



Introduction

BC Partners aims to grow and improve the performance of the investments we manage and/or advise on in all respects and this may include their environmental, social and governance (“ESG”) performance, where consistent with our fiduciary duties to maximise risk-adjusted returns. We believe that taking material ESG factors into account is not merely the right thing to do for the numerous stakeholders in BC Partners fund portfolio companies and advised investment funds: we believe that effective ESG management can reduce risk and create value. To that end, the purpose of this policy is to articulate BC Partners’ approach to integrating ESG into its investment, ownership, and reporting activities.

ESG activities at BC Partners are coordinated by senior executives, and responsibility for implementation lies with the management bodies of the locally regulated advisory or management entities, supported by a dedicated Head of Sustainability. To the extent that required ESG expertise or capacity doesn’t exist within BC Partners, we utilize external ESG experts.

Finally, all BC Partners staff are expected to support ESG efforts when relevant to their function. To ensure our investment professionals and other staff members are qualified to act in accordance with this policy, we hold regular training at the firm level and within different functional areas.

In addition to this policy, we are signatories to certain external ESG frameworks, including the Principles for Responsible Investment (PRI, formerly UN PRI), which we signed in 2009.

Principles

BC Partners aims to consider a number of different stakeholders in the private equity and real estate transactions we advise on and arrange, including, but not limited to: investors, employees of the investee companies, their customers and suppliers, any relevant authorities, and local communities. While we aim to consider material ESG issues in each transaction, here we will highlight certain issues as representative of factors that may be relevant to the risk-adjusted returns in our advised investment portfolio:

Environmental



In light of anthropogenic climate change, which we believe presents the greatest long-term risk of any ESG factor, we aim to review climate risk (both physical and transitional) in every private equity transaction.

We aim to assess the prudent use of scarce resources, including energy and water, and seek to take into consideration circular economy principles in waste management. We aim to minimize the impact of our operations on the natural world, specifically considering ecosystem disruption and pollution.

Social

We believe diverse and inclusive teams are not just more equitable: they can make better decisions and give access to a greater pool of talent. We respect the right to a competitive wage, safe working environment, choice to engage in collective bargaining, and remain free from any form of forced labour (including child labour). Given our interconnected economy, we aim to consider the human rights of people we have identified as being affected by our activities, including in our supply chains.

Governance

BC Partners aims to meet, at a minimum, all relevant regulatory standards, and strives to operate in line with best-in-class international norms where we consider local standards to be inadequate. It is our ambition for BC Partners fund portfolio companies to strive for the same standards. We aim to comply with standards of business ethics by implementing financial controls, transparency, monitoring and compliance standards and by combating bribery, corruption, money laundering and other malpractice.

Integration into the Private Equity Investment Process

When the Private Equity Investment Committee has accepted the Preview Note on a potential transaction, our investment professionals refer the deal to our Head of Sustainability, who composes an ESG advisory note outlining potentially material ESG issues for diligence, and a recommended plan for assessing them.



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

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

If the transaction is ratified by the investment fund managers of the funds we advise and the bid is successful, our ambition is to leverage our internal and external ESG resources to preserve and/or, where possible, add value to the portfolio company and improve its management of ESG factors throughout the ownership period.

Once acquired, we will monitor the ESG performance of our portfolio companies much like any other aspect of the business. Specifically, we will track annually ESG indicators based on a standardized survey, which will then be reviewed by the respective portfolio company's board.

We commit to regular reporting and transparency to our Limited Partners, including but not necessarily limited to an annual firm-level ESG report, reporting of material ESG incidents and portfolio-level reporting as available. In addition, our PRI reports provide a broad overview of our activities with particular attention to our processes and procedures. Finally, we aim to be broadly available to our Limited Partners to answer their questions of ESG concern.

This policy is subject to change and will be reviewed at least annually.



Important disclosure

The policy is provided for informational purposes only and may not be relied on as legal, tax, investment, accounting or other advice or as an offer to sell or hold a particular investment, whether or not managed by BC Partners or not.

Unless stated otherwise all views expressed herein represent BC Partners' opinion and should not be taken as statements of fact. Unless otherwise specified in the relevant fund documentation or regulatory disclosures made pursuant to Regulation (EU) 2019/2088, Statements about ESG initiatives or practices related to portfolio companies do not apply in every instance and depend on a number of factors including the relevance or implementation status of an ESG initiative to the portfolio company, the nature and/or extent of investment in, ownership of, control or influence exercised by BC Partners with respect to the portfolio company. There is no guarantee that any ESG initiatives will exist in the future or be successful in their outcomes. This communication was produced and approved in August 2024 and has not been updated subsequently. The information and views discussed may change without notice.

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