How we approach ESG

We are growth investors, and we back businesses at critical stages in their lifecycle. This gives us the opportunity to drive positive change, not just in terms of performance but also in the environment and society in which we operate.

This is our platform for making a difference.

We want to help businesses do good and grow faster and we believe sustainable, resilient businesses deliver superior returns and a better society.

When we invest, we invest to grow. Bridgepoint looks to support strong-performing, good-quality, well-managed businesses that have the potential to flourish, whether via international expansion, operational improvement or acquisitions, or via a combination of these.

But that's not all we look for. The millions of beneficiaries of Bridgepoint funds want us to generate attractive returns in a manner they can be proud of. From the outset, this is what we have strived to achieve.

Since Bridgepoint was founded in 1985, our ambition has remained consistent:

To create lasting and sustainable positive impact

Beneath that ambition lie four key ESG beliefs that guide our investment decision-making:

1. **We believe we must invest in our world and its environment.**
   - Environmental action is ushering in a new era of innovation, efficiency, and sustainable growth. Climate change represents an investment risk and an opportunity to develop solutions.
2. **We believe in the power of the individual in creating diverse teams.**
   - By bringing diverse teams together that reflect the world in which we live, we can deliver better performance.
3. **We believe that business can and should be a force for good.**
   - Growing businesses should benefit the communities in which they operate.
4. **We believe well-governed businesses perform better and are more resilient.**
   - Structure, accountability, effective decision-making, and performance monitoring – all enable sustainable success for all stakeholders.

We are committed to a journey of constant improvement.

Environmental, social and governance principles are part of Bridgepoint's DNA. They are embedded into our own business, and they are integrated into the full life-cycle of our funds' investments.

We consider each of the four ESG beliefs across four key areas of activity:

- Bridgepoint's Group operations – as opposed to the businesses that Bridgepoint funds support.
- Investment decision-making – the processes and approach that Bridgepoint takes when assessing potential investments.
- Portfolio operations – the products and services that investee companies provide and how they might support the United Nations Sustainable Development Goals ("UN SDGs").
- Portfolio practices – investee companies' internal ESG policies and performance.

ESG at the Group level

We aim to set the standard in corporate responsibility.

Moving towards net zero, having a more representative workforce, supporting our communities and strong governance are headline ambitions. We have the structures, policies, and people in place to deliver these ambitions and support our broader beliefs as we believe that sustainable and resilient businesses deliver stronger performance.

It is our aim to make Bridgepoint a leader and a role model in corporate responsibility by continuously meeting and raising environmental, social and governance standards.

- In 2021, we partnered with ACT Commodities, a Bridgepoint portfolio company and leading supplier of market-based environmental solutions, to purchase renewable electricity for eight offices, with the remaining four[1] already operating on renewable electricity tariffs, meaning that Bridgepoint offices globally have been operating on 100% renewable electricity since 2020.

1. Until October 2022, we occupied three offices in London, which means we had 12 offices across 10 locations. In October 2022, all London colleagues moved to a new office.

How we approach ESG *continued*

- Carbon neutrality – we became carbon-neutral in 2021, offsetting the greenhouse gas emissions associated with our operations since 2020, and are now accelerating our plan to reduce emissions and support our portfolio companies to do the same.
- In September 2022, Bridgepoint's London colleagues moved into a new office which has an overall building BREEAM[1] Excellent rating, with Bridgepoint floors pending an Outstanding rating, which contributes to our Group carbon reduction plan.
- Increasing gender diversity – we met an initial target of 25% female representation in investment teams in 2019 and have since raised this target to 40%.

Governance

Our rigorous approach to the management of fund investments includes putting in place structures to ensure that Bridgepoint remains accountable and transparent, and that there is complete alignment of interest between the Company and third-party fund investors.

The recently constituted Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning. It will oversee the implementation of the Group's ESG policies and also monitor ESG performance and risk indicators across the Group and its investment portfolio. Non-Executive Director Angeles Garcia-Poveda recently joined the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, which aims to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in this initiative will help ensure that the Board stays up to date on industry best practices.

ESG team

In 2022, our ESG team grew from a team of two to a team of five across our private equity and credit strategies, including the arrival of a new Head of Sustainability, Carole Brozyna. Since these additions to the team, the priority has been to focus on risk and compliance management and on how to build sustainable value creation throughout the investment process. In January 2023, the Head of Sustainability presented the team's progress and areas of focus in the coming year to the Executive Committee.

Training

All of our private equity investment professionals are asked to complete compulsory ESG training, delivered by the British Private Equity & Venture Capital Association ("BVCA"). Bridgepoint and the BVCA worked closely to develop a pioneering ESG training course in 2016 which has since become one of the leading industry courses. Although delivered by the UK's industry body, the course is designed to suit professionals working in all the jurisdictions in which we operate.

Diversity, equity, and inclusion ("DE&I")

Bridgepoint is an international business: our employees come from more than 25 countries and speak over 20 languages. But nationalities and languages are just the start. We are working hard to enrich the diversity of our organisation on every level including with respect to gender, ethnicity, and social background.

In 2015, we recognised that Bridgepoint and the wider alternative asset management industry needed to do more to develop greater gender diversity. Our response was to launch a 10-year programme to increase the representation of women in our business.

An initial target of 25% female representation in the investment team was met in 2019, and then raised to 40%. Progress has been driven by a gender-balanced recruitment policy through our International Associate Programme, targeting a 50:50 gender split. We work hard to support our female talent through programmes that give them access to senior role models and experienced mentors as well as peer support.

Although gender remains our primary focus, we believe that all forms of diversity improve our performance and have widened our efforts to include other forms of diversity. In 2022, our Paris office added disability to its DE&I focus, and in London we continued our efforts on ethnic and social background diversity, participating in the 10,000 Black Interns programme which aims to address the under-representation of Black talent in the financial sector and running an insights week where we welcomed 59 participants aged between 16 and 21 from all backgrounds to learn more about our industry. In the US, we participate in Girls Who Invest and place a strong emphasis on hiring female interns.

Our DE&I initiatives are wide-ranging and include:

- Women's Mutual Mentoring Programme;
- Women's Role Model Dinner Series;
- networking events for female portfolio company professionals (Paris office initiative);
- parental coaching; and
- formal DE&I or ESG objectives for all colleagues.

1. Building Research Establishment Environmental Assessment Method ("BREEAM").

Bridgepoint creates lasting, sustainable positive impact

The Environment

Tackling climate change through our investments by both reducing risk and impact and developing solutions and opportunities

Society

Growing businesses benefit their communities

Diverse groups make better decisions

Governance

Well governed businesses perform better and are more resilient

Measurement

Effective measurement is the foundation of improved performance

ESG in the private equity investment process

Before, during, after

We carry out thorough ESG due diligence before we invest. We are proactive in working with our portfolio companies to raise their ESG ambitions in line with our beliefs. We help them deliver their targets.

By embedding ESG in the strategies of our portfolio companies, we set them up for sustainable success both during and after the investment period.

1 Pre-investment

First and foremost, we do not invest in companies whose products, services or practices cause environmental or social harm, and those without a path to transform into a positive contributor to society.

When we first consider a potential investment, our team will identify any potential ESG red flags and opportunities as part of our early transaction screening. As an example, in Bridgepoint Europe, we have an exclusion list that highlights sectors and activities that we will not support. An opportunity can be rejected on ESG grounds at this or any later stage. We are currently in the process of applying this to our other investment strategies across the private equity business.

