

# Bridgepoint's Private Equity Responsible Investment Policy

February 2024

**Bridgepoint**

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## Policy Statement

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Bridgepoint aspires to be a force for good. We drive growth and build value by connecting people, capital, ideas and opportunity.

In everything we do, from committing investors' capital to working with portfolio companies, to supporting our teams, we're guided by our values:

We do what we say,

We do the right thing,

We act with intelligence and humility.

Bridgepoint is a long-term active investor seeking to deliver attractive returns to investors in a responsible manner. In practice, this means building bigger, better managed businesses with improved resilience and profitability, which will have a positive and sustainable social and environmental impact on the communities in which they operate, generating strong returns for our investors in a responsible manner.

Across Bridgepoint's Private Equity fund strategies, all funds launched since 2021 align with Article 8 of the EU Sustainable Finance Disclosure Regulation.

## Scope

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

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

Policy Owner

Adopted by

Previous Version

Head of Sustainability

Chief Investment Officer

August 2021

## Governance

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Bridgepoint's Group Board, through its ESG Committee, is responsible for overseeing the implementation of this policy and all sustainability matters across the Firm. The ESG Committee, chaired by one of Bridgepoint's Board Non-Executive Directors, meets twice a year and reviews the status of policy implementation at least annually.

Our responsible investment policy is integrated into our investment process and day-to-day implementation rests with Bridgepoint's senior leadership team and private equity investment professionals.

## Integration of Sustainability factors into our Investment Process

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### Prior to investment

Bridgepoint does not invest in companies whose products, services or practices cause environmental or social harm, and where there is no path to transform the business into a positive contributor to society. Potential investment opportunities are therefore systematically screened against Bridgepoint's Private Equity exclusion list.

As important part of our investment process, ESG due diligence, led by the Investment teams and supported by third party experts and our Sustainability team, is conducted before Bridgepoint funds make any investments. A brief for third parties has been developed and issued to Investment teams guiding them through a two-phase process. Our Investment Advisory Committees use findings from the due diligence to support their investment decisions.

During the due diligence process, we focus the ESG due diligence work on key risk assessment and value item identification, rather than a generic blanket approach. We have therefore adopted a risk materiality methodology based on well-developed models such as SASB and form a risk-based view on potentially material business, financial and reputational matters.

Once an investment has been approved by the Investment Advisory Committee and signed, we further assess a company's existing sustainability policies and programmes, including its documented performance against the UN Sustainable Development Goals, and identify opportunities for improvement.

## During the investment period

Active engagement is an essential component of Bridgepoint's approach to portfolio management and Sustainability. We take every opportunity to advise, support and collaborate with the management teams of our portfolio companies to help them embed and regularly review best-practice sustainability policies, processes and systems to deliver positive results.

Bridgepoint's Sustainability team works with management teams through specifically appointed sustainability representatives within a portfolio company, including a member of the Board who oversees the company's sustainability journey and a designated sustainability contact for day-to-day communication.

Companies receive active onboarding support from the Sustainability team and have access to a Sustainability Resource Centre offering various guidance materials around key topics such as sustainability strategy development, compliance and climate.

Portfolio-wide priorities for all portfolio companies include:

- > Assignment of sustainability responsibilities to a portfolio company board-level executive;
- > Assignment of at least one female board director to ensure diversity of the board;
- > Implementation of a company-specific sustainability policy (or equivalent), if not already in place, which needs to be communicated to all employees;
- > Measurement of the portfolio company's GHG footprint (scope 1, 2 and 3) and development of a reduction plan with science-based targets;
- > Development of six key compliance policies (Anti-Bribery and Corruption; Anti-Money Laundering; Cyber Security; Health and Safety; Human Rights and Modern Slavery; Whistleblowing).

Monitoring of sustainability performance is integrated into the Firm's Portfolio Management Committee review process. All portfolio companies are subject to a regular review, and sustainability aspects are a critical component of papers submitted to the Portfolio Management Committee by the Investment team.

## Reporting

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Bridgepoint's Sustainability team coordinates an annual portfolio-wide sustainability survey. Data from the survey allows Bridgepoint's Sustainability team to monitor and analyse portfolio companies' progress over time and identify areas in which the team can further support performance. Findings from the survey are reported to the Operating Committee for each investment strategy.

We publicly report progress on our approach to sustainability and performance in our Annual Report, through our annual UNPRI Transparency Report or select rating agencies.

Reporting to our fund investors occurs via quarterly reports, which summarise key highlights and sustainability KPIs that have been collected and aggregated across the portfolio using our integrated portfolio monitoring system. Sustainability is also a regular agenda item on Limited Partner Advisory Committee meetings (held twice a year) and the Annual Investor Meeting. Additionally, progress of each SFDR 8 classified fund towards environmental and social objectives is reported to investors on an annual basis.

## Sustainability Training

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Bridgepoint and the British Private Equity & Venture Capital Association worked closely to develop a pioneering ESG training course in 2016, which is relevant to all jurisdictions in which Bridgepoint operates, and has become an industry standard. Additionally, all new joiners complete a mandatory ESG induction programme, with ad-hoc training, webinars and guidance documents on key sustainability topics available to our investment teams as needed.

## Memberships and Industry Initiatives

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Bridgepoint continuously develops and enhances its approach to responsible investing, taking into account the latest international standards, guidelines and best practices. This is illustrated by our commitment to the United Nations supported 'Principles for Responsible Investment' (PRI), having been a signatory since 2013 and a former member of its Private Equity Advisory Committee. Furthermore, Bridgepoint is a founding member of the 'ESG Data Convergence Initiative' and acted as a Steering Committee member.

The Firm participates in key industry associations and initiatives which aim to promote responsible investment and sustainability integration across the private equity sector. These include but are not limited to: 'Invest Europe' and 'Invest Europe's Responsible Investment Roundtable', the 'British Private Equity and Venture Capital Association' and 'France Invest'.

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