

TAILWIND

2022 ESG REPORT



RANDYS Employee Owners following
launch of TOP program, March 2022

A MESSAGE FROM OUR MANAGING PARTNERS

At Tailwind, our team is driven by a shared purpose to **Accelerate Change** across our Firm, our portfolio companies, and when possible, the broader community. We believe that successful private equity investing requires not only acquiring and growing attractive businesses — but doing so in a socially responsible manner. This approach has enabled us to deliver sustainable value and strong investment returns to our investors, while remaining consistent in our commitment to a positive societal impact.

Tailwind was formed over 15 years ago and since that time we have invested \$4 billion in over 200 mid-market platform companies and add-on acquisitions. In 2014, we implemented our Environmental, Social, and Governance (ESG) Program — making us, we believe, one of the early mid-market private equity firms to do so. At that time, we also began formally incorporating ESG principles into our investment and portfolio company monitoring processes. Over the past decade, we have made great strides and furthered our mid-market ESG leadership. As part of our ESG journey, we are pleased to bring more visibility and transparency, as well as highlight some of our recent accomplishments in our inaugural 2022 ESG Report.

As you will read, in addition to progress at Tailwind to improve diversity and inclusion on our team and the continued integration of ESG priorities in our due diligence and portfolio value-creation process, we are particularly proud of two differentiated programs that are having a meaningful impact on people's lives while furthering equity value creation for our Limited Partners.

Our Tailwind Ownership Program (TOP) is a portfolio company ownership program in which every company employee is granted meaningful

ownership, which is realized at exit. TOP is designed to align incentives, provide shared wealth creation, and enhance job commitment. Over the last year, we have launched TOP at several portfolio companies, including RANDYS Worldwide, National Trench Safety and Axis Portable Air.

The Tailwind Emerging & Ascending Managers Program (TEAM) is a year-long, multi-dimensional program designed to accelerate the professional development of diverse leaders from our portfolio companies, while at the same time strengthening companies' leadership pipelines and improving retention. We recently welcomed the second TEAM Class of almost 20 Tailwind portfolio executives, following the successful conclusion of the program's initial year last fall.

Across our portfolio of largely asset-light services companies, we are focused on collecting key data and metrics to track and measure our ESG progress. We are pleased to share the results of this work here in our ESG report.

We are also excited to highlight Tailwind portfolio companies having a positive impact on the community. Material+, an analytics-based insights and marketing services company, has been on the forefront of helping many of the world's largest

brands adapt to the rapidly shifting consumer landscape by helping them build programs that reflects the diversity of the market. Invafresh, a provider of supply chain solutions to grocery chains, has enabled its customers to realize a 30% reduction in shrink — or lost food inventory — which importantly translates into eliminating \$150 million in food waste annually.

Although we have made great progress on Tailwind's ESG journey, we acknowledge there is much work to be done in this always evolving area. We remain dedicated to advancing Tailwind's processes and resources in this regard while continuing our commitment to strong overall investment performance. As always, we appreciate your support, feedback and engagement, and welcome any questions or comments on this report or the associated programs.



Larry Sorrel
Managing Partner



Jeff Calhoun
Managing Partner



Syed Mohsin, Chief Financial Officer (left)
Juliana Anderson, Principal, Debt Capital
Markets (right)

About Our Firm

Tailwind Capital is a private equity firm based in New York City focused on investments in middle-market services companies within the Industrial and Business Services sectors. Within these focus areas, Tailwind targets investments in high-quality North American companies in large and growing end-markets, including Infrastructure Services, Distribution, Supply Chain & Logistics, Marketing & Data Services and Communication & IT Services. The Fund invests in services-related business models, including professional and tech-enabled services, distribution, and managed services providers that have the potential to be transformed through Tailwind's differentiated, operationally intensive value creation process — *"Accelerate Change."*

16+

Year History

\$4 Billion

of Committed Capital

50

Platform Acquisitions

155+

Add-on Acquisitions

TAILWIND

ACCELERATE CHANGE

Since 2014, Tailwind has been incorporating ESG principles into our business operations and investment activities to not only deliver value for our Firm, portfolio companies, and limited partners, but to also do our part to positively impact our communities.

“We believe that incorporating ESG considerations leads to long-term positive outcomes by aligning our firm and companies with the broader needs and objectives of our stakeholders and society.”

