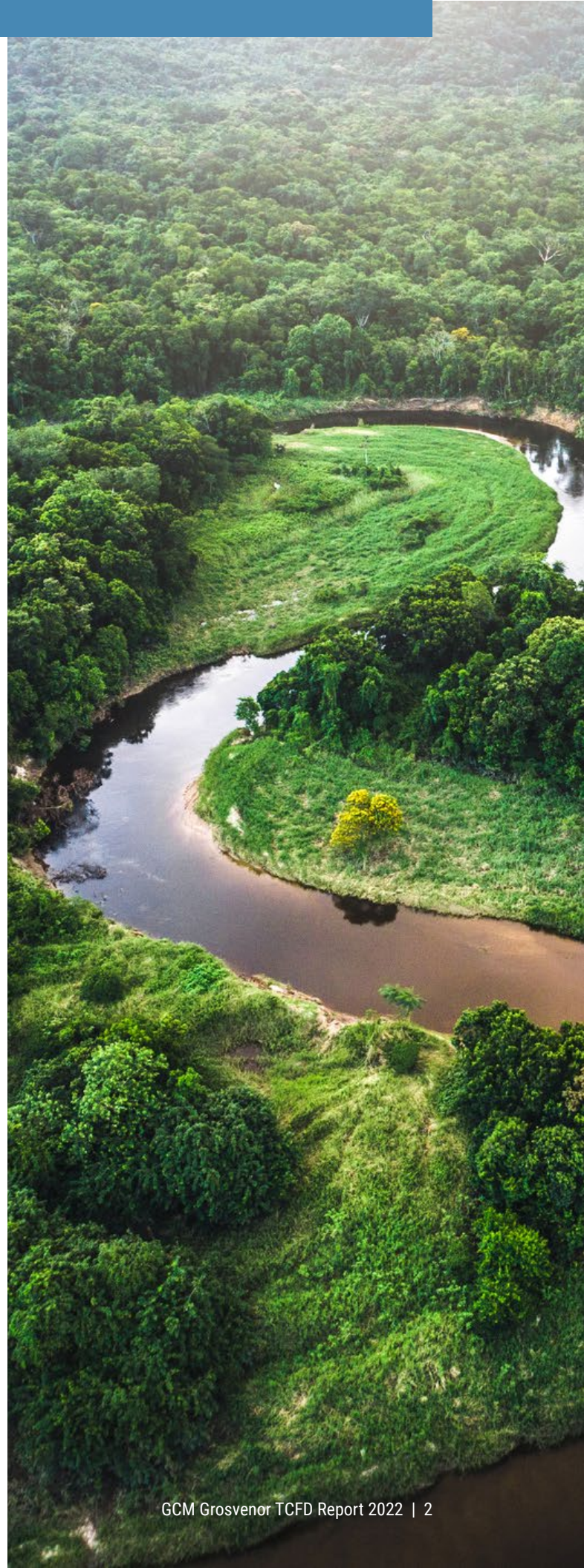


GCM GROSVENOR
Taskforce on Climate-related Financial
Disclosures (TCFD) Report 2022

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INTRODUCTION

We are pleased to bring you the inaugural GCM Grosvenor Taskforce on Climate-related Financial Disclosures (TCFD) Report. TCFD recommendations have informed the contents of this report, in which we outline our climate action strategy and report on our progress.

At GCM Grosvenor, understanding and analyzing the effects of climate change is a significant part of our Environmental, Social, Governance (ESG), and Impact efforts, and we are proud of our clean energy investments. We are committed to offering our clients choice and helping them achieve their investment and sustainability objectives by designing solutions that meet our clients' varied goals, priorities, and risk tolerances.

We recognize that climate change is redefining investment risks and opportunities. This report illustrates the steps we are taking across our investments and corporate actions.

TCFD recommendations have informed the contents of this report, where we outline our climate actions in the areas of governance, strategy, metrics, and risk management. By representing our activities and milestones in a measurable, meaningful, and consistent manner, we seek to communicate to our stakeholders in a way that promotes transparency and accountability.

