Article 29 of the French Energy and Climate Law

2022 Annual report

Bridgepoint

Bridgepoint Group plc is one of the world's leading private asset growth investors, specialising in private equity and private debt. With over €38bn of assets under management and a strong local presence in Europe, the US and China, we combine global scale with local market and sector expertise, consistently delivering strong returns through cycles.

We specialise in Private Equity and Private Debt and invest internationally in five principal sectors – Advanced Industrials, Consumer, Services, Healthcare and Technology.

Moving towards net zero, having a more representative workforce, supporting our communities and strong governance are at the heart of our ambitions.

That's why we have the structures, policies, and people in place to deliver these ambitions and support our broader belief that sustainable and resilient businesses deliver stronger performance.

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

In France, Bridgepoint's business is regulated by the French Financial Market Authority ("Autorité des Marchés Financiers"). Our French subsidiaries, Bridgepoint SAS and Bridgepoint Credit France SAS, are subject to Article 29 of the French Energy and Climate Law ("Loi Energie Climat" – "LEC"). The present report aims to address how we comply with the requirements of Article 29 LEC.

Contents

Our general approach

Our investment strategy

Bridgepoint's investment strategy focuses on investing in Middle Market businesses via four distinct fund strategies:

- **Middle Market**, implemented via Bridgepoint's flagship buyout fund, which focuses on investing in market-leading businesses typically valued between €250 million and €1.5 billion;
- **Lower Mid-Cap**, implemented via Bridgepoint Development Capital which focuses on investing in lower middle market companies valued up to £200 million;
- **Early-Stage Growth**, implemented via Bridgepoint Growth which focuses on companies using digital technologies to achieve transformational growth in their end-markets, typically seeking equity investment of between £5 million and £20 million;
- **Investing in corporate credit** across the capital structure through three strategies:
  - Syndicated Debt: our strategy seeks investment opportunities in floating-rate loans and notes of strongly performing European companies and manages a portfolio of large, liquid, European credits;
  - Direct Lending: our strategy seeks to provide flexible, long-term financing solutions to support European businesses, across a wide range of sectors. These businesses include privately-owned companies seeking growth capital as well as those that are the subject of private equity-led acquisitions or refinancing;
  - Credit Opportunities: our strategy seeks medium-term investment opportunities in complex situations via the secondary market and by providing creative capital solutions to companies that are unable to access capital markets.

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

Our approach to ESG at Group level

Moving towards net zero, having a more representative workforce, supporting our communities and strong governance are at the heart of our ambitions.

We aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards. As a firm, we have achieved the targets that we set for portfolio investments and are taking our targets further:

- Becoming carbon neutral by the end of 2021 (firm level), and then progressing towards net zero by 2040;
- Increasing the gender diversity of the investment team to 40% women and 20% in senior investment team roles by 2025.

Tackling climate change issues

In 2021, we partnered with ACT Commodities, a Bridgepoint portfolio company and a leading supplier of market-based environmental solutions, to purchase renewable electricity for eight offices, with the remaining four already operating on renewable electricity tariffs, meaning that Bridgepoint offices globally have been operating on 100% renewable electricity since 2020.

We became carbon neutral in 2021, offsetting the greenhouse gas emissions associated with our operations since 2020, and are now accelerating our plan to reduce emissions and support our portfolio companies to do the same.

Improving Diversity, Equity, and Inclusion (DE&I)

Bridgepoint is an international business: our employees come from more than 25 countries and speak over 20 languages. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation at every level, including with respect to gender, ethnicity and social background.

In 2015, we recognised that Bridgepoint and the wider alternative asset management industry needed to do more to develop greater gender diversity. Our response was to launch a 10-year programme to increase the representation of women in our business.

An initial target of 25% female representation in the investment team was met in 2019 and then raised to 40%. Progress has been driven by a gender-balanced recruitment policy through our International Associate Programme, targeting a 50:50 gender split. We work hard to support our female talent through programmes that give them access to senior role models and experienced mentors as well as peer support.

Although gender remains our primary focus, we believe that all forms of diversity improve our performance and have widened our efforts to include other forms of diversity.

Our DE&I initiatives are wide-ranging and include:

- our Women's Mutual Mentoring Programme;
- our Women's Role Model Dinner Series;
- networking events for female portfolio company professionals (Paris office initiative);
- parental coaching; and
- formal DE&I or ESG objectives for all colleagues.

Our approach to ESG as a responsible investor

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 or a combination of these.

But that's not all. The millions of beneficiaries of Bridgepoint funds want us to generate attractive returns in a manner they can be proud of. From the outset, this is what we have strived to achieve. That's why we apply responsible investing principles to all our activities and have an approach to environmental, social and governance issues (ESG) that is geared to the long-term interests of our portfolio businesses and their customers, as well as our investors and employees.

Since Bridgepoint was founded in 1985, our ambition has remained consistent: to create lasting and sustainable positive impact. Beneath that ambition lie four key ESG beliefs that guide our investment decision-making:

Our four key beliefs that guide our investment decision making

The Environment

Tackling climate change through our investments by both reducing risk and impact and developing solutions and opportunities

Society

Growing businesses benefits their communities

Diverse groups make better decisions

Governance

Well-governed businesses perform better and are more resilient

Measurement

Effective measurement is the foundation of improved performance

ESG industry associations

Bridgepoint strives to make positive change in the investment industry. We publicly support and champion responsible investment and share our experiences and practices with the wider investment community through our engagement in the following industry-wide associations and initiatives:

Our commitments with the industry

Engagement with the industry

Signatory of:

Engagement on diversity, equity and inclusion issues

Talent & Diversity Commission of France Invest

ILPA's Diversity in Action

Engagement on climate transition issue

Industry associations

PRI – Bridgepoint became a signatory to the UN-backed Principles for Responsible Investment (PRI) in 2013.

