

## SUSTAINABLE FINANCE DISCLOSURE REGULATION

### BC Partners Management S.à r.l

Articles 3, 4 and 5 of the European Union Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) ("**SFDR**") mandate website disclosures at an entity level.

BC Partners' Luxembourg fund partnerships are managed by BC Partners Management S.à r.l ("**BCPM**"). BCPM, as an EU AIFM is in scope for SFDR entity-level disclosures. BC Partners Guernsey fund partnerships are managed by their respective general partners, being CIE Management IX Limited; BCEC Management X Limited; BC Partners Management XI Limited and BC Partners Management XII Limited, as non-EU AIFMs (the "**Non-EU AIFMs**").

The below disclosures therefore apply to BCPM as well as to the Non-EU AIFMs (together, the "**Managers**"). In these disclosures, references to "**BC Partners**" are to the BC Partners Group, including BCPM and the Non-EU AIFMs as well as other affiliated entities.

Product-level disclosures under SFDR will be provided to investors as part of their regular investor communications where there is an obligation to provide such product level disclosures.

### Integration of Sustainability Risk

SFDR defines "**sustainability risks**" as environmental, social or governance ("**ESG**") events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. The Managers (and/or their delegates) have integrated sustainability risks, as a subset of risks that could cause an actual or potential material negative impact to the value of an investment, into their investment decision-making process for each fund.

BCPM and the Non-EU AIFMs follow pre- and post-acquisition processes that seek to identify and mitigate material sustainability risks, although there can be no guarantee that all material risks will be identified and mitigated.

Before any investment decisions are made, the Managers will have completed a process that identifies the material risks associated with each such proposed investment; these may include relevant and material sustainability risks. If appropriate for an investment, BCPM (or its delegate) and the Non-EU AIFMs may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks to preserve the value of the investment. The Managers' then assess all the identified risks alongside other relevant factors set and, following the assessment, makes relevant investment decisions having regard to the relevant fund's investment policy and objectives. Throughout the entire process, relevant sustainability risks are identified and assessed using the same process as is applied to other relevant risks affecting the funds and investments made on their behalf.

Further information on the manner in which sustainability risks are integrated into investment decisions, including any relevant policies, is available to investors upon request from BCPM.

As part of the post-acquisition process, the Managers aim to leverage internal and external resources to improve investee companies' management of ESG factors.

For additional information, please refer to BC Partners' Responsible Investment Policy..

## **No Consideration of Sustainability Adverse Impacts**

BCPM and the Non-EU AIFMs do not consider the principal adverse impacts of investment decisions on sustainability factors in the manner prescribed by Article 4(1)(a) of the SFDR. Compliance with Article 4 and the regulatory technical standards would require BCPM and the Non-EU AIFMs to aggregate data across a number of different funds and assess the adverse impacts of investment decisions on sustainability factors by reference to the principal adverse indicators set out in the SFDR secondary legislation (the “**PAI Regime**”).

Although BC Partners takes sustainability and ESG very seriously, the Managers cannot, at present, gather and/or measure all of the data required to comply with the PAI Regime systematically, consistently, in a manner which is compliant with Article 4 of the SFDR and at a reasonable cost to investors. This data gap is not expected to change in the short term. This is in part because underlying investments are not widely obliged to, and overwhelmingly, do not currently, report by reference to the same data.

BCPM and the Non-EU AIFMs have therefore elected not to consider the adverse impact of their investment decisions on sustainability at the present time. BC Partners continues to use its own procedures, policies and metrics to assess the adverse impacts of investment decisions on sustainability factors which do not align with those prescribed under Article 4 of the SFDR, as BC Partners considers these are more appropriate, proportional and tailored to the investment strategies of its funds.

This position will, however, be kept under review in light of emerging market practice and data availability. In the meantime, BC Partners aims to invest in systems and procedures which will enable it to gather, over time, more granular data on the impacts of investments on sustainability factors.

## **Remuneration Disclosures**

BC Partners pays staff a combination of fixed remuneration (salary and benefits) and variable remuneration (including bonus).

In accordance with general private equity remuneration and award processes, a significant proportion of an investment professional’s variable remuneration is aligned to the performance of investments, meaning that the value of an investment professional’s compensation may be reduced by a sustainability risk that impacts the value of the underlying investment.

Variable remuneration for relevant staff takes into account the individual performance of investment professionals. Individual performance is assessed by reference to both financial and non-financial criteria, including whether an individual has adhered to BC Partners internal compliance policies. As such, compliance with policies and procedures relating to the impact of sustainability risks on investment decisions will be considered as part of this assessment and will impact remuneration accordingly.

Remuneration of the Managers' control functions is not linked to the performance of any fund / underlying asset.