Specifically, we report on the investments we make on behalf of certain clients and through our corporate actions. Through June 30, 2022 we have committed over \$2.5 billion to investments that support energy transition including renewable energy. We have also created investment programs for certain clients that wish to formally incorporate climate change considerations in their investment mandates.

In addition, the firm achieved carbon neutrality in 2022 for its corporate operations through a combination of reduction efforts and financing of a portfolio of sustainable projects that offset our remaining greenhouse gas footprint.



GOVERNANCE

Achieving superior client outcomes begins with identifying high quality investments with attractive risk-adjusted returns. ESG and Impact considerations, including climate change, are analyzed as appropriate alongside many factors to help enhance investment returns and protect value. As we aspire to implement best practices, we have set governance-related objectives to help us reach our goals.

OBJECTIVE 1

Intentionally build a structure for oversight and accountability to manage climate risks and take advantage of climate opportunities for appropriate portfolios



- **Office of the Chairman:** Executive management group has ultimate governance over firmwide ESG and Impact matters, and is responsible for overseeing the key strategic and tactical objectives of the ESG Committee and Sustainability Team. Members of the Office of the Chairman also provide updates and reporting for our Board of Directors.
- **Enterprise Risk Management Committee:** Oversees firmwide risks and potential conflicts of interest arising from the operations of the firm, including climate-related risks and opportunities.
- **Sustainability Team:** Dedicated team responsible for coordinating implementation of our firmwide ESG strategy, adoption of evolving industry best practices, managing and developing partnerships, and ESG integration across GCM Grosvenor.
- **ESG & Impact Committee:** Cross-functional committee that includes the Managing Director of Sustainability, select members of the Office of the Chairman, our Chief Investment Officer, Chief Risk Officer, and senior investment professionals representing various asset classes. The Committee develops the firmwide ESG and Impact strategy and oversees the firm's activities in accordance with the ESG and Impact Policy.

Past performance is not necessarily indicative of future results. No assurance can be given that any investment will achieve its given objectives or avoid losses. Unless apparent from context, all statements herein represent GCM Grosvenor's opinion.

OBJECTIVE 2

Develop and maintain policies and investment guidelines in alignment with relevant clients that focus on analyzing climate-related risks while ensuring we capture new, attractive investment opportunities.

- Develop and annually review and update the firm's ESG and Impact Policy.
- Continue to work with clients to understand their investment objectives, including climate considerations, and design solutions intended to achieve those goals.
- In pursuit of superior risk-adjusted returns, consider a rigorous set of financial and non-financial significant factors when making investment decisions.
- Develop and review policies that consider the significance of ESG/Impact factors in driving risk and return of investments when significant and appropriate.
- Evaluate and monitor ESG/Impact factors for investments where applicable and significant, with a focus on programs or strategies that formally include ESG and/or Impact as part of their mandates.
 - Investment Committees review and consider ESG/Impact factors when significant and appropriate during the approval process, which can include environmental factors.
 - Operations Committee performs due diligence across governance areas such as background investigations, reputable service providers, formal policies and internal controls, and ongoing monitoring and reporting.
- Support other organizations to help drive the industry's collaboration and transparency.
- Develop a framework for sustainability education at the firm.



STRATEGY

We have set several objectives as part of our overall strategy and are committed to meeting those objectives through impactful and measurable efforts.

OBJECTIVE 1

Make investments that align to the sustainability objectives of relevant clients

- Committed over \$2.5 billion on behalf of clients to renewable energy and energy transition investments.
- Committed to more than 100 investments pursuing environmental-focused strategies (renewables, energy transition, water), which are distributed across OECD regions.
- Assess and monitor investments for climate-related risks and opportunities where applicable and significant.
 - Manage an investment due diligence process that focuses on significant environmental risks and opportunities.
 - Enhance ESG/Impact questionnaires to improve GCM Grosvenor's ability to assess important data.
 - * In 2022, we partnered with a London-based ESG consultancy to evolve our questionnaire with an objective scoring framework and customization by asset and deal type.
 - * New topics ask portfolio companies about their environmental strategies and relevant carbon footprint statistics when available.
 - Send annual ESG/Impact questionnaire that allows us to observe changes and improvements to managers' and assets' practices.
 - Post-investment, monitor progress and enhancements by managers and assets in their ESG/Impact efforts.

