



**BC Partners European Real Estate
Environmental, Social and Governance (ESG) Strategy
2022-2024**

May 2022

Contents

Introduction	3
Principles of Environmental, Social and Governance (ESG).....	4
Our Ambition	5
Purpose	5
Values.....	5
Vision.....	5
Boundaries of this Strategy.....	5
BC Partners European Real Estate’s Guiding ESG Principles	6
UN Sustainable Development Goals (SDGs)	7
Governance and Management	8
Governance.....	8
Management.....	8
Stakeholder Engagement.....	9
External	9
Internal.....	9
ESG Reporting	11
GRESB.....	11
ESG Implementation Objectives: 2022 - 2024	12
Green Building Certification Schemes for Office Developments.....	12
Environmental and Social Targets for Developments.....	13

Version Control

Version	Date	Changes	Responsible Individual
1.0	21/04/2021	Creation of ESG Strategy	Megan Such
1.0	28/04/2021	Review & approval	Olivier Garnier
1.1	19/05/2021	Minor amendments to Our Ambition and PRI sections. Introduction of ESG Committee organogram and addition of GRESB and BREEAM objectives	Megan Such
1.1	20/05/2021	Review & approval	Olivier Garnier
1.2	26/05/2021	Addition of Green Building Certification Schemes for various countries. Updates to ESG Implementation Objectives and Environmental and Social Targets for Developments	Megan Such
2.0	04/05/2022	Update for 2022	Olivier Garnier

Introduction

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

From the outset, BCP ERE incorporated environmental and social factors into its development strategy, as evidenced by a series of policies and procedures – particularly the Environmental, Social and Governance (ESG) policy which has seen several iterations over the years. This helped drive sound investment decision making and create value for our investors, our portfolio, our team members and the communities we are proud to be a part of.

Since 2021, BCP ERE has been taking a more strategic approach to ESG, developing and implementing an ESG programme tailored to the risks and opportunities presented by climate change (physical and transitional), legislation, increasing public concern about environmental and social issues and growing investor attention to ESG criteria and performance.

This document communicates the holistic approach that BCP ERE aims to implement and apply to all its development projects. It sets out the vision, principles and implementation practices that the company adheres to and is fully aligned – where appropriate - with BC Partners' 2021 ESG Policy¹.

This strategy is available for use by key stakeholders of the fund including investors, the fund management team, the asset and property management team, and development management partners.

This document applies to all BCP ERE operations and developments.

¹ https://www.bcpartners.com/system/uploads/fae/file/asset/3/2021_ESG_Policy_09_23_2021.pdf

Principles of Environmental, Social and Governance (ESG)

The UN World Commission on Environment and Development's definition of sustainability is as follows: *"sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

Sustainability is therefore often described using the interconnectivity between the needs of the environment, of society and of the economy. These three pillars of sustainability are clearly interlinked and cannot be viewed in isolation (as demonstrated in Figure 1 below).

