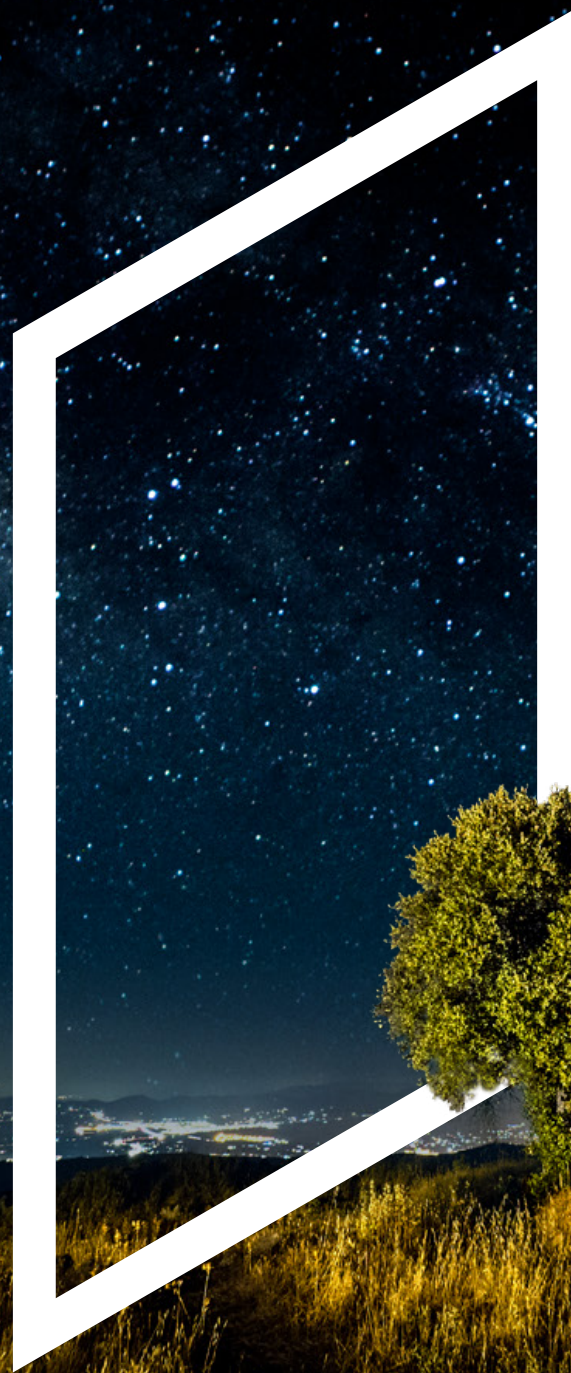




# Focused on Future-Proofing

BC Partners  
Sustainability report  
2024



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Our **North Star** is generating returns for our investors over the long term, so we need to ensure that our businesses are well-positioned not just for our ownership period, but beyond it.

## Letter from the leadership

Sustainability in investing has always been, at its root, futureproofing. To generate returns for our investors over the long run, we need to ensure that our businesses are well-positioned not just for our ownership period but beyond it. Our principal focus and responsibility is always to deliver superior returns for our investors, and we view our sustainability work as an important tool in our value creation approach, enabling us to build better businesses and create long term sustainable value.

In the last year, sustainability's role as futureproofing has not changed. What has happened is that the future has become much more concrete, in the form of new

regulations developing across the world. Whereas sustainability was once informed by an abstract knowledge that climate change and other major drivers would eventually impact the manner of doing business, we are now experiencing a surge of policy requirements across our investment universe. From increasing investor disclosure requirements to pricing on carbon and much greater emphasis on supply chain transparency, we're seeing the same general trend across our main geographies.

We welcome these developments and believe our long-standing programme is well-positioned to meet the moment. Across our portfolio, we've assisted our companies in preparing for these new,

forthcoming regulations and promoted knowledge sharing across our platform. We have also reinforced our emphasis on sustainability at the exit phase of the investment lifecycle, for example preparing detailed sell-side sustainability materials for Forno d'Asolo, as our 'futureproofing' delivers tangible upside at exit.

At the firm level, we're proud to have continued our tradition of being on the front foot of developments in the sustainability space. We were pleased The Principles for Responsible Investment awarded us 5-stars in our latest Policy, Governance & Strategy module (full report available from [this page](#)), a year after PE Wire named us "ESG Manager of the Year" in Europe. In this report, we have published

a Private Markets Decarbonization Roadmap (PMDR) aligned chart, a framework that our Head of Sustainability Colin Etnire was involved in creating. Our real estate group continues to improve its GRESB score year-on-year, and our credit group integrated an AI tool called Auquan to screen investments in diligence for potential sustainability or reputational risks.

No matter the latest trends in the sustainability space, we never take our eyes off our fundamental mandate to represent the interests of our investors. To that end, we are proud of the work we've done with sustainability in the last year, and look forward to continuing to update you on our progress in the future.

“

Sustainability in investing has always been, at its root, futureproofing.