BVCA – Bridgepoint is a member of the British Private Equity and Venture Capital Association and was a founding member of the Committee – the Walker Guidelines – for Disclosure and Transparency in Private Equity.

Invest Europe – Bridgepoint is a member of Invest Europe, formerly known as EVCA, the European Private Equity & Venture Capital Association, which represents the private equity community across Europe.

European Leveraged Finance Association – ELFA is a trade body that seeks a more transparent, efficient and resilient leveraged finance market.

France Invest – Bridgepoint is a member of France Invest, a professional organisation bringing together nearly 400 French management companies and nearly 180 advisory firms. Bridgepoint's

Head of Southern Europe, Frédéric Pescatori (Partner and co-chair of the DE&I Committee), co-heads the Talent & Diversity Commission of France Invest, which promotes industry-wide efforts to increase diversity within investment firms. 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 rulebook to promote social diversity at industry level.

Diversity, Equity and Inclusion (DE&I) 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 co-chair of the **Diversity, Equity and Inclusion Committee**), sits on Level 20's Advisory Committee.

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 underrepresentation 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.

Sustainability initiatives

iCI – In 2021, Bridgepoint joined the Initiative Climat International (iCI), 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 and Steering Committee member of the EDCI which was set up by a group of GPs and LPs, led by CalPERS and Carlyle, who have convened to form the private equity industry's first-ever collaboration to align on a standardised set of ESG metrics and a mechanism for comparative reporting.

Sustainable Markets Initiative (SMI) – We are members of SMI's private equity roundtable. The SMI, which was launched by HRH The Prince of Wales 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 tackle climate change and biodiversity loss.

UN PRI 2021 score published in 2022

We are pleased to have received the top rating in all three modules of our PRI assessment. This achievement recognises Bridgepoint's efforts and commitments to being a leader in corporate responsibility, and to integrating environmental, social, and governance principles into the full lifecycle of our investments.

Module	Bridgepoint	Median
Investment & Stewardship Policy	97 / 100 ■■■■■	60 / 100 ■■■
Direct – Fixed income – Private debt	97 / 100 ■■■■■	67 / 100 ■■■■
Direct – Private equity	95 / 100 ■■■■■	66 / 100 ■■■■

Sustainalytics

For the first time, we received a Sustainalytics score in 2022, which put us in the top 15th percentile in our sub-industry (Asset Management and Custody Services) and 35th percentile in all companies scored globally. We are pleased with this score, which puts us in the medium-risk category, just short of achieving a low-risk score. However, we believe that we can do better in the future and earn a score that reflects our ESG programme and progress to date.

Communication with investors

Corporate website

Bridgepoint's website provides information on our values, our purpose, our investment strategies and our investment approach. Investors and shareholders can access financial data as well as press releases and governance information.

Communication with Limited Partners

Reporting to fund investors occurs via Quarterly Reports, which include dedicated sections about the Company's non-financial performance, as well as key highlights and indicators that are collected and aggregated across the portfolio using our integrated portfolio monitoring system.

ESG is regularly on the agenda of the Limited Partner Advisory Committee meetings (held twice a year) and the Annual Investor Meeting. These meetings are often personalised to provide the relevant information according to Limited Partners' priorities, which can differ from one geography to another.

The Investor relation team and the ESG team work together to provide the LPs with regular report. Bridgepoint's Investors are kept up to date about the Company's overall progress on ESG, due diligence process, support to its portfolio companies during the holding period, but also progress on ESG at the level of the Company's management.

Investor questionnaires

We regularly submit questionnaires and surveys to Limited Partners and provide case studies to explain our overall ESG approach.

Our internal resources

Our Governance

We have a rigorous approach to the management of fund investments including putting in place structures to ensure that Bridgepoint remains accountable and transparent and that there is complete alignment of interests between the Company and third-party fund investors.

In 2022, following its listing as a quoted company in the UK, Bridgepoint introduced an ESG Committee at the Company Board level, chaired by a non-executive director and supported by executive-level ESG and Diversity, Equity & Inclusion groups.

Additionally, a Non-Executive Director (Angeles Garcia-Poveda) recently joined the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, with the purpose to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in this initiative will help ensure that our Board stays up to date on industry best practices.

ESG team

In 2022, our ESG team grew from a team of two to a team of six across our Private Equity and Credit strategies, including the arrival of a **new Head of Sustainability**, Carole Brozyna. Since these additions to the team, the priority has been to focus on risk and compliance management and on how to build sustainable value creation throughout the investment process. Shortly, the ESG team will continue its expansion with the addition of two new recruitments currently underway: one to strengthen the environmental expertise of the team, notably focusing on energy, climate and biodiversity, and a second one to strengthen and conduct sustainability reporting over time. Both will work alongside the ESG team.

To conduct its activities, the ESG team has a dedicated budget allowing to manage sustainability projects at entity level, to carry out Bridgepoint's carbon assessment, to manage and support portfolio companies on ESG stakes, as well as to carry out ESG due diligence.

