

A photograph of a long, curved wooden pier extending over a body of water. The pier is made of dark wood and has a railing. The water is a deep blue, and the sky is a lighter blue. The pier curves from the left side of the frame towards the right, ending in a sharp curve.

Sustainable Value Creation Report

JUNE 2024



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Executive Summary

Since our doors first opened nearly two decades ago, the business has grown and evolved to keep up with an ever-changing world. However, one thing has remained the same – Centerbridge was formed on the basis of the complementary aspects of private equity and private credit – the idea that differing perspectives could come to a more rounded and successful investment decision. To effectively buy, build or back great businesses, we thrive by applying both growth (equity) and safety-oriented (credit) mindsets, and the distinct and balanced perspectives that can only come from bringing together a group with varying backgrounds and experiences.

“To effectively buy, build or back great businesses, we thrive by applying both growth (equity) and safety-oriented (credit) mindsets, and the unique and balanced perspectives that can only come from bringing together a group with varying backgrounds and experiences.”

For those of you that know us well, you know our One Team culture underpins our investing philosophy and the way we run every aspect of our business. We believe it is our greatest differentiator and better positions us as fiduciaries. When we think about our team and our approach to investing, we seek to bring together diverse individuals who bring unique viewpoints to evaluate a host of different criteria. This also defines our approach to sustainability at the Portfolio level.

Sustainability applies to locations all around North America and Europe where we make our investments, and in the Community where we work.

The Centerbridge Foundation, established at the inception of the Firm to increase access to educational and economic opportunities for young people, continues to seek to effectuate change and progress in both New York and London. The Foundation does its work primarily through areas of Firm Engagement, our Partnership Grant Strategy and our CUNY Partnership. You may remember that in 2021, in collaboration with Bloomberg and Goldman Sachs, we launched CUNY Futures in Finance (FIF) to bridge rising talent with the finance community. In 2024, a nearly \$12 million expansion for the CUNY Inclusive Economy Initiative (CIE) was announced. This will incorporate CUNY FIF into CIE, offering students career opportunities in the financial industry for the first time through this program. We are incredibly excited about the potential growth and expanded reach that this support means for FIF.

As I mentioned in last year’s report, data and the measurement of impact are key to being able to link initiatives to performance and outcomes. At the Firm level, we continue to make progress toward our three-year goals that were formalized last year, with strong metrics across the Recruit, Retain, Develop and Advance pillars on which we evaluate the talent lifecycle. At the Portfolio level, we submitted data to UNPRI for the first time after becoming Signatories in 2021, and we also completed carbon accounting measurement across all platforms and the Firm. Finally, in the Community, our Partnership Grant Strategy has allowed us to reach over one million young people through investing in 21 organizations, and we continue to add new grant partners and leverage learnings across our portfolio to further our impact.

Over the last few years, there has been much discussion around the rise and fall of the importance of certain topics discussed in this report, including sustainability. Through it all, as fiduciaries of our clients’ capital, we remain consistent in seeking to achieve the best outcomes on their behalf, and we believe that acquiring and building sustainable businesses is an important consideration in that success. We take great pride in the work we do here at Centerbridge, and also in how we do it. As always, we are incredibly grateful for the support of our clients and our partners, and through our sustainable value creation approach, we will continue to focus on those initiatives that drive performance. Delivering excellent returns and growing our business in a sustainable manner helps to ensure that we can continue to do so well into the future, for a long period of time.



Jeffrey H. Aronson
Co-Founder, Managing Principal



Global alternative investment manager employing a flexible approach through the full investment cycle, across investment disciplines – Private Equity, Private Credit and Real Estate.