CLEAN ENERGY SHOWCASE

Pattern Energy

GCM Grosvenor made a \$50 million equity investment in Pattern Energy, a major wind and solar developer with a large base of operating utility-scale renewable assets totaling over 4.5 GW of installed capacity in 29 projects across the United States, Canada, Japan, and Mexico.

The company's mission is to transition the world to renewable energy, guided by long-term commitments to servicing customers, protecting the environment, strengthening communities, supporting its teams, and creating value for shareholders.



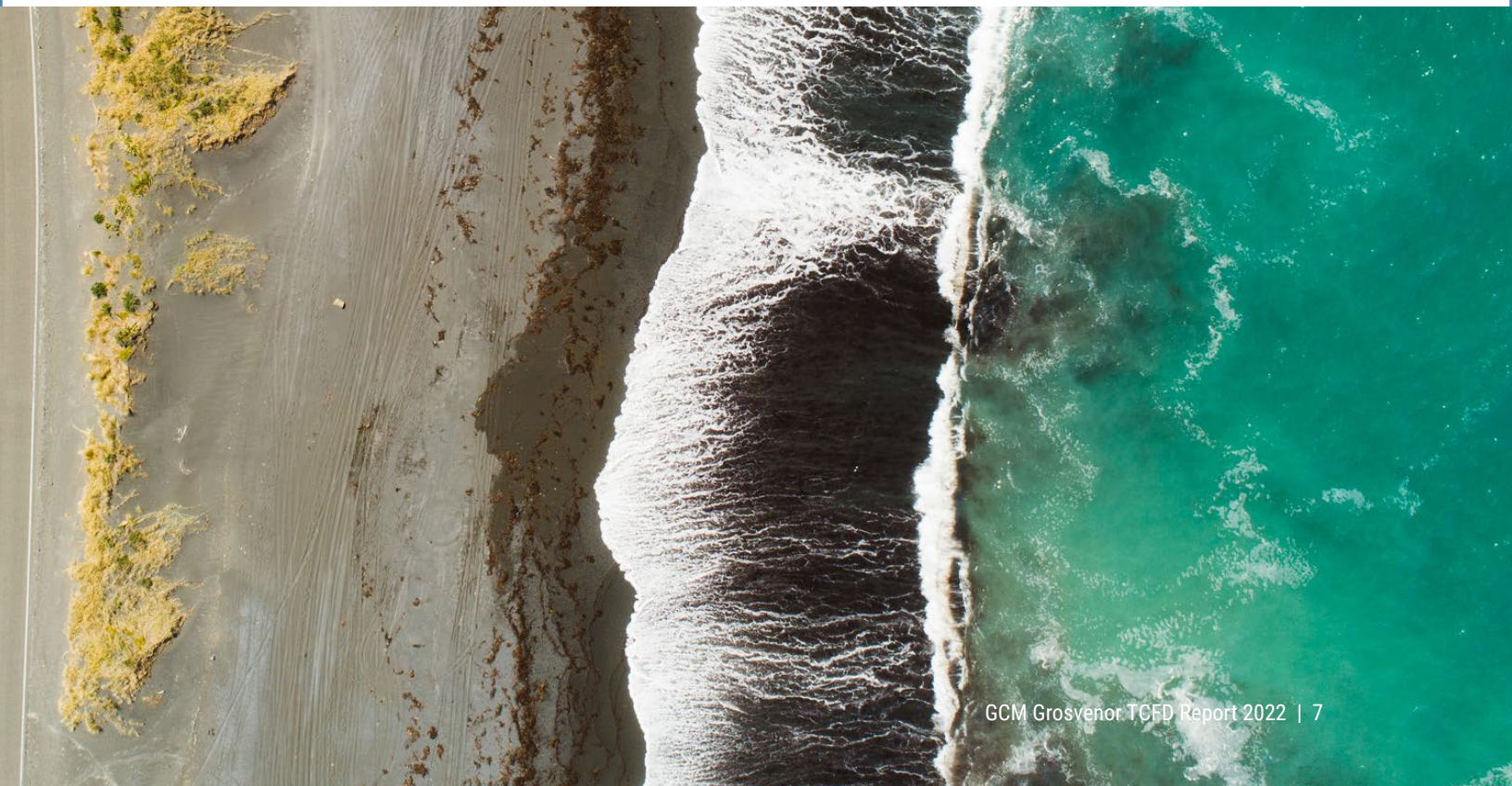
In 2020, Pattern reported:

