors is guided by two critical considerations: first, the **specificity** of these ESG performance factors across 77 industries, and second, the **demonstrated linkage to value** of these factors to overall company financial performance, as supported by a growing body of research[1].

In addition to the SASB-based material ESG performance factors, TPG also incorporates, where appropriate, principles from the Global Reporting Initiative (GRI), the Taskforce for Climate-related Financial Disclosures (TCFD), and the World Economic Forum International Business Council (WEF IBC) into our investment-specific assessment criteria ("SASB+") and processes.

1. Khan, Serafeim, and Yoon, Corporate Sustainability: First Evidence on Materiality (2015, updated 2017) examining 2,307 companies between April 1993 to March 2013 (13,397 unique firm years)

Engaging Throughout the Investment Cycle

Deal Review & Investment Decision-making

During the investment review process, the Y Analytics team may provide support to TPG investment professionals with their consideration of material sustainability risk and performance indicators (guided by our SASB+ framework).

These indicators are investment-specific, typically based on factors such as the company's industry and sectors, geography of operations, workforce and supply chain construct, current and future regulatory environment, among others. In these instances, the potential investments are screened against material factors to determine the potential for ESG-related risk, performance, and value creation and to inform investment decision-making and company initiatives post-closing. While TPG categorically excludes investment in a small number of sectors, the firm may elect to proceed with investments with a goal of improving the company's ESG performance, if needed, thereby creating both financial value as well as positive environmental and social impacts.

Company ESG Performance Assessment & Improvement

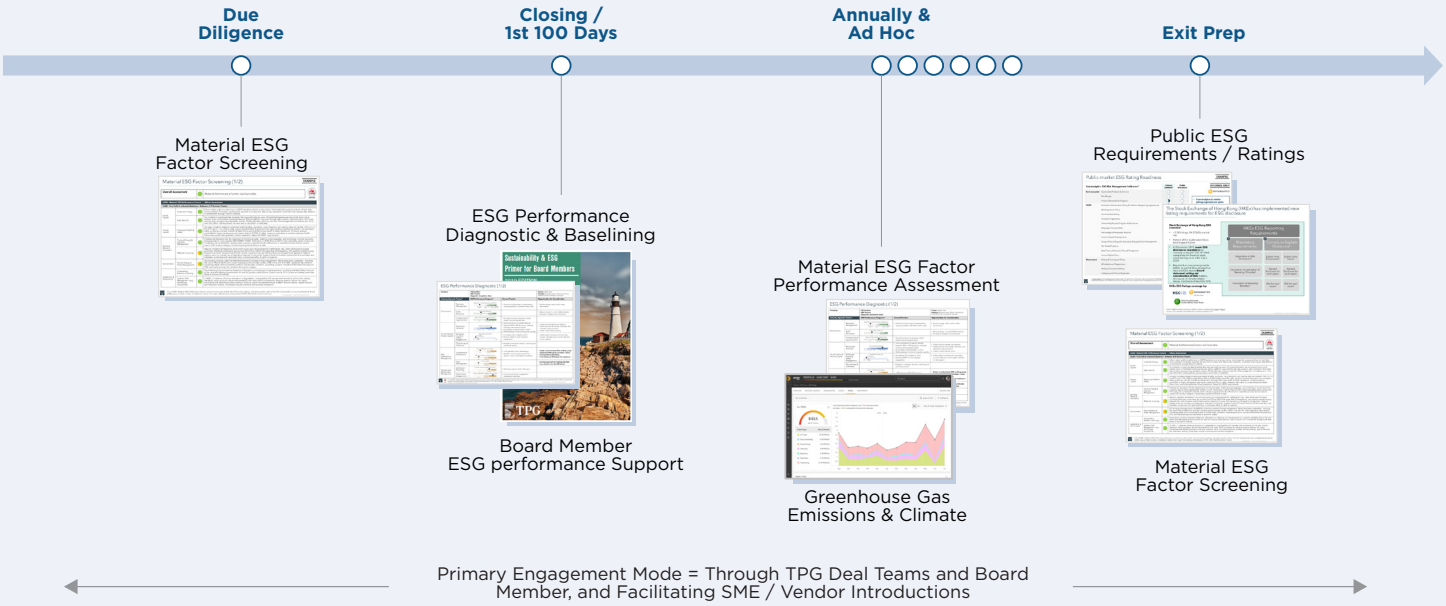
Our Y Analytics team has curated a suite of proprietary, ESG-focused assets to use with portfolio companies to help monitor material ESG factors across the lifecycle of a deal, and identify opportunities to enhance ESG-related practices and outcomes to protect and generate sustainable enterprise value.

Notable in the firm's suite of ESG-focused assets are:

- Tools supporting portfolio companies seeking to assess and reduce their carbon footprint.
- Assessments and benchmarking of performance along material ESG factors for a given company. These assessments are conducted following investment and annually to establish a company's ESG performance baseline and aid the company in prioritization, target setting, and developing corporate initiatives.

Suite of ESG Support to PCs: Across the Investment Cycle

ESG-Guided Portfolio Company Investment Cycle Interactions



Exits

Globally, ESG requirements and standards continue to evolve at a rapid pace. Our Y Analytics team offers advisory support, when appropriate, to companies preparing to IPO in order to help them understand and meet ESG disclosures required by relevant public exchanges and anticipated regulatory developments.

In addition, Y Analytics may provide a perspective to a portfolio company's executives, in advance of any public offering, of the company's perceived level of disclosure for ratings criteria at leading ESG ratings agencies (e.g., Sustainalytics). This type of engagement helps our portfolio companies prepare for potential public-market ESG ratings and disclosure requirements, and improves the company's conveyance of relevant practices in place.

In the past 12 months, we have conducted more than 125 Material ESG Factor performance screenings of potential investments and portfolio companies, produced quantitative assessments and benchmarks to guide ESG strategy development and value creation with more than 40 portfolio companies, supported five companies in preparations for public exchange ESG requirements, and engaged with numerous other companies to provide specialized ESG research and best practice guidance to aid their ESG performance improvement efforts. We will be continuing to expand the availability of these supports across platforms throughout 2021-22.

KEY ESG PERFORMANCE INITIATIVES

Over the past several years, we have focused on advancing three key initiatives related to ESG performance and impact. This section provides an overview of our work on DEI, Climate, and Impact Investing.

ADVANCING DIVERSITY, EQUITY & INCLUSION

At TPG, we believe that the quality of our investments and our ability to build great companies depend on the originality of our insights. We are committed to having a diverse, equitable, and inclusive workplace to:

- Foster diversity of thought;
- Create an organization reflective of the breadth of the limited partners, portfolio companies and communities we serve; and
- Attract, develop, retain and promote the best talent, TPG's greatest asset.

We believe that sponsoring the success of every member of our team – including all ethnicities, genders, and sexual orientations, with a wide variety of personal and educational backgrounds, professional experiences, and perspectives – makes TPG a more innovative, more creative, and more effective organization.

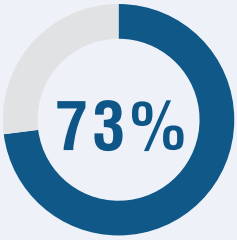
> TPG has been driving several external and internal initiatives as part of our long-standing commitments to DEI

TPG's DEI strategy is driven by a Council of the firm's most senior leadership representing every business unit and region. The council works together and in partnership with the Firm's Human Resources team to develop and implement strategies to recruit diverse early-career and senior talent; establish benefits and policies that support the retention and success of diverse talent; and offer initiatives that foster an inclusive environment for all. TPG has been

driving several external and internal initiatives as part of our long-standing commitments to DEI. Examples include:

- **Board Diversity Initiative**

  Within our portfolio, we have been dedicated to ensuring diversity of gender, race, ethnicity, and sexual orientation on boards. As of 2021, 73% of our companies' U.S.-based boards have both gender and racial/ethnic diversity, and we have helped appoint 120 women directors since 2017. We are building partnerships with industry-leading groups dedicated to gender, ethnic, racial, and sexual orientation diversity on corporate boards and have developed a database of over 1,100 diverse directors for potential placement within our network. We are a member of the Thirty Percent Coalition's private equity working group. The Thirty Percent Coalition is a national organization committed to the goal of women, including women of color, holding 30% of board seats. We are also involved with Women Corporate Directors, Him for Her, Ascend-Pinnacle, Stanford Women on Boards, and Latino Corporate Directors Association. We sponsor several industry conferences that advance women in business and finance, including Fortune's Most Powerful Women Summit and Women's Private Equity Summit.



Both Gender and Racial / Ethnic Diversity on our Companies' U.S.-Based Boards

- **Commitment to Equality**

  As a PRI signatory, our investment processes align with and operate in accordance with leading standards, across asset classes and fund objectives, including the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

  In addition to considering these issues in our investment processes, TPG engages directly with public policymakers on topics ranging from immigration policy, gender- and racial-discrimination, women's issues, and access to education, to name a few.

We are members of several coalitions that support policies, in the private and public sectors, focused on women, ethnic diversity and the LGBTQ+ community. These partnerships include the 30 Percent Coalition, SEO, Girls Who Invest, The Alumni Society, The Human Rights Coalition, Out4Undergrad, Access Distributed and others.

In 2017 TPG's co-CEOs authored guidance to our portfolio companies encouraging the preservation of – and a long-term legislative solution for – Deferred Action for Childhood Arrivals (DACA). TPG offered support and resources to help those impacted by the decision to end DACA, including a dollar-for-dollar match on the application fee and up to $500 in matching for legal counsel costs.

