

# TPG Inc.'s ESG Policy

## Introduction

Our mission at TPG, Inc., together with our affiliates (“TPG”), is to create long-term value for our investors and shareholders in accordance with our fiduciary duties. Accordingly, TPG is committed to integrating material<sup>1</sup> environmental, social, and governance (“ESG”) factors into our investment decision-making processes and operating philosophy where we believe these efforts can contribute to value creation and risk mitigation (“ESG integration”). We believe that identifying and analyzing ESG factors can generate actionable insights that improve our assessments of risk and long-term value-creation opportunities across our portfolio.

## Application

This ESG Policy is intended to reflect TPG’s general approach to ESG and the integration of material ESG considerations during the lifecycle of an investment. Certain of TPG’s investment strategies maintain strategy-specific ESG guidelines, which are aligned with this policy and reflect the factors applicable to their respective investment strategies. TPG also has frameworks relating to human rights and labor principles that support and are aligned with this ESG Policy.

## ESG Integration in the Investment Process

We incorporate financially material ESG information, along with other financially material data, into our investment decision-making processes, where appropriate and material ESG information is reasonably available, as we believe that doing so can provide better risk-adjusted returns for our clients. Depending on the strategy, financially material ESG data may be part of our investment due diligence, portfolio or index construction, and/or monitoring processes of our portfolios, as well as our approach to risk management generally. Because the financial materiality of, as well as TPG’s ability to evaluate, ESG considerations often vary by issuer, sector, product, mandate, size of our investment, time horizon, and other investment-specific factors, the specific processes and actions taken may vary depending on the platform or strategy.

TPG expects to perform internal diligence and/or engage independent third parties to help assess material ESG risks and opportunities. Y Analytics, a public benefit company and a TPG affiliate, supports TPG by providing leadership and support to our investment professionals on ESG topics throughout the investment lifecycle. In addition to other services and depending on the strategy and/or investment, this may include undertaking ESG related due diligence, reporting, and/or monitoring identified risks. In some instances, investment professionals may independently engage independent third parties to help drive ESG-related due diligence and materiality assessments or ESG risk monitoring, depending on the strategy or investment.

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<sup>1</sup> Generally, we consider material ESG factors to be those that a "reasonable investor" would consider relevant to the “total mix” of information when making an investment decision. Our investment professionals assess material ESG factors based on: 1) the probability that the factor will affect the performance of an investment and 2) the expected magnitude of the factor should it affect performance. We believe that materiality is dynamic and evolves as investor awareness and market pricing of ESG factors and trends evolves. The assessment of material ESG factors remains at the sole discretion of TPG.

TPG seeks to leverage the SASB Standards (now part of the IFRS Foundation) framework and other leading standards (the “Frameworks”), when evaluating material ESG considerations. The Frameworks are used as part of materiality assessments and encompass a range of factors with different degrees of importance or relevance, including but not limited to the investment’s relevant industry and sectors, geography of operations, supply chain, resource efficiency and consumption, current and future regulatory environment, emissions intensity, and workforce efficiency, safety and composition. In addition to the areas identified by the Frameworks as material for an investment, TPG seeks to identify any other investment-specific opportunities and risks we deem material.

As owners and operators, TPG seeks to engage with portfolio companies and the management teams of our investments to identify and manage material ESG risks and identify value creation opportunities. We actively seek to gather ESG performance data and other related information from our portfolio companies on a yearly basis, which helps inform our engagement priorities. We also generally encourage the implementation of governance structures, policies, controls, and processes at our portfolio companies with the goal of strengthening their corporate governance and seeking to enhance financial performance. From time to time, we may establish portfolio engagement priorities, based on findings from our portfolio management practices and internal focus areas. We also make available to our portfolio companies Y Analytics resources, recommendations, and expertise to support improvements where we believe they can support value creation.

TPG’s ability to influence and exercise control over its investments will vary depending on the investment structure and terms. In cases where TPG determines it has limited ability to conduct diligence or to influence and control the consideration of ESG issues in connection with an investment, whether at the investment or at the fund-level, TPG will apply only the elements of this ESG Policy that it determines to be practicable.

### **ESG Training and Resources**

We seek to develop our investment teams and other professionals’ knowledge and understanding of material ESG risks through periodic trainings on ESG issues and regulatory developments and the potential impact on TPG’s business and its investments. Such topics have historically included data protection and privacy, anti-corruption, workforce, and industry tools and materiality frameworks, such as the SASB Materiality Map. We also periodically provide training and resources to our individuals at our portfolio companies relating to ESG risks and opportunities, including relevant regulatory developments, that could affect their business.

### **Reporting and Transparency**

We seek to foster transparency with our investors, shareholders, and other stakeholders regarding this policy and our ESG-related processes and initiatives. We strive to share ESG-related information at the firm and portfolio level through:

- our annual ESG report;
- periodic reporting in accordance with the UN Principles for Responsible Investment (UN PRI);

- strategically engaging with current and prospective investors, our portfolio companies and other investments, and other stakeholders;
- producing product-level reporting and meeting other contractual commitments as required; and
- leveraging voluntary ESG reporting frameworks, such as the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD), as we deem appropriate.

## **Governance and Oversight**

TPG's Executive Office and senior leadership participates actively in the establishment of TPG's ESG strategy and priorities. Specific accountability for ESG resides with TPG's President and Y Analytics' senior leadership. TPG's President serves on the Y Analytics Board. Designated TPG personnel are responsible for the implementation of TPG's ESG Policy and the assessment of ESG risks at the investment, portfolio, and/or firm level, as applicable.

Management of ESG due diligence varies by strategy. Y Analytics leads the firm's ESG internal due diligence efforts for all private equity investments and our middle market direct lending strategies and measures ESG performance for certain funds or products for which TPG tracks ESG performance. Other internal TPG personnel manage ESG due diligence for other strategies as applicable.

TPG's ESG Strategy Council, led by Y Analytics, includes senior representatives from all of TPG's platforms as well as Legal and Compliance, Human Capital, Operations, and other stakeholders with ESG subject matter expertise. The ESG Strategy Council has traditionally served as a sounding board for ESG-related initiatives and escalations and may be involved in helping effectuate firmwide ESG initiatives and the effective implementation of this policy across our strategies. The ESG Policy is reviewed annually by ESG Legal and Compliance, Y Analytics, and the ESG Strategy Council, and updates are approved by TPG's Executive Office.

**LAST UPDATED:** *January 2025*