”

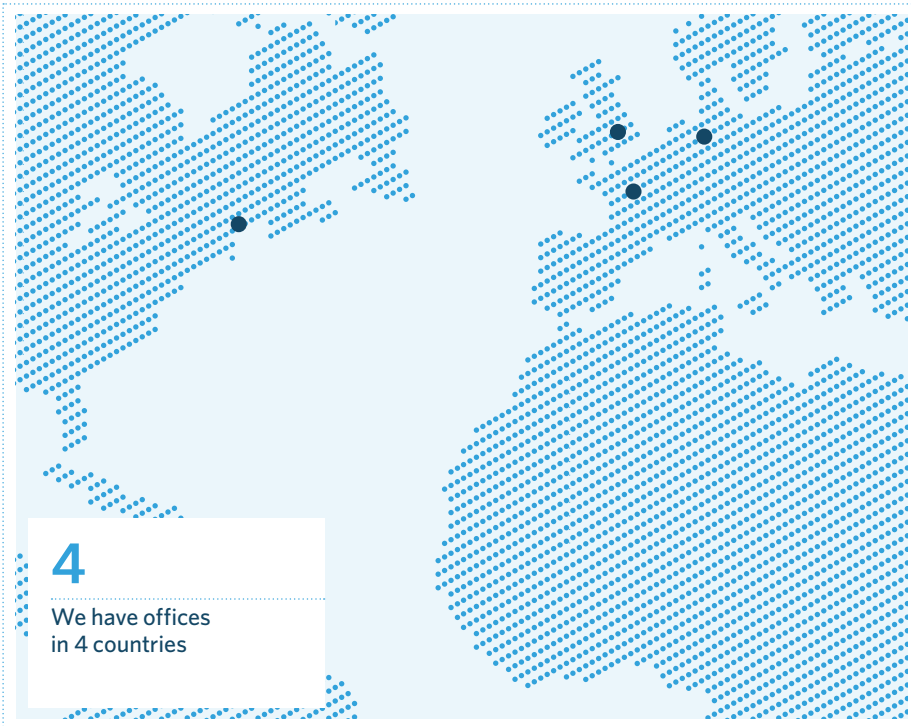


**Raymond Svider**  
Chairman, BC Partners

## BC Partners at a glance

Independent, defensive growth-focused investors

Founded in 1986, BC Partners is a leading alternative investment manager focused on private equity, credit, and real estate, with deep networks across Europe and North America.



**28**

Active portfolio companies

**4**

Core PE sectors: TMT, Healthcare, Services & Industrials, Food

**1986**

Founded in

**€7bn**

Size of Fund XI<sup>1</sup>

**38**

Operating for over 38 years

**3**

Focused strategies: Private Equity, Credit, Real Estate

**c.€40bn**

In assets under management across private equity, private debt, and real estate strategies

**300k**

Active PE portfolio companies employ 300k+ people worldwide

Notes: 1. Inclusive of Fund XI SMAs



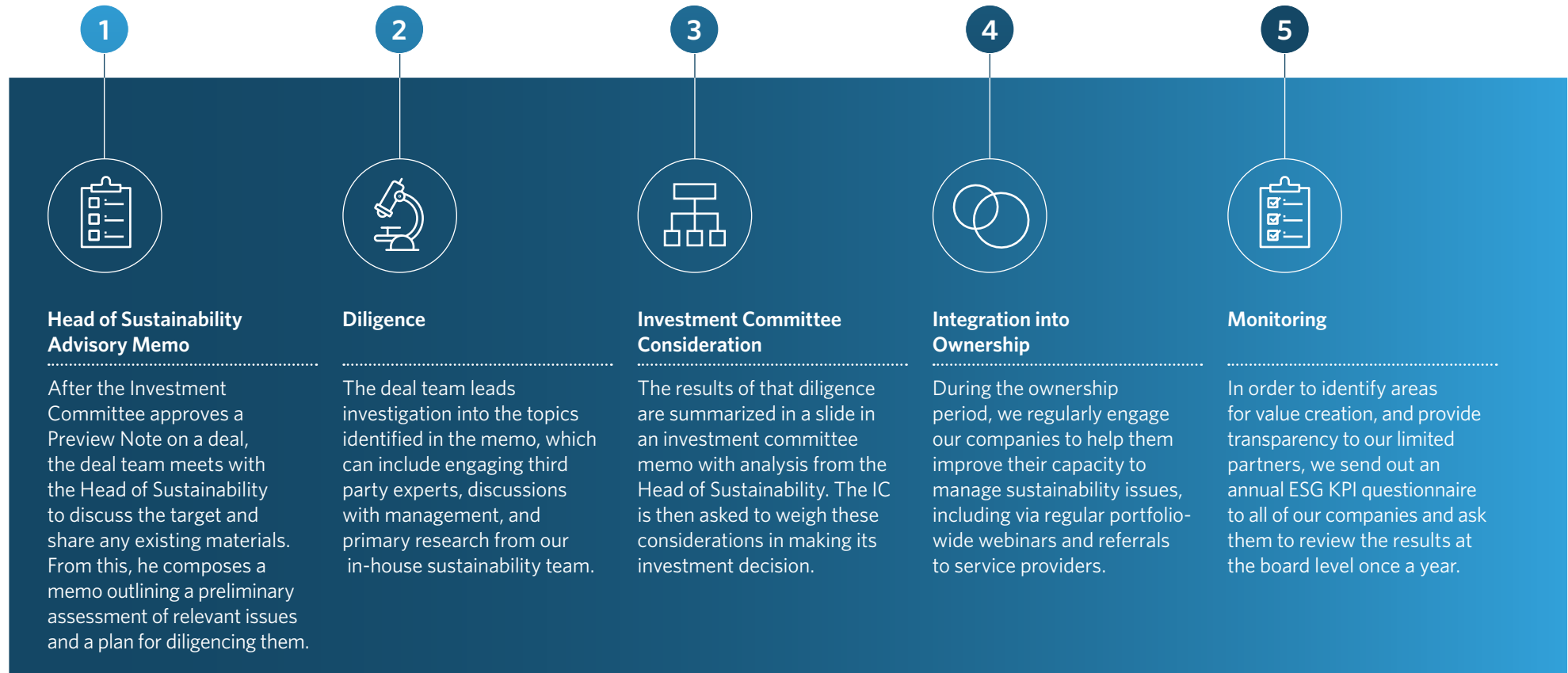
# Our approach

How we utilise sustainability as a value creation tool across private equity, credit and real estate.