- 13,630 GWh of energy produced sustainably, meeting the needs of over **3.2 million people**
- 13.7 million metric tons of CO₂ emissions avoided, the equivalent of **3 million cars off the road**

Data source: Pattern 2020 Sustainability Report

- Improve data collection to deliver analytics, insights, and thought leadership to our clients in response to their sustainability objectives when relevant.
 - Operate based on our belief that quality data collection, which is transparent and balances significance and standardization, facilitates our ability to properly evaluate and monitor environmental risks and opportunities.
 - Support managers and portfolio companies in better measuring sustainability metrics such as the climate footprints of their portfolio companies and their ability to transition to a low carbon environment that adheres to the Paris Agreement.
 - Improve data collection to provide more accurate estimates of climate exposure and ultimately better protect clients' investments from identified risks.
 - Work with French-based ESG consulting firm to produce carbon footprint estimates for certain investments, where relevant.
 - Actively participate in the ESG Data Convergence Initiative, the first private investment industry consortium aimed at standardization of ESG metrics and comparative reporting for transparency and benchmarking.
 - * Launch process to identify current state of environmental data availability at the portfolio company level for private equity and infrastructure GPs.
 - * Collect key performance indicators (KPIs) on environmental metrics such as greenhouse gas emissions and renewable energy.

We believe that if we support managers in improving their data collection processes, it will enable investors to make more informed decisions.



OBJECTIVE 2

Support clean energy transition through certain tailored environmentally focused client solutions

- Institute environmental programs to support specific clients' climate change objectives.
 - Created a \$430+ million environmentally focused global infrastructure investment program that promotes environmental factors through the investment into renewables, energy efficiency and optimization technologies, water and waste management, and transportation solutions.
 - Manage Sustainable Finance Disclosure Regulation ("SFDR") Article 8 compliant specialty funds and separately managed accounts across private equity and infrastructure that promote environmental factors.
 - Develop a robust ESG/Impact attribute model that classifies investments by specific environmental benefits, enabling us to support our clients' specific climate and environmental goals and create bespoke investment solutions that deliver on their unique ESG/Impact objectives.
 - Continue to partner with clients to craft investment solutions that support their climate change transition objectives when applicable.

GCM Grosvenor's environmental investments focus on two targeted areas: Climate Mitigation & Adaptation and Environmental Finance



OBJECTIVE 3

Demonstrate best practices in climate data collection and transparency by way of our corporate actions

- Assessed GCM Grosvenor's carbon footprint and achieved Carbon Neutrality at the firm level by reducing firmwide emissions and financing select carbon offset projects.
- Continue to enhance our Impact Report as part of our commitment to greater transparency and disclosure.
- Engage in industry partnerships with organizations such as the PRI, TCFD, ILPA, GRESB and SASB/IFRS Foundation to drive capability evolution.