In 2018, TPG joined the Business Coalition for the Equality Act, supporting federal legislation that would provide the same basic protections to LGBTQ+ people as are provided to other protected groups under federal law. The firm has publicly opposed "bathroom bills" and other exclusionary regulatory proposals.

100

Score on Corporate Equality Index

TPG NEXT

HARLEM CAPITAL PARTNERS

LANDSPIRE GROUP

VamosVentures

In 2019, TPG signed an amicus brief submitted to the U.S. Supreme Court in support of non-discrimination protections for LGBTQ+ people in federal civil rights law. Notably, TPG was the only private equity firm signatory.

- **Investing in Diverse-led Investment Managers**

  Through TPG Next, launched in 2019, the firm is channeling investments to diverse-led investment managers and founders, utilizing the entire TPG toolkit to partner with and support diverse GPs and entrepreneurs. TPG NEXT investments to date include Harlem Capital Partners, Vamos Ventures, and Landspire Group.

- **Employee Awareness, Education, & Engagement**

  To foster an internal culture of diversity, equity, and inclusion with TPG, our DEI Council and top leadership spearhead a number of firm initiatives and programs:

  — **Employee Affinity Groups**

  In 2018, TPG's DEI Council formed six firm-wide affinity groups for veterans, women, LGBTQ+, Black, Hispanic, and Asian professionals.

  — **Inclusive Talent & Benefits Programs**

  TPG has received a 100% score for HRC Corporate Equality Index rating on LGBTQ equality in the workplace. Our employee benefits cover same-sex and opposite-sex domestic partners and transgender health care, and we offer flexible gender-neutral parental leave to families welcoming children through birth, adoption, and foster care. In 2018, TPG placed restroom signage within its office buildings encouraging employees and guests to use the restroom that best fits their gender identity or expression. TPG also focuses on diverse talent development, typically including early identification of a diverse partner pipeline and a promotion pipeline review which is conducted by the CEO.

  — **Talks@TPG Roundtables**

  To advance the conversation on critical DEI issues, TPG hosts regular guest speakers and small group facilitated discussions. Recent examples of Talks@TPG topics include: Impact of COVID-19 on the Hispanic/Latino Community; The History of Juneteenth; Finding Purpose for Veterans Back Home; and Mental Health & Building Resiliency.

  — **Training & Recognition**

  TPG offers firm-wide trainings on unconscious bias, anti-harassment, radical candor, and mental health/well-being, among other courses.

> "We believe that a diverse and inclusive workplace is necessary at TPG to foster diversity of thought; create an organization reflective of the breadth of the limited partners, portfolio companies and communities we serve; and attract, develop, retain and promote the best talent, our greatest asset.

Progress of Diversity Within the Last 3 Years

From the enhancement of our partner-led Diversity, Equity and Inclusion Council, to integrated talent management practices and our enhanced policies and resources, over the last few years TPG has made great progress in regard to Diversity. A sample of our initiatives include:

Talent Development	We are focused on attracting, retaining, and developing diverse talent at every level. • Approximately 50 percent of TPG's last two associate classes are women or racially/ethnically diverse. • Targeted pipeline development for key positions and leadership opportunities.
US Parental Leave Policy	Updated policy that provides longer and more flexible paid leave for primary and non-primary caregivers (primary caregivers = up to 18 weeks, non-primary caregivers = four weeks). To accommodate the schedules of our people, four of those weeks – the final four in the case of primary caregivers – may be taken intermittently over the first year of a new child's life. Leave is gender-neutral and applicable to families welcoming children through birth, adoption, and foster care.
Restroom Signage	In 2018, introduced signage in NY, SF, Fort Worth, and London that encourages employees and guests to use the restroom that best fits their gender identity or expression.
Training	We conduct annual, firm-wide unconscious bias training. We also train all managers on how to deliver effective and candid feedback to all employees.
Affinity Groups	We have six employee resource groups that offer opportunities to connect with leadership and other employees. Each group is sponsored by a senior Partner at the firm.
Advocacy	We have joined several coalitions that support policies, in the private and public sectors, focused on women and the LGBTQ+ community. • Signed an amicus brief submitted to the U.S. Supreme Court in support of non-discrimination protections for LGBTQ people in federal civil rights law (2019). • Business Coalition for the Equality Act, supporting federal legislation that would provide the same basic protections to LGBTQ+ people as are provided to other protected groups under federal law (2018). • Texas Association of Business' Coalition: Opposes discretionary legislation, including "bathroom bills" (2017). • Partnerships with 30 Percent Coalition, SEO, Girls Who Invest, The Alumni Society, The Human Rights Coalition, Out4Undergrad, Prep for Prep, and others.
DEI Council	Dedicated council co-chaired by Jon Winkelried and Anilu Vazquez-Ubarri. Made up of more than 40 members across TPG's global offices.
Portfolio Support	We are committed to supporting diversity, safety, and equality across the portfolio. Examples include: • DACA: In 2017, we matched funds with PCs to cover cost of DACA renewal application and legal fees. • Host 19 annual conferences for portfolio company management and employees, including a dedicated CHRO Council that regularly convenes HR leaders across the portfolio.
Board Diversity	We seek to build diversity across not only our firm but also the ecosystem we manage. In 2017, we began an initiative to measure the gender diversity of our portfolio companies' boards and make a targeted effort to add diverse directors to every portfolio company that currently lacks diverse representation. • Since launch, we've worked with our portfolio companies to help appoint 120 women as directors.

TAKING ACTION ON CLIMATE CHANGE

TPG recognizes, as part of our fiduciary duty to our investors, the importance of considering the opportunities and financially-material risks posed by climate change throughout the investment cycle.

In addition to investing in climate solutions through The Rise Funds and the recently launched TPG Rise Climate Fund, we consider climate-related factors whenever material in our ESG assessments completed during due diligence. In addition, the firm's overall climate impact strategy now includes building a robust understanding of our operational and financed GHG emissions, understanding climate-related risks and opportunities in our portfolio, and equipping portfolio companies with the guidance and tools to decarbonize their operations and enhance climate resilience.

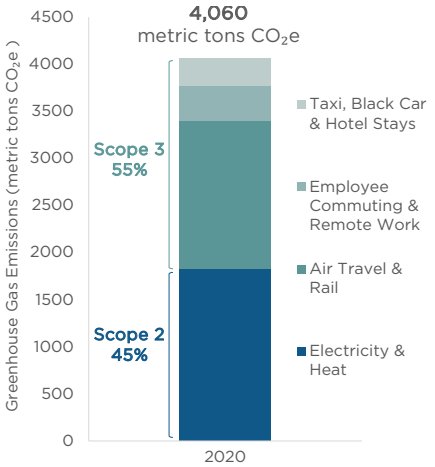
Measuring TPG's Operational Emissions

Beginning in 2019, we have measured annually TPG's operational GHG footprint, which includes emissions associated with our firm's offices and employee activities, to better understand our emissions and identify opportunities for reduction and offsetting.

Firm operational footprint assessments for both 2019 and 2020 were calculated in alignment with the Greenhouse Gas Protocol and include all material sources of emissions under TPG control, which include[1]:

- Scope 2 emissions from electricity and heat consumption in our offices
- Scope 3 emissions from employee air travel, commuting, ground transit and lodging related to business travel, and remote work.

TPG Firm Operational Greenhouse Gas Emissions (2020)



1. Scope 1 emissions are direct emissions from owned or controlled sources (e.g., on-site fossil fuel combustion). TPG does not have any Scope 1 emissions.

TPG's operational emissions footprint in 2019, as verified by GHD, was 20,353 metric tons of CO_2e.

Our emissions assessment for 2020, as verified by NSF International, is **4,060** metric tons of CO_2e. The two largest categories of estimated emissions in 2020 were electricity and heat consumption in offices, and employee air travel.

As was the case with many organizations as a result of reduced employee business travel, employee commuting, and office energy use resulting from the COVID-19 pandemic, TPG's operational footprint decreased significantly in 2020, declining 80% relative to 2019 emissions.

While we expect that emissions in future years will return to 2019 levels as office occupancy and business travel return to pre-pandemic levels, we are actively pursuing opportunities to reduce our baseline operational footprint.

Addressing TPG's Operational Emissions Through Innovative Partnerships

In addition to evaluating emissions reduction opportunities, we have purchased high quality carbon offsets to take immediate action on neutralizing our firm's operational emissions footprint.

We have adopted a two-pronged approach, partnering with two organizations that stand out in the offsetting ecosystem. Element Markets is a leader in the development of environmental credits in North America, and Climate Vault is a non-profit from the University of Chicago that has developed an innovative model for offsetting that leverages the transparency and rigor of the compliance markets.

Through a combination of offsets from Element and Climate Vault, we have purchased offsets to sufficiently neutralize our operational footprint for 2020. We have also preemptively offset our anticipated emissions in 2021 based on forecasting anchored on our 2019 emissions assessment; we will verify this figure in early 2022 and true up offsets as needed to neutralize 2021 emissions.

Measuring TPG's Financed Emissions

Recognizing that the greatest potential for emissions reduction lies in our investment portfolio, we have completed preliminary assessments of TPG's financed emissions as of year-end 2019 and 2020, covering our portfolio companies' Scope 1 (direct burning of fossil fuels) and 2 (purchased

element MARKETS

Element Markets is a leading independent marketer of carbon credits in North America, and a portfolio company in TPG's Rise Fund.

