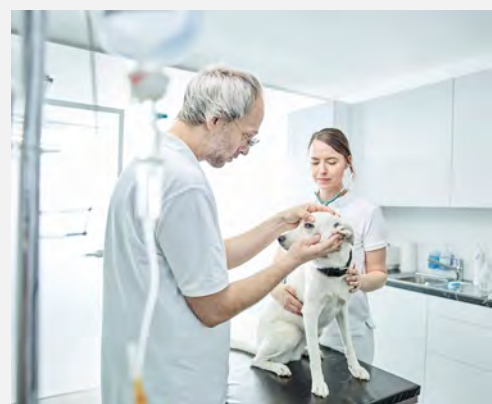




# ESG REPORT 2021



# BC PARTNERS AT-A-GLANCE

Founded in 1986, BC Partners (“the Firm”) is a pioneer in European private equity with a longstanding presence in North America. The Firm operates as an independent partnership with an experienced, long tenured, and cohesive investment team comprising 89 investment professionals as of 30 June 2021.

This team covers five core business sectors in two deeply rooted geographic networks, executing a disciplined approach in deal sourcing, due diligence, portfolio construction, value creation, and value realization at exit.



\$42  
BILLION  
Assets Under  
Management

11  
Successive  
Funds

122  
Private Equity  
Investments

Over the years, the Firm expanded its geographic presence from Europe to also include North America, where BC Partners has been successfully investing for over a decade. In addition, the Firm has more recently formalized what had been a primarily geographic approach to deal sourcing to a primarily sector focused approach with the benefit of a geographic overlay. While focused on five business core sectors where the Firm has been successfully investing for over thirty years, the Firm continues to benefit from its deeply rooted geographic networks, particularly in Europe. As the Firm has grown, BC Partners has also institutionalized its business processes and decision-making frameworks in an effort to enable more effective management and governance, while maintaining the partnership ethos that has always been core to the Firm. Most recently, the Firm has introduced Credit (2017) and Real Estate (2018) investment strategies alongside its existing Private Equity platform.



# TABLE OF CONTENTS

---

## **04** LETTER FROM OUR EXECUTIVE COMMITTEE

### ESG Integration

---

#### **06** NEW ESG LEADERSHIP

#### **08** ESG IN THE INVESTMENT PROCESS

#### **10** CLIMATE RISK ANALYSIS -TCFD REPORTING

#### **12** PRIVATE CREDIT ESG PRACTICES

#### **13** REAL ESTATE ESG PRACTICES

### ESG in the Portfolio

---

#### **15** PORTFOLIO COMPANY SURVEY HIGHLIGHTS

#### **16** CASE STUDIES

### ESG at the Firm

---

#### **25** DIVERSITY AND INCLUSION

#### **26** FOUNDATION

**Raymond Svider**

Partner, Chairman of BC Partners,  
Chairman of the Executive Committee

**Nikos Stathopoulos**

Partner, Chairman of the Portfolio  
Management Committee, Member of the  
Executive Committee

**Jean-Baptiste Wautier**

Partner, Chairman of the Investment  
Committee, Member of the Executive  
Committee

**Fahim Ahmed**

Partner, Chief Administrative Officer,  
Member of the Executive Committee

## TO OUR INVESTORS, PARTNERS AND STAKEHOLDERS:

Our world's experiences over the last 18 months have only emphasized what we already knew: wise investors cannot ignore environmental or social impacts, nor the various stakeholders important to a transaction. COVID-19 has only sharpened our clarity on ESG matters such as climate change, and we know our investors feel the same as expressed in their increasing demand to both reflect their values and protect their returns via ESG.

Consideration of ESG factors, however, is nothing new at BC Partners. We were amongst the very first private equity firms to sign the UN's Principles for Responsible Investment (PRI) back in 2009, followed by adopting our first firm-level ESG policy in 2010. A decade ago we mandated ESG inclusion in Investment committee memos and universal portfolio company ESG assessments, long before it was common amongst our peers. That commitment was recognized by external evaluators: PRI gave us "A" grades in all modules in our most recent assessment.

However, the field of ESG has changed and matured rapidly in recent years, and we therefore decided to re-invest in the area to ensure that we could enjoy a second decade of ESG leadership. First, we appointed an ESG committee, chaired by Nikos Stathopoulos, to oversee ESG at an executive level. Second, we hired Colin Etnire from The Carlyle Group to be our first dedicated Head of ESG. Third, we revised and updated our firm's ESG policy and procedures (available [here](#)). Fourth, we signed on to numerous external frameworks and initiatives, including the Taskforce on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and the ILPA Diversity in Action Initiative. Finally, we worked with external specialist firms to conduct our firm's first-ever climate risk assessment.

While we're proud of these procedural and personnel improvements, we are particularly excited by the substantive ESG value creation in the portfolio. Our case studies (pages 16-23) illustrate how we've driven positive impact, including NAVEX acquiring CSRware to offer ESG management solutions to clients, PetSmart investing in LED lighting retrofits, and Springer Nature making a net-zero carbon commitment.

Of course, we have also maintained our commitment to conducting our own business in line with ESG principles, including collection of more-detailed Diversity and Inclusion metrics (page 25), and continuing the important work of the BC Partners Foundation.

2021 is an exciting time for our industry, and for the rapidly developing ESG field. We thank you for the trust you have shown us, and hope to reward your trust with continued ESG excellence.

- THE EXECUTIVE COMMITTEE





# ESG Integration

# NEXT CHAPTER OF ESG LEADERSHIP



**Colin Etnire**

**Head of ESG**

Colin Etnire joined BC Partners in New York in 2020. Previously, Colin spent 4 years at The Carlyle Group as an ESG analyst where he worked under the Chief Sustainability Officer to implement an ESG program across Carlyle's \$221 billion AUM platform. Prior to this, Colin worked for the New Hampshire Democratic Party and interned at the White House.