As the opportunity moves into full due diligence, the investment team is responsible for ensuring that any ESG-related issues are identified and assessed.

The findings from ESG due diligence and any recommended remedial actions form a key part of the analysis presented to the relevant Bridgepoint Investment Advisory Committee.

We align all investment decisions in support of achieving long-term value creation. We assess:

- the company's alignment to the UN SDGs;
- any ESG considerations related to the company's business model;
- the company's existing ESG policies and programmes; and
- opportunities for improvement.

1 2 3 4

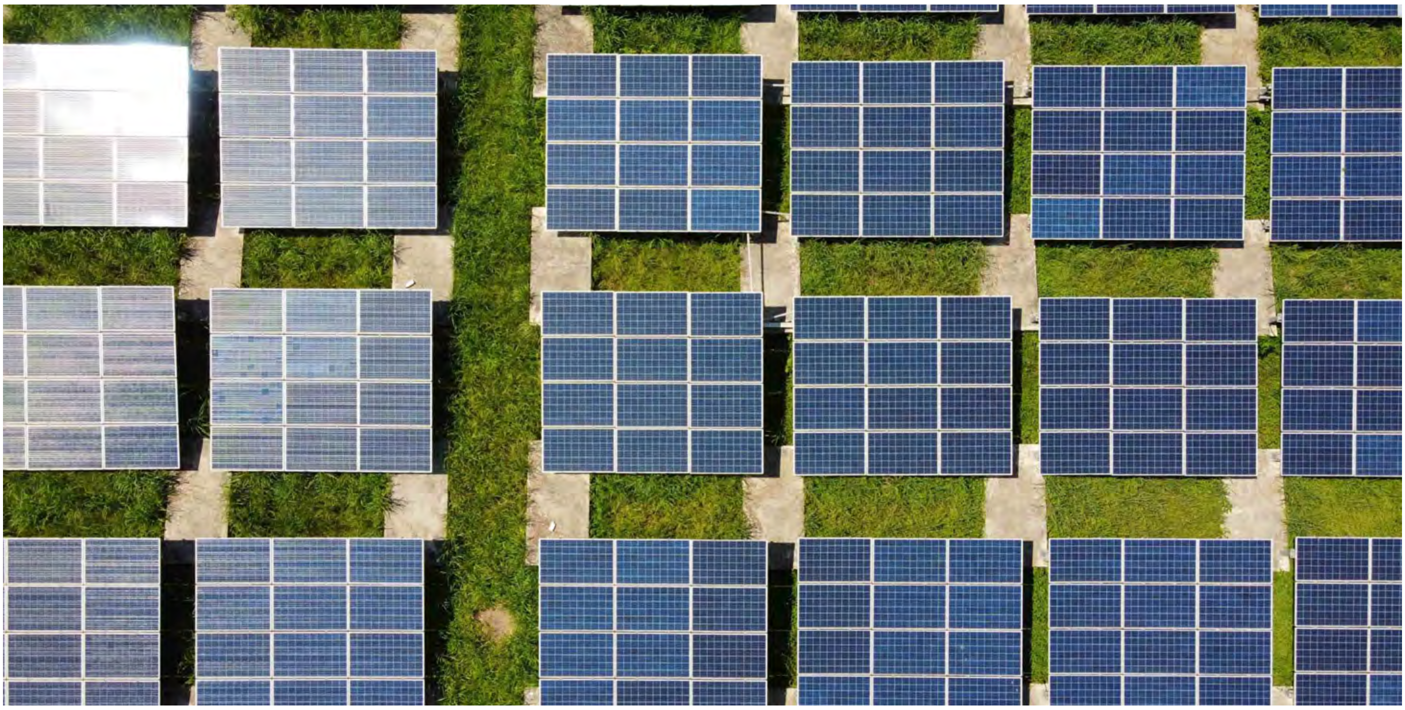
2 Directly post-investment

We aim to discuss ESG collaboratively with portfolio companies as early as possible – from the due diligence stage before we have made the investment through to signing and closing the investment and beyond.

Following completion, as part of a value creation 100-day plan, the investment team will work with management to appoint a Board member responsible for ESG matters and to nominate an individual to take responsibility for ESG on a day-to-day basis if such a person has not already been nominated. It is mandatory for all Bridgepoint portfolio companies to appoint a Board member responsible for ESG matters within six months of entry to the portfolio and is now one of our Sustainable Financial Disclosure Regulation ("SFDR") Article 8 objectives.

As part of this early engagement period, we will share our 'ESG guidelines for Bridgepoint-backed companies' and outline our expectations, as well as introduce the lead executive to our ESG monitoring programme.

In 2022, Bridgepoint's ESG team piloted a new ESG Onboarding Survey for newly acquired portfolio companies to complete, which allows the team to identify opportunities for improvement and sustainable value creation. This builds on the due diligence findings to generate a detailed understanding of current ESG performance. Once this initial discovery phase is complete, a roadmap will be agreed with management that includes company-specific ESG initiatives and corresponding key performance indicators ("KPIs").



3 During the investment period

Throughout the fund investment period, we ensure management teams regularly review their ESG policies, ensuring they remain aligned with Bridgepoint's expected standards and industry-specific good practice.

Bridgepoint provides guidance and support to management teams via the Bridgepoint Board representative and/or Bridgepoint's dedicated ESG team. External ESG advisers may also be engaged to provide specific areas of expertise.

In 2022, the ESG team hosted global webinars to communicate Bridgepoint's expectations and processes to portfolio companies more effectively. In Q3 2022, the team hosted an educational webinar, in partnership with leading ESG experts, to commence a global compliance programme. The purpose of the programme was to support portfolio companies improve six core compliance policies (anti-bribery and corruption, anti-money laundering, cyber security, human rights and modern slavery, health and safety, and whistleblowing) through the provision of a set of global guidance documents.

Tracking performance is a vital and evolving element of improving ESG practices during fund investment. At the portfolio company level, management teams regularly report on KPIs. From our 2022 ESG portfolio company reporting campaign, we found that 83% of our portfolio companies are monitoring ESG KPIs, and 71% of those report these KPIs to either their Board or Executive Committee. We understand the importance of collecting and reporting reliable data, and that is why we refined and updated our annual portfolio company survey and hosted a portfolio-wide webinar in late 2022 to kick-off our 2022 reporting campaign. At the industry level, we are actively engaged in driving greater consistency in performance monitoring, for example, via our position as a Steering Committee member of the ESG Data Convergence Initiative ("EDCI").

We aim to create value for our investors by embedding ESG practices at our portfolio companies. Please see the Element case study on page 62 for details on this.

