BC PARTNERS

BC PARTNERS LUXEMBOURG AIFM SFDR DISCLOSURES

Responsibility

BC Partners views environmental, social, and governance ("ESG") factors as important for making sound investment decisions.

Long considered as part of its activities, BC Partners has formalised our commitment to high standards in its own ESG Policy. The policy sets out the significance of ESG factors in relation to its investors, portfolio companies, employees and other stakeholders. As an investor, BC Partners aims to grow and improve performance as well as minimise risk in areas relevant to the long-term sustainability of each business in its investment portfolio.

Since March 2009, BC Partners has been a signatory of the United Nations supported Principles for Responsible Investment. The Principles for Responsible Investment provide a voluntary framework to managers for incorporating environmental, social, and governance (ESG) issues into their mainstream investment decision-making and ownership practices.

BC Partners takes an active role in improving ESG awareness, performance and compliance in each portfolio company.

At BC Partners a mandatory ESG assessment is undertaken during due diligence by the deal team members for each prospective investment.

Since 2012, the firm has required that within one year following an initial investment, a portfolio company must complete an ESG assessment. During these assessments, all portfolio companies are scored on a proprietary ESG maturity index along the five categories Governance, Marketplace, Environment, Community and Workplace and benchmarked against their publicly available peers. In addition, a risks and opportunity assessment is conducted, and concrete next steps are agreed with the respective management teams.

Following the initial ESG assessment, each portfolio company is then required to carry out their own ESG assessment in a BCP wide consistent template and present it to their board of directors on an annual basis, focused on performance and progress relative to company specific KPIs. Additionally, on a regular basis during the Portfolio Review Committee (“PRC”), ESG matters are flagged when appropriate to the PRC.

For more information, please download our 2020 Corporate Citizenship Report.

Sustainable Risk Finance Disclosure Regulation (2019/2088) (the "Disclosure Regulation")

BC Partners Management Lux S.a.r.l., BC Partners' alternative investment manager in Luxembourg, makes the following disclosures in accordance with Articles 3(1), 4(1)(b) and 5(1) of the Disclosure Regulation.

Approach to sustainability risk

A sustainability risk means "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". In the context of BC Partners Management Lux S.a.r.l., sustainability risks are risks which, if they were to crystallise, would cause a material negative impact on the value of the portfolios of their funds.

Before any investment decisions are made on behalf of any funds that BC Partners Management Lux S.a.r.l. manage, we identify the material risks associated with each proposed investment, including sustainability risk - supplemental due diligence may also be conducted by an external professional firm when deemed necessary. We consider such risks as part of our fund risk management process having regard to the fund's investment policy and objective. This leads to the submission of investment proposals to the investment committee.

The relevant investment committee assesses all identified risks alongside other factors set out in the proposal. Following its assessment, investment decisions are made having regard to the fund's investment policy and objectives.

Consideration of sustainability adverse impacts

Article 4 of the Disclosure Regulation requires fund managers to make a clear statement as to whether or not they consider "principal adverse impacts".

Although ESG and sustainability risk is important to BC Partners Management Lux S.a.r.l. and we take it seriously, we do not consider the adverse impacts of investment decisions on sustainability factors in the manner prescribed by Article 4 of the Disclosure Regulation. This is our current position, which we will keep under review.

The reason for this decision is that the detailed requirements on the scope of “principal adverse impacts” were not settled by 10 March 2021, when we were required to decide and publish our initial approach. We expect that fund managers who confirm they do consider principal adverse impacts will be required to make an annual disclosure against a mandatory list of adverse sustainability indicators set out in European Union legislation. That list has yet to be finalised. We also expect fund managers opting into this provision will be required to obtain a set of data mandated by European Union legislation to generate this disclosure. Again, this data has yet to be finalised.

We are continuing to assess the mandatory data collection and disclosure requirements which are applicable to firms which opt in to consider the principal adverse impacts of their investment decisions.

Remuneration policy

BC Partners Management Lux S.a.r.l. pay staff a combination of fixed remuneration (salary and benefits) and variable remuneration (including bonus). Variable remuneration may include carried interest, which is a long term interest that incentivises appropriate risk management on the part of the individual. More generally, allocation of variable remuneration to investment professionals reflects personal, team and firm performance. Compliance with all of our policies and procedures, including policies and procedures relating to the impact of sustainability risks on the investment decision making process, shall be taken into account as part of that overall assessment.