OBJECTIVE 4

Educate our employees and stakeholders

- Develop training sessions for our employees to further their understanding on relevant risks and opportunities.
- Provide tools to further integrate assessments into due diligence and valuation where appropriate.
- Engage leading advisors to train senior management to improve their understanding of the implications of important and rapidly evolving dynamics.
- Two committees/teams champion sustainability education at our firm:
 - * **ESG & Impact Committee** drives firmwide ESG and Impact initiatives and policy, which serves as a guide for activities and integration across the various business lines.
 - * **Corporate Social Responsibility Team** promotes our ESG and Impact initiatives and external partnerships and reports on the firm's progress.



METRICS AND TARGETS

We continually educate ourselves on best practices for implementing and measuring sustainable solutions at our firm while supporting external stakeholders to achieve and measure their sustainability targets. We have set several objectives to do so.

OBJECTIVE 1

Support applicable managers and management teams in measuring the environmental footprint of their firms and portfolio companies

- Continue to support managers to incorporate best practices in measurement and transparency.
 - Engage one-on-one with GPs to understand sustainability metric availability as well as their climate footprint.
 - Work with GPs who have yet to begin ESG/Impact data collection to help educate and connect them with partners and technology solutions to start them on a path to environmental KPI measurement.

We expect data availability to increase year-over-year as regulations and investor requirements for transparency increase.

To track and assess how and what organizations measure as it relates to their corporate footprint, we surveyed a pilot group from among the 650+ managers with whom we have relationships.

- › Survey received a 70% response rate, demonstrating our position as a trusted partner and the willingness of stakeholders to work with us to drive their sustainability goals.
- › Identified key performance indicators (KPIs) readily available across infrastructure and private equity to produce a baseline for future industry improvement measurement.
- › Utilized these data collection learnings to inform what KPIs GCM Grosvenor should integrate into our enhanced investment questionnaires.
- › The table below shows the percent of GPs that reported at least one underlying portfolio company's emissions data within the list of funds requested.

Metric	% GP Response	
	Infrastructure GPs	Private Equity GPs
Scope 1 Emissions (tCO2e)	82%	50%
Scope 2 Emissions (tCO2e)	73%	50%
Scope 3 Emissions (tCO2e) – optional	27%	10%

OBJECTIVE 2

Measure our corporate emissions to drive continuous improvement

- Engaged advisory firm to conduct a comprehensive measurement of firm-wide emissions and identify a series of carbon reduction initiatives across global offices, including leveraging energy efficient utilities and improving global recycling practices.
- Achieved Carbon Neutral® company certification from Climate Impact Partners, in accordance with The CarbonNeutral Protocol® for the firm's corporate operations.
 - To achieve the certification, we reduced and offset the firm's Scope 1, Scope 2, and selected Scope 3 emissions including business travel and purchased goods and services.¹
 - To offset the firm's footprint, we provided financing to a portfolio of three sustainable development projects across multiple regions, all of which are verified to [ICROA-approved standards](#).



1. Scope 3 emissions excludes category 15 investment emissions.

RISK MANAGEMENT

We have a clear and demonstrated commitment to identify and manage ESG risks on behalf of our clients and at our firm. To better achieve these aims, we have set several objectives.