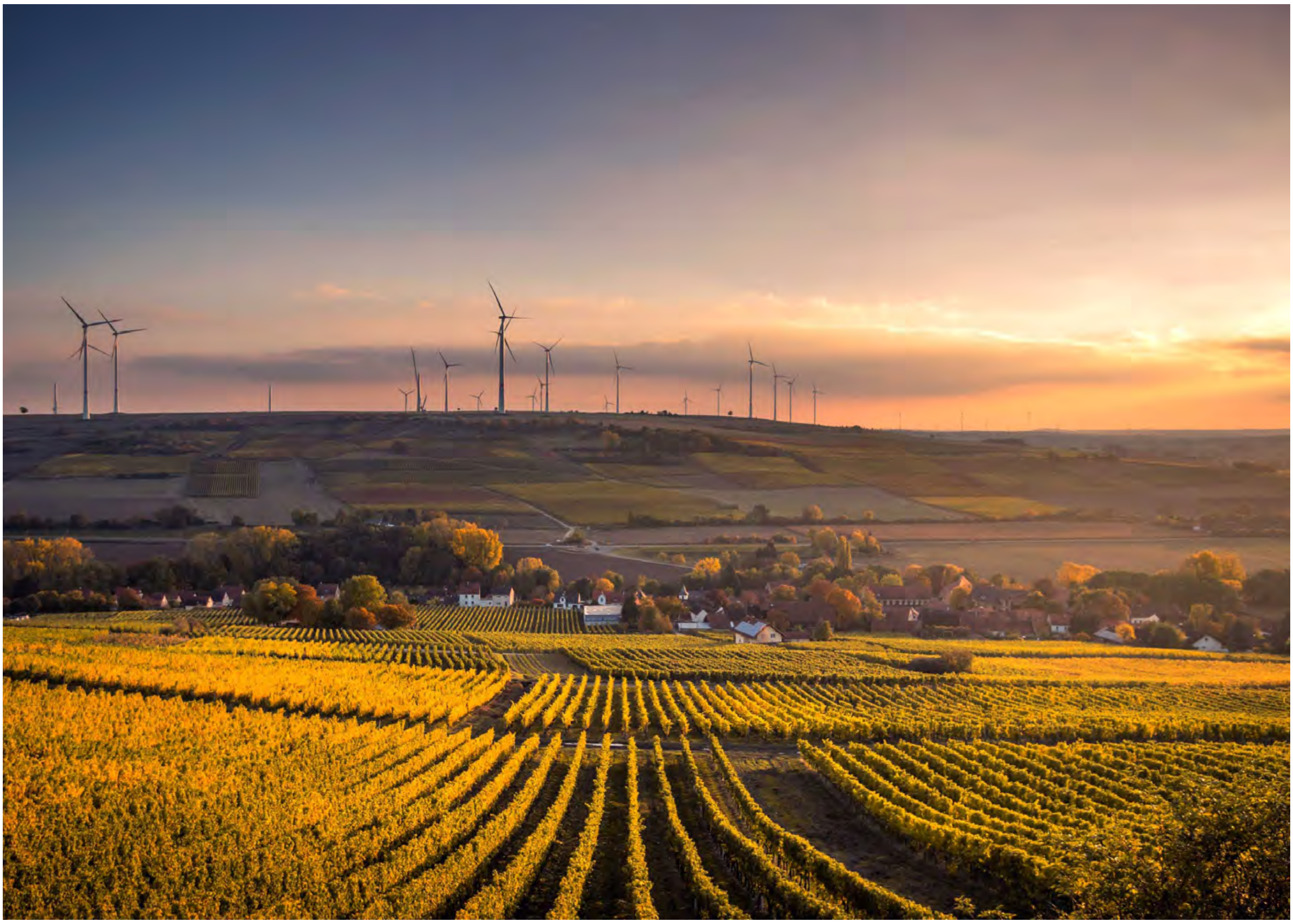
1 2 3 4

4 At divestment

Our goal is to set up businesses for sustainable success following the Bridgepoint investment period.

We aim to ensure that, like for the Bridgepoint Group, ESG becomes a key part of our portfolio companies' operations.

We also ensure that governance structures put in place during investment are sustainable post-investment and include detailed information on ESG-related matters as part of vendor due diligence.



ESG in practice

How integrating ESG considerations into decision-making, both before and during the investment period, works in practice:

Element Materials Technology

Sector: Business Services

Element, a leading provider of lab-based testing services globally, was exited by Bridgepoint in early 2022 for $7 billion. The company has a well-developed sustainability programme and strategy which was a contributing factor to exit discussions and the successful exit multiple achieved.

Element has positioned itself as the partner of choice for many customers facing new challenges in delivering their own sustainability and ESG agendas. Element's core end markets include Connected Technologies and Life Sciences, as well as Aerospace, Energy and Automotive. The Automotive sector is facing significant sustainability challenges, such as decarbonisation and transitioning to renewable energy, where Element is able to provide direct support. By exit, 60% or over $650 million of sales were directly attributable to supporting customers' ESG agendas.

Furthermore, Element received a Sustainalytics rating placing it in the top 1.5% of all companies assessed globally based on the company's exposure and management of ESG risks. This result shows that Element is not only a leader within its industry but across all industries globally.

element

By exit, over

$650 million

(60%) of sales were ESG-related

In the top

1.5%

of all companies assessed by Sustainalytics

A track record of industry leadership

2007

Founding member and contributor to Walker Guidelines for Disclosure and Transparency

2009

Launched the Bridgepoint Charitable Trust

2013

Became a UN PRI signatory

Published our first Responsible Investment Policy

2014

ESG topics become embedded in investment decision-making

2016

ESG incorporated into our governance with the inaugural executive ESG Committee meeting

BVCA training on responsible investment rolled out to all investment team members

2017

ESG team launched

Humanetics

Sector: Advanced Industrials

For over 70 years, Humanetics has been a pioneer in crash test dummies, safety systems, simulation software, and sensor technologies designed to save lives. Humanetics is leading the charge in addressing gender bias in car safety which has made women, 51% of the driving population, 73% more likely to be severely injured and 17% more likely to die in a serious accident.

Together with US regulators, Humanetics developed advanced biofidelic crash test dummies of women, children, the elderly, and people of various weights and heights to fill the gap in conventional safety protocols.

Bridgepoint and Humanetics have partnered with industry groups striving for equity in vehicle safety by educating on and advocating for crash testing standards that protect everybody.

Humanetics is also committed to the health and safety of its own employees. In November 2021, the Michigan Occupational Safety and Health Administration granted an award to Humanetics for exemplary health and safety commitment to employees. The Consultation, Education and Training Silver Award was presented to the company for maintaining an exemplary health and safety record with no lost time accidents, whilst demonstrating a strong commitment to a safety culture.

Achilles

Sector: Business Services

Achilles supports companies and industry communities to achieve their sustainability obligations using its supply chain risk management solution to validate the provenance of their suppliers. Working from offices in 17 countries, Achilles validates 54,000 suppliers in energy, mining, construction, logistics, manufacturing, and retail, ensuring they meet local and global regulations to protect the environment, health and safety, and human rights of employees. Achilles auditors visit over 6,000 client sites annually.

Achilles leads by example, having received for the second year a Brighter Futures Award for Climate Action, achieving an 80% annual reduction in all scopes of tCO_2e emissions. Achilles holds ISO 14064-1[1] certification globally for greenhouse gas emissions with quantitative uncertainty at less than 3%. Achilles has established an Ethical Working Business Group to promote collaboration in tackling unethical employment practices and is a member of the Alliance Against Exploitation in UK construction.

1. ISO 14064 consists of three parts, each with a different technical focus. Part 1 of the standard relates to "Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals".

