



Bregal Investments

Responsible Investment Report 2019-20



About Bregal

Bregal Investments is the private equity platform that forms part of the COFRA group, a privately held group of companies headquartered in Switzerland. The COFRA group also includes a global fashion retail business (C&A), a real estate business (Redevco) and an asset management platform (Anthos Fund & Asset Management).

Bregal Investments was founded in 2002 and has grown extensively since then, with more than €15 billion invested to date. The firm focuses on transforming and growing businesses for future success, with its funds focusing on longer-term value creation. Typically these businesses have an enterprise value of under €500 million.

This is our third annual Responsible Investment Report, in which we aim to demonstrate progress made and share examples of how we are collaborating with our portfolio companies to improve their ESG performance.

Front cover

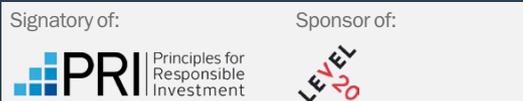
With data centres throughout the US and Europe, Connectria is a leader in IBM and public cloud (AWS & Azure) managed & professional services. The company's 20+ years of IBM and private cloud experience, along with strong competencies supporting public cloud migration, position it as one of the few true hybrid cloud managed solution providers in the world.

Our commitment to responsible investing

At Bregal, Environmental, Social and Governance (ESG) issues are a fundamental part of our decision to invest in companies, as well as our proactive ownership. We believe that 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.

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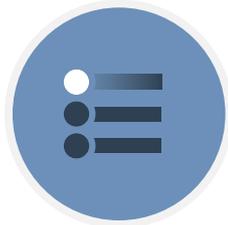


Notes:

All figures presented are as at December 2019 unless otherwise stated.

The carbon footprint data disclosed on pages 10-15 relates to Bregal's own organisation. It does not include data of each of the fund's portfolio companies.

2019-20 highlights



ESG reviews
>90%
 in-depth ESG reviews at more than 90% of our companies

ESG portfolio company reviews consistently adopted across all Bregal funds, prioritising key ESG aspects and raising Board-level awareness.

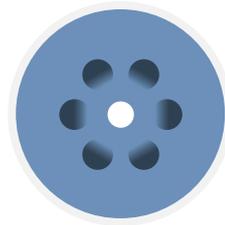
[Prioritise See p16 →](#)



Bregal Sustainable Development Fund
4
 new loans to fund ESG improvement projects

The Bregal Sustainable Development Fund provided four new loans to portfolio companies for projects including the reduction of carbon emissions, improved quality of care and renewable energy generation. 40% of the Fund has now been deployed.

[Invest See p26 →](#)



Bregal Social Impact Initiative
 Creating positive social impact in our local communities

Through Bregal's Social Impact Initiative we have now supported five portfolio companies to create positive social impact in their local communities.

[Contribute See p32 →](#)



[Bregal Sagemount See p11 →](#)



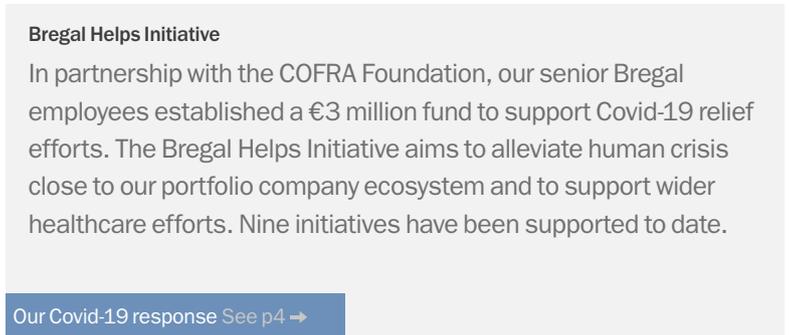
[BPEP See p15 →](#)



[Our ESG approach See p6 →](#)



[Co-CEOs' letter See p2-3 →](#)



[Our Covid-19 response See p4 →](#)

A letter from our Co-CEOs

Quentin Van Doosselaere & Steven Black



Over the past decade, the world has experienced a long period of relatively stable economic growth and low interest rates. During this time, our funds have realised strong results and we have successfully expanded the Bregal platform. We have also grown our business by launching new funds, diversifying and growing our investor base and significantly increasing our number of employees. At the end of 2019, we had direct investments in 58 companies in North America and Europe, employing more than 28,500 people and generating approximately €6 billion of consolidated revenues.