## Private Equity

A successful deal in BC's private equity practice typically follows these steps to integrate sustainability into the investment process:

BC Partners' five step process for sustainability integration:



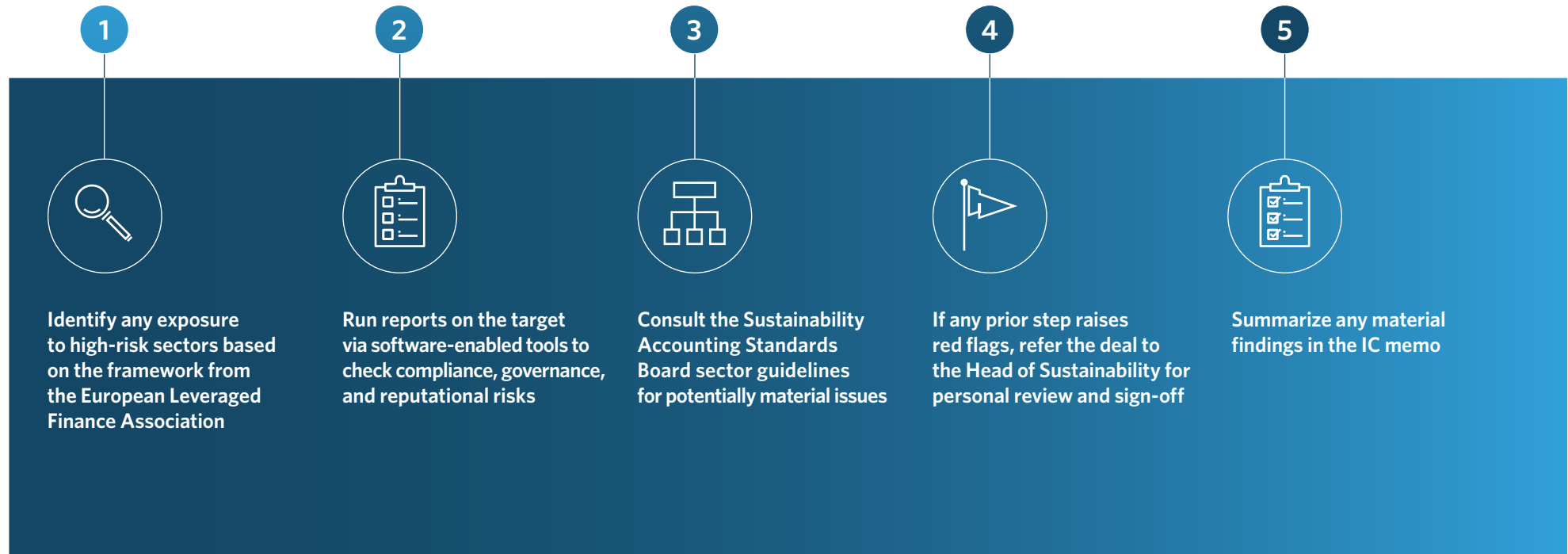
For more information about our procedures, please see our ESG policy, available on our website publicly at [this link](#).

## Credit

Private debt is one of the more challenging asset classes in which to integrate a consistent application of sustainability considerations, given lower levels of control than traditional private equity and less easily accessible data than public markets.

BC Partners Credit ('BCP Credit') is committed to incorporating ESG considerations in its investment approach, and has developed a specific approach to sustainability that is now firmly rooted in our overall investment process for private debt that is built into our deal management platform, Allvue.

For our non-liquid credit trades, this is what we ask our deals teams to do in order to integrate ESG considerations in the investment process:



## Real Estate

BC Partners Real Estate (“BCPRE”) is a real estate investment platform launched in 2018 as a fully integrated business within BC Partners.

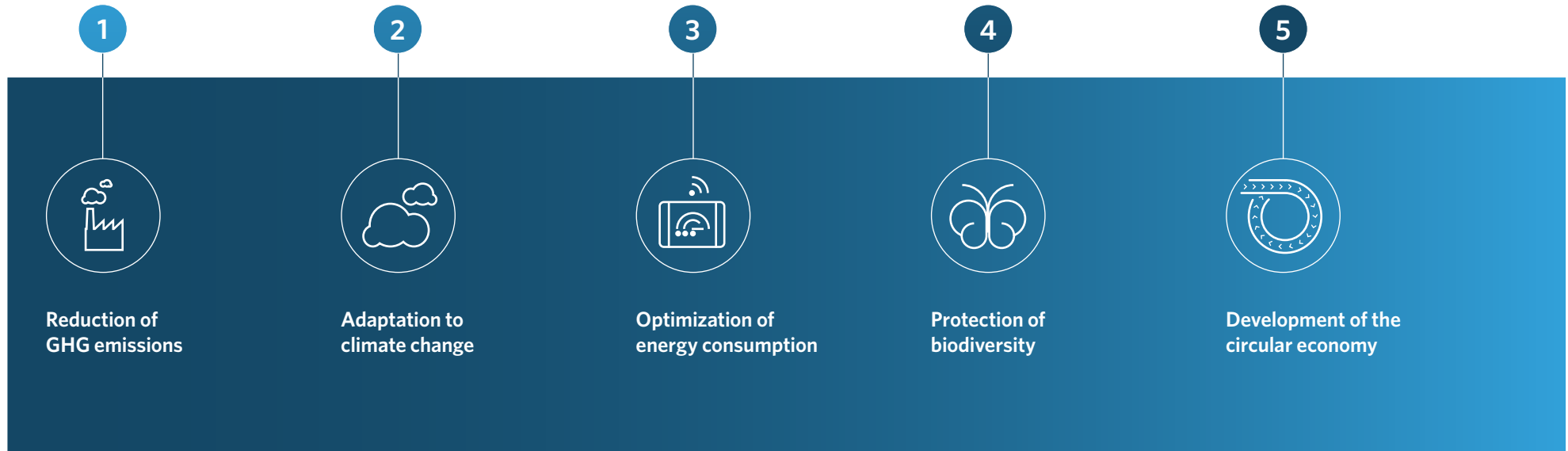
From the outset, BCPRE incorporated environmental and social factors into its development strategy, as evidenced by a series of policies and procedures such as its ESG policy, which aligns its principles with the firm-level ESG policy, tailored to BCPRE’s specific investment processes.