2019

Consistent ESG reporting across the portfolio

2020

Bridgepoint Hardship Fund launched to help support our communities through Covid-19

2021

BE VII, BG II, BDL III and BCO IV become Bridgepoint's first SFDR Article 8 aligned funds

ESG-linked bridge facilities put in place for BCO IV and BDL III, a first for Bridgepoint Credit

2022

Bridgepoint's ESG team grows to five including a dedicated credit resource

ESG-linked bridge facility put in place for BE VII, a first for Bridgepoint Private Equity

Project launched to estimate our financed emissions across the private equity and credit portfolios

ESG in the credit investment process

Lending weight

Bridgepoint Credit invests across the capital structure and risk-reward spectrum through its three complementary strategies of Syndicated Debt, Direct Lending and Credit Opportunities.

ESG lies at the core of these credit strategies.

Regardless of the investment strategy, we always strive to improve environmental and social outcomes in line with our beliefs.

Where we make credit investments, we apply an ESG-centred due diligence framework and incentivised loan pricing.

During the investment period, the credit opportunities strategy often follows a private equity-like approach to value creation, including in relation to ESG. Direct lending funds, on the other hand, typically have less influence over their portfolio companies' strategies.

However, whether in respect of credit opportunities or direct lending, steps can be taken to ensure ESG plays a key role in the portfolio, through:

Pre-investment screening

We look to invest in businesses that contribute to the UN SDGs. As a result, the credit team regularly rejects investment opportunities that either carry ESG risk or operate in harmful industries. When we first consider a potential investment the screening process includes the use of an exclusion list, highlighting the harmful sectors and activities that we will not support. In addition to assessing the company, we also assess the shareholders (typically, a private equity firm) to understand how ESG issues will be supported during the life of the investment.

Bridgepoint Credit evaluates potential investee companies on two primary criteria:

- **ESG Solutions**: Assessing if and how a company and the industry in which it operates in fulfils ESG goals using the framework of the UN SDGs.
- **ESG Practices**: Assessing the environmental, social and governance processes implemented within each company, evaluated based on Bridgepoint Credit's proprietary ESG survey that is completed by the company and/or its shareholders.

Incentivisation

Bridgepoint Credit is at the forefront of a new market centred around actively incentivising ESG performance through the pricing of loans. Margin ratchets linked to ESG outcomes are incorporated into loan documentation, enabling the interest rate on a loan to vary based on ESG performance against specific targets. These specific ESG targets vary for each company, based on topics relevant to the business. Targets are set with the aim of being in alignment with the Sustainability-Linked Loan Principles and may include carbon reduction, waste reduction, increasing employee diversity, and improving performance within third-party sustainability assessments.

Monitoring

Bridgepoint Credit monitors the ESG strategy progress of its portfolio companies through requested updates on the previously completed ESG surveys from portfolio companies and shareholders every year. This allows us to assess ESG performance on an ongoing basis and use this survey as a platform for engagement with the portfolio.

The long-term goal is to make the assessment of climate impact a core part of our credit analysis. The challenge is to obtain data from companies that do not often measure their own climate impact. In 2022, Bridgepoint Credit partnered with a leading global carbon accounting platform to assess the carbon footprints of BDL III and BCO IV portfolio companies. Please see TCFD Metrics and targets for more information.

ESG industry associations

Bridgepoint drives positive change in the investment industry.

We publicly advocate for and champion responsible investment and share our experiences and practices with the wider investment community through our engagement in the following industry-wide associations and initiatives:

Industry associations

PRI – Bridgepoint became a signatory to the UN-backed Principles for Responsible Investment ("UN PRI") 10 years ago, in 2013. Please see the next page for our latest UN PRI score.

BVCA – Bridgepoint is a member of the British Private Equity and Venture Capital Association and follows the Walker Guidelines for Disclosure and Transparency in Private Equity.

Invest Europe – Bridgepoint is a member of Invest Europe, formerly known as EVCA, the European Private Equity & Venture Capital Association, which represents the private equity community across Europe.

European Leveraged Finance Association – ELFA is a trade body that seeks a more transparent, efficient and resilient leveraged finance market.

France Invest – Bridgepoint is a member of France Invest, a professional organisation bringing together nearly 400 French management companies and nearly 180 advisory firms.

Diversity, Equity and Inclusion ("DE&I") initiatives

Level 20 – A not-for-profit organisation which promotes gender equality and diversity in private equity. Bridgepoint's co-head of UK investment activities, Emma Watford (Partner and co-chair of the DE&I Committee), sits on Level 20's Advisory Committee.

France Invest - Bridgepoint's Head of Southern Europe, Frédéric Pescatori (Partner and co-chair of the DE&I Committee), co-heads the Talent & Diversity Commission of France Invest, which promotes industry-wide efforts to increase diversity within investment firms. Other members of the Paris investment team are also active within the Commission, including Anne-Sophie Moinade, who co-led the publication of France Invest's rulebook to promote social diversity at industry level.

ILPA's Diversity in Action – Bridgepoint is a signatory to the Institutional Limited Partners Association's 'Diversity in Action' initiative which aims to advance diversity, equity and inclusion.

10,000 Black Interns – We became a member of the '10,000 Black Interns' programme in 2020 to help address the underrepresentation of Black talent in the financial sector.

Out Investors – We are a member of Out Investors, a global organisation that was founded with the mission to make the direct investing industry more welcoming for LGBTQ+ individuals.

Sustainability initiatives

iCI – In 2021, Bridgepoint joined the Initiative Climat International, an initiative for private equity action on climate change in support of a collective commitment to understand and reduce carbon emissions of private equity-backed companies and secure sustainable investment performance.

ESG Data Convergence Initiative ("EDCI") – We are a founding and Steering Committee member of the EDCI which was set up by a group of GPs and LPs, led by CalPERS and Carlyle, who have convened to form the private equity industry's first-ever collaboration to align on a standardised set of ESG metrics and a mechanism for comparative reporting.

Sustainable Markets Initiative ("SMI") – We are members of the SMI's private equity roundtable. The SMI, which was launched by HRH The Prince of Wales at the World Economic Forum 2020, is a global coalition of leading companies that share a vision for the need to accelerate global progress towards a sustainable future and to tackle climate change and biodiversity loss.

ESG performance

UN PRI 2021 score published in 2022

We are pleased to have received the top rating in all three modules of our PRI assessment. This achievement recognises Bridgepoint's effort and commitments to being a leader in corporate responsibility, and to integrating environmental, social, and governance principles into the full lifecycle of our investments.

Module	Bridgepoint	Median
Investment & Stewardship Policy	97 / 100	60 / 100
Direct – Fixed income – Private debt	97 / 100	67 / 100
Direct – Private equity	95 / 100	66 / 100

Sustainalytics

For the first time, we received a Sustainalytics score in 2022, which put us in the top 15th percentile in our sub-industry (Asset Management and Custody Services) and 35th percentile in all companies scored globally. We are pleased with this score, that puts us in the medium-risk category, just short of achieving a low-risk score. However, we believe that we can do better in the future and earn a score that reflects our ESG programme and progress to date.

TCFD

We are committed to supporting the transition to a low carbon economy and journey to net zero in line with the Paris Agreement and reporting our progress transparently. We are at the early stages of this journey and the following disclosure details our second response in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

This section summarises how we integrate climate risks and opportunities into our key business and investment decisions and includes data on our direct greenhouse gas ("GHG") emissions.

Whilst the direct environmental impact from Bridgepoint's own operations is considered to be limited, we are working on reducing our carbon footprint through the implementation of office emission reduction initiatives, supplemented by verified carbon credits. We are also focused on reducing our 'financed emissions' by supporting our portfolio companies in developing carbon reduction roadmaps and accompanying actions.

