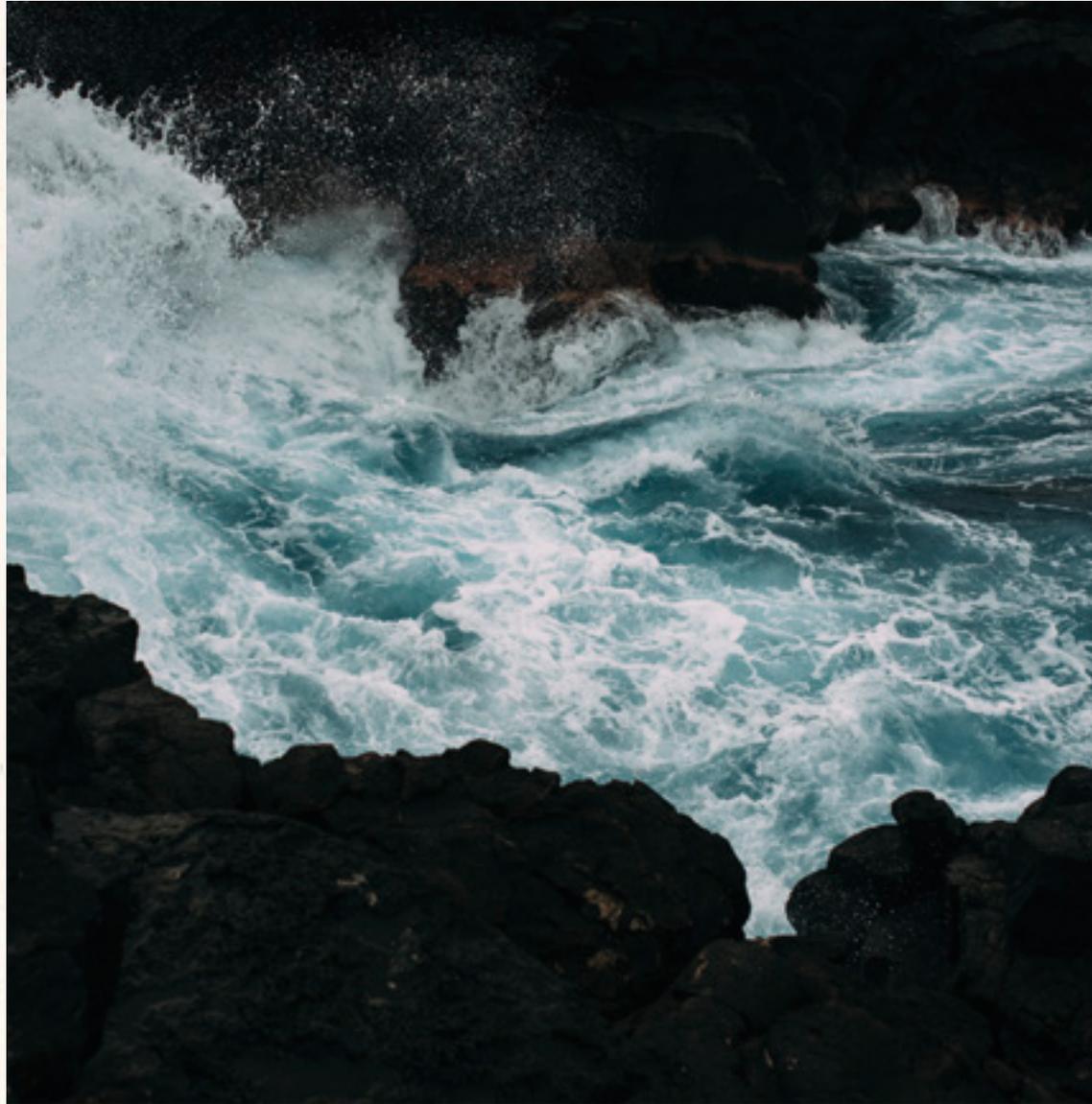


**This is not the  
beginning**

**Bridgepoint**

**ESG at Bridgepoint**



**ESG at Bridgepoint**

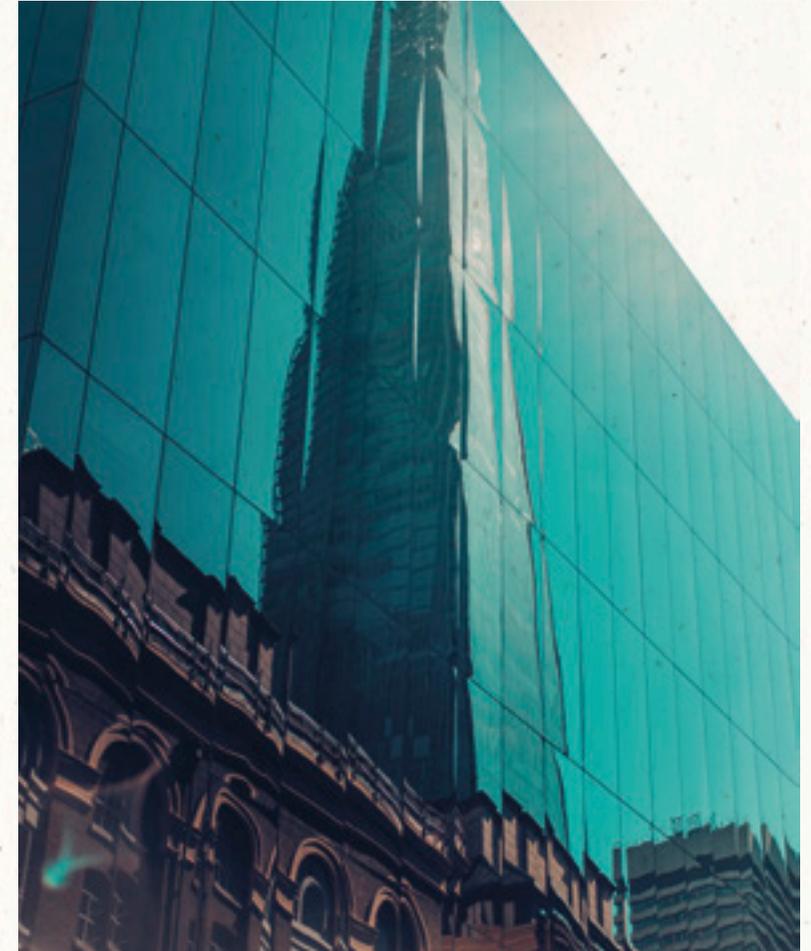
Why ESG matters at Bridgepoint

# Keep moving forward

We are growth investors, and we back businesses at critical stages in their lifecycle. This gives us the chance to drive positive change in performance as well as the environments and societies in which we operate.

Sustainable, resilient businesses deliver superior returns and a better society. We want to help businesses do good and grow faster.

This is our platform for making a difference.



# Why ESG matters at Bridgepoint

Bridgepoint is a long-term active investor: we back businesses that grow and constantly encourage them to have a positive impact. We often provide the support businesses need at critical moments in their lifecycle – moments of transition from local market champion to international leader, or successful entrepreneurial company to established enterprise.

