TCFD Disclosures

June 30, 2026

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1. Introduction

New Mountain Capital ("NMC") incorporates climate-related considerations into aspects of its investment analysis and portfolio oversight to support informed decision-making.

As a private equity investor, NMC considers climate-related risks alongside other commercial and financial factors during investment diligence and throughout the ownership period. This includes transition risks arising from evolving regulatory requirements, market expectations, and changes in technology and customer behavior that may affect portfolio company performance, valuations, and exit outcomes.

This report is informed by the TCFD framework and reflects NMC's current approach to climate-related considerations as of the date of publication.

2. Basis of Preparation[1]

This disclosure is organized in accordance with the TCFD framework, consistent with California Air Resources Board (CARB) guidance, across four pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

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[1] These disclosures are intended to meet the statutory obligations arising under California Health and Safety Code § 38533 (Section 38533). They are presented in a structured format aligned to the Final Report of Recommendations of the TCFD (June 2017) published by the Task Force on Climate-related Financial Disclosures (TCFD Framework) which CARB has referenced as a basis for climate-related financial risk reporting under state law. This document covers all recommended elements of disclosure under the TCFD Framework with the exception of Scope 1, 2 and 3 greenhouse gas emissions under the Metrics and Targets pillar, in accordance with guidance issued by CARB.

TCFD pillar	Disclosure Requirement	Current document location
Governance	1(a) Board oversight of climate-related risks and opportunities	Oversight and Governance
	1(b) Management's role in assessing and managing climate-related risks and opportunities	Oversight and Governance
Strategy	2(a) Climate-related risks and opportunities over the short, medium, and long term	Strategy
	2(b) Impact of climate-related risks and opportunities on business, strategy, and financial planning	Strategy
	2(c) Resilience of strategy under different climate-related scenarios, including a 2°C or lower scenario	Risk Management
Risk Management	3(a) Processes for identifying and assessing climate-related risks	Risk Management
	3(b) Processes for managing climate-related risks	Risk Management
	3(c) Integration of climate-related risk processes into overall risk management	Risk Management
Metrics and Targets	4(a) Metrics used to assess climate-related risks and opportunities in line with strategy and risk-management process	Metrics and Targets
	4(b) Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and related risks	Metrics and Targets Excluded in accordance with CARB guidance
	4(c) Targets used to manage climate-related risks and opportunities and performance against targets	Metrics and Targets

3. Oversight and Governance

Oversight of climate-related matters is addressed within NMC's broader governance and investment framework. Senior leadership receives updates through internal reporting, with the Director of Sustainability, the Sustainability Committee, and existing governance forums supporting consideration of relevant climate-related issues in investment and portfolio oversight.

Climate considerations are incorporated within investment and operating processes through collaboration between the Sustainability team, deal teams, and operating partners, with relevant matters raised, as appropriate, through processes such as the Investment Committee review and the Monitoring Committee.

Table 1. Oversight and Governance Responsibilities for Climate-Related Risk

Committee / Team	Oversight & Governance Responsibilities
Monitoring Committee (Portfolio)	Oversees portfolio company performance during ownership, including review of material sustainability and climate-related matters.
Director, Sustainability	Provides leadership and coordination of sustainability and climate-related matters and supports their integration into investment and portfolio governance processes.
Deal Team and Operating Partners	Responsible for integrating material climate-related considerations into investment diligence and portfolio oversight and escalating relevant matters through established governance forums.
Sustainability Committee	Cross-functional forum supporting firm-wide oversight of sustainability and climate-related priorities and alignment across investment and operations teams.

Responsibility for sustainability and climate-related matters at NMC is led by the Director of Sustainability and supported by the Sustainability Committee, a cross-functional forum comprised of employees from Managing Director to Associate level across investment and business development teams, as well as senior leaders from legal and compliance. Together, these groups work with deal teams and operating partners to help inform climate-related considerations in due diligence, oversight, and governance processes.

During due diligence, relevant climate considerations are identified and summarized, if material, in investment materials reviewed through the firm's investment approval process. Following investment, material climate-related matters may be included in the portfolio company's bespoke Sustainability Plan (described in the Risk Management section) and in Monitoring Committee materials. If necessary, there is ongoing engagement among the Sustainability team, deal teams, operating partners, and portfolio company management. NMC's representation on the boards of majority-owned portfolio companies may also provide visibility into company-level climate-related matters. Material issues identified during due diligence or throughout ownership are raised through internal reporting channels and addressed through portfolio company governance processes. This supports the timely identification and management of risks, where appropriate.