Through Element, TPG has purchased voluntary carbon credits from a landfill gas capture project in Rochelle Illinois, where methane from the Rochelle Municipal Landfill is captured and combusted to produce electricity that is delivered to the local power grid.

The Rochelle project not only captures methane—a potent greenhouse gas that would have otherwise been released into the atmosphere, but also displaces conventional natural gas, replacing it with a renewable alternative.

CLIMATE VAULT

Founded at U Chicago by Michael Greenstone, Climate Vault voluntarily participates as a bidder in the U.S. carbon compliance markets (California cap and trade and RGGI) on behalf of individuals and organizations seeking to offset their emissions.

Climate Vault purchases emissions allowances and then subsequently retires them so polluters cannot use them.

Climate Vault also offers an option to "unvault" emission allowances and sell them, using the proceeds to support emerging carbon removal technology.

electricity and heat) emissions for 90+% of investments across TPG's Capital, Impact, and Growth investment platforms. This assessment was conducted in alignment with the Greenhouse Gas Protocol standard, leveraging company-reported emissions data where available and otherwise using the Average Data method to approximate emissions based on industry categorization and revenue.

This assessment will allow us to build a robust understanding of our financed emissions so that we can prioritize and work with portfolio companies to reduce emissions where material.

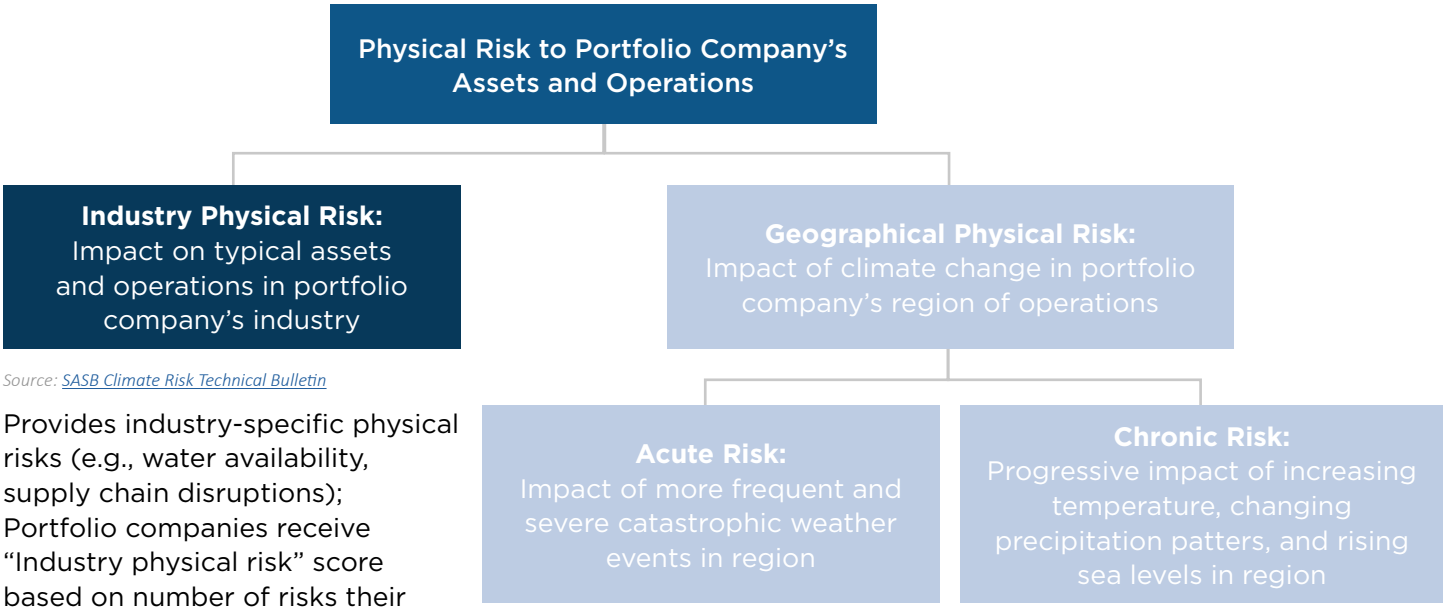
TCFD-aligned Climate Risk Assessment of the Portfolio

We recognize that climate change may pose material physical and transition-related risks to certain assets in our portfolio. Accordingly, in early 2021, we conducted an analysis to segment the TPG investment portfolio by climate risk exposure to identify the companies for which physical and transition risk were most material.

We recently completed a qualitative scenario analysis exercise, aligned with TCFD principles, to understand where the portfolio is most exposed to various types of material climate risks under different forward-looking scenarios, and along various timescales.

Over the coming year, we intend to build and launch enhanced trainings and tools for investment teams focused on assessment of climate risk and opportunities during due diligence.

1 Physical Risk Score Methodology



Source: SASB Climate Risk Technical Bulletin

Provides industry-specific physical risks (e.g., water availability, supply chain disruptions); Portfolio companies receive "Industry physical risk" score based on number of risks their industry is exposed to

Source: GermanWatch Global Climate Risk Index

CRI indicates a level of exposure and vulnerability to direct impacts (direct losses and fatalities) of extreme events based on rate and severity of events from year 2000 – 2019

Source: Notre Dame Global Adaptability Index

ND-GAIN score factors both vulnerability to the impacts of climate change across food, water, health, ecosystem services, human habitat and infrastructure and readiness to make effective use of investments for adaptation actions thanks to a safe and efficient business environment

2 Transition Risk Score Methodology

Transition Risk to Portfolio Company's Operations

Risk of Market Headwinds: Impact of shifts in market forces, including new products and services that support mitigation or adaptation to climate change, as well as direct changes in consumer preferences

Risk of Shifting Regulatory Environment: Impact of international, national, and subnational targets, mandates, legislation and regulation to address climate change

Industry Market Risk: Likelihood of changes in consumer or investor preferences based on perceived environmental impact

Source: SASB Climate Risk Technical Bulletin

Provides industry-specific transition risks (e.g. introduction of ESG factors into risk analysis); Portfolio companies receive "Industry transition risk" score based on number of risks their industry is exposed to

Company Market Risk: Likelihood of disruption due to less emission-intense technologies and business practices

Sources: U.S. EPA EEIO factors; Sustainalytics emissions estimates

Scope 1 & 2 emissions estimated using EEIO factor (mt CO_2e/$ revenue); Scope 3 emissions estimated using average ratio of Scope 3 to Scope 1 & 2 from Sustainalytics database

Industry Regulatory Risk: Likelihood of enactment of targets or legislation specific to portfolio company's industry

Source: SASB Climate Risk Technical Bulletin

Provides industry-specific regulatory risks (e.g., air quality regulation); Portfolio companies receive "Industry regulatory risk" score based on number of risks their industry is exposed to

Geographical Regulatory Risk: Likelihood of enactment of targets or legislation in portfolio company's region of operations

Source: GermanWatch Climate Change Performance Index (CCPI)

"Climate Policy" portion of CCPI for portfolio company's country of operation covers developments in national and international climate policy frameworks

Looking Ahead: Portfolio Engagement At-Scale on Climate Risk & Emissions Reduction

Over the past several years, TPG has regularly engaged with portfolio companies to advise on decarbonization and climate resilience initiatives. Going forward, we will continue to build our capability for supporting portfolio companies in enhancing their climate performance.

In 2021, we introduced a pilot program for building detailed "bottom up" GHG inventories for portfolio companies. For companies where emissions are material, where appropriate, we advise on opportunities for emissions reduction and facilitate contact with vendors and resources to support implementation of decarbonization initiatives. We intend to begin deploying this offering at scale across several platforms in 2022.

For companies exposed to material physical risk based on proprietary risk scoring and portfolio segmentation, we will offer advisory and facilitate third party support on climate risk assessment exercises and strengthening resilience.

As part of TPG's commitment to driving climate-related improvements across the portfolio, we now have a suite of toolkits and primers available to portfolio companies and their Board members related to CDP and TCFD reporting standards, establishing Science-Based Targets (in line with the Science-Based Targets Initiative), conducting scenario analysis, and other relevant climate topics.

Spotlight on Portfolio Company Engagement: TCFD Webinar

In December 2019, TPG partnered with ERM to host a webinar for our portfolio companies on the Task Force on Climate-related Financial Disclosures (TCFD) to help familiarize them with the disclosure framework and encourage them to report in alignment with the recommendations.

CREATING INNOVATIVE INVESTMENT PLATFORMS

TPG's continuing commitment to environmentally and socially responsible investing enables the firm to bring differentiated insights to the investment process and support the growth of innovative platforms, including:

THE RISE FUND

Our groundbreaking impact investing platform that raised its second fund in 2020

TPG RISE CLIMATE

Our recently announced fund that will focus on transformative change at scale across the climate-focused solution space

> TPG now is one of the largest impact investors and these platforms have grown to represent a substantial portion of TPG's capital deployment.

These impact-oriented investment platforms bring scaled capital to solutions that address environmental and social challenges. TPG now is one of the largest impact investors and these platforms have grown to represent a substantial portion of TPG's capital deployment. We expect that new opportunities to leverage these insights will continue to emerge, and the firm intends to pursue value-creating opportunities, thereby generating the desired returns our Limited Partners rightly expect while also improving the environmental and societal outcomes of capital.