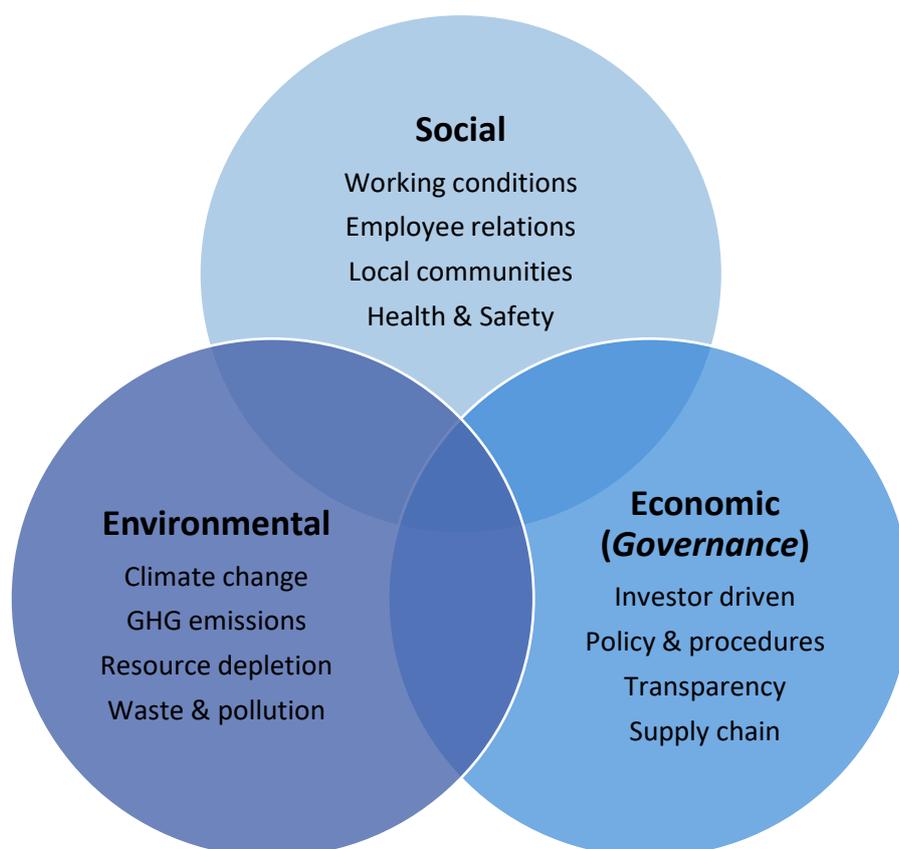


Figure 1. Three pillars of sustainability

Within capital markets, sustainability is often presented as Environmental, Social and Governance or Responsible Property Investment (RPI). BCP ERE has adopted the former.

The strategy and approach communicated throughout this document primarily covers BCP ERE's approach to the environment from an impact and climate perspective, and (socially) from a perspective of creating positive social impact on society through its operations and activities.

Our Ambition

Purpose

BCP ERE aims to grow and improve performance of the real estate investments it advises in all respects – including environmental, social and governance performance – with a view to promoting the long-term sustainability of each investment. It believes that strong ESG performance is not merely the right thing to do for its numerous stakeholders: BCP ERE believes that effective ESG management reduces risk and creates value.

At its core, BCP ERE supports various social efforts such as Healthcare, Community Development, Environmental Preservation and Conservation, Education, and the Arts through its BCP Foundation and through its personal commitments.

To that end, the purpose of this strategy is to articulate BCP ERE’s approach to integrating ESG into its investment, ownership, and reporting activities.

Values

BCP ERE is a values-driven private equity firm that combines its investment and development professionals’ decades of industry expertise with forward-looking vision about the markets, companies and communities in which it invests.

Vision

BCP ERE aspires to become an investment platform known and recognised for its commitment to ESG and its adherence to the highest environmental, social and quality standards in order to maximise long-term impact and value to all its stakeholders.

Boundaries of this Strategy

This strategy applies to all assets within BCP ERE. However, BCP ERE recognises that all assets will present different opportunities which will vary in the level of environmental and social impact they deliver, dependent upon limitations posed by the public realm, amenities, and facilities to deploy this strategy fully across the portfolio as well as the nature of the existing assets.

BC Partners European Real Estate’s Guiding ESG Principles

BC Partners, BCP ERE’s parent company, has been a signatory to the UN’s Principles for Responsible Investment (UN PRI – see <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>) since 2009 and recognises the importance of environmental, social and corporate governance issues vis-à-vis its investors, portfolio companies, employees, and other stakeholders.



BC Partners also signed on as a Task Force on Climate-related Financial Disclosures (TCFD) supporter in 2020, before carrying out its first-ever climate risk assessment in 2021. This resulted in its first TCFD-aligned disclosures in BC Partners’ 2021 ESG Report.



Finally, BC Partners signed on to additional initiatives, the Initiative Climat Internationale (iCI), the Sustainability Accounting Standards Board (SASB), the Partnership for Carbon Accounting Financials (PCAF), and the ILPA Diversity in Action Initiative. Accordingly, BCP ERE commits to considering all stakeholders in the transactions it advises on and arrange, including its Limited Partners, employees, its customers and suppliers, any relevant authorities, and local communities. While BCP ERE aims to consider all material ESG issues in each transaction, the below graphic summarises its guiding principles in each of the three ESG areas.

Environment	Social	Governance
<ul style="list-style-type: none"> ▪ In light of anthropogenic climate change, which presents the greatest long-term risk of any ESG factor, BCP ERE will review climate risk (physical and transitional) in every development. ▪ We will be prudent in the use of scarce resources, including energy and water, and maintain circular economy goals in waste management ▪ We will attempt to minimize the impact of our operations on the natural world, specifically considering ecosystem disruption and pollution 	<ul style="list-style-type: none"> ▪ We believe diverse and inclusive teams are not just more equitable: they make better decisions and give access to a greater pool of talent ▪ We respect employee’s rights to a competitive wage, safe working environment, choice to engage in collective bargaining, and remain free from any form of forced labor (including child labor) ▪ Given our interconnected economy, we will do our best to consider the human rights of all people affected by our activities, including in our supply chains 	<ul style="list-style-type: none"> ▪ We aim to meet, at a minimum, all relevant regulatory standards, and strive to operate in line with best-in-class international norms where local standards are inadequate ▪ We will comply with the highest standards of business ethics by implementing financial controls, transparency, monitoring and compliance standards and by combating bribery, corruption, money laundering and other malpractice

UN Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals ('SDGs'). The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

In developing its ESG strategy, BCP ERE has considered the UN SDGs and the associated 169 targets. Following that review, BCP ERE has prioritised the following four SDGs:

UN SDGs	Definition	Our Response
	Ensure healthy lives and promote well-being for all at all ages	Inform employees and local communities at our place of work as well as occupiers and local communities in and around our assets on health, wellbeing and workplace safety.
	Ensure access to affordable, reliable, sustainable and modern energy for all	Ensure that affordable and clean energy is considered at our developments and renewable energy production is implemented where possible.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Respect and appreciate our employees and supply chain partners to promote both economic growth and ethical working practices across all our business operations.
	Make cities and human settlements inclusive, safe, resilient and sustainable	Ensure that climate resilience is considered and implemented and that fully accessible public spaces are included at our developments.
	Take urgent action to combat climate change and its impact	Ensure that we continue to minimise the environmental and carbon impact of our developments while progressing towards Net Zero as an organisation.

Governance and Management

Governance

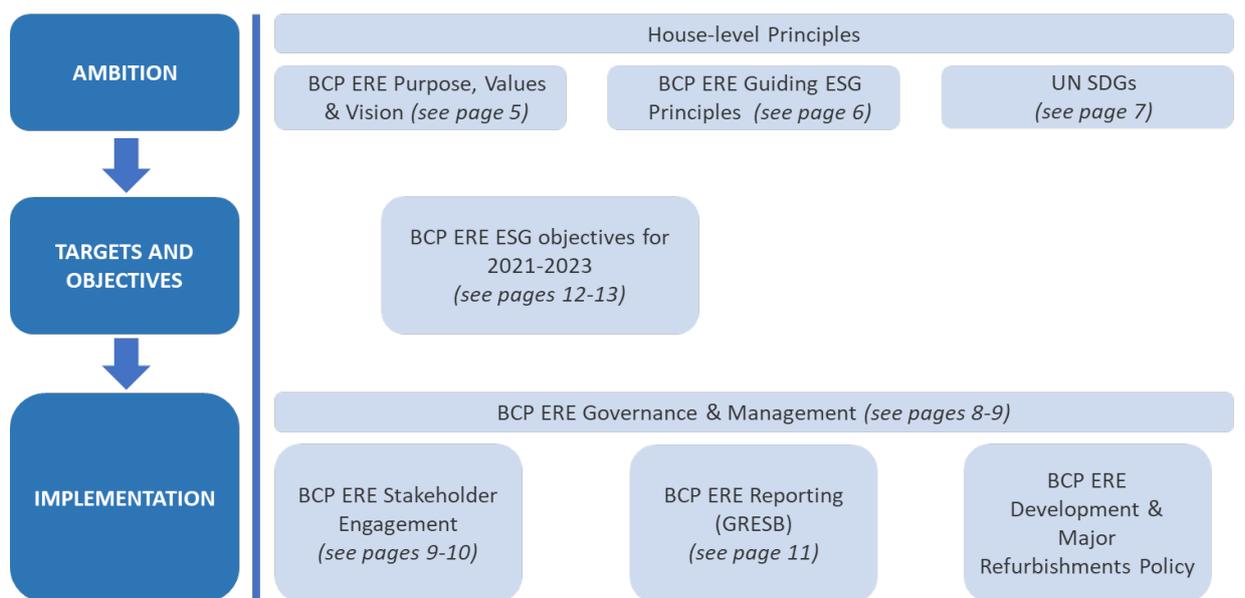
Governance is core to ensuring the successful delivery of this strategy. Clear roles, responsibilities, reports and lines of communications are established to ensure the required outcomes are achieved.

Ultimate responsibility for ESG at the firm lies within its Executive Committee, which oversees ESG through the ESG Committee, chaired by Nikos Stathopoulos. Implementation of ESG integration is led by its dedicated Head of ESG, Colin Etnire. The Investment Committee is responsible for assessing ESG within each deal that it considers.

Finally, all staff are expected to support ESG efforts when relevant to their function. To ensure BCP ERE’s investment professionals and other staff members are well suited to carry out these procedures, BCP ERE will hold regular trainings at the firm level and within different functional areas.

Management

The below diagram demonstrates how BCP ERE has designed its ESG strategy and how it will be managed. Each box relates to a section within this document in which more details can be found.



Stakeholder Engagement

Stakeholder engagement is critical to the success of the ESG programme. BCP ERE has defined the following list of key external stakeholders alongside the role each has in the ESG programme and in driving environmental and social impact.

External

Group	Role in driving environmental and social impact	How BC Partners Real Estate will engage
Investors	<ul style="list-style-type: none"> Ensuring environmental and social considerations are incorporated throughout the investment cycle – keeping BCP ERE accountable to the ESG policy and strategy Identifying and communicating to BCP ERE where the ESG policy and strategy are not being adhered to Monitoring of the ESG performance of the developments being invested in 	<ul style="list-style-type: none"> Reporting of Environmental and Social performance within development projects Conducting research as part of ESG due diligence to ensure that investments do not wilfully exploit vulnerable communities and/or create significant damage to the environment and/or society
Suppliers & Contractors	<ul style="list-style-type: none"> Provide services against BCP ERE environmental and social requirements, as detailed in BCP ERE’s Employers Requirements providing regular updates on performance against Key Performance Indicators (KPIs) Deliver services in line with applicable compliance obligations and so as not to harm the environment and/or society 	<ul style="list-style-type: none"> Communicate the ESG brief for developments to raise awareness of BCP ERE’s ESG ambition Identify and communicate performance KPIs that must be met prior to commencing formal engagement
Local Communities	<ul style="list-style-type: none"> Recipients of well-designed buildings that support the development of communities and local areas Support from BCP ERE in the form of its charity BC Partners Foundation 	<ul style="list-style-type: none"> BCP ERE will hold general public feedback sessions on major development schemes before, during and after construction BCP ERE will integrate community-focused initiatives within development projects BCP ERE employees will identify and communicate to BC Partners Foundation charities to engage

Internal

Within BCP ERE, internal stakeholders are critical to delivery of the ESG programme. The table below highlights the expectation of each team with BCP ERE.

Group	Role in ESG programme
ESG Committee	<ul style="list-style-type: none"> • Ensure both environmental and social considerations are incorporated at every stage of the life cycle of developments • Ensure investment proposals are clear about the ESG outcomes delivered • Responsible for reporting to the board and to investors • Maintain formal policies and procedures that align with the ESG strategy and promote the outcomes of the ESG programme • Communication and promotion of BCP ERE's ESG programme
Acquisition Team	<ul style="list-style-type: none"> • Responsible for incorporating ESG factors within the acquisition process, (including following the ESG brief for acquisition in site selection and land acquisition processes and reviewing climate risk [physical and transitional] in every transaction)
Investment Team	<ul style="list-style-type: none"> • Responsible for conducting research on ESG in connection with prospective investments and providing analysis to the Investment Committee • Accountable for avoiding investing with companies that fail to consider and include ESG and wilfully exploit vulnerable communities and/or create significant harm to the environment and/or society • Responsible for ensuring that ESG is included within reporting and communication with the client/investor
Project Team	<ul style="list-style-type: none"> • Ensure an 'ESG Project Plan' is established and implemented for each project in alignment with ESG requirements for Design – Planning & Construction • Report into the ESG steering group on progress made on developments • Engage with third-party suppliers to communicate the ESG programme in addition to setting KPIs to monitor compliance / performance prior to commencing formal engagement • Ensure developments are operated as designed to maximise environmental performance • Responsible for ensuring the relevant ESG policies and standards have been signed by appointed third parties
HR	<ul style="list-style-type: none"> • Responsible for ensuring ESG and professional development training is offered to employees on an annual basis • Ensure sustained focus and commitment to diversity and inclusion to continue to develop in areas such as expanding and diversifying recruitments pools, particularly to increase representation of women and other underrepresented demographic groups, investing more in and improving programs for mentorship, sponsorship, development and retention of diverse talent and increasing accountability for progress and results in these key areas • Responsible for collecting and reporting data on human capital and health & safety performance at BCP ERE's workplaces including contractors' data for reporting
Employees	<ul style="list-style-type: none"> • Adherence to the ESG strategy and policy • Conducting roles and responsibilities in line with BCP ERE's ESG programme • Communicating improvements where identified to improve the outcomes of the ESG programme

ESG Reporting

The purpose of this ESG strategy is to provide clear guidance for communicating BCP ERE’s ESG activities through routine reporting to key stakeholders. The following section outlines the delivery and governance of these reporting routes.

BCP ERE commits to regular reporting and transparency to its 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, BCP’s annual report to the PRI will provide a broad overview of activities with attention to processes and procedures. The table below summarises the ways in which BCP ERE communicates sustainability progress along with the target audiences:

Item	Reporting Level	Target Audience	Prepared By	Details
Annual BCP ERE GRESB submission	Entity	Public, Prospective Clients, Investors	External Consultant	Largest sustainability benchmark assessment for real estate companies globally. It evaluates participating companies’ performance on ESG issues against leading industry standards and peer performance
Annual firm-level PRI reporting	Firm	Public, Prospective Clients, Investors	Internal	Annual public report in adherence to a set of voluntary Principles reflecting the increasing relevance of ESG issues to investment practices and committing to adopt and implement them.
Standalone Annual firm-level ESG Report	Firm	Prospective Clients, Investors	Internal	Annual report disclosing ESG performance against a set of pre-determined targets using the appropriate ESG metrics.
Standalone Annual BCP ERE ESG Report	Entity	Public, Employees, Prospective Clients, Investors	Internal	Annual BCP ERE ESG Report disclosing ESG performance against the ESG strategy and policy
ESG Section in Annual BCP ERE Investor Report	Entity	Prospective Clients, Investors	Internal	Reporting of ESG performance in annual investor report to confirm performance in alignment with the ESG strategy and policy.

GRESB

Since 2020, BCP ERE has been reporting its annual ESG performance under the Global Real-Estate Sustainability Benchmark (GRESB), to ensure consistency in reporting on the fund’s progress that can be measured against other similar real-estate funds.



GRESB is the largest sustainability benchmark assessment for real estate companies globally. It evaluates participating companies’ performance on ESG issues against leading industry standards and peer performance.

The GRESB assessment is a comprehensive questionnaire requiring companies to submit evidence for how they manage sustainability at the corporate, portfolio and asset level.

GRESB’s Mission

“The transition to sustainable real assets is one of the most fundamental challenges we face. It can only be met with reliable ESG information, standardised global benchmarks and collective action from all our stakeholders as we work towards a more sustainable future.” - GRESB

ESG Implementation Objectives: 2022 - 2024

Below are BCP ERE's ESG objectives for the period 2022-2024. They are based on a process of continual review and improvement. As such, this strategy document may be reviewed and updated periodically (including before the end of its application period).

Objectives	Frequency
Implement an ESG Stakeholder Engagement Programme (e.g. employee training, supply chain, community and social impact)	One-off
Achieve a 4-star GRESB rating	Annually
Communicate effectively ESG principles, hold regular meetings on sustainability performance and share best practice findings and ESG data with occupiers	Annually
Conduct an employee satisfaction survey	Annually
Be in touch with communities through engagement initiatives, regular communication channels and consider investing in their advancement	Annually
Participate in an ESG Benchmark (e.g. GRESB) in order to maintain and improve ESG performance.	Annually
On-going management and disclosure of ESG performance in development projects	Annually
Review and update the ESG Implementation Objectives	Annually
Carry out a professional carbon assessment at BCP ERE employee level	Annually
Achieve Green Building Certification Scheme in accordance with country of operation for office developments over which BCPERE takes control as early as concept design stage (refer to table below)	Ad-hoc
Achieve BREEAM rating for existing office investments post design stage	Ad-hoc

Green Building Certification Schemes for Office Developments

Country	Green Building Certification Scheme	Certification Level
Germany	DGNB	Gold
	BREEAM	Excellent
	LEED	Gold
France	HQE	Excellent
	BREEAM	Excellent
UK	BREEAM	Excellent
Italy	BREEAM	Excellent
	LEED	Gold

These certifications levels are to be considered as minimum requirements; however, we may choose one relevant label on a case-by-case basis (location, size, etc.).

In addition to the Green Building Certification Schemes highlighted above, BCP ERE will also consider other certifications schemes such as BiodiverCity, WiredScore and WELL on a case-by-case basis.

Environmental and Social Targets for Developments

In alignment with its ESG Guiding Principles, BCP ERE vows to minimise the environmental and social impact of each of its real estate projects, to ensure that its assets have a low carbon footprint and benefit the local communities throughout all development stages:

- Acquisition
- Design (Planning)
- Design (Construction)

BCP ERE’s “ESG Development Strategy²” document details the targets and requirements set by BCP ERE for each of its developments. The tables below summarise those targets and requirements.

Development Stage	ESG Requirement
Acquisition	The site must connect to multi-modal transit networks
	Locate projects within existing developed areas
	Protect, restore, and conserve historical and heritage sites
	Regenerative work must be completed at any brownfield sites before development goes ahead

Development Stage	Component	Minimum Standard / Categories when applicable/possible
Design (Planning)	Project Oversight and Direction	<p>Where BREEAM is targeted, a Sustainability Champion is appointed no later than RIBA Stage 1.</p> <p>For development projects over which BCP ERE takes control as early as concept design stage, BREEAM rating target is set by the Sustainability champion, of minimum “Excellent”, and agreed by client and design team no later than RIBA Stage 2</p> <p>Ensure that each Early Stage Office Investment will seek to either: (i) be compliant with the decarbonisation pathway (as referred to at www.crrem.eu) for at least 15 years after completion of the development of such Early Stage Office Investment; or (ii) achieve at least 6 credits in respect of Ene 01 (Reduction of Emissions) under the BREEAM standards</p>
	Green Building Certifications	Green Building Certifications will be achieved according to best practice standards in the country of operation. Refer to ‘Green Building Certifications for Office Developments’ in ESG Implementation Objectives: 2021 - 2023
	Energy Efficiency Requirements	Occupant Controls, Lighting, Water, Air Quality, Sub-metering, Commissioning (see Development Strategy for details)
Design (Construction)	Construction	Waste, Lighting, noise, water (see Development Strategy for details)
	Handover	Transitioning to an operational asset (see Development Strategy for details)

² Strategy available on request