Climate-related matters are considered alongside broader sustainability, strategic, and risk topics across NMC's investment lifecycle, including when reviewing investment priorities, portfolio performance, significant transactions, and emerging issues within the wider sustainability program. Where climate-related priorities are identified, progress is monitored using sustainability key performance indicators (KPIs) relevant to the portfolio company and the issue concerned.

This monitoring is informed by portfolio oversight processes, third-party risk screening tools, and periodic sustainability data collection. Together, these inputs help identify emerging risk signals and inform engagement with portfolio company management. For selected portfolio companies, monitoring also includes greenhouse gas data collection using a carbon accounting tool, which can provide visibility into emissions trends over time and support ongoing dialogue on climate-related priorities (see the Metrics and Targets section below for further detail). Portfolio-wide oversight is also supported by an annual sustainability program review, which helps management maintain visibility over climate-related developments and emerging risks across the portfolio.

4. Strategy

Climate change presents risks and opportunities that could affect NMC's investment activity and portfolio companies over the short, medium, and long term. These considerations inform aspects of the firm's investment approach and strategic decision-making, including how parts of the portfolio are positioned in response to evolving climate-related conditions and where long-term value creation opportunities emerge.

As an asset manager, NMC's climate-related risks and opportunities will naturally shift as a reflection of our changing investment portfolio. Physical risks may include, for example, those related to extreme chronic conditions such as drought, extreme heat or cold, changes in precipitation patterns, rising sea levels, and the longer-term impact of increasing average global mean temperatures; physical risks may also include those related to acute events such as increased risk of flooding, tornados, hurricanes and wildfires. Physical opportunities may relate to the ability to reduce operational costs and increase resiliency through increased efficiency relating to energy, water or waste, or to asset hardening and strategic geographic positioning. Transition risks and opportunities may include, for example, exposure to new regulations and mandates or to litigation risk, carbon taxes, water withdrawal limits, reputational concerns in certain industries, as well as market risk or opportunity related to the global transition to a low-carbon economy, innovations in energy efficiency, availability or increased cost of certain products, shifts in market demand due to changing preferences and shifts in stakeholder priorities.

Climate-related considerations are embedded in investment and portfolio management activities and are identified through sector research, deal evaluation, and ongoing asset oversight. Investment teams assess potential climate-related implications alongside other material factors during due diligence and investment decision-making, enabling relevant risks and opportunities to be considered in the broader commercial and strategic context for each investment. Climate-related risks and opportunities identified through these processes are evaluated for materiality and potential financial relevance using internal and external inputs. These assessments inform investment review processes and the prioritization of sustainability initiatives during the ownership period. The processes used to identify, assess, and monitor climate-related risks are described further in the Risk Management section of this report.

The resilience of the investment strategy is considered through the incorporation of climate-related risks and opportunities into investment governance, sector selection, and portfolio oversight. Where relevant, physical and transition-related risks are examined to understand how assets and business models could be affected under different climate-related conditions, including lower-emissions pathways broadly aligned with a ~2°C scenario.

Climate-related risks and opportunities inform aspects of the broader investment approach, including sector focus, opportunity evaluation, and portfolio management. For example, the energy transition has been viewed as an area of opportunity and has informed investments in energy services businesses that support renewable energy, microgrids, and energy-efficiency solutions.

5. Risk Management

NMC considers climate-related risks across the investment lifecycle through its investment governance and portfolio oversight processes. Prior to investment, prospective portfolio companies undergo risk screening through an AI-driven tool to identify potential environmental, social, and governance controversies, including climate-related exposures.

Companies are also assessed against NMC's 24 Key Sustainability Metrics, which include indicators relevant to environmental impact and risk management. Climate-related considerations identified through third-party consultant due diligence reports, where relevant, are reviewed alongside these inputs to support an assessment of potential risks. The outcomes of these assessments are summarized in the Investment Committee memorandum to inform investment decision-making.

Following investment, portfolio companies are subject to Sustainability Accounting Standards Board (SASB)-aligned assessments to identify material sustainability and climate topics relevant to value creation and risk mitigation. Where applicable, customized climate-related key performance indicators are incorporated into the Sustainability Survey.

Where sustainability metrics are established, a tailored Sustainability Plan is developed for a portfolio company, setting out core sustainability focus areas, including climate-related priorities if relevant. Sustainability risks are monitored during the holding period, including through tracking risk alerts via a watchlist to identify emerging risks or controversies. Progress against Sustainability Plans and focus areas is reviewed periodically through Monitoring Committee meetings, supporting governance oversight and responses to evolving risks and performance gaps.

