BC PARTNERS LLP

TCFD ENTITY REPORT

24 June 2025

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Introduction

BC Partners LLP ("**BCPL**") is a leading alternative investment firm which provides advisory services from the United Kingdom to private equity and real estate funds, and separately managed accounts, namely: BC European Capital IX, BC European Capital X, BC Partners Fund XI, BC Partners XII, BC Partners GR Investment LP, and BC Partners European Real Estate I. BCPL is organised as a Limited Liability Partnership in accordance with the laws of England and Wales. Affiliates of BCPL operate in France, Germany, Guernsey, Luxembourg and the United States of America. BCPL does not provide services to BC Partners Private Credit strategies, which is located in the United States and therefore will not be discussed in this report.

During 2024, BCPL operated as a UK Financial Conduct Authority ("**FCA**") regulated and authorised "non-SNI" MIFIDPRU Investment Firm. Accordingly, BCPL is required to comply with the FCA's Environmental, Social and Governance ("**ESG**") Sourcebook.

Regulatory background

The Financial Stability Board created the Task Force on Climate-Financial Disclosures ("**TCFD**") in 2015 which produced climate-related disclosure recommendations on companies': governance, strategy, risk management, and metrics and targets. The TCFD has since been disbanded and the International Financial Reporting Standards Foundation has incorporated the TCFD recommendations in its reporting standards under IFRS S1 and IFRS S2.

The TCFD reporting standards came into effect for firms such as BCPL on 1 January 2023. This report covers the period of 1 January 2024 to 31 December 2024.

Compliance statement

The disclosures within this TCFD Entity Report including any third party or group disclosures cross-referenced in it, comply with applicable requirements of the: FCA ESG Sourcebook and the TCFD Recommendations and Recommended Disclosures.

Nikolaos Stathopoulos
Member of the Management Committee of BC Partners LLP

TCFD Requirements

1. Governance
a. Describe the board's oversight of climate-related risks and opportunities.
b. Describe management's role in assessing and managing climate-related risks and opportunities.

Board oversight of climate-related risks and opportunities

BCPL is governed by its Management Committee, namely: Mark Hersee; Philipp Schwalber; Nikolaos Stathopoulos and Christopher Heyworth. BCPL does not employ any dedicated sustainability professionals, however its affiliate, BC Partners Advisors L.P. employs the Head of Sustainability who co-ordinates the sustainability strategy for the Group.

BC Partners Group sustainability function is led by its Head of Sustainability, Colin Etnire, who joined BC Partners in 2020. Previously, Mr. Etnire worked as a Sustainability Analyst under the Chief Sustainability Officer at The Carlyle Group, and has a total of 8 years of experience working exclusively on sustainability matters within a private equity manager. Mr. Etnire's role is to set the firm's sustainability strategy and lead the implementation of sustainability across numerous functions with sustainability dimensions across the firm. He is supported by a dedicated Sustainability Analyst. While BC Partners maintains dedicated sustainability functions, its philosophy toward sustainability is that each functional area should take responsibility for the sustainability activities within its purview.

Ultimate responsibility for sustainability matters ultimately rests with the senior leadership of the wider BC Partners Group, which oversees sustainability directly through a Sustainability Committee comprised of BC Partners Group Management Committee and the leaders of our Investor Relations, Portfolio Operations, and Compliance functions. This Committee is responsible for evaluating any changes in our sustainability approach, and meets quarterly to be briefed on sustainability topics relevant to BC Partners, including any and all climate analysis conducted.

Assessing and managing climate-related risks and opportunities

Climate-related risk and opportunity assessments generated are passed along to the ESG Committee for consideration, and as of 2023 includes carbon intensity information in our portfolio summary documentation for consideration. The BC Partners Investment Committee is presented with the results of any climate-related diligence information as required by the firm's responsible investment policies for consideration in any investment recommendation. In all instances, our Head of ESG is responsible for guiding the identification of climate risk factors, working with deal teams and outside specialists as necessary.

Climate-Related Scenario Analysis

2. Strategy
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.
b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

BCPL is mandated under the FCA ESG Sourcebook to explain its approach to climate-related scenario analysis and how this applies to the firm's investments and risk decision making. The below assessment allows us to identify and manage potential financial impacts from climate-related physical hazards, policy shifts, and market changes on our portfolio.

BCPL's scenario analysis related to physical risk is based on the major physical climate screen of our private equity portfolio that was conducted in 2021 with Sust Global and Bridge House Advisors. As part of this initiative, BCPL analysed approximately 500 sites across its private equity portfolio and identified less than 10% of sites that had potential material exposure to physical risk. Since then, we have analysed all new entrants to the private equity portfolio, and none were deemed at high physical risk. In 2024 BCPL re-engaged Bridge House to update its scenario analysis and climate risk assessment and plans to complete that work in the coming months.

Private Equity Strategy

Traditionally, the firm's private equity strategy has not included high-greenhouse gas ("**GHG**") sectors such as fossil fuels, aviation, and mining. This gives us an inherent resiliency advantage compared to other investment advisors investing in such sectors. The Sustainability Team tracks GHG data in order to identify the small number of high-GHG intensity firms, and whether or not they are subject to carbon pricing schemes in their local jurisdictions. This information forms part of our broader portfolio allocation tracking.

Real Estate Strategy

BCPL's real estate Responsible investment Policy is tailored to the needs specific to the firm's real estate investment processes and follows five environmental pillars: reduction of GHG emissions, adaptation to climate change, optimisation of energy consumption, protection of biodiversity, and development of the circular economy. Additionally, BC Partners Real Estate maintain a strategic focus on: decarbonisation, climate risk, material uses and wellness. These topics were chosen after carefully weighing up investor expectations, market comparisons, regulatory requirements and achievability and they were approved by a third-party specialist in this area.