To learn more about The Rise Funds, please visit www.therisefund.com.

"TPG has a history of innovation in impact investing, creating The Rise Fund five years ago, launching Y Analytics, and establishing a new category for private equity along with them. We are deeply proud of the platform and capabilities we've built in TPG Rise and are thankful to our limited partners for supporting and entrusting us in building this industry-leading initiative. We look forward to partnering with our investors and mission-driven entrepreneurs to continue to demonstrate the immense potential of mission-driven capital."

Jon Winkelried, CEO of TPG

CAPITAL AT WORK IN POSITIVE & INNOVATIVE WAYS

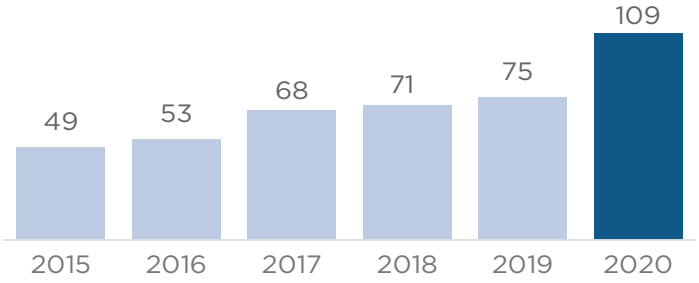
Action and continuous improvement are at the heart of our approach to ESG performance. To bring this to life, we share here a synthesis of material ESG performance across our portfolio, guided by highlights from our most recent Annual ESG Performance Survey; examples of recent ESG-themed investments; and a review of the firm's performance on SASB's material ESG factors for Asset Managers. Each component provides us with a baseline against which to continue to advance our firm's and portfolio's ESG performance.

ESG PERFORMANCE ACROSS THE PORTFOLIO: ANNUAL SURVEY INSIGHTS

In 2020, we conducted our 8th Annual ESG Performance Survey (the "Survey"). As in years past, we distributed a robust questionnaire to leaders within our portfolio companies to gain current insights into sustainability topics across Environmental, Social, and Governance (ESG) themes. The Survey consists of a mixture of quantitative and qualitative questions, which were developed in alignment with our internal ESG Materiality & Performance assessment framework. The 2020 Survey tracks the responses of 109 portfolio companies operating in more than 52 different countries and across 30 distinct industries.

This set of survey responses enabled us to assess a range of topics, including: (1) how our portfolio companies are currently managing critical ESG issues, (2) interest in structured recommendations for value-driving ESG initiatives, and (3) which ESG-related topics and themes were top-of-mind within our portfolio over the past year. The Survey allows us to develop performance benchmarks on financially-material ESG metrics and identify trends and opportunities for value-creation & risk mitigation within – and across – the portfolio.

PC Participation

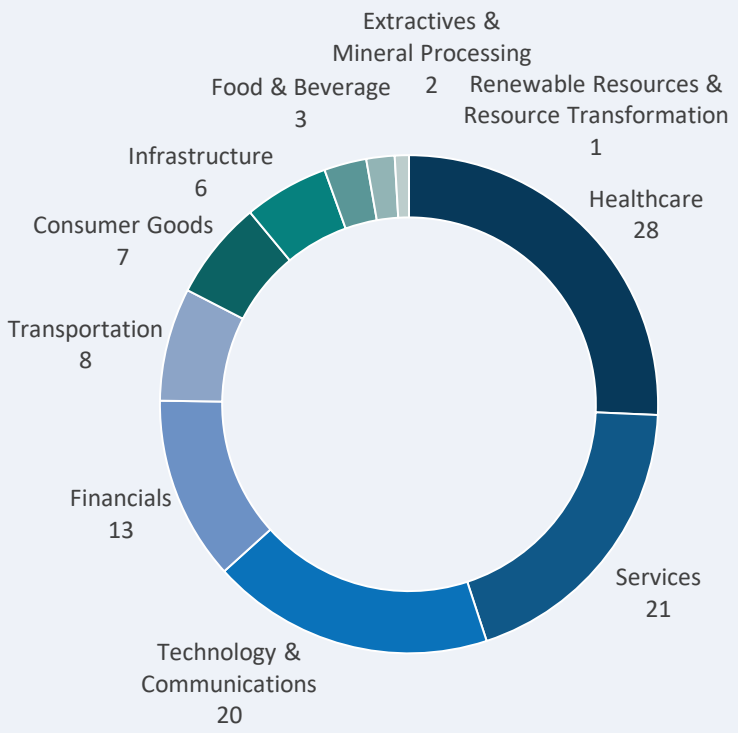


Company HQs

GRI Empowering Sustainable Decisions SASB INSIDE TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Industry Representation

Number of PCs in Each Sector



Healthcare
- Biotechnology & Pharmaceuticals
- Health Care Delivery
- Medical Equipment & Supplies

Services
- Education
- Hotels & Lodging
- Cruise Lines
- Media & Entertainment
- Professional Commercial Services

Technology & Communications
- Software & IT Services
- Hardware
- Telecommunication Services

Financials
- Commercial Banks
- Consumer Finance
- Mortgage Finance
- Insurance

Transportation
- Auto Parts

Consumer Goods
- Apparel, Accessories & Footwear
- Household & Personal Products
- Multiline and Specialty Retailers & Distributors

Infrastructure
- Real Estate
- Water Utilities & Services
- Engineering & Construction Services

Food & Beverage
- Agricultural Products
- Meat, Poultry & Dairy
- Food Retailers & Distributors

Extractives & Mineral Processing
- Metals & Mining
- Oil & Gas - Midstream

Renewable Resources & Resource Transformation
- Solar Technology & Project Developers
- Chemicals

In 2020, we enhanced the Survey by aligning questions to the financially-material, industry-specific set of metrics as per our SASB+ materiality framework. This lens provides a differentiated and actionable list of ESG factors to focus upon, all of which are linked to not only ESG performance but also financial performance.

Given the varied stages of maturation of our portfolio companies, we see in the Survey results an expected, but encouraging, range of ESG practices. Notably, we see a growing focus on a handful of topics, including data and risk management, employee development and training, and climate-related issues. Through the Annual Survey and other interactions, we continue to guide our portfolio companies to focus on the material ESG factors that link to risk management and financial performance. The insights summarized in this report reflect the significant investment of our portfolio companies in sustainability and a continuing commitment to improve the environmental and social impacts of our portfolio.

Note: All references to 'portfolio' in this section represent those portfolio companies which responded to the survey and not TPG's entire portfolio.

PC ESG PERFORMANCE INSIGHTS

TOP PORTFOLIO COMPANY ESG PRIORITIES & GOALS

Environmental

Implement carbon footprint tracking from 2021 onwards

Jumpstart clean energy initiatives within the next year

Reduce waste sent to landfills by 20% by 2024

Reduce carbon emissions by 10% by 2021

Obtain Green Building certification

Social

Strengthen employee health and safety measures upon returning to the office

Coming out of the pandemic, equity issues are top-of-mind

Achieve ethnic pay parity

Hire a Chief Diversity Officer

Increase the number of female board members

Governance

Establish ESG tracking systems and monitoring dashboards

Gain insight on best practices for creating an ESG policy

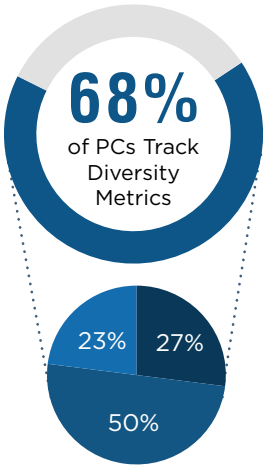
Develop an ESG reporting framework

Set up a robust team devoted to ESG issues

Develop an annual corporate ESG report for 2021

SOCIAL & HUMAN CAPITAL PERFORMANCE

Diversity, Engagement & Inclusion



Of the 74 PCs that track diversity, **50% report internally** and **27% report externally**

Aspects of Diversity Tracked
(% of Respondents)
n = 109

- Gender (65%)
- Race / Ethnicity (48%)
- Veteran Status (20%)
- LGBTQ+ (10%)

68% hold workplace events or trainings related to diversity

68% have flexible work and paid leave policies

50% lead diversity-focused recruiting processes

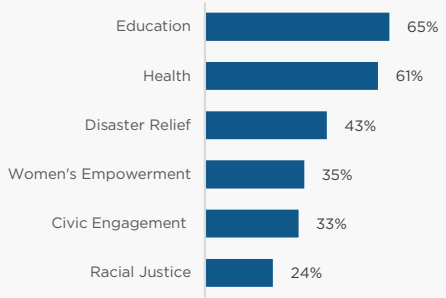
43% have led efforts to eliminate gender pay gap

Philanthropy

2/3 engage in philanthropy and charitable giving

54% are active in volunteering and community service

Top Issue Areas
(% of Respondents participating in philanthropy / volunteering)
n = 83



Note: All references to 'portfolio' in this section represent those portfolio companies which responded to the survey and not TPG's entire portfolio.