We consider our biggest exposure to climate issues to be in our investment portfolio and this is where we continue to focus our attention.

Compliance statement

In accordance with the requirements of Listing Rule 9.8.6(8), Bridgepoint Group Plc has included climate-related financial disclosures consistent with the TCFD recommendations within this Annual Report. At the time of the publication, the Company is fully compliant with the following disclosures:

- Governance (all recommended disclosures)
- Risk management (all recommended disclosures)
- Strategy (disclosures (a) and (b))
- Metrics and targets (disclosures (a) and (b))

Further work is currently underway to enhance our reporting on Strategy disclosures (a) and (b) and to achieve full compliance with disclosure (c).

We are in the process of carrying out a comprehensive climate-related risk mapping exercise to develop a more granular overview of our material risks and impacts over the short-, medium-, and long-term. The results of this assessment will be included within our next TCFD disclosure, or the one thereafter, once finalised, as it is dependent on a new dedicated in-house expert to deliver this.

Additionally, one of our focus areas in 2023 is measuring and reducing our most significant emissions, financed emissions, through our portfolio company Climate Programme. At Bridgepoint Group level, we will continue to work on a carbon reduction action plan and finalise this once we recruit an in-house climate expert. This work will further strengthen the Group's sustainability strategy and enable us to become compliant with TCFD Metrics and targets disclosure (c). The current metrics used by the Company to monitor and manage relevant climate-related risks are provided in the Metrics and targets section.

We will continue improving upon our financial climate-related reporting and expect to be able to publish an improved TCFD report year-on-year, closing the gap to full compliance.

TCFD *continued*

Governance

Board oversight of climate-related risks and opportunities

The Board, assisted by the ESG Committee and the Audit and Risk Committee, provides ultimate oversight over the Group's responsible investment strategy, including climate-related risks and opportunities.

The recently constituted Board-level ESG Committee, comprising Non-Executive Directors, aims to ensure that ESG considerations, including climate concerns, are integrated into the Company's strategic and financial planning and will oversee the implementation of the Group's ESG policies approved by the Executive Committee. It will also monitor ESG performance and risk indicators across the Group and its investment portfolio. Non-Executive Director Angeles Garcia-Poveda recently joined the advisory board of the Climate Governance Initiative, a global initiative in collaboration with the World Economic Forum, which aims to enable effective climate corporate governance and mobilise boards to act. Her expertise and involvement in this initiative will help ensure that our Board stays up to date on industry best practices.

The principal responsibilities of the Audit and Risk Committee include monitoring the effectiveness of the Group's risk management systems, including the Group's management of any material climate-related risks.

Assessing and managing climate-related risks and opportunities

Recognising that ESG factors and climate concerns can have a material impact on the Group's performance and our investment activities, Adam Jones, our Group Chief Operating Officer (COO) and Chief Financial Officer (CFO), has been appointed as the Board-level executive sponsor for ESG matters, whilst our Chief Investment Officer (CIO), Xavier Robert, is responsible for ESG matters at the Executive Committee level and oversees the work of our in-house ESG team and investment teams.

The Executive Committee executes the Group's responsible investment strategy. The Committee meets monthly and implements the Group's ESG strategy and sets priorities, sustainability targets and responsible investment procedures and policies. The responsibility for identifying, assessing, and managing climate-related risks impacting Bridgepoint's operations is diffused across various teams within the organisation, such as the ESG team, Legal & Compliance team, and the investment teams.

The ESG team, with support from the Legal & Compliance team and input from relevant business units, is responsible for developing a register of climate-related risks and opportunities as well as devising suitable mitigation strategies for material risks identified. In addition, the ESG team provides support to the Board, its committees, and the Executive Committee in carrying out their responsibilities and assists in the development and implementation of the Group's ESG strategy. The ESG team reports directly to the CIO and the ESG Committee, while the Legal & Compliance team provides regular updates to the Audit and Risk Committee on risk-related matters. The Group also draws on the expertise of external ESG advisers and climate experts as necessary to effectively implement ESG initiatives throughout the firm and develop best practices.

Considering our business model, we recognise that the majority of our exposure to climate-related risks is related to our investment activities. Therefore, we have established pre-investment ESG due diligence processes to identify and evaluate the level of exposure to ESG and climate-related risks in both our credit and private equity portfolios. Within Bridgepoint Private Equity, the investment teams report the findings of the diligence process and the recommended remedial actions to Bridgepoint's Investment Advisory Committee ("IAC"), which informs the investment decision. Post-acquisition, the Portfolio Monitoring Committee ("PMC") meets every three months during the first year of ownership and then annually to monitor the companies' ESG performance and review their exposure to ESG-related risks, including climate-related risks when relevant.

Within Bridgepoint Credit, the investment teams report the findings of the pre-investment screening to the relevant credit investment committees, which consider the information as part of the ultimate investment decision. In addition, the investment teams monitor ESG risks on an ongoing basis and hold semi-annual ESG portfolio reviews that are dedicated to updating ESG performance based on portfolio company progress or updates which may include climate risk.

The monitoring of material ESG considerations continues during the investment period and the credit and private equity investment teams engage with the portfolio companies to ensure that they align with the Group's ESG standards and have appropriate controls in place. A priority of Bridgepoint's ESG engagement strategy within our private equity portfolio is to ensure the portfolio companies have nominated a Board member to take responsibility for ESG matters within six months of investment, if no one has yet been designated.

Strategy

Identifying climate-related risks and opportunities over the short, medium, and long term

Considering the day-to-day operations of the Group across our office network, spanning 10 countries, the impacts of transitional and physical climate-related risks to the Group's direct operations are considered negligible. However, we recognise that we are already living in a changing climate and climate-related risks can develop rapidly and have far-reaching and potentially irreversible consequences.

Therefore, with third-party support to kick-start the process, we are currently carrying out a comprehensive assessment of the physical and transitional climate-related risks the Group may potentially be faced with under three different climate pathways over the short (0-3 years), medium (3-10 years) and long term (10+ years) from the present day up to 2050. The assessment relies on the following three scenarios:

- Low-emissions scenario in which an ambitious and coordinated global effort to implement stringent climate policies will lead to a considerable reduction of global GHG emissions, limiting the temperature rise to 1.5 -1.8°C with little or no overshoot. This leads to high transitional risks but relatively low physical risks.
- Medium-emissions scenario, which presumes moderate climate ambition with countries fulfilling the pledges set out in their Nationally Determined Contributions, leading to a decline in GHG emissions, but resulting nonetheless in a 2.6 - 3°C global temperature rise. The scenario presents moderate to severe physical risks with transition risks being relatively low.
- High-emissions scenario in which little to no climate action is taken, with countries continuing to rely on the consumption of fossil fuels, leading to a consistent increase in global GHG emissions, resulting in a global temperature rise of approximately 4°C. The scenario presents no transition risks, but very severe physical climate risks.

A range of scenarios were chosen to gain a comprehensive overview of the potential physical and transitional risks and the assessment draws on a set of socio-economic and climate variables, including GHG emissions, temperature rise, frequency of heatwaves, frequency of extreme weather events, carbon pricing, and loss of GDP due to implementation of climate policies, among others. Data used for the indicators was at a global level, not accounting for the specifications of individual countries. The scenarios are based on the data provided by the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC"). As Bridgepoint operates within the financial industry, scenarios developed by NGFS were deemed most appropriate, however as NGFS has yet to develop a 'hot-house' scenario in which global warming is likely to reach or exceed 4°C, it was decided to use IPCC projections to be able to fully explore potential physical climate risks. The aim of the assessment is to establish a register of material climate-related risks and opportunities, which are then integrated into the Company's central risk register to ensure material climate-related risks are considered in the Company's strategic and financial planning.