We embrace, enable, and encourage these transformations. And, through our interventions, have the chance to drive wider positive change, for the environment and for society.

The Covid-19 pandemic, the ongoing conflict in Ukraine, and the climate crisis underscore the need to act in order to protect our environment, increase our social impact and ensure our partner businesses are governed to enable resilience and success. Bridgepoint has a part to play in sharpening the world as we operate through different crises: our capacity to support great businesses gives us both the means and responsibility to act.

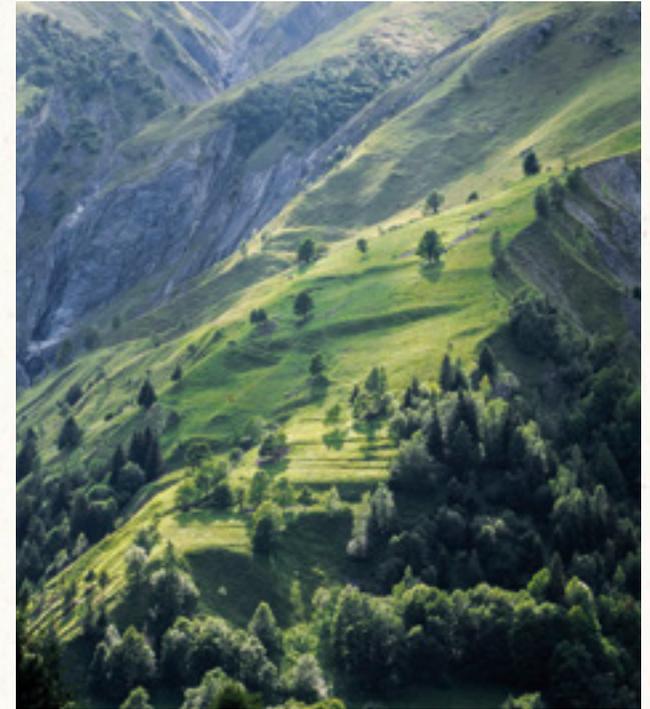
Taking a proactive approach to societal and environmental issues is not just a social responsibility; it's also a matter of good guardianship. Businesses that are more sustainable in their operations and have a more diverse workforce are proven to deliver stronger performance. Businesses that do good grow faster, and we want to help them do both.

Our ambition is to **create lasting, sustainable, positive impacts**, because that's what we believe in. Making our investors, shareholders and employees proud of how we deliver returns.