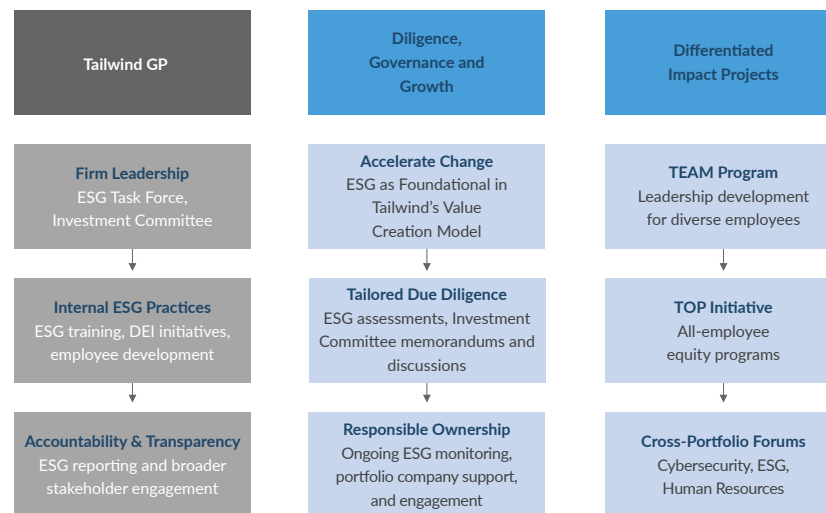
Our investment philosophy is embodied in our value creation model, **Accelerate Change**, an operationally intensive framework to drive growth and transformation throughout the investment life cycle. This model helps us identify, resource, and capitalize on pivotal areas for growth.

Our ESG Framework

Tailwind's ESG strategy has evolved into an embedded, programmatic approach to responsible investment across the Firm, including investment portfolio company oversight, social engagement, and reporting. Additionally, Tailwind has developed several innovative and highly impactful programs that are making a tangible difference in employees' lives, which are highlighted later in this Report (See pages 12 and 13).

Systematically incorporating ESG into our business and investment processes starts at Tailwind. Within the Firm, we have adapted our processes, policies, and company culture around a heightened prioritization of ESG issues. To that end, we formed an ESG Task Force that includes both Tailwind professionals and advisors who identify risks and opportunities, set goals, develop and implement programs, and continuously monitor the ESG landscape. Our ESG Policy, first

TAILWIND ESG FRAMEWORK



adopted in 2014, is designed to align with the objectives of global standards, including the United Nations Principles for Responsible Investment and the United Nations Global Compact, as well as the American Investment Council's Guidelines for Responsible Investment. The ESG Task Force reviews and recommends updates to relevant Tailwind processes annually to continually align with the Firm's objectives.

Tailwind's Investment Committee also shares responsibility for our ESG initiatives. It reviews ESG-related recommendations from the Task Force, ESG assessments from investment teams, and input from external advisors as part of its standard oversight and decision-making processes.

To ensure awareness of relevant ESG priorities, Tailwind conducts annual firmwide ESG training, which includes an overview of key issues, their importance to investors, and how ESG fits into private equity. The training also provides an overview of Tailwind's ESG commitments within the Firm and across our portfolio, as well as our approach to integrating responsible practices throughout the investment life cycle.

OUR APPROACH TO RESPONSIBLE INVESTMENT

We incorporate ESG assessments and actions at every stage of the investment life cycle. We assess potential investments with a flexible framework that is customized to the specific opportunity, and then onboard, track, and embed ESG into the management cadence of our portfolio companies. Given Tailwind's focus on middle-market services companies, our assessments typically focus on robust governance, employee safety, cyber and data security, and diversity, equity, and inclusion (DEI).

Tailored Due Diligence

Tailwind believes that incorporating ESG considerations into our due diligence process can help identify opportunities to accelerate growth in addition to mitigating potential risks. We work with third-party experts to tailor our approach to investigating, evaluating and documenting ESG risks. In addition to time with management teams, we also gather sector-specific data and benchmarks to inform the analysis.