Portfolio-level monitoring is informed by an annual Sustainability Survey covering both universal and customized key performance indicators. For newer portfolio companies, this includes the collection of carbon footprint data, alongside selected social and operational metrics such as job creation statistics, to support ongoing risk assessment.

Physical climate risk assessments are conducted for certain industrial assets following investment. These assessments consider exposure to key climate hazards, including heat, flooding, precipitation, wind, wildfire, and drought, using forward-looking climate projections to mid-century, with some indicators extending into the 2060s. Risks are assessed relative to a historical baseline and across both annual and longer-term horizons, including 30-year flood probability analysis, under a higher-emissions scenario and a lower-emissions scenario broadly aligned with a ~2°C pathway. The Sustainability Team reviews the methodologies used in these assessments for alignment, accuracy, and materiality for specific portfolio needs.

Transition risks are also considered as part of investment decision-making. These can include potential financial and operational impacts associated with the transition to a lower-carbon economy, including changes in regulation, market dynamics, technology, input costs, and stakeholder expectations. During sector research, due diligence, and early ownership, investment teams assess exposure to transition risks by considering factors such as business models, value chains, customer bases, and regulatory environments.

Where relevant, these considerations are taken into account in investment decisions and sustainability initiatives during the ownership period, with climate-related risks considered within NMC's broader risk management framework, including its investment philosophy, governance arrangements and sector selection approach.

6. Metrics and Targets

Climate-related metrics and targets support monitoring of exposure and performance across parts of the NMC portfolio over time. The firm uses key metrics to help assess climate-related risks and opportunities and to inform investment decision-making and ongoing monitoring.

A set of standardized climate-relevant indicators is collected annually to provide a baseline for assessing climate-related exposure across parts of the portfolio. These indicators include data on energy consumption and efficiency, greenhouse gas (GHG) emissions, and related activities.

In addition, industry-specific climate and sustainability metrics are applied for newer NMC portfolio companies. These metrics can be tailored, in collaboration with deal teams, to reflect climate-related risks and opportunities relevant to each business. Where applicable, they are incorporated into Sustainability Plans and ongoing monitoring processes. The selection of metrics supports consistent and comparable assessment across the portfolio.

For certain portfolio companies acquired since 2020, climate-specific data is collected to support carbon footprint assessments, with support from NMC's external carbon accounting partner. These assessments include Scope 1 and Scope 2 greenhouse gas emissions and, where data are available, relevant Scope 3 emissions categories. Carbon footprinting may also include emissions-intensity metrics to support trend analysis over time. Where applicable, emissions data is reported through the ESG Data Convergence Initiative (EDCI) to participating investors.

At the firm level, NMC calculates Scope 1, Scope 2, and, where appropriate, Scope 3 greenhouse gas emissions. For operational electricity use, the firm purchases Renewable Energy Certificates (RECs). The firm also purchases carbon credits in connection with certain Scope 3 emissions. Carbon credit options are reviewed annually by the Sustainability Committee, with active involvement and consideration from the Sustainability team.

Targets related to climate-related risks and opportunities are primarily established at the portfolio company level. Some portfolio companies are developing emissions-reduction targets, in certain cases with reference to the Science Based Targets initiative (SBTi), largely in response to customer and value-chain requirements. Carbon footprint assessments are used to establish emissions baselines under the Greenhouse Gas Protocol and to inform longer-term emissions-reduction planning, including, where appropriate, consideration of net-zero objectives toward 2050. Where targets are established, performance is monitored at the individual portfolio company level.

Disclaimer:

Analysis relating to climate-related risk involves estimates and projections and may be based on estimated information and assumptions which may prove to be inaccurate, or standards (including our internal standards and policies) that continue to develop. The analysis involved in determining whether and how our business may be impacted by climate risk, and the opportunities that might become available to us, inherently dependent on a number of factors and subjective determinations. There can be no assurance that reasonable parties will agree on the analysis of climate-related risks and opportunities presented herein. Further, there can be no assurance that policies and procedures described in this report will continue; such policies and procedures could change, even materially. We are permitted to determine in our discretion that it is not feasible or practical to implement or complete certain of our initiatives, policies, and procedures based on cost, timing, or other considerations. Additionally, this report may refer to internal systems and/or processes which are under development, evolution and review, and we can give no guarantee that these systems and processes will be implemented as described herein.

In this report, we are not using such terms as “material” or “materiality” as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for purposes of this report should not, therefore, be read as equating to any use of the word in other NMC reporting or statements.