CENTERBRIDGE BY THE NUMBERS¹

\$38bn

of capital under management

284

Employees

4th

sustainable value creation report

2005

Year Founded

114

Investment Professionals

GEOGRAPHY



Primary office locations in New York and London, support investing primarily focused in North America and Europe

1.As of January 1, 2024

ONE TEAM PLATFORM

UNIFIED ACROSS THREE STRATEGIES

Private Equity

Private Credit

Real Estate

FOCUSING ON FOUR SECTORS

Financials

Healthcare

Industrials

Tech

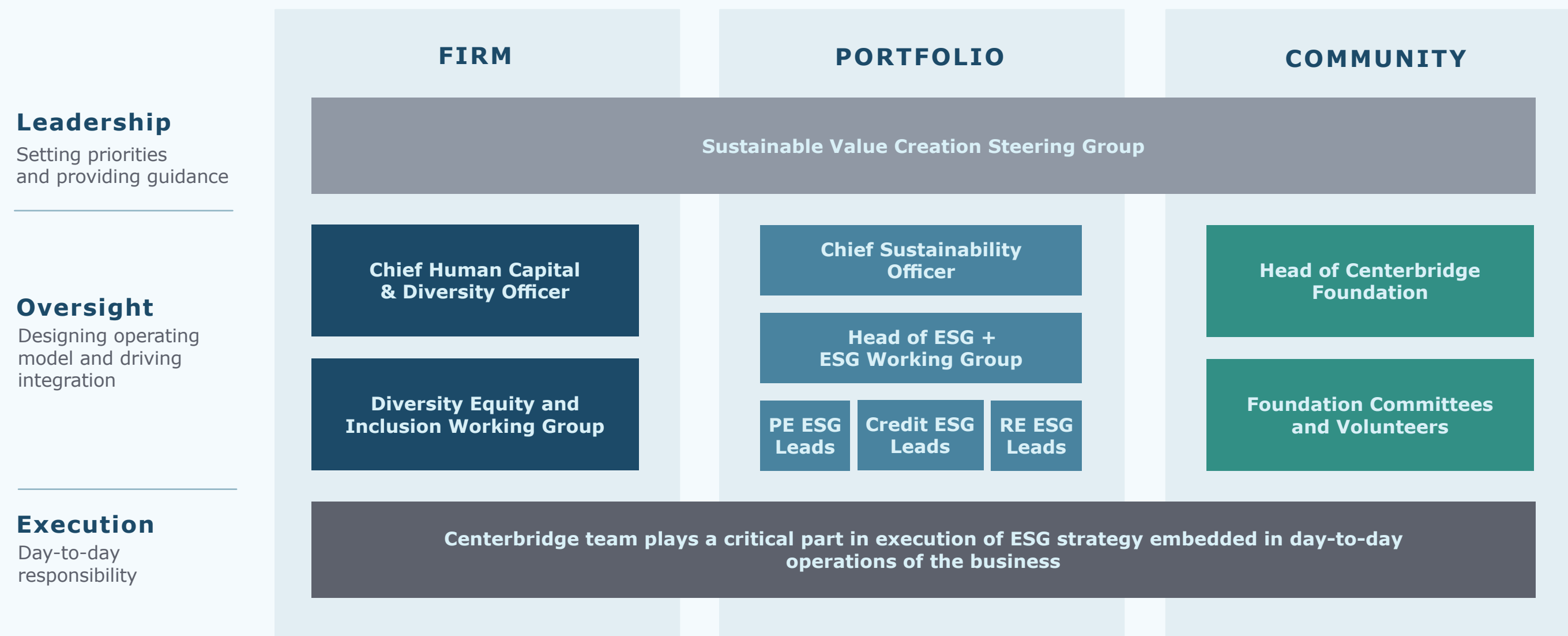
CENTERBRIDGE'S INVESTMENT PRINCIPLES

Ability to Pivot

One Team Model

Intrinsic Value Focus

CENTERBRIDGE'S SUSTAINABILITY OPERATING MODEL



The logo for Centerbridge, featuring a dashed blue arch above the word "Centerbridge" in a serif font.

Centerbridge

A blue-tinted background image showing a close-up of dandelion seed heads with many small, round seeds. A dark grey rectangular box is overlaid on the lower-left portion of the image.