This commitment has been applied since 2020 by reporting to GRESB for its first fund, BC Partners European Real Estate I

(“BCPERE I”). GRESB is the largest sustainability benchmark assessment for real estate companies globally, and the team has targeted a 4-star rating for BCPERE I. In addition, the 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, BCPRE has conducted an assessment to ensure all assets comply with the CRREM decarbonisation pathway. CRREM stands for Carbon Risk Real Estate Monitor, it is a tool designed to make carbon assessment of real estate portfolios easier and more transparent and has now become an industry standard.

The real estate team has defined 5 environmental pillars to consider as part of its ESG strategy:





# Climate risk

Our approach to tackling the risks presented by climate change, and how we are navigating a transition to a low-carbon economy.

## Climate risk

Continued extreme weather events across the globe exemplify the potential worst outcomes of climate change if not addressed urgently.

The risks to investors are obvious and must be factored into the investment decision-making process to increase the resilience of portfolios and navigate the transition to a low carbon economy to mitigate the worst-case scenario.

Since our last report, we have focused on deepening the depth and breadth of our data related to the climate transition. In late 2021, we signed up with Portfolio Carbon Accounting Financials (PCAF), which sets protocols for assessing “financed emissions” described by Scope 3 Category 15 in the Greenhouse Gas Protocol. Then, in our 2022 report, we reported our financed emissions. We were the first buyout focused firm to commit to PCAF and to report according to its guidance.

In recent years, our focus on data quality led us to hire an Environmental Defense Fund Climate Corps Fellow, to engage the consultancies Guidehouse and Bridge House Advisors, and to ask for greater data from our private equity portfolio companies.

We’re happy to note that a growing number of our portfolio companies undertake their own, independent carbon accounting, and more than half have a defined decarbonisation or net-zero objective.

Our real estate asset class measures the operating performance of all its assets, and our credit asset class continues to utilize the PCAF database to create estimates, given the lack of directly available data for that strategy. Finally, across the deals we worked on in the last three years, we included carbon intensity and/or carbon pricing in Investment Committee memos when identified as material. Overall, we have seen a significant improvement on our previously available data, which allows us to undertake improved climate-related analysis.

As a signatory to the Taskforce on Climate-related Financial Disclosures (TCFD), an initiative we joined in 2020, we have prepared the following two pages aligned with TCFD recommendations.



Click here to find out more about Task Force on Climate-related Financial Disclosures  
<https://www.fsb-tcfid.org>

## Governance

Our goal is to integrate governance of climate risk considerations into overall strategy and risk management. As such, our partnership oversees climate risk via our ESG Committee, which includes the firm's Management Committee as well as heads of relevant departments.

We pass along climate risk analysis to the ESG Committee for consideration, and we now include carbon intensity information in our portfolio summary documentation for consideration within the strategic allocation process.

Our Investment Committee is presented with the results of any climate-related diligence information as required by our ESG policy for consideration in any investment decision. In all instances, our Head of Sustainability is responsible for

guiding the identification of climate risk factors, working with deal teams and outside specialists as necessary. While our procedures focus primarily on Private Equity given that is our predominant asset class, we are increasing our visibility in Credit, and Real Estate, which manages its own climate analysis in line with its commitment to GRESB.

## Scenario analysis

We continue to base our scenario analysis related to physical risk on the major physical climate screen that we conducted in 2021 with Sust Global in collaboration with Bridge House Advisors.

As part of this initiative we analysed c.500 sites across our portfolio and identified less than 10% that had potential material exposure to physical risk. Since then, we have analysed all new entrants to the portfolio, and none were deemed at high physical risk. In 2024, we re-engaged Bridge House to update our scenario analysis and physical risk assessment, and plan to complete that work in the coming months.

Our transitional risk assessment was renewed based on the data-gathering exercises outlined above. We are happy to report that just one of our now 28 PE portfolio companies have carbon intensities above the MSCI average for their geography. As such, we have a relatively low- carbon portfolio, but this exercise allowed us to identify our highest emitters, which will guide our engagement in supporting their decarbonisation journeys.

## Strategy & risk management

Our traditional strategy has not included high-GHG-intensity sectors such as fossil fuels, aviation, and mining, which gives us an inherent resiliency advantage compared to managers who don't avoid these sectors.

We are confident that our continued investment in our sustainability processes, including our climate risk analysis, will inject a more robust understanding of these risks to our traditional investing strategy so that we can seek even

greater levels of resilience across the sectors where we do have exposure. In addition to considering these risks in the investment decision process, we aim to actively manage these risks in our portfolio. We believe we can use our role as active investors to generate real value through additional investment in climate-resilient operations, and several examples are featured in case studies later in this report.