Training

All our private equity investment professionals complete compulsory ESG training, delivered by the British Private Equity & Venture Capital Association (BVCA). Bridgepoint and the BVCA worked closely to develop a pioneering ESG training course in 2016 which has since become one of the leading industry courses. Although delivered by the UK's industry body, the course is designed to suit professionals working in all jurisdictions we operate in. But that's not all we look for. The millions of beneficiaries of Bridgepoint funds want us to generate attractive returns in a manner they can be proud of. From the outset, this is what we have strived to achieve.

In 2022, ESG training expanded to the Credit team, who was trained on SASB [The Sustainability Accounting Standards Board] and on key topics such as financed emissions and on the UN's Sustainable Development Goals. There will be additional third-party trainings dedicated to ESG margin ratchet mechanisms and sustainability lending principles expected in Q2.

ESG criteria in our governance

1. Integration of ESG criteria in the rules of procedure of the entity's board of directors or supervisory board

The Group Board promotes the long-term sustainable success of Bridgepoint, generating value for shareholders and contributing to wider society and firmly believes in the importance of diversity at Board level and in 2022, over 30% of the Board comprised of women (with two out of six appointments). In early 2023, Cyrus Taraporevala joined Bridgepoint's Board as its seventh member.

2. Knowledge, skills, and experience of governance bodies

Bridgepoint's governance bodies are responsible, amongst other things, for monitoring the Group's ESG strategies. The solid expertise and leadership skills of each board member enable the Group to benefit from strategic advice.

ESG-related committees

Investment Advisory Committee
This committee is composed of the most experienced partners and is responsible for (alongside the investment and ESG teams) assessing and integrating ESG risks and opportunities considerations into pre-investment and ownership/stewardship practices.

[NEW since February 2023] ESG Committee
The ESG Committee assists the Board in its oversight of environmental, social and governance matters.

3. ESG integration in our Remuneration Policy

Executive Director bonuses

A Remuneration Committee applies a carefully selected set of criteria to assess eligibility based on financial and non-financial metrics to ensure that bonuses align with Company-strategic objectives. Non-financial metrics include initiatives relating to people, ESG and strategy.

Our engagement strategy with stakeholders and management companies

ESG in the private equity investment process

Before, during and 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 in line with our beliefs and help them deliver against their targets.

By 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

First and foremost, we don't invest in companies whose products, services or practices cause environmental or social harm, and those without a path to transform into a positive contributor to society.

When we first consider a potential investment, our team will identify any potential ESG red flags and opportunities as part of our early transaction screening. As an example, in Bridgepoint Europe, since early 2022, we have had an exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on ESG grounds at this or any later stage. We are currently in the process of applying this to our other investment strategies across the Private Equity business.

As the opportunity moves into full due diligence, the investment team is responsible for ensuring that any ESG-related issues are identified and assessed.

The findings from ESG due diligence and any recommended remedial actions form a key part of the analysis presented to the relevant Bridgepoint Investment Advisory Committee.

We align all investment decisions in support of achieving long-term value creation. We assess:

- the company's alignment with the UN SDGs;
- any ESG considerations related to the company's business model;
- the company's existing ESG policies and programmes; and
- opportunities for improvement.

Directly post-investment

We aim to discuss ESG 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. 100% of Bridgepoint's portfolio companies are covered by our engagement strategy. Throughout the year, Bridgepoint maintains an ongoing dialogue with all portfolio companies to help them monitor and achieve their targets. The support is therefore highly tailored to the portfolio companies' needs.

Following completion, as part of a value creation 100-day plan, the investment team will work with management to appoint a Board member responsible for ESG matters and to nominate an individual to take responsibility for ESG on a day-to-day basis if such a person has not already been nominated. It is mandatory for all Bridgepoint portfolio companies to appoint a Board member responsible for ESG matters within six months of entry to the portfolio and is now one of our Sustainable Financial Disclosure Regulation ("SFDR") Article 8 objectives for BE VII.

As part of this early engagement period, we will share our 'ESG guidelines for Bridgepoint-backed companies' and outline our expectations, as well as introduce the lead executive at the portfolio company to our ESG monitoring programme.

In 2022, Bridgepoint's ESG team piloted a new ESG Onboarding Survey (for newly acquired portfolio companies to complete, which allows the team to identify opportunities for improvement and sustainable value creation. This builds on the due diligence findings to generate a detailed understanding of current ESG performance. Once this initial discovery phase is complete, a roadmap will be agreed with management that includes company-specific ESG initiatives and corresponding key performance indicators ("KPIs").

During the investment period

Throughout the fund investment period, we ensure management teams regularly review their ESG policies, ensuring they remain aligned with Bridgepoint's expected standards and industry-specific best practices.

Bridgepoint provides guidance and support to management teams via the Bridgepoint Board representative and/or Bridgepoint's dedicated ESG team. External ESG advisers may also be engaged to provide specific areas of expertise.

In 2022, the ESG team hosted global webinars to communicate Bridgepoint's expectations and processes to portfolio companies more effectively. In Q3 2022, the team hosted an educational webinar, in partnership with leading ESG experts, to commence a global compliance programme. The purpose of the programme was to support portfolio companies improve six core compliance policies (anti-bribery and corruption, anti-money laundering, cyber security, human rights and modern slavery, health and safety, and whistleblowing) through the provision of a set of global guidance documents.