As part of every investment decision, Tailwind's Investment Committee is informed about the results of ESG due diligence assessments, including industry-, regional- and product/service-specific nuances. Material ESG findings, as well as recommendations on any applicable risk mitigation measures to be implemented post-investment, are presented to the Committee. These findings play a roll in the Committee's discussion and inform the company's onboarding considerations and action planning.



Responsible Ownership

Our ESG responsibilities do not end once we close on an investment. Tailwind continuously monitors portfolio company ESG performance and partners with management teams to develop and implement strategies for improvement. Our approach includes:

Portfolio Company Onboarding

After closing on an investment, Tailwind conducts a planning meeting with portfolio company management teams to review material findings from the due diligence phase and set priorities. As part of onboarding, we identify one member of the leadership team to oversee ESG initiatives. Our investment teams then work collaboratively with management and boards to develop a strategic plan to address identified issues. Tailwind prioritizes integrating strong governance procedures at our portfolio companies; a key part of our initial engagement with management teams is to oversee and support the establishment of an ESG governance and management structure to ensure that ESG considerations are continually prioritized.

Portfolio Company Engagement

Portfolio company boards of directors and management teams discuss and address relevant

ESG issues at quarterly board meetings.

We regularly support management teams to advance ESG practices and adopt their own relevant policies and initiatives. For example, in March 2020, Tailwind launched its Executive Forum program, which convenes executive leaders from portfolio companies to learn about and collaborate on a range of business topics and challenges. Tailwind has since held 29 Executive forums, including ESG-related topics such as safety, employee engagement, cybersecurity, and diversity and inclusion.

Annual Review of ESG Performance

With the help of a third-party advisor specializing in ESG, Tailwind conducts tailored annual reviews to assess each company's progress and performance on priority ESG factors. This review is also an opportunity to identify new or ongoing issues and highlight best practices for discussion in our quarterly meetings. These reviews result in a company-specific scorecard indicating progress against initial findings, as well as recommendations for short- and long-term actions to improve performance. In 2021, Tailwind initiated a key performance indicator (KPI) collection process to complement the ESG assessments and serve as a baseline for future comparison.

PORTFOLIO INSIGHTS¹

In 2021, Tailwind adopted a standardized KPI data collection process across our portfolio to establish baseline metrics for ongoing performance monitoring. This process involves the collection of KPIs across 10 dimensions on a company-by-company basis. This is in addition to the ESG risk assessments we conduct annually to expand our ability to identify areas of risk as well as those where companies are excelling and provide support to improve performance.

Our goal for each of our portfolio companies is to achieve long-term sustainable growth. Incorporating ESG has been pivotal in pursuing that goal. In addition to incorporating ESG principles into our own investment process, it also meaningfully influences how we engage with portfolio companies. For each of our portfolio companies, we work with management to build their own ESG competency and governance structures.

All of our platform investments since 2016 have undergone thorough, pre-investment ESG due diligence and cybersecurity reviews. Additionally, each company has created and filled a designated ESG oversight role within their leadership teams to continually monitor and oversee performance around material ESG factors.

Further, there is already evidence of good progress related to additional KPIs. For example, over half of the companies administer employee surveys, track diversity metrics, and maintain supplier standards that address social and environmental issues. We also recognize the importance of understanding and assessing our Firm's broader environmental impacts as a result of our investments, particularly related to climate change. As such, the 2021 data collection process includes indicators related to environmental management, audits, and incidents, as well as extreme weather disaster recovery planning.

2021 Preliminary ESG KPI Results

100%

of applicable companies have conducted formal **health and safety training** and 87% of these companies have tracked Total Recordable Incident Rate (TRIR) over the past two years.

100%

of companies maintain an **information security policy** with incidence response plan and 75% provide employees with security awareness training and anti-phishing guidance.








80%

of companies have provided **anti-harassment training** to employees.

100%

of companies have a **designated ESG oversight role** within their leadership teams.



Company	Location	Description	ESG Rating
	St. Louis, MO	Third-party vehicle life cycle services provider of technology-enabled solutions for individuals, manufacturers, and fleet managers that range from transport, storage, and maintenance to title & registration and compliance.	
	Chicago, IL	Supply chain management visibility and analytics provider for the foodservice industry, whose technology connects restaurant chains, distributor locations, and suppliers on a central collaboration platform.	
	Chicago, IL	Industrial distributor, services and product solutions provider with a focus on infrastructure-intensive industries for global brands and diverse clients & end markets.	
	Kansas City, MO	Specialty wholesale distributor, whose product offering includes mechanical door hardware solutions electronic access controls, and other parts and accessories.	
	Reston, VA	Provider of enterprise content management system software and services, with global clients ranging across end markets use cases – including media & publishing and technical content & regulatory content.	
	Kenilworth, NJ	Provider of media technology design, consulting, engineering, and managed services for clients that include Fortune 500 corporate customers, educational institutions, broadcast facilities, and large-scale performance venues.	
	The Woodlands, TX	Provider of above-ground storage tank services & products, including inspection, construction, and repair & maintenance services, complemented by a portfolio of highly engineered products.	

Legend: ESG Risk Assessment Rating

Exceeds Expectations: Has implemented ESG initiatives and activities that exceed expectations.









Meets Expectations: Has implemented ESG initiatives and activities that meet expectations but known enhancement opportunities exist.

Below Expectations: Has not implemented expected ESG initiatives and activities, and improvements are needed.

Portfolio Company ESG Assessments

Tailwind and Malk Partners together develop an ESG risk assessment rating for each of our portfolio companies. This table reflects the results from the most recent annual review of the risks and opportunities related to each individual company.

Although we will always have opportunities to improve, we also believe we have already made meaningful progress in the past few years.

Company	Location	Description	ESG Rating
 invafresh	Mississauga, Ontario	Provider of fresh-item management software and services for grocery retailers that supports operations and supply chain management order replenishment, production planning, inventory management, and regulatory compliance.	
 <small>INTERNATIONAL SPORTS SCIENCES ASSOCIATION</small>	Phoenix, AZ	Provider of online training and education for the fitness and wellness industry, with a platform offering specialized certifications across a broad set of disciplines.	
 <small>LEADING THE CHANGE</small>	Westminster, CO	Provider of specialized maintenance services to the industrial, infrastructure and data center markets, including inspection, instrumentation and electrical, industrial insulation and coatings.	
 MATERIAL+	Los Angeles, CA	Provider of analytics-based insights and marketing services to a broad range of Fortune 500 clients.	
 <small>NATIONAL TRENCH SAFETY</small>	Houston, TX	Provider of underground infrastructure safety solutions.	
 <small>RANDYS Worldwide Automotive</small>	Everett, WA	Designer and distributor of asset-light, highly engineered drivetrain products that cater to all channels in the automotive aftermarket industry.	
 <small>Nonstop Mobility.</small>	Peachtree Corners, GA	Provider of managed mobility services, helping companies execute their strategy by offering mobile device solutions & management software and ongoing support.	
 ventiv	Atlanta, GA	Provider of integrated risk management technology solutions — such as analytics, data-discovery and reporting capabilities — for enterprises and government.	

Legend: ESG Risk Assessment Rating

Exceeds Expectations: Has implemented ESG initiatives and activities that exceed expectations.

Meets Expectations: Has implemented ESG initiatives and activities that meet expectations but known enhancement opportunities exist.

Below Expectations: Has not implemented expected ESG initiatives and activities, and improvements are needed.

PORTFOLIO SPOTLIGHT

MATERIAL+

An insights and marketing services company, powered by analytics, deep human understanding, and design thinking.

Staying Ahead of the Curve to Create a More Inclusive World

Heterogeneity of the consumer markets is rapidly becoming the status quo. As a result, brands must reckon with the diversifying and expanding needs and preferences of their consumers to attract and maintain loyalty. Material+ is leading innovation on how brands adapt to the shifting landscape by building a team that reflects the diversity of the market, and a workplace that cultivates the skills, experiences, and perspectives that can effectively anticipate and meet consumers' needs.

Diversity, Equity, and Inclusion is at the Heart of How Material+ Does Business

In 2021, Material+ began a fundamental shift toward formalizing and institutionalizing diversity, equity, and inclusion (DEI) into its culture and business model. On top of expanding employee resource groups to support employees from underrepresented backgrounds, it launched an executive leadership position, Chief Culture Officer, and established a robust employee and leadership training program focused on identifying and combatting unconscious bias in company practices and decision-making, and proactively building and contributing to an inclusive culture.



“Any brand that wants to gain and maintain customer loyalty must be attentive to the diversity of the entire market, not just a segment of it. At the core, we are about insights and shaping experiences. Insights must be derived not just from the consumer of today, but the consumer of tomorrow and the one afterwards.”

—Kiva R. Wilson, Chief Culture Officer, Material+

One example that highlights Material+'s innovative approach with clients involves a project with multinational cosmetics retailer Sephora – where Material+ conducted market research to understand the impact of racial bias and unfair treatment across the U.S. retail landscape. The insights helped Sephora design better shopping experiences for its diverse clientele while also expanding market presence into untapped markets, feature distinct brands, and empower its employees to have culturally sensitive and meaningful connections with customers. Ultimately, this engagement demonstrates that DEI drives value for the business and its various stakeholder groups.

Material+'s ambitious approach to DEI not only results in greater employee engagement and satisfaction – which leads to higher retention and attracts talent across all disciplines – but is also a major source of innovation that translates into industry-leading solutions that transform its clients into agile, forward-looking, multi-culturally relevant brands.

Diversity at Material+

Overall

60%

Female

33%

Racial/ethnic
minority

Leadership

60%

Female

20%

Racial/ethnic
minority

DEI Initiatives Across Our Portfolio

Several of Tailwind's portfolio companies have been tracking diversity statistics for years, and these metrics are being collected portfolio-wide as part of our 2021 ESG Assessment process. Further, multiple companies have been demonstrating DEI-related commitments via training, recruiting, and partnerships. We continue to work with our companies to enhance existing initiatives and establish new ones.

PORTFOLIO SPOTLIGHT



A provider of fresh-item management software solutions powered by machine learning for grocery retailers.

Customers go to their grocery stores to find fresh food. Since fresh food is perishable, overstocking leads to spoilage and waste, and understocking results in lost sales for the stores. Even grocers with a strong ecological conscience experience significant waste because fresh food item supply chain management is very challenging.



Freshology: Transforming Fresh Food Retail Operations

Fresh food item supply chain management is inherently complex, particularly for large grocery retailers as consumers pay more attention to the quality, safety, and sustainability of their food choices.

“Our platform helps solve the problems that plague Fresh. We know that most problems in Fresh are related to forecasting and data. Having the right information at the right time in the right place, and knowing how to operationalize data, makes the difference in profits, performance, and sustainability. Stores that can do that are better positioned to outperform their competitors.”

—Tim Spencer, President & CEO, Invafresh

Leveraging more than 30 years of experience in retail operations, Invafresh developed an innovative software platform, coined Freshology, that leverages machine learning and intelligent forecasting to help retailers effectively manage all core operations. The unified system supports all processes across merchandising and demand forecasting, replenishment, inventory management, and compliance and sustainability. Reducing food waste is an integral part of being a sustainable business, and a core challenge that Invafresh is helping customers solve. Retailers using the platform have seen a 30% reduction in shrink — or lost inventory — which translates into eliminating \$150 million in food waste annually, and subsequently the greenhouse gas (GHG) emissions associated with what would have otherwise gone to landfill.



Invafresh was named a winner in the 2022 BIG Innovation Awards for both the Company and Individual categories. The awards recognize organizations, products and people that are bringing new ideas to life in innovative ways.

Invafresh Platform

Used in

25K+

Stores

15

Countries

Leading to:

5%

Fresh sales growth

100%

Fresher product

How Our Portfolio Companies are Helping Drive Down Greenhouse Gas Emissions

Beyond Invafresh, several of our portfolio companies offer products and services that help reduce GHG emissions. For example, ArrowStream's software is projected to reduce its customers' carbon emissions by approximately 17% through its capacity to identify opportunities for freight consolidation; and Acertus' proprietary technology platform can decrease impacts associated with vehicle life cycle services.

INVESTING IN OUR PEOPLE

At Tailwind, our people are our most valuable assets. We strive to attract and retain diverse professionals by creating an inclusive and equitable workplace at our Firm and portfolio companies. In the past two years, we have launched new programs to expand diversity, equity, and inclusion at our Firm and across our portfolio.

Diversity, Equity, and Inclusion

DEI is a central focus of our ESG program; we see it as a potential competitive advantage that positions Tailwind to maximize the impact of our Firm and portfolio companies. We believe that we make better decisions, gather better insights, and build more resilient companies when we foster diversity in thought, experiences, and backgrounds. We enhance our success when we can access the broadest talent pools and create inclusive leadership teams.