Our Firm

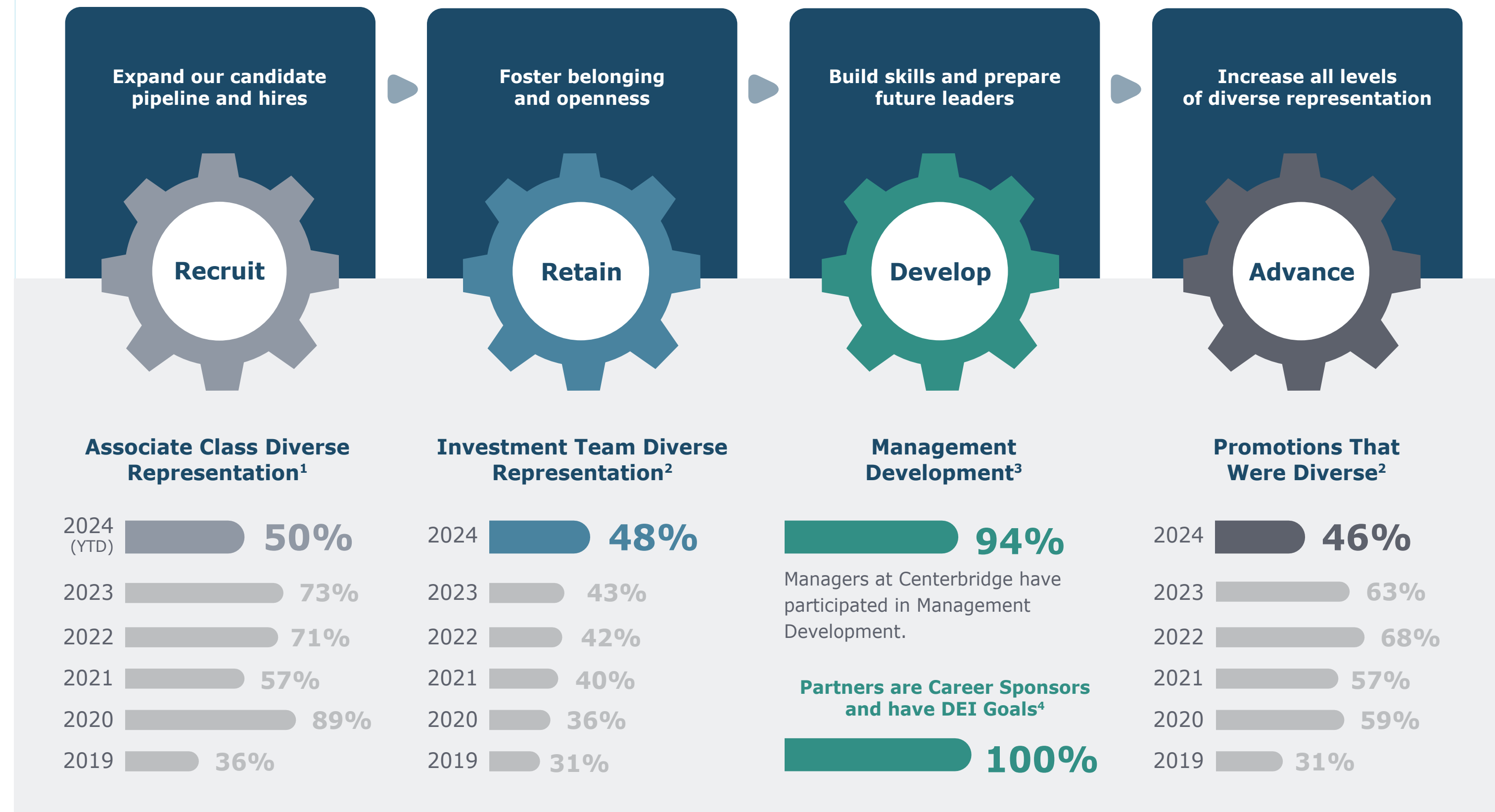
Inclusive and Diverse Centerbridge Team

Our Goals

Centerbridge is progressing toward our three year goals which we published last year. Through an Inclusive Approach we seek to:

