

# Bridgepoint's Private Equity Responsible Investment Policy

August 2021

**Bridgepoint**

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## Policy Statement

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Bridgepoint's ambition is to create lasting, sustainable, positive impacts, making our investors, shareholders, and employees proud of how the Firm delivers returns. We believe building sustainable and stable growth businesses leads to a stronger society and superior returns.

Across Bridgepoint's fund strategies, the Firm seeks to deliver both financial and nonfinancial returns to its investors. In practice, this means building bigger, better managed businesses with improved resilience and profitability, which will have a positive and sustainable social and environmental impact on the communities in which they operate.

## Scope

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This policy outlines our approach to integrating ESG factors into the private equity full investment lifecycle, from pre-acquisition through to ownership monitoring and exit.

There is a separate policy for our approach to credit fund management.

## Our Beliefs

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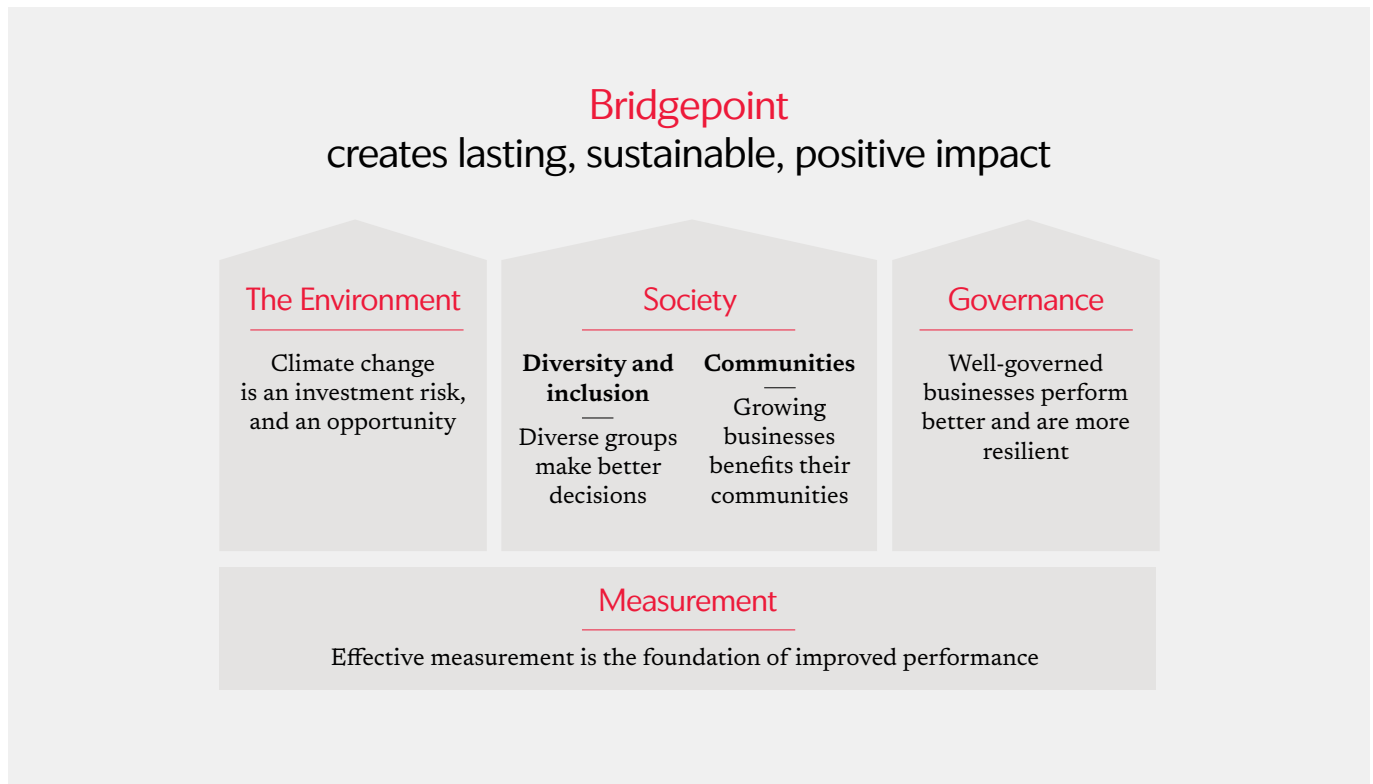
Beneath the Firm's ambition lie four key beliefs that guide our investment decision-making.