OBJECTIVE 1

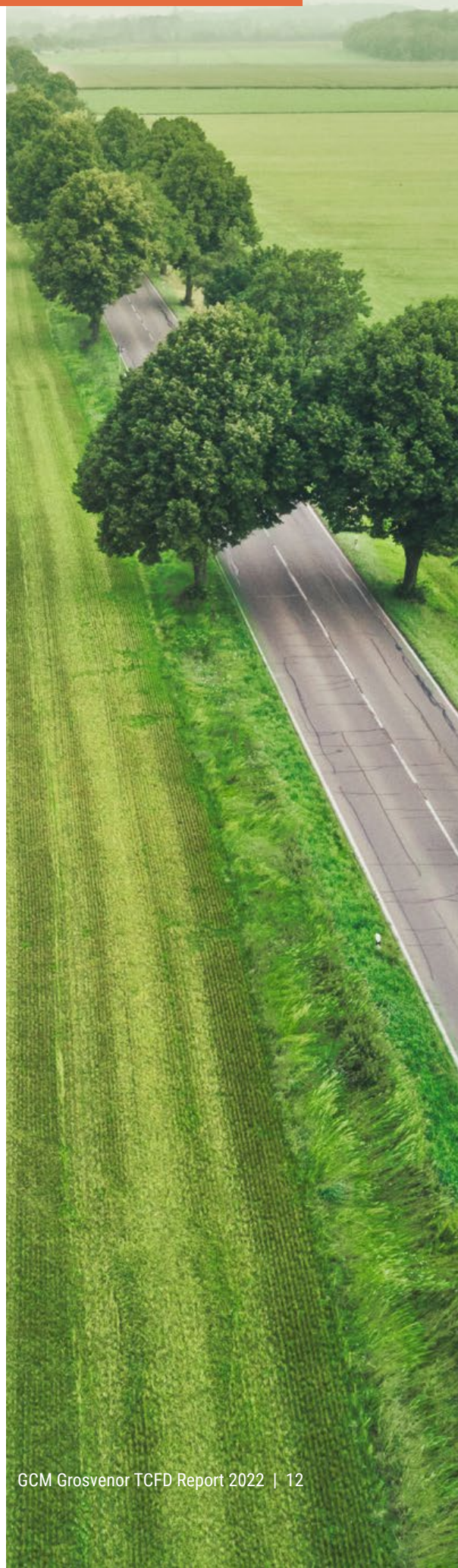
Identify and consider climate-related risks to help protect investment value and enhance returns when appropriate

- Integrate climate change risks and opportunities into deal assessment and broader investment due diligence where applicable and significant.
- Underwrite climate risks and, where possible, seek to ensure that investments are appropriately insured relative to the underwritten level of risk from a climate event, such as a named storm.
- Periodically assess managers' inclusion of ESG and Impact factors in their investment approach and the prevalence of sustainable business models in the assets they acquire.

OBJECTIVE 2

Continue to assess and manage climate-related risks for our clients and the firm

- Continually evolve our assessment process to better surface environmental risks as part of investment due diligence and annual monitoring process.
- Encourage managers to improve measurement and transparency around sustainability metrics.
- Assess our carbon footprint and take steps to achieve a more efficient environmental footprint.
- Engage third-party data firms, industry peers, and leading organizations to improve the quality, standardization, and transparency of environmental datasets from private asset portfolio companies.



LOOKING FORWARD

Climate change will continue to shape the way we invest and how we operate as a company. We are confident in our abilities to not only address these risks but also create new investment opportunities for clients with ESG- or Impact-specific goals.

In GCM Grosvenor's debut TCFD report, we illustrate the steps we are taking firmwide toward transparency and measurement. Going forward, we plan to stay abreast of climate change developments by continuing to engage with our stakeholders. We thank our partners in providing guidance and expertise in compiling this report.



ADDITIONAL INFORMATION

RESOURCES

[GCM Grosvenor Impact Report](#)

[GCM Grosvenor ESG and Impact Policy](#)

[Our Impact web page](#)

[ESG Data Convergence Initiative](#)