Risk Management is important to the firm. The BCPL Management Committee is responsible for ensuring that the firm has

> **3. Risk Management**
> a. Describe the organisation's processes for identifying and assessing climate-related risks.
> b. Describe the organisation's processes for managing climate-related risks.
> c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

suitable strategies and arrangements in place for risk management. Identifying, measuring, managing, and controlling risks of regulatory concern (including sustainability) is embedded into the business strategy. The Firm's strategy-specific approaches to sustainability are outlined in the offering documents of the funds it advises.

Private Equity

BCPL formally integrated sustainability assessments into its investment process in 2010. In 2011, the firm appointed Pricewaterhouse Coopers to conduct a sustainability assessment of each portfolio company. Since 2010 the firm has continually developed its processes to reflect good practice and standardise and deepen its approach to climate-related risks. We have recently updated our Responsible investment Policy with revised sustainability investment procedures as outlined below.

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Identification and assessment of climate-related risks formally begins at the "Preview Note" ("**PN**") phase, where diligence of a potential investment begins. If the PN is to progress to the Preliminary or Final investment Memorandum ("**P**"/"**FIM**") phase, the PN must first be referred to the Head of Sustainability, who produces an appended sustainability advisory memorandum. The memorandum provides an overall perspective on the potential transaction and highlights potentially material sustainability issues that must be evaluated. The memorandum also includes a recommended approach for diligence, including which (if any) third party specialists to engage. Sustainability is integrated holistically into the BCPL investment process, such that the deal team takes primary responsibility for responding to this sustainability advisory memorandum. This ensures that sustainability information is gathered from other diligence streams (such as legal, operational, human resources and others) and is incorporated into the final holistic evaluation of potential transaction.

Once acquired, all private equity portfolio companies are required to complete an annual ESG KPI survey based on its ESAP, which will then be reviewed by the respective portfolio company's board on an annual basis.

Real Estate

The BCPL sustainability survey referenced above includes our real estate portfolio. Responses to the survey are used to mark real estate investments against a sustainability scorecard both during the due diligence phase as well as post-acquisition in order to assess climate-related risk on an ongoing basis.

BCPL Real Estate submit to the GRESB on an annual basis and has targeted a 4-star rating for the Real Estate fund. The 2024 GRESB score is 87/100. Each asset in our real estate fund undergoes a full Carbon Risk Real Estate Monitoring assessment and analysis. Effort is made to ensure that local skill and employment is promoted in development projects. The Real Estate investment team is committed to minimising waste and maximising resourcing efficiency during the construction phase of (re)development. This is achieved through (at a minimum) establishing development guidelines, which promote materials meeting the following specifications: low emission volatile organic compounds; disclosure of environmental impacts; no designation on a "red list" of prohibited materials, and wood-based materials that are legally harvested, traded and third-party certified. In addition, the Real Estate team aims to obtain green building certifications, including BREEAM (at the "Excellent" level for office developments over which BCPERE takes control as early as concept design stage) and other labels (LEED, DGNB, etc.) where relevant.

Since 2022, the Real Estate Team conducts an assessment to ensure all assets comply with the Carbon Risk Real Estate Monitor decarbonisation pathway, which is an industry standard. Further, the real estate team ensures staff appreciate the impacts of climate change.

4. Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

BCPL uses a range of metrics to identify and assess climate-related risks and opportunities and track progress against specified targets. BCPL's targets include absolute metrics, as well as intensity-based indicators.

Private Equity

The key backward-looking metrics used in our internal and external reporting are set out below, covering the year to 31 December 2024.

In line with the firm's commitment to the Partnership for Carbon Accounting Financials, the table below outlines our "financed emissions" for our private equity strategy across all private equity funds based on the 2024 data year. Although recognising there are limitations in the metrics and tools used (primarily data availability and scope of coverage), we currently rely on Scope 1 and 2 GHG demission to inform investment decisions. While we monitor Scope 3 emissions to inform targeted actions, there are limitations to the quality of this data category due to poor disclosures, making it less reliable for decision making.

	Financed Emissions (MTof CO2e)	AUM Coverage
Scope 1	559,294	100%
Scope 2	55,873	100%
Scope 3	1,113,060	100%

Beginning in the 2021 data year, BCPL engaged in benchmarking to contextualise this performance. A statistic of particular importance is our whole portfolio carbon intensity metric, which at 119metric tonnes of Co2 per million euros of revenue. This figure represents a decline from 2021 (143 metric tonnes) but an increase compared to 107 in 2024. This value remains lower than the MSCI North American (134.6) and European (129.1) equities index, reflecting our investment geographies.

Further, our Co2 output of our average portfolio company, stands at 56.4 metric tonnes of Co2 per million euros of revenue. We wish to highlight that our average portfolio company exposure is roughly half the amount of total emissions, indicating that most of our portfolio companies are below the mean in carbon intensity.

Of note, 9 of our 22 fund portfolio companies have established long-term Net Zero targets.

Real Estate

Portfolio Operational Emissions (2024)	4260 MT

In line with the Carbon Risk Real Estate Monitor (CRREM), rather than report traditional scopes, we divide emissions into "operational" emissions that are ongoing and "embodied" emissions that reflect emissions that go into the building and are amortized across its lifetime. The above estimate is drawn from the CRREM reports we have commissioned for each asset. In

2024, we were not able to get a complete reporting of embodied emissions across the portfolio and will therefore not report it, although in instances where we have it, it is generally of a similar magnitude (on an annual basis) as the operating emissions.

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