We believe we must invest in our world. Climate action is heralding a new era of innovation, productivity and sustainable growth. Therefore, 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.



## Integration into the Investment Process

### Pre-investment

Bridgepoint does not 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.

Full ESG due diligence is conducted prior to Bridgepoint funds making investments and the findings from this diligence and any recommended remedial actions form a key part of the analysis presented to Bridgepoint's Investment Advisory Committee. Guidance has been issued to Investment teams to support them to integrate ESG into the due diligence process and our dedicated ESG team provides further advice and guidance as appropriate.

We align investment decisions in support of achieving the United Nations Sustainable Development Goals (SDGs). We assess: the company's performance against the SDGs; any ESG considerations related to the company's business model; its existing ESG policies and programmes; 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.

Throughout the fund investment period, we work with portfolio company management teams to ensure certain ESG initiatives and standards are implemented, that there is a regular review of their ESG

policies ensuring they remain aligned with industry-specific good practice and deliver positive outcomes for example alignment to one or more of the UN SDGs. Bridgepoint regularly monitors ESG performance across the funds, using a specialised ESG reporting software system which is integrated in the financial reporting completed by portfolio companies, and provides guidance and support to management teams via the Bridgepoint board representative and/or the dedicated ESG team.

Examples of the portfolio-wide initiatives/targets we set for all companies includes, but not limited to:

- > Implementation of a company-specific ESG policy (or equivalent), if not already in place, and appropriate KPI monitoring system;
- > Assignment of ESG responsibilities to a portfolio company board-level executive;
- > A requirement to measure the portfolio company carbon footprint and implement measures to reduce it; and
- > To ensure diversity of the board and as a minimum, to have at least one female board director.

## ESG Training

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All Bridgepoint 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 this pioneering ESG training course in 2016 (updated in 2020) which has since become an industry standard. Although delivered by the UK's industry body, the course is designed to be relevant for professionals working in all of the jurisdictions in which Bridgepoint operates. In addition, ad-hoc training is provided to employees on certain topics such as unconscious bias, modern slavery etc.

## Reporting

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Monitoring of ESG performance (i.e. progress against agreed objectives, targets, and KPIs) is integrated into the Firm's Portfolio Management Committee review process. All portfolio companies in a fund will be subject to a regular review and ESG forms a critical component of the papers submitted by the Investment team. The approval of such submissions to the Committee is dependent both on the Committee's overall satisfaction with the update provided as well as, specifically and separately, its comfort with its ESG-related updates in relation to a portfolio company.

We publicly report progress on our ESG approach and performance in our Annual Review, which is published on our website, and through our annual PRI Transparency Report.

Reporting to fund investors occurs via Quarterly Reports, which include a dedicated section on non-financial performance, summarising key highlights and KPIs that are collected and aggregated across the portfolio using our integrated portfolio monitoring system. ESG is also a regular agenda item on Limited Partner Advisory Committee meetings (held twice a year) and the Annual Investor Meeting.

## Memberships

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Bridgepoint continuously develops and enhances its responsible investment approach, taking into account the latest international standards, guidelines and best practices. These include: the UN Global Compact, the recommendations of the 'Task Force on Climate-related Financial Disclosures' ("TCFD"), the 'UN Sustainable Development Goals' ("SDGs"), the 'OECD Guidelines for Multinational Enterprises', and guidance from the 'Sustainability Accounting Standards Board' ("SASB"). Bridgepoint has been a signatory to the 'United Nations-supported Principles for Responsible Investment' ("PRI") since 2013 and is a former member of its 'Private Equity Advisory Committee'.

The Firm participates in key industry associations and initiatives which aim to promote responsible investment, ESG integration and greater diversity and inclusion across the private equity sector. These include but not limited to: 'Invest Europe's Responsible Investment Roundtable', 'ILPA's Diversity in Action', and 'Level 20', which aims to promote gender diversity in the European private equity industry.

## Governance

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Bridgepoint's 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 fund investors.

The ESG Committee, supported by the ESG team, is responsible for overseeing the implementation of this policy. The Group Board is ultimately responsible for ESG matters across the Firm. The ESG Committee meets on a quarterly basis and regularly reviews the status of policy implementation.

Day-to-day implementation of this policy is the responsibility of all Bridgepoint's senior leadership, private equity investment professionals, ESG team, and all those with specific ESG roles or tasks.

This policy was last updated in August 2021.

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