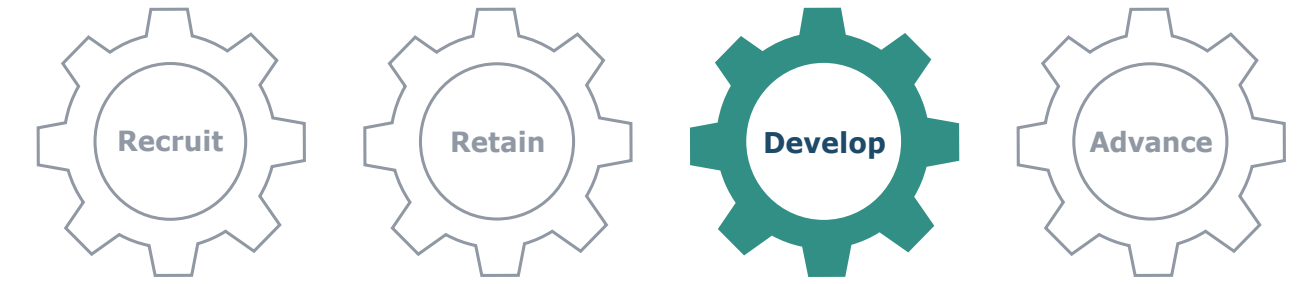
- Double Black and Hispanic / Latino / Latina Centerbridge Senior Professionals and Investment Professionals
- Increase Firmwide Black and Hispanic / Latino / Latina Representation by More Than 35%
- Maintain and Build on Momentum in Increasing Firmwide Female and Pan-Asian Representation at the Senior Professional Level and on the Investment Team

Inclusion is Required for Diversity to Have Real Impact



1. Percentages represent gender and racial diversity for the relevant year's onboarding associate class. 2024 information is YTD through June 30, 2024.
 2. Percentages represent gender and racial diversity as of January 1st of each year.
 3. Excludes Partners that are recent hires and do not meet the tenure threshold for CMA / CM Senior as well as those that are not primary people managers.
 4. As of December 31, 2023.

2024 Talent Spotlight: Development



Learning and Development Framework

We Grow Together to Perform Better

High quality development opportunities and targeted focus at key transitions

Perform and Collaborate with Excellence

- Team members learn new skills, deepen awareness of behaviors and gain experiences to work more inclusively, effectively and productively together
- Compliments our proven apprenticeship model for career development

Manage and Lead with Intent

- Managers and leaders grow with intentional tools, practice and peer networks to enhance performance and build our diverse and inclusive talent pipeline

Required Trainings

Content required as part of the Firm's culture and values

Targeted Offerings

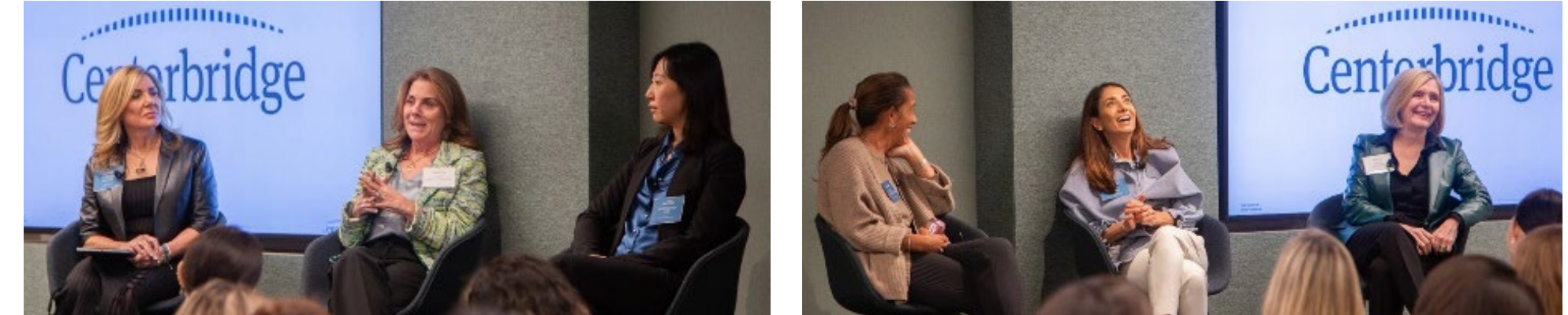
Structured programs targeted at specific skills and/or career milestones