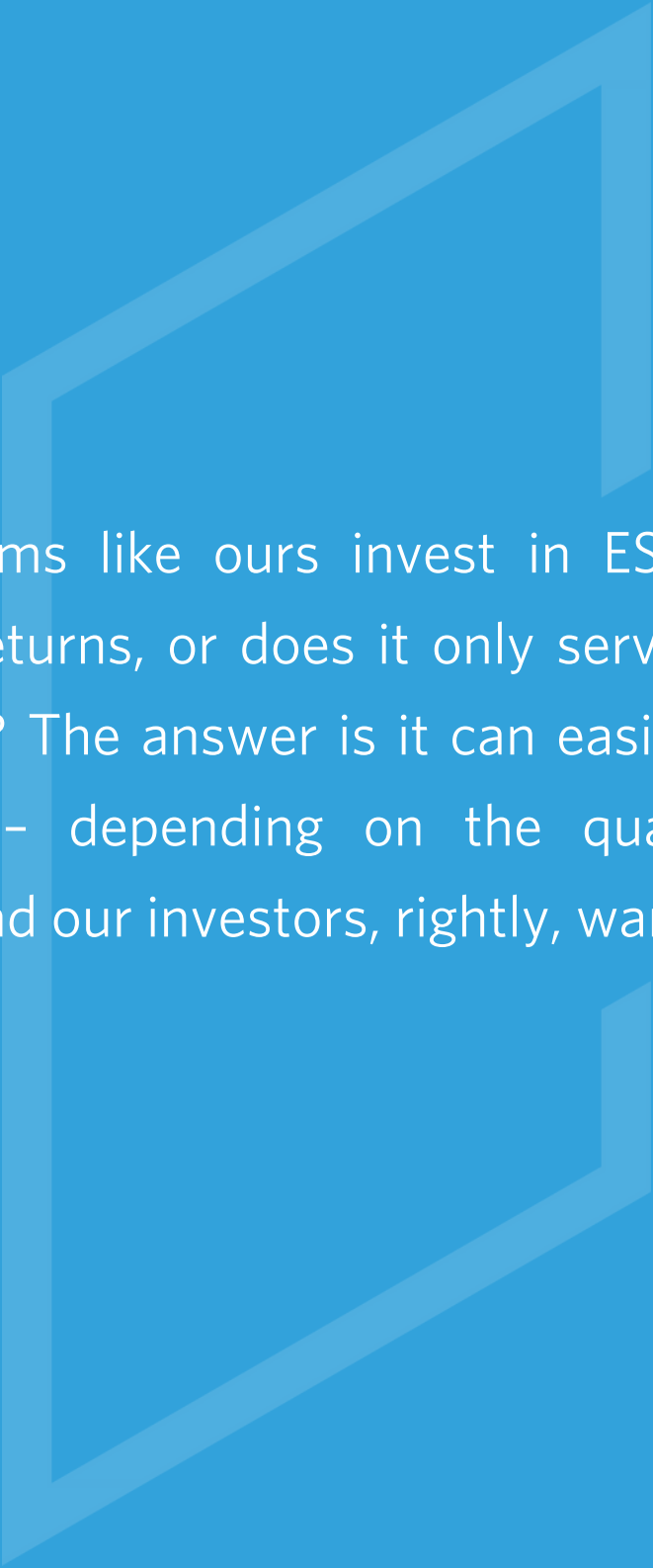
Why do firms like ours invest in ESG? Does it maximize returns, or does it only serve our moral convictions? That's the long-simmering debate, inside and outside ESG circles. For me, the answer is it can easily be both – or neither – depending on the quality of the program. And our investors, rightly, want both.

By its nature, ESG is not simply one thing, but a vast constellation of different issues and topics. That's reflected by our investors who, both individually and collectively, have a multitude of different interests with respect to ESG matters. To really leverage the value-creation potential of ESG, and serve our investors' diverse interests, investors must tailor their approaches to the material factors of each transaction, and each company's particular stakeholders. That's not merely my opinion: it is what the research tells us is the only way to truly generate alpha with ESG (citation [here](#)).

Of course, this is no easy task. It takes a skilled, strategic ESG practice that goes beyond a dedicated function and is embedded throughout the firm. That's a far cry from what was going on five years ago in private equity ESG, where the bulk of the job was convincing others of its worth. BC, however, was well ahead of its peers in this journey: an ESG policy, PRI membership, external ESG audits, and mandatory inclusion of ESG in investment committee memos were all in place a full decade ago.

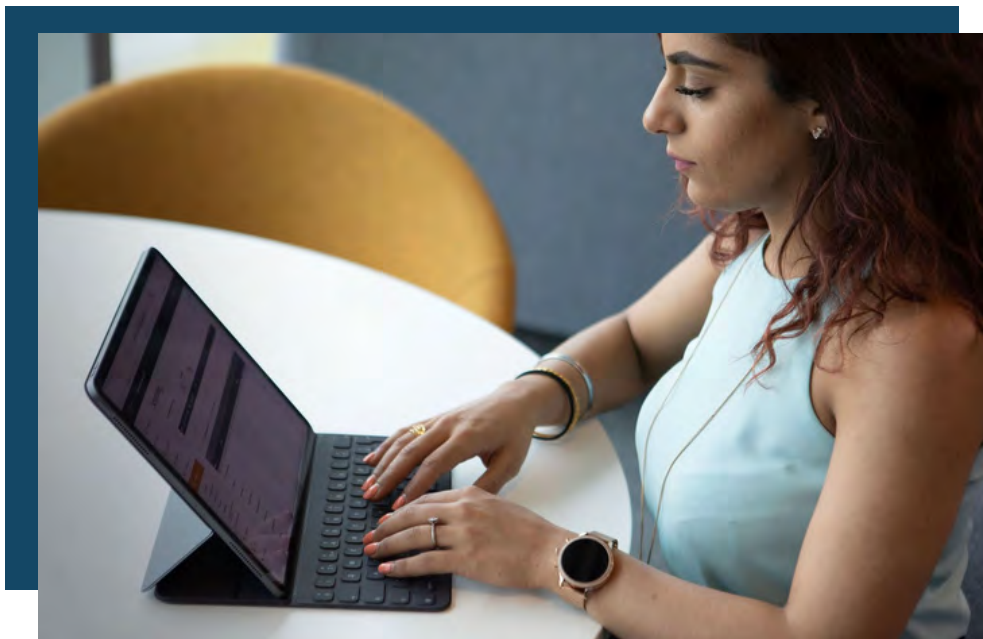
To their credit, our partners weren't content with that early success, and have invested deeply in ESG over the past year to solidify our next decade of leadership. Obviously that includes my hiring but it also includes our first-ever climate risk analysis, signing on to external frameworks, and a revamp of our internal policies and procedures related to ESG. Our hope is that these changes will enable us to do precisely the sort of bespoke ESG work that I alluded to above. I personally deeply review every transaction, and refer each one to the type of additional diligence I find necessary based on my years of reviewing PE deals for ESG. That, combined with direct engagement with portfolio companies, is the backbone of a rigorous ESG process.

I hope this will allow us to deliver the kind of ESG and financial outperformance that you have every right to expect. I'm incredibly proud of our work here over my first year, and am excited for what we'll be able to deliver over the next one.