ENVIRONMENTAL

Climate Change

32% of all PCs are tracking or in the process of tracking CO_2 emissions

28% assess climate-related risks and opportunities as a part of their risk management strategy

Reducing Carbon Footprint

Top Actions Taken

- Commercial rooftop solar installation (38%)
- Building energy efficiency projects (33%)
- PPAs / VPPAs (30%)

(% of Respondents implementing carbon footprint reduction measures) n = 40

Resource Management

11%

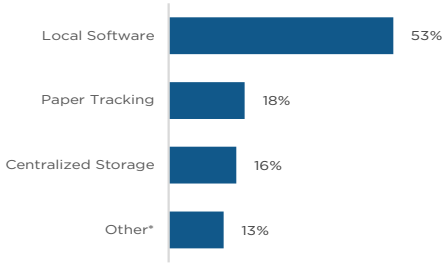
of electricity consumption came from renewable energy sources, in line with overall U.S. energy consumption

31%

of waste was sustainably diverted from landfills (e.g., recycled, composted, or reused)

Resource Monitoring Practices

(% of Respondents tracking resource use / efficiency)
n = 56



**E.g., third-party platform, process map*

Top Goals Implemented

(% of Respondents)
n = 109

- Water or wastewater management (41%)
- Electricity use (35%)
- Waste / recycling (27%)
- Transportation fuel use (15%)

ESG GOVERNANCE & MANAGEMENT

Oversight

1 in 4

PCs have an ESG board committee or formal forum

~1.5%

of total employees across all respondents are ESG FTEs (4700+)

43%

of PCs have cross-functional ESG working groups

Top Functions Represented in ESG Working Groups

(% of Respondents with ESG working groups)
n = 47

- Human Resources (85%)
- Legal / Compliance (72%)
- Executives (66%)

Data & Risk Management

50%

have created or are in the process of creating a data management system to track ESG performance

65%

support the identification of risks / opportunities from dynamic ESG issues*

**E.g., global pandemics, natural disasters*

Employee Policies & Training

50%

of PCs offer or are currently developing ESG-specific training for employees

51%

have a formal ESG policy in place or are currently working on this

Note: All references to 'portfolio' in this section represent those portfolio companies which responded to the survey and not TPG's entire portfolio.

Our 2020 Survey results illustrate the strides made within TPG's portfolio along critical ESG themes. Nearly 70% of portfolio companies track diversity, and most companies promote DEI through employee events, trainings, and flexible work policies. Two-thirds of portfolio companies engage in philanthropy and charitable giving. Companies are also taking steps to increase social responsibility within the supply chain: over 70% of portfolio companies with material supply chains currently have or are creating a supplier code of conduct and over 80% have or are implementing processes to improve supplier diversity & resilience.

Portfolio companies are increasingly implementing sustainable environmental practices, building the systems and processes to measure their environmental impacts, and developing informed targets for reducing their environmental footprints. One-third of our portfolio companies are already tracking their carbon footprint; and we expect this will continue to expand as TPG implements its GHG emissions partnership with third party vendors, across the portfolio. Companies are setting ambitious environmental goals – most commonly related to reducing water and electricity usage, improving waste and wastewater treatment and recycling, and reducing transportation fuel consumption.

In general, portfolio companies are strengthening internal mechanisms for tracking and overseeing ESG performance. Half of TPG's companies currently have or are creating ESG data management systems. Over 50% of companies have or are implementing a formal ESG policy, and 50% of companies are offering or developing employee trainings on specific ESG topics.

Supply Chain Management

71%

have or are implementing a supplier code of conduct against unsafe working conditions, child labor and forced labor

81%

have or are implementing processes for ensuring a diverse mix of suppliers (in the interest of resiliency)

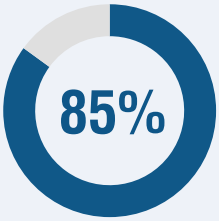
50%

have or are implementing a strategy to manage social (gender, racial / ethnic) diversity within the supply chain

PC THEMATIC INSIGHTS BY SECTOR

Technology & Communications

have processes to address data security risks, including the use of third-party cyber security standards

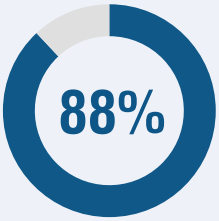


have policies and processes in place related to behavioral advertising and user privacy

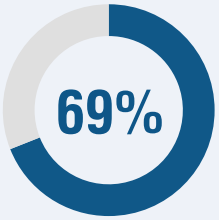
Material Issues

- Energy Management
- Data Security
- Lifecycle Management
- Customer Privacy
- Employee Engagement
- Competitive Behavior

Healthcare



have created or are working on creating a code of ethics governing interactions with health care professionals



have or are working on implementing methods to maintain traceability of products throughout the supply chain

Material Issues

- Access & Affordability
- Data Security
- Product Quality & Safety
- Customer Welfare
- Selling Practices
- Business Ethics

Diving deeper into the top sectors represented in TPG's portfolio, we find that 100% of PCs within the Technology & Communications sector have implemented data security measures that include the use of third-party cybersecurity standards (e.g., ISO, SOX) and 85% have policies addressing behavioral advertising and user privacy. Among Healthcare portfolio companies, almost 90% already have or are creating a code of ethics governing interactions with healthcare professionals. Nearly 70% of Healthcare companies have or are implementing methods to ensure traceability of products throughout the supply chain, which prevents counterfeiting and helps manage distribution of controlled substances.

RECENT RECOGNITION OF TPG'S COMMITMENT TO INNOVATION AND IMPACT

Our portfolio companies and our people are being recognized for their market-changing contributions to positive environmental and social impact performance.

EdTech Breakthrough

dreambox LEARNING

Forbes

acorns

Inc.

InStride

Condé Nast Traveler

WILDERNESS HOLDINGS

Fast Company

EVERFI zipline

Fortune

acorns InStride EVERFI zipline

Fortune China

中和农信 CD FINANCE green monday

Tearsheet

Varo

Growth Cap's Top 25 Growth Equity Firms

Secondaries Investor's 20 Next Generation Leaders

PAMELA HANAFI

PE Hub's 10 Standout Women in Private Equity

KATHERINE WOOD

Forbes' Cloud 100

Inc 5000's Fastest-Growing Private Companies

TIME's 100 Most Influential Companies

Fast Company's 100 Best Workplaces for Innovators

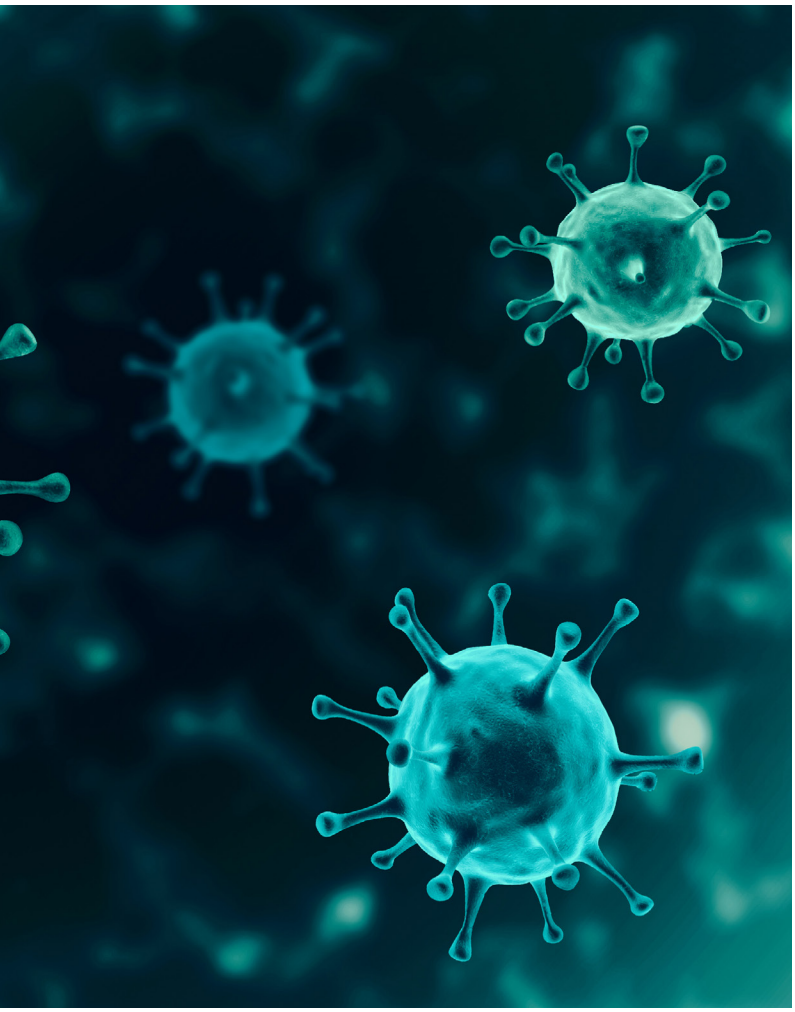
Growth Cap's 2021 Top Healthcare Investors

TODD SISITSKY

Fast Company's World Changing Ideas Awards

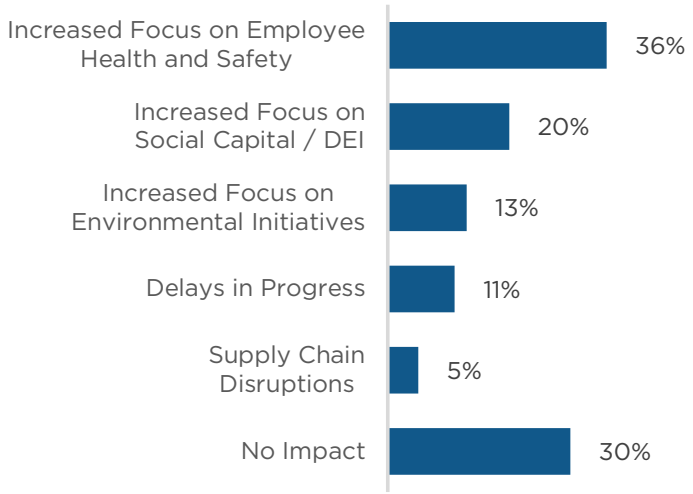
IMPACTS OF THE PANDEMIC

With the outbreak of COVID-19 across the globe in 2020, it was essential, as part of this year's Survey, to understand the impacts of the pandemic upon the portfolio – from issues of workplace safety and employee health, to customer-facing implications, to required adjustments to service deliver models & operations.