## Metrics

In line with our commitment to PCAF, the table below expresses our financed emissions in our two largest asset class strategies, Private Equity and Credit, in metric tonnes of CO<sub>2</sub> equivalent (MT CO<sub>2</sub>e):

### Weighted Average Carbon Intensity

**278.7** Metric Tonnes of CO<sub>2</sub>e per €1M of revenue

This figure compares to MSCI's North American **740.6** and Europe **870.2** equities indexes, which represent publicly listed companies in our two primary investment geographies. Our Scope 1+2 intensity of **107.4** also represents a decline from 2021, when we reported **143.0** in the same metric, and is just a touch higher than last year (**104.8**).

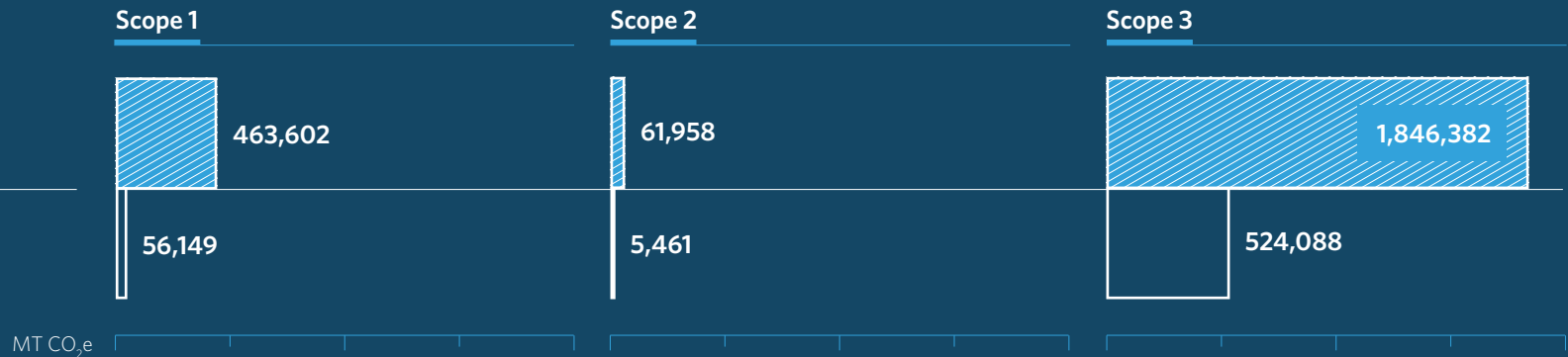
### Financed Emission Intensity

**261.9** Financed Emissions per €1M in invested capital

While we have previously only reported total emissions divided by total revenues (whole portfolio intensity), we also want to note that the average portfolio company is roughly half that amount, indicating that most of our portfolio companies are well below the mean in carbon intensity. Going forward, our goal will be to continuously increase the data quality and the coverage

of our GHG emissions calculations. The PE asset class should remain at universal coverage and increasing quality. The credit asset class will be trickier: much of the non-reported assets were in the form of, for example, CLOs, where revenue-and-industry estimation techniques struggle to give good assessments.

- Private equity (BC IX, X, XI)
- Credit (SOF I & II)



### AUM coverage



# Private Markets Decarbonisation Roadmap (PMDR)

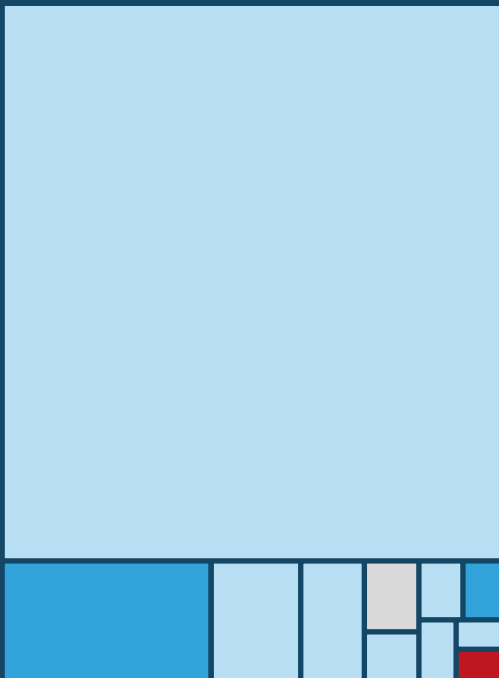
The PMDR is a framework developed by Bain on behalf of the Initiative Climat International (iCI) and the Sustainable Markets Initiative's Private Equity Task Force, and included feedback from BC Partners.

Its goal is to show the level of alignment of a portfolio toward Net Zero. Below, we show our portfolio's alignment to net zero, where each square represents the proportion of financed emissions:

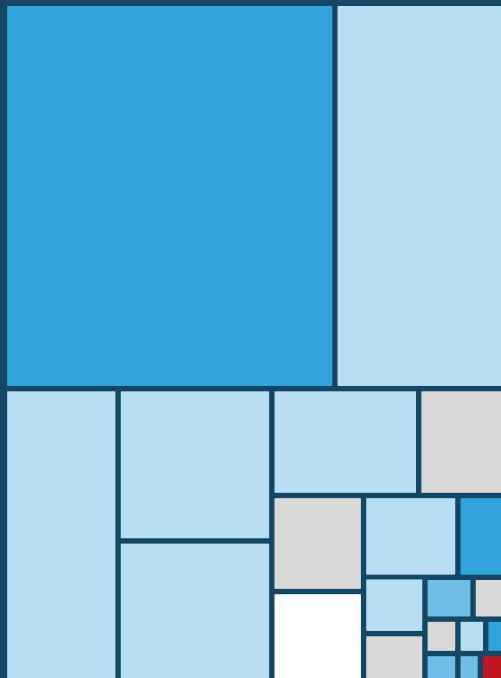
Find out more about the PMDR framework [here](#)