“Why do firms like ours invest in ESG? Does it maximize returns, or does it only serve our moral convictions? The answer is it can easily be both – or neither – depending on the quality of the program. And our investors, rightly, want both. ”

# ESG IN THE INVESTMENT PROCESS



BC Partners has integrated ESG into its investment process for longer than most of its industry peers, having required ESG sections of investment committee memos starting in 2010, and engaging PwC to assess every portfolio company for ESG starting in 2011.

However, leadership requires constant renewal, and we decided to modernize our ESG integration processes to reflect 2021 best practices, as well as to standardize and deepen our practices, via our new ESG Policy effective this year. You can access the policy itself [here](#) and see a graphical summary on the next page.

ESG integration in our process formally starts at the “Preview Note” phase, where diligence of a potential target begins in earnest. Once this note is approved, the deal team refers the deal to the Head of ESG, who composes an ESG advisory memo. This memo provides an overall perspective on the deal, as well as highlighting all potentially material ESG issues that would need to be evaluated, and a recommended approach for diligence, including which (if any) 3rd party specialists to engage.

In diligence, the deal team takes primary responsibility for collecting answers that respond to the ESG advisory

memo, since we believe ESG diligence should not be segregated from the broader diligence process. In addition to making sure ESG isn’t sidelined, it also ensures that information gathered from other diligence streams can be incorporated in the final evaluation.

Once all relevant information is collected, the results are compiled into a dedicated ESG section of the Preliminary (and or Final) Investment Memorandum for Investment Committee consideration. While the Head of ESG approves the slide, and attends the IC to clarify issues if necessary, the ultimate evaluation of ESG risks and opportunities falls to the investment committee itself.

Once acquired, we are now aiming to establish ESG action plans early on in the ownership process, and continually support companies throughout ownership as ESG issues and opportunities arise. This support comes directly from the Head of ESG on an ad hoc basis, and now includes a pan-portfolio working group online platform. In addition to support, BC now monitors its investments through an annual ESG survey of several dozen standard KPIs, allowing us better ability to manage ESG factors and to communicate them to our investors.



# NEW ESG POLICY

As of 2021, we have adopted a new ESG policy that updates our Private Equity investment procedures (shown at right) and illustrative principles around primary ESG topic areas (shown below).

You can find our policy at this [link](#) on our website.

## MATERIAL TOPIC AREAS

### Environmental

Risk due to climate change (transitional and physical), use of scarce resources such as energy and water, circular economy, and minimizing disruption of natural world

### Social

Diverse and Inclusive Teams, Respecting Labor Rights such as safe working environment and freedom from coercion, and Human Rights of all those affected by our activities

### Governance

Meeting all relevant regulatory and compliance standards, complying with highest standards of business ethics with respect to financial controls, compliance, transparency, and anti-corruption efforts

## ESG INTEGRATION IN THE PRIVATE EQUITY INVESTMENT PROCESS

### Head of ESG Advisory Memo

When the Investment Committee has accepted the Preview Note on a potential transaction, the deal is referred to our Head of ESG, who composes an ESG advisory note outlining potentially material ESG issues for diligence, and a recommended plan for assessing them

### ESG Diligence

The investment team leads the diligence process, with support from the Head of ESG, and potentially a third party ESG specialist, to assess identified issues

### Investment Committee Consideration

The findings of ESG diligence are presented to the Investment Committee in the Preliminary and/or Final Investment Memo for their ultimate consideration

### Integration into Ownership

Throughout the ownership period, we will leverage our internal and external ESG resources to add value to the portfolio company and improve its management of ESG factors

### Monitoring

In addition to specific ESG initiatives, we will survey every portfolio company annually on a wide variety of standardized and customized ESG factors to provide insights and transparency





# CLIMATE RISK ANALYSIS

## TCFD REPORTING

Climate change is an existential risk to our world, and while the particulars are uncertain, the general trend is well-understood and anticipated far in advance. We are now far enough along into anthropogenic climate change that we are simultaneously bearing costs associated with preventing future catastrophe (transitional risk) at the same time as the early negative impacts associated with climate change such as extreme weather events (physical risk) are beginning to manifest. The risks to investors are obvious, and we aim to integrate climate risks into our investment process in order to increase the resilience of our portfolio and do our part to avoid a climate disaster.

In 2015, the Financial Stability Board under then-Governor of the Bank of England, Mark Carney, established the Task Force on Climate-related Financial Disclosures, which in turn released its recommendations two years later. By 2020, the private equity industry began to widely embrace this framework, and BC Partners signed on as a TCFD supporter. In line with the recommendations, we engaged third-party specialists to assist with our first-ever climate risk assessment in 2021, paving the way for us to make our first TCFD-aligned disclosures, which follow here:

### Governance

Ultimately, we want governance for all climate risk considerations to flow to the same centers of strategy and risk management as any other topic in the firm. As such, the top decision-making body, the Executive Committee, oversees climate risk via the ESG Committee, chaired by ExCo member Nikos Stathopoulos. To the extent that climate risk analysis is generated, it is passed along to the committee for consideration. Similarly, the primary vetting body for transactions, the Investment Committee, is presented with the results of any climate-related diligence information, as required by our ESG policy, for consideration. In all instances, our Head of ESG is responsible for guiding the identification of climate risk factors, working with deal teams and outside specialists in order to do so. For this, our first year of TCFD-aligned reporting, we focus on our private equity platform, since it represents over 90% of our AUM.

### Scenario Analysis

In spring of 2021, we engaged Bridge House Advisors (BHA) to assist us in creating our first climate risk analysis, including scenarios as the TCFD recommends. For transitional risk, they compiled all existing Scope 1 and 2 GHG emissions data that BC had collected through its annual ESG survey, and filled in gaps through sector- and revenue-based estimates. Using these footprints, they then assessed each company's exposure to existing GHG-regulation schemes, and modeled exposure as a function of revenue to multiple possible future carbon pricing scenarios. This allowed BC to identify that just 11% companies faced potentially material exposure to immediate carbon pricing even in fairly aggressive scenarios, which allowed us to better target our GHG-reduction interventions.

For physical risk, BHA contracted climate modeling firm Sust Global to run a screen on 500 facilities across our portfolio, sampling risk across different companies and geographies. In the near term (reflecting our investment horizon), these risks do not differentiate by scenario since these negative effects of climate change are already “baked in.” However, Sust Global's model runs to 2100 and covers different IPCC scenarios and reflects risks from wildfire, flood, heatwave, drought, and sea level rise. The result was that a similarly small portion of the portfolio (3 of 27) was exposed to any potentially significant physical risk, once again allowing us to target interventions.