Environmental, social and governance (ESG) issues are evolving all the time; our industry is experiencing an ESG revolution, and we aim to be on the front line.

This document outlines where we stand as an organisation in the summer of 2023. But we're not standing still. We continue to move forward.

This is not the beginning – ESG at Bridgepoint



## At Bridgepoint

- **We are active growth investors with a long-term perspective. We create jobs, we generate tax revenues, we pay fair wages, and we drive positive impact in our communities**
- **We are committed to a journey of constant improvement. We invest in businesses at all stages of their ESG maturity curve and make a real difference**
- **We believe building sustainable and stable growth businesses leads to a stronger society and superior returns**

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Bridgepoint beliefs

# The right kind of returns

Our investments are guided by four key beliefs, in the power of the individual, in the power of business to do good, in good governance, and in the need to invest in our world.



## Bridgepoint beliefs

When Bridgepoint invests, we invest to grow. We look to support strong-performing, good quality, well-managed businesses that have the potential to flourish, through international expansion, operational improvement or additional acquisitions.

But that's not all we look for. The millions of beneficiaries of Bridgepoint funds want us to generate healthy returns in a manner they can be proud of.

Since the business was founded in 1985, our ambition has remained consistent:

### **Create lasting, sustainable positive impact.**

Beneath that ambition lie four key beliefs that guide our investment decision-making.

#### **We believe we must invest in our world.**

Environmental action is heralding a new era of innovation, productivity and sustainable growth. Climate change represents both an investment risk and opportunity.

#### **We believe in the power of the individual.**

By bringing diverse teams together we can deliver better performance by reflecting the world in which we operate.

#### **We believe that business can and should be a force for good.**

Growing businesses should benefit the communities in which they operate.

#### **We believe well-governed businesses perform better and are more resilient.**

Structure, accountability, effective decision-making and monitoring of performance enable sustainable success for all stakeholders.

This is not the beginning – ESG at Bridgepoint

# lasting, sustainable, positive impact

## Environment

We believe we must invest in our world.

## Society

### Our Communities

We believe that business can and should be a force for good.

### Diversity, Equity and Inclusion

We believe diverse groups make better decisions.

## Governance

We believe well-governed businesses perform better and are more resilient.

# Measurement

Effective measurement is the foundation of improved performance.

# What we are doing

## The environment

We believe we must invest in our world.

Our target: Bridgepoint is committed to supporting the transition to net zero by 2050 as part of the 2016 Paris Climate Agreement. We recognise, though, that there is a need to move faster, so we will ensure that all portfolio businesses are net zero by 2040.

This means our portfolio businesses will all have calculated their GHG emissions and implemented a GHG reduction plan with targets by the end of 2023 or 2024, depending on the investment strategy, or within 12 months of Bridgepoint's investment.

## Diversity, equity and inclusion

We believe in the power of the individual.

Our target: In the long term, our aim is for Bridgepoint and its portfolio companies to be even more reflective of the communities in which they operate, at all levels of the organisation.

An ongoing priority is to ensure that all of our portfolio company boards have at least one female director, and where we make new investments, within 12 months of the investment completing.

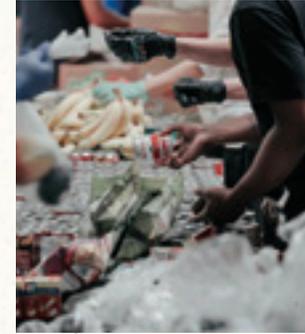
## Our communities

We believe that businesses can and should be a force for good.

Our target: Many Bridgepoint-supported companies operate internationally, and have ethical supply chains that reach around the world. Regardless of where in the world a company operates, we strive to ensure that as our portfolio companies grow, they:

- Create new jobs
- Generate greater tax revenues
- Continue to pay fair wages
- Contribute more to their communities

This is not the beginning – ESG at Bridgepoint



## Governance

We believe well-governed businesses perform better and are more resilient.

Our target: We put a high value on improving governance through our investment activities. Every company we partner with must have the appropriate committees and policies on:

- Health & safety
- Human rights & modern slavery
- Anti-bribery and corruption
- Anti-money laundering
- Whistleblowing
- Cyber security

Every Bridgepoint investment has a board-level executive or member of the senior leadership team with responsibility for overseeing ESG matters. Within nine months of completion of an investment, a company-specific ESG policy must be established and communicated to all employees.



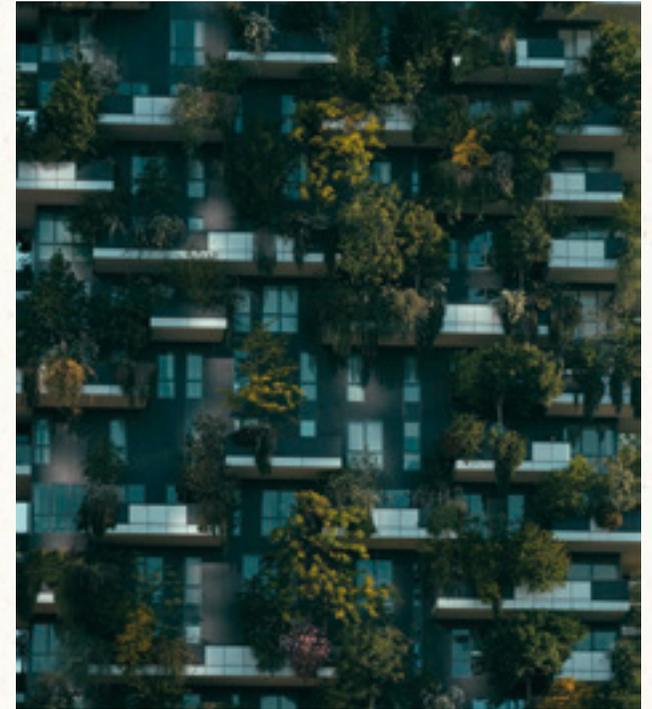
Our approach to ESG

# ESG is in our DNA

In everything we do, from our investment decisions to the running of our own business, we remember the impact we have on the environment on diversity, communities and corporate governance.

## Our approach to ESG

We are committed  
to a journey of  
constant improvement.



Environmental, social and governance principles are part of Bridgepoint's DNA. They are integrated into our own business and the full life-cycle of our funds' investments.

We consider each of our ESG beliefs across four key areas of activity:

**Investment decision-making** relates to the processes and approach that Bridgepoint takes when assessing potential investments.

**Portfolio operations** concerns the products and services that companies provide and how they might support the UN Sustainable Development Goals.

**Portfolio practices** encompasses companies' internal ESG policies.

**Bridgepoint management** relates to ESG matters at the Bridgepoint company level (rather than within the businesses that Bridgepoint Funds support).

ESG and investment

# Before, during, after

ESG cuts across every stage of our investment process.

We carry out thorough ESG due diligence before we invest and are proactive in helping our portfolio companies raise their ambition and deliver in line with our beliefs. By embedding ESG in portfolio company DNA, we set them up for sustainable success following our investment period.



How do we incorporate ESG considerations into our decision-making, before we invest in a business, and during the investment period?

### Pre-investment

We don't invest in companies whose products, services or practices cause environmental or social harm, and where there is no path to transform the business into a positive contributor to society.

When we first consider a potential investment, our team will identify any potential ESG red flags or opportunities as part of our early transaction screening. An opportunity can be rejected on ESG grounds at this or any later stage.

As the opportunity moves into full due diligence, the Investment team is responsible for ensuring that any ESG-related issues are addressed.

The findings from the ESG due diligence and any recommended remedial actions form a key part of the analysis presented to Bridgepoint's Investment Advisory Committee.

We assess: the company's performance against the SDGs; any ESG considerations related to the company's business model; its existing ESG policies and programs; ESG at the corporate level; and opportunities for improvement.

### The investment period

Active engagement is an essential component of Bridgepoint's approach to ESG. We take every opportunity to advise, support and collaborate with the management teams of our portfolio companies to help them embed best-practice ESG policies, processes, and systems.

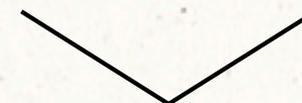
This is not the beginning – ESG at Bridgepoint

# The investment period

Governance and structures are strengthened, through which ESG is managed throughout the ownership period



Areas for ESG improvement identified by the investment team in collaboration with ESG team and the portfolio company



All portfolio companies report on a detailed set of ESG KPIs which are tracked in our Portfolio Monitoring Software and reported to our Board on a regular basis



The team works with the portfolio company to deliver against these goals leveraging support from the Bridgepoint platform

**ESG cuts across every stage of our investment process.**



This is not the beginning – ESG at Bridgepoint

### **Pre- and directly post-investment**

We aim to discuss ESG collaboratively with portfolio companies as early as possible, at the due diligence stage before we have made the investment between signing and closing the investment. Following completion, as part of a value creation 100-day plan, the deal team will work with management to appoint a senior executive to take responsibility for ESG on a day-to-day basis, if there isn't already one in place.

As part of this early engagement period, we will share our 'ESG guidelines for Bridgepoint-backed companies' and outline our expectations, as well as introduce the lead executive to our ESG monitoring programme.

The company will then be asked to complete our comprehensive ESG assessment, which builds on the due diligence findings to generate a comprehensive understanding of current ESG performance. Once this initial discovery phase is complete, a roadmap will be agreed with management that includes company-specific ESG initiatives and corresponding KPIs, and is consistent with our own beliefs.

### **During the investment period**

Throughout the fund investment period, we ensure management teams regularly review their ESG policies, ensuring they remain aligned with industry-specific good practice and deliver against the UN SDGs.

Bridgepoint provides guidance and support to management teams via the Bridgepoint board representative and/or the dedicated ESG team. External ESG advisers may also be engaged.

Bridgepoint also convenes ESG workshops with third-party specialists to refresh our thinking and import the latest best practice.

Tracking ESG performance is a vital and evolving element of improving ESG during fund investment. Management teams regularly report on key KPIs, and we are active in ongoing industry-wide work looking to drive greater consistency in this space.

### **At divestment**

Our goal is to set up businesses for sustainable success following the Bridgepoint investment period. That is why we ensure that, like Bridgepoint, ESG is in the DNA of our portfolio companies.

We also ensure that governance structures put in place during investment are sustainable post investment and include detailed information on ESG-related matters as a part of vendor due diligence.

## Case studies:



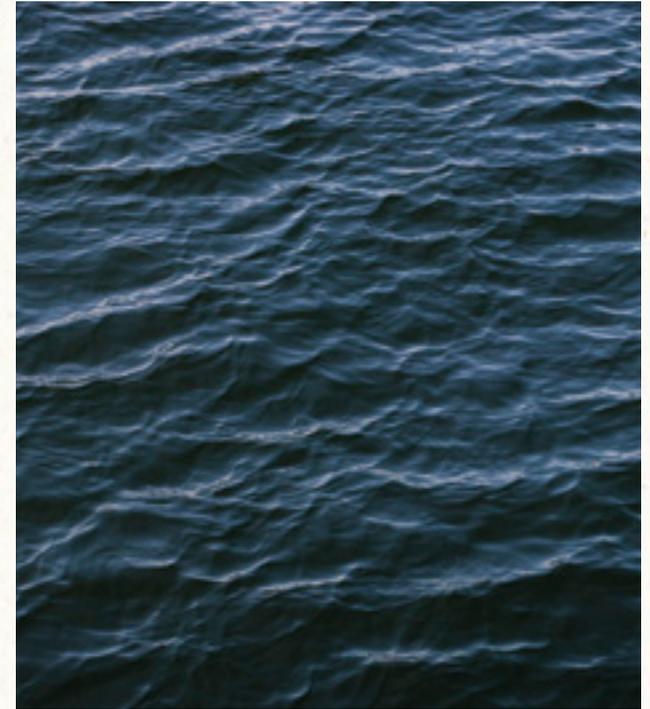
### Zenith

Zenith, a leading UK-based fleet management company, has a well-established apprenticeship programme and has forged strong links with the local community in Yorkshire where it is based, visiting school careers fairs to promote careers in the automotive industry. Apprentices at the company receive in-house training with support from an advisor and dedicated mentor.

Zenith was named as one of the UK's top 100 apprenticeship employers by the National Apprenticeship Scheme, and in 2020, it appointed a record number of apprentices (68, equivalent to 10% of its total workforce).

The business is also playing a key role in helping transition customer fleets from carbon to electric and hybrid through customer consultations, highlighting the benefits of moving to electric and hybrid vehicles (c.80% of new vehicle orders are now electric or hybrid).

This is not the beginning – ESG at Bridgepoint



### Miya Water

Miya Water, a leading international environmental services company based in Portugal and Spain, provides water efficiency solutions to utilities worldwide in order to reduce water losses. It is also the largest private independent manager of water distribution and sanitation concessions in Portugal through its Indaqua subsidiary.

In delivering its water efficiency projects, Miya works closely with the local communities in which it operates to recruit and train local engineers. Some 85% of employees are recruited locally by Miya's international teams, who help to embed best practice and expertise and thereby reinvest in local economies.

## Case studies:



### Evac

Evac, is a global cleantech business and a leader in the provision of fresh water and waste sanitation systems to the marine industry. Environmental sustainability is a cornerstone of Evac's operations. Its technologies address the increasing need for sustainable solutions that optimise handling of scarce fresh water and minimise customers' environmental footprint.

Evac is a signatory to the Finnish government's 'Commitment 2050' initiative and has committed to help reduce marine litter and increase dry waste recycling by cruise ships from 25% to 50% by 2025 (and 70% by 2050).

This is not the beginning – ESG at Bridgepoint



### Rovensa

Rovensa is a global leader in the provision of crop lifecycle management solutions. Under Fund ownership, Rovensa has shifted its emphasis towards Bio Control products with the acquisition of Idai. Bio Control products use natural ingredients and biodegradable compounds and microorganisms instead of chemicals.

Rovensa significantly improved its ESG policies and procedures under Fund ownership and produced its first sustainability report in 2021. Alongside stringent environmental controls at its facilities, including state-of-the-art fire and dust suppression systems and waste-water recycling, Rovensa has continued to reduce waste and eliminated cardboard box usage at its Tradecorp subsidiary.

As part of Rovensa, **Idai** was recognised by the European Commission as Europe's most sustainable company in the Annual European Business Awards for the Environment in 2020.

# Going one better

We never sit back. We're always pushing for the next level, looking for better ways to measure performance and deliver higher ESG standards from our investments.

We want them to set the pace in reaching net zero, become more diverse and be best in class on issues such as cyber-security, data protection and the fight against modern slavery.



## Measurement and reporting

**We believe in greater transparency and regularly report ESG performance to investors.**



Setting targets is only half the story. Measuring ourselves against them, and benchmarking the ESG performance of our portfolio companies and our own business is fundamental to the cycle of continuous improvement.

Every Bridgepoint investment has a set of specific goals consistent with our beliefs and complementary to our broader targets, in the form of KPIs covering financial, non-financial and ESG performance.

We track performance against our ESG KPIs regularly throughout the year, and regularly carry out 'deep-dive' ESG assessments across portfolio companies to gain a granular understanding of performance on specific issues, such as climate change. Tracking our progress on ESG issues provides the insight and understanding vital to decision-making.

ESG within asset management is a fast-evolving space, metrics are being developed and refined continuously. As a result, the targets we set for Bridgepoint's portfolio investments as well as for our own company, are in a constant state of development.

### **SFDR Article 8**

We are proud that our most recently launched Funds (BE VII and BG II) will be Sustainable Financial Disclosure Regulation (SFDR) Article 8 aligned. The official journal of the European Union describes an Article 8 Fund as one that *'promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.'*

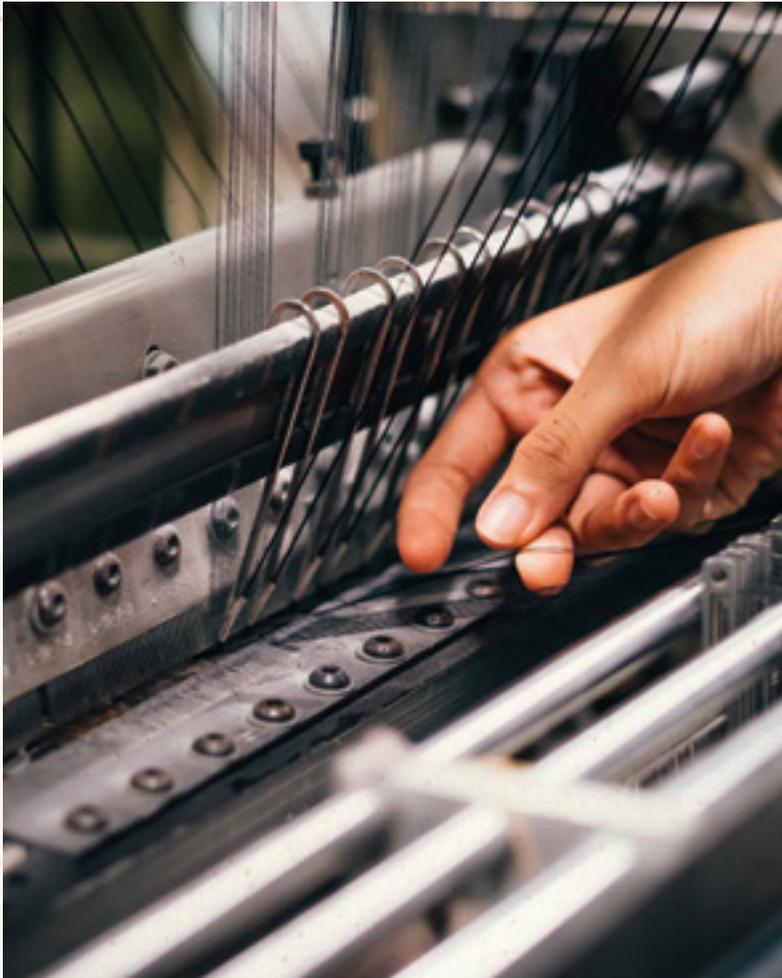
ESG at Bridgepoint Credit

# Lending weight

Where we make credit investments, we apply an ESG-centred due diligence framework and incentivised loan pricing.

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

**ESG lies at  
the core of our  
credit strategy.**



ESG is at the core of our credit strategy, consistent with Bridgepoint's overall ambitions but reflective of the relationship between credit funds and their portfolio investments.

During the investment period, the credit opportunities strategy often follows a private equity-like approach to value creation, including in relation to ESG. Direct lending funds, on the other hand, typically have less direct influence over their portfolio companies' strategies. There are still opportunities to make sure ESG plays a key role in the portfolio, though, through two primary avenues:

### **Pre-investment screening**

Our credit team looks to invest in businesses with societal solutions to address the UN Sustainable Development Goals. As a result, the credit team regularly rejects investment opportunities despite the companies having well-structured governance and social dynamics if they carry ESG risks or operate in harmful industries. In addition to assessing the company, we also assess its shareholders (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

### **Incentivisation**

Bridgepoint Credit is at the forefront of a new market centred around actively incentivising ESG performance through the pricing of loans. Margin ratchets linked to ESG outcomes are incorporated into loan documentation, enabling the interest rate on a loan to vary, based on our ESG performance against specific targets.

ESG within our company

# Walking the walk

We aim to set the standard and make Bridgepoint a role model in corporate responsibility.

Moving towards net zero, having a more representative workforce, supporting our communities and leading governance are headline ambitions. We have the structures, and policies in place to deliver against these ambitions and support our broader beliefs.



## ESG within our company

### Sustainable, and resilient businesses deliver stronger performance.

It's our aim to make Bridgepoint a leader in corporate responsibility, and to continuously raise environmental, social and governance standards. As a firm, we have achieved the targets that we set for portfolio investments and are taking our targets further:

- We became carbon neutral in 2021, offsetting the greenhouse gas emissions associated with our operations since 2020, and are now accelerating our plan to reduce emissions and support our portfolio companies to do the same.
- Operating on 100% renewable electricity since 2020 across our global network of offices.
- Increasing the gender diversity of the investment team to 30% women and 20% in senior investment team roles by 2025

## ESG governance

Our rigorous approach to the management of fund investments includes structures to ensure that Bridgepoint remains accountable and transparent, and that there is complete alignment of interest between the company and third party fund investors.

Those structures include a CSR Committee at plc Board level, supported by executive level ESG and Diversity & Inclusion groups. The company also participates in key industry associations and initiatives, becoming an active member of Invest Europe's Responsible Investment Roundtable, for example, and having a seat on Level 20's Advisory Council focused on the promotion of women in private equity.

We also have a close relationship with third party specialists who are leaders in ESG, including ERM, the world's largest global pure-play sustainability consultancy and previously a Bridgepoint portfolio company.

This is not the beginning – ESG at Bridgepoint

## ESG Training

All our investment professionals are asked to complete compulsory ESG training, delivered by the British Private Equity & Venture Capital Association (BVCA). Bridgepoint and the BVCA worked closely to develop a pioneering ESG training course in 2016 which has since become the industry standard. Although delivered by the UK's industry body, the course is designed to suit professionals working in all the jurisdictions in which we operate.

## Diversity, equity and inclusion (DE&I)

Bridgepoint is an international business: our employees come from more than 25 countries and speak over 20 languages. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every other level.

In 2015, we recognised that Bridgepoint and the wider alternative asset management industry needed to do more to develop greater gender diversity. Our response was to launch a ten-year programme to increase the representation of women in our business.

An initial target of 25% female representation in the investment team was met in 2019, and then raised to 30% by 2025. This progress has been driven by a gender-balanced recruitment policy and our International Associate Programme, which has a 50:50 gender split.

In 2020, our DE&I Committee widened its focus to include ethnic and social diversity, and Bridgepoint became a member of the 10,000 Black Interns programme, which aims to address the under-representation of black talent in the financial sector. We also joined Out Investors, a global network for LGBT+ investment professionals.

Internal DE&I initiatives include:

- Creation of DE&I groups for each Bridgepoint geography
- Women's Leadership development programme
- Formal DE&I objectives for partners and directors
- Diversity risk training
- 'Working at Bridgepoint': a new families policy and formal diversity policy
- Maternity coaching
- Gender-neutral parental leave

## ESG within our company

### The Bridgepoint Hardship Fund

The Covid-19 pandemic threw many communities into a sudden and unprecedented crisis. As well as supporting our portfolio companies through this period, we sought to make a meaningful financial contribution to frontline Covid-19 causes, supporting individuals who experienced hardship as a result of the pandemic and those that supported them.

In April 2020, we established the Bridgepoint Hardship Fund, which:

- Raised **£4m** via donations from the firm's partners and colleagues
- Committed the fund to more than **180** charities in 10 countries
- Supported charities including:

Billion Oyster Project  
Brent Centre for Young People  
Bromley by Bow Centre  
Caritas Luxembourg  
Cavell nurses' trust  
Coopertiva Lotta  
Coup de Pouce Clé  
Dandelion Time  
Down Madrid  
Earlsfield foodbank  
FRYSHUSET  
idh ingergrative drogenhilfe  
Interfaith Medical Center

Karma Nirvana  
Läxhjälpen  
Minds Matter  
Northwell Health  
Roald Dahl's Marvellous Children's Charity  
St Peter's Brockley Foodbank  
Stockholms Stadsmission  
The UK Sepsis Trust  
Together for short lives  
Unidos@PS  
United World Schools  
52 Lives

# 180

charities supported by the fund to date

# c.50

major grants in 10 countries

# 8

major grants awarded to medical staff

# 60

colleagues applied for matching requests

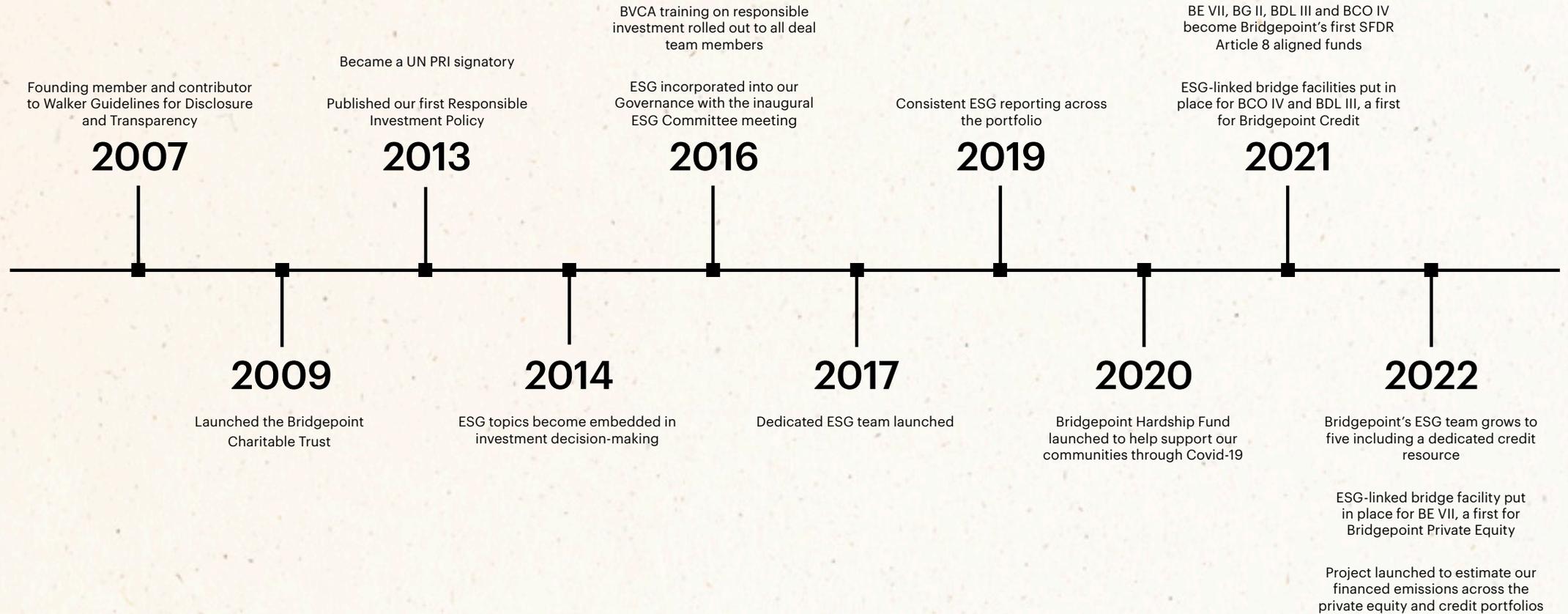
# 8

portfolio companies involved

# >100

colleagues Participated, making it the most involved Bridgepoint initiative

# The Bridgepoint ESG Timeline



## External organisations and affiliations

# Teams work

To deliver our ESG ambitions, we seek to partner with industry-leading organisations and groups:

### ESG best practice:

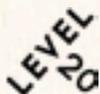
- Sustainable Markets Initiative
- Queen's Green Canopy
- UN PRI
- ESG Data Convergence initiative

### Diversity, equity and inclusion:

- Level 20
- 10,000 Black Interns
- ILPA's Diversity in Action Initiative

### Industry best practice:

- Novata
- Invest Europe Responsible Investment Roundtable
- BVCA
- France Invest
- European Leveraged Finance ESG Committee



End statement:

# Keep pushing



We've come a long way on ESG at Bridgepoint. Standards and expectations are constantly evolving, and we've helped to beat a path for others to follow. There's a lot to be proud of in what we've achieved.

**But we can go further.**

We want to be the best corporate citizens, today and tomorrow, and to drive positive change. We have an opportunity to create better, stronger businesses, but we also bear a responsibility – to our colleagues, to our investors, to society and to our planet.

The influence we can exert is great. We can bring about change across businesses and institutions. We want to take that influence to the next level. We want Bridgepoint to be a force for good, and a source of pride for each and every one of us.

**We can all play a part.**

**This is not  
the end**

Bridgepoint