## PMDR Alignment by Financed Emissions and Scope

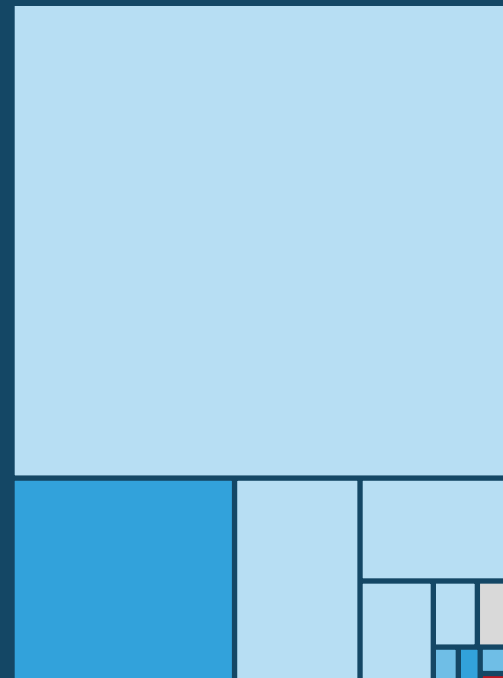
### Scope 1



### Scope 2

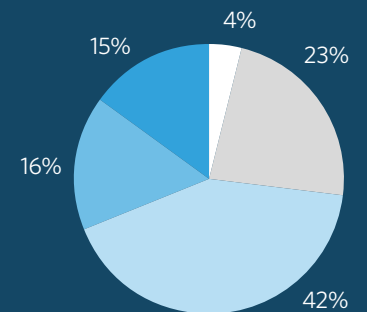


### Scope 3



- Not Started
- Capturing Data
- Preparing to Decarbonise
- Aligning
- Aligned to Net Zero
- De minimis companies

### PMDR alignment by portfolio company



# Our portfolio

A spotlight on the important sustainability initiatives happening across our portfolio.

## Portfolio Survey highlights

Every year, we send out an ESG survey to our entire private equity portfolio, covering several dozen indicators related to all major ESG topic areas. Below are select highlights from our 2024 survey:



**63%**

of companies publish their own dedicated ESG report



**15,000+**

jobs created through organic growth



**30%**

of companies have committed to net-zero decarbonisation targets



**300,000+**

portfolio company employees



Portfolio company reported GHG intensity

**53.48** MT/€ Mrev

(Mean)

**8.6** MT/€ Mrev

(Median)



**37%**

of Senior Roles ("C-suite minus one" or similar) are women

## Case study

**COUNTRY:** Netherlands

**SECTOR:** Healthcare

**INVESTMENT YEAR:** 2019

### KEY ACHIEVEMENTS:

- > Ecovadis Silver Medal awarded in September 2024, recognizing our commitment to sustainability.
- > ISO Certifications: 100% of our manufacturing sites are certified with ISO 45001, ISO 14001, and ISO 27001.
- > Commitment to Science-Based Targets Initiative (SBTi), reflecting our dedication to meeting ambitious environmental goals.

At Synthon, we remain committed to innovation, sustainability, and social responsibility as we continue to drive progress and make a positive impact on global health by providing access to affordable medicines globally.

To learn more about Synthon, visit: [www.synthon.com](http://www.synthon.com)



# Synthon

Synthon is a leader in developing and manufacturing complex generics, focused on improving global health by offering high-quality, affordable medications. Beyond pharmaceuticals, we are deeply committed to sustainability, working to reduce our environmental impact and promote social responsibility in everything we do.

### Environmental Sustainability

**2022 GHG Accounting:** Synthon began GHG accounting in 2022, adhering to GHG protocol standards and launching initiatives to reduce energy consumption.

### Energy Attribute Certificates (EACs):

Energy reduction initiatives and the use of EACs across all manufacturing sites have been key in cutting the carbon footprint.

**Wastewater and Material Reuse:** Ongoing efforts in wastewater quality, renewable energy use, and material reuse reflect the company's commitment to sustainability.

### Social Responsibility

**Inclusive Workforce:** Our workforce includes individuals from 31 nationalities, with an almost equal gender balance, promoting inclusivity and teamwork across the company.

**Community Support:** Through volunteering and charitable activities, Synthon engages with local communities to give back and support various social causes.

### Labour and Human Rights Policies:

We prioritize employee safety, career development, diversity, and the elimination of child labour and human trafficking through comprehensive labour and human rights policies.

### Looking to the Future

**Preparing for CSRD:** Synthon is working on its Sustainability Report in line with CSRD requirements, reflecting our forward-thinking approach to sustainability.

**Key Material Topics Identified:** Through a Double Materiality Assessment, we have pinpointed 12 material topics that will help focus our efforts and resources on the most impactful sustainability areas.

**Setting Targets:** This process lays the foundation for setting measurable, actionable targets to further advance our environmental and social performance.