### Strategy and Risk Management

BC Partners' traditional strategy has tended to avoid the highest-risk sectors such as fossil fuels, aviation, and mining, which means that our strategy is inherently more resilient than those that do not. With our investment in the last year in our first-ever climate risk analysis, and the hiring of our new Head of ESG, we aim to inject a more robust understanding of these risks to our traditional risk management processes so that we can seek even greater levels of resilience across the sectors where we do have exposure.

In addition to using discretion over these areas in the investment decision-making process, we aim to actively manage these risks while in the portfolio through direct engagement between the Head of ESG and management. We believe we can use our role as active investors to generate real value through additional investment in climate-resilient operations, and several examples are featured in case studies later in this report, such as PetSmart's LED lighting retrofit.

# CLIMATE RISK ANALYSIS - TCFD



## METRICS:

Our work with BHA and Sust Global has generated several reportable metrics that our investors can use to understand our level of climate risk exposure:

Zero

Fossil Fuel Investments  
in Private Equity

500

Total portfolio sites evaluated  
for physical risk

3 of 27

Portfolio companies potentially  
exposed to high physical risk

119MT  
CO<sub>2</sub>e/\$M

GHG intensity per unit of revenue  
(compared to 133 for MSCI World)

89%

Companies with no  
material carbon pricing  
exposure @ \$40/MT

# PRIVATE CREDIT ESG PRACTICES



**As a part of BC Partners' broader commitment to ESG, our credit platform has developed an approach that matches our firm's responsible investing principles while also being tailored to the specific nature of the investment process for private debt.**

Private debt has proven one of the more complex asset classes for ESG integration across the entire industry, since it neither provides the level of control of a buyout transaction nor typically comes with the robust data available in public equities. As such, processes have to be designed in such a way that brings substantive ESG considerations into the investment process without relying on significant public data.

BC Partners started out ahead of many of its peers, already having required ESG considerations to be documented in investment committee memos, leaning on investment professional's deep knowledge of their own investments. In 2021, out of a desire to stay at the very front of industry best practices, we strengthened this approach by adding the following elements:

- Negative screens, flagging high-risk sectors
- External diligence resources, including NAVEX Risk Rate
- Head of ESG review of high-risk investments

We believe this standardized due diligence approach allows us to incorporate genuinely decision-useful information, enhances our due diligence scope of risks, and lays a foundation for further strengthening over time.

As the private debt space evolves on ESG in the coming years, we believe that our procedures and our portfolio will position us favorably going forward, and fully intend to continually expand on our leading position.



# REAL ESTATE ESG PRACTICES

BC Partners Real Estate ("BCPRE") is a real estate investment platform launched in 2018 as a fully integrated business within BC Partners. It defines bespoke capital deployment strategies fitting local market-specific dynamics and leverages BC Partners' strong operational ethos to create value from real estate investments across all major asset classes.

From the outset, BCPRE incorporated environmental and social factors into its development strategy, as evidenced by a series of policies and procedures such as its ESG policy, which aligns its principles with the firm-level ESG policy, tailored to BCPRE's specific investment processes.

The real estate team has defined 5 environmental pillars of its ESG strategy:

- Reduction of GHG emissions
- Adaptation to climate change
- Optimization of energy consumption
- Protection of biodiversity
- Development of the circular economy

This commitment was applied in 2020 by reporting to GRESB for its first fund, BC Partners European Real Estate I ("BCPERE I"), and continued in 2021 by submitting the fund's second annual GRESB assessment. GRESB is the largest sustainability benchmark assessment for real estate companies globally, and the team has targeted a 4-star rating for assets held by BCPERE I. In addition, the team aims to obtain green building certifications, including BREEAM (at the "Excellent" level for office developments over which BCPRE takes control as early as concept design stage) and other international and national certifications (LEED, DGNB in Germany, HQE in France, etc) where relevant.

## ESG IN THE PORTFOLIO

Wingate House is a preeminent office building in the heart of London's Soho, which BCPERE I acquired in November 2019 to redevelop. As an existing building, it is already accredited BREEAM "Very Good," although the team has been working in recent months to upgrade its rating to "Excellent" upon practical completion of the speculatively redeveloped office areas.

In February 2021, BCPERE I signed an agreement to acquire a portfolio of two vacant buildings and individual units across the center of Milan. In line with BCPERE's minimum standard of energy rating for new buildings being Attestato Prestazione Energetica (APE) Category A, the design will include a photovoltaic system for at least one of the buildings, a geothermal system for heating and air conditioning, and sustainable windows that provide strong thermal insulation.

In June 2021, BCPERE I acquired a landmark office building in Berlin's Kreuzberg (pictured at left), with the potential of new area creation already secured. The team is initially targeting a BREEAM "In-Use" certificate for the existing building and BREEAM "Excellent" for the new development.



Tempelhofer Ufer I,  
an office building in Berlin acquired  
in June 2021





# ESG in the Portfolio

# PORTFOLIO SURVEY HIGHLIGHTS

Every year, we send out an ESG survey to our entire private equity portfolio, covering several dozen indicators related to all major ESG topic areas. This survey provides an excellent opportunity to engage with our companies, more knowledge about where and how to support them, and accountability for us as a firm as we strive to improve ESG performance.

Below are select highlights from our 2021 survey:

PUBLISH THEIR OWN  
ESG/CSR REPORT

11 of 27



WOMEN IN  
MANAGEMENT ROLES

39.5%

MEASURE THEIR OWN  
GHG FOOTPRINT

12 of 27



TOTAL EMPLOYEES

244,000



AVG. GHG INTENSITY  
PER UNIT OF REVENUE

119t/\$M

# CASE STUDY:



**Region:** North America

**Sector:** Industrial

**Investment Year:** 2018

**Sustainability Report:** [Link here](#)

## HIGHLIGHTS

### 2020 SEAL Awards

Selected for Business Sustainability Award and Environmental Initiative Award

### One of 50 Climate Leaders @ VISION 2045

Selected as the only waste management company invited to participate

### 3.2 million MT of CO<sub>2</sub>e avoided

In 2019 fiscal year, excluding M&A after Q3 2019

GFL stands for “Green for Life.” GFL’s founder Patrick Dovigi’s vision was to create a more environmentally-minded environmental solutions company that was firmly at the center of the circular economy. Since its founding GFL has been focused on providing its customers with cost-effective, environmentally responsible and sustainable solutions such as recycling, organics processing, and soil remediation alongside the traditional offerings of a waste management company.