Elective Offerings

Development opportunities at the learner's pace and needs

Global Women's Leadership Events

Fostering and celebrating the Centerbridge community of women.



In celebration of International Women's Day this year, we gathered in London and New York to focus on a set of business relevant goals as professionals in finance. After hearing about successful career journeys of our colleagues and board members, we came out of each session with a set of themes and strategies to carry forward.



GOALS



Connectivity



Shared Learning



Inspiration



Empowerment



Bottomless Closet and Dress for Success are organizations which empower NYC and London women in need and help them to enter the workforce and achieve success. Team members were invited to participate in a drive the week of the events and all donations were provided directly to the organizations.

THEMES

- ✓ *The Elusive Goal of "Managing it All" Across Career and Life Stages*
- ✓ *Career Strategies for Development, Advancement and Fulfillment*
- ✓ *Professional and Business Growth-Networking, Sponsorships and Boards*
- ✓ *Building Confidence*
- ✓ *Lessons in Resilience*



Portfolio


ESG Embedded Throughout the Investment Cycle

Our dedicated ESG professionals, alongside our portfolio operations team, investment professionals, boards and management implement **sustainable value creation** by prioritizing strategic actions for our portfolio that are **logical, accretive and add value**.

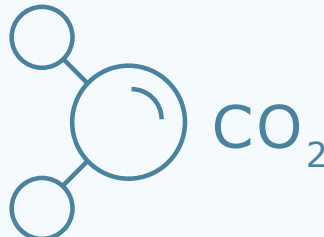
PROCESSES ACROSS ALL PLATFORMS




RECENT UPDATES



Submitted Data to UNPRI for the First Time After Becoming Signatories in 2021



Completed Initial Carbon Accounting Measurement Across All Platforms and the Firm



ESG Considered When Casting Proxy Votes Across All Platforms

Recent Highlights by Strategy

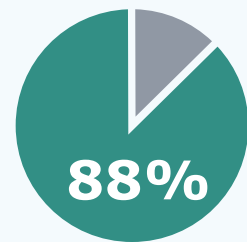


PRIVATE EQUITY

5th

Portfolio Company ESG Survey Completed for 2023 Calendar Year

Met



Exceeded

of Portcos Relative to CCP IV Goal of Two Diverse Board Members¹

>70%

of Portco ELTs Attended Inclusive Leadership Training Held by Centerbridge Portfolio Operations Team



PRIVATE CREDIT



Enhanced Watch List and Alert Tracking from Third-Party Providers Supporting More Informative Real Time Notifications



Implemented Enhanced Screening Process for New Investments



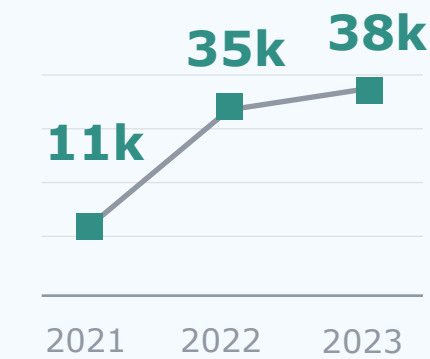
ESG Review and Recommendations Shared with Investment Team Prior to All Proxy Votes



REAL ESTATE

1st

Annual Real Estate ESG Survey Completed for 2023 Calendar Year



Lightbulbs Converted to LED Across Controlled Investments Through 2023

2/3

of Controlled Investments Onboarded to Sustainability Management Software Platform, Measurabl²

1. The goal was set in 2022 for controlled investments in CCP IV.

2. Two-thirds is measured in terms of Unrealized Value. In the case of investments that have multiple properties, the ratio of properties onboarded to total number of remaining properties as of March 31, 2024 has been applied to that investment's Unrealized Value.