Tracking performance is a vital and evolving element of improving ESG practices during fund investment. At the portfolio company level, management teams regularly report on KPIs. From our 2022 ESG portfolio company reporting campaign, we found that 83% of our portfolio companies are monitoring ESG KPIs, and 71% of those report these KPIs to either their Board or Executive Committee. We understand the importance of collecting and reporting reliable data, and that is why we refined and updated our annual portfolio company survey and hosted a portfolio-wide webinar in late 2022 to kick-off our 2022 reporting campaign. At the industry level, we are actively engaged in driving greater consistency in performance monitoring, for example, via our position as a Steering Committee member of the ESG Data Convergence Initiative (EDCI).

At divestment

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

We aim to ensure that, as for our own business, ESG becomes a key part of our portfolio companies' operations.

We also ensure that governance structures put in place during investment continue post-investment and include detailed information on ESG-related matters as part of vendor due diligence.

ESG in the credit investment process

Lending weight

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

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

Where we make credit investments, we apply an ESG-centred due diligence framework and incentivised loan pricing.

During the investment period, the credit opportunities strategy often follows a private equity-like approach to value creation, including in relation to ESG. Direct lending funds, on the other hand, typically have less influence over their portfolio companies' strategies.

However, whether in respect of credit opportunities or direct lending, steps can be taken to ensure ESG plays a key role in the portfolio, through:

Pre-investment screening

We look to invest in businesses that contribute to the UN SDGs. As a result, the credit team regularly rejects investment opportunities that either carry ESG risk or operate in harmful industries. When we first consider a potential investment the screening process includes the use of an exclusion list, highlighting the harmful sectors and activities that we will not support. In addition to assessing the company, we also assess the shareholders (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

Bridgepoint Credit evaluates potential investee companies on two primary criteria:

- ESG Solutions: Assessing if and how a company and the industry in which it operates in fulfils ESG goals using the framework of the UN SDGs.
- ESG Practices: Assessing the environmental, social and governance processes implemented within each company, evaluated based on Bridgepoint Credit's proprietary ESG survey that is completed by the company and/or its shareholders.

Incentivisation

Bridgepoint Credit is at the forefront of a new market centred around actively incentivising ESG performance through the pricing of loans. Margin ratchets linked to ESG outcomes are incorporated into loan documentation, enabling the interest rate on a loan to vary based on ESG performance against specific targets. These specific ESG targets vary for each company, based on topics relevant to the business. Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles and may include carbon reduction, waste reduction, increasing employee diversity, and improving performance within third-party sustainability assessments.

Monitoring

Bridgepoint Credit monitors the ESG strategy progress of its portfolio companies through requested updates on the previously completed ESG surveys from portfolio companies and shareholders every year. This allows us to assess ESG performance on an ongoing basis and use this survey as a platform for engagement with the portfolio.

The 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.

Bridgepoint's screening of investments

We understand the importance of our role when investing. We aim to invest in businesses that create positive impacts and do not cause detrimental harm to society or the environment. The Bridgepoint Europe Investment Advisory Committee screens all potential investment opportunities against the guidelines set out below.

Pre-Investment Screening and Excluded Investments

In Bridgepoint Europe, we have an exclusion list that highlights sectors and activities that we do not support. An opportunity can be rejected on ESG grounds at this or any later stage. We are currently in the process of applying this to our other investment strategies across the private equity business.

In Bridgepoint Credit, when we first consider a potential investment the screening process includes the use of an exclusion list, highlighting the harmful sectors and activities that we will not support. In addition to assessing a company, we also assess its shareholders (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

European taxonomy and fossil fuels

ESG in the investment process

Proportion of our investments aligned with the EU Taxonomy Regulation

Bridgepoint Group is not subject to Article 8 of the Regulation (EU) 2020/852 ("EU Taxonomy Regulation"). Consequently, we do not disclose information on the alignment of our investments with the EU Taxonomy Regulation. However, some of the portfolio companies may happen to be aligned with environmental objectives of the EU Taxonomy.

Share of exposure to companies active in the fossil fuel sector

As stated in our exclusion list, we typically do not invest in energy intensive sectors or have direct exposure to the fossil fuel sector, and therefore consider our exposure to climate risks to be limited.

Our journey to net zero in line with the Paris Agreement

We are committed to supporting the transition to a low carbon economy and achieving net zero and report on our progress transparently. We are at the early stages of this journey and the following disclosure details our second response in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Whilst the direct environmental impact from Bridgepoint's own operations is considered to be limited, we are working on reducing our carbon footprint through the implementation of office emission reduction initiatives, supplemented by verified carbon credits. We are also focused on reducing our 'financed emissions' by supporting our portfolio companies in developing carbon reduction roadmaps and accompanying actions.

We consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention.

Metrics used to assess climate-related risks and opportunities

We support the 2015 Paris Agreement and the ambition to limit global warming to 1.5°C above pre-industrial levels. At Group level, we have focused on refining our carbon accounting to accurately measure our carbon impact and have been monitoring the Group's Scope 1, 2 and 3 emissions since 2019.

In addition, this year, we are also able to disclose the GHG emissions related to our investment portfolio, calculated in line with the GHG Accounting & Reporting Standard for the Financial Industry, developed by PCAF.

In addition to metrics related to GHG emissions, we track a broad range of ESG and climate-related metrics in our private equity and credit investment businesses.

Our private equity investment team has defined a set of standardised KPIs that are annually collected, such as energy consumption, adoption of climate-related policies and implementation of appropriate governance and risk structures, as well as specific KPIs adapted to individual portfolio companies, that are regularly monitored throughout the investment period to ensure the portfolio companies' alignment to Bridgepoint's ESG standards.