Given the scale of our investment activities, our principal exposure to climate-related risks is undoubtedly related to our portfolio companies. We are committed to avoiding investment in companies which may cause social or environmental harm. Hence, exclusion lists have been put in place for Bridgepoint Credit and the Bridgepoint Europe private equity investment strategy, which provide an overview of non-compliant sectors and activities that Bridgepoint will decline to consider for investment. The BE exclusion list is currently being expanded across all private equity strategies.

The Group recognises that our portfolio companies have ESG risks and opportunities, which vary by company, sector, and jurisdiction. We have therefore developed pre-investment ESG due diligence processes to evaluate their inherent and residual risk levels in our credit and private equity portfolios. During the due diligence process for private equity, our investment teams, in collaboration with external ESG advisers, identify material ESG risks, including climate-related risks where relevant, and develop recommendations for suitable control measures. The due diligence processes account for both physical and transitional climate-related risks, including but not limited to climate regulations mandating measurement and reduction of Scope 1, 2 and 3 GHG emissions, compliance obligations related to country-specific emission trading schemes, risk of flooding to key operational locations, as well as associated impacts on supply chains. Following investment, the PMC will meet after three months, six months, nine months, 12 months and then once every year throughout the holding period. ESG forms part of every private equity PMC discussion, including performance on climate KPIs.

TCFD *continued*

Strategy *continued*

Identifying climate-related risks and opportunities over the short, medium, and long term *continued*

During 2021, the Group also carried out climate-related risk assessments with support from a leading international ESG consultancy. The analysis provided climate scenario heat maps for 43 companies within our private equity portfolio, which constituted two thirds of our assets under management, and the BDL III and BCO IV funds within our credit portfolio. The assessment considered the physical and transitional climate-related risks to our portfolio companies under the following three scenarios: low-emissions scenario, representing a global temperature rise of 1.5 -1.8°C; medium-emissions scenario, representing a global temperature rise of 2.6-3°C; and a high-emissions scenario, representing a global temperature rise of around 4°C. To ensure consistency in our climate risk management approach, the scenarios chosen for assessing climate-related risks to the Company's direct operations and to the investment portfolio were consistent.

The assessment concluded that, overall, our portfolio is exposed to relatively low climate risks. As climate scenario analysis is an iterative process, we are committed to repeating this exercise, covering both the Group's direct risks and risks to our portfolio companies, every two to three years, as the underlying assumptions of the analysis develop and change. Despite the low level of risk identified in the assessments, we are currently in the process of updating our ESG due diligence processes for both private equity and credit to include additional climate risk considerations.

Impact of climate-related risks and opportunities

The direct impact of climate-related risks on the Group's operations is considered to be limited. Therefore, while climate-related impacts are considered within our risk management system, they are not a principal risk. Examples of risks and opportunities identified in our portfolio for technology and software businesses include physical risks such as extreme weather events affecting a company's IT and office infrastructure (including data centres, servers, and cables) potentially leading to an increase in operating expenditure and decreased staff productivity. Furthermore, in the consumer sector, as consumers reduce their personal carbon footprints, under the low carbon scenario, transition risks such as the reduction in consumption and demand of animal protein could lead to loss of revenue. On the other hand, companies may be able to offset this risk partially or wholly, and even generate revenues, by developing meat-free alternatives for consumers.

As previously mentioned, we are currently working on updating our risk register of material climate-related risks, which will then be integrated into our existing risk management system. The risk register will provide a more granular overview of the relevant climate-related risks, enabling us to develop a more comprehensive account of our level of exposure. Moreover, one of our priorities for 2023 is to increase the granularity of our carbon disclosure and devise appropriate carbon reduction plans and initiatives to decrease the Group's carbon impact. Furthermore, we continue to work towards achieving our target of net zero across our portfolio by 2040. This is in line with targets in place in the jurisdictions in which we operate, such as the United Kingdom and the European Union, which have established net zero targets.

ESG and climate considerations play a significant role in our investment practices. As previously noted, the assessment of climate-related risk exposure in our private equity and credit portfolios, carried out in 2021, considered the current level of physical and transitional risk exposure to be negligible. All our portfolio companies are subject to a pre-investment ESG due diligence assessment, and we are currently in the process of updating the process to include additional climate considerations with the aim of further reducing the level of climate-related risk our portfolio is exposed to.

The potential impact of ESG-related risks also guides our strategic thinking - our credit strategy uses a proprietary assessment to analyse the ESG performance of potential investments; our private equity strategy has invested in a reporting tool to better monitor and track the performance of portfolio companies against numerous ESG KPIs. Further demonstrating our drive to invest responsibly, we have committed to aligning all our new private equity funds to Article 8 of the SFDR, including BE VII and BG II which have dedicated carbon objectives. Within the credit business, BDL III and BCO IV are also aligned to Article 8.

Strategy *continued*

Climate scenario analysis and resilience

Based on the climate scenario analysis we've carried out, which considered three potential pathways, including a 2°C or lower scenario, we have concluded that the risk of financially material climate-related impacts on the Group's direct operations is negligible. Taking into account the climate scenario analyses, our identified risk exposure and the processes we have established to manage ESG-related risks within our business, we consider our current strategy to be resilient to potential climate change impacts. We operate in various different geographies and have established a diversified investment strategy in six different sectors to limit the risk exposure of our portfolio.

In the event of significant climate change impacts, relevant disaster recovery policies are in place to ensure the safe and continued operation of our office and IT infrastructure, which are overseen by the Executive Committee supported by relevant departments such as IT and ESG. The responsibility for identifying and managing ESG and climate-related risks is diffused across the Company as illustrated in our Governance disclosure, ensuring effective oversight of ESG matters. We are also currently working on devising a climate-related risk register to closely monitor the development of any potentially material risks. The Group has taken a proactive approach towards management of ESG issues, and we continue to grow our competence in this field to be prepared for any future challenges.

As mentioned, the overall climate risk identified across our portfolio was considered low. We have consciously chosen not to consider investment in companies which may cause environmental or social harm by establishing exclusion lists. In addition, a multi-stage due diligence process has been established to ensure ESG risks, including climate-related risks where material, with potential to impact our portfolio companies are identified pre-investment and effectively managed and mitigated during the investment period. The process also includes an assessment of the portfolio company's resilience and developing recommendations for addressing any gaps in the company's current ESG strategy. If the evaluation raises any concerns about unmanaged material climate risks, we proactively engage with the investee's management to eliminate or mitigate any potential impacts to the viability and future growth of the company. These are then monitored closely on an ongoing basis by the PMC as mentioned previously.