## Case study

**COUNTRY:** UK

**SECTOR:** Services & Industrials

**INVESTMENT YEAR:** 2021

### FY24 HIGHLIGHTS:

- > Won Diversity and Inclusion Award at The National Insurance Awards 2024
- > Increased representation of women in leadership from 22% to 33%
- > Net-zero targets approved by the Science Based Targets initiative (SBTi)
- > Established Eco Davies, our sustainability-focused Employee Resource Group
- > Created an Office of Responsible Business to include environmental impact, culture, and community investment
- > Increased our EcoVadis rating by 11 points – scores improved across all areas



Davies is a specialist professional services and technology firm, working in partnership with leading insurance companies and highly regulated and global businesses.

Davies' global team of more than 8,500 professionals operate across 20+ countries, with large operational centres in the UK & U.S. Over the past ten years Davies has grown its annual revenues more than 25-fold, and invested heavily in research & development, innovation & artificial intelligence ("AI"), platform integration & underlying business systems, colleague development, and client service. Today the group serves more than 1,700 insurance, financial services, public sector, and other highly regulated clients.

Davies launched its ESG strategy in 2023 and since then has made significant progress across three pillars it focuses on: 'People, Planet and Purpose'. In 2024, Davies expanded its ESG department to create an Office of Responsible Business, led by the Global Responsible Business Officer, who reports to the Responsible Business Board Committee and Group Chief Human Resources Officer. The growing function manages the Responsible Business strategy, initiatives, and global reporting. The Davies Foundation and

linked community investment strategy is also part of this function. In the last year, Davies has celebrated many successes from its enhanced sustainability efforts.

This included a significant 11-point increase in its EcoVadis rating, a supplier rating framework highly utilised by clients. They continue to work with the United Nations Global Compact initiative to adopt sustainable and socially responsible policies, and use Science Based Targets to set goals that are realistic and material to their line of work.

As a Group, Davies has committed to cut carbon emissions in half by 2030 and to reach carbon net-zero by 2050. This target is aligned with the Science-Based Targets initiative (SBTi) — a globally recognised framework that provides companies with a clear pathway to support the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels. In 2024 they appointed a dedicated ESG & Climate Analyst, who is responsible for managing group environmental reporting and decarbonisation strategy.

## Case study

**COUNTRY:** Italy

**SECTOR:** Services & Industrials

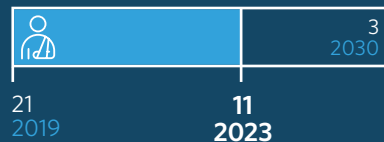
**INVESTMENT YEAR:** 2022

### Progress toward select 2030 ESG Targets

Reduce absolute GHG Emissions (Scope 1+2) by 30%



Reduce injury frequency rate by 85%



95% of supplier spending base qualified also according to ESG criteria



## FEDRIGONI

Since 1888 Fedrigoni has been synonymous with excellence in special papers, premium labels, self-adhesives materials, and RFID. Today, Fedrigoni is the global leader in wine labels and high-end papers for luxury packaging.

Committing to a sustainable development journey means embracing transformation. This, our 'Making Progress' approach, is a process of ongoing improvement focused on creating a responsible and sustainable supply chain.

### Double Materiality framework

Fedrigoni employs a Double Materiality framework, which allows the company to identify and prioritize ESG topics based on both their financial impacts and their effects on the environment and society. Fedrigoni adheres to internationally recognized frameworks, notably the Science Based Targets initiative (SBTi), which has approved Fedrigoni's targets for reducing CO<sub>2</sub> emissions across all scopes (1, 2, and 3), alongside the forthcoming Science Based Targets for Nature (SBTN).

### Supply chain emissions

Recognizing that 80% of total emissions arise from its value chain, Fedrigoni is taking proactive steps to collect primary data from suppliers. This initiative is crucial for reducing the Life Cycle Assessment (LCA) impacts of each product and for engaging all stakeholders in our sustainability journey. A key aspect of this commitment involves designing 100%

of products for optimal recycling and recovery by 2030, ensuring that end-of-life considerations are integrated from the outset.

### Social responsibility

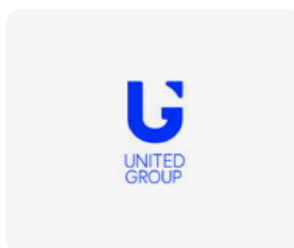
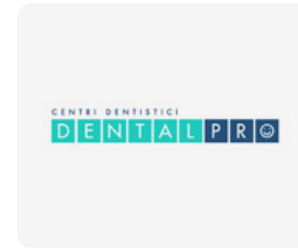
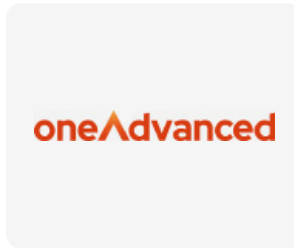
In addition to environmental goals, Fedrigoni is deeply committed to social responsibility. Fedrigoni is dedicated to creating a safe and inclusive workplace while actively attracting and nurturing talent. In 2023, the company invested 35,948 hours in training—averaging 7.9 hours per employee. With an ambitious goal to reduce injury frequency rates by 85% by 2030, Fedrigoni is implementing targeted initiatives, training programs, and digital tools to drive cultural transformation in safety. The company also aims for 35% of managerial positions to be held by women by 2030 and, through 'Fedrigoni For', the Group commits to supporting projects alongside charities in local communities.

Fedrigoni's efforts are evidenced by its inclusion in the 2024 S&P Global Sustainability Yearbook, placing the company among the top 8% of industry leaders in sustainability. Furthermore, Fedrigoni has earned the Platinum Medal from EcoVadis for the third consecutive year, achieving a score of 90 out of 100 (the top 1% of companies in its sector).

## Sustainability reports

From our portfolio companies.

Click on the logos to download the reports.



# Sustainability at BC Partners

Our internal sustainability initiatives, focused on supporting our colleagues and the communities in which we work.