A critical component of BC Partners’ diligence before investing in GFL was validating this aspect of GFL’s ESG leadership beyond strong brand awareness, where GFL is instantly recognizable by its iconic green trucks. WSP assisted the deal team with comprehensive benchmarking which showed that GFL was in fact a leader across most ESG KPIs. However, our diligence showed that GFL had yet to formalize and fully track or communicate its ESG efforts in a manner that distinguished it from its peers.

As stakeholders such as customers and investors become increasingly aware and sophisticated around all aspects of ESG, companies require the right leadership focus and internal processes to ensure not only that targets are being met but also that it is getting credit for its efforts. One of the key pillars of our Value Creation Roadmap led by Lisa Sibenac, a permanent member of the BC Partners Deal Team assigned from Portfolio Operations, was to institutionalize GFL’s approach to ESG.

We encouraged GFL to redeploy one of its top five officers, Joy Grahek, who was formerly EVP and GC, to focus on ESG. We also supported GFL’s push to build a top ESG team around Joy, which included the budget for several senior-level sustainability hires. With the right team in place, GFL has invested in the development and delivery of its sustainability action plan centered around:

- A robust environmental management system to ensure compliance and track environmental performance measures at an operational level that promote greater environmental responsibility; and
- Investing in alternative environmental solutions that help their customers and communities achieve their own sustainability goals.

GFL published its first full sustainability report in 2020, with the 2021 update due out soon.



## CASE STUDY: GFL GREEN FOR LIFE



Beyond the importance of tracking and communicating the sustainability value of initiatives that were already in place, GFL has developed a company-wide Environmental Innovation Program which formally promotes and recognizes the grassroots inclination they already had to continuously strive to further reduce its own greenhouse gas footprint and that of their customers. Initiatives developed and tracked through the Environmental Innovation Program include transitioning its fleet to CNG from diesel, maintaining and upgrading several landfill-gas-to-energy plants, and as recently announced, an effort to harvest CNG gas from landfills to fuel its collection trucks. The team is especially proud of its investments in state-of-the-art material recovery facilities that leverage AI to improve sorting and cost-effectively optimize end-product purity along with usability to ultimately increase recycling ratios.

These initiatives have generated significant external recognition: GFL was the only waste management company invited to participate as one of 50 Climate Leaders in the VISION 2045 conference coinciding with COP 26. In addition, GFL won SEAL's Business Sustainability Award and their Environmental Innovation Program was awarded a 2020 SEAL Environmental Initiative Award for excellence in specific environmental and sustainability initiatives.

GFL exemplifies that ESG isn't simply a cost center, but rather an investment with measurable ROI. GFL has done well by doing good – beyond the positive “environmental return” of our collective efforts, the stock price rose nearly 7% on the day the SEAL award was announced. Looking forward, GFL will continue to lead and innovate across all aspects of ESG, appealing to investors among the \$37.8 trillion (and growing) ESG investment market.

# CASE STUDY: **vetPartners**



**Region:** Europe

**Sector:** Healthcare

**Investment Year:** 2018

**Sustainability Report:** [Link here](#)

## HIGHLIGHTS

### **3.6 Tonnes**

of PPE recycled since October 2020 via the TerraCycle Zero Waste Boxes we provide to our practices

Seven of our businesses are

**Investors in the Environment (iE) members,**  
including one with Silver accreditation

### **£38,012**

Raised for charities including Pets as Therapy and Nowzad Animal Rescue since 2020

In January 2021, VetPartners launched Looking Forward Together: their first ever sustainability strategy setting out their vision for sustainability linked to their founding principles of care, support and respect for animals and humans.

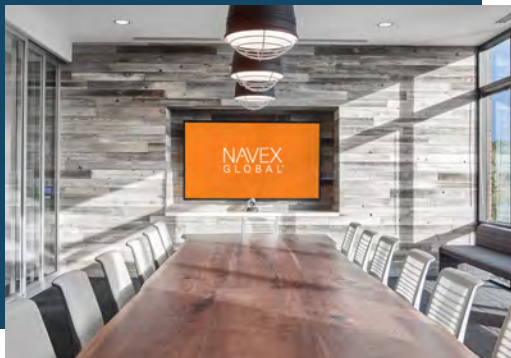
VetPartners' sustainability strategy contains 21 targets for the next five years, including commitments to reduce energy use by 20%, divert at least 90% of waste from landfill, tackle the climate impacts of veterinary care, and increase positive social impacts through volunteering and fundraising for charity. The strategy also acknowledges the importance of including climate-related and environmental risks in business planning, and incorporates a commitment to review and report on progress annually. Following the recruitment of VetPartners' first dedicated Sustainability Manager in 2020, the company's commitment to sustainability was underlined in June 2021 with recruitment of two additional colleagues to the sustainability team.

In the last year, VetPartners colleagues have prevented over 3.6 tonnes of PPE from going to waste by recycling through the TerraCycle Zero Waste Box service: an initiative which has recently expanded to include provision of recycling boxes for medication blister packs, plastic packaging and animal food packaging for all mainland GB practices. In August 2021, VetPartners launched a bespoke Practice Sustainability Guide for colleagues via their e-learning platform: eight user-friendly modules providing specific practical advice on all aspects of sustainability in veterinary practice. Several practices have also signed up to environmental accreditation scheme Investors in the Environment, with the first practice achieving a Silver award in June 2021.

Since January 2020, VetPartners have raised over £15,000 for Pets As Therapy through a variety of events including the first annual 'VetPartners Virtual 5K' which saw nearly 200 team members from 69 veterinary practices take part. A recent fundraising drive for an animal sanctuary in Afghanistan raised over £7,500 within six hours of launch.



# CASE STUDY:



## Region

North America

## Sector

TMT

## Investment Year

2018

## ESG REPORTING TOOLS

### NAVEX - ESG

A comprehensive platform for collecting ESG data about facilities, portfolio companies, or supply chains

### NAVEX4NAVEX

Provides team members and third parties a means for sharing concerns about suspected unethical or illegal conduct confidentially and anonymously

### PolicyTech

Captures team members' annual attestation to our Code of Conduct, Doing the Right Things Right, and our associated policies

Trusted by more than 13,000 organizations worldwide, NAVEX Global's risk and compliance software and services business considers strong corporate governance part of our DNA. Good corporate citizenship has always been at the forefront of our mission and operations, and we also help our customers do the same. In 2020, we operationalized this commitment with the acquisition of CSRware, an ESG software solution that helps organizations aggregate, calculate and report on ESG metrics. This was a natural extension of our existing services and helped us frame a more comprehensive risk and compliance management solution both internally and for our customers.

