

Bridgepoint's Private Equity Responsible Investment Policy

Policy statement

We recognise the importance of integrating strong environmental, social and governance ('ESG') principles into our business and investment practices. By doing so, we believe we are acting in the long-term interests of our investors, employees and portfolio companies and that it also makes good business sense.

This policy defines our core ESG principles and commitments and details our approach to integrating material ESG factors into Bridgepoint's activities and investment processes in a systematic way.

Bridgepoint is a signatory to the United Nations Principles for Responsible Investment ('the PRI') and endorses the recommendations of the Walker Guidelines on greater disclosure and transparency in private equity.

Scope

This policy will apply to the operations of Bridgepoint's Private Equity investment activities.

Core ESG Principles

Our responsible investment commitments are based on the following ESG principles:

1. To build long-term sustainable businesses, delivering returns to investors in a responsible manner;
2. To apply rigorous governance standards to the operation of the Firm, ensuring management structures facilitate appropriate transparency and accountability;
3. To ensure strong ESG principles are incorporated into our investment disciplines for acquiring new businesses and are a key part of the governance of the funds' portfolio companies;
4. To encourage diversity and equality throughout Bridgepoint and respect international standards on human rights and modern slavery; and
5. To provide adequate resources to support the implementation of Bridgepoint's Responsible Investment policy.

Governance at Bridgepoint

Bridgepoint is driven by a set of values about how we do business, underscored by our duty to invest responsibly. We have adopted a rigorous approach to the governance of our Firm as well as the companies in which we invest, integrating our ESG principles into everyday business practices.

To ensure the Firm remains appropriately accountable and transparent, a number of governance structures are in place. Bridgepoint is managed by a Group Board, which has executive responsibility for the strategic direction of the Firm. Operating committees, comprising members of the Group Board, are in place to support the management of the day-to-day operations of the Firm.

An ESG Committee is responsible for ensuring senior management give due consideration and attention to ESG matters. It is responsible for overseeing and monitoring Bridgepoint's approach to responsible investing, ensuring that ESG policies, systems and procedures are embedded in Bridgepoint's and its portfolio companies' decision-making processes. The committee comprises Partners from across the Firm's investment teams and support functions, and is led by the chairman of our Advisory Board.

Investment decisions are reached through the Firm's investment consideration processes, which include consideration of material ESG factors associated with individual investment cases. A Portfolio Management Committee is responsible for formally reviewing all investments on a regular basis, with review papers typically comprising a section on ESG.

Bridgepoint's Head of ESG reports to the ESG Committee and is responsible for coordinating the Firm's ESG activities. A partner-level General Counsel and legal function is responsible for ensuring that the Firm respects and adheres to its internal regulatory policies. Internal guidelines are also in place to eliminate conflicts of interest, taking into account the Firm's obligations under its fund management agreements and fiduciary duties.

Bridgepoint Charitable Trust

Our non-profit charitable foundation – Bridgepoint Charitable Trust (BCT) – was founded and is funded by the Firm and its employees, providing support to charities nominated by our teams across our network and considered by trustees who are drawn from across the Firm. BCT also matches the fundraising efforts of individual team members and is able to support the charities sponsored by colleagues or companies having a relationship with the Firm. Since its inception, BCT has given over £2 million to charities nominated by our teams.

Embedding ESG into investment processes

We are committed to appraising ESG risks and opportunities at all stages of the investment lifecycle as appropriate:

— *Pre-investment processes*

As part of the evaluation of new investment opportunities, Investment Teams will consider ESG factors in the due diligence process. In most cases, external ESG advisors will be used to complement the work completed by the teams and in-house specialists. Where appropriate, the Head of ESG may be consulted to provide guidance and support to the teams.

Investment proposals submitted to the Investment Advisory Committee will include a summary of material ESG risks and opportunities to be considered. In addition, the ESG Committee separately reviews new investment proposals from a risk perspective and provides views to the Investment Advisory Committee as appropriate.

We have adopted a pragmatic approach to consideration of ESG factors, recognising the inherent risks and opportunities to individual companies and that these can vary across sectors and geographies. Common ESG topics we would typically consider include the following:

- **Environmental:** environmental compliance performance; pollution and soil and groundwater contamination; climate risks; environmental standards in the supply chain; and resource efficiency (i.e. energy / water consumption, waste management and recycling, raw material usage etc);
- **Social:** employee health, safety and welfare; human and labour rights and working conditions (especially in relation to the risks of modern slavery, child labour and human trafficking in supply chains); code of conduct; gender and diversity; training; and community investment; and
- **Governance:** Board and management structures; governance, risk and compliance; anti-bribery and corruption; anti-money laundering; data and cyber security; monitoring and reporting.

Material issues identified during due diligence may cause the Firm to no longer proceed with a potential

investment or be factored into 100 day plans or similar corrective action plans and tracked accordingly.

— *Post investment processes*

For new companies that come into the Bridgepoint portfolio, we require management teams to develop and implement certain ESG standards. These include establishing an ESG policy, processes and procedures (if not already in place) to manage company-specific material risks and opportunities; to comply with relevant local environmental and employment laws; and develop an ESG action plan with appropriate KPIs to monitor and report performance. We encourage management teams to regularly review their ESG policy to ensure it is relevant and aligns with industry-specific good practice, and notify Bridgepoint of any material issues should they arise.

Bridgepoint will provide guidance and support to portfolio company management teams where necessary via the Bridgepoint Board representative and / or Head of ESG, as appropriate. External ESG advisers may also be utilised as required.

Monitoring and reporting

The ESG Committee reviews this policy and monitors its implementation on a regular basis, supported by the Head of ESG. The committee reports to the Group Board on ESG policy and targets on a regular basis.

We conduct an annual portfolio-wide ESG review and KPI data collection process to assess implementation status and performance at the portfolio company level. In addition, portfolio company ESG performance is regularly reviewed as part of the Portfolio Management Committee process.

We report on our ESG performance on an annual basis, through our Annual Review and PRI submission. Further verbal and written updates are provided to our investors at our Limited Partner Advisory Committee which meets every six months.

Further information on our approach to responsible investment can be found on our website.

Review and communication

This policy was reviewed by the ESG Committee and approved by the Group Board on 20 April 2018.