Board Diversity

Tailwind is also working to increase diversity of our portfolio company boards of directors. As a starting point, in 2020 we set a goal of having at least one diverse board member at each of our portfolio companies. By year end of 2021, over 85% of our companies met this goal, and we are actively encouraging additional progress across the portfolio.



Brightspot Office, Reston, VA, December 2021

OUR DEI MISSION STATEMENT

Tailwind believes that diverse teams drive tremendous value at a firm. We believe that people from different backgrounds, perspectives, and experiences help us make better decisions. Tailwind is committed to creating and sustaining a diverse work environment for our employees, our portfolio companies, and our investors. We foster an inclusive culture that welcomes and supports differences and encourages input from all perspectives.



In March 2021, Tailwind became a signatory of Institutional Limited Partners Association's Diversity in Action (DIA) initiative, which brings together limited partners and general partners who share a commitment to advancing DEI in the private equity industry and building momentum around the adoption of a specific set of foundational and optional activities.

As a DIA signatory, Tailwind publicly communicated its DEI statement, has demonstrable practices to make recruitment and retention more inclusive, tracks internal hiring and promotion statistics by gender and race/ethnicity, and will provide DEI data for any new fundraises.



Brightspot Team Community Event – Built 100 bicycles that were donated to children through a variety of organizations, December 2021

Tailwind in the Community

We seek to expand the impact of Tailwind's ESG initiatives through community partnerships and employee volunteering. In 2019, we formed a partnership with New York Cares, a local nonprofit serving low-income and under-resourced communities by engaging with New Yorkers in a variety of volunteer projects and services. We provide financial support to the organization related to educational opportunities, food access, and mental and physical health resources.

In early 2022, Tailwind began partnering with Ownership Works, a non-profit organization that works with companies to implement employee ownership programs as a means to narrow racial and gender wealth gaps, and strengthen companies and communities. In addition to making each employee a shared owner of their company, the programs will provide financial education to help employees make informed decisions about dividends and payouts.



We're proud to join the first-of-its-kind coalition of 60 founding partners catalyzing the movement to increase prosperity through shared ownership.

That's why **#OwnershipWorks**

www.ownershipworks.org

CASE STUDY

Developing Diverse Leaders: Tailwind Emerging & Ascending Managers Program

In 2020, we launched the Tailwind Emerging & Ascending Managers (TEAM) Program, aimed at fostering diversity, equity, and inclusion across our portfolio while developing our next generation of leaders. Under the program, every year each Tailwind portfolio company nominates a promising employee who belongs to an underrepresented group to participate in an intensive, year-long professional development program that includes leadership training, networking opportunities, and continuing education (including through Cornell University). Participants attend learning workshops, small group-facilitated development sessions, and one-on-one executive coaching. Learning experiences focus on topics such as communication effectiveness and influencing, presentation skills, data and analytics tools, and managing teams.

Investing in Employees to Build Resilient Companies

The inaugural class of the TEAM program consisted of almost 20 participants ranging across functions — including marketing, finance, technology, operations, and sales.