## Diversity

First and foremost, operating an inclusive workplace is simply the right thing to do.

At BC Partners we also believe that it is a business imperative: diverse teams make better decisions, and inclusion allows a firm to draw from the broadest possible pool of talent.

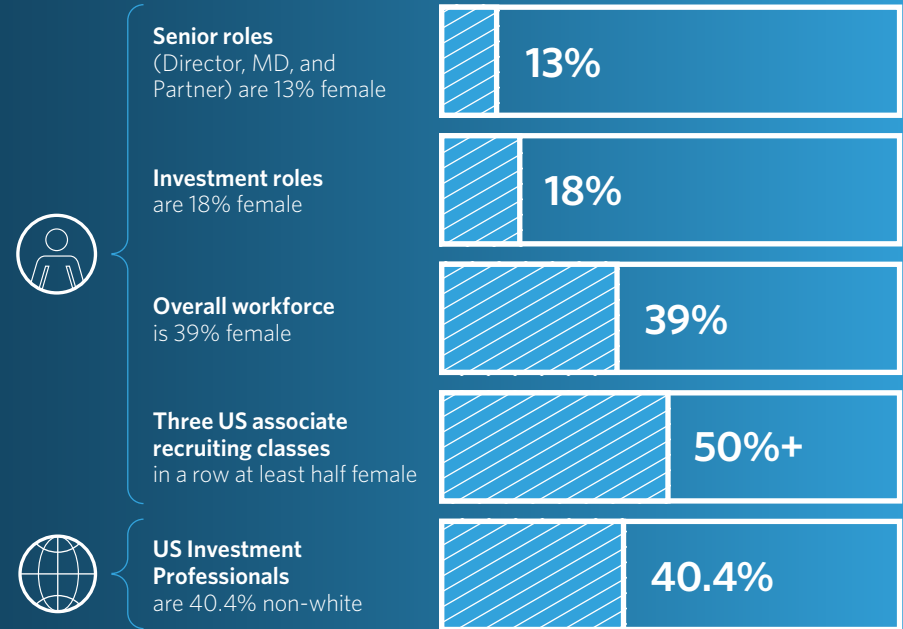
As such, we have taken steps to increase our diversity efforts over the last year. We have renewed our longstanding sponsorship of Level20, an organisation committed to working with PE firms in Europe to increase female share of senior positions to 20%.

In 2021, we also signed on to ILPA's Diversity in Action initiative, which commits us to setting targets and an internal policy, as well as sharing our internal data with our Limited Partners.

We have also signed up to the ESG Data Convergence Initiative, which commits us to reporting diversity information related to our portfolio companies, a selection of which are highlighted in this report. Going forward, we hope to implement programmes that will further increase diverse participation and we look forward to sharing the results of these in future reports.



We have highlighted some of this data here to illustrate our current state of progress:





## Offset programme

As an asset manager our primary GHG impact is through the management of our portfolio. This is why we focus considerable resources and effort in this area, as detailed in this report. However, we are also a business with our own physical footprint; we understand it is essential to lead by example and so we have taken strides to address this, which we are pleased to share here.

Since 2022, we have annually undertaken a project to calculate the GHG emissions across our business, including office and data center operations, employee commuting to work, and business travel, notably by plane. Using data from our travel agents, IT systems, and office managers, we assessed that in 2024 BC was responsible for approximately 2,773 metric tonnes of CO<sub>2</sub>e across Scopes 1-3 in the GHG Protocol\*.

The best thing a business can do to mitigate its footprint is, of course, to use resources responsibly. Our IT footprint is modest, and our major offices are in LEED Gold or BREEAM “Very Good” certified buildings. We make extensive use of video conferencing technology as an alternative to business travel.

Many businesses, and many of our peers, choose to offset the remaining emissions they cannot reduce, and we do too. Offsets are not perfect instruments, and they vary in quality, but we chose two programmes that we believe are worth supporting and have clear and verified backing: industrial NOx and HFC capture.

What we’re particularly proud of, however, is an innovative nuance to our offset programme, which demonstrates our commitment is embedded at the very top of the firm. While most emissions attributable to the firm as a whole or employees are paid for by the company, our Partners agreed to be personally charged the cost of offsetting their own business travel. The power of this approach is that it ensures our leaders consider the GHG impact of their travel choices, and so truly “internalizes” some of the social cost of carbon in the individual making the decision – and as stated earlier, shows we are leading by example.

Certain travel, of course, will still be important and necessary for our business. However, with a monetary cost assessed to the decision-makers in our firm, it is our hope that this increased awareness, and a substantive disincentive, will keep the bar high for justifying air travel, and may even encourage seeking lower-carbon forms of transportation, such as rail.

Going forward, we will continue to strive to keep the footprint modest at our management company and will report on how our initiatives play out.



\*Excluding Scope 3, Category 15 (“Investments”) that are reported in our financed emissions

## Affiliations

BC Partners is a longstanding leader (and member) of the responsible investment ecosystem, having signed UN's PRI back in 2009 and become the first buyout firm to commit to PCAF.



## Trade associations

While we support engagement with policymakers on responsible investment, we don't engage in it directly and instead do so through our primary trade associations, Invest Europe and BVCA.



## Office locations

### London

40 Portman Square, London,  
W1H 6DA, UK

### Paris

38 Avenue Hoche, 4 eme étage,  
75008, Paris, France

### Hamburg

Neuer Wall 55, 20354, Hamburg,  
Germany

### New York

650 Madison Avenue,  
New York, 10022, USA

### BC Partners

Sustainability report

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