TCFD *continued*

Risk management

Processes for identifying and assessing climate-related risks	The Legal & Compliance team, which reports to the Audit and Risk Committee and the Executive Committee, regularly assesses the Group's key risk exposures, including emerging risks such as climate-related risks. Our in-house ESG team, in collaboration with the Legal & Compliance team and investment teams, is in the process of developing a more granular risk register of climate-related physical and transitional risks with the potential to have a material impact on the Group's operations. The climate-related risk register framework includes assigning owners to all identified risks, summarises controls and mitigants, and specifies key risk indicators ("KRIs"). In addition, it estimates the potential financial and non-financial impact were the risk to eventuate, as well as the cost of control measures. The quantification of potential financial impacts and the cost of mitigation measures will facilitate the consideration of climate-related risks in the Group's strategic planning. As risks are continually evolving, the Risk & Compliance and ESG teams perform regular horizon scanning to identify emerging risks, paying particular attention to current and emerging regulatory risks. To support the ESG and Legal & Compliance teams in staying up to date with ESG and sustainability-related regulations, law firm Travers Smith was commissioned to conduct a comprehensive mapping exercise on current and future regulations that are material to Bridgepoint, including those related to climate risk. Any material issues identified will be escalated to the Executive Committee as appropriate. With regard to identifying and assessing climate-related risks in our investment portfolio, we have established an ESG due diligence process as previously described. With support from external ESG advisers, our investment teams assess the ESG performance of portfolio companies pre-investment. This identifies ESG risks, including climate-related risks where material, evaluating the risk exposure and recommending appropriate mitigation strategies. The risk assessments are reviewed by the relevant investment committees. Furthermore, we have carried out a project to estimate our financed emissions using the Partnership for Carbon Accounting Financials ("PCAF")[1] methodology to better understand the footprint of our portfolio companies and be able to support our portfolio companies in reducing their emissions. Please see Metrics and targets for our disclosure.
Processes for managing climate-related risks	At the Group level, any ESG and climate-related risks considered to have a material financial impact on the Group's financial performance are included within the central risk management system. All enterprise risks are assigned an owner from senior management, to ensure oversight of the risk management process, and subcategory risks are owned by relevant team members, with climate-related risks often drawing on the expertise of the ESG and Risk & Compliance teams. Where specific technical or legal expertise is required, the Group is supported by our extensive network of ESG and legal advisers and ESG industry associations and working groups, such as iC International, Invest Europe, BVCA and France Invest. Mitigation strategy, control measures and KRIs are identified for each risk, accounting for the effectiveness of the current control environment. Across our investment strategies, we consider active engagement an essential component of Bridgepoint's approach to ESG risk management. Throughout the investment period, we support and collaborate with the portfolio companies' management teams to implement best-practice ESG processes, policies and risk management systems. Within our private equity portfolio, our investment teams work with portfolio company management teams to appoint a senior executive to champion ESG considerations on the Board, within six months of investment, if no board-level oversight of ESG issues has yet to be established, in addition to an ESG contact who is responsible for ESG on a daily basis. Furthermore, specific ESG KPIs are defined to monitor the company's progress and the investment teams offer their expertise to help the portfolio companies establish appropriate ESG and carbon reduction initiatives.

1. The Partnership for Carbon Accounting Financials helps financial institutions assess and disclose the GHG emissions from their loans and investments through GHG accounting.

Risk management *continued*

Processes for managing climate-related risks ***continued***	Where possible, Bridgepoint Credit provides portfolio companies with financial incentives and penalties in the form of ESG margin ratchets. The margin ratchets include specified ESG targets relevant to the business which may include climate KPIs such as emission reduction targets. Thereby, management of ESG-related risks remains a focal topic throughout our investment period. We also leverage our network of ESG advisers when necessary to support the portfolio companies in the process of identifying and managing material ESG-related risks. Such an engagement approach helps us ensure that our portfolio companies develop industry-specific good management practices of ESG issues and remain aligned to Bridgepoint's standards, contributing towards the UN SDGs.
Integration of climate-related risks into overall risk management	Within the Group's risk management framework, risks are categorised into three areas - Strategic and External risks, Investment risks, and Operational risks -, with ESG- and climate-related risks being considered through the lens of the identified three categories. The materiality of the risks is assessed based on two key factors: the likelihood of the risks eventuating, and the potential impact on the Group's performance were the risks to eventuate, taking into consideration both the financial impact as well as the non-financial impact such as reputational damage. The prioritisation of the risks also considers factors such as speed to impact and whether the risk is trending in a particular direction (see pages 78 and 79 for a more detailed overview of the Group's risk management processes). Appropriate mitigation measures and risk indicators are identified for all risks and the effectiveness of established control measures is regularly monitored by the Legal & Compliance teams, relevant Committees, and the Board. As noted previously, a similar risk management process is in place for our investment portfolio, monitored and managed by the ESG and investment teams with oversight from the ESG Committee. Any material climate risks identified over the course of the ESG due diligence process are reviewed by the relevant committees, with our investment teams supporting portfolio companies with developing ESG roadmaps, monitoring KPIs and reporting against progress. To encourage detailed disclosure on ESG matters, all portfolio companies are required to provide at least annually a comprehensive account of their ESG performance, including management of climate-related risks when considered material. In 2022, we also launched an onboarding ESG questionnaire for our private equity portfolio companies, which includes climate-related considerations, to optimise ESG data capture. One of our key priorities for 2023 is gaining a more granular understanding of the carbon footprints of our portfolio companies and supporting them in developing credible emissions reduction plans. To achieve this, we are in the progress of setting up a centrally coordinated programme. In the interim, we have decided to estimate the financed emissions of our private equity and credit portfolio using PCAF methodology. Please see our disclosure under Metrics and targets.

TCFD *continued*

Metrics and targets

Metrics used to assess climate-related risks and opportunities

We support the UN SDGs of the 2015 Paris Agreement and the ambition to limit global warming to 1.5°C above pre-industrial levels. At Group level, we have focused on refining our carbon accounting to accurately measure our carbon impact and have been monitoring the Group's Scope 1, 2 and 3 emissions since 2019. In addition, this year, we are also able to disclose the GHG emissions related to our investment portfolio, calculated in line with the GHG Accounting & Reporting Standard for the Financial Industry, developed by PCAF.

In addition to metrics related to GHG emissions, we track a broad range of ESG and climate-related metrics in our private equity and credit investment activities.

Our private equity investment team has defined a set of standardised KPIs that are annually collected, such as energy consumption, adoption of climate-related policies and implementation of appropriate governance and risk structures, as well as specific KPIs adapted to individual portfolio companies, that are regularly monitored throughout the investment period to ensure the portfolio companies' alignment to Bridgepoint's ESG standards.

In our Private Credit business, we have established a portfolio company scoring system, which enables us to assess company ESG performance against over 30 ESG KPIs, which are collected annually, including environmental metrics such as consumption of renewable energy and GHG emissions reduction.

In 2023, we plan to launch a centralised Climate Programme to support each of our private equity portfolio companies on carbon footprint calculation, the development of tailored GHG emission reduction plans as well as verification of carbon data.

Bridgepoint Group emissions and financed emissions

Our Scope 1 and Scope 2 emissions, and underlying total energy consumption, associated with Group operations are summarised in the table below. This information has been prepared in accordance with our reporting requirements under the UK's Streamlined Energy and Carbon Reporting ("SECR") scheme for quoted companies, in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report Regulations) 2018.

Selected Scope 3 emissions have also been included to provide additional detail on our GHG inventory.