As a result of COVID-19, TPG's portfolio saw an increased focus on employee health and safety, human capital/DEI, and environmental initiatives. Although many companies experienced business disruptions and economic uncertainty due to COVID, many have responded by enhancing risk management mechanisms to reduce future risks of supply chain disruptions from dynamic issues such as natural disasters and global pandemics.

How has COVID-19 impacted your company's approach to ESG / Sustainability?



COVID-19 as a Catalyst

"Management is now more aware of the importance of ESG"

"COVID has renewed our focus on employee heath and safety, compliance, and training"

"We are focused on DE&I and meeting the moment from a social perspective"

"Working from home has led to reduced fuel, electric, water, and gas consumption at the office"

Dealing With Disruption

"It has slowed progress on ESG goal setting due to competing priorities"

"Our team quickly pivoted to create a second-source strategy to mitigate supply chain impacts"

"COVID reduced the resources we had to focus on ESG items"

"Our goals have remained consistent, but how we do the work has adapted to the pandemic and our business's needs"

EXAMPLES OF ESG-ORIENTED INVESTMENTS

THEMATIC

SOCIAL IMPACTS – DEI IN TALENT ACQUISITION

> Because the potential for people to do something amazing has everything to do with being in the right role, on the right team, at the right time. That's where Greenhouse comes in – its mission is to make every company great at hiring. Because when they are, companies have the confidence to dream bigger, think bolder and take on what's next.

greenhouse

Recognizing the persistent gap in the diversity of corporate workplaces, our investment in Greenhouse aims to improve the hiring process and hiring outcomes for leading corporations globally.

With a proven data-driven decision tools that significantly reduce unconscious bias across all stages of the hiring process, Greenhouse delivers increased diversity and inclusion outcomes and a positively differentiated candidate experience.

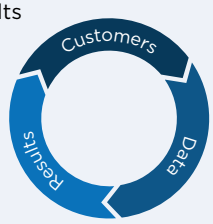
Greenhouse has won numerous awards including: Glassdoor #1 Best Place to Work; Forbes Cloud 100; Inc. 5000 2019 Fastest Growing Companies; Deloitte's 2018 Fast 500 North America Technology Ranking; and, Crain's New York Business Fast 50. The company's talent acquisition suite has recently been named a leader in the IDC MarketScape Worldwide and U.S. Modern Talent Acquisition Suites for Medium-Sized Enterprise 2019 Vendor Assessment. Greenhouse lives its mission of helping companies become great at hiring, having been recognized as an Inc. Magazine Best Workplace in 2019 and 2018.

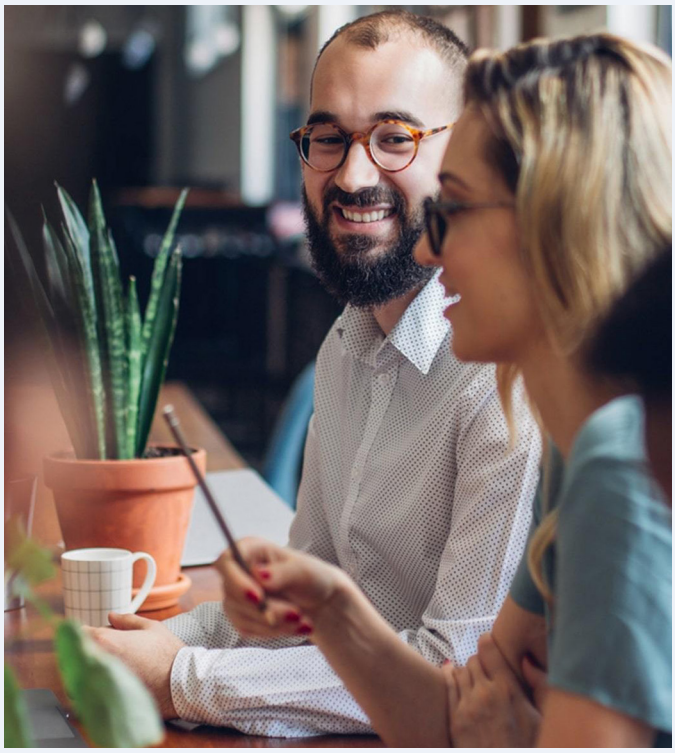
Value to PCs

- **85% average company-wide engagement**
- **31% average reduction in cost-per-hire**
- **27% average improvement in time to hire**
- **110+ partners fill talent pipeline**

For SMB, Mid-Size and, Enterprise customers across all sectors

- **Reduced bias, data-driven** decision making
- **Predictable and repeatable** hiring results
- **Reduced staff turnover**
- **Increased D&I** hiring outcomes
- **Positive candidate experience**





Relevant for Companies Operating In

Knowledge-based Industries

- Professional, Scientific and Technical Services
- Finance, Insurance and FinTech
- Educational Services
- Information and Internet Services
- Consulting and Strategy
- Technologies and IT Services

Skill-based Industries

- Healthcare Services and Innovation
- Consumer Services
- Retail Trade
- Manufacturing
- Food Services and Accommodation
- Real Estate, Rental and Leasing

THEMATIC

SOCIAL IMPACTS – EMPLOYEE & COMMUNITY ENGAGEMENT

Another exciting investment in the portfolio is Benevity, the leader in global corporate purpose software.

Benevity is trusted by the world's most purpose-driven brands to engage their people and communities in doing good.

As one of the first B Corps in Canada, Benevity is committed to hybrid goals of **purpose** and profit. Benevity has created a **"We Are We" culture**, where Benevity team members solve for their clients, their team and their communities first.

Benevity helps its clients create more impact is through **strategic partnerships** with organizations like Workday, VolunteerMatch, Countable, TechSoup Global and Center for Disaster Philanthropy, plus additional corporate partnerships with Apple, Okta, CECP, ideas42, Give Blck and the Bill & Melinda Gates Foundation.

Value to PCs

- **57% reduced turnover** for employees engaged with Benevity offerings
- **Access to 2M vetted nonprofits** around the world
- **Facilitated $5B in donations, 1M grants awarded, and 32M volunteer hours**
- Bring **employee engagement, community investment and customer engagement** programs together in one place
- Empower customers to do good with a **public giving portal or charitable gift cards, or let them donate while they shop**
- Easily manage **thousands of community grant applications from start to finish,** engage employees to nominate, vote on, review, and approve grants
- **Create reports according to individualized criteria** and get the data needed to share CSR outcomes and impact

Relevant for Companies With

Employee Volunteering & Donation Matching

- Companies with existing volunteering efforts can expand reach
- Companies that have donation programs can easily match employee giving through payroll

Community Engagement Grants

- Companies with existing community investment programs or looking to build community relations

Consumer-facing Offerings

- Companies looking to build brand equity and customer loyalty through a shared cause

$5B	32M	1M	251K
Total Donations	Volunteer Hours	Grants Awarded	Causes Supported

THEMATIC

ENVIRONMENTAL IMPACTS – GHG EMISSIONS

The firm's investment in Element Markets, a leading independent marketer of carbon and emissions credits with experience in more than 100 emissions markets is an opportunity to contribute to one critical element of improving GHG emissions – verifiable, voluntary market carbon offsets.

element MARKETS

Founded in 2005, Element Markets is a leading renewable natural gas marketing and environmental commodities company that applies its diverse expertise to provide structured environmental compliance and optimization services to corporate and institutional clients. The company has a successful track record within the renewable natural gas, low carbon fuels, emissions, carbon, and renewable energy credit markets.

Element Markets is a leading independent marketer of carbon and emissions credits, RNG, and Low Carbon Fuel Standard (LCFS) credits. Elements has **$3+ billion** transactions completed and expertise in **100+ emission markets**, including VOC, NOx, SO_2 emissions credits.