Case Study Highlights

onbe™

Provider of modern payment solutions to corporate clients for a variety of disbursement needs including incentives programs, workforce/ salary payments and refunds

ESG LENS

Started new programs in 2021 and have seen diversity, engagement and retention increase over time

BUILDING AND RETAINING A DIVERSE TEAM¹

	Women & Non-binary	Black Indigenous and People of Color (BIPOC)
Employees	36%	51%
Leaders	26%	44%

STRONG EMPLOYEE ENGAGEMENT¹

15%	93%
decrease in voluntary employee departures 2023 YoY	response rate to employee engagement survey in 2022 & 2023

REALIZED IMPACT OF EFFORTS



Aareal

Solutions provider of commercial real estate lending, vertical software for European housing industry and payments for German landlords

ESG LENS

Aareal believes green lending products are a core way of enabling a business model that is fit for the future

GLOBAL COMMERCIAL REAL ESTATE FINANCE PORTFOLIO

30% Green Property Financings^{2,3}

GREEN LENDING BUSINESS FRAMEWORK

€4.8bn current Green Loan Volume¹ with **€6-7bn** targeted by 2026

€1.4bn current Green Funding Volume^{1,5} with **+€0.5bn** targeted in 2024⁵



Full-service hotel in a prime location, close to key attractions, in a fast-growing market

ESG LENS

Implemented upgrades while hotel continued to operate and maintained profitability

INITIATIVES

Dalkia

energy consulting firm completed energy audit and assessment at hotel in Q1'21

LED Retrofits completed in Q1 2023

Flo Saver valve installation completed in Q3 2023

ESTIMATED ANNUAL COST AND ENERGY SAVINGS

~950k	\$102k	3.6mm
kWh electric	energy bills	gallon reduction of water consumption

PARTIAL REALIZATION

Centerbridge partially exited its investment in Q2'24 on attractive terms

1. As of December 31, 2023.

2. € 6.0 bn included in green asset pool for underlying of Green bond issues; € 3.5 bn green property financings which are committed.

3. Data as of March 31, 2024.

4. This is an independent, transparent opinion on a company's financing or framework that verifies it is aligned to market expectations and has become a critical part of the issuance process.

5. Green funding includes bonds and commercial paper.



Community

FOUNDATION MISSION

Since inception, the Foundation’s mission has been to increase access to educational and economic opportunities for young people so they can achieve their full potential. Reflecting on the Firm’s commitment to investing in strong leaders and creating value in our communities, we approach our mission through three focus areas: Firm Engagement, Partnership Grant Strategy and CUNY Partnership.

Firm Engagement

The Centerbridge Team’s skills, perspectives and commitment are integral to advancing the Centerbridge Foundation's mission.


RECENT FIRM ENGAGEMENT INITIATIVES

Over the past year, team members have participated in Foundation-sponsored opportunities with organizations across New York City and London, including:

<p>SUMMER SERVICE WEEK</p> <p>From filling backpacks to working on interview skills, more than 70 team members contributed over 110 volunteer hours through eight events with community partners.</p> 		<p>ANNUAL KEYNOTE SPEAKER</p> <p>Anne Williams-Isom, NYC Deputy Mayor for Health and Human Services, spoke about the impacts of the asylum seeker crisis on NYC Public Schools.</p>	<p>CAREER DISCOVERY WEEK</p> <p>As part of a city-wide NYC Public Schools initiative, 10th graders from the Bronx School of Law and Finance visited Centerbridge to learn about the investment industry.</p> 	<p>CENTERBRIDGE SERVICE PORTAL</p> <p>Launched a centralized platform for team members to explore volunteer opportunities.</p>
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2023 JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER JANUARY FEBRUARY MARCH APRIL MAY **2024**

CLOTHING DRIVE



Team members in London donated professional clothing to help job seekers feel confident and prepared for interviews.