In our Private Credit business, we have established a portfolio company scoring system, which enables us to assess company ESG performance against over 30 ESG KPIs, which are collected annually, including environmental metrics such as consumption of renewable energy and

GHG emissions reduction.

In 2023, we plan to launch a centralised Climate Programme to support each of our private equity portfolio companies on carbon footprint calculation, the development of tailored GHG emission reduction plans as well as verification of carbon data.

Overview of Bridgepoint Group's emissions and financed emissions

Our Scope 1 and Scope 2 emissions, and underlying total energy consumption, associated with Group operations are summarised in the table below. This information has been prepared in accordance with our reporting requirements under the UK's Streamlined Energy and Carbon Reporting ("SECR") scheme for quoted companies, in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018.

Selected Scope 3 emissions have also been included to provide additional detail on our GHG inventory.

Bridgepoint Group's emissions

	Current reporting year 2022			Comparison reporting year 2021		
Emissions scope	**UK**	**Rest of World**	**Total**	**UK**	**Rest of World**	**Total**
Scope 1 (tCO_2e)	61.6	35.3	96.9	78.7	13.6	92.3
Scope 2 – location-based (tCO_2e)	104.3	164.6	268.9	68.6	112.4	181.0
Scope 2 – market-based (tCO_2e)	66.3	95.3	161.6	8.8	31.2	40.0
Deducted emissions related to the purchase of renewable electricity	38	69.3	107.3	59.8	81.2	141
Total scope 1+2 – location-based (tCO_2e)	165.9	200.0	365.9	147.3	126.0	273.3
Total scope 1+2 – market-based (tCO_2e)	127.9	130.6	258.5	87.5	44.8	132.3
Underlying total energy consumption (kWh)	584,953	861,499	1,446,452	752,771	640,717	1,393,488
Emissions intensity for scope 1+2 – locations-based (tCO_2e/FTE)	0.76	1.38	1.01	0.78	0.92	0.84
Emissions intensity for scope 1+2 – market-based (tCO_2e/FTE)	0.59	0.90	0.71	0.46	0.33	0.41
Scope 3 emissions (tCO_2e)	n/a	n/a	2,482.4	n/a	n/a	1,019.3

In 2022, we invested in a software platform and external support to improve the accuracy and completeness of our Group's GHG emissions inventory. This allowed us to report on a significant portion of the emissions indirectly arising from our operations, including our financing activities.

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and ISO14064-1. We have included all sites and activities which fall under our operational control boundary.

The following are included in the methodology for the calculations above:

- Scope 1 emissions include 'fugitive' emissions from cooling systems within our buildings.
- Scope 2 emissions include purchased electricity as well as heat procured for our offices. They have been calculated using the location-based approach as well as the market-based approach to illustrate our efforts to procure renewable electricity since 2020.
- Carbon intensity was calculated based on average FTE for the year. Note that due to a slight change in methodology, a minor revision was made to the carbon intensity figure for 2021.
- 2022 Scope 3 emissions in the table include category 1 (purchased goods and services), category 5 (waste generated in operations) and category 6 (business travel).
- Scope 3 category 1 emissions (purchased goods and services) are based on a combination of the average-data and spend-based methodologies.
- Scope 3 category 5 emissions (waste generated in operations) are based on volumes of waste by type produced in our offices.
- Scope 3 category 6 emissions (business travel) are based on expenditure and distance travelled for air travel, rail travel, taxis, and rental cars, and on number of nights stayed or expenditure for hotel stays.
- Scope 3 category 15 emissions (investments) are based on calculations in line with PCAF methodology. These are shown separately in the following section. Scope 3 emissions are currently calculated for our global activities.
- Scope 3 emissions are currently calculated for our global activities.

Estimated emissions from financing activities

For the first time, we have estimated portfolio company emissions of our entire private equity portfolio and selected credit funds using PCAF methodology. The selected credit funds included in the estimated portfolio financed emissions are BCO IV and BDL III, and over 2023 it is planned that more credit funds will be included in the scope of this assessment. Weighted average carbon intensity ("WACI") is a carbon intensity metric that measures tonnes of CO2e ("tCO2e") per million dollars of revenue. It is an indicator recommended by TCFD to assess a portfolio's exposure to carbon intensive companies.

Strategy	Total emissions	WACI (Scope 1,2)	WACI (Scope 1,2,3)
Private Equity	1,173,953 tCO_2e	56.35 tCO_2e/\$m	225.88 tCO_2e/\$m
Private Credit	65,165 tCO_2e	24.98 tCO_2e/\$m	136.68 tCO_2e/\$m

Comparisons with the previous reporting year

Our Scope 1 emissions have decreased; however, this is mainly due to a change in methodology. The consumption of natural gas was previously reported in Scope 1, but this is now reported in Scope 2 as this is purchased from building managers. This scope also now includes emissions from cooling our buildings, arising from refrigerant leakage (known as fugitive emissions).

Scope 2 emissions have risen significantly using both the location-based and market-based methodologies. This is mainly due to moving the consumption of gas to purchased heating within Scope 2 to reflect our operational boundary. Furthermore, a combination of people returning to work following Covid-19, as well as high electricity usage during the fitting-out of our new London office which fell within our operational control boundary have added to the increase.

Carbon intensity for the UK has decreased using the location-based methodology due to an increase in headcount and a decrease in Scope 1 emissions, however.

Scope 3 emissions relating to purchased goods and services, waste generated in operations, and business travel all increased in 2022 due to an increase in purchasing IT equipment for our new London headquarters, our annual conference which brought our colleagues together in Lisbon, improved data collection for business travel, and a natural increase activity following the Covid-19 pandemic.