Responsibility

With this growth comes a heightened sense of responsibility to positively contribute to society and to create long term sustainable value for all our stakeholders. Although in financial terms the last decade was fruitful for investors such as Bregal, the sense of urgency regarding Environmental, Social and Governance issues has grown substantially. Our society today is in turbulent times and we face unprecedented uncertainties, both from an environmental and social perspective. We are in the middle of the global Covid-19 pandemic and health crisis and at the same time, the climate emergency and increasing loss of biodiversity urgently show the need for a 'green' recovery. Our societies also grapple with social issues such as increased inequality, diversity and inclusion challenges, and racial injustice.

Global pandemic

The economic impact of the Covid-19 crisis has been larger than that of any previous crisis in generations. It has had a significant, negative impact on our portfolio companies, their employees, and other stakeholders. Along with our colleagues at Bregal, we are both working very hard to try to mitigate these negative impacts and support our portfolio companies to recover and prosper once more. However, the pandemic has also shone a light on the role good businesses play in society and the need for the recovery to be more inclusive and sustainable.

Regardless of the industry, experience shows that strong ESG management is essential for companies to weather the crisis, be it through more resilient business operations, more robust and transparent supply chains, or higher employee morale and effective outreach initiatives to local communities. This underscores the importance of ESG integration, now more than ever before.

Once the magnitude of the crisis became clear, our senior Bregal employees launched the Bregal Helps Initiative together with the COFRA Foundation. The Initiative is a €3 million Covid-19 relief fund created to help Bregal portfolio companies to alleviate human crisis and support their local communities.

At the time of this report's launch, we have supported nine initiatives and are close to committing 50% of the fund. Companies that have been helped include Arkphire, which has enabled digital connectivity for elderly care homes, palliative hospitals and community services in the UK and Ireland; and Buyers Edge Platform, which has provided support to frontline workers and helped vulnerable local communities by providing thousands of boxes of fresh produce in the US.

Climate change

Although the negative impact of the pandemic will be felt for a long time to come, we cannot reduce our focus on the climate emergency, which continues to unfold. At Bregal, we firmly believe that climate action remains critical, particularly in the current decade, as the remaining 'carbon budget' to stay within 1.5°C warming is rapidly depleting. We are in the process of launching a Bregal climate strategy and aim to announce ambitious targets towards climate neutrality next year.

Furthermore, we aim to accelerate the deployment of our €40 million Sustainable Development Fund, dedicated to supporting ESG improvement initiatives in our existing portfolio, particularly in relation to climate action.

In 2019, we made four investments from the Fund, including the launch of a first-of-its-kind, carbon neutral IBM Power Systems at Connectria in the US and an

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Steven Black Co-CEO

“ We are committed to doing more and are united in trying to be a socially responsible firm that promotes diversity and equal opportunity.

Quentin Van Doosselaere Co-CEO

investment in a 3.5MW solar project in Pennsylvania, US, which instantly transforms the business of one of our portfolio companies, IMG Energy Solutions.

Diversity and social justice

Like most firms, we employ people from diverse backgrounds across the organisation and we believe we are a better firm because of it. In 2019, we became a sponsor of Level20, an initiative to improve gender diversity in our sector. Amongst other things, the initiative will see our senior partners taking part in mentoring programmes to support female professionals in our industry.

Although we have recently hired more women in our investment teams, recruited and promoted colleagues with an ethnic minority background to partner and promoted our first female colleague to partner, we recognise we still have a long way to go.

Recent tragic events in the US, which reverberated globally, have once again shown the need for social justice reform and racial equity. At Bregal, we are committed to doing more and are united in trying to be a socially responsible firm that promotes diversity and equal opportunity, with no tolerance for racial injustice at any time or in any place.

As a firm, we want to reiterate our resolve to have a more diverse group of employees. We also want to renew our commitment to actively promote, and when necessary fund, fair social practices in each of our portfolio companies, knowing that we have the ability – and the responsibility – to make tangible changes in the communities in which we operate.

We would like to thank our colleagues for their hard work and continuous commitment to ensuring we are a responsible investor and owner, particularly in these unprecedented times. Together, we are proud to present in this Responsible Investment Report some of the initiatives we have developed to date.

Bregal's response to Covid-19

The global Covid-19 pandemic is an unprecedented human tragedy, which has impacted the personal and professional lives of individuals, families and communities across the globe.

It has been our absolute priority to support our portfolio companies and the communities in which they operate, whilst also ensuring the health and wellbeing of our own colleagues.

Bregal Helps Initiative

Example grants [→](#)

From the start of the pandemic there has been a strong consensus and determination across Bregal to find a meaningful way to support the pandemic relief efforts.

Therefore, we launched the Bregal Helps Initiative. All senior Bregal employees in partnership with the COFRA Foundation raised a €3 million relief fund with the mission to assist Bregal portfolio company efforts to alleviate a human crisis and to support local communities with targeted charitable donations to those impacted by Covid-19.



Proactive employee support to relief efforts

Alongside our external commitments, many of our employees took proactive action in supporting Covid-19 relief efforts and have already raised over €260,000. In addition to our regular charitable matching programmes, employees also

actively participated in Covid-19 specific initiatives. For example, in partnership with the COFRA Foundation, a matching programme to support Doctors Without Borders (Médecins Sans Frontières) was established, helping to raise over €80,000.



Connectivity for those in need

Arkphire | Charities: Spread a Smile; Sunbeam House Services; St Francis Hospice; LauraLynn Children's Hospice

Delivering fully enabled IT solutions to enable digital connectivity for elderly care homes, palliative hospitals and community services in the UK and Ireland. The initiative will help provide 100+ iPads and 20+ PCs.

Amount: €67,557



Food for the homeless

Align General | Charity: Lucky Duck Foundation

Providing meals to homeless individuals in San Diego. The programme will start by reaching 400 unsheltered homeless individuals per day.

Amount: \$125,000



Produce boxes for the disadvantaged

Buyers Edge Platform | Charity: Produce Alliance Foundation

Delivering fresh produce boxes to the disadvantaged community of Lake Worth, Florida, and supporting the agricultural industry. The initiative will help support distribution of 3,000-4,000+ boxes of fresh produce.

Amount: \$125,000



Access to education

Embassy Kirchhofer | Charity: Stiftung Brändi

Supporting the expansion of an existing school to provide access to 30 disabled students in Switzerland. Disabled children have been severely affected by Covid-19 and this initiative helps give them a fair chance in life by receiving high-quality education.

Amount: CHF50,000

Engagement across the portfolio

Since the beginning of the crisis we have monitored employment measures taken by our portfolio companies to minimise negative impacts and to ensure best safety practices.

We assessed that in the peak of the Covid-19 lockdowns, approximately 3% of employees were affected by redundancies. All short-term and furloughed workers were compensated via government schemes, resulting in minimal wage losses.

Where feasible our portfolio companies have also taken a proactive approach to supporting pandemic relief efforts, such as Onlineprinters starting production of non-medical physical protection headwear, and our healthcare provider, DPG, offering free apartments to clinics as quarantine stations in Aachen, Germany.

Adapting internal ways of working

Ensuring the health and wellbeing of our own employees at Bregal has been our top priority. All employees were asked to work remotely, and we are making sure that our teams continue to work effectively and safely throughout this period.