Element Markets highlights:

- **50 M tons** of Carbon Credits
- **30 M** RECs
- **>20%** of the North American RNG to transportation market

Value to PCs

For Corporates:

- Monetize environmental assets
- Meet compliance mandates
- Realize sustainability goals
- Environmentally-forward branding

Clean Energy Producers:

- New revenue creation opportunity
- No change in operations or equipment
- No out-of-pocket expenses

Relevant for Companies Operating In

Transportation Services

- EV Fleets owners and battery equipment owners

Energy Producers

- Solar and wind farms

RNG Producers and Utilities

- Swine and dairy farms with methane or anaerobic digester facility + Wastewater treatment plants

Fossil Fuel Refiner / Asset Owners

- PCs requiring carbon credits for regulatory purposes

THEMATIC

ECO-FRIENDLY SOURCING & RESOURCE MANAGEMENT

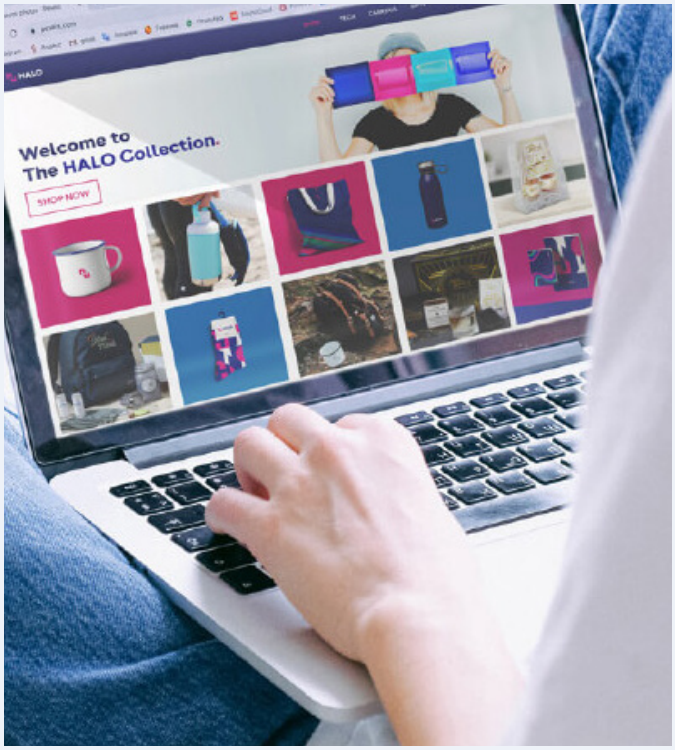
With the increasing urgency of the climate crisis, many companies are demonstrating commitment to monitoring and reducing the environmental impacts of their operations and supply chains.

HALO

HALO Branded Solutions, a provider of integrated marketing solutions and promotional products, has implemented strong environmentally sustainable sourcing practices. The company maintains an extensive database of 65,000 eco-friendly products and guides its customers to purchase green products.

In addition, HALO has built strong policies on social aspects of the supply chain, such as supplier diversity, human rights, and labor practices.

HALO has also set targets to improve the way the firm consumes and manages resources, such as electricity, natural gas, transportation fuel, water, and waste/recycling.



Value to PCs

- **Halo maintains an extensive database of 65,000 eco-friendly products** to guide customers to purchase sustainable products to aide in their environmental stewardship efforts
- **Promotional products help PCs strengthen their brand recognition** by having their name and logo on products such as t-shirts and bags
- **Empowers employees to have a strong sense of culture and comradery** as wearing and using promotional products create a sense of pride for the company
- **Strong practices regarding the social aspects of the supply chain** (e.g., supplier diversity and supplier code of conduct)
- Has implemented goals regarding GHG emissions and resource efficiency (e.g., Carbon Offsets, Electricity Use, Transportation Fuel Use, Water Use) which **can reduce indirect emissions for its customers**

Relevant for Companies With

Large Employee Bases & Brand Management Needs

- Companies with large employee bases that want to enhance their sense of culture and pride amongst employees
- Companies that want to establish / improve strong brand management / recognition practices

Eco-Friendly Sourcing Policies

- Employees, especially young employees, are increasingly focused on eco-friendly products
- Halo's catalogue of eco-friendly product offerings will help companies source products that are environmentally friendly

THEMATIC

SUSTAINABLE PRODUCTS & PACKAGING

As environmental and ecological impacts have moved to the forefront of public awareness, consumers are increasingly making buying decisions based on the sustainability of purchased products and the packaging they come in.

BEAUTYCOUNTER®

BeautyCounter is a disruptive beauty brand that develops and sells highly effective skin care, body, and hair products, and cosmetics.

BeautyCounter has developed a substantial client base aligned with its corporate mission to get safer, more sustainable products into the hands of more customers. By 2025, 100% of its packaging will be recycled, refillable, or compostable.

BeautyCounter maintains twelve safety standards that their product formulas and manufacturing partners must follow.

BeautyCounter has also committed to becoming carbon neutral by 2030, and has partnered with several reputable third-party organizations to support its carbon offsetting efforts.

Value to PCs

- Provides value to the **growing customer base that focuses on clean, safe, and sustainable product offerings**
- **Maintains 12 safety standards** that their formulas and their manufacturing partners must adhere to ensure product safety
- **By 2025, 100% of its packaging will be recycled, refillable, or compostable** to ensure customers that its product will have a positive environmental footprint
- **Aims to be carbon neutral by 2030** which is material for PC's that have implemented or are looking to implement sustainable sourcing policies. Partnered with third party for its carbon offset program
- **Strong policies regarding raw materials sourcing and supplier code of conduct** to reduce risk incidents within the supply chain

Relevant for Companies With

Sustainable / Ethical Sourcing Policies

- Companies that have implemented or looking to implement sustainable / ethical sourcing policies
- Companies that want to expand the number of sustainable products on its platform

GHG Emissions Standards

- Companies that want to reduce indirect emissions by sourcing products from companies with low carbon emissions or have strong carbon emissions targets

THEMATIC

RESILIENT & RESPONSIBLE SUPPLY CHAINS

The COVID pandemic highlighted the criticality of sustainable and resilient supply chain management practices.

Sai

One of India's largest and fastest growing drug discovery, development, and manufacturing service providers - has focused on assuring safe and just labor practices throughout its supply chain.

Sai Life also has processes in place to ensure a diverse mix of suppliers, which promotes resiliency in the event of global crises such as pandemics and the increasing physical impacts of climate change. Sai Life has developed its supply chain management and oversight approach in accordance with the Pharmaceutical Supply Chain Initiative, which provides standards for supply chain social, environmental, health, and safety.

In 2021, Sai Life won GSK's Environmental Sustainability Supplier award.

Value to PCs

- **100+ clinical stage programs have been served.** 18 active commercial programs & 9 are in phase 3
- **7 of the top 10 big pharma companies** as well as several small and medium sized biotech's utilize their services
- **Promotes access to care for priority diseases** defined by Access to Medicine Index
- Has policies and management processes in place for **ensuring quality and patient safety during clinical trials**
- Has processes in place for **ensuring a diverse mix of suppliers and vendors** (in the interest of supply chain resiliency)
- Monitors human rights, labor practices and environmental, health & safety risks in the supply chain in accordance with **Pharmaceutical Supply Chain Initiative (PSCI) principles**

Relevant for Companies With

Healthcare Companies Looking to Scale

- Healthcare companies that are looking to outsource its manufacturing process to increase scalability

Supply Chain Resilience Policies

- Companies that are looking to partner with companies that have policies in place regarding supply chain resilience

Policies that Monitor Social Factors Within Supply Chain

- Companies that monitor access to car, human rights, and labor practices

IN FIRM-LEVEL ESG REPORTING

A set of material ESG performance factors for Asset Managers is set forth by SASB. Over the past year, the firm evaluated its performance with these material factors. This internal evaluation is now being used to develop a baseline and benchmarks for our material ESG performance and will be repeated periodically to assess performance improvement and opportunities. Some example achievements and initiatives against the material ESG factors are provided below.

Material ESG Factors: Asset Management & Custody Activities

SASB INSIDE	Environment	Social & Human Capital	Leadership & Governance
Industry-Specific Factors		• Employee Engagement, Diversity & Inclusion • Product Design & Lifecycle Management • Selling Practices & Product Labeling	• Business Ethics • Systemic Risk Management
Industry-Agnostic Factors	• Greenhouse Gas Emissions • Climate Change Physical & Transition / Regulatory Impacts		• ESG Governance, Management & Disclosure

Note: Our SASB+ Material ESG Performance Factors & Metrics are anchored on the limited set of financially material, subsector-specific metrics from the Sustainability Accounting Standards Board (SASB), plus a limited number of additional metrics from major ESG disclosure frameworks (TCFD, GRI, World Economic Forum)

Environment

- **GHG Emissions**

  See "Measuring TPG's Operational Emissions" on page 19. TPG has built a robust understanding of our GHG emissions and is employing efforts to equip portfolio companies with guidance and tools to help them measure their footprints and decarbonize their operations. We have purchased high quality emissions offsets to immediately act on neutralizing our firm's operational emissions.

- **Climate Change**

  See "Taking Action on Climate Change" on page 19. TPG completed a qualitative scenario analysis to understand where the portfolio is most exposed to various types of material climate-related risk under different forward-looking scenarios, along various timescales. We segment the TPG investment portfolio by climate risk exposure to identify the companies for whom physical and transition risk were most material. We have also identified a range of sectors and/or assets that will benefit from the transition to a low-carbon economy (under either an "Abrupt Transition" scenario or an "Orderly Transition" scenario). We have historically made investments in these spaces and plan to continue doing so through TPG Rise Climate.

Social

- **Employee Engagement, Diversity & Inclusion**

  See "Advancing Diversity, Equity & Inclusion" on page 14. TPG tracks race, ethnicity, gender, gender identity, sexual orientation and veteran status across the firm and its portfolio. TPG's DEI Council works together and in partnership with the firm's Human Resources team to develop and implement strategies to recruit diverse early-career and senior talent; establish benefits and policies that support the retention and success of diverse talent; and offer initiatives that foster an inclusive environment for all. TPG is a founding partner of SEO's Alternative Investments Fellowship Program, providing training and career opportunities for young professionals traditionally underrepresented in the alternative investments industry. TPG also sponsors dedicated recruiting efforts for women, people of color, veterans, and LGBTQ+ professionals through our Employee Affinity Groups and we offer firm-wide unconscious bias training in all of our offices across the globe.

- **Selling Practices**

  TPG has policies, procedures, and controls reasonably designed to ensure compliance with applicable rules and regulations, including the requirement that the firm and its employees maintain accurate regulatory filings. There were no covered employees with a record of investment-related investigations or other regulatory proceedings disclosed during 2020, and TPG did not sustain any monetary losses in the reporting period as a result of legal proceedings associated with its marketing and communications to customers.

- **Product Design & Management**

  TPG maintains a proxy voting policy designed to help ensure that proxies are voted in the best interest of the clients, in accordance with the firm's fiduciary duties and Rule 206(4)-6 under the Adviser's Act. All votes are cast on a case-by-case basis, taking into consideration the contractual obligations under the relevant advisory agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote.

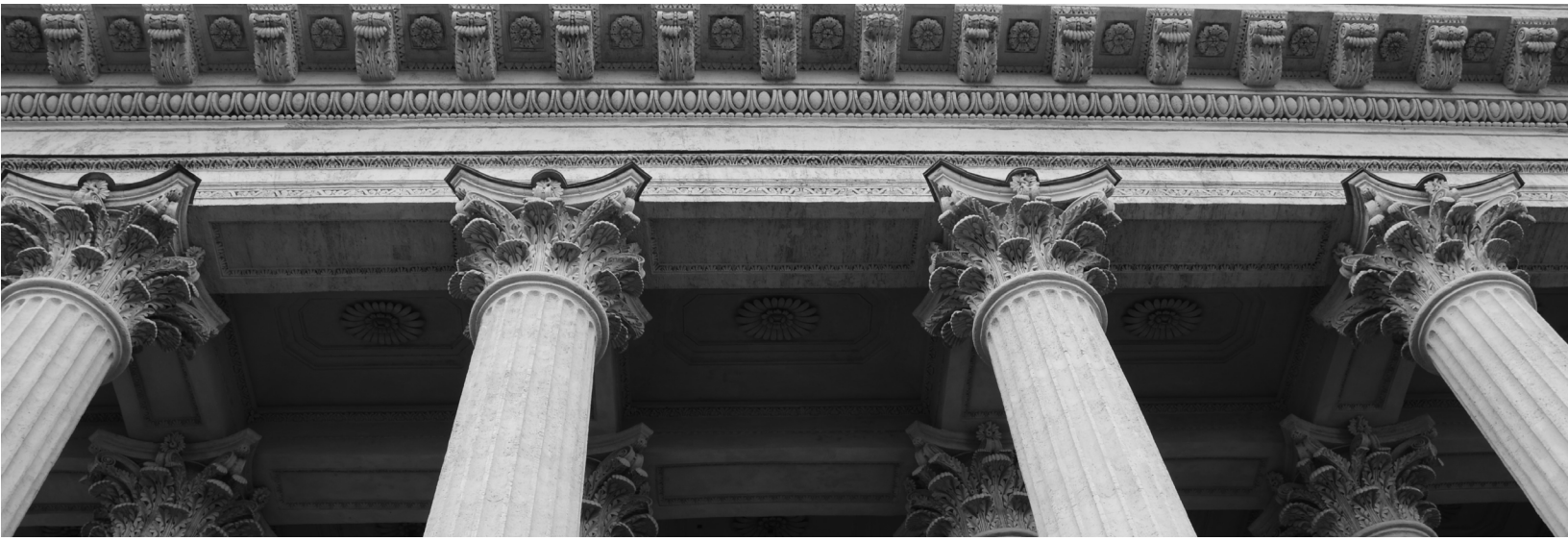
Governance

- **Business Ethics**

  TPG employees are required to promptly report all compliance related matters involving the firm's policies and procedures that become known to the employee to Compliance by telephone or in person. Additionally, a whistleblower email account exists for other employee concerns. TPG policies and procedures provide that no confidentiality, non-disparagement, or other obligations owed to the firm prohibits an employee from reporting violations of federal or state law or regulation to any government agency or entity under any whistleblower protection provision of U.S. federal or state law or regulation. TPG did not sustain any monetary losses as a result of any adverse rulings in legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations during the period covered in this report (through Q2 2021).

- **ESG Governance, Management & Disclosure**

  See "TPG's ESG Policies, Memberships, Capabilities, & Approach" on page 5. ESG performance at TPG is actively managed across multiple functions, including Legal and Compliance, Human Capital, and Operations. Leaders from each of these areas are represented on the firm's ESG Strategy Council. In addition, a dedicated team of ESG-focused professionals supports the firm's activities in these areas. TPG became a signatory to the United Nations-backed Principles for Responsible Investment (PRI) in 2013. TPG became a signatory to the "We Are Still In" Declaration to demonstrate our commitment to delivering on the promise of the Paris Climate Agreement and continues to honor and engage on this commitment. In 2019, TPG also became a public supporter of TCFD.



Moving forward, we will continue to measure, manage, and, where appropriate, report on the firm's performance with respect to these material ESG performance factors, as well as for the companies within our portfolio. These activities will serve to convey our continuing commitment to the consideration of material ESG factors across the portfolio, and across our own firm-level operations.

To this end, we look forward to engaging with our partners and broader stakeholders to share perspectives and drive towards our collective goal of improving the environmental and social impacts **and** financial returns of our capital at work.

Y ANALYTICS TEAM

Y Analytics is comprised of a dedicated group of experienced ESG performance and consulting professionals, including:

Maryanne Hancock CEO, Y Analytics and Partner, TPG

Maryanne has served numerous impact- and ESG- related advisory roles (e.g., IFC's Principles for Impact Management original development board, OPIC's Supercommittee on Impact Measurement, Harvard's Impact Weighted Accounts Initiative Advisory Board, etc.) as well as multiple speaking engagements on these topics for the World Bank/IFC, GIIN, EMPEA, Atlantic's Power of Purpose & Ideas Festival, and others. She is also a Senior Partner Emerita of McKinsey & Company, having spent ~20 years serving clients across a range of industries and holding numerous leadership roles including in the social sector practice and as a co-chair of McKinsey's global partner election committee. She holds a JD from Harvard Law School, *magna cum laude*.

David Frank Managing Director

David joined the firm after a 20-year career in both law and consulting. He is a licensed attorney and an active member of the bar in California, Massachusetts, and the District of Columbia. Earlier in his career, he served as a federal prosecutor. Thereafter, David was a Partner at McKinsey & Company, where he served as the Managing Partner of the Firm's Atlanta Office. During his time at McKinsey, he notably led engagements in the public sector focused on job creation and economic redevelopment in war-torn countries. He holds a JD from Arizona State University's College of Law and an MBA from Columbia University.

Ritu Kumar Senior Director, Sustainability and ESG for Emerging Markets

Ritu has deep expertise in environmental economics, with more than 25 years of global ESG and sustainability experience, including successful development and delivery of climate change initiatives, resource efficiency, value creation through enhanced ESG practices, compliance monitoring (including IFC Performance Standards), and private sector capacity building for managing ESG issues across emerging markets. Ritu has spent several years with the UN Industrial Development Organisation, the private equity firm Actis and the UK development finance institute (CDC Group) where she established and led the ESG function. She has served on the Board and investment committee of the Global Climate Partnership Fund, advisory board of Marks & Spencer as well as several ESG Committees of private companies. She has a master's degree in economics from the London School of Economics and Delhi School of Economics.

Jessica Fay Director, ESG Performance, and Chief of Staff

Jessica has nearly 10 years of experience in financial services and management consulting, with a focus on social impact. Before joining Y Analytics, she was a VP of Strategy & Business Management at Nuveen Investments supporting the ESG & Responsible Investing team; while at Nuveen she led the development the firm's responsible business policy, its Diversity & Inclusion strategy, and advised the ESG data, metrics and reporting platform build out. Prior to Nuveen, Jessica was an Engagement Manager at McKinsey & Company, where she primarily served clients in the public and social sectors. Some of her contributions at McKinsey include designing investment criteria for multi-million dollar foreign aid packages, improving domestic emergency response coverage for a US federal agency, and supporting post-Ebola economic recovery efforts in Sierra Leone.

Semiray Kasoolu Manager, Impact Solutions

Semiray's background is in helping governments, international organizations, and investors translate evidence-based research into more effective economic policies and capital allocation decisions. Prior to joining Y Analytics, Semiray was a Research Manager at the Growth Lab at the Center for International Development at Harvard University, where she managed research projects focused on achieving sustainable and inclusive growth in a number of countries. Her areas of research focus include labor market frictions and women's economic inclusion in the Middle East. Semiray holds a B.S. in Economics and Accounting from Saint Peter's University and a MPA in International Development from the Harvard Kennedy School.

In addition, we have a talented team of ESG Performance and Impact Solutions associates, comprised of individuals focused on sustainability performance analysis, impact measurement, and research interpretation. These team members have backgrounds in economics, international development, consulting and finance across private companies, non-profits, and the public sector. Previous work experience includes World Bank Group, Global Development Incubator, Center for Global Sustainability, Precision Agriculture for Development (PAD), Kirchner Impact Foundation, Milken Institute, CARE International, McKinsey & Co., Boston Consulting Group, Deloitte Consulting, Consumer Finance Protection Bureau, Calvert Impact Capital, Bank of America, and Wellington Management. Many of these team members also have experience working in developing countries.