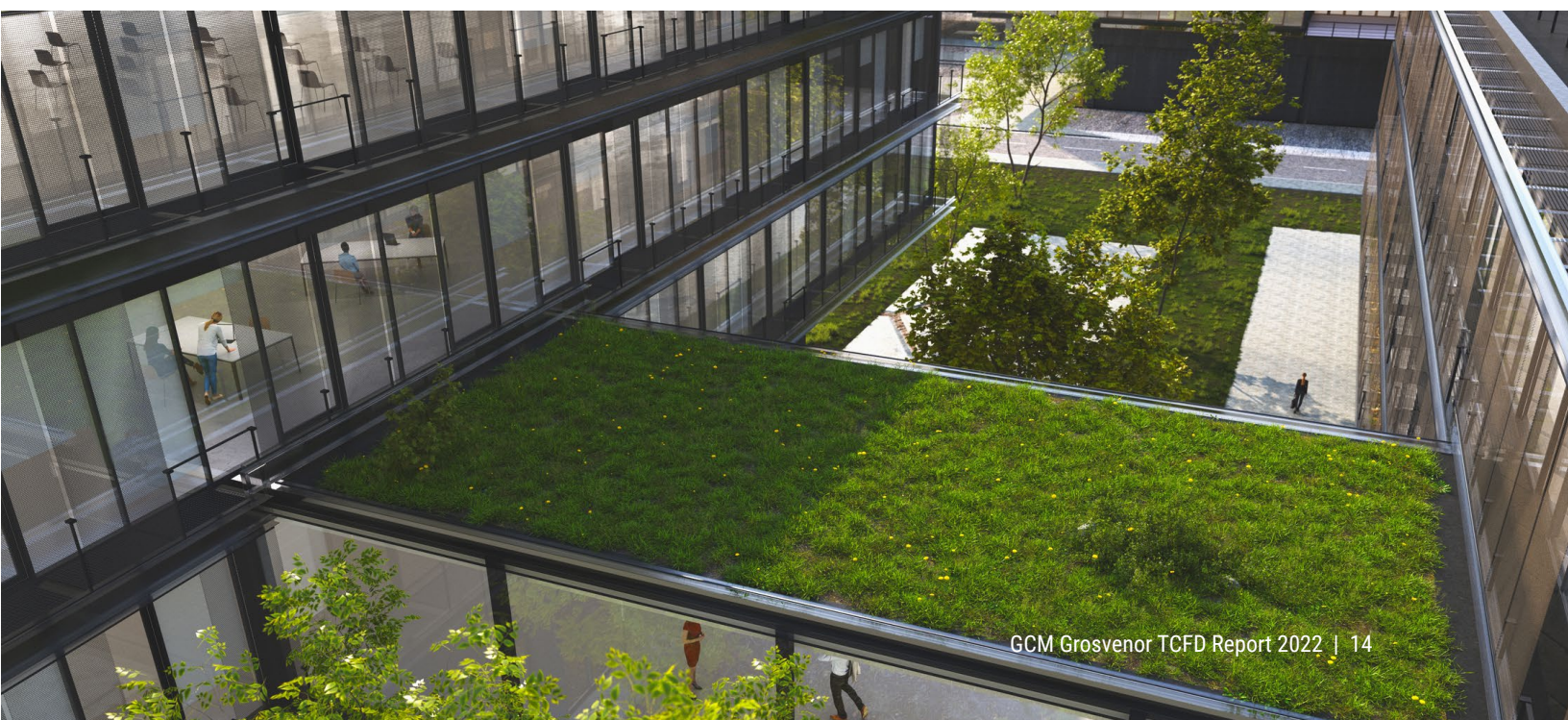
PARTNERS

Danesmead: a boutique ESG advisory firm based in the UK that works with GCM Grosvenor's Sustainability team in partnership with our Investment teams to assess and implement best-in-class ESG processes.

Reporting 21/Sirsa: a leading ESG SaaS technology solution and consultant firm based in France. This partnership will enable the creation of an ESG ecosystem for data collection and allow us to enhance our investment analytics, monitoring, and client reporting capabilities. This will also give us stronger visibility into our investments along with carbon footprint estimates for portfolio companies to track year-over-year changes. We believe this is key to understanding the climate change risk profile of our investments and is important to our investors.

WSP: a third-party environmental advisor that assesses the firm's carbon footprint. They have also conducted educational sessions for our firm leadership on climate change and other environmental topics.

Phenix Capital Impact Database: This partnership will assist us in our investment sourcing process when building and implementing impact mandates by providing us access to a leading database that provides impact manager ESG profiles across asset classes and geography.



ABOUT GCM GROSVENOR

GCM Grosvenor (Nasdaq: GCMG) is a global alternative asset management solutions provider with approximately \$71 billion in assets under management across private equity, infrastructure, real estate, credit, and absolute return investment strategies. We have specialized in alternatives for more than 50 years and are dedicated to delivering value for clients by leveraging our cross-asset class and flexible investment platform. GCM Grosvenor’s experienced team of over 510 professionals serves a global client base of institutional and high net worth investors. The firm is headquartered in Chicago, with offices in New York, Toronto, London, Frankfurt, Tokyo, Hong Kong, and Seoul.

