CLIMATE TRANSPARENCY REPORT 2020

Bridgepoint
About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force’s guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/72B4A82A-D1FE-48B8-94C3-9B8819E72C64/79894dcb337a40828d895f9402aa63de.html?lang=en&a=1). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the PRI website and on the Data Portal.

To easily locate information, there is a Recommendation index which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.
# TCFD Recommendations Index

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**Symbol**

<table>
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<tr>
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<td>-</td>
<td>The signatory did not complete this sub-indicator.</td>
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</table>

This indicator is relevant to the named TCFD recommendation

Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.
ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

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<th>MAIN CHARACTERISTICS</th>
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<tbody>
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<td>Name</td>
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<td>Main Asset Class</td>
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<td>Disclosure of Voluntary Indicators</td>
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</table>
PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.
### SG 01.1
**Indicate if you have an investment policy that covers your responsible investment approach.**

#### Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Climate-related material risks and opportunities are taken into consideration as appropriate as part of our investment decision making and monitoring processes. For example, our annual ESG survey, which is sent to all portfolio companies, includes specific questions on climate risk and the Taskforce on Climate-Related Financial Disclosure (TCFD) recommendations to help us understand the level of awareness among management teams across our portfolio.

Examples of specific climate change-related initiatives that we implemented in 2019, included:

- Completion a portfolio-wide energy efficiency review, with the aim of identifying opportunities to reduce energy consumption and limit carbon emissions. Results of the assessment will be reported to our ESG Committee in 2020 to support it assess what further action might be required to address the initial recommendations.

- Direct engagement with portfolio companies, through face-to-face meetings, sites visits, and conference calls to discuss initiatives such as carbon footprinting. For example we have been sharing insights with Vitamin Well, a Bridgepoint Development Capital III investment and market leader in the sale of high-quality products for health conscious and active consumers, in relation to the implementation of their environmental strategy and carbon emissions mapping exercise.

- Collaboration with peers, industry associations, and ESG advisers to build further awareness of industry-specific initiatives and evolution of best practice associated with climate risk and the TCFD recommendations. Through our role on PRI's Private Equity Advisory Committee’s climate change sub-group we contributed to the development of the PRI's technical guide: ‘TCFD for Private Equity General Partners’ (which is due to be released in 2020) and also attended several seminars on the topic hosted by Private Equity International and the PRI. We also participated in several informal UK network events that have been dedicated to discussing climate change issues in private equity. We are keeping a close eye on industry developments and are considering the possibilities of conducting a climate risk scenario assessment in collaboration with our ESG adviser.

#### No
SG 01.7

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

- Yes
- No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

We continue to monitor industry-wide developments on the implementation of best practice climate risk initiatives and plan to consider our response to this in 2020, with support from our ESG advisers. This was a topic that was discussed at our last ESG Committee meeting held in December 2019.

SG 01.8

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

Explain the rationale

Over the last year we have focused on increasing our understanding of the TCFD framework and industry best practice developments. We plan to conduct an internal review our ESG strategy and approach in 2020 and as part of this will consider the implications of climate risk on the Firm and the portfolio.

SG 01.9

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

Our Responsible Investment Policy sets out our approach to systematic integration of material ESG risks and opportunities into our pre-investment and post-investment practices, with climate risk factors identified as a common ESG topic typically considered if materially relevant to the portfolio company. Climate-related issues such as energy management / procurement, compliance with carbon emission schemes and emerging regulations, and physical impacts such as flood risk will be factored into the scope of the ESG due diligence assessment if deemed materially relevant to the company by the Investment team / ESG adviser. The Investment team, with input from the ESG team where necessary, works closely with the appointed adviser to ensure the scope and approach is focused on material issues relevant to the company and sector it operates in.

Should any material climate-related issues be identified, these will typically be factored into 100-day plans, or as necessary, company specific ESG roadmaps (action plans).

- No
### SG 1.10 CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- ☑ Public PRI Climate Transparency Report
- ☐ Annual financial filings
- ☐ Regular client reporting
- ☐ Member communications
- ☐ Other
- ☐ We currently do not publish TCFD disclosures

### Governance and human resources

<table>
<thead>
<tr>
<th>SG 07 CC</th>
<th>Mandatory to Report Voluntary to Disclose</th>
<th>Public</th>
<th>Descriptive</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG 07.5 CC</td>
<td>Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Board members or trustees

- ☑ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- ☑ Oversight/accountability for climate-related issues
- ☐ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Portfolio managers

- ☐ Oversight/accountability for climate-related issues
- ☑ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Investment analysts

- ☐ Oversight/accountability for climate-related issues
- ☑ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues

#### Dedicated responsible investment staff

- ☑ Oversight/accountability for climate-related issues
- ☑ Assessment and management of climate-related issues
- ☐ No responsibility for climate-related issues
### For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Climate-related issues are factored into our broader approach to the governance of ESG, as defined by the roles and responsibilities listed in the previous sections (SG 07.01 to SG 07.04).

### ESG issues in asset allocation

<table>
<thead>
<tr>
<th>SG 13</th>
<th>Mandatory</th>
<th>Public</th>
<th>Descriptive</th>
<th>PRI 1</th>
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<td><strong>SG 13.1</strong></td>
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</tbody>
</table>

- Yes, in order to assess future ESG factors

### Describe

As part of our pre-investment ESG due diligence processes, if ESG factors are considered material to the target company, the Investment teams, with input from external ESG advisers, will analyse the relevant factors and the future commercial impacts they could have, e.g. water scarcity / operational impact.

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

<table>
<thead>
<tr>
<th>SG 13.2</th>
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</thead>
<tbody>
<tr>
<td>Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.</td>
<td></td>
</tr>
</tbody>
</table>
We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

On occasions, ESG / sustainability megatrends have been a key value driver in the investment case and decision to invest in a portfolio company.

- We do not consider ESG issues in strategic asset allocation

<table>
<thead>
<tr>
<th>SG 14</th>
<th>Mandatory to Report</th>
<th>Voluntary to Disclose</th>
<th>Public</th>
<th>Additional Assessed</th>
<th>PRI 1</th>
</tr>
</thead>
</table>

**SG 14.1** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify (1)

**other description (1)**

Changes in the labour market driven by Brexit has been a key consideration for our investment strategy and planning.

- Other, specify (2)
- None of the above

**SG 14.2** Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

**other description**

When relevant and material to the investment opportunity, climate change risks / opportunities will be factored into pre-investment ESG due diligence assessments.

- None of the above
SG 14.3  Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

<table>
<thead>
<tr>
<th>other description</th>
</tr>
</thead>
</table>

All companies in the portfolio are requested to report on their energy consumption and associated greenhouse gas emissions.

- None of the above

SG 14.5  Additional information [Optional]

Climate change risks are one of many ESG factors typically considered during pre-investment ESG due diligence, where materially relevant. The Investment teams appoint an ESG adviser to conduct a bespoke ESG assessment, and will liaise closely with them to ensure they focus on material risks and opportunities relevant to the company. As appropriate, Bridgepoint's ESG team may be consulted for further guidance and advice during the appointment of the adviser, development of scope or work and analysing key findings. Energy management and efficiency, compliance with carbon reduction schemes, and flood risk are some of the climate change-related factors that are typically considered as part of our ESG assessments.

Should the Investment team proceed to make an investment, any material climate change-related issues will be factored into 100 day plans and / or specific ESG roadmaps, as appropriate. The Investment team is responsible for overseeing relevant monitoring of any portfolio company climate change initiatives / KPIs where relevant, with support from the ESG team as necessary. As noted above, all companies are required to report on their greenhouse gas emissions to Bridgepoint through our ESG portal.

As previously mentioned, during 2019 we commissioned an energy efficiency assessment across the portfolio and discussed the topic of climate change with several portfolio companies as part of our engagement activities.

SG 14 CC  Voluntary  Public  General

SG 14.6  CC  Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
<table>
<thead>
<tr>
<th>Metric Type</th>
<th>Coverage</th>
<th>Purpose</th>
<th>Metric Unit</th>
<th>Metric Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon footprint (scope 1 and 2)</td>
<td>☐ All assets</td>
<td>☑ Majority of assets</td>
<td>☐ Minority of assets</td>
<td>As part of our annual portfolio wide ESG review we request our portfolio companies to provide greenhouse gas emissions data where practically possible to do so.</td>
</tr>
<tr>
<td>Other emissions metrics</td>
<td>☐ All assets</td>
<td>☑ Majority of assets</td>
<td>☐ Minority of assets</td>
<td>Reduction in waste volumes and opportunities to increase recycling</td>
</tr>
</tbody>
</table>

**SG 14.8 CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- ○ Processes for climate-related risks are integrated into overall risk management
- ☑ Processes for climate-related risks are not integrated into overall risk management

Please describe

Climate-related risks are currently not incorporated into our overall risk management process. As previously mentioned, we plan to consider our approach and position on climate change during 2020 as part of our ESG strategy review.

**SG 14.9 CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- ○ Yes
- ☑ No, we do not undertake active ownership activities.
- ◐ No, we do not undertake active ownership activities to encourage TCFD adoption.

**SG 15**

**Mandatory to Report Voluntary to Disclose**

<table>
<thead>
<tr>
<th>Public</th>
<th>Descriptive</th>
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**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- ○ Yes
- ◐ No