

The background of the report cover is a blue-toned image of a dandelion seed head, with the seeds and their fine, radiating lines clearly visible. A dark blue horizontal band is positioned across the middle of the image, containing the title text. A light blue rectangular block is located in the top right corner of the page.

Sustainable Value Creation Report

Issue Date: JUNE 2023

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All information herein is as of December 31, 2022 unless otherwise noted.

The background of the slide is an abstract composition of vertical, slightly wavy lines in various shades of blue and teal, creating a sense of depth and movement. Overlaid on this are several light blue rectangular shapes: a large one in the top right, a smaller one in the middle right, and a large L-shaped one in the bottom right. A dark grey rectangular box is positioned on the left side, containing the text "Executive Summary".

Executive Summary

As investors focused on creating enduring value — even in the face of a volatile world — we have continued to emphasize the importance of building sustainable portfolios. Through responsible investing that incorporates ESG initiatives, we believe that we can better position our investments for strong performance, even when faced with the unpredictable.

This past year, we enhanced our approach to sustainable investing with two important personnel updates. Susy Clark, General Counsel and Senior Managing Director, has also taken on the role of Chief Sustainability Officer, and a highly seasoned specialist, Michelle Faurot, joined Centerbridge as Head of ESG, focused on the Firm’s sustainability efforts within the portfolio. We also continued our emphasis on robust data collection and analysis. We joined the ILPA-sponsored ESG Data Convergence Initiative in 2022 and consider it crucial to progress that sponsors and limited partners have a uniform way to measure, track and compare information. We have adopted new technology to support ESG data collection and measure the carbon footprint of our Firm and our portfolio. Additionally, we have continued our UNPRI efforts and our first published results will be available in November 2024, reporting on the 2023 period.

“We believe in building more diverse teams, better businesses and stronger communities – these efforts are key to sustainable value creation and an ability to deliver consistently strong returns. With better data at our fingertips and clear goals, we are excited to drive progress and change for the future.”

At the Firm level, Diversity, Equity and Inclusion (DEI) continues to be one of our top priorities, with a focus across the talent cycle through recruitment, retention, development and advancement. We have expanded our efforts to bring our Firm diversity to the next level, including formalizing and announcing our DEI goals for the next three years (included in this year’s Sustainable Value Creation Report). We are making progress against these Firmwide goals, with major investments in new initiatives such as our Diverse Associate Super Day, Diverse Summer Internship Program and sponsorship of the Association of Latino Professionals for America (ALPFA). We are pleased that nearly 80% of our 2023 Associate class is diverse. As a top focus of the Firm and its leadership, we are excited to be raising the bar for our DEI efforts.

In both of our New York City and London offices, we remain committed to furthering our communities and having a positive impact on the lives of those around us. Through the Centerbridge Foundation, we continue to support the expansion of quality education and increased opportunities for low-income young people, who face additional barriers that limit their futures. Since Centerbridge’s inception, this work has always been integral to our culture, with nearly all team members having been involved in our philanthropic activities through a variety of ways.

We believe in building more diverse teams, better businesses and stronger communities – these efforts are key to sustainable value creation and an ability to deliver consistently strong returns. With better data at our fingertips and clear goals, we are excited to drive progress and change for the future.



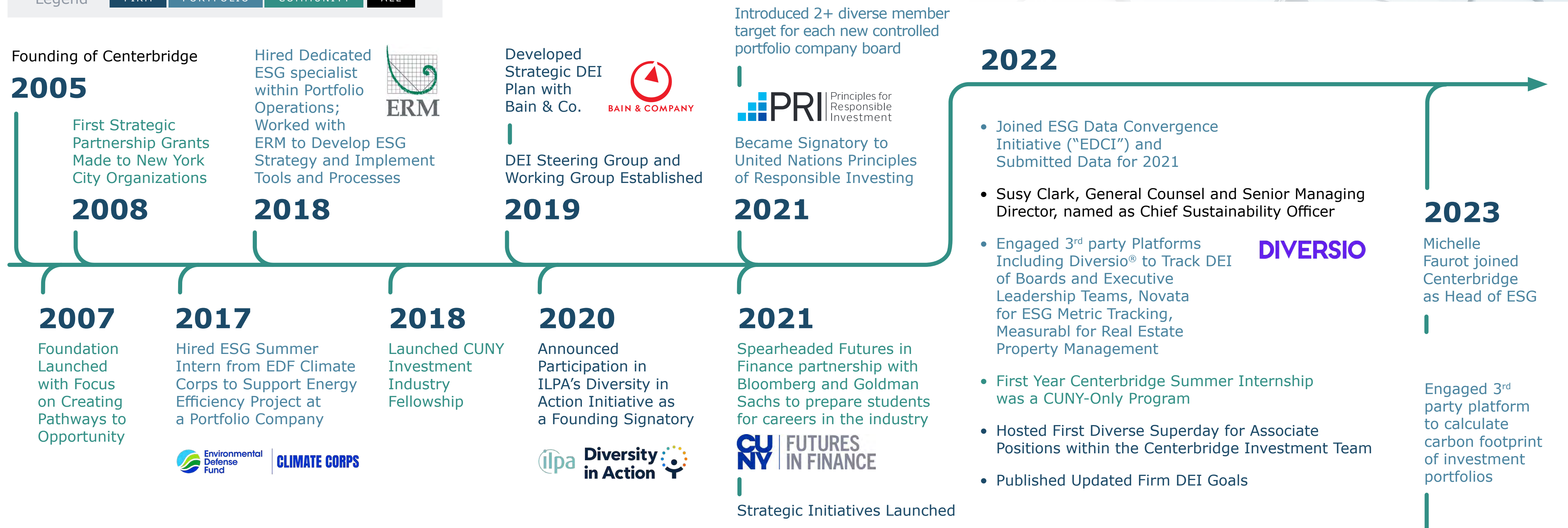
Very truly yours,

A handwritten signature in blue ink, appearing to read 'J.H. Aronson', written in a cursive style.

Jeffrey H. Aronson
Co-Founder, Managing Principal

Centerbridge Sustainability Timeline

Legend **FIRM** **PORTFOLIO** **COMMUNITY** **ALL**



2023 Initiatives

DEI

- Developing inclusive leader training for executive leadership teams
- Elevating DEI: Continuing to incorporate next level ideas into our governance model

Climate

- Working to calculate carbon footprint of investment portfolios
- Defining sector-specific ESG priorities / opportunities

Governance

- Board governance playbook and annual board effectiveness reviews
- Regular engagement with portfolio companies on cyber security

Data Analysis

- Working toward UNPRI assessment readiness
- Collecting consistent set of ESG KPIs across portfolio companies to establish baseline and track progress over time



Our Firm

DEI at Centerbridge

DEI Mission Statement

We are committed to fostering a One Team culture and believe that our team is our greatest differentiator. We are creative thinkers and diverse individuals who bring unique perspectives. Integrating our One Team approach into our investment process better positions us as fiduciaries and is a competitive advantage that creates value for our investors, portfolio companies and Firm. We strive for an inclusive work environment that is open to multiple views and where every team member is valued, respected and treated fairly.



Susy Clark, Chief Sustainability Officer and General Counsel; Barbara Amone, Chief Human Capital and Diversity Officer; Bill Neuenfeldt, Chief Operating Officer

Our DEI Goals

Centerbridge has formalized our next set of **D**iversity, **E**quity and **I**nclusion goals in order to take our Firm diversity to the next level. Our DEI Goals over the next three years are to:

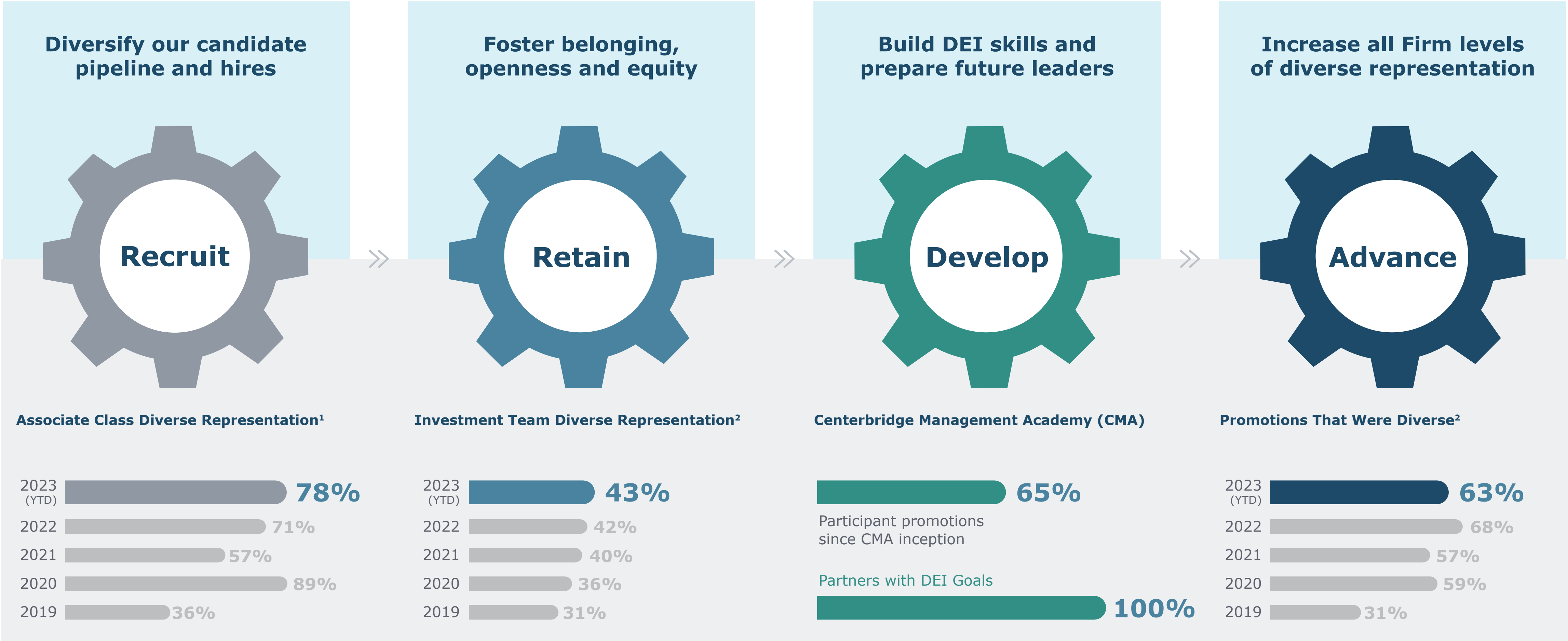
Double Black and Hispanic / Latino / Latina Centerbridge Senior Professionals and Investment Professionals

Increase Firmwide Black and Hispanic / Latino / Latina representation by more than 35%

Maintain and Build on Momentum in Increasing Firmwide Female and Pan-Asian Representation at the Senior Professional Level and on the Investment Team

Executing Through All Stages of the Talent Lifecycle

Inclusion is Required for Diversity to Have Real Impact



1. Percentages represent gender and racial diversity for the relevant year's onboarding associate class.
2. Percentages represent gender and racial diversity as of January 1st of each year.

Executing Through the Talent Lifecycle – Recruit & Retain

Recruit

DIVERSIFY OUR CANDIDATE PIPELINE AND HIRES

Partnerships

Partner with diverse organizations and institutions to build a diverse pipeline of early hire careers.



ALPFA

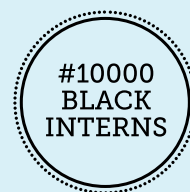
Association of Latino Professionals for America, NY chapter participants.

NEW

Continued Partnerships



Seizing Every Opportunity



CUNY Summer Internship

NEW



Diverse undergraduates, including prior CUNY Fellows, are hired for summer internships, with a path to positions in investing and business.

Diverse Superday

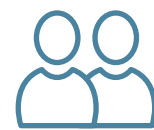
NEW

Under-represented groups are the focus of this Associate hiring initiative resulting in two hires in our inaugural year.

Founders Fellowship

2

FELLOWS



Undergraduate women, the majority identifying as racially diverse, pursuing investment careers are enriched with experiential learning, career coaching, networking and mentorship. Tracked to our Associate recruitment process, **two Fellows are joining the 2023 Associate Class.**

2022 COHORT HIGHLIGHTS

14 women invited to participate
(75% increase in size from first two cohorts)

Speak **10 different languages** among the group, collectively

Attend **12 different universities** across the U.S.

Average GPA of 3.9

86% hold a leadership position on campus including three who founded a student club or organization on their campus

Diverse group with **more than 70% of the cohort identifying as Hispanic / Latino / Latina, Two or More Races or Asian**

Retain

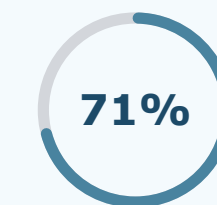
FOSTER BELONGING, OPENNESS AND EQUITY

Engagement Survey

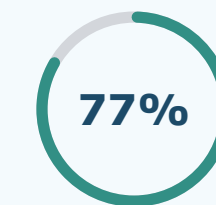
Longitudinal survey data measures our key drivers of engagement and DEI. Team member scores have been trending up annually since the 2018 launch.

2022 SURVEY HIGHLIGHTS

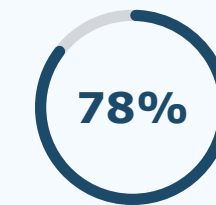
Engagement survey score represents the percentage of favorable responses (i.e., agree or strongly agree).



2018

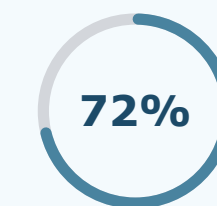


2020

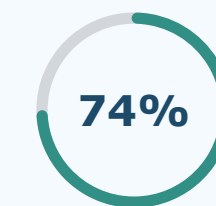


2022

The DEI composite represents average score across all DEI-related survey questions that are asked in a given year.



2018



2020



2022

Increase in score demonstrates that leadership's commitment to diversity and belonging is viewed favorably.

Resource Groups

Centerbridge Allies and the Black Caucus at Centerbridge foster advocacy, empowerment, support and advancement of diverse and Black-identifying team members.

Pay Equity

Rigorous and competitive, our compensation practices are diligenced with comprehensive leadership reviews, peer equity analysis, external market surveys and consultant data to attract, reward and retain our increasingly diverse, high performing team.

Wellness and Flexibility

Progressive benefits and initiatives across four Pillars of Wellness – physical, mental, social and financial – are designed to enable team members to manage both professional and personal aspirations across career and life stages. Recent innovations include Maven fertility and family planning benefits and six work-from-anywhere weeks in our winning hybrid model.



Portfolio Operations: Brian Chu, John Smith-Ricco, Natalie Leone

Executing Through the Talent Lifecycle – Develop & Advance

Develop

BUILD DEI SKILLS AND PREPARE FUTURE LEADERS

Management Academy

Nearly 70 managers, in diverse cohorts, have increased their capabilities for inclusive people management through our bespoke curriculum.



Since inception in 2021

68 managers

have graduated Centerbridge Management Academy



2023: Welcoming an additional two cohorts

25 managers

into the program



50%

Participants are Diverse

Speaker Series

Thought leaders spark honest, open conversations, featuring Hitendra Wadhwa, Willie Jackson, Bryan Stevenson, Dr. Mahzarin Banaji, Howard Ross and Dr. Johnnetta Cole on unconscious bias, inclusivity and psychological safety.

Performance Management and Talent Philosophy

Intentional talent practices and conscious inclusion cultivate and manifest the value and competitive advantage of diverse backgrounds and perspectives.

Advance

INCREASE ALL FIRM LEVELS OF DIVERSE REPRESENTATION

Career Sponsorship

Under-represented team members are paired with Partners and senior leaders, increasing exposure and establishing an additional “voice in the room” for key talent decisions.



of participants to date believe the focus should continue

Apprentice, Mentorship and Learnings

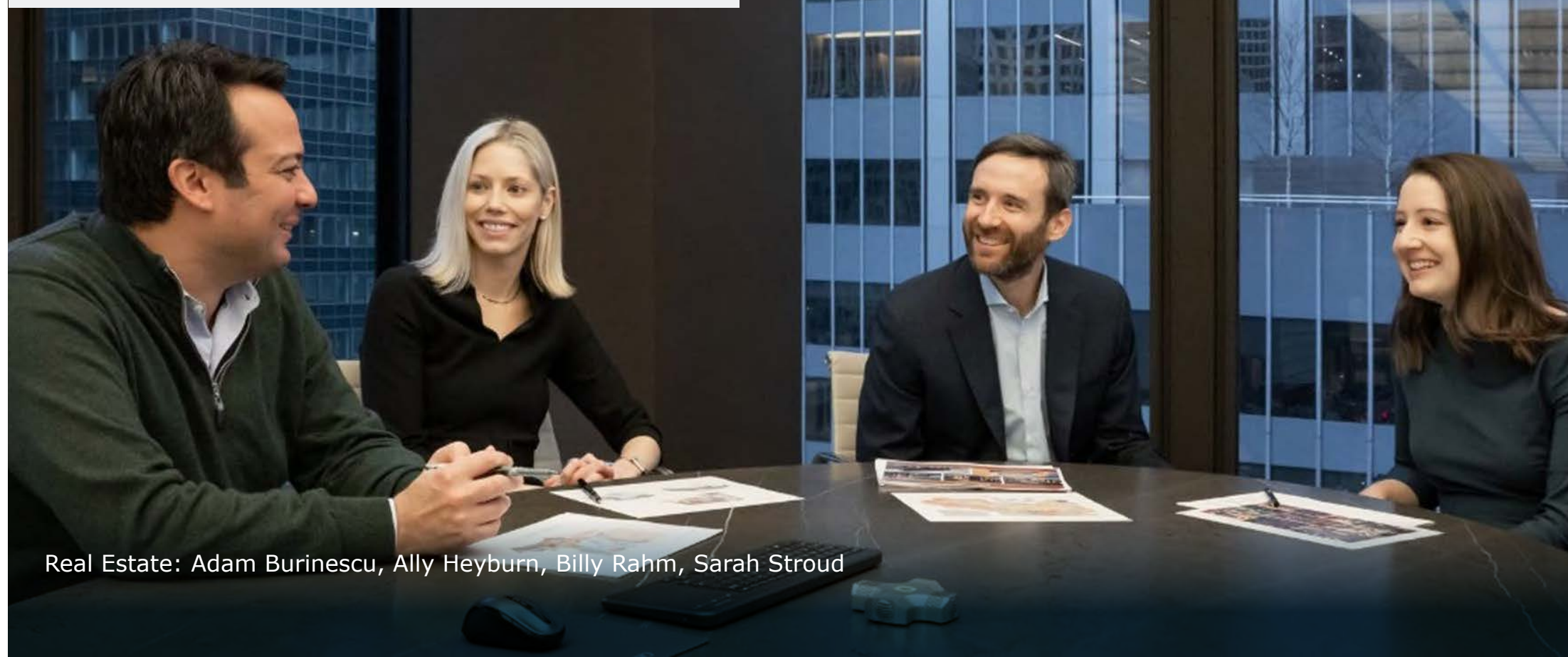
Proven method in action to develop great investors and leaders through the work.

Performance and Promotion Roundtables

Senior leaders come together to conduct meritocratic reviews of all team members, with a consistent framework of Talent Criteria to assess performance and promotion outcomes and account for DEI key indicators.



Investor Relations: Calli Greenwald, Keith Merrill



Real Estate: Adam Burinescu, Ally Heyburn, Billy Rahm, Sarah Stroud



Our Portfolio

Private Equity

Centerbridge has developed a rigorous approach to incorporating ESG considerations into control investments, focusing on identifying risks and developing value creation plans to drive incremental returns. Key components of this operating model for ESG integration include (1) in-house industry-specific guidance, (2) an ESG diagnostic to be completed during the diligence process and incorporated into Investment Committee materials, (3) an annual portfolio ESG performance assessment where Centerbridge partners with management to identify areas of ESG risk and opportunity and (4) required annual board discussions on ESG.

2022 ESG Scorecard Topics

-  Corporate Governance Policies and Practices
-  Vendor Risk Policies and Risk Management
-  Employment Policies, Training and Tracking
-  DEI Policies, Programs and Training
-  Environmental Impact Reduction Initiatives
-  Health and Safety Practices and Metrics
-  Community Engagement Initiatives and Tracking
-  Cybersecurity Policies, Processes and Training

Recent Highlights



>90%

of portcos already have completed our 2023 Portfolio Company ESG Survey (4th annual edition)



80%

of portcos have a recruitment process that includes the employment of diverse individuals



86%

of portcos have oversight of community engagement efforts at the C-suite

- Signed on and submitted data to the ESG Data Convergence Initiative
- Selected a new best-of-breed vendor tool to facilitate further data collection and analysis and continued to review tools
- Started exploring paths to incorporate ESG into Management Incentive Plans

Real Estate

Our two-pronged approach for ESG management continues to guide due diligence and inform value creation across the global real estate portfolio.

Diligence

Through diligence, the team takes into account environmental topics that may affect the quality of investments, whether favorably or unfavorably, including the risk of natural disasters and other climate-related risks, to help drive investment decisions. Through our platforms, which span various geographies, we do this at the asset level. For example:



Lennar SFR Venture: Limit the purchase of homes in flood-prone areas and focus on built-to-rent homes with efficiency and sustainability in mind.



Suntex Marinas: Property team uses climate risk factors, including water levels and potential drought conditions, as some of the earliest screening criteria for potential marina acquisitions.

Value Creation

ESG risks and opportunities form a key pillar of value creation plans during our ownership. Our professionals collaborate with property management teams to monitor performance against value creation plans at the asset level, and the Centerbridge Real Estate Team also convenes semi-annually to discuss and review the progress of these initiatives across the overall portfolio.

Driving Impact Across the Portfolio Through Partnerships

Partnering with market leaders to support the identification and implementation of initiatives throughout the portfolio:

Performing energy assessments early in the life of investments allows us to identify and address energy inefficiency, a key component of value creation plans, which can drive meaningful cost savings. In partnership with our energy services consultants, we provide property teams with the resources and tools to action building improvements such as LED retrofits, water-efficient technologies and solar panel installation.

Most recently, we have partnered with a third-party sustainability management software provider to automate the collection and analysis of energy, water, waste and carbon emission data across our Real Estate portfolio, as well as track and monitor the performance of building improvements. Property management teams also help marshal building performance information and insight to help reduce usage and manage energy costs.

Recent Highlights



75%

of independent board members hired during 2022 were diverse candidates



33k

lightbulbs converted to LED across controlled investments through 2022; more are planned



1.3mm

gallons of water-savings in 2022 through water savings projects; more are planned

Credit

Centerbridge views ESG as both a lever for risk mitigation as well as value creation. Even within strategies or investments where we do not operate with controlling influence, we adapt our ESG integration approach while remaining aligned with the core tenets of our commitment to ESG principles. In our credit business, we have been able to leverage the ESG experience and learnings from our private equity and real estate strategies while tailoring our approach depending on the level of influence we have. In 2022, the credit team began implementation of the framework established in 2021 and continued to refine the process based on the dynamic execution of our investment strategy.

Three-Step Framework for ESG Integration

1. Screening for New Investments

- Determine if proposed investment operates in an industry covered by our **Screening Framework** (which incorporates exclusion and escalation factors)
- **Escalate** investments impacted by screening analysis to Credit Investment Committee, Chief Operating Officer, General Counsel and Chief Sustainability Officer, Head of Investor Relations

2. Initial Diligence and Ongoing Membership

- Incorporate research from third-party data providers and report key findings to **Credit Investment Committee** for new investments and in **Quarterly Portfolio Reviews ("QPR")** for ongoing monitoring of existing investments
- If external research is not available, apply internal diligence toolkit

3. Engagement (Where Applicable)

- For investments where Centerbridge operates with sufficient influence, engage with companies to **encourage ESG best practices**

Tools for ESG Integration



Centerbridge

Internal diligence toolkit



SUSTAINALYTICS



RepRisk

Recent Highlights



Integrated industry-specific ESG factors within the credit investment lifecycle



Actively screening investment pipeline using our Screening Framework



Incorporating ESG review into 2023 proxy voting process

Case Study

Fairstone

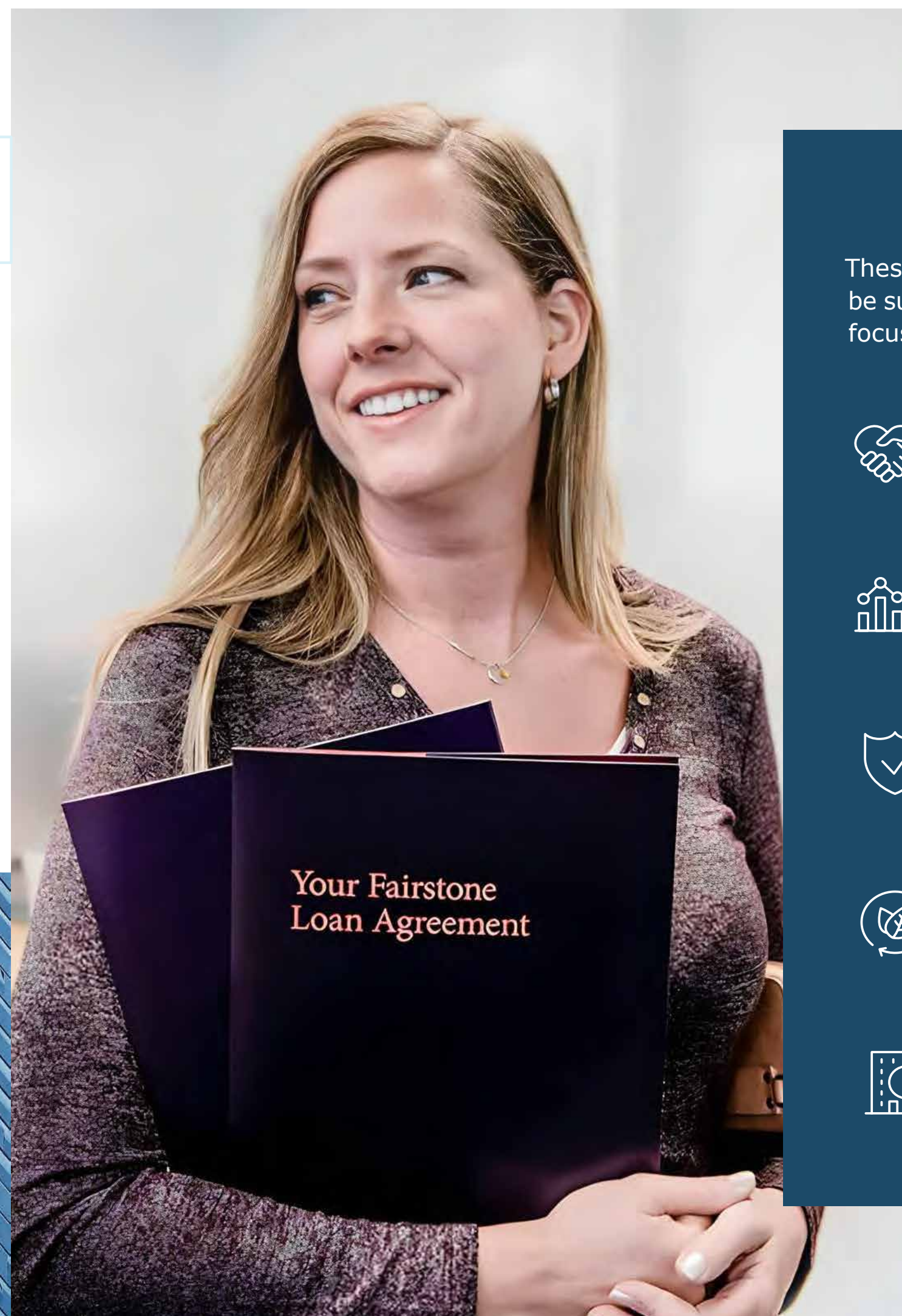
About



Fairstone Bank of Canada provides innovative, value-driven financial services that enable Canadian consumers and businesses to achieve their goals with value-driven and accessible financial solutions.

ESG Lens

Fairstone formalized its approach to sustainability in 2022, aligning its corporate strategy and objectives with the ambition to create and sustain long-term shared value for employees, customers and the communities they serve.



These objectives are and will continue to be supported by a three-year ESG strategy focused on five pillars:



Empowering Employees



Supporting Customers' Growth



Protecting Shared Values



Reducing Operational Impact



Building Alongside the Communities Served

Recent Highlights

ESG efforts were established and centered around the below objectives:

1. Empowered and equipped employees to help fulfill the mission of building fair beginnings for bright futures and long-lasting commitment to supporting the communities in which Fairstone operates
2. Integrated ESG considerations within the lending process to better serve current and future customers
3. Equipping Canadians with the financial knowledge to make informed decisions that may positively impact their financial health
4. Embedded ESG within Fairstone's governance and robust risk management systems to meet evolving compliance standards and industry regulatory requirements
5. Focus on Fairstone's own direct ESG impact in the form of minimizing its environmental footprint and maximizing investments in people and culture

Case Study

American Bath Group

About

American Bath Group (ABG) is a leading North American bathware manufacturer with a comprehensive product offering, including showers, integrated tub/showers, bathtubs, shower bases, jetted whirlpools and spas through a broad portfolio of well-recognized brands.

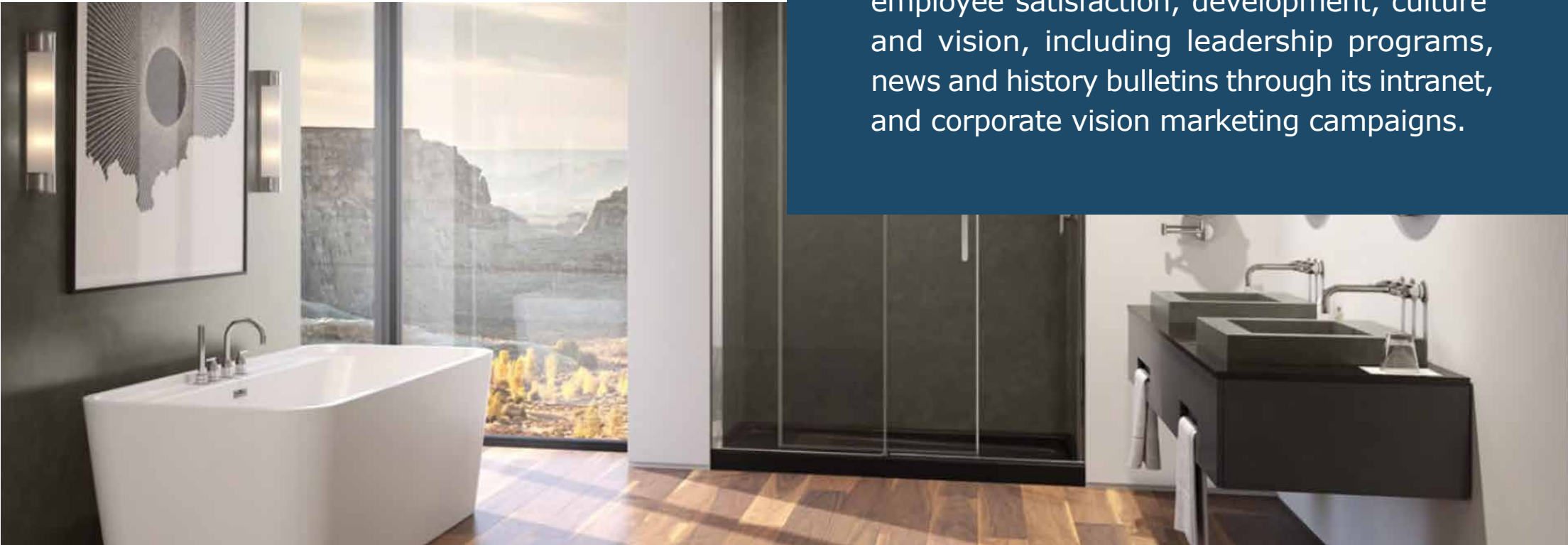


ESG Lens

ABG has been focused on ESG initiatives for many years because it has been good for business operations. In the last several years, ABG has formalized some of their ESG programs to allow for additional management, oversight and reporting. A few of those programs are highlighted on this page.

Ongoing Initiatives

On Employee Engagement, the company has over 300 ongoing initiatives to improve employee satisfaction, development, culture and vision, including leadership programs, news and history bulletins through its intranet, and corporate vision marketing campaigns.



"Least Waste" Program

Significant progress made to reduce waste with targets across several categories, including in materials usage, shipping efficiencies and downtime reductions:

- Resulted in \$4.5 million in savings and \$3.7 million in incremental sales from capacity improvements in 2022
- Recycling initiatives led to more than 90% of scrap cardboard and 100% of its ferrous metal byproducts being diverted from a landfill
- Implemented closed molding processes significantly reduced airborne volatile organic compounds (VOCs) from its manufacturing process

Recent Highlights

- ABG’s “Lights Out” energy efficiency program, which it created with the assistance of NRG Energy, a third party, has established lighting efficiency goals for the entire facility network
 - Every facility will have motion-sensing lighting installed by Q2 2023, including in all administrative, warehouse and manufacturing areas
 - 36% of the plants now have LED lighting, with management targeting 100% installation by 2024
 - Next steps involve partnering with an energy efficiency consultant to conduct energy audits and evaluate the deployment of on-site renewable energy resources

Case Study

Suntex Marinas

About

Suntex Marina Investors LLC is the largest standalone, pure-play U.S. marina owner and operator by marina count and boat slips, with 55 properties and approximately 21,000 slips.

ESG Lens

Suntex invests in several environmental sustainability programs that utilize modern technology and renewable energy sources to:

- Track emissions
- Reduce electricity usage
- Promote green energy sources



Ongoing Initiatives

Suntex has a **definitive code of conduct and ESG policy**, which includes Suntex's **commitment to board independence and gender parity on its Board of Directors**. This commitment is reflected in the diversity of Suntex's nine-person Board of Directors, which includes three female directors. Suntex has also established an executive-led ESG steering committee focused on reporting transparency, communicating ESG goals and integrating ESG considerations into strategy decisions.

"Clean Marinas"

Suntex is closely involved with the Association of Marina Industries in the continued development of Clean Marina standards, with a goal of leading the industry to a more sustainable future.

Closely coordinated with the Association of Marina Industries

>75%

of marinas are certified or engaged in the certification process to be "Clean Marinas"

40

managers who have been certified as Resilient Marina Professionals



Clean Marina Certification

Recent Highlights

- Continued 2021 initiative to replace unencapsulated foam with encapsulated floatation through its dock replacement projects
 - Eliminated hazards such as microplastic leakage into the water and reduced environmental contamination
- Tracked and actively engaged in diversity-driven hiring practices
 - Enhanced training and exposure to the marina industry
- As of December 31, 2022, 47% of the company's 134 home office employees were female and of those, 22% were in an additional diverse category
- Enhanced the diversity of its customer base by pursuing organized marina events
 - Added "Women at the Helm" course, a boating instruction program for women taught by women
- Continued involvement in several community initiatives, namely the nationwide campaign for the Folds of Honor Foundation, whose mission is to provide educational scholarships to the children and spouses of those killed or disabled while serving in the U.S. military
 - Suntex regularly raises funds and awareness for Folds of Honor through employee-led donations and fundraising events

Case Study

Lennar SFR Venture

About

The Lennar SFR (LSFR) Venture is a platform led by Centerbridge in partnership with Lennar Corporation to acquire single-family homes built with environmentally sensitive materials to rent in high-growth markets across the U.S.



ESG Lens

LSFR Venture is committed to offering affordable and sustainable single-family living in the communities it serves. With new community builds, the venture targets a product which is affordable to the average household within each submarket.

“With a foundation of solid governance principles that ensure integrity and accountability, (the Lennar SFR venture leverages) an environmentally conscious home-building strategy that focuses on inclusion and diversity and engages and supports the communities where we do business.”

Source: www.lennar.com

Recent Highlights

- Focused on creating new housing product for middle-income tenants in a safe environment with access to good schools
- As of December 31, 2022 new homes provide an affordable option for families with an average leased rent of \$1,975 per month or \$1.15 per square foot
 - The average income of tenants in leased homes is about \$134,000 annually, which implies a ~18% rent-to-income ratio which compares to the 2022 national average of ~35%, published by John Burns Real Estate Consulting
- In collaboration with the Centerbridge Structured Products team, LSFR has utilized business intelligence technology to build a proprietary underwriting methodology with maximum transparency while prioritizing data privacy

Ongoing Initiatives

LSFR Venture has been focused on sustainability since its inception. Lennar's homes are built with sustainability in mind, using environmentally sensitive materials to reduce environmental impact and CO₂ emissions. Several sustainable homebuilding initiatives were highlighted in the 2021 Sustainability Report and implementation of those has continued since then, including using 25% lighter drywall which reduces carbon emissions through production and transportation efficiencies, and all homes utilizing ENERGY STAR appliances, LED lighting and low-E windows, as well as recycled vinyl flooring to increase home quality and sustainability.

Case Study

Garrett Motion Inc.

About

Garrett develops highly engineered turbocharger and electric-boosting technologies primarily for light and commercial vehicle original equipment manufacturers.

ESG Lens

Garrett is dedicated to enabling cleaner, more efficient and connected vehicles. The company's transformative technologies help optimize fuel efficiency, reduce harmful emissions and manage growing vehicle complexity.

Garrett is pioneering electric vehicle technologies that enable the sector's transformation toward zero-emission transportation and is developing solutions for both fuel cell and vehicle electrification, working closely with its customers to help solve key industry challenges.



Ongoing Initiatives

Committed to reducing Garrett's impact on the environment, with specific focus on carbon, energy, waste and water, beginning in 2021, Garrett began improving its environmental metrics through increased data collection and automation and is working to achieve specific environmental performance targets by the end of 2024. Garrett's Sustainability Committee, comprising the CEO and several of Garrett's senior leadership team members, oversees the company's sustainability strategy definition, development and deployment.

Emission-Reducing Technologies¹

>99%

revenue and R&D investment related to emission-reducing technologies

1. Source: Garrett Motion 2021 Sustainability Report published in August 2022.
2. Source: Full Year 2023 Outlook reported in Garrett Motion's Fourth Quarter 2022 Financial Results.
3. Source: Garrett Motion April 13, 2023 Investor Call.



PORTFOLIO

Recent Highlights¹

50%+

of Garrett's expected 2023 R&D spend invested in electrification technologies²

~\$350mm

of lifetime revenue for already awarded zero emission vehicle contracts³

400

engineers dedicated to electrification³

2019

the Sustainability Committee was formed

2x

per year Board of Directors reviews the company's annual operating plans and strategic plans, including the review of R&D investments in emission-reducing technologies

100%

of manufacturing sites are ISO 14001 & ISO 50001 Certified

>95%

of direct spend covered by sustainability assessment questionnaire to suppliers

Innovation Spotlight: Social and Green Bonds

Centerbridge is dedicated to partnering with management teams to build businesses with greater strategic and financial value. As investors seek to align their portfolios with sustainability goals and corporates seek to capitalize on opportunities for issuance, we are pleased to highlight examples of social and green bond frameworks established by our portfolio companies. Green and social bonds are respectively used to finance projects that contribute positively to the environment or climate and projects that address or mitigate a specific social issue or seek to achieve positive social outcomes. We look forward to building our experience with such frameworks and sharing insights to drive further value across our portfolios.

About

ESG Lens

Recent Highlights

CASCADÉ

Cascade is a leader in financing for manufactured and modular homes, offering a full suite of financing options.

Cascade makes homeownership more attainable by tailoring loan programs specifically to owners of manufactured homes, including many rural borrowers, first-time home buyers and military families.

In June 2022, Cascade announced the launch of its Social Bond Framework:

- Furthered the company's commitment to creating pathways for affordable housing and received favorable external validation from ISS ESG, which independently assesses corporate frameworks and social bonds
- In March 2022, ISS ESG issued a second-party opinion that Cascade's Social Bond Framework adheres to the International Capital Market Association (ICMA) Social Bond Principles
- Among other metrics, ISS ESG recognized that Cascade had enacted positive measures driving its commitment to responsible sales practices, marketing and treatment of customers, including a constructive approach to repayment and financial counseling

Forbright

Forbright is a full-service bank, commercial lender and asset manager. In 2021, Forbright became the seventh U.S. bank to become a signatory to the U.N. Principles for Responsible Banking.

Forbright is taking action to decarbonize the economy. Today, the bank is more than halfway toward its goal of dedicating 50% of its portfolio to clean energy projects and sustainable business by the end of 2025.

In 2022, Forbright reported in their Green bond report that they issued an inaugural Green Bond in the amount of \$125 million in December 2021 and published its inaugural Green Bond Report to outline how the proceeds of the 2021 issuance have been allocated:

- By September 30, 2022 the net proceeds of the 2021 Green Bond were entirely allocated to renewable energy and energy efficiency projects
- Allocated \$100 million of Green Bond proceeds toward renewable energy, avoiding an estimated 10,680 metric tons of CO₂ equivalent emissions per year through increasing renewable energy production and consumption through the financing of residential solar
- Allocated \$25 million of Green Bond proceeds to energy efficiency projects, including financing to hotels, senior living facilities and other commercial buildings to install energy-efficient building components, avoiding an estimated 1,161 metric tons of CO₂ equivalent emissions per year

auxmoney

auxmoney is a digital-lending platform based in Europe that provides consumers access to affordable credit through proprietary risk models and digital processes. auxmoney is designed to make lending more efficient and reduce risk while borrowers obtain better rates and more transparency.

ESG considerations are a core part of auxmoney's business and a key driver for its long-term success. auxmoney has developed a Social Bond Framework under which it issues social bonds to alleviate financial exclusion, with proceeds used to finance or refinance consumer loans to underserved borrowers.

Through February 2023, three issuances have taken place:

- Inaugural Social Bond issuance
 - A leader and one of the first in Europe to include securities externally certified as social bonds
- Recognized as "Most Innovative Securitization Deal of the Year" with GlobalCapital European Securitization Award for its debut social bond issuance promoting financial inclusion
 - A renowned award and achievement in European Structured Finance
- The second asset-backed security (ABS) transaction occurred in 2022, followed by a third in 2023
 - Further displays auxmoney's continued commitment to promoting social and financial inclusion
 - Second issuance was awarded the European "ESG Securitisation of the Year Award" from Structured Credit Investor
- auxmoney has appointed an independent second-party opinion provider, ISS Corporate Solutions
- The company's lending activities constitute Eligible Social Projects and are aligned with the ICMA Social Bond Principles (2021 edition), contributing to the achievement of the United Nations Sustainable Development Goals

Innovation Spotlight: Management Incentive Plans

ESG Lens

At Help at Home and Sevita, a portion of the executive teams' annual bonus and/or long-term equity incentive plans are tied to achieving relevant ESG targets. Centerbridge, its sponsor partners, and legal counsel have supported and worked with each company to incorporate these initiatives through active involvement in each company's Board of Directors, among other touchpoints.

About

Help at Home provides in-home care services, delivering high-quality, relationship-based personal care and other services to help seniors and the disabled remain in their homes, the preferred setting of care.



Caregiver Emergency Relief Fund

Established a fund to make financial relief available for caregivers and the administrative team by funding employee and outside individual contributions to ensure emergency financial support.



Recent Highlights

Near-Term Incentives

- As of early 2023, CEO compensation became partially tied to a new quality initiative that:
 - Enables improved coordination between caregivers, care supervisors and other field staff and their clients
 - Incentivizes greater focus on quality of care and outcomes for clients and enables clients to engage with their primary care provider (PCP) actively

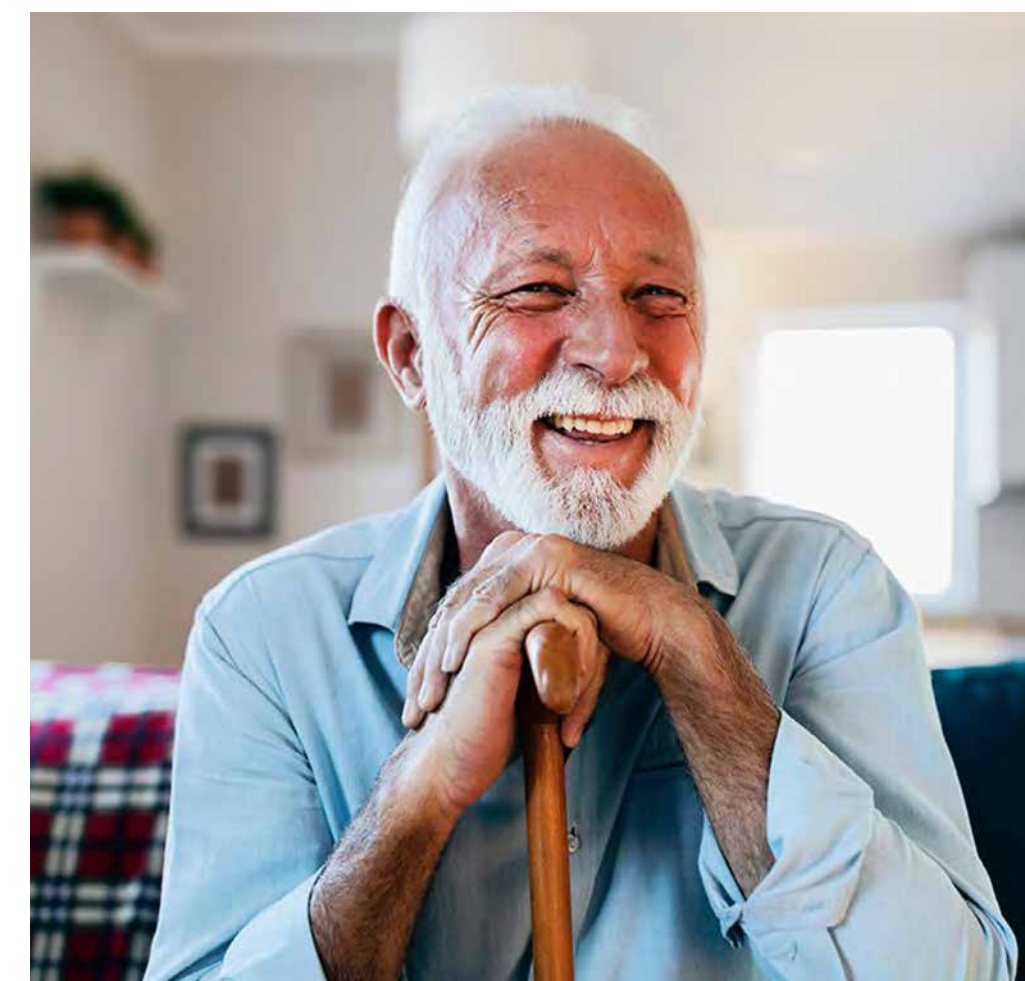
Long-Term Incentives

- Developed a dedicated tranche of units in the company's long-term equity incentive plan that vest according to specific ESG criteria, including:
 1. Hiring a director of DE&I and developing a DE&I plan for 2023
 2. Conducting mandatory DE&I and anti-bias recruitment training bi-annually
 3. Interviewing a diverse slate of candidates with a diverse panel of interviewers for each new open position, including FTEs and senior leadership positions

About

Sevita provides home and community-based specialized health care, delivering quality services and individualized support that leads to growth and independence, regardless of physical, intellectual or behavioral challenges.

Sevita



Recent Highlights

Near-Term Incentives

- Established a Diversity, Equity, Inclusion and Belonging (DEI&B) Council:
 - Comprised of a subset of cross-functional leaders and led by the company's Chief Diversity Officer to formalize and ensure stronger focus on future DEI&B efforts

Long-Term Incentives

- Developed a dedicated tranche of units in the company's long-term equity incentive plan that vest according to specific ESG criteria, including:
 1. Achieving within a certain range of an annually decided-upon total quality score
 2. Improving employee wellbeing measured through monthly turnover at or below target levels
 3. Minimum diversity requirements for candidate slates interviewed for all roles Vice President and above

The intended impact of the long-term incentive plan component is to create better alignment with employees on the achievement of DE&I ESG initiatives and foster continued company-wide focus on quality and compliance.



Our Community

Centerbridge Foundation

Mission and Approach

Mission

Established in 2007, the mission of the Centerbridge Foundation is to increase access to educational and economic opportunities for young people so that they can achieve their full potential.

We believe, and **research shows**, that a quality education provides the most direct path to increased academic achievement, a broader range of employment options and longer-term economic self-sufficiency.

However, many low-income young people in New York City and London face additional barriers and are less likely to graduate from high school prepared for college or careers than other students. These barriers significantly limit earning potential and options later in life.

Our philanthropic investments and the work we do across our communities focus on interventions designed to address these challenges.

Approach

We approach our mission a few different ways:

The Partnership Grant: strategic, philanthropic investments in partnership with Bain & Co. to build the capacity of organizations to accelerate their progress and deepen their impact over time

CUNY Initiative: multifaceted partnership with the City University of New York (CUNY) to support educational and career outcomes for CUNY students

Firm and Community Engagement: our many Firm initiatives to support our communities at large

Engagement

The Foundation's work continues to be integral to our culture at Centerbridge.

