



BregalInvestments

Responsible Investment Report

2021-2022



About Bregal Investments

Bregal Investments (Bregal) is an international private equity firm providing a platform for five direct investment teams and a fund-of-funds team across the United States and Europe. With distinct investment strategies, all our teams and their related funds focus on investing in mid-market companies in a range of sectors and regions, either through a variety of buy-out control equity, structured minority equity or credit investments. Collectively, our funds represent approximately €12 billion of assets under management.

This is our fourth annual Responsible Investment Report. It aims to demonstrate the progress we have made, and provide examples of how we are working with our portfolio companies to improve their environmental, social and governance (ESG) performance.

Our partnerships





Our commitment to responsible investing

At Bregal, environmental, social and governance (ESG) matters are a fundamental part of our decision to invest in companies, as well as key to our proactive ownership. We believe a company’s approach to ESG is a solid indicator of its prospects of long-term, sustainable value creation. During our ownership, we work with each company to address the material ESG issues relevant to their strategy and our investment case.



Go to bregal.com/responsibility for more information about Responsible Investment at Bregal

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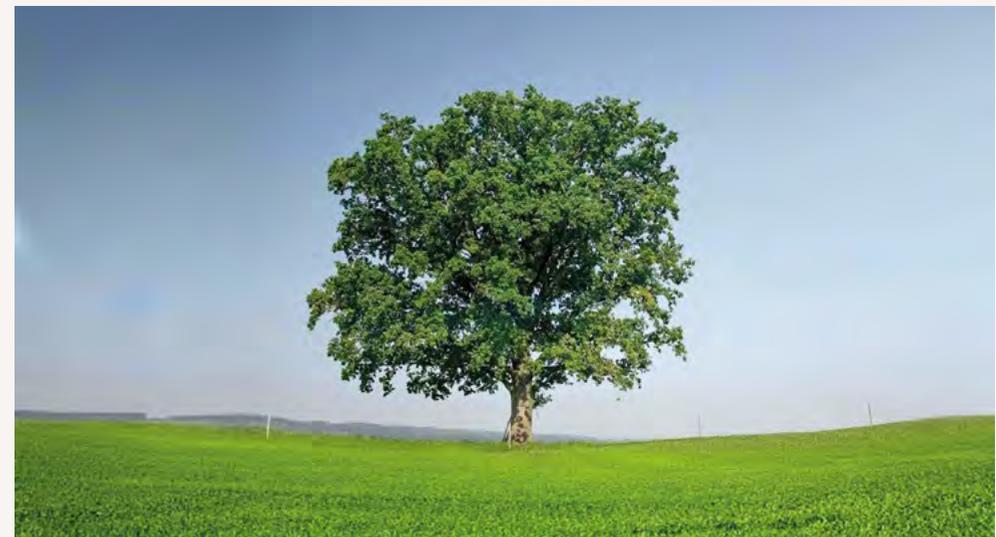


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2021-2022 highlights

Bregal's sector-leading effort to decarbonise portfolios and align with a net zero future



Bregal spearheads the Private Equity Sector Science-Based Target Guidance

As part of the Initiative Climat International (iCI) private equity collaboration on climate action, we co-led an effort with other major private equity firms to develop the first-ever guidance on how to apply the science-based targets methodology to private equity firms and their portfolios.

Known as Private Equity Sector Science-Based Target Guidance, it was launched in November 2021 ahead of the Conference of the Parties (COP26) meeting in Glasgow, UK.



Bregal sets science-based targets

We will reduce our own direct emissions by 50% and ensure all our portfolio companies set their own science-based targets by 2030.

50%

reduction in Scope 1 and 2 emissions by 2030



We joined a group of leading alternative-asset managers in signing up to the Net Zero Asset Managers (NZAM) initiative, to achieve net zero by 2050 or sooner.

The Net Zero Asset Managers initiative

Bregal's portfolio-level science-based targets

To achieve our long-term strategy of net zero, we have set near-term portfolio level science-based targets.

We will:

- Ensure 40% of portfolio companies have set targets by 2025
- Ensure they have all set targets by 2030¹

1. Bregal Investments portfolio targets cover 79% of total investment and lending activities by invested capital as of June 30, 2021. The remainder not covered by current portfolio SBTs relate principally to our fund-of-funds and credit fund.





2021-2022 highlights

Supporting our portfolio companies and their communities

In spring 2020, in response to the global pandemic, we launched the €3 million Bregal Helps Initiative. The aim was to support our portfolio companies and their local communities and respond in a meaningful way to the largest public health crisis of our times. This has provided 29 grants, to 34 charitable organisations across Asia, Europe and the United States, supporting vulnerable communities with access to basic food needs, education and other essential services.

[Success stories See p13 →](#)

Other highlights

€3m

Pledged to the Bregal Helps Initiative

29

The initiative has provided 29 grants

34

charitable organisations have benefited from our support

Bregal Unternehmerkapital's Fund III exceeded its fundraising target

€1.875bn

total capital commitments

[BU Fund See p17 →](#)

Carbon neutral since 2017

We have once again neutralised our 2021 emissions by investing in high-quality carbon credits which generate environmental and societal co-benefits for local communities

[Our Climate Action Plan See p07 →](#)

Growing team across the Bregal Investments platform and funds

>180

employees and growing across six offices and 30 nationalities

[CEO letter See p04-05 →](#)

New office location added in Milan, Italy in 2021

[BU Fund See p17 →](#)



Chief Executive Officer's letter



Alain Carrier CEO

I firmly believe that private equity has a fundamental role to play in generating financial value and creating a more sustainable and liveable world. I joined Bregal at the end of 2021, and the firm's purpose and culture, investment approach and track record on ESG have only reinforced my belief that investing responsibly is the right way to do business.

Our responsibility to grow sustainable businesses

Bregal currently has more than €12 billion of assets under management, across six teams, with capital invested in over 70 portfolio companies. Over the next few years, we expect that number to grow as we launch new funds and develop complementary strategies. This provides us with an enormous opportunity to build sustainable companies that contribute to positive environmental and social change.

Global pandemic

Our deep sense of purpose, rooted in our heritage, was translated into action in many ways in 2021. As the effects of the pandemic grew deeper, for example, we worked with our portfolio companies to support the most vulnerable in their communities. We did so through the Bregal Helps Initiative – a €3 million Covid-relief fund established with COFRA Foundation and Bregal senior management. Given the initiative's reach and ability to respond swiftly to the wider global geopolitical events and economic impacts, we will continue the Bregal Helps Initiative this year. To this end, we have pledged an additional €2 million to further support the most vulnerable communities.

Climate change

Part of our culture and how we do business also means being ahead of current thinking. In light of the urgent climate crisis, and recognising the role the private sector has to play, I am pleased Bregal spearheaded the development of the Science-Based Targets initiative (SBTi) guidance for the private equity sector. In line with the guidance, we became one of the first seven private equity firms to set firm-wide and investment-level carbon-emission-reduction targets.

Since setting our targets, we have been working with all our portfolio companies to set climate targets and to take concrete measures to decarbonise their businesses. Recognising that funding is essential for the transition to a low-carbon economy, we have also increased the size of the Bregal Sustainable Development Fund by 25%, to €50 million. The Fund provides financing at attractive terms to existing Bregal portfolio companies, to fund improvement initiatives aligned with the UN Sustainable Development Goals.

Diversity, equity and inclusion (DEI)

Across the Bregal employee base, while we now see over 30 nationalities represented by our 180 employees, we appreciate the work that we still have to do. To maintain our strong culture and competitive advantage, and to keep attracting the best talent, we continue to assess our inclusive business practices. In 2021, we engaged a specialist diversity consultant to identify gaps and areas of improvement for our US funds. Recommendations included requiring us to meet a diversity target for new hires, recruiting a senior executive to build a Bregal-wide DEI improvement plan and continuing to work with credible external partners to promote DEI initiatives. In Europe, Bregal Unternehmerkapital's (BU) dedicated Diversity & Inclusion Committee (established in 2020) set specific goals in 2021 at the investment team and portfolio company level. At the portfolio level, we look to continue setting diversity targets for the Board and C-suite across all our funds. We also support external organisations such as Level20 and Sponsors for Educational Opportunity (SEO) to advance ethnic, racial and gender diversity in our industry.

Looking ahead

We aim to transform businesses holistically and successfully. We do so in a way that is responsible and leads to positive outcomes for our portfolio companies, our communities and society at large. While this requires us to be creative in tackling challenges in the short term, I am convinced we have the right people and culture in place to achieve our goals. I am excited by the prospect of a growing business – with increasing assets under management across diversified strategies – invested in companies that share our values and ethos.

Alain Carrier CEO

“ At Bregal, we aim to transform businesses holistically and successfully. We do so in a way that is responsible and leads to positive outcomes for our portfolio companies, our communities and societies at large.

ESG approach



Alvar de Wolff
Head of ESG & Responsible Investing

Reflecting on the past year, I am certain that 2021 will come to be seen as a pivotal year for climate in a decisive decade of action.

The COP26 meeting in Glasgow and recent Intergovernmental Panel on Climate Change report, have been a wake-up call for humanity and made it very clear that our window of opportunity to limit global warming to 1.5°C – and thus stave off climate disaster – is closing fast.

At the same time, there are reasons to be positive. 2021 was the first year corporates engaged en masse with the COP26 process – reinforcing the role businesses must play in addressing the climate crisis.

Indeed, across the financial spectrum there has been a clear shift, and a realisation of the potential positive changes the financial sector can create, if it acts now.

Initiatives such as Net Zero Asset Managers (NZAM) and Glasgow Financial Alliance for Net Zero, have further galvanised corporate commitments and emphasised the role that both public and private markets must play in meeting global climate goals.

At Bregal, we recognise our responsibility, and the role we must play to support our companies in moving towards a low-carbon economy. As such, throughout 2021, we undertook a number of initiatives focused on climate action:

1. Engaging the Initiative Climat International to spearhead the development of science-based target-setting guidance for the private

equity industry, alongside best practice carbon-footprint guidance for private equity investors.

2. Kicking off our long-term climate strategy – building on our engagement with the iCI – by committing to near-term science-based targets across our business and portfolio, and joining the NZAM initiative. As such, we will:

- Reduce Bregal's direct emissions by at least 50% by 2030;
- Ensure 40% of portfolio companies have set science-based targets (SBTs) by 2025; and
- Ensure 100% of our portfolio companies have set SBTs by 2030, ten years faster than required by the SBTi.

3. Supporting our portfolio companies in developing carbon reduction roadmaps, setting SBTs, and aligning their businesses with a net zero trajectory, while monitoring the progress of decarbonisation across our investment portfolio.

4. Increasing Bregal's Sustainable Development Fund (SDF) to €50 million, to finance transformative sustainability programmes – recognising that availability of capital and the need for financial return are a barrier to funding decarbonisation initiatives for portfolio companies.

“ We partner with our portfolio companies to develop carbon reduction roadmaps and align them with a net zero trajectory. This work will be a central part of our ESG programme in the coming years.

Working with portfolio companies on their climate strategies will form a central part of our ESG programme in the coming years, while the SDF will be key to achieving carbon reductions by providing capital at attractive terms.