Kristen Pyle
VP, Cumming Group, TEAM
program graduate

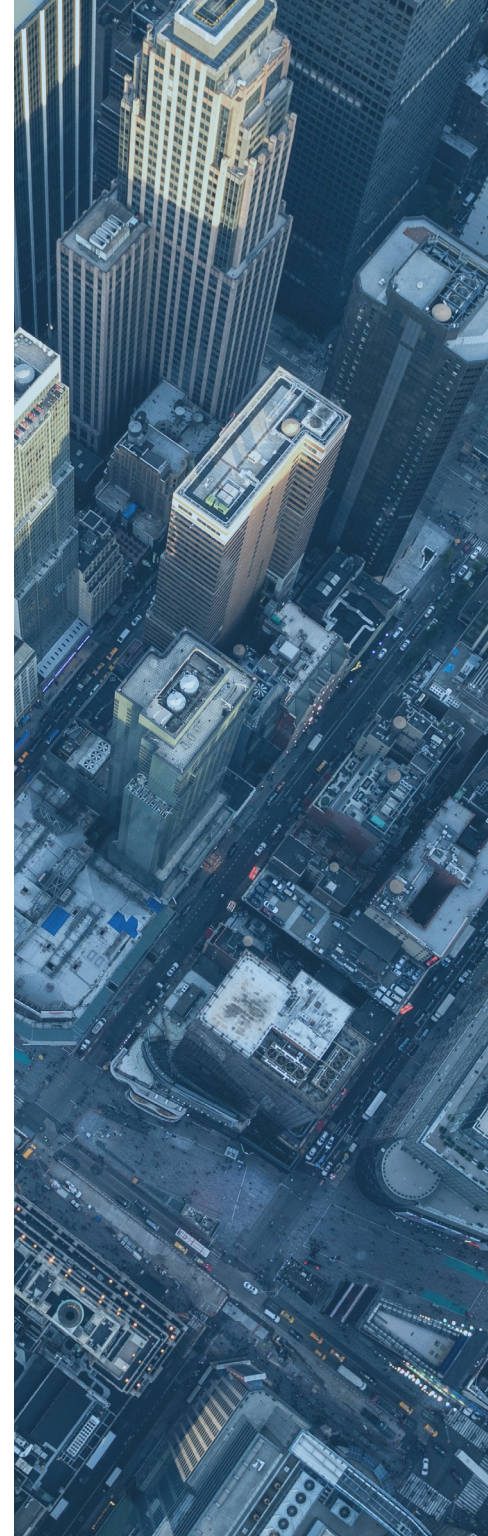
“[TEAM] hits on every level in terms of professional development. It strengthens your existing skill sets and allows you to really apply them across the business. The small group sessions have been invaluable. What was great is everyone having the opportunity to bring strategies to the table on how to overcome challenges together. [W]e would discuss where the synergies lived, between each of the portfolio companies in industries that are sometimes unrelated.”



Marcello Magno
Senior VP of Marketing & Data
Science, Material+, TEAM
program graduate

“The work that I did with [my mentor] has struck the best balance between emotional support and pragmatic, deployable frameworks and tools that I can bring to the workplace. For me, it led to really candid, authentic conversation about how to navigate challenges. Just having face time with people that were running the organization, I definitely felt like I had higher visibility from within.”

The goal of the TEAM Program is to provide participants with resources to evolve as leaders while tapping into diverse talent across Tailwind's portfolio. This, in turn, expands their company's leadership pipelines, a crucial part of strategic planning and talent retention.



CASE STUDY

Strengthening the Workforce, Company and Communities: Tailwind Ownership Program

In 2021, we formed the Tailwind Ownership Program (TOP), an employee ownership plan, where all employees receive equity ownership in a portfolio company. At Tailwind, we believe that recognizing every employee through ownership is in the best interests of the company, as well as an important driver of change within our communities. This program provides employees an opportunity to build additional wealth beyond base compensation, while creating a better work environment where employees feel more respected, valued, and engaged. Providing equity ownership opportunities to lower-income, typically more diverse employees, can increase racial equity and help address racial and gender wealth gaps.



We have implemented TOP at several portfolio companies, including National Trench Safety (NTS), RANDYS Worldwide, and Axis Portable Air. Through TOP, over 1,300 employees now have ownership across these three Tailwind companies.

Since the launch of TOP at NTS, we have granted over \$15 million of equity awards to non-management employees, which is 50% diverse. These equity grants have been coordinated through regular companywide meetings to ensure employees understand how the program works.