Table: Bridgepoint Group's emissions

	Current reporting year 2022			Comparison reporting year 2021		
Emissions Scope	UK	Rest of world	Total	UK	Rest of world	Total
Scope 1 (tCO_2e)	**61.6**	**35.3**	**96.9**	78.7	13.6	92.3
Scope 2 – location-based (tCO_2e)	**104.3**	**164.6**	**268.9**	68.6	112.4	181.0
Scope 2 – market-based (tCO_2e)	**66.3**	**95.3**	**161.6**	8.8	31.2	40.0
Deducted emissions related to the purchase of renewable electricity	**38.0**	**69.3**	**107.3**	59.8	81.2	141.0
Total Scope 1+2 - location-based (tCO_2e)	**165.9**	**200.0**	**365.9**	147.3	126.0	273.3
Total Scope 1+2 - market-based (tCO_2e)	**127.9**	**130.6**	**258.5**	87.5	44.8	132.3
Underlying total energy consumption (kWh)	**584,953**	**861,499**	**1,446,452**	752,771	640,717	1,393,488
Emissions intensity for Scope 1+2 – locations-based (tCO_2e/FTE)	**0.76**	**1.38**	**1.01**	0.78	0.92	0.84
Emissions intensity for Scope 1+2 – market-based (tCO_2e/FTE)	**0.59**	**0.90**	**0.71**	0.46	0.33	0.41
Scope 3 emissions (tCO_2e)	**N/A**	**N/A**	**2,482.4**	N/A	N/A	1,019.3

Metrics and targets *continued*

Bridgepoint Group emissions and financed emissions *continued*

Methodology

In 2022, we invested in a software platform and external support to improve the accuracy and completeness of our Group's GHG emissions inventory. This allowed us to report on a significant portion of the emissions indirectly arising from our operations, including our financing activities.

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1. We have included all sites and activities which fall under our operational control boundary.

The following are included in the methodology for the calculations above:

- Scope 1 emissions include 'fugitive' emissions from cooling systems within our buildings.
- Scope 2 emissions include purchased electricity as well as heat procured for our offices. They have been calculated using the location-based approach as well as the market-based approach to illustrate our efforts to procure renewable electricity since 2020.
- Carbon intensity was calculated based on average FTE for the year. Note that due to a slight change in methodology, a minor revision was made to the carbon intensity figure for 2021.
- 2022 Scope 3 emissions in the table include category 1 (purchased goods and services), category 5 (waste generated in operations) and category 6 (business travel).
- Scope 3 category 1 emissions (purchased goods and services) are based on a combination of the average-data and spend-based methodologies.
- Scope 3 category 5 emissions (waste generated in operations) are based on volumes of waste by type produced in our offices.
- Scope 3 category 6 emissions (business travel) are based on expenditure and distance travelled for air travel, rail travel, taxis, and rental cars, and on number of nights stayed or expenditure for hotel stays.
- Scope 3 category 15 emissions (investments) are based on calculations in line with PCAF methodology. These are shown separately in the following section.

Scope 3 emissions are currently calculated for our global activities.

Estimated emissions from financing activities

For the first time, we have estimated portfolio company emissions of our entire private equity portfolio and selected credit funds using PCAF methodology. The selected credit funds included in the estimated portfolio financed emissions are BCO IV and BDL III, and over 2023 it is planned that more credit funds will be included in the scope of this assessment. Weighted average carbon intensity ("WACI") is a carbon intensity metric that measures tonnes of CO_2e ("tCO_2e") per million dollars of revenue. It is an indicator recommended by TCFD to assess a portfolio's exposure to carbon intensive companies.

Strategy	Total emissions	WACI (Scope 1, 2)	WACI (Scope 1, 2 and 3)
Private Equity	1,173,943 tCO_2e	56.35 tCO_2e/\$m	225.88 tCO_2e/\$m
Private Credit	65,165 tCO_2e	24.98 tCO_2e/\$m	136.68 tCO_2e/\$m

Comparisons with the previous reporting year

Our Scope 1 emissions have decreased; however, this is mainly due to a change in methodology. The consumption of natural gas was previously reported in Scope 1, but this is now reported in Scope 2 as this is purchased from building managers. This scope also now includes emissions from cooling our buildings, arising from refrigerant leakage (known as fugitive emissions).

Scope 2 emissions have risen significantly using both the location-based and market-based methodologies. This is mainly due to moving the consumption of gas to purchased heating within Scope 2 to reflect our operational boundary. Furthermore, a combination of people returning to work following Covid-19, as well as high electricity usage during the fitting-out of our new London office which fell within our operational control boundary have added to the increase.

TCFD *continued*

Metrics and targets *continued*

Bridgepoint Group emissions and financed emissions *continued*

Carbon intensity for the UK has decreased using the location-based methodology due to an increase in headcount and a decrease in Scope 1 emissions, however.

Scope 3 emissions relating to purchased goods and services, waste generated in operations, and business travel all increased in 2022 due to an increase in purchasing IT equipment for our new London headquarters, our annual conference which brought our colleagues together in Lisbon, improved data collection for business travel, and a natural increase activity following the Covid-19 pandemic.

Note that emissions for staff working from home was included in Scope 3 emissions for 2021 but was subsequently removed due to these no longer being material following a return to office working.

Actions taken to reduce emissions
In 2022, we consolidated our three London offices into a single energy efficient location, which benefits from an 'Excellent' BREEAM rating.

We have purchased renewable electricity for all our global offices since 2020, either through 'green' electricity tariffs or through the purchase of energy attribute certificates. Doing this reduces our Scope 2 emissions, using the market-based methodology.

Our UK employees also benefit from electric vehicle rental and cycle to work schemes as part of their benefits package, and our London office provides electric vehicle charging points. In France, our employees are encouraged to use electric bikes to commute around the city. These initiatives have the potential to reduce emissions associated with employee commuting (Scope 3, category 7), as well as reducing the personal emissions of our employees.

Although we recognise that they do not reduce our emissions, we also purchase carbon credits in the following certified nature-based investment schemes:

- The Uchindile Mapanda reforestation project to rebuild carbon sinks in Tanzania (verified carbon standard);
- The Francis Beidler forestry conservation project in the US (climate action reserve standard);
- The high impact reforestation project to conserve forests and support communities in Nicaragua (gold standard for the global goals); and
- The Rotunda Forest project to improve forest management in Romania (verified carbon standard and climate, community and biodiversity standards).

These nature-based investments are in line with the "beyond value chain mitigation" recommendations from the Science-Based Targets initiative as part of their net-zero standard.

Targets, performance, and key priorities

Our key priorities for 2023 are to further enhance the granularity of our carbon accounting and to continue implementing steps to minimise the Group's carbon impact.

At Group level, we set a target in 2021 to procure 100% of the Group's office electricity consumption from renewable sources since 2020 and we are pleased to report that we have fulfilled this target to date.

Going forward, we are focused on raising our ambition and looking for new ways to integrate climate considerations into our sustainability strategy, while continuing to reduce our environmental impact through office emission reduction initiatives, supplemented by verified carbon credits.

Regarding our private equity investment activities, in the short-term and as part of our centralised Climate Programme, we aim to ensure that by the end of 2023 (or within 12 months of Bridgepoint investment), all our portfolio companies have established carbon accounting for their Scope 1, 2 and 3 emissions and developed a GHG emissions reduction plan. Those that already have this in place will be expected to receive verification on their carbon data. For the longer term, we have set an ambitious target to achieve net zero in our portfolio by 2040, to align with the ambition set out in the Paris Agreement.

We recognise that this is an ambitious agenda, and we will take into consideration the maturity of our portfolio companies' ESG strategies, offering them the necessary level of support as they work towards improving their sustainability performance.