For more information, visit gcmgrosvenor.com.

ESG AND IMPACT AT GCM GROSVENOR

GCM Grosvenor has implemented ESG and Impact solutions for clients for over two decades. We were early adopters of integrating Environmental, Social, Governance and Impact factors into our investment process based on unique client needs. We have developed and implemented a business strategy that meets our clients’ objectives while making a positive impact on the world.

We are committed to operating our business with integrity, building a diverse and inclusive workplace where our employees can thrive, volunteering and providing resources for organizations that strengthen the communities where we live and work. We manage approximately \$20 billion in ESG- and Impact-related themes, including labor, diversity, and regionally targeted programs.

We are dedicated to using our scale to advance the industry by supporting accountability and best practices among those with whom we invest, partnering with responsible investment organizations, hosting conferences, and supporting the missions of professional organizations.

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NOTES AND DISCLOSURES

In assessing climate risk, we adhere to the definitions as published by the TCFD, below. As we hold \$26 billion in absolute return strategies and \$39 billion in private markets (private equity, infrastructure, real estate, and credit) with holding periods of greater than one year, we consider chronic risks in our strategy. Additionally, we consider policy and legal, technology, market, and reputation risk as part of our assessment.

TCFD DEFINITIONS OF RISK

Physical Risks	Acute
	Increased severity of extreme weather events such as cyclones and floods
	Chronic
	Changing weather patterns and rising mean temperature and sea levels
Transition Risks	Policy and Legal
	<ul style="list-style-type: none"> Increasing pricing of GHG emissions Enhanced emissions-reporting, obligations Mandates on and regulation of existing products and services Exposure to litigation
	Technology
	<ul style="list-style-type: none"> Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs to transition to lower emissions technology
	Market
	<ul style="list-style-type: none"> Changing customer behavior Uncertainty in market signals Increased cost of raw materials
	Reputation
	<ul style="list-style-type: none"> Shifts in customer preferences Stigmatization of sector Increased stakeholder concern or negative stakeholder feedback

Unless otherwise indicated data is most recent available as of June 30, 2022.

The data regarding ESG and impact investments (and sub-strategies) presented above and otherwise contained herein, is based on the amount of AUM in investments by GCM Grosvenor managed portfolios as of June 20, 2022, based on the assessment of each such investment by GCM Grosvenor investment team members. The relevant investments are placed into categories that are generally consistent with the categories presented in the UN PRI Impact Investing Market Map. Primary fund assessments are based on whether a significant part of the expected strategy of the primary fund falls into an ESG category. Co-investment categorizations are based either on categories represented by the co-investment sponsor or the underlying portfolio company. There is significant subjectivity in placing an investment in a particular category, and conventions and methodologies used by GCM Grosvenor in categorizing investments and calculating the data presented may differ from those used by other investment managers.

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Forward-Looking Statements and Disclaimer

The statements, estimates, projections, guidance or outlook contained in this report include “forward-looking” statements that are intended to take advantage of the “safe harbor” provisions of the federal securities law. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. These statements may contain information about financial prospects, economic conditions and trends and involve known and unknown risks and uncertainties. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as a result of changes in circumstances, assumptions not being realized, or other risks, uncertainties and factors. Forward looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control, including but not limited to, risks detailed in GCM Grosvenor’s most recent Forms 10-K and 10-Q filed with the Securities and Exchange Commission as well as other documents that may be filed from time to time with the Securities and Exchange Commission.

This report contains statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental statements may be based on standards for measuring progress that are still developing, and internal controls and processes that continue to evolve. While certain matters discussed in this report may be significant, any significance should not be taken or otherwise assumed as necessarily rising to the level of materiality used for purposes of complying with our public company reporting obligations pursuant to the U.S. federal securities laws and regulations.