Note that emissions for staff working from home was included in Scope 3 emissions for 2021 but was subsequently removed due to these no longer being material following a return to office working.

Actions taken to reduce emissions

In 2022, we consolidated our three London offices into a single energy-efficient location, which benefits from an 'Excellent' BREEAM rating.

We have purchased renewable electricity for all our global offices since 2020, either through 'green' electricity tariffs or through the purchase of energy attribute certificates. Doing this reduces our Scope 2 emissions, using the market-based methodology.

Our UK employees also benefit from electric vehicle rental and cycle-to-work schemes as part of their benefits package, and our London office provides electric vehicle charging points. In France, our employees are encouraged to use electric bikes to commute around the city. These initiatives have the potential to reduce emissions associated with employee commuting (Scope 3, category 7), as well as reduce the personal emissions of our employees.

Although we recognise that they do not reduce our emissions, we also purchase carbon credits in the following certified nature-based investment schemes:

- The Uchindile Mapanda reforestation project to rebuild carbon sinks in Tanzania (verified carbon standard);
- The Francis Beidler forestry conservation project in the US (climate action reserve standard);
- The high-impact reforestation project to conserve forests and support communities in Nicaragua (the gold standard for the global goals); and
- The Rotunda Forest project to improve forest management in Romania (verified carbon standard and climate, community and biodiversity standards).

These nature-based investments are in line with the “beyond the value chain mitigation” recommendations from the Science-Based Targets initiative as part of their net-zero standard.

Targets, performance and key priorities

Our key priorities for 2023 are to further enhance the granularity of our carbon accounting and to continue implementing steps to minimise the Group’s carbon impact. In order to align with the international targets for limiting global warming set out in the 2015 Paris Agreement, we are currently performing the required assessments to develop quantitative targets on GHG emissions by 2030 and plan to review them every 5 years until 2050 to reflect our contribution to the transition of the economy.

At the Group level, we set a target in 2021 to procure 100% of the Group’s office electricity consumption from renewable sources since 2020 and we are pleased to report that we have fulfilled this target to date.

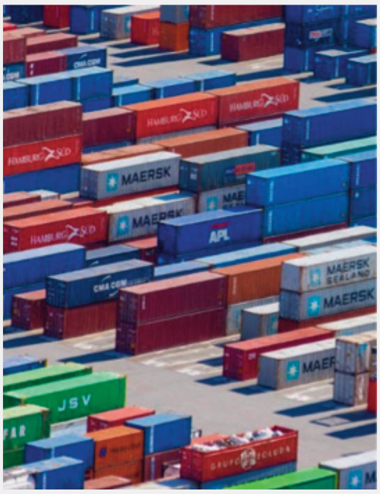
Going forward, we will focus on raising our ambition and looking for new ways to integrate climate considerations into our sustainability strategy, while continuing to reduce our environmental impact through office emission reduction initiatives, supplemented by verified carbon credits.

Regarding our private equity investment activities, in the short-term and as part of our centralised 2023 Climate Programme, we aim to ensure all our portfolio companies have established carbon accounting, or an estimate, for their Scope 1, 2 and 3 emissions and developed a GHG emissions reduction plan, or identified key areas of reduction, by the end of 2023 or within 12 months of Bridgepoint investment. We will receive support from external advisors to perform the calculations of the carbon footprints and develop the GHG emissions reduction plans at portfolio company level.

Companies that have already conducted a carbon footprint calculation and implemented a reduction plan will be encouraged to obtain either data verification (gap assessment/assurance readiness assessment) or assurance (limited) on carbon footprint data

We recognise that this is an ambitious agenda, and we will take into consideration the maturity of our portfolio companies' ESG strategies, offering them the necessary level of support as they work towards improving their sustainability performance.

We support our portfolio companies in achieving their sustainability objectives. Below are two case studies.



Achilles

Achilles supports companies and industry communities to achieve their sustainability obligations using its supply chain risk management solution to validate the provenance of their suppliers. Working from offices in 17 countries, Achilles validates 54,000 suppliers in energy, mining, construction, logistics, manufacturing, and retail, ensuring they meet local and global regulations to protect the environment, health and safety, and human rights of employees. Achilles' auditors visit over 6,000 client sites annually.

Achilles leads by example, having received for the second year a Brighter Futures Award for Climate Action, achieving an 80% annual reduction in all scopes of tCO_2e emissions. Achilles holds ISO 14064-1 certification globally for greenhouse gas emissions with quantitative uncertainty at less than 3%.

element

Element, a leading provider of lab-based testing services globally, was exited by Bridgepoint in early 2022 for $7 billion. The company has a well-developed sustainability programme and strategy which was a contributing factor to exit discussions end the successful exit multiple achieved.

Element has posinoned itself as the partner of choice for many customers facing new challenges in delivering their own sustainability and ESG agendas. Element's core end markets included Connected Technologies and Life Sciences, as well as Aerospace, Energy and Automotive. The Automotive sector is facing significant sustainability challenges, such as decarbonisation and transitioning to renewable energy, where Element is able to provide direct support. By exit, 60% or over $650 million of sales were directly attributable to supporting customers' ESG agendas.

Our long-term biodiversity objectives

The role of the Convention on Biological Diversity in our biodiversity strategy

We acknowledge the importance of biodiversity protection and the role that financial actors must play. Furthermore, we are assessing how the objectives defined in the Convention on Biological Diversity of 1992, can be reflected in our ESG policy.