Close to 100% of our team members are involved in our philanthropic initiatives.

Foundation Committee

Each year, Centerbridge team members in New York City and London volunteer to become members of our Foundation Executive Committees:

- Key players in Partnership Grant process, selecting new recipients and assessing the impact of current partnerships
- Two-year commitment to serve as ambassadors for the Foundation
- Since its inception, close to **125 team members** at every level from Senior Managing Director to our early-career professionals, have served on the Foundation Committee and have made critical investment decisions positively impacting the lives of young people
- In 2022, **26 team members** served on our Foundation Committees in New York City and London

CUNY Workshop Presenters and Mentors

For CUNY students that take part in our nine-month CUNY Investment Industry Fellowship, Centerbridge team members across functions and strategies:

- Serve as mentors
- Run the investment workshops

47 presenters and mentors volunteered in 2022

Volunteers

Over the years we have come together to support those in need during major events impacting our communities. Each year, volunteers work with local community-based organizations to support the populations they serve.



2022 Foundation Committee Members



CUNY Fellowship, Cohort 5

Team Impact and Service

In 2022, our team's skills, perspectives and commitment were integral in supporting our communities and advancing the Foundation's mission. Our team dedicated time to a range of service initiatives and in pursuit of personal interests.



2022 Engagement Highlights

Annual Service Week

Centerbridge team members participated in our **15th annual summer Service Week**, volunteering with local organizations in New York City and London.

From conducting mock interviews to prepare rising eighth graders for high school interviews with the TEAK Fellowship in New York City, to supporting young people preparing for their first internships with Career Ready in London, our team members volunteered with many community-based organizations.

TEAK
FELLOWSHIP

Riverside Park
Conservancy



Fall Volunteer Series

In November, the Foundation hosted a Volunteer Series with a few of our long-term nonprofit partners. We invited our Limited Partners and other friends of the Foundation to participate. Volunteers helped the New York Common Pantry prepare Thanksgiving food kits ahead of the busy holiday season and networked with our CUNY Investment Industry Fellows.



IU Connect IntoUniversity

This year, London colleagues participated in a mentoring program with IntoUniversity, a UK-based nonprofit organization that focuses on breaking down barriers to success for young people. Our team members mentored first year university students, helping them prepare for employment.

Impetus Triathlon

In September, several team members competed in the Impetus Private Equity Triathlon. The triathlon raised funds for Impetus, a UK-based nonprofit organization and long-time partner of Centerbridge, that supports young people from disadvantaged backgrounds, ensuring they receive the support needed to succeed in work, school and life.



Impetus Triathlon Centerbridge Competitors

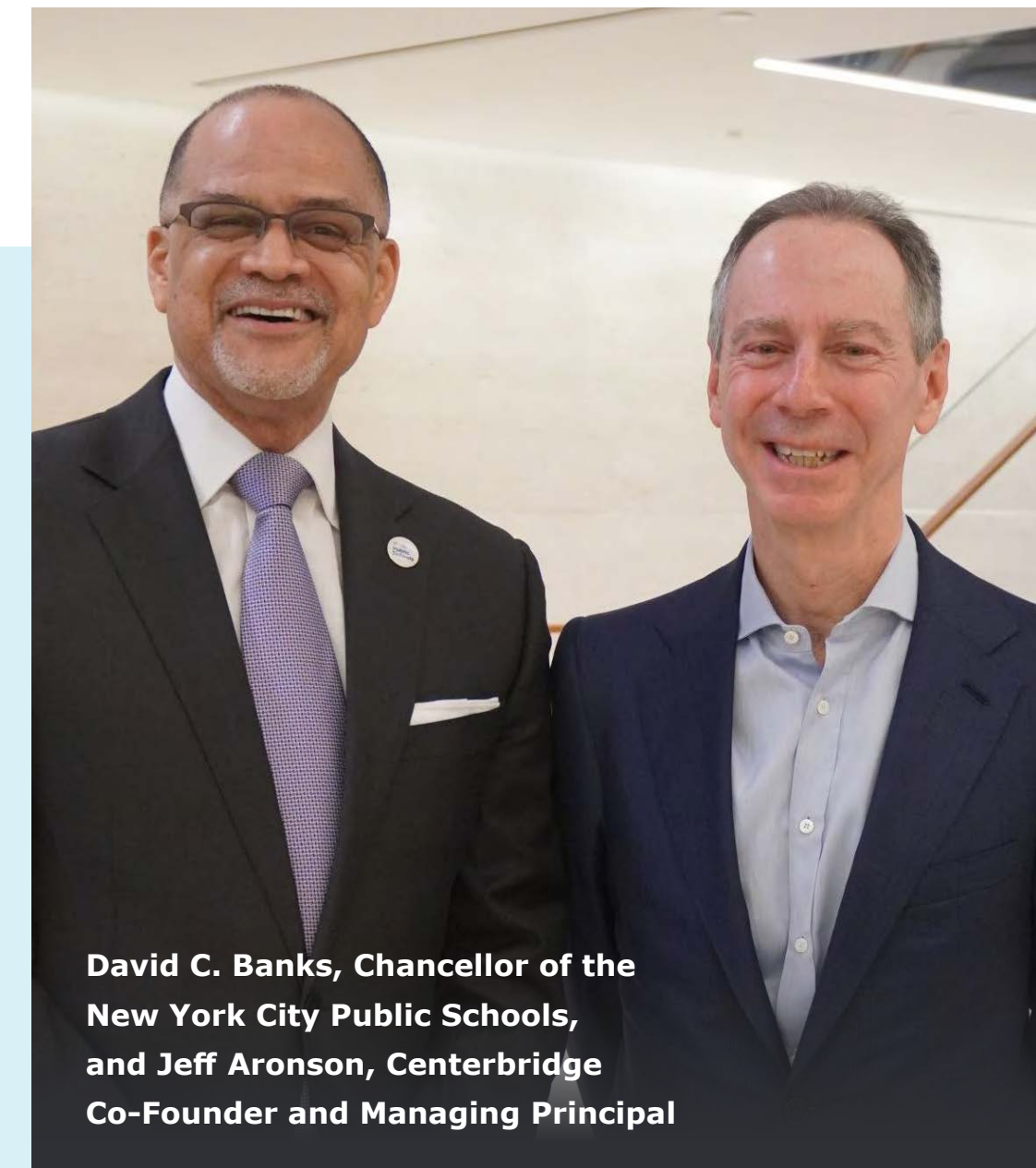
Holiday Initiative

In December, team members took part in our annual Holiday Initiative. In New York City, we made 846 mesh bags, which were used for City Harvest's holiday food distributions. In London, team members donated interview clothes for young people served by City Gateway, one of our grant partners.



Annual Foundation Speaker

In January 2023, the Foundation hosted David C. Banks, Chancellor of New York City Public Schools, as its annual keynote speaker. In conversation with Centerbridge Co-Founder and Managing Principal, Jeff Aronson, Chancellor Banks shared his vision for New York City Public Schools, including building a strong literacy foundation and ensuring New York City's students graduate with a clear path to success.



David C. Banks, Chancellor of the New York City Public Schools, and Jeff Aronson, Centerbridge Co-Founder and Managing Principal

Philanthropic Investment Strategy

The Partnership Grant

The primary objective of our philanthropic investments — a combination of time, funding and strategic support — is to build the capacity of organizations in our portfolio to accelerate their progress and deepen their impact over time.

We look for opportunities where there is the potential for a multiplier effect, whether through testing an innovative idea, scaling an effective intervention or bringing organizations together to address a gap in the system.

10+

year partnership
with Bain & Company



- Help organizations work on key issues to improve outcomes for young people
- Bain provides strategic assistance to each grant partner
- We make long-term commitments in New York City and London, develop strong partnerships, invest in leadership development and foster continuous learning through evaluation

\$2 million

of support to each grant partner including our funding and pro bono support

We aim for our charitable investment process to mirror the Centerbridge investment strategy with long-term commitments, a focus on strong leadership teams and **creating community value.**

In 2022, we welcomed new partners to our portfolio, assessed our current portfolio’s impact in New York City and London and continued to support our current partners.