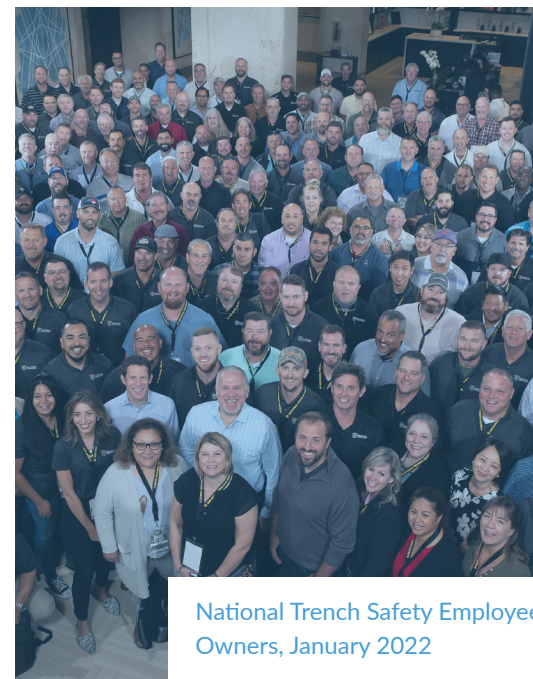
Driving Value by Valuing our People

“Tailwind’s equity ownership program is an important way of demonstrating to our employees how much we value them. With thousands of employees across the country, the program will not only have major impact in the communities we work and live but is a competitive advantage for us in our ability to recruit and retain talent in a tight labor market.”

—Phil Mason, Chief Executive Officer, National Trench Safety

“As a branch manager, I have already seen the benefits of employee equity. By providing them financial security and investment in the company, our employees are more committed in building a career at NTS, which has made the team more productive, more motivated and more loyal.”

—Randy, Branch Manager, National Trench Safety



National Trench Safety Employee Owners, January 2022

Future participating companies will be selected based on the potential impact for its employees and, in return, on the business. In addition, a core component of the equity program will be financial education aimed at ensuring employees understand the features and value of their equity and are empowered to make informed decisions about dividends and payouts.

Expanding and Maintaining Talent Pipelines at Portfolio Companies

Employee equity plans are but one example of ways that companies can improve employee retention. Several of our portfolio companies show strong performance in this area, with turnover rates well below industry average, and have further demonstrated their commitment to continuous improvement through employee engagement surveys. We will continue to support our companies in developing their strategies to better engage their people and improve satisfaction levels as part of attracting and retaining talent.

IMPORTANT INFORMATION

This ESG Annual Report (the "Report") is provided by Tailwind Capital Management LP (together with its affiliates, "Tailwind Capital" or "Tailwind") for informational purposes only and is solely intended to provide an overview of the ESG processes and initiatives of Tailwind and certain of its portfolio companies; it is not intended to describe the performance of any investment or company. This Report should not be relied upon for any other purpose. This Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in any investment fund managed by Tailwind (the "Funds"). References to portfolio companies are intended to illustrate the application of Tailwind's ESG priorities only and should not be viewed as a recommendation of any particular security or company. Any information provided in this Report about past investments is provided solely to exemplify various aspects of previously utilized ESG processes and strategies. Any past-performance information provided herein is not indicative nor a guarantee of future returns. Not all ESG metrics are applicable to Tailwind or each company, and methodologies for measuring ESG metrics differ across industries and asset classes. Although Tailwind integrates certain ESG factors into its investment process in accordance with its ESG policy and subject to its fiduciary duty and any applicable legal, regulatory, or contractual requirements, there is no guarantee that Tailwind's ESG policy will be successful or that it will create a positive ESG impact or increase the value of any Fund or portfolio company. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Tailwind, or any judgment exercised by Tailwind, reflects the beliefs or values of any particular person or industry participant. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving.

The investments described in the selected case studies were not made by any single Fund or other product and do not represent all of the investments purchased or sold by any Fund or other product. It should not be assumed that investments in the securities or companies identified and discussed herein were or will be profitable. The information contained in this Report may not necessarily be complete and may change at any time without notice. Tailwind does not have any responsibility to update this Report to account for any such changes. Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results of the actual performance of any Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information, and no individual or entity should rely on such information in connection with buying or selling any securities or making or selling any investment. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue", or "believe", or the negatives thereof or other variations thereon or comparable terminology.

Tailwind makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including without limitation information obtained from portfolio companies or other third parties. Some of the information contained herein has been prepared and compiled by the applicable portfolio company and has not necessarily been reviewed or independently verified or assured by Tailwind or any other third party. Tailwind does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information.

1. The Portfolio Company ESG Assessment Chart on pages 6-7 and 2021 Preliminary ESG KPI Results on page 5 include Tailwind portfolio companies as of December 31, 2021 and excludes companies where Tailwind is a minority investor, as well as AST which was sold in January 2022. This list also only includes current portfolio companies of Tailwind in strategies and industry subsectors in which Tailwind currently seeks to invest. For a full list of Tailwind portfolio companies, please see the Tailwind website.