We understand the importance of the subject and are in the process of considering how we can address this topic effectively. Biodiversity is currently one of the ESG topics considered in all pre-investment due diligence assessments.

Biodiversity is a topic area which we plan to address in the near future and we intend to recruit an internal resource in 2023 to examine the environmental aspects, including biodiversity protection and restauration in our portfolio. In the meantime, we are assessing the guidance provided by France Invest's Biodiversity playbook.

Our contribution to reducing the main pressures and impacts on biodiversity identified

We are members of the Sustainable Markets Initiative's private equity roundtable. The SMI, which was launched by HRH The Prince of Wales 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.

In its annual ESG questionnaire, Bridgepoint Private Equity also incorporates questions on biodiversity in our annual monitoring survey to portfolio companies to understand whether any portfolio companies have any sites in or adjacent to protected areas and/or key biodiversity areas and whether biodiversity is integrated into their strategy and operations. Where applicable, we request explanations and evidence, to measure the extent to which they address relevant biodiversity issues.

We plan to further expand our biodiversity materiality assessment over the next years. This includes an analysis of our contribution to reducing the primary pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. Additionally, we will develop a biodiversity strategy in order to actively contribute to the fight against the alarming biodiversity loss.

Measuring our impact on biodiversity

Questions on the portfolio companies' potential impacts on biodiversity are integrated into Bridgepoint's annual ESG questionnaire. The purpose of this dedicated section is to assess the company's maturity level on biodiversity risks and impacts measurements, as well as on mitigation actions.

Our risk management process

Our process for identifying, assessing, prioritising and managing ESG risks

Whilst we aim to avoid investing in companies whose products, services or practices cause environmental harm, the Group recognises that its portfolio companies present ESG risks and opportunities, which vary according to the company, sector, or jurisdiction.

Across our investment strategies, we consider active engagement an essential component of Bridgepoint's approach to ESG risk management. Throughout the investment period, we support and collaborate with the portfolio companies' management teams to implement best-practice ESG processes, policies and risk management systems. Within our private equity portfolio, our investment teams work with portfolio company management teams to appoint a senior executive to champion ESG considerations at the Board level (if not already in place), within six months of investment, in addition to an ESG contact who is responsible for ESG on a daily basis. Furthermore, specific ESG KPIs are defined to monitor the company's progress and the investment teams offer their expertise to help the portfolio companies establish appropriate ESG and carbon reduction initiatives.

In addition, through its investment cycle Bridgepoint takes ESG risk management into account:

- During the screening phase, Bridgepoint's investment team identifies any potential ESG red flags in line with its exclusion policy.
- Subsequently, in the due diligence process, ESG risks are systematically analysed with a tailored approach, also aligned with our beliefs regarding climate change, diversity and inclusion, impact on communities, governance and performance measurement. 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. For further information, please refer to pages 13-15 dedicated to ESG integration in the investment process for private equity and credit activities.

- During the holding period, the Portfolio Management Committee, comprising senior investment Partners from across Bridgepoint, considers and reviews material ESG risks and opportunities in their relationship with investee companies. Material ESG risks that could impact the Group are managed by the ESG team with support from other parts of the business as appropriate. Where specific technical or legal expertise is required, the Group is supported by its extensive network of ESG and legal advisers and ESG industry associations and working groups, such as Initiative Climat International, Invest Europe, BVCA and France Invest.

Such an engagement approach helps us ensure that our portfolio companies develop industry-specific good management practices of ESG issues and remain aligned to Bridgepoint's standards, contributing towards the UN SDGs.

Governance risks management

To address our main governance risks, we have developed a set of ten internal policies, especially:

- An anti-bribery and corruption policy, which is supported by internal training: all employees receive periodic mandatory anti-bribery and corruption training on the policy and its application.
- A whistleblowing policy, Bridgepoint periodically reviews the associated risk assessment and the implementation of the whistleblowing policy with regard to its relevance, adequacy and effectiveness.
- An anti-financial crime policy, as part of this policy, Bridgepoint has notably assessed the money laundering and terrorist financing risks that are relevant to its business, products and services, which concluded with low risk.

Description of the main ESG risks

Within the Group's risk management framework, risks are categorised into three areas: Strategic and External risks, Investment risks, and Operational risks.

The materiality of the risks is assessed based on two key factors: the likelihood of the risks eventuating, and the potential impact on the Group's performance were the risks to eventuate, taking into consideration both the financial impact as well as the non-financial impact such as reputational damage. The prioritisation of the risks also considers factors such as speed to impact and whether the risk is trending in a particular direction. Appropriate mitigation measures and risk indicators are identified for all risks and the effectiveness of established control measures is regularly monitored by the Legal &

Compliance teams, relevant Committees, and the Board.

As risks are continually evolving, the Risk & Compliance and ESG teams perform regular horizon scanning to identify emerging risks, paying particular attention to current and emerging regulatory risks. To support the ESG and Legal & Compliance teams in staying up to date with ESG and sustainability-related regulations, Travers Smith, a UK law firm, was commissioned to conduct a comprehensive mapping exercise on current and future regulations that are material to Bridgepoint, including those related to climate risk. Any material issues identified will be escalated to the Executive Committee as appropriate.

At company level, risks are addressed in a generic approach and, when materially relevant, are considered on a case-by-case basis. Even though we have not completed a risk mapping associated with ESG topics, these risks are already considered at the highest levels of Bridgepoint governance through the Investment Advisory Committee, Portfolio Management Committee, Risk Committee and ESG Committee, and are part of the broader ESG agenda.