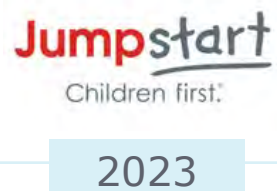
New York City

Portfolio Support — CPRL Case Study:

Each year we commission the Center for Public Research and Leadership (“CPRL”) at Columbia University to develop a case study focused on the grant partner exiting our portfolio after four years. These case studies are a chance for reflection, learning and sharing within the education sector. In 2022, our case study focused on the KIPP/Post-Secondary Success Coalition.

2022 New Grant Partner:

After a thorough due diligence process, the Foundation Committee selected **Jumpstart** as the next New York City Partnership Grant recipient. Jumpstart’s mission is to promote high-quality early learning to ensure that every child in America enters kindergarten prepared to succeed in school. Our support will focus on scaling Jumpstart’s early childhood education programs and training for teachers to address the teacher retention issue impacting the U.S.



Jumpstart Team Presenting to Centerbridge

Grant Portfolio

	2012
	2013
	2014
	2015
	2016
	2017
	2018
	2019
	2020
	2021
	2022

London

Portfolio Support — Impact Assessment:

Foundation Committee members met with each grant partner’s leadership team to evaluate their progress against a set of key performance indicators tailored to each project and organization. It was a chance to address challenges faced and opportunities that lie ahead. *This process is also done annually in New York City.*

2022 New Grant Partner:

In London, we partner with both **Bain** and **Impetus** to co-invest in a small group of UK-based education organizations. Through this collaboration, we have collectively committed to support one organization per year from within the Impetus portfolio that has a proven track record and is well positioned to scale. Out of a small group of strong contenders, **The Tutor Trust** (TTT) was selected to join the portfolio this year. TTT delivers high-quality tutoring programs to disadvantaged students in the North of England. Our collective support will focus on growing TTT’s geographical reach and in turn, scaling impact.

Grant Portfolio

	2018
	2019
	2020
	2021
	2022

THE
TUTOR
TRUST

2023

CUNY Strategic Partnership

We believe that our multifaceted approach to partnering with the City University of New York (CUNY) has been imperative to support educational and career outcomes for CUNY students and to connect the financial services industry with strong and diverse talent.



Cohort Five

Partnership Grant

- CUNY was the recipient of our 2020 Partnership Grant to improve post-graduate outcomes for students
- Our support includes **\$500,000** of grant funding over four years with strategic support from Bain

Industry Partnerships

- We continue to facilitate partnerships between CUNY's talented students and Centerbridge portfolio companies and Limited Partners

Futures in Finance

- Now in its second year, the partnership founded by Centerbridge with Bloomberg and Goldman Sachs to prepare students for careers in the financial services industry, has engaged more than **1,800** students
- FIF is active at our initial target schools: Brooklyn College, City College and Lehman College
- After a strategy engagement with Bain, the team has been actively working with students on campus, creating programming and connecting with corporate hiring partners



Investment Industry Fellowship

- In 2018, Centerbridge developed a nine-month fellowship for sophomores and juniors interested in pursuing investment careers
- Fellows attend monthly workshops run by Centerbridge team members and are matched directly with a Centerbridge mentor
- Currently in our fifth year, we have served **110 fellows to date. 97%+** have been successfully placed in internships the summer after the program, primarily in finance or consulting roles

Summer Internship Program

- In 2022, Centerbridge hosted a summer internship program exclusively for CUNY students in the New York City office
- **11 CUNY interns** were placed across the Investment, Investor Relations, Valuation and Human Capital teams
- We will continue with our CUNY summer internship program in 2023

CUNY is the largest urban higher-ed institution in our country:

1 in 73 college students in the U.S. is a CUNY student

75%+ more than 75% of enrollees are students of color

61% 61% of CUNY students do not have a parent who graduated college



Investment Workshop for Fellows

Important Information

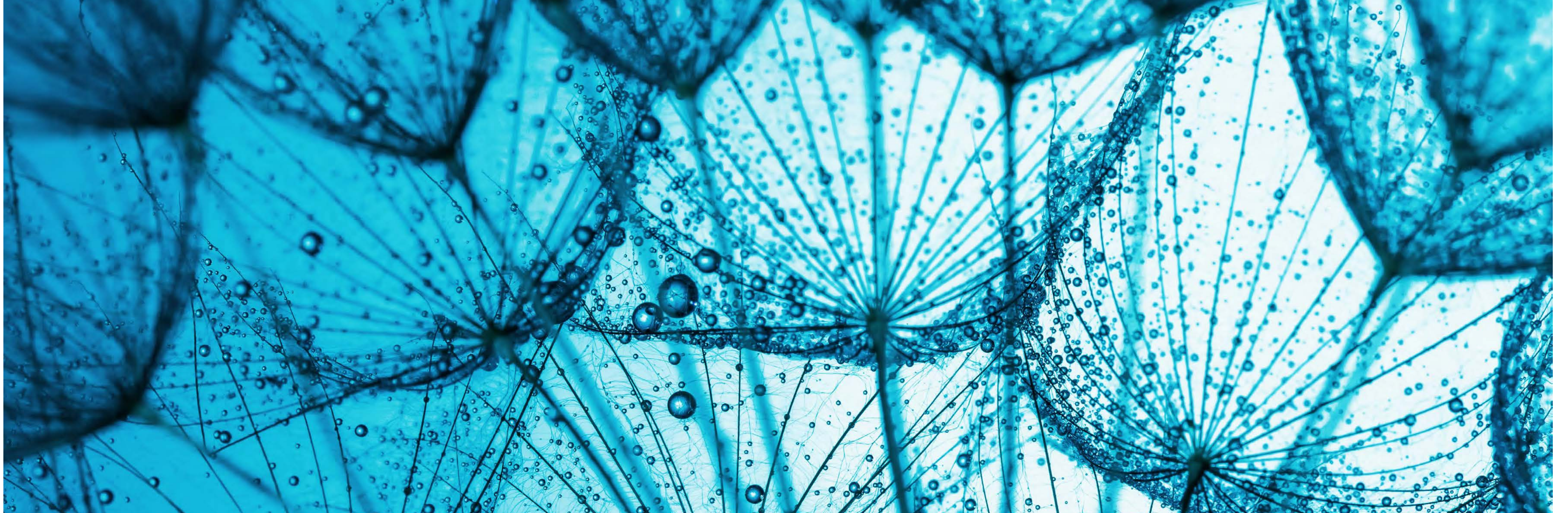
This report, entitled "Sustainable Value Creation Report | Issued June 2023" (this "ESG Impact Report" or "Report"), has been prepared and is being made available by Centerbridge Partners, L.P. and the Centerbridge Foundation (collectively, "Centerbridge" or the "Firm"). The information in this Report reflects Centerbridge's aspiration, or bold ambition, to make a meaningful impact regarding ESG initiatives and our self-assessment of how the Firm has progressed in relation to such objectives. This Report does not constitute an offering of interests in any Centerbridge Partners, L.P.-sponsored fund or portfolio company.

This Report includes select examples in order to illustrate the manner in which Centerbridge has formulated and sought to execute on its ESG objectives, and is not intended to provide an exhaustive description of all of the initiatives undertaken and results thereof, or the potential that may be achievable, at Centerbridge or within our funds' portfolios or at the companies in which we invest or the organizations to which we provide support or with which we have partnered.

Centerbridge believes in a philosophy of continuous improvement and we recognize the importance of adapting our approach to fit changing circumstances and needs. There is no "one-size-fits-all" approach to identifying and incorporating ESG initiatives that have the potential to be impactful within an organization. Accordingly, our approach, and its impact, varies across the different aspects of our operations and portfolio and will evolve over time.

Please note that the environmental, social and governance ("ESG") performance indicators contained in this Report are not guarantees or promises. They have been prepared based on the current standards of measurement and performance for ESG topics and involve estimates and a variety of assumptions. Such standards are developing within the broader communities in which Centerbridge and its portfolio companies operate, and as applied by Centerbridge they reflect current expectations and/or assumptions of Centerbridge and others whose inputs we have incorporated herein. There are inherent limitations in quantifying the impact that ESG initiatives have the potential to make, and that they ultimately do make, in relation to financial performance and/or other objectives.

In preparing the information in this Report, Centerbridge has relied without independent verification on certain information prepared or provided by third parties or otherwise obtained from published sources, including, without limitation, certain economic, market and other information, and in certain cases such information has not been updated through the date hereof. Centerbridge is under no obligation to update the information presented herein.



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