Recognising the importance of mental health, all teams have been provided with access to relevant guidance and resources, including a health and wellbeing committee set up by employees.

ESG approach

Alvar de Wolff
Head of ESG & Responsible Investing



Across the Bregal platform, our commitment to ESG integration is stronger than ever as we continue to deliver on our ESG approach of 'prioritise, invest and contribute'.

We are proud that more than 90% of our companies have completed annual ESG reviews. These companies have committed to improvement initiatives and their progress is reviewed annually. For our most recent investments, ESG reviews are either planned or already in progress. We also continue to provide ESG funding to our portfolio companies. The €40 million Bregal Sustainable Development Fund (SD Fund) issued four new loans in 2019 and is now 40% deployed. Through our philanthropy initiatives, another 14 companies have contributed to positive social impact in their local communities. You can read more about progress and future priorities for each of our funds in the Overview of funds section (see p8-15).

Our goals for next year are to accelerate our climate action and to further our diversity, equity & inclusion efforts.

Climate action

Recently, scientists have confirmed that the last decade was the hottest on record, whilst 2019 was the second hottest year, underscoring that climate change is happening now. The world must roughly halve carbon

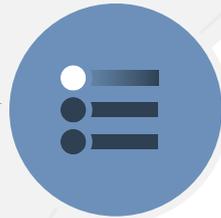
emissions by 2030 to stay within a 1.5°C warming trajectory. At Bregal, we acknowledge the responsibility we have as an investor and plan to announce a climate strategy next year to help transition our portfolio towards carbon neutrality. Meanwhile, we are working with our management teams to develop carbon reduction plans for every company. The SD Fund also supports climate action, with examples such as Connectria, IMG Energy Solutions and Blue Harvest Fisheries.

Diversity, equity & inclusion

Bregal is committed to being a socially responsible firm promoting diversity and equal opportunity. The troubling events in the US, and the subsequent rise of a global racial justice and equity movement, have shown us that we need to do more. This year, we will focus more on racial equity and equal opportunities by upgrading our hiring policies, raising awareness, providing training, and supporting our portfolio companies to address these issues. We will also expand our charitable matching programme by supporting organisations addressing social injustice and racial inequity.

Both climate change and social injustice are generational, long-term challenges, which as a society we need to address collectively. We believe that by playing our part as investor, we can also help our portfolio companies to become more resilient and responsible businesses.

We aim to consistently contribute to building great companies and creating long-term, sustainable value for our investors, whilst at the same time having a positive impact on society.



1 Prioritise

Identifying and prioritising material ESG aspects and consistently aiming for improvement is a key element of our approach. We work to support our portfolio company management teams to formulate a vision for long-term sustainable growth.

See p16 →



2 Invest

Supporting companies as they transition towards greater environmental and/or social sustainability.

See p26 →

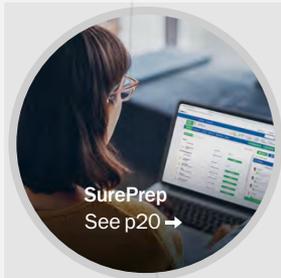


IMPACT

3 Contribute

Supporting portfolio company initiatives that have the potential for transformative change within communities.

See p32 →



Overview of funds

In 2019, the Bregal Investments private equity platform consisted of six direct investment teams and a fund-of-funds team active in Europe and the US.

BregalUnternehmerkapital

Equity capital for mid-sized companies in the DACH region

Bregal Unternehmerkapital specialises in majority and minority holdings, especially in mid-sized companies based in Germany, Switzerland and Austria – the 'Mittelstand'. Bregal Unternehmerkapital is currently investing a €1.2 billion fund.

Portfolio companies	15
Employees	12,327
Assets under management	€2.3bn
Turnover	€2.5bn



BregalSagemount

Private capital for growth companies in North America

Bregal Sagemount provides flexible capital to market-leading technology companies in high-growth sectors across a wide variety of transaction situations. Bregal Sagemount focuses on industries with strong secular tailwinds and companies with recurring or re-occurring revenue streams.