Recognizing that our collective future is tied to actions taken to protect the planet today, our own process began by reviewing company actions and activity for the past two years. We collected baseline data using our ESG software and the Sustainability Accounting Standards Board (SASB) Software and IT Services Standard. Keeping our overall objective in mind – minimizing the impact of our operations on the environment – this “actions and activity audit” allowed us to assess how we’re doing and where we can do better.

As a SaaS provider, the biggest sources of energy and water consumption are in our six global office locations and seven data centers. We measure usage across all facilities and are focused on capturing more information on energy consumption, as well as better tracking of water usage and waste from our operations. We have set a goal to reduce our greenhouse gas (GHG) emissions by 5% in five years. Our corporate headquarters is in a LEED Gold Certified building.

Of course, ESG goes beyond environmental considerations. A focus on social and governance has always been fundamental to us. A safe, legally compliant, ethical workplace is, by definition, also inclusive and free from discrimination. Promoting diversity, equity and inclusion lifts our business and the communities where we live and work. Initiatives we introduced and advanced in 2020 reflected this conviction, including an internship program developed to draw talent from underserved and diverse community groups and inspire career potential within the field of technology.

We’re not there yet on all our initiatives, but we’re gaining momentum, and we’re being very intentional about making ESG a core pillar in our journey.

# CASE STUDY:

# SPRINGER NATURE



Region: Europe

Sector: TMT

Investment Year: 2013

Sustainability Report: [Link here](#)

## HIGHLIGHTS

**37,000**

Trees planted in 2020 to compensate for operational emissions. Green electricity - backed by renewable energy certificates - used by ~140 sites in 38 countries.

**43%**

Of global leaders are women, on track to reach a goal of 45% by 2023. 7 employee networks, have 31 local chapters and more than 1,400 members globally. 120+ employees are green ambassadors.

**300,000**

Articles relevant to the SDGs published since 2015; downloaded 750 million times.

Springer Nature publishes cutting-edge climate science in its journals and books, and brings together policymakers, business leaders and researchers who aim to tackle urgent global issues. Disseminating credible, evidence-based research is at the core of the company's mission: since 2015, when the United Nations Sustainable Development Goals (SDGs) were launched, Springer Nature has published more than 300,000 relevant articles or book chapters, and these have been downloaded more than 750 million times.

In 2020, Springer Nature became, for the first time, net carbon neutral for emissions associated with its offices, warehouses, fleet, and flights. This builds on consistent emissions reductions over the previous three years. It purchases green electricity, backed by renewable energy certificates, to cover electricity use at around 140 sites, in 38 countries. A 'Green Office Network' of more than 120 volunteers across the company, generates green ideas and make changes happen locally.

For harder-to-reduce emissions, the company purchased certificates to compensate for carbon related to operational emissions. These responsibly-sourced offsets support a project in Nicaragua, certified by Plan Vivo, which enables farmers to earn more from reforestation their land with indigenous trees than deforestation it. This led to planting more than 37,000 trees - over an area equivalent to 82 football fields - and holding more than 300 workshops and trainings in those communities.

In 2021, the company took its climate action ambitions a step further, and was the first publisher to sign up to The Climate Pledge, committing to be Net Zero by 2040 - ten years ahead of the Paris Climate Agreement. This means seeking further overall reductions in operational and supply chain emissions, and a recently announced - and industry first - post of Climate Change Officer will take the lead on this work. Springer Nature will continue to report on progress annually in its Sustainable Business report.

Climate action is just one part of Springer Nature's broader sustainability strategy which is rooted in the research and education content that it publishes. There's also a strong commitment to diversity, equity and inclusion - both internally and in its work with authors, editors and others as the company's standing with the community can help influence wider change.

# CASE STUDY:



## Region

Europe

## Sector

TMT

## Investment Year

2019

## HIGHLIGHTS

### 1,539 Tons

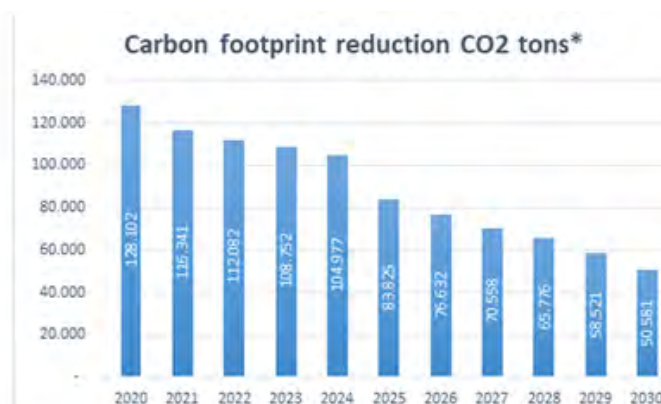
Telecom equipment, batteries, cables, paper, and cardboard recycled in 2020

### €7.1 Million

for protecting the environment, fostering digital inclusivity, supporting educational initiatives and protecting the socially vulnerable in 2020 and 1Q 2021

As a result of United Group's expansion, we have increased our emphasis on integrating considerations related to ESG into our decision-making and reporting process. In 2020, we established an ESG coordinator role and a multi-disciplinary team of senior executives who, together with independent consultants from PwC, finalized a detailed ESG action plan and implementation roadmap. We plan to publish our ESG strategy and disclosures in Q4 2021. We identified the following focus areas and KPIs:

- **Environmental sustainability:** We are upgrading our fleet to e-vehicles and replacing network equipment with newer, more energy-per-throughput efficient devices. From August 2020 we are already sourcing electricity from "green" sources in SLO/CRO/SRB, with other countries to follow, in line with a 10-year carbon reduction plan to reduce GHG by 61% by 2030, as part of our commitment to the [Science Based Targets initiative](#) and [CDP.net](#).
- We repurpose, reuse, or recycle 100% of returned devices and accessories. Certain Group companies are or will be ISO 14001:2015 certified. We have added environmental criteria when engaging with suppliers.
- **Community engagement:** We support the communities in which we operate and in 2020, we appointed a Group CSR director.
- **Data protection:** We are aligning our Group data protection (GDPR) policies and have regular training programs, testing of our IT systems, and ISO/IEC 27001:2013 certification for certain OpCos.
- **Corporate and employee responsibility:** We collect data on our workforce, such as gender (55% male, 45% female), women in management (30%, including Group CEO) and disabled employees (1%), in each case, as of March 31, 2021. We track gender equality KPIs and have mandated diversity and inclusion rules, and perform annual eNPS measurements.



\* 2020 carbon footprint includes the entire annual carbon emission of companies acquired during the year, regardless of the month of acquisition.