CHILDREN’S AID BENEFIT





Centerbridge was honored for its long-standing partnership with Children’s Aid.

HOLIDAY INITIATIVE

Centerbridge participated in NY Cares’ 35th Annual Coat Drive.

NYC WINTER VOLUNTEER EVENT

Team members made sandwiches for New Yorkers experiencing food insecurity.

LONDON WINTER VOLUNTEER EVENT




Team members led a career exploration session.

Partnership Grant Strategy

The objective of our philanthropic investments is to build the capacity of organizations to deepen their impact across the education sector through a collaboration with Bain & Company. Our philanthropic strategy is guided by our investment process. To date, we have invested in 21 organizations, reaching over one million young people.

PARTNERSHIP GRANT PRIORITIES

- High-Priority Project with Clear Scope
- Potential for Impact
- Strong Leadership
- Community Value Creation

STRATEGIC PARTNERSHIP GRANT PORTFOLIO ACROSS TIME



New York City

London

2024 GRANT PARTNERS



Building first-of-its-kind network of NYC Public Schools focused on helping struggling readers, leading to stronger academic and career outcomes.

Investment Focus:
Creating a blueprint to scale its model and establish schools across the five boroughs.



Helping young people develop social and emotional learning competencies and re-engage with academic learning by partnering with STEM workplaces.

Investment Focus:
Identifying the best model to scale its program and serve more students.

PORTFOLIO SPOTLIGHT



Jumpstart's Accelerated Workforce Program, which launched in early 2024, is addressing the national shortage of Early Childhood Education Teachers with a focus on creating licensure and job opportunities for college-aged Corps Members.



As of June 2024, the Connect Fund, which works to decrease the employment gap faced by young people from diverse backgrounds, has provided leadership development programs to support talent in progressing into senior leadership roles.

CUNY Partnership

The City University of New York (CUNY) is the largest urban higher education institution in the country, educating the next generation of New Yorkers. Our multifaceted partnership with CUNY aims to improve students' education and career outcomes, prepare them for work and connect the financial services industry with strong, diverse talent.



Partnership Grant

2020 Partnership Grant recipient focused on improving students' career outcomes. Read more in this [case study](#) developed by the Center for Public Research and Leadership at Columbia University.



Investment Industry Fellowship

Nine-month fellowship developed and led by Centerbridge, consisting of workshops and mentorship for sophomores and juniors interested in pursuing investment careers.

130+

Fellows to date, with 23 Fellows starting in summer 2024

20

Fellows from the 2023 cohort received summer 2024 internship offers in the finance industry, including five at Centerbridge

>95%

of participants received internship offers the summer after completing the program since 2019

Summer Internship at Centerbridge

Immersive summer internship program for CUNY undergraduates.

93%

of NYC undergraduate summer interns are CUNY students

50+

CUNY students hired as summer interns since 2019

15

CUNY interns across 12 teams in 2023



COMMUNITY

Futures in Finance

Futures in Finance (FIF)

Launched in 2021 in collaboration with Bloomberg LP and Goldman Sachs to create a bridge between rising CUNY talent and the finance industry.

3,000
students reached

CUNY Inclusive Economy (CIE)

Since inception in 2022, CIE has served over 3,100 students, attracted more than 2,000 industry partners, and advanced the City's 2030 goal to connect 80% of CUNY students with careers after graduation.

FIF+CIE

In 2024, FIF will join CIE as its first finance track, expanding its reach to more industry partners and CUNY students.

In May, Mayor Eric Adams and CUNY Chancellor Félix V. Matos Rodríguez announced a \$12 million expansion which will grow industry engagement, advising, internship, and full-time opportunities to an additional 1,200 students annually across over 20 academic departments.



Important Information

This report, entitled "Sustainable Value Creation Report | Issued June 2024" (this "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.



Centerbridge

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