We are also looking into how we can invest beyond our own value chain to support ambitious climate action. Through exciting opportunities emerging in nature-based solutions and technologies that support positive outcomes for people and planet, our next steps will put impact firmly at the heart of our agenda.

Alvar de Wolff
Head of ESG & Responsible Investing

Our Climate Action Plan

We have set near-term science-based targets for Bregal and our portfolio companies, the first step in our longer-term strategy for achieving net zero.

We have also committed to NZAM to achieve net zero by 2050 or sooner. In the near term, Bregal is also working on 'aligning' its portfolios towards achieving net zero in adherence with the Institutional Investors Group on Climate Change (IIGCC) Net Zero Investment Framework. Our goal is to achieve 'aligned' status across all our portfolio companies by 2050.

Bregal's science-based targets:

-50%

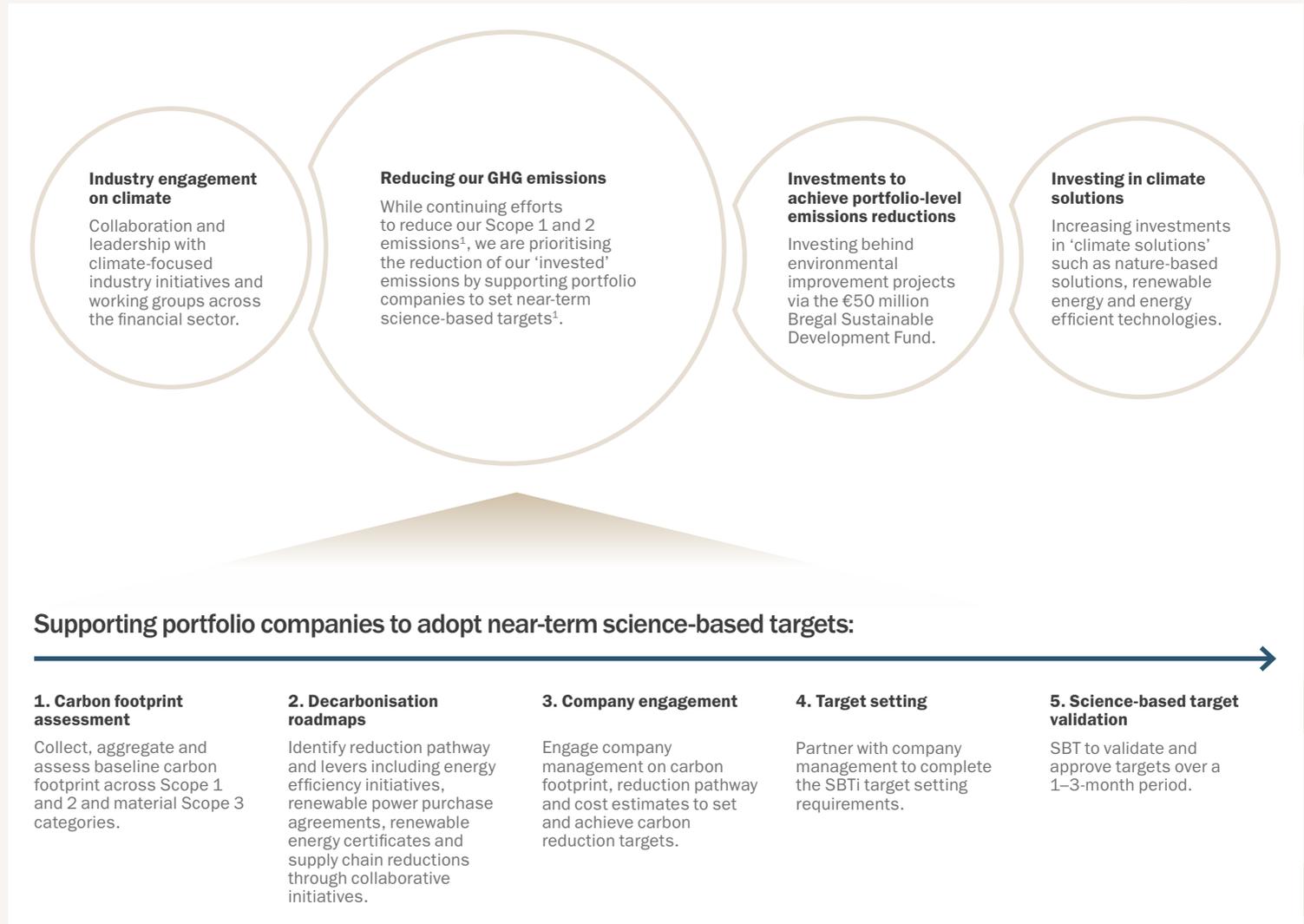
Reducing direct emissions by 50% by 2030

40%

Ensuring 40% of our portfolio companies will have set science-based targets by 2025²

100%

Ensuring all our portfolio companies have set science-based targets by 2030²



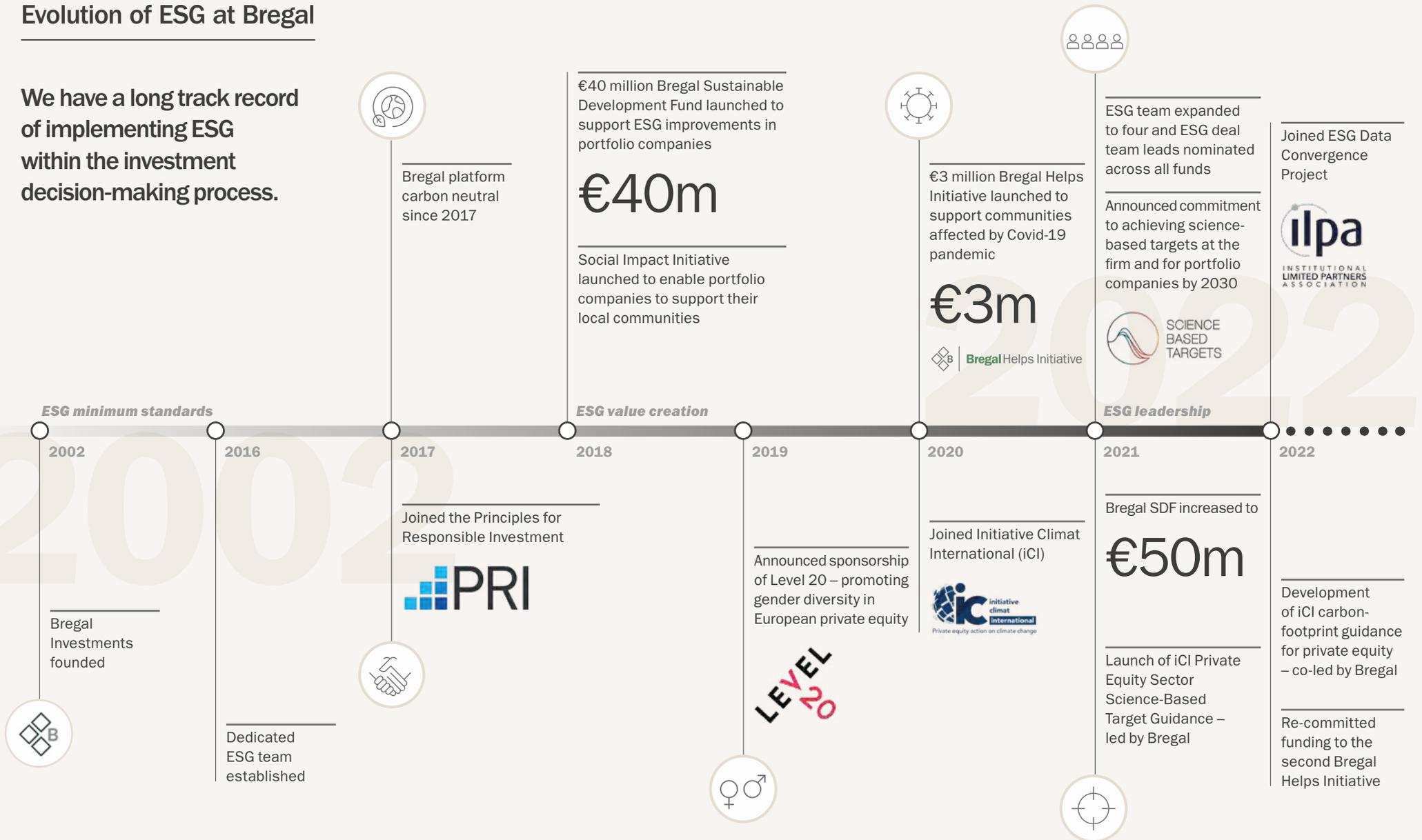
1. Bregal emissions inventory (2021): Scope 1: 85.7 mtCO₂e; Scope 2: 111 mtCO₂e. Since 2017, we have chosen to mitigate our Scope 1, 2 and select Scope 3 emissions (business travel, waste, energy related) through the purchase of offsets. In 2022, we have once again neutralised these emissions sources by investing in high-quality carbon credits which generate environmental and societal co-benefits relating to water and soil quality, enhanced biodiversity and livelihood improvements for local communities. We continue to prioritise emissions reductions over offsetting, but see a role for carbon credits to drive immediate climate action in addition to our own reduction efforts.

2. Bregal Investments portfolio targets cover 79% of total investment and lending activities by invested capital as of June 30, 2021. The remainder not covered by current portfolio SBTs relate principally to our fund-of-funds and credit fund.



Evolution of ESG at Bregal

We have a long track record of implementing ESG within the investment decision-making process.





ESG integration

We ensure ESG is part of the entire investment lifecycle – during diligence, through active ownership and at exit. We aim to maximise the ESG value proposition for our portfolio companies by improving priority ESG aspects over the course of our holding period, deploying capital to companies as they work towards greater environmental or social sustainability and supporting their communities.



ESG due diligence

Our funds apply principles and exclusions-based ESG screening criteria to enhance the deal diligence process and assess risks and opportunities adequately.

Value creation

Our funds work with portfolio companies to ensure best-practice ESG performance, invest in sustainable value-creation initiatives and contribute to communities affected by our portfolio companies.

Exit positioning

Our funds seek opportunities to enhance exit positioning through demonstrable ESG best practices.

1 Prioritise

Prioritise material ESG risks and opportunities, to support portfolio companies in achieving best-practice ESG governance and performance.



2 Invest

Support portfolio companies in implementing sustainability programmes through the Sustainable Development Fund.

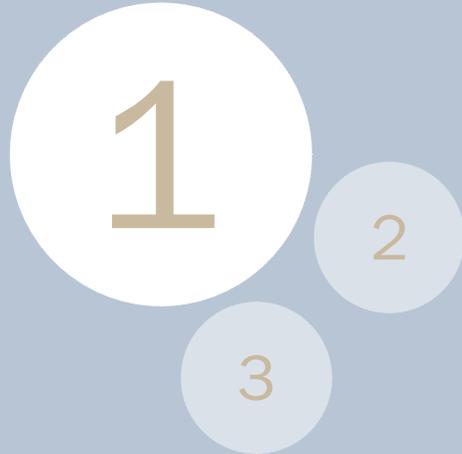


3 Contribute

Help our portfolio companies' communities through the Bregal Helps Initiative.



Prioritise



Post-closing, we engage with portfolio company management to prepare a value-enhancement plan, including an ESG roadmap, to guide strategic direction and to prioritise initiatives.

ESG reviews consist of a prioritisation of ESG issues, an overview of short-term and medium-term initiatives to improve ESG performance, and KPIs to report and monitor progress.

In reviewing, we work with portfolio companies to move beyond compliance to make ESG considerations an integral part of their value-enhancement plans. By providing appropriate ESG roadmaps, we aim to enhance strategic direction and prioritise ESG initiatives.

The Boards of Directors of each of our portfolio companies are our primary platform for monitoring ESG performance and progress. We work regularly with all our portfolio companies to discuss ESG priorities at least once a year.

Material issues and example KPIs that we track as part of portfolio companies' ESG roadmaps

Environment

- Electricity, fuel and data consumption
- Renewable energy
- Business travel
- Carbon emissions and intensity
- Waste management

Social

- Work related injuries
- Days lost due to injuries
- Employee satisfaction
- Community contribution
- Workplace harassment

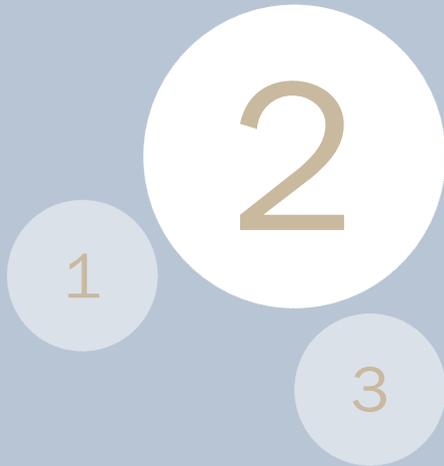
Governance

- Code of conduct
- Anti-bribery and corruption
- Whistleblowing policy
- Under-represented groups at Board and senior management
- Reporting and data breaches





Invest



Supporting our portfolio companies' ESG ambitions through loans at attractive arms-length terms, to finance improvement initiatives aligned with the UN Sustainable Development Goals.

The €50 million Bregal Sustainable Development Fund provides low-interest loans to existing portfolio companies to invest in improvement projects that contribute to their sustainability performance.

Since launching in 2018, the goal of the SDF has been to support portfolio companies in moving their business models towards greater environmental or social sustainability by providing capital for improvement projects that meet strict ESG criteria.

To date, we have deployed 32% of the SDF to fund projects including the reduction of carbon emissions, water management, improved quality of care, and renewable energy.

Eligible projects

Projects eligible to receive funding from the SDF are those that improve the sustainability performance of the company on ESG aspects relevant to the business.

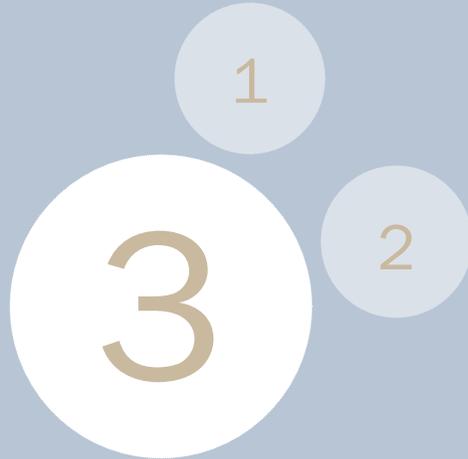
Improvements might be within the company's own operations as well as upstream in the supply chain or downstream at the consumer level.

Eligible projects include, but are not limited to, the following:

<p>Renewable energy </p> <p>Investments related to new and ongoing renewable energy projects, such as solar panels, wind, biomass projects or associated energy-storage solutions.</p>	<p>Energy efficiency </p> <p>Investments in production processes, green buildings, or product-efficiency improvements of at least 20% compared with the existing technology or asset base.</p>
<p>Ecosystem impact </p> <p>Investments in reducing the impact of operations or of supply chains on terrestrial and aquatic biodiversity. Projects to protect and conserve nature.</p>	<p>Emissions and waste </p> <p>Projects to reduce emissions from the company's own operations or supply chain. Investments related to projects that enhance recycling, material recovery, reuse and landfill waste diversion.</p>
<p>Water management and conservation </p> <p>Investments in water-efficiency projects such as upgrades to water-efficiency fixtures or investments in water filtration.</p>	<p>Sustainable product development </p> <p>Development and introduction of more environmentally friendly products, potentially with eco-label or environmental certification, sustainable packaging and distribution.</p>
<p>Supply chain improvements </p> <p>Investments in enhancing operating standards of suppliers through improvements in health and safety standards, chemical use, liveable wages and supply chain transparency.</p>	<p>Other initiatives </p> <p>Any initiatives with a material positive impact on the company's social or environmental performance, relevant for the business but not covered by the other categories.</p>



Contribute



In spring 2020, in response to the global pandemic, our senior management team together with the COFRA Foundation, launched the €3 million Bregal Helps Initiative.

The aim was to help our portfolio companies and funds in their objectives to support local communities affected by the pandemic.

It aimed to, and continues to, provide essential immediate relief to our local communities, as well as to enable long-term positive impacts. Charitable projects were started by portfolio companies as well as our employees.

Second Bregal Helps Initiative launched in early 2022

As the immediate effects of the pandemic have eased, the second Bregal Helps Initiative fund pivoted to continue supporting the most vulnerable communities across three pillars:

Education, skills and career mobility

Diversity and inclusion

Community development

At a glance

From 2020 to late 2021, the Bregal Helps Initiative helped 34 charitable organisations that have played a pivotal role in supporting vulnerable people during the pandemic.

Bregal Helps Initiative

€3 million

Health and well-being

34%

Nutrition

32%

Education

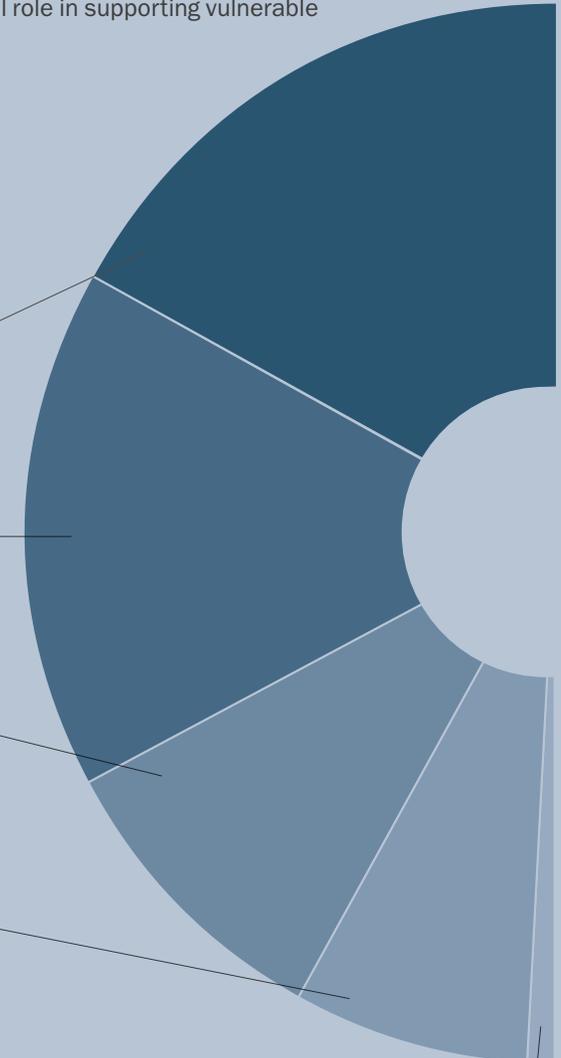
18%

Wider relief

14%

Digital connectivity

2%





Since its launch, the Bregal Helps Initiative has provided 29 grants to 34 charitable organisations, supporting the most vulnerable groups in our communities affected by the pandemic. Read about some of the noteworthy initiatives below.

Supporting students from historically underprivileged backgrounds

Charity: **Thurgood Marshall College Fund**
Company: **Kiteworks**
Fund: **Bregal Sagemount**

Kiteworks, a private cloud-solutions company that focuses on secure file-sharing and collaboration, aimed to expand access to technology and STEM scholarships especially for vulnerable people. With this funding, Kiteworks helped the Thurgood Marshall College Fund achieve more equity in technology education.

~225 Amount: \$150,000
students provided with scholarship support and access to essential technology



Fighting the spread of Covid-19 through UNICEF's WASH programme

Charity: **UNICEF Austria**
Company: **woom**
Fund: **Bregal Unternehmerkapital**

woom, an award-winning children's bike company, helped its local communities stay fit during the pandemic and invited them to take part in the Giro del Gelato cycling challenge. In addition, woom through support provided to UNICEF Bangladesh's Water, Sanitation and Hygiene (WASH) programme, further supported vulnerable families who were part of their supply chain in Bangladesh by providing people living in slums in Dhaka with access to safe water to wash hands and disinfect surfaces.

~12,470 Amount: €80,000
people living in poverty provided with access to WASH facilities



Supporting disadvantaged families and local restaurateurs in Finland

Charity: **Save the Children Foundation**
Company: **ePassi**
Fund: **Bregal Milestone**

ePassi, a market leader in mobile payments for employee benefits, together with Save the Children Finland, distributed a grant facilitated by Bregal Milestone to families most in need during the pandemic. The grant gave funds as credit that could be spent through the ePassi app. This initiative also supported local restaurateurs, who had been seriously hit by the pandemic and were categorised as vulnerable businesses in Finland.

~10,000 Amount: €50,000
meals provided to families and individuals living with food insecurity



Providing eye exams and glasses for those affected by Covid-19

Charity: **Access, Inc.**
Company: **Total Vision**
Fund: **Bregal Partners**

Total Vision, a leading vision-care provider, operating a network of independent optometry practices, worked with Access, Inc. a charity that helps groups such as at-risk youth and victims of human trafficking, to launch the Gift of Sight programme. The programme provided free eye examinations and glasses to underserved youth in San Diego, California. Additionally, Total Vision launched its Neighbours Helping Neighbours Campaign, where their practices asked patients to nominate a neighbour who had been significantly affected by Covid-19. Nominees received a free comprehensive eye exam and glasses.

~1,650 Amount: \$200,000
individuals provided with free eyecare



Overview of funds

In 2021, the Bregal Investments private equity platform consisted of five direct investment teams and a fund-of-funds team active in Europe and the United States.



BregalSagemount

Private capital for growth companies in North America

Bregal Sagemount invests in high-growth companies, seeking high-impact investments that help them reach their full potential. Sagemount is equally comfortable as a minority or majority partner and has the flexibility to invest in equity or debt securities across a wide range of transaction situations. Sagemount manages multiple funds with approximately \$2.5 billion of capital invested.¹

AUM	\$2.8bn
Portfolio companies	15 + 8
Turnover ²	\$1.6bn
Employees ²	6,867



BregalUnternehmerkapital

Equity capital for mid-sized companies in the DACH region and Northern Italy

The Bregal Unternehmerkapital (BU) funds invest in mid-sized companies across a wide range of sectors in Germany, Austria, Switzerland and Northern Italy, with a focus on market leaders and 'hidden champions' with strong management teams and exceptional breakout potential. BU targets equity investments between €50 and €250 million and is currently investing BU III, a €1.9 billion fund.

AUM	€4.3bn
Portfolio companies	23
Turnover	€2.8bn
Employees	16,999



BregalMilestone

Growth capital for European technology companies

Bregal Milestone provides late-stage growth capital and expertise to Europe's most exciting high-growth technology companies. BM makes equity investments of €20 to €100 million in high-margin technology businesses that operate in markets with structural tailwinds. Bregal Milestone is currently investing BM II.

AUM	€1.2bn
Portfolio companies	10
Turnover	€0.5bn
Employees	2,278



1. This includes capital invested in Sagemount Equity Funds and Sagemount Credit Opportunities Funds as of December 31, 2021.

2. Employees and Turnover refer only to equity investments.

Note: All AUM data on pages 14-21 represents Net Asset Value and Unfunded Commitments. All figures presented are as of December 31, 2021 unless otherwise stated.



BregalPartners

Equity capital for mid-sized companies in North America

Bregal Partners collaborates with middle-market companies in North America, aiming to help management teams build long-term value. Bregal Partners assists in strategic planning, growth strategy, talent acquisition and M&A. Bregal Partners has \$1.25 billion of committed capital and seeks to invest \$20–\$150 million of equity to acquire and grow market-leading businesses with \$5 to \$75+ million of EBITDA across three main markets: consumer and multi-unit, food and beverage, and business services.

AUM	\$1.6bn
Portfolio companies	14
Turnover	\$1.2bn
Employees	6,321



BregalEnergy

Energy, power and renewables-focused middle-market fund

Bregal Energy invests in diversified areas of environmental sustainability, as well as conventional markets in the energy sector in North America and Europe. The team supports growth-stage companies and the deployment of proven technologies. The team operates in the fast-growing fields of renewable infrastructure and resources, carbon-reducing technologies, and the generation, transmission and distribution of clean energy.

AUM	\$0.1bn
Portfolio companies	3
Turnover	\$0.1bn
Employees	77



BregalPrivate Equity Partners

Private equity funds, co-investments and secondaries

Bregal Private Equity Partners (BPEP) manages a diversified portfolio of private equity fund investments, and has made over 150 commitments since 2002. The team also makes co-investments, and invests in secondary transactions. BPEP seeks long-term partnerships across a range of strategies and regions, from newly formed funds set up by experienced investors, to long-standing established funds.

AUM	€2.9bn
Total number of fund commitments made since 2002	173
Active funds invested in	124
Active fund managers/GPs	45
Secondary transactions	7
Co-investments	27



3. Juniper closed in early 2022.
Note: All AUM data on pages 14-21 represents Net Asset Value and Unfunded Commitments.
All figures presented are as of December 31, 2021 unless otherwise stated.
Source: All data on pages 14-15 provided by Bregal Investments.

Overview of funds continued



Gene Yoon
Managing Partner

“ While there are numerous opportunities to make positive changes in the technology sector, through digitalisation and efficiency, we are also keenly aware of the sector’s environmental and human-capital risks, such as the environmental impact of data centres and present-day challenges with employee engagement and retention.

Considering such risks, the past year has been hugely successful for Bregal Sagemount’s ESG programme, with the launch of our proprietary Sagemount ESG Standard, and three portfolio companies setting science-based emissions-reduction targets. For the first time, we also included an ESG-specific session at our annual Big Exit Conference, providing insights for our portfolio CEOs on successful governance, cyber security, and diversity initiatives.



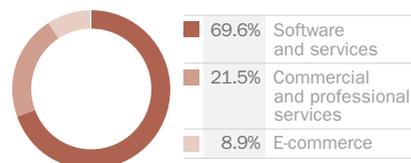
BregalSagemount (Equity)

Flexible capital and strategic assistance for market-leading companies in high-growth sectors

Bregal Sagemount invests exclusively in growing companies, seeking high-impact investments to help them reach their full potential. Sagemount is equally comfortable as a minority or majority partner and has the flexibility to invest in equity or debt securities across a wide range of transaction situations.

AUM ¹	\$2.5bn
Portfolio companies	15
Turnover ²	\$1.6bn
Employees ²	6,867
Carbon footprint	307 tCO ₂ e

Investments by sector³



Bregal Credit Opportunities Fund

An integrated private credit strategy focused on providing flexible, solution-oriented capital across opportunistic credit to durable growth companies in North America. This approach aims to provide strong returns coupled with low volatility across varying market cycles driven by investing companies with highly entrenched recurring revenue and cash flows in the tech, media and telecom sectors.

AUM	\$0.3bn
Portfolio companies	8

Investments by geography



1. AUM includes Net Asset Value and Unfunded Commitments. Total AUM of Sagemount Equity Funds and Sagemount Credit Opportunities Funds as of December 31, 2021 is \$2.8 billion.
2. Refers only to equity investments.
3. Investments by sector based on FMV as of December 31, 2021.

Note: All figures presented are as of December 31, 2021 unless otherwise stated.

Highlights

- Introduced the Sagemount Standard and assessed 11 companies across Sagemount Fund II and III, with three companies meeting the Standard in 2021
- Committed to set science-based targets across the portfolio – with three companies setting SBTs in Q4 2021
- Further deployment of Bregal Helps Initiative, supporting nine initiatives across nine charities in our local communities
- Portfolio companies aimed to achieve at least \$10 million of business continuity insurance as a safeguard for potential cyber-security breaches

Future focus

- Support portfolio companies in assessing their carbon footprints, setting ambitious science-based targets and working towards aligning with the Sagemount ESG Standard
- Further integrate the Bregal Sagemount ESG programme into the Alpha Growth Program – ensuring ESG focus in the first 100 days of investment as part of Sagemount’s ESG value-enhancement programme
- Support implementation of governance-related policies and procedures across the portfolio
- Seek opportunities to invest in transformative sustainability programmes through the Bregal Sustainable Development Fund



Florian Schick
Managing Partner

“ Once again, ESG has featured as a prominent part of our ownership approach for our portfolio companies. In 2021, we completed the annual ESG roadmap-review process for our portfolio companies, and over half the companies completed their third consecutive annual review.

This year was particularly important given the commitments we had made in November 2021 for our portfolio companies to decarbonise, aligned with the Science-Based Targets initiative. As such, this year’s ESG reviews were an important step towards establishing emissions baselines for Scopes 1, 2 and 3 that our companies can use to validate and monitor their climate targets.



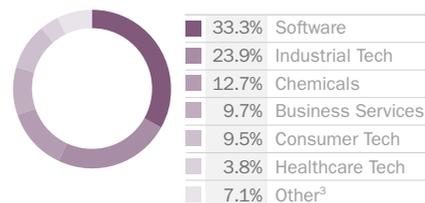
BregalUnternehmerkapital

Partner of choice for entrepreneurs and family-owned businesses in the DACH region/Northern Italy

Bregal Unternehmerkapital (BU) specialises in majority and minority holdings, especially in mid-sized companies based in Germany, Switzerland, Austria and Northern Italy – which are also known as the Mittelstand.

AUM ¹	€4.3bn
Portfolio companies	23
Turnover	€2.8bn
Employees	16,999
Carbon footprint	179.4 tCO ₂ e

Investments by sector²



Investments by geography



Highlights

- ESG reviews completed across BU I, II and III, with seven companies undertaking their third annual review cycle. Across the portfolio there was significant progress and strong management engagement
- Detailed carbon-footprint assessments conducted as part of the ESG reviews, including Scopes 1, 2 and 3, to identify emissions-reduction opportunities
- Full science-based portfolio coverage targets established for 2030 following new private equity sector SBTi guidance
- Six initiatives supported as part of the Bregal Helps Initiative – supporting eight charities across health & well-being and education
- Internal D&I committee established in 2020, set specific D&I goals in 2021 across investment team and portfolio companies

Future focus

- Work with portfolio companies to set science-based targets across BU portfolio
- Deploy Bregal Sustainable Development Fund loans across the portfolio to support transformative sustainability projects
- Ensure strong approach to ESG data and reporting, to prepare portfolio companies for future regulatory reporting requirements

1. AUM includes Net Asset Value and Unfunded Commitments.

2. Investments by sector based on FMV as of December 31, 2021.

3. Includes Leisure, Tech Infrastructure, Healthcare and Consumer Tech.

Note: All figures presented are as of December 31, 2021 unless otherwise stated.

Overview of funds continued



Jan Bruennler
Managing Partner

“ Bregal Milestone’s ESG programme has gone from strength to strength throughout 2020 and 2021, despite the obvious challenges faced by companies globally.

The success of our investment approach and our strong ESG programme is particularly apparent through the natural alignment that the companies have with the UN SDGs. We are extremely positive about the opportunities presented by working with purpose-driven technology companies whose products and services can contribute to a more sustainable future.



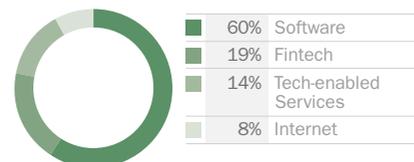
BregalMilestone

Investing in European technology champions

Bregal Milestone is a leading growth capital firm focused on providing growth capital and strategic assistance to ambitious, market-leading technology companies.

AUM ¹	€1.2bn
Portfolio companies	10
Turnover	\$0.5bn
Employees	2,278
Carbon footprint	85 tCO ₂ e

Investments by sector³



Investments by geography



Highlights

- Completed 2020/2021 annual ESG review cycle for all portfolio companies² and conducted mid-year progress assessments in Q3 2021
- Finalising 2021/2022 review cycle for 11 companies, including specific focus on carbon footprint assessments for Scopes 1, 2 and 3, and cyber-security risks
- Science-based targets established for full portfolio for 2030 following new private equity sector SBTi guidance
- Integrated proprietary ESG scoring into deal-sourcing capability to refine search for European technology champions
- Supported eight charitable programmes, across 11 charities, as part of the Bregal Helps Initiative. The charities covered health & well-being, digital connectivity, nutrition and education
- Team directly contributed over 50 hours of employee time to charitable initiatives in London

Future focus

- Enhance focus on purpose-led technology champions who contribute to society and solve environmental issues
- Further develop the proprietary ESG component of our deal-sourcing capability
- Prioritise ESG improvement plans when working with company boards to drive ESG improvements and realise value

1. AUM includes Net Asset Value and Unfunded Commitments.

2. At time of annual review process.

3. Investments by sector based on FMV as of December 31, 2021.

Note: All figures presented are as of December 31, 2021 unless otherwise stated.



Charles Yoon
Managing Partner

“ ESG is central to how we make investment decisions and how we work with our portfolio after investing. Our portfolio companies, largely founder-led businesses in the consumer and multi-unit, food and beverage, and business services sectors, are increasingly aware of the non-financial factors that add value for their employees, customers, suppliers and investors.

By managing issues such as food safety, or by targeting a no-incident rate in our portfolio facilities, we not only have safer employees, but also increase profitability and reduce our costs over time. It is a win-win.

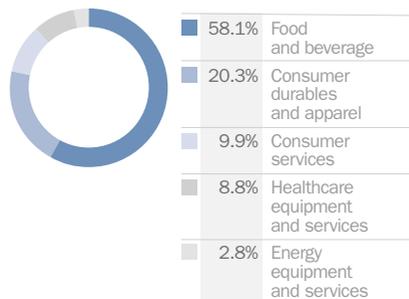
BregalPartners

Building world-class businesses in the middle market in North America

Bregal Partners is a highly collaborative partner for middle-market companies in North America, helping management teams build long-term value. We assist with strategic planning, growth strategy, talent acquisition, and sharing best practices, in three main markets: consumer and multi-unit, food and beverage, and business services.

AUM ¹	\$1.6bn
Portfolio companies	14
Turnover	\$1.2bn
Employees	6,321
Carbon footprint	117.5 tCO ₂ e

Investments by sector²



Investments by geography



Highlights

- Supported and funded community initiatives through the Bregal Helps Initiative, providing grants at Total Vision Care, USB and Ruby Slipper, among others
- Aim to set science-based targets across the portfolio for 2030 following new private equity sector SBTi guidance
- Supported six charitable programmes, creating over 7,000 positive impacts across six charities as part of the Bregal Helps Initiative across health and well-being and general wider relief such as helping adults recover from substance health issues

Future focus

- Perform annual ESG reviews of all our portfolio companies
- Assess annual carbon footprints of portfolio companies and set carbon-reduction targets
- Continue deploying the Sustainable Development Fund to solve tangible environmental-related challenges, such as waste and energy use, while seeking reduced costs

1. AUM includes Net Asset Value and Unfunded Commitments.

2. Investments by sector based on FMV as of December 31, 2021.

Note: All figures presented are as of December 31, 2021 unless otherwise stated.

Overview of funds continued



Nathan Campbell
Managing Partner

“ Bregal Energy has continued to transition its portfolio towards a low-carbon economy, with recent operational completion of IMG’s solar PV plant. We look forward to sharing tangible examples of our investments in climate solutions and renewable energy in the next 12 months.

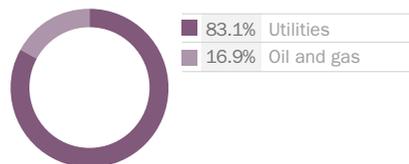
BregalEnergy

Energy, power and renewables-focused middle-market fund

Bregal Energy invests in diversified areas of environmental sustainability, as well as conventional markets in the energy sector in North America and Europe. The team targets private equity investments in the fast-growing fields of renewable infrastructure and resources, carbon-reducing technologies, and the generation, transmission and distribution of clean energy.

AUM ¹	\$0.1bn
Portfolio companies	3
Turnover	\$0.1bn
Employees	77
Carbon footprint	15.5 tCO ₂ e

Investments by sector²



Investments by geography



Highlights

- Completed construction of IMG solar PV plant at Pittsburgh Airport, which is now fully operational
- Completed divestments of Birchill

Future focus

- Perform annual ESG reviews of all our portfolio companies
- Increase focus on climate action and assess annual carbon footprints of portfolio companies
- Continue to participate in the Bregal Helps Initiative
- Further explore ESG funding opportunities through the Sustainable Development Fund

1. AUM includes Net Asset Value and Unfunded Commitments.

2. Investments by sector based on FMV as of December 31, 2021.

Note: All figures presented are as of December 31, 2021 unless otherwise stated.



Jan Faber
Managing Partner

“ BPEP’s approach to ESG has continued to evolve over the past year, while maintaining a focus on working with general partners (GPs) who share our ESG values and principles.

Indeed, in 2021, we changed our approach to assessing the ESG credentials of potential GPs by introducing an internal scoring methodology. Our ESG Scorecard considers ESG integration, management and reporting within the investment process, alongside GP approaches to the key themes of climate and diversity, to assess their outlook on ESG topics.

As a fund of funds, we do not subscribe to the belief that we are too far removed from the investment process to be able to change matters. Instead, we work with GPs to ensure they consider ESG in investment approaches, through responsible investing policies, side letter requirements and by engaging on ESG topics during the entire investment lifecycle. We will continue to develop this approach.



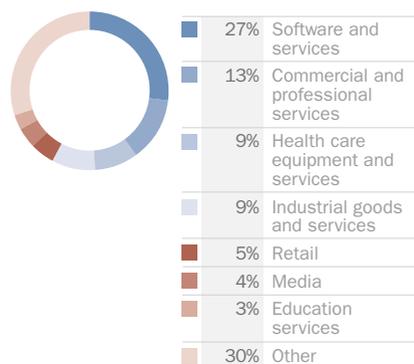
Bregal Private Equity Partners

Private equity funds, co-investments and secondaries

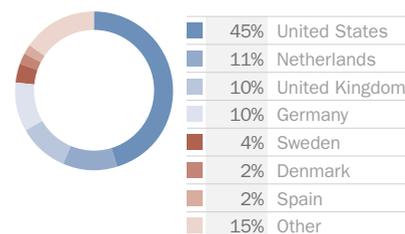
Bregal Private Equity Partners (BPEP) manages a diversified portfolio of private equity fund investments, with about 200 commitments made since 2002. The team also makes co-investments and invests in secondary transactions.

AUM ¹	€2.9bn
Active funds	124
Active fund managers	45
Carbon footprint	28.4 tCO ₂ e

Investments by sector²



Investments by country²



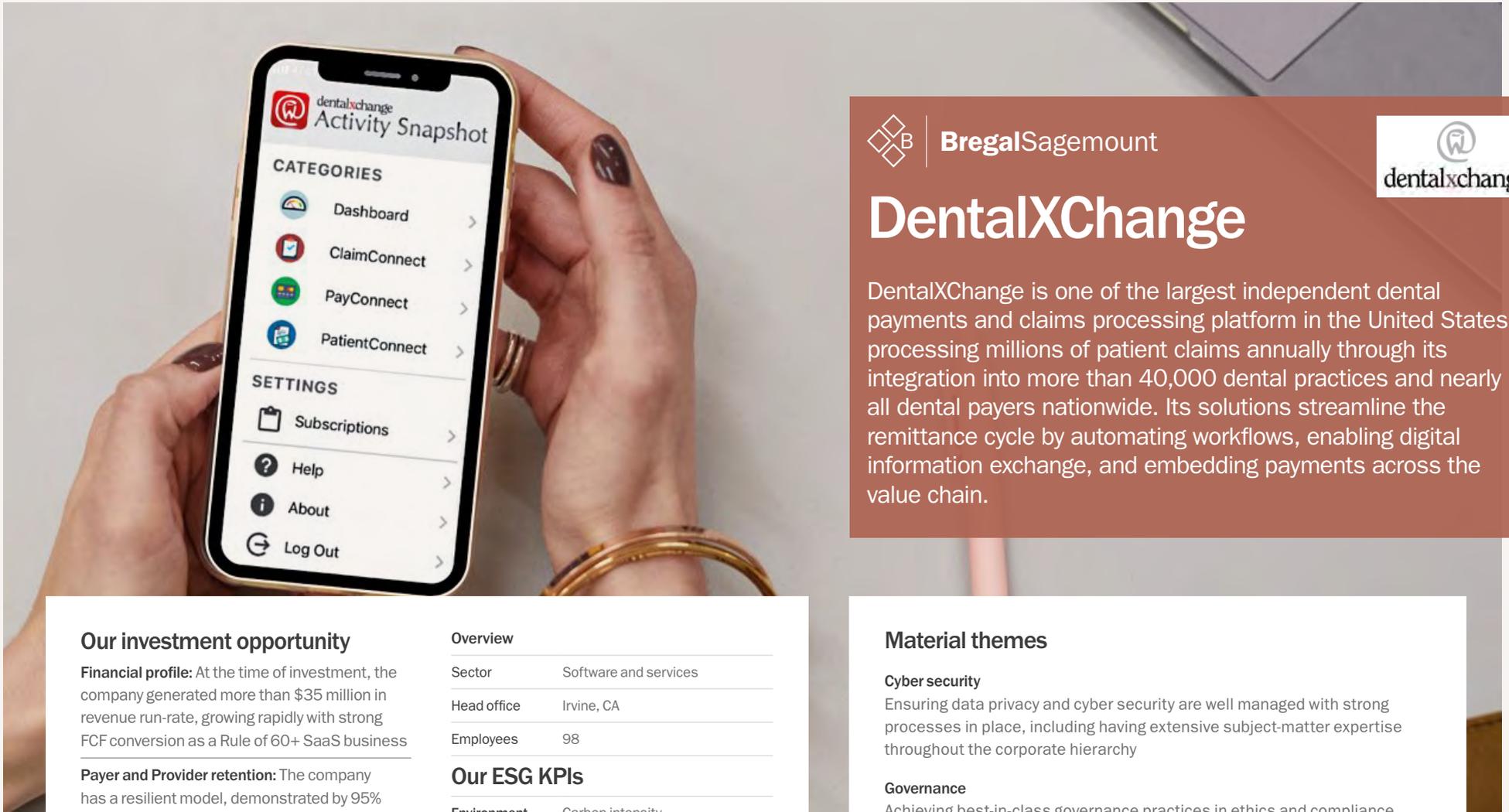
1. AUM includes Net Asset Value and Unfunded Commitments.
2. FMV as of September 30, 2021.

Highlights

- Developed and rolled out an internal ESG Scorecard to assess GP ESG performance, and strengthened ESG expectations in side letters
- Reviewed all GPs to assess: PRI signatory status, whether they have a responsible investment policy, are iCI members and align with Sustainable Finance Disclosure Regulation (SFDR) reporting
- More than 40 underlying GPs are now PRI signatories
- Established a formal ESG review process for co-investment opportunities

Future focus

- Prioritise working with GPs on ESG issues through ESG-focused meetings and GP questionnaires
- Further strengthen side letter requirements for GPs relating to ESG requirements and expectations (e.g. commitments, monitoring and reporting)
- Further develop portfolio ESG risk rating capabilities
- Explore opportunities for indirect carbon footprint assessment of underlying assets



BregalSagemount



DentalXChange

DentalXChange is one of the largest independent dental payments and claims processing platform in the United States processing millions of patient claims annually through its integration into more than 40,000 dental practices and nearly all dental payers nationwide. Its solutions streamline the remittance cycle by automating workflows, enabling digital information exchange, and embedding payments across the value chain.

Our investment opportunity

Financial profile: At the time of investment, the company generated more than \$35 million in revenue run-rate, growing rapidly with strong FCF conversion as a Rule of 60+ SaaS business

Payer and Provider retention: The company has a resilient model, demonstrated by 95% gross retention on claims volume

Large proprietary data repository: With every patient visit, DentalXChange builds on top of an expansive trove of data, providing unique insights to provide payers and providers alike, spanning over 40 million annual claim-related events

Overview

Sector	Software and services
Head office	Irvine, CA
Employees	98

Our ESG KPIs

Environment KPI 1	Carbon intensity
Social KPI 2	Female diversity at senior management level. Sector average of 21% per high tech executive level data ¹
Social KPI 3	Employee Net Promoter score

Material themes

Cyber security

Ensuring data privacy and cyber security are well managed with strong processes in place, including having extensive subject-matter expertise throughout the corporate hierarchy

Governance

Achieving best-in-class governance practices in ethics and compliance, social and labour conditions, and diversity and inclusion

Employee engagement

Developing an engaged and diverse workforce across the organisation

Climate action

Assessing baseline carbon footprint and implementing a decarbonisation plan to set and achieve science-based targets by 2030



2021 highlights

DentalXChange has continued its track record of resilient growth despite macro volatility, and we have been impressed with the speed by which the company has implemented good ESG practices.

Highlights include:

ESG integration into Alpha plan

DentalXChange is the first company to integrate priority ESG actions into the Growth Factors Alpha Growth Plan (Sagemount’s value creation plan) in the first 100 days after investment. ESG value creation is integrated into the exit readiness lever of value creation.

Good governance

The company implemented good governance practices, including an employee handbook outlining compliance protocols for employee conduct. It also introduced an online advertising and marketing content review process to comply with the CAN-SPAM Act².

Plus, it rolled out an anonymous whistleblower hotline for employees to raise concerns, and implemented annual anti-harassment and anti-discrimination training for all employees.

Data privacy and cyber security

The company has been HITRUST³ certified since 2019, and conducts Health Insurance Portability and Accountability Act (HIPAA) assessments and SOC 1 audits regularly. In 2021, the company increased business continuity insurance coverage to \$10 million, and it conducts internal and external mock incidence-response and penetration tests.

Setting climate targets

DentalXChange has submitted science-based targets, and is the first Bregal Sagemount Fund III company to do so. As part of its decarbonisation plan, it procured renewable-electricity certificates from the Bonneville Environmental Foundation for its 2021 emissions, and is shifting its current plan to procure green electricity directly from the grid, from Southern California Edison.



35%

revenue growth as of December 2021

\$10m

increase in business continuity insurance coverage

“ Our connectivity and flexibility to provide payment solutions across the dental industry value chain allow us to effectively support customers at all levels. To enhance efficiencies for our dental customers, we will continue to be a trusted partner looking for opportunities to generate faster payment processing by reducing friction and reducing our carbon footprint. We are honoured to have supported the dental industry with our payment solutions since 1989, and look forward to meeting the demands of our customers.

Paul Kaiser
DentalXChange Chief Executive Officer

ESG key performance indicators

Environment

1.72 tCO₂e

Carbon intensity tCO₂e/million US dollars

Social

42%

female diversity as compared with 36% average in the high tech sector as per US Equal Employment Opportunity Commission data

46.3%

Employee Net Promoter score

Note: No prior year data available.

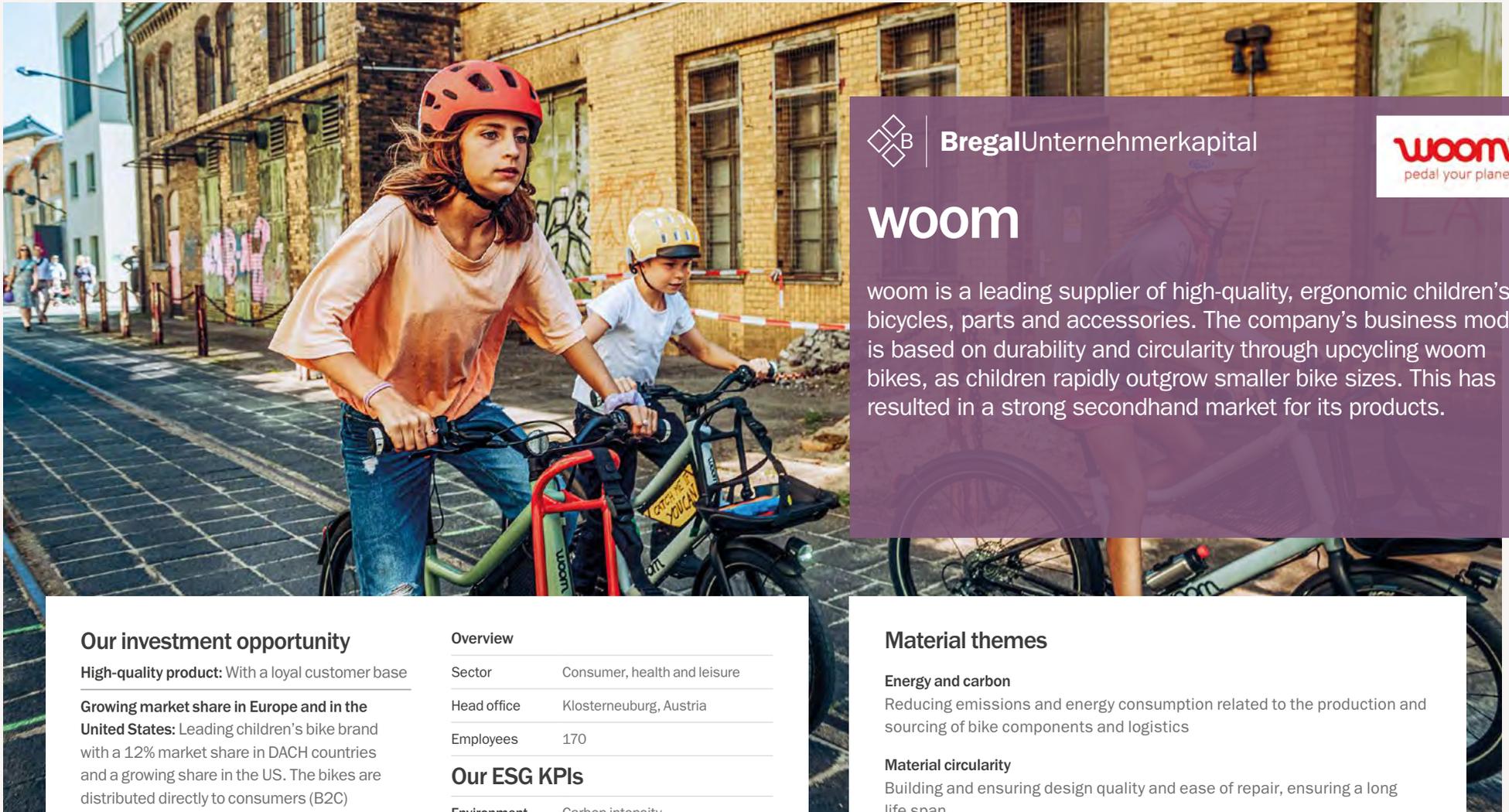
ESG opportunities

Align with the Sagemount ESG Standard by end of Q2 2022.⁴

Enroll in Southern California Edison’s Green Rate programme for 100% of energy needs.

Explore funding through the Sustainable Development Fund to work with dental providers in offering dental services to underserved communities in US semi-urban areas.

1. Diversity in high tech: <https://www.eeoc.gov/special-report/diversity-high-tech>
2. The CAN-SPAM Act sets the rules for commercial email, establishes requirements for commercial messages, gives recipients the right to stop receiving emails, and spells out tough penalties for violations.
3. Health Information Trust Alliance is a global standard that enables vendors and covered entities to demonstrate compliance to HIPAA requirements based on a standardised framework. HIPAA refers to Health Insurance Portability and Accountability Act.
4. The Sagemount ESG Standard is a proprietary standard based on leading industry and emerging regulatory expectations. It is focused on best-in-class governance, data privacy and cyber-security practices, developing a diverse and engaged employee base; and portfolio company alignment with science-based emissions reduction targets.



BregalUnternehmerkapital



Woom

woom is a leading supplier of high-quality, ergonomic children's bicycles, parts and accessories. The company's business model is based on durability and circularity through upcycling woom bikes, as children rapidly outgrow smaller bike sizes. This has resulted in a strong secondhand market for its products.

Our investment opportunity

High-quality product: With a loyal customer base

Growing market share in Europe and in the United States: Leading children's bike brand with a 12% market share in DACH countries and a growing share in the US. The bikes are distributed directly to consumers (B2C) through the company's own online shop, as well as through dealerships and partner importers (B2B)

Product circularity: Strong product circularity and secondary-sale market

Overview

Sector	Consumer, health and leisure
Head office	Klosterneuburg, Austria
Employees	170

Our ESG KPIs

Environment KPI 1	Carbon intensity
Social KPI 2	Gender diversity (across employee base)
Governance KPI 3	% of suppliers signed woom Supplier Code of Conduct

Material themes

Energy and carbon

Reducing emissions and energy consumption related to the production and sourcing of bike components and logistics

Material circularity

Building and ensuring design quality and ease of repair, ensuring a long life span

Product impact

Designing product specifically to fit the anatomy of children and ensure maximum safety

Climate action

Ensuring adequate ESG oversight of the supply chain



2021 highlights

woom has become a leading global children’s bike brand – as shown by its 45% growth since early 2021. The company is particularly known for the sustainable materials it uses to create truly durable and lightweight bikes for children.

Optimised production

woom recently relocated its production for the European market from Cambodia to Poland, where 80% of bikes destined for European markets are now made. This has had a significant positive impact on transport-related emissions.

45%

revenue growth since early 2021

Bicycle exchange programme

woom’s ‘upCYCLING’ programme offers customers 40% off the purchase price of a new bike, when returning an old model for refurbishment and resale. The significant secondary-market for woom bikes is testament to the products’ quality and durability.

Community engagement

In 2021, supported by the Bregal Helps Initiative, woom raised €80,000 through their Giro del Gelato initiative – which encouraged children to get out on their bikes and raise money, by sponsorship per kilometre cycled, for UNICEF’s water, sanitation and hygiene (WASH) programme in Dhaka, Bangladesh.

40%

off the purchase price by using woom’s ‘upCYCLING’ programme

€80,000

raised supported by the Bregal Helps Initiative

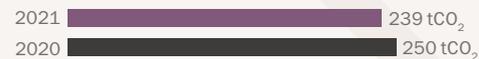
woom’s founding mission is to convey a love of cycling to children. By operating sustainably, we ensure not only that our business is efficient and well run, but also that we are supporting a future in which subsequent generations can prosper on two wheels, or otherwise.

Mathias Ihlenfeld
woom Chief Executive Officer

ESG key performance indicators

Environment

Carbon intensity



Social

Gender diversity (across employee base)



Governance

Supplier Code of Conduct signatories



Note: This represents the percentage of suppliers that has signed the company’s Code of Conduct in year 1. The Supplier Code of Conduct was introduced in 2021 based on UN Global Compact and ILO Standards.

ESG opportunities

Emissions reduction

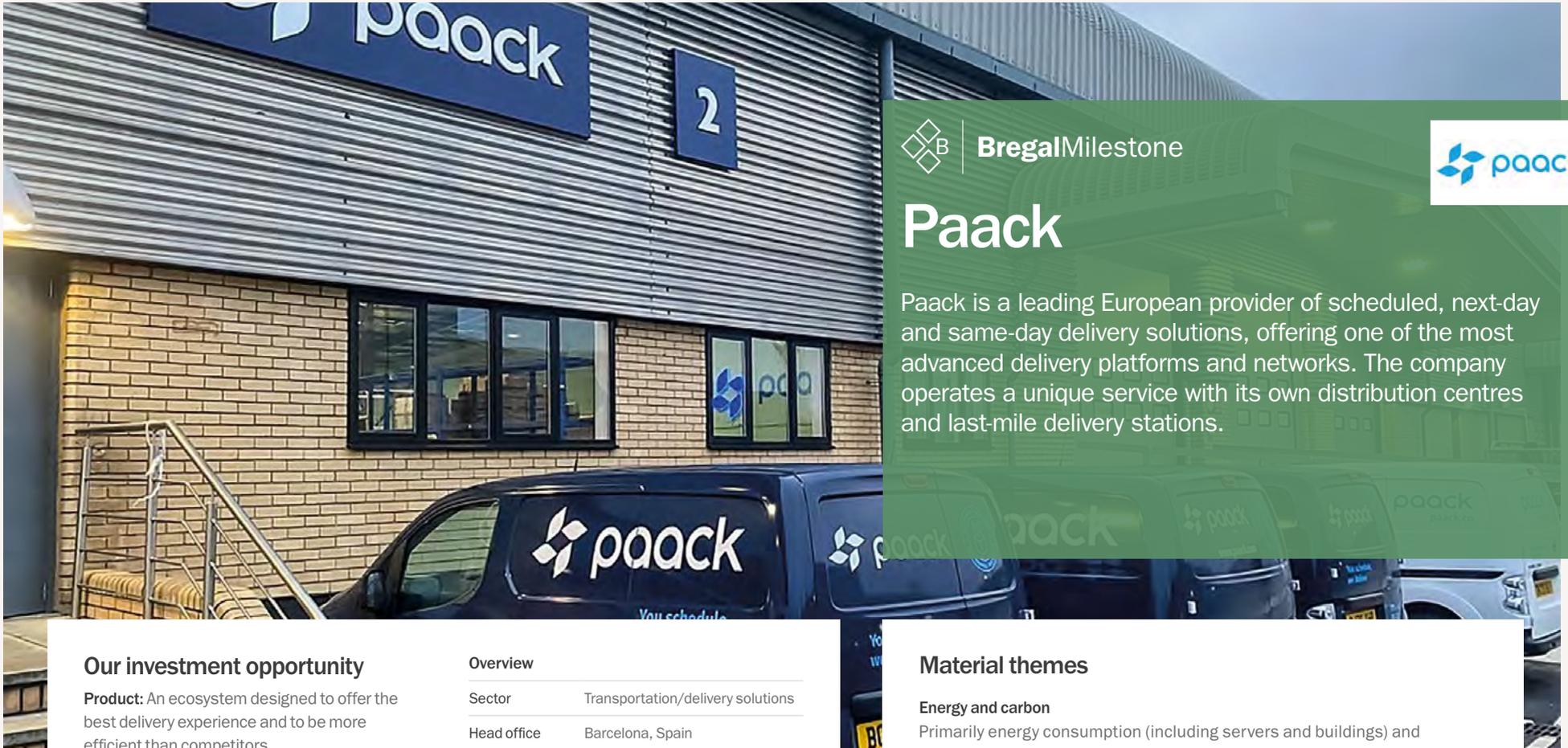
woom recognises the need to address its own carbon footprint and formalise commitments to reduce emissions by setting science-based targets in 2022. The company has begun the process of setting targets by conducting a full carbon footprint assessment as part of its 2021 annual ESG review.

Supply chain performance

Ensure fair labour conditions throughout its supply chain is a key priority for woom, which aims to guarantee that all its suppliers will comply with its ESG requirements by 2025. As a first step, the company is working to define its ESG assessment criteria and communicate these with suppliers.

ESG strategy, governance and reporting

Given woom’s strong growth potential, it is looking to expand its team of dedicated ESG resources internally, and implement detailed governance policies to help guide its ESG strategy.



 BregalMilestone



Paack

Paack is a leading European provider of scheduled, next-day and same-day delivery solutions, offering one of the most advanced delivery platforms and networks. The company operates a unique service with its own distribution centres and last-mile delivery stations.

Our investment opportunity

Product: An ecosystem designed to offer the best delivery experience and to be more efficient than competitors

Market: First mover advantage in e-commerce markets cemented by global customers like Amazon and Zara (Inditex)

Operations: Efficient operations with a proven track record of scaling, creating a unique position in the market as the EU's largest scheduled deliveries operator (consumers can select a specific delivery window)

Overview

Sector	Transportation/delivery solutions
Head office	Barcelona, Spain
Employees	3,000+ in total, 240 in its head office in Barcelona

Our ESG KPIs

Environment KPI 1	CO ₂ emissions
Environment KPI 2	Renewable energy use in the office and distribution centre
Social KPI 3	Reduce absenteeism below industry average of 1.6%

Material themes

Energy and carbon

Primarily energy consumption (including servers and buildings) and business travel

Employee health and well-being

Focusing on the health and well-being of the large and growing employee base

Sustainable transport

Working to reduce total vehicle emissions

2021 highlights

2021 was an important year for Paack. In addition to an incredible company growth rate of 3.5x annually, it also accomplished some of its most important ESG goals. These include:

Carbon footprint

To reduce its carbon footprint in 2021, Paack focused on increasing zero-emission deliveries and set a target of improving its first-time delivery success rate to 94%. In Birmingham, Liverpool and Manchester, the team accomplished 100% zero-emission deliveries, and helped set up 220 charging stations to provide energy for its vehicle fleet into the future. Its first-time delivery success rate was a strong 96%, leading to a best-in-class consumer rating of 4.8/5.

Paack became the first UK logistics business to sign the United Nations pledge for carbon neutrality – Climate Neutral Now.

The company also established a goal of obtaining more of its energy from renewable sources during 2021. In addition to accomplishing this, it is currently investigating a project to purchase batteries for its warehouses so it can store renewably generated energy during the day for use at night.

Health and safety

Paack started 2021 with the ambition of ensuring that all its facilities achieve the highest safety standards, to guarantee the health and well-being of its employees. To support this, the team successfully rolled out health and safety e-learning modules to all employees.

The company also implemented internal and external audits to ensure compliance with key health and safety programmes. As a next step, it plans to broaden these audits to include transportation fleet partners.

Community engagement

Paack's ambition doesn't stop inside the business – it also wants to improve the communities where it works. That's why in 2021, together with the Bregal Helps Initiative, the team arranged a €100,000 grant to *Banc dels Aliments*, a charity in Catalonia that recovers food surpluses and donates them to people living in poverty. By combining the grant with Paack's logistics expertise, the company was able to deliver 79,942 meals to families living with food insecurity.

€100,000

grant to Banc dels Aliments

“ Having grown at over 200% annually in recent years, our ambition is to continue this trajectory while being a resilient and sustainable business. We're pleased with what we accomplished in 2021, but even more excited about what is still to come as we continue on our mission to be Europe's greenest and safest delivery company.

Fernando Benito Galobart
Paack Chief Executive Officer

ESG key performance indicators

Environment

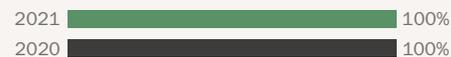
CO₂ emissions



0.91kg

Total CO₂ per parcel

Renewable energy



Renewable energy in the office and distribution centres

Social

Absenteeism



Sector average increased from 1.6% in 2020 to 2.3% in 2021

ESG opportunities

Transport diversification and optimisation

Paack's logistics form the majority of its carbon emissions. By switching to zero-emissions vehicles, optimising routes and reducing the number of delivery attempts, the company can decrease emissions by last-mile deliveries. It also aims to eliminate CO₂ emissions generated by delivery vehicles by further reducing the number of delivery attempts by 2022, and moving fully to zero-emissions alternatives by 2023.

Producing renewable energy

Paack operates several large warehouses, and by installing solar panels on their roofs, it could substantially reduce its greenhouse-gas emissions and therefore its carbon footprint.

Lean management culture and employee health and safety

Paack values outsourced employees (drivers) in its business. Implementing a lean management culture, providing adequate health and safety training, and following up on external risk assessments and health and safety reports, will help to further improve employee well-being.



BregalPartners



Juniper

Juniper is a commercial landscaping business, providing installation and contractual maintenance services to large commercial clients, such as homeowners' associations, planned communities, homebuilders and municipalities.

Our investment opportunity

Accelerated growth: Strong organic growth of 50% annually in maintenance and installation services

Competitive positioning: Peers and customers in landscaping and real estate are demanding more environmentally aligned solutions

Expanding market: Large and new markets in the Florida area are growing the business, including continuing acquisitions

Overview

Sector	Business and consumer services
Head office	Fort Myers, Florida
Employees	1,245

Our ESG KPIs

Social KPI 1	Lost-time injury frequency (# accidents per million hours worked with more than 1 day leave)
Social KPI 2	Gender diversity (across employee base)

Material themes

Environmental compliance

Ensuring compliance with key state spill-prevention, control and countermeasure regulations and hazardous substance management

Better environmental management

Seeking cost efficiencies and sustainable practices by investing in circular mulch, smart controllers and drip irrigation

Employee health and well-being

Ensuring the health and well-being of employees on-site at Juniper facilities and off-site at client sites

Carbon emissions

Understanding the company's baseline carbon footprint and implementing a carbon-reduction plan

Climate action

Developing and retaining inclusive business practices, and maintaining a diverse board and workforce



2021 highlights

In the first 100 days after the investment closed in 2021, Juniper took impressive steps to be ESG-aligned.

ESG issue prioritisation

The company started an ESG review process with its management to prioritise material issues, assessing the current state of initiatives and setting future ambitions.

Sustainable operations

Juniper is exploring funding from the Bregal SD Fund, to develop a circular mulch approach to converting yard waste into usable compost at the homeowner associations, commercial sites and municipalities it services.

Community engagement

The company launched the Juniper Cares Employee Relief Fund, which is matched 1:1 by the CEO.

Bridging the gender gap

Juniper launched a programme to bring more women into technical roles in the maintenance division. The programme has resulted in a 164% increase in gender diversity in the maintenance function since 2020.

ESG key performance indicators

Social

7.77

Lost-time injury frequency (# accidents per million hours worked with more than 1 day leave)

164%

Increase in gender diversity in the maintenance function since 2020

“ As a company that designs, maintains and enhances commercial landscapes across the country, sustainability is central to Juniper’s brand and corporate purpose. We believe that keeping our employees safe and embracing further environmentally sustainable practices will help us be more resilient in the decades to come.

Brandon Duke
Juniper Chief Executive Officer

ESG opportunities

Emissions reductions and electrification

Juniper’s fuel-related emissions from owned and leased vehicles and equipment form a large part of its emissions, along with those from purchasing electricity to run its offices and facilities. By gradually transitioning its equipment to electric, installing battery storage infrastructure and optimising its fleet routes, the company can reduce its emissions.

Environmental management

The company seeks to invest in a broad range of environmental initiatives that also reduce cost – such as turning yard waste into usable compost, xeriscaping, using more native plants, and managing water consumption more effectively in its own premises and customer locations.

Employee health and well-being

By expanding the existing Juniper University safety training, the company will improve the skills of its employees and customers.