# CASE STUDY: KETER



**Region:** Europe

**Sector:** Consumer & Retail

**Investment Year:** 2016

**Sustainability Report:** Link [here](#)

## HIGHLIGHTS

**40%**

of total production is recycled content

**10%**

Reduction in GHG per tonne of output  
(2018-2020)

## IWAY Well Developed Supplier

One of the first so named by IKEA in  
recognition of Keter's responsible  
development practices

Keter creates a wide range of durable indoor and outdoor furniture and storage solutions. Keter's commitment to circular economy and innovation means that its products, designed to last a lifetime and using significant quantities of recycled resin, can show serious environmental benefits compared to virgin resins or competing materials.

While Keter has always been committed to building a better, more sustainable business, the last year has included significant investment and progress in areas of ESG. They signed an agreement with UBQ to ensure a significant supply of recycled resins in order to make their supply more circular. They conducted their first-ever physical climate-risk assessment of their facilities, helping identify areas to bolster resilience. They published their second annual sustainability report (available [here](#)) which included a GRI-aligned index that keeps it in line with best practices in the industry. They commissioned a lifecycle analysis (LCA) of their Bali chair that proved that its use of recycled resins shaved 35% off the total GHG emissions.

Environmental benefits are essential, but Keter knows that a business is only as good as its people. In 2021, they were confirmed amongst the "Valuable 500" group that promotes inclusion of those with disabilities. In their broader workforce, they also significantly reduced the recordable injury rate between 2018 and 2020.

While we at BC are delighted at the progress over the last year, Keter itself has defined eight primary goals for 2025 to ensure that progress continues:

- 55% of recycled content in total production
- Continued zero production of single-use plastic consumer products
- 30% of sales from innovation
- Product end-of-life programs implemented in all regions
- 25% reduction in greenhouse gas emissions from production
- Zero waste to landfill from production
- 35% of women in management and leadership roles
- 90% employee participation in a wellbeing program



# CASE STUDY:



## Region

North America

## Sector

Consumer & Retail

## Investment Year

PetSmart - 2015 / Chewy - 2017

## HIGHLIGHTS

### 32,000 MT of CO<sub>2</sub>e

saved through PetSmart's LED lighting replacement program

### \$60 million+

Additional compensation provided to associates who worked during COVID-19

### 10 million pets adopted

through PetSmart charities

Most people know PetSmart as a leading specialty provider of products, services and solutions for the lifetime needs of pets, but not everyone realizes that they are also the leading funder of animal welfare in North America, with PetSmart Charities projected to hit \$500 million in all-time grant-giving later this year. Beyond that, almost 10 million pets have been adopted from PetSmart stores with a pet finding a new home through PetSmart Charities every 38 seconds.

PetSmart's deep commitment to animal welfare and pet parents is a part of the company's broader focus on ESG initiatives as a responsible corporate citizen. Over the last year, as this business and others were challenged in unprecedented ways by COVID-19, the focus naturally fell on how to support PetSmart's human capital: its associates.

The first priority was ensuring safety of associates and customers to allow pet parents to maintain access to the essential food, supplies, and services their pets needed. As such, PetSmart invested millions in PPE, and revised all its safety protocols to align with the latest guidance from health authorities. Secondly, to support their associates navigating the challenging times, PetSmart paid out nearly \$60 million in additional compensation to its associates, importantly including increased healthcare benefits. They also made a \$1 million grant to the PetSmart Associate Assistance Foundation to help needy frontline workers, established a \$1 million scholarship fund for associates of color, and offered \$100 to each fully vaccinated associate to compensate for any potential barriers to vaccination such as childcare or transportation.

Finally, PetSmart's large footprint of retail and service locations has provided the opportunity for large-scale energy savings initiatives. In the last year, with BC's support, PetSmart invested additional capital in continuation of its company-wide LED lighting retrofit, which has now reached a total of 1,338 stores. We estimate this will save more than 70,000 mWh of electricity per year, avoiding the equivalent greenhouse gas emissions of 11,000 passenger cars in that timeframe.





# ESG at the Firm

# DIVERSITY AND INCLUSION

Our talent is our most essential asset to ensure outstanding performance and results for our investors. We believe that in order to get access to the best talent possible, and to get the most out of that talent, we need to develop a diverse workforce that feels empowered and included to share their perspective. BC Partners firmly believes that a diverse and inclusive team brings varied thinking and breadth of perspective, which is key to remaining entrepreneurial, innovative and vibrant.

We are proud of the work we've done in recent years in this area, which starts with more comprehensive tracking of different dimensions of diversity across different business units, seniorities, and roles. This data has allowed us to take pride in positive trends to date, but also to identify more specifically what can be improved upon. In 2021, we expanded our DEI data tracking to include our portfolio companies and are particularly proud of the fact that our company management teams average 39.5% female.

However, data collection is merely the first step. This year, we also joined the ILPA "Diversity in Action" initiative, which aims to share best practices in the industry, as well as commit signatories to specific steps particularly around data sharing, goal-setting, and basic methods of improving diversity. We hope that this commitment, and further collaboration, will allow us to reach our aspiration of fully reflecting the diversity of the communities we serve.

17% Women in  
Senior Roles  
(Principal - Partner)

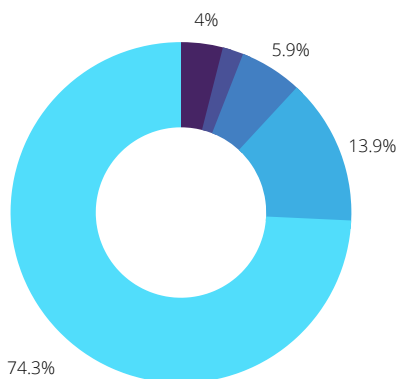
28  
Different nationalities  
represented

Average Portfolio  
Company Management  
Team:  
39.5% female

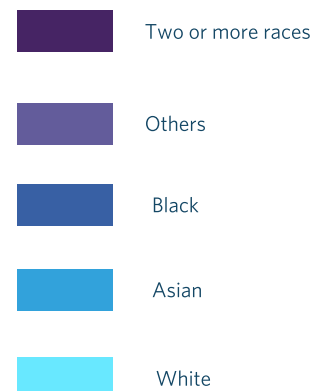
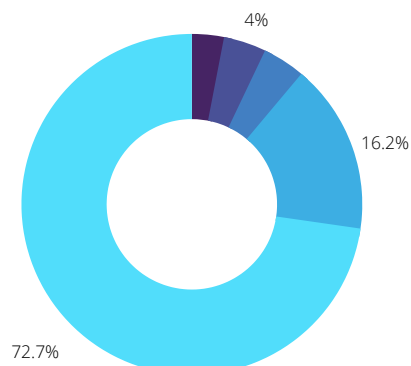
Signatory, ILPA  
Diversity in Action  
Initiative

Total BC Workforce:  
35% female

Total Workforce



Private Equity and Portfolio  
Operations Roles



# BC PARTNERS FOUNDATION

The Foundation's main charitable activity focuses on providing employee matching grants and supporting charities proposed by the employees of BC Partners or Trustees of the BC Partners Foundation.