Portfolio companies	14
Employees	3,391
Assets under management	\$2.8bn
Turnover	\$0.8bn



BregalPartners

Equity capital for mid-sized companies in North America

Bregal Partners invests in industry-leading middle market companies that generate \$5 million to \$75 million or more of EBITDA. Bregal Partners seeks to invest between \$20 million and \$90 million of equity in three core verticals: consumer and multi-unit; food and beverage; and business services.

Portfolio companies	11
Employees	4,540
Assets under management	\$1.5bn
Turnover	\$1.0bn



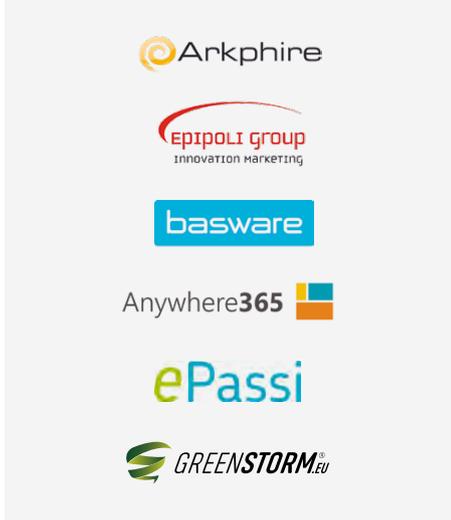
Note: All figures presented are as at December 2019 unless otherwise stated. All AUM data on pages 8-15 represents NAV plus unfunded commitments. Source: All data on pages 8-15 provided by Bregal Investments.

 **BregalMilestone**

Flexible growth capital and strategic assistance for European companies

Bregal Milestone is a €495 million fund dedicated to making investments in Europe. Bregal Milestone provides flexible growth capital and strategic assistance for European companies.

Portfolio companies	6
Employees	1,784
Assets under management	€0.5bn
Turnover	€0.4bn



 **BregalEnergy**

Energy, power and renewables-focused middle market fund

Bregal Energy invests in diversified areas of environmental sustainability, as well as conventional verticals of 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.

Portfolio companies	3
Employees	77
Assets under management	\$0.2bn
Turnover	\$0.1bn



 **Freshstream**

UK and Benelux-focused middle market private equity fund

Bregal Freshstream invests in growing businesses based in Western Europe with a particular focus on the UK and Benelux markets. Bregal Freshstream focuses on businesses in which capital and support enable management teams to grow through strategic and operational change.

Portfolio companies	9
Employees	5,295
Assets under management	€0.5bn
Turnover	€0.9bn



 **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 fund commitments that typically range from between €10 million and €40 million. BPEP also makes co-investments of approximately €5-15 million per company and invests in secondary transactions.

Assets under management	€1.8bn
Funds in current portfolio	100+
GPs committed to	60+
Secondary transactions in current portfolio	4
Co-investments in current portfolio	9
% of GPs that are UN PRI signatories	30%





BregalUnternehmerkapital

“ ESG remains a priority and is strongly implemented in our portfolio management approach. In 2019, we completed detailed ESG reviews for all our portfolio companies in order to identify key risks and value creation opportunities. For two of our portfolio companies this was a second annual review cycle and we were pleased to see how active collaboration with the management teams had positively contributed to long-term value creation.

We believe that strong ESG performance is critical for driving value creation, even more so during such turbulent times. Therefore we are particularly proud to have already supported Embassy Kirchhofer and Onlineprinters in their Covid-19 relief efforts. We continuously engage and support our portfolio companies not only to help manage ESG risks but also to help deliver on their corporate responsibility ambitions.



Florian Schick
Managing Partner

Equity capital for mid-sized companies in the DACH region

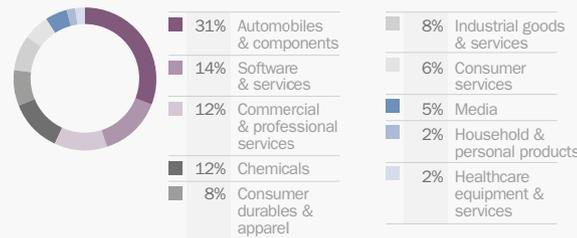
Bregal Unternehmerkapital specialises in majority and minority holdings, especially in mid-sized companies based in Germany, Switzerland and Austria – the ‘Mittelstand’. Bregal Unternehmerkapital is currently investing a €1.2 billion fund.

Portfolio companies	15
Employees	12,327
Assets under management	€2.3bn
Turnover	€2.5bn
Carbon footprint	1,086 tCO ₂ e
Offset by planting	5,650 trees



ATP See p18 →

Investments by sector



Investments by geography



Highlights

- ESG reviews completed for all companies, with two undergoing a second review cycle¹
- Sustainable Development Fund loan issued to DPG to fund research to enhance quality of care
- Provided relief grants for Embassy Kirchhofer and Onlineprinters as part of the Bregal Helps Initiative
- Strong ESG progress across the portfolio with ATP piloting combined heat and power installation and Kunststoff Schwanden AG obtaining ISO 45001
- Won ‘Munich’s leading businesses’ in the SME category for our social engagement with Dein München charity

Future focus

- Identify suitable projects for Sustainable Development Fund funding
- Continuously review ESG progress and complete 2020 review cycle for all companies

¹All investments that had closed by September 2019. EA, iptor, Reline and GUS will be reviewed in 2020.

BregalSagemount

“ At Bregal Sagemount, we consider our ESG approach an integral part of our investment ethos and our ability to generate the highest risk-adjusted returns for our investors. ESG issues such as data privacy & security, diversity & inclusion and carbon footprint are ever more important issues for the software and tech-enabled businesses we focus on.

Therefore, we have implemented a standard ESG review process for all Sagemount companies. Last year, we also provided additional capital to support Connectria to launch a carbon neutral cloud offering, which not only makes the company more sustainable but further enhances our returns.



Gene Yoon
Managing Partner

Private capital for growth companies in North America

Bregal Sagemount provides flexible capital to market-leading technology companies in high-growth sectors across a wide variety of transaction situations. Bregal Sagemount focuses on industries with strong secular tailwinds and companies with recurring or re-occurring revenue streams.

Portfolio companies	14
Employees	3,391
Assets under management	\$2.8bn
Turnover	\$0.8bn
Carbon footprint	1,015 tCO ₂ e
Offset by planting	5,278 trees

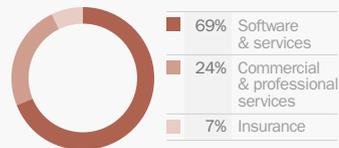
Highlights

- Provided ESG-focused capital via the Sustainable Development Fund to Connectria and Enprecis
- Implemented a standard ESG review process across all Sagemount funds
- Participated in the Bregal Helps Initiative with companies including Buyers Edge Platform, Procurement Advisors, Corcentric and Align General receiving support for their partnerships with local philanthropies

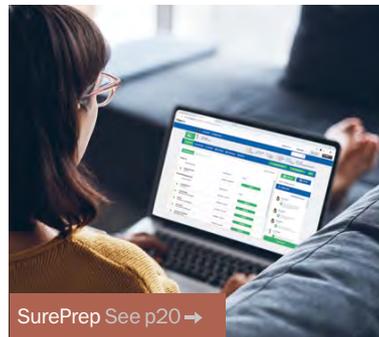


Connectria See p28 →

Investments by sector



Investments by geography



SurePrep See p20 →

Future focus

- Support our companies to implement best practices identified in the ESG reviews
- Perform carbon footprint analyses and aim for a carbon neutral portfolio by the end of 2021
- Continue to participate in the Bregal Helps Initiative and explore additional ways Sagemount and its team members can have a direct impact on our ESG goals, including diversity & inclusion
- Further explore ESG funding opportunities through the Sustainable Development Fund



“ ESG considerations are foundational to the three verticals in which we invest: consumer and multi-unit, food & beverage, and business services. Sustainability issues are increasingly uppermost in the minds of consumers and users of our companies’ products and services, as they often express a preference to support companies that share their own values and beliefs.

Therefore, just as we do with other strategic value creation initiatives across our portfolio, our strong ESG focus also helps us build better businesses. Our investments in Ruby Slipper, Total Vision Care and American Seafoods are great examples of that commitment.



Charles Yoon
Managing Partner

Equity capital for mid-sized companies in North America

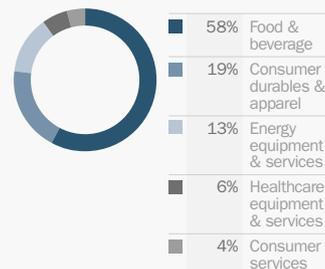
Bregal Partners invests in industry-leading middle market companies that generate \$5 million to \$75 million or more of EBITDA. Bregal Partners seeks to invest between \$20 million and \$90 million of equity in three core verticals: consumer and multi-unit; food and beverage; and business services.

Portfolio companies	11
Employees	4,540
Assets under management	\$1.5bn
Turnover	\$1.0bn
Carbon footprint	663 tCO ₂ e
Offset by planting	3,447 trees



American Seafoods See p22 →

Investments by sector



Investments by geography



Highlights

- Supported and funded social impact initiatives at Ruby Slipper, Total Vision Care, JuJuBe and American Seafoods
- Participated in the Bregal Helps Initiative, including grants for Ruby Slipper and Embassy Management
- Performed ESG reviews of more than 90% of our portfolio companies

Future focus

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

BregalMilestone

“ Bregal Milestone maintained its strong investment velocity in 2019 and H1 2020, growing its portfolio by 50% during the year with two new investments and making further investments into existing portfolio companies. Through this, we continued to focus on ensuring our investments

meet rigorous, sustainable business standards in line with our commitment to improving our overall ESG performance across our portfolio. Specifically, we have developed a tailored ESG methodology which we successfully piloted with ePassi. We are planning to roll out this approach across our portfolio in 2020/2021.



Jan Bruennler
Managing Partner

Flexible growth capital and strategic assistance for European companies

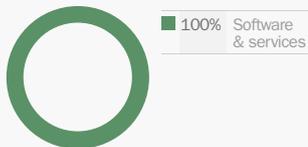
Bregal Milestone is a €495 million fund dedicated to making investments in Europe. Bregal Milestone provides flexible growth capital and strategic assistance for European companies.

Portfolio companies	6
Employees	1,784
Assets under management	€0.5bn
Turnover	€0.4bn
Carbon footprint	231 tCO ₂ e
Offset by planting	1,202 trees

Highlights

- Invested in two new portfolio companies, ePassi and Anywhere 365
- Completed additional investments in three portfolio companies to enable incremental growth through further acquisitions
- Launched Milestone Performance Partners (MPP), our portfolio value enhancement capability
- Developed a comprehensive ESG review methodology and conducted the first review of ePassi with recommended actions to be monitored by the Board
- Participated in the creation and set-up of the Bregal Helps Initiative, including grants being awarded for Arkphire and ePassi
- Partnered with Spread a Smile, a London-based children's charity

Investments by sector



Investments by geography



Future focus

- Complete further investments in European growth companies out of our first fund and continue to grow Bregal Milestone
- Work with our portfolio companies to drive and realise value
- Continue to participate in the Bregal Helps Initiative
- Further development of MPP capability and offerings to provide strategic support
- Further development of our ESG review methodology and roll-out across the wider portfolio in 2020/2021



“ Over the past year, the team has continued to partner with our portfolio companies to improve our global footprint and has achieved some considerable milestones. Some examples of our achievements include a 25% reduction of carbon emissions by Birchill, and IMG being selected as a key partner on the development of the Pittsburgh Airport microgrid project – the first of its kind in the US.

Whilst immediately contributing to improving Pennsylvania’s sustainability roll-out, the project will bring greater power resiliency and redundancy to a critical regional infrastructure player, enhancing public safety, and creating cost efficiencies. Recognising the unprecedented challenges ahead of us, we look forward to building on the progress we present here.



Nathan Campbell
Partner

Energy, power and renewables-focused middle market fund

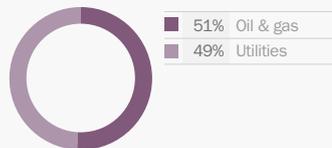
Bregal Energy invests in diversified areas of environmental sustainability, as well as conventional verticals of the energy sector in North America and Europe. The team targets private equity investments in the fast-growing fields of renewable infrastructure and resources, carbon-reducing technologies,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

Portfolio companies	3
Employees	77
Assets under management	\$0.2bn
Turnover	\$0.1bn
Carbon footprint	23 tCO ₂ e
Offset by planting	117 trees

Highlights

- Birchill reduced its emissions by 25% by eliminating wellsite fugitive gas leaks
- IMG Energy Solutions was selected to partner on the development of the Pittsburgh International Airport microgrid project – the first of its kind in the US

Investments by sector



Investments by geography



Future focus

- Build on progress made
- Address emerging need for reliable, innovative and sustainable energy solutions
- Deliver competitive returns and measurable social and environmental good



IMG See p30 →



Bregal Private Equity Partners

“ As fund investors, we can only achieve our ESG ambitions by aligning ourselves with partners who share the same values and principles. For this reason, the choice of GP is critical. ESG risk analysis continues to be increasingly integrated and prioritised within BPEP’s investment processes. Historically, BPEP took ESG risks into account through an exclusionary approach. In recent years, we have moved away from negative screening, further up the responsible investment spectrum, towards positive screening.

Today, ESG features much more prominently during the investment process with the relevant GPs’ ‘ESG Qualifications’ stated on the front page of our investment memos and in our quarterly reports. As a team, we are improving our own understanding of ESG risks and have been upgrading our methods for rating our current and prospective GPs, reflecting their current and future commitments in their approach to managing ESG risks.



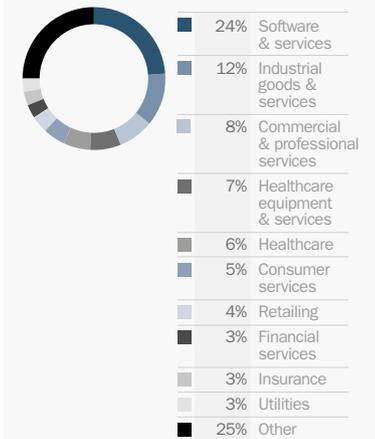
Jan Faber
Managing Partner

Private equity funds, co-investments and secondaries

Bregal Private Equity Partners (BPEP) manages a diversified portfolio of private equity fund investments, with fund commitments that typically range from between €10 million and €40 million. BPEP also makes co-investments of approximately €5-15 million per company and invests in secondary transactions.

Assets under management	€1.8bn
Funds in current portfolio	100+
GPs committed to	60+
Carbon footprint	226 tCO ₂ e
Offset by planting	1,175 trees

Investments by sector



Highlights

- ESG risk analysis increasingly integrated in investment decision-making processes
- Seven of our underlying GPs became UN PRI signatories in 2019 and 2020
- Reviewed over 20 impact-focused growth equity/private equity funds
- Raised the sixth BPEP fund, a €1. billion fund to be invested over the course of the next three years, and completed a secondary sale of the second BPEP portfolio