Bregal Private Equity Partners

Bregal Private Equity Partners (BPEP) seeks long-term partnerships across a range of strategies and geographies, from newly formed funds set up by experienced investors to long-standing, established funds. ESG has always played a fundamental role in our approach. But now, more than ever, it has become a defining characteristic of our investing process and how we work with GPs.

Assess

We play the part of active influencers to improve the ESG practices of the GPs we invest with. When we consider an investment, BPEP dives deep to understand the ESG dynamics of every fund we pursue. We conduct a detailed ESG assessment, often including a call with our ESG team, to understand each fund's ambitions relating to sustainability and how they work with their portfolio companies. We score our GPs based on a select number of criteria (such as governance, diversity metrics, health and safety initiatives, and ongoing ESG monitoring) and core ESG risks for every fund, which we include in our investment memos. Our rigorous Investment Committee process, with deep engagement from our ESG team at every meeting, ensures a holistic understanding across all fund investments. Our side letters also include extensive requirements about responsible investing and how we will monitor ESG progress throughout the course of our investment. Over 40 GPs signed on to the Principles for Responsible Investment (PRI) and we mandate that our GPs have a documented ESG policy or will have one within one year of us investing in them.

Engage

Over the past 20 years, BPEP has made about 200 commitments. Often, we invest with GPs over the course of many funds. Once we invest with a particular GP, we work hard to add value as partners. This includes providing our best ESG insights – such as which ESG consultants or data platform we find most useful, and how to set core benchmarks like science-based targets across portfolio companies in various industries. Our ESG team, regarded as one of the best-in-class in the direct investing private equity landscape, offers valuable insights into how all our partners can improve their ESG approach.

Monitor

Our side letters stipulate regular ESG clauses that enable us to carefully track the evolution of portfolio companies throughout their ownership period. We will update our ESG assessment of all core GPs in the fund on an annual basis. Our intent is to improve the beneficial impact of our portfolio – on society and climate especially – and we aim to form a close and long-lasting partnership with GPs to do that. We are proud of what we have accomplished, and of the strong relationships built so far, but we are also keenly aware of the continued influence we need to exert on areas such as setting emissions-reduction targets.

“ I started my career in PE 15 years after the first global Earth Day event and 20 years before the term ESG was coined. My tenure in PE has been characterised by a steady and accelerating need for action on the E, S and G fronts. More recently there has been a growing momentum in the sector from intention to action. Nowhere has this transition been more clear than what I have seen at Bregal over the past five years.

Chuck Flynn
Partner, BPEP

100%

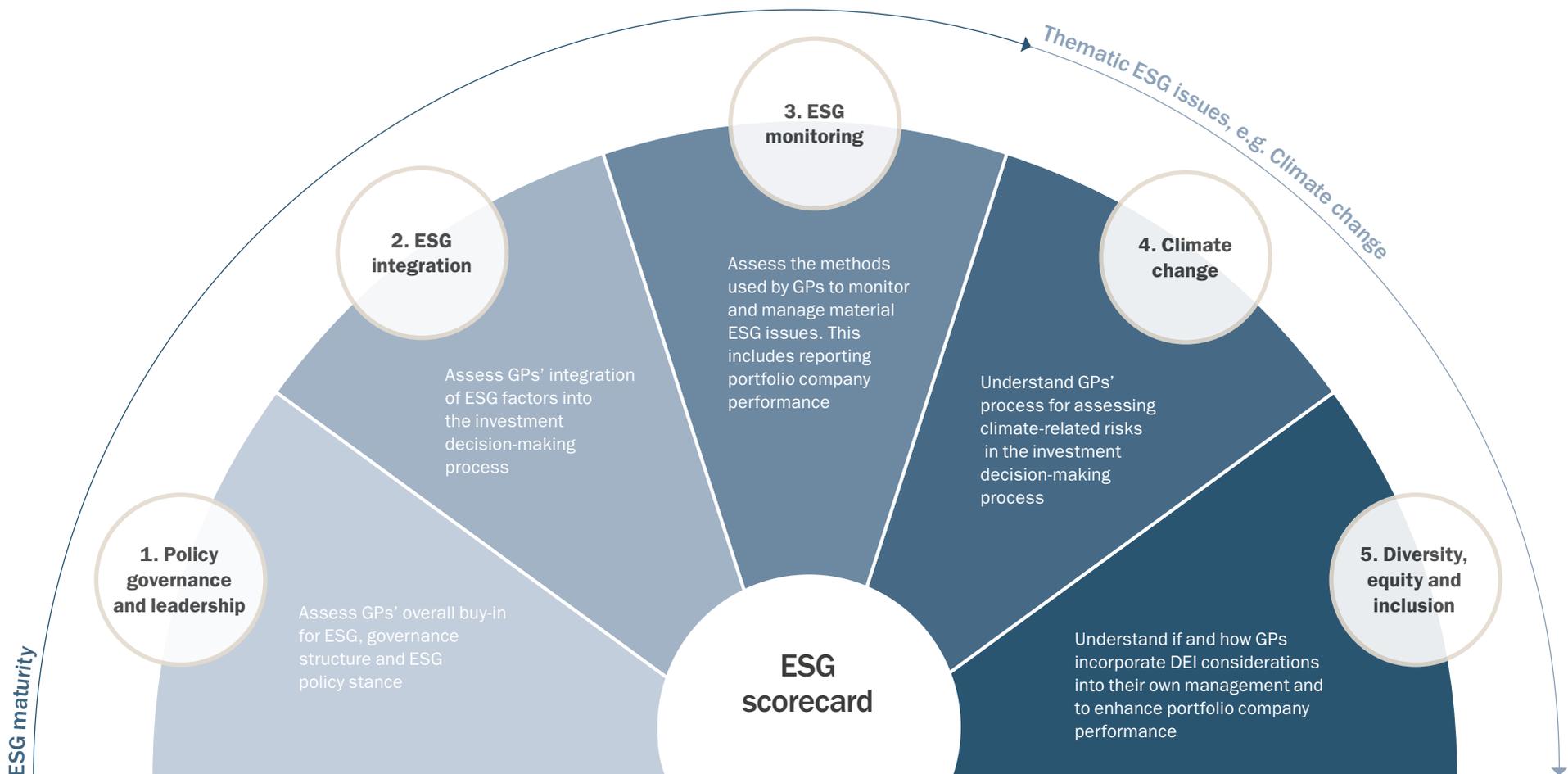
100% GPs assessed to review:

- PRI Policy
- iCI Membership Status
- PRI Signatory Status
- SFDR Article 4 Disclosure

GP ESG engagement approach

Prior to making a commitment to a manager, BPEP will conduct an analysis of their ESG policies and practices. This is a score based on five components: 1. Policy, governance and leadership, 2. ESG integration, 3. ESG monitoring, 4. Climate change, and 5. Diversity, equity and inclusion.

This assessment will be conducted on an annual basis and the underlying manager's score evolution tracked.



Employee philanthropy

Our employee philanthropy programme supports employees in taking an active role in charitable organisations. We do this through grants from the COFRA Foundation, that seek to address themes such as education and training, services for underprivileged young people and families, and climate-change mitigation. We are especially focused on issues of sustainability and inequality.

COFRA Foundation grants

The COFRA Foundation funds employee philanthropy activities across COFRA organisations, in the spirit of engagement with, and commitment to, the communities they live in and work with. Through its programme, the COFRA Foundation wants to connect and inspire colleagues across the globe to contribute to causes close to their hearts.

City Harvest

City Harvest collects nutritious surplus food from various food-industry providers for redistribution to vulnerable people around London. Bregal employees volunteered their time, offering their time to help package and sort through food parcels, as well as sponsoring the van that delivers the food around London.

2021 grant amount:

€50,000



Dein München

Dein München helps ensure equal access to job opportunities for young people – who can subsequently contribute to a diverse and productive economy. Across 475 projects since 2014, Dein München has supported more than 7,500 young people in rewriting their futures.

2021 grant amount:

€50,000



Per Scholas

Per Scholas works to increase access, and create opportunities, for adults seeking employment in the tech sector. Its mission is to advance economic equity through access to quality tech jobs, with typical Per Scholas graduates experiencing a 320% increase in wages, after training.

2021 grant amount:

€40,174



New York Sun Works

New York Sun Works educates the next generation of environmental innovators, giving them the skills to create solutions to global resource challenges. It has built over 180 innovative educational labs and helped more than 60,000 students learn about sustainability topics.

2021 grant amount:

€44,638



Grant-matching programme

As a socially conscious firm, we support charitable causes globally, through the COFRA Foundation. By supporting initiatives important to Bregal employees, we aim to strengthen the spirit of engagement and willingness to volunteer, which are core elements of our values.

Through the grant-matching programme, the COFRA Foundation will match any charitable contribution made by an employee, up to €5,000 per employee in any calendar year.

Grant spend

Grant spend 2021	€768,257
Grant spend since 2011	€4,630,184
Matching 2021	€175,160
Grant matching since 2011	€744,188
Total 2021	€943,417
Charities supported with grants in 2021	21

To further bolster our climate commitments ahead of the COP26 conference, we funded a climate campaign, in partnership with the COFRA Foundation, by giving directly to Climate Cleanup, Trees for Cities and three other European and US-based climate charities, raising €46,188 over three weeks.

Climate Cleanup



Climate Cleanup Foundation is an independent entrepreneurial non-profit funded by members. Together it aims to pioneer systemic interventions to enable carbon removal on land, in oceans, rocks and constructions.

2021 matching amount:

€8,009

Trees for Cities



Trees for Cities is a UK-based charity working at a national and international scale to improve lives by planting trees in cities.

2021 matching amount:

€15,501

Germany's Relief Coalition



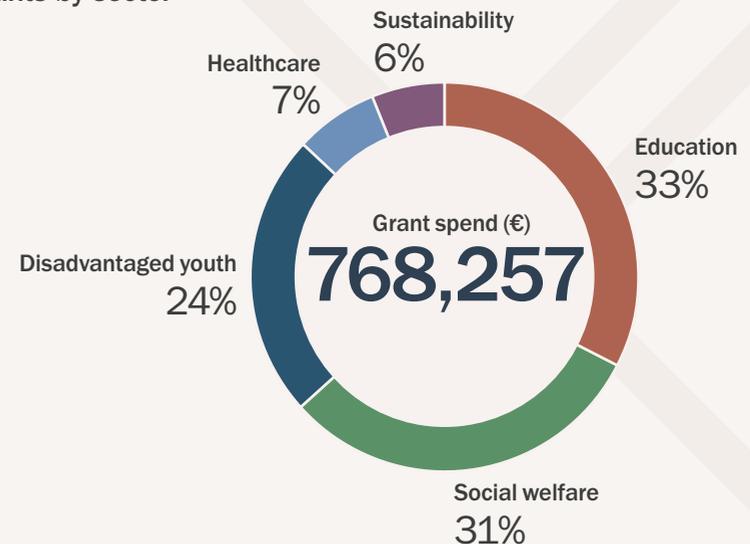
Germany's Relief Coalition provides emergency aid to the people affected by severe catastrophes.

2021 matching amount:

€35,067



Grants by sector





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