The BC Partners Foundation, a charity registered in the UK (registered charity number 1136956) was founded in 2010 and provides financial contributions to non-for-profit organisations worldwide that are important to employees of BC Partners. The Foundation is primarily funded by BC Partners LLP. A sister charity, the BC Partners Foundation (US), Inc. was established as a 501(c) (3) organization in the US in 2012 to coordinate giving in the US.

The Foundation is not restricted in relation to the beneficiaries of its charitable giving, but focuses on the following areas: Community development, Conservation of the environment, and Arts and Education.

Total BC Partners  
Foundation grants since  
inception  
**\$5 Million+**



US Foundation-selected charities in  
2020 included  
**Catalyst Kitchens, Food  
Bank for NYC, NY  
Community Trust**



EMPLOYEES  
PARTICIPATING IN  
MATCHING SINCE  
INCEPTION  
**270+**



Average BC contribution  
per US employee match in  
2020-2021  
**\$6,008**



Disclaimer: This presentation ("Presentation") is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the communication of this Presentation is not, and under no circumstances is it to be construed as, an offer to sell or a solicitation of an offer to purchase an Interest in any fund or other investment vehicle (a "Fund"). No reliance should be placed upon the contents of this Presentation by any person who may subsequently decide to apply to acquire interests in a Fund.

A private offering of interests in any Fund shall be made only pursuant to respective Fund's private placement memorandum (as supplemented or amended from time to time, "PPM"), limited partnership agreement (as supplemented or amended from time to time, the "Partnership Agreement") and subscription document (the "Subscription Document" and together with the PPM and the Partnership Agreement, the "Governing Documents"), which describe certain risks related to such an investment, as well as other important information. Furthermore, nothing in this Presentation should be construed as a recommendation, representation of suitability or endorsement of any particular security or investment. Each recipient should perform its own independent investigation and analysis of BC Partners and the Funds, and should carefully review the Governing Documents before making any decision to purchase any interests a Fund. This Presentation does not constitute a part of any respective Fund's Governing Documents.

All information and statements are stated as of the date of this Presentation unless, in each case, otherwise indicated. Under no circumstances, should a recipient of this Presentation assume that such information has been compiled as of any time subsequent to such date. The Funds, BC Partners and their respective affiliates, members, partners, stockholders, managers, directors, officers, employees and agents do not undertake any obligation to update or amend any of the information herein. Certain information contained in this Presentation has been obtained from published sources prepared by other parties, particularly in respect of market data, economic and other forecasts and portfolio company related data. Such information is believed to be reliable, but has not been independently verified or audited. BC Partners does not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to economic, market or other information obtained from third parties), and it expressly disclaims any responsibility or liability therefor. Investors should not construe the contents of this Presentation as legal, tax, accounting, investment or other advice. Each investor should make its own inquiries and consult its advisors as to a Fund and as to legal, tax, financial, and other relevant matters.

Statements contained in this Presentation are based on current expectations, estimates, projections, opinions and beliefs of BC Partners and/or the Firm's senior management on the date hereof. Such statements involve known and unknown risks and uncertainties, and undue reliance should not be placed thereon. Additionally, some of the matters discussed in this Presentation include forward looking statements. BC Partners has tried to identify forward looking statements by use of terminology such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions. Forward-looking statements are subject to a number of risks and uncertainties, some of which are beyond the control of BC Partners, including among other things, the risks listed in both the respective Fund's PPM and Subscription Document. Actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which BC Partners is not currently aware also could cause actual results to differ. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this Presentation may not occur. BC Partners undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Third-party logos included herein are provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by such firms or businesses. There is no guarantee that BC Partners, the Funds or the current or future portfolio companies of the Funds will work with any of the firms or businesses whose logos are included herein in the future.

The metrics regarding select aspects of the company's operations were selected by BC Partners on a subjective basis. Such metrics are provided solely for illustrative purposes to demonstrate elements of the company's business, are incomplete, and are not necessarily indicative of the company's performance or overall operations. There can be no assurance that historical trends will continue throughout the life of any Fund.

All information related to BC Partners' operating plans is being presented for illustrative purposes only; therefore, there can be no assurances that future operating plans will be attained at all or on the proposed timing set forth herein.



## LONDON

40 Portman Square  
London W1H 6DA UK  
P: +44 20 7009 4800  
E: london@bcpartners.com  
E: investor.relations@bcpartners.com

## HAMBURG

Neuer Wall 55  
20354 Hamburg Germany  
P: +49 40 889 1770  
E: hamburg@bcpartners.com  
E: investor.relations@bcpartners.com

## NEW YORK

650 Madison Avenue, 23rd Floor  
New York, NY 10022 USA  
P: +1 212 891 2880  
E: newyork@bcpartners.com  
E: investor.relations@bcpartners.com

## PARIS

38 Avenue Hoche, 4 eme étage  
75008 Paris, France  
E: investor.relations@bcpartners.com

### Disclaimer:

The Case studies presented herein are for illustrative purposes only, have been selected in order to demonstrate the Firm's focus on ESG and do not purport to be a complete list thereof. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein, nor should it be assumed that BC Partners will follow the same or similar processes or procedures for analyzing and evaluating investments that may be acquired by any Fund. There can be no assurances that any prospective plans described in the case studies will be realized on the terms expressed herein or at all, and all such plans are subject to uncertainties and risks, as well as regulatory approvals, as applicable. Certain information was provided by third parties and certain statements reflect BC Partner's beliefs as of the date hereof based on prior experience and certain assumptions that BC Partners believes are reasonable, but may prove incorrect. Past performance is not necessarily indicative of future results.

The metrics regarding select aspects of the company's operations were selected by BC Partners on a subjective basis. Such metrics are provided solely for illustrative purposes to demonstrate elements of the company's business, are incomplete, and are not necessarily indicative of the company's performance or overall operations. There can be no assurance that historical trends will continue throughout the life of any Fund.

There can be no assurance that plans will be attained within the proposed timing set forth herein or at all, and actual results may be significantly different from the projections herein.