Prioritising the management of climate risk management

The Legal & Compliance team regularly assesses the Group's key risk exposures, including emerging risks such as climate-related risks. We published our first TCFD report in 2021, disclosing information on how climate-related risks and opportunities are considered in the Group's governance, strategy, risk management and actions. We are currently involved in the climate considerations and TCFD exercise.

With regard to identifying and assessing climate-related risks in our investment portfolio, we have established an ESG due diligence process as previously described. With support from external ESG advisers, our investment teams assess the ESG performance of portfolio companies pre-investment. Bridgepoint's investment team identifies short-, medium- and long-term climate-related risks: these risks are then summarised, along with any relevant remedial actions / recommendations, in the investment papers issued to the Investment Advisory Committee before any investment is made. Both transition and physical climate issues are considered in pre-investment processes and can include, but are not limited to, policy/regulation requiring measurement and reduction of carbon emissions, compliance with country-specific emission trading schemes, risks of flooding of key operations, and associated impacts to supply chains.

Furthermore, we have carried out a project to estimate our financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology to better understand the footprint of our portfolio companies and be able to support our portfolio companies in reducing their emissions.

All enterprise risks are assigned an owner from senior management, to ensure oversight of the risk management process, and subcategory risks are owned by relevant team members, with climate-related risks often drawing on the expertise of the ESG and Risk & Compliance teams. Mitigation strategy, control measures and KRIs are identified for each risk, accounting for the effectiveness of the current control environment.

Where possible, Bridgepoint Credit provides portfolio companies with financial incentives and penalties in the form of ESG margin ratchets. The margin ratchets include specified ESG targets relevant to the business which may include climate KPIs such as emission reduction targets. Thereby, the management of ESG-related risks remains a focal topic throughout our investment period.

Any material climate risks identified over the course of the ESG due diligence process are reviewed by the relevant committees, with our investment teams supporting portfolio companies with developing ESG roadmaps, monitoring KPIs and reporting against progress. To encourage detailed disclosure on ESG matters, all portfolio companies are required to provide at least annually a comprehensive account of their ESG performance, including management of climate-related risks when considered material. In 2022, we also launched an onboarding ESG questionnaire for our private equity portfolio companies, which includes climate-related considerations, to optimise ESG data capture. One of our key priorities for 2023 is gaining a more granular understanding of the carbon footprints of our portfolio companies and supporting them in developing credible emissions reduction plans. To achieve this, we are in the progress of setting up a centrally coordinated programme. In the interim, we have decided to estimate the financed emissions of our private equity and credit portfolio using PCAF1 methodology. Please see our disclosure under Metrics and targets.

Biodiversity risk management

As shown on page 29, although our investment portfolio was found, through self-declaration, to be only moderately exposed to biodiversity risks, we plan to further expand our biodiversity materiality assessment to better integrate biodiversity risks into our decision-making process from due diligence to ownership phase.

Risk management framework review frequency

ESG risks are regularly considered through the Investment Advisory Committee, Portfolio Management Committee, Audit & Risk Committee and ESG Committee particularly, showing Bridgepoint's commitment.

Currently, we do not have a formalised ESG specific risk mapping framework. However, the forthcoming review of Bridgepoint's ESG policy should help to strengthen the process of ESG risk consideration.

Action plan to reduce exposure to main ESG risks

Main actions planned for 2023

- Launch a centralised Climate Programme: as explained in a previous part, we aim to ensure that by the end of 2023 (or within 12 months of Bridgepoint investment), all our portfolio companies have established carbon accounting for their Scope 1, 2 and 3 emissions and developed a GHG emissions reduction plan.
- Include more credit funds (currently BCO IV and BDL III are included) in the scope of estimated emissions from financing activities.
- Start developing a climate-related risk register framework to improve quantitative assessment of climate-related risks on the Group operations.

Main actions planned in the medium and long term

Each year we will focus on a different topic to create centralised support for our portfolio companies to continue managing risks and identifying areas for value creation.

Quantitative estimate of the financial impact of the key ESG risks

At the Group level, any ESG and climate-related risks considered to have material financial impact on the Group's financial performance are included within the central risk management system. The monitoring of these risks is integrated into Bridgepoint's existing risk management and investment monitoring processes. To date, Bridgepoint's ESG risk mapping is not sufficiently formalised to allow a quantitative estimate of the financial impacts of these risks.

Our in-house ESG team, in collaboration with the Legal & Compliance team and investment teams, is in the process of developing an enhanced risk register of climate-related physical and transitional risks with the potential to have a material impact on the Group's operations. The climate-related risk register framework includes assigning owners to all identified risks, summarises controls and mitigants, and specifies key risk indicators. In addition, it estimates the potential financial and non-financial impact were the risk to eventuate, as well as the cost of control measures. The quantification of potential financial impacts and the cost of mitigation measures will facilitate the consideration of climate-related risks in the Group's strategic planning.

List of financial products referred to in Articles 8 and 9 under the SFDR

Bridgepoint Europe VII ("BE VII") is currently in a fundraising phase. It held its first close at €4 billion in Q2 2022. Since then, the fund has enjoyed further closes and it is now in the final third of its €7 billion target fundraising Programme.

BE VII is classified as an "Article 8 fund" under the Sustainable Financial Disclosure Regulation (SFDR). An Article 8 fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics.