How we approach sustainability

We are growth investors, and we back businesses at critical stages in their lifecycle. This gives us the opportunity to drive positive change, not just in terms of performance but also in the environment and society in which we operate.

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

When we invest, we invest to grow. Bridgepoint looks to support strong-performing, good-quality, well-managed businesses that have the potential to flourish, whether via international expansion, operational improvement or acquisitions. But that's not all we look for. We want to generate attractive returns in a manner the millions of beneficiaries of our funds can be proud of. From the outset, this is what we have strived to achieve.

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

To create lasting and sustainable positive impact

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

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

 We drive growth and build value by connecting people, capital, ideas and opportunities.
- 2 We believe we must invest in our world and its environment.

 Environmental action is ushering in a new era of innovation, efficiency, and sustainable growth. Climate change represents an investment risk and an opportunity.
- We believe in the power of the individual.

 By bringing diverse teams together that reflect the world in which we live, we can deliver better performance.
- 4 We believe well-governed businesses perform better and are more resilient.

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

We evaluate our four core sustainability beliefs across essential areas: our group operations as entity, our investment decision making, our portfolio operations, and portfolio practices.

Sustainability at Group level

It is our aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards.

2019 2020 2023

Since 2019, Bridgepoint has been calculating its firm-level carbon footprint on an annual basis and since 2020 has been offsetting the greenhouse gas emissions associated with our operations (including scope 1,2,3 emissions, excluding scope 3 category 15 financed emissions).

Since 2020, we operate our global office network on 100% renewable energy, partnering with ACT Commodities, a Bridgepoint portfolio company and leading supplier of market-based environmental solutions.

The partnership with ECP will mark a step change in the Group's sustainability impact. In 2023, we have also established an ESG Committee of the Board to oversee the implementation of the Group's ESG and DEIB policies

- → See more on ECP on pages 12 to 17
- \rightarrow See ESG committee report on page 99

Governance

Laying our sustainability foundations

Our rigorous approach to the management of fund investments includes putting in place 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.

Our Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning. It met twice in 2023 and assists the Board in fulfilling its oversight responsibilities in relation to ESG matters.

→ Read more about our ESG Committee on page 99.

Harnessing the power of our people

Bridgepoint is an international business: our employees come from over 30 nations and 55% of investment professionals are multilingual. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every level and to ensure we foster an inclusive culture where everyone has equal opportunity to succeed – we are currently at 25%+ female representation in investment teams and aim to be 30% by the end of 2025 (40% if you exclude partners).

 \rightarrow Read more about DEIB on pages 32 to 35.

Upon joining Bridgepoint, all new employees are provided with sustainability training, providing new joiners with important information on sustainability activity and our progress. In addition, throughout 2023, the Sustainability team hosted training seminars for the investment teams including sessions covering climate change and responsible investment. These sessions form part of a regular ESG and DEIB training program.

Sustainability team

Across the group we have a dedicated sustainability team of seven who play a pivotal role in strengthening our programme and driving performance at a Group level and across fund portfolios.

Sustainability through the private equity investment cycle

Before, during, after

We carry out thorough ESG due diligence before we invest. We are proactive in working with our portfolio companies to raise their ESG ambitions and help them to achieve their targets. By further embedding ESG in the strategies of our portfolio companies, we set them up for sustainable success both during and after the investment period.

Pre-investment

When we first consider a potential investment, our team will identify any potential sustainability red flags and opportunities as part of our early transaction screening. As an example, we have a private equity exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on sustainability grounds at this or any later stage.

Directly post-investment

We aim to discuss sustainability collaboratively with portfolio companies as early as possible – from the due diligence stage before we have made the investment through to signing and closing the investment and beyond.

During the investment period

Throughout the fund investment period, we regularly review sustainability programmes and progress with management teams, ensuring alignment with Bridgepoint's expected standards and industry-specific good practice. Our objective is to create value by embedding sustainability practices at our portfolio companies.

At divestment

Our goal is to set up businesses for sustainable success following the Bridgepoint investment period.

As the opportunity moves into full diligence

The investment team is responsible for ensuring that any sustainability-related issues are identified and assessed. Third party ESG due diligence is a requirement for every potential investment and forms a key input to the decision making of the relevant investment committee.

Following completion

As part of a 100-day plan, the investment team will work with management to ensure the right governance structure for ESG is in place. For example, this could include ensuring there is a Board member responsible for ESG matters and a member of the team individual responsible for ESG on a day-to-day basis.

Typically during this early stage of the investment period the Bridgepoint's team will support the management team to prioritise a number of ESG related initiatives based on a combination of pre investment due diligence and engagement with the management teams.

During investment

Bridgepoint provides guidance and support to management teams via Bridgepoint's Board representatives and dedicated sustainability team. For the Sustainability team this often includes the coordination of external ESG advisers to support on specific projects as well as 1:1 sessions providing support on the development and implementation of sustainability strategy. In addition, portfolio companies have access to a 'Sustainability Resource Centre' which provides guidance, tools and resources covering key topics such as developing sustainability strategies, as well as information on Bridgepoint's compliance and climate programmes.

A final key element of ESG engagement with portfolio companies is reporting. We understand the importance of collecting and reporting reliable sustainability data and do this via an annual portfolio company survey. Each portfolio company supplies a range of ESG related information, from which a selection of KPIs forms part of the regular reporting presented to the relevant Portfolio Monitoring Committee.

At divestment

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

Sustainability through the private credit investment cycle

Lending weight

Bridgepoint Credit invests across the capital structure and risk-reward spectrum, through our Direct Lending, Credit Opportunities and Syndicated Debt strategies.

Where we make credit investments, we apply an ESG due diligence framework and offer ESG related loan pricing incentives. Where Bridgepoint Credit holds a meaningful equity stake, the credit team supports the implementation of appropriate ESG policies and relevant KPIs to mitigate potential sustainability risks.

Pre-investment screening

When assessing the attractiveness of an investment opportunity, we consider material sustainability aspects as part of our due diligence. Our sustainability analysis is included within the investment recommendation reports which are shared with the relevant credit investment committees, which consider the information as part of the ultimate investment decision.

In addition, an assessment of the governance and policies of the owner of the company is implemented to ensure its governance and policies are in line with Bridgepoint's sustainability standards. The due diligence process involves the completion of an ESG questionnaire which results in a scoring of the company's sustainability practices and solutions.

Incentivisation

We offer incentives to sponsors where appropriate with ESG-linked margin ratchets and regularly monitor portfolio company performance relative to ESG-related KPIs agreed within ESG margin ratchets. These KPIs are typically linked to the interest rate margin of a loan which can be increased or decreased to reflect underperformance or outperformance.

Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles ("SLLPs"), and are therefore material and ambitious sustainability topics relevant to the company. KPIs may include carbon emission reduction, waste reduction, increasing employee diversity, and improving performance within third-party sustainability.

Monitoring

We use a regular ESG survey to assess portfolio sustainability performance on an ongoing basis and use this survey as a platform for engagement with portfolio companies.

Additionally, twice a year, we conduct a formal ESG portfolio review to evaluate sustainability progress and identify any issues that need to be addressed. These reviews provide an opportunity for the credit investment team to engage with portfolio companies, gain sustainability related information and revise our internal scoring of a company's ESG practices and solutions.

ESG-linked margin ratchets

In 2023, Bridgepoint Credit organised for a sustainability council to the Loan Market Association (LMA) to run training on the SLLPs and in particular, how they should be used to structure robust ESG margin ratchets. This training was provided to the Bridgepoint Credit investment team members and the Sustainability team to support them to implement robust and ambitious ESG-linked margin ratchets. Bridgepoint Credit's Sustainability team has also developed an 'ESG Margin Ratchet Introduction' document for portfolio companies to give an overview or our approach and some guidance regarding KPI and target setting.

Embedding our climate impact assessments

Our long-term goal is to make the assessment of climate impact a core part of our credit analysis. The challenge is to obtain data from companies that do not often measure their own climate impact. In 2022, Bridgepoint Credit partnered with a leading global carbon accounting platform to assess the carbon footprints of BDL III and BCO IV portfolio companies. In 2023, we have extended the scope to include BDL II and a number of SMAs. Please see pages 78 to 80 for TCFD Metrics and targets for more information.

Sustainability at ECP

A key milestone in Bridgepoint's sustainability journey last year was the announcement that ECP, a leading North American infrastructure investor specialising in energy transition and sustainability-focused investing, will be joining the platform.

This partnership underscores a unified commitment within Bridgepoint and ECP to embed sustainability principles across our group operations, investment strategies, and portfolio practices, reflecting our shared dedication to responsible investing.

 \rightarrow Refer to pages 12 to 17 for more information on ECP

Sustainability industry associations

Bridgepoint drives positive change in the investment industry

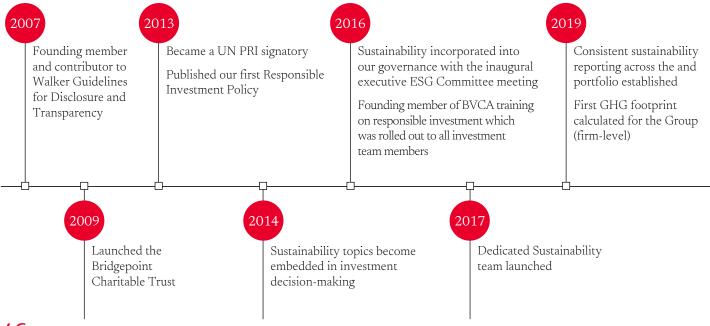
Sustainability initiatives

- Sustainable Markets Initiative ("SMI") We are members of the SMI's private equity roundtable. The SMI, which was launched by HM The King at the World Economic Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.
- Initiative Climate International ("iCl") In 2021, Bridgepoint
 joined the iCl, an initiative for private equity action on climate
 change in support of a collective commitment to understand
 and reduce carbon emissions of private equity-backed
 companies and secure sustainable investment performance.
- ESG Data Convergence Initiative ("EDCI") We are a founding member of the EDCI which was set up by a group of GPs and LPs in 2021 led by CalPERS and Carlyle. The EDCI is the private equity industry's first-ever collaboration to align on a standardised set of ESG metrics and a mechanism for comparative reporting. Throughout 2023, we served as a Steering Committee member which is a position we have held since 2021.

DEIB initiatives

- Level 20 A not-for-profit organisation which promotes gender equality and diversity in private equity. Bridgepoint's co-head of UK investment activities, Emma Watford (Partner and Chair of the DEIB Committee), sits on Level 20's Advisory Committee.
- France Invest Bridgepoint's Head of Capital Markets, Edouard Giuntini, co-heads the Talent & Diversity Commission of France Invest, which promotes industry-wide efforts to increase diversity within investment firms and the businesses they support. Other members of the Paris investment team are also active within the commission, including Anne-Sophie Moinade, who co-led the publication of France Invest's rule-book to promote social diversity at industry level, issued in 2022.
- ILPA's Diversity in Action Bridgepoint is a signatory to the Institutional Limited Partners Association's 'Diversity in Action' initiative which aims to advance diversity, equity and inclusion.
- 10,000 Black Interns We became a member of the '10,000 Black Interns' programme in 2020 to help address the under representation of Black talent in the financial sector.
- Out Investors We are a member of Out Investors, a global organisation that was founded with the mission to make the direct investing industry more welcoming for LGBTQ+ individuals.
- \rightarrow Read more about DEIB on pages 34 and 35

A track record of industry leadership



Sustainability performance

UN PRI 2023 score published in 2023

In our 10th year as a UN PRI signatory, we are pleased to have received the top rating (5 stars) in all three core modules of the assessment, including achieving full marks for the private debt and private equity modules. Additionally, we scored 4 stars in the new module – Confidence Building.

Module	Bridgepoint	Peer Median
Policy, Governance and Strategy	97 / 100	76 / 100
Direct – Private equity	100 / 100	86 / 100
Direct – Fixed income – Private debt	100 / 100	80 / 100

This achievement recognises Bridgepoint's effort and commitments to being a leader in corporate responsibility, and to integrating environmental, social, and governance principles into the full lifecycle of our investments.

Sustainalytics

For the second time, we received a Sustainalytics score in 2023, which put us in the 16th percentile (from the top) in our sub-industry (Asset Management and Custody Services). Whilst this is a good result, we will continue to develop our processes and aim to improve our score on a year-on-year basis.

 \rightarrow For more information on climate risk and risk management more generally please see pages 74 to 81

2021

BE VII, BG II, BDL III and BCO IV become Bridgepoint's first SFDR Article 8 aligned funds

ESG-linked bridge facilities put in place for BCO IV and BDL III, a first for Bridgepoint Credit Purchase of renewable energy attribute certificates for 100% renewable electricity for 2020 onwards

Purchase of carbon offsets to contribute to carbon neutrality for 2020 onwards 2023

Bridgepoint Group plc ESG Committee constituted, replacing the previous executive-level committee

Bridgepoint's Sustainability team grows to seven including a dedicated climate & environment resource Sustainability-linked loan set up for a Plc lending facility with climate and DEIB KPIs

Project launched to refresh portfolio climate risk assessment and start looking at natural capital risk

2020

Bridgepoint Hardship Fund launched to help support our communities through Covid-19 2022

Bridgepoint's Sustainability team grows to five including a dedicated credit resource

ESG-linked bridge facility put in place for BE VII, a first for Bridgepoint Private Equity

Project launched to estimate our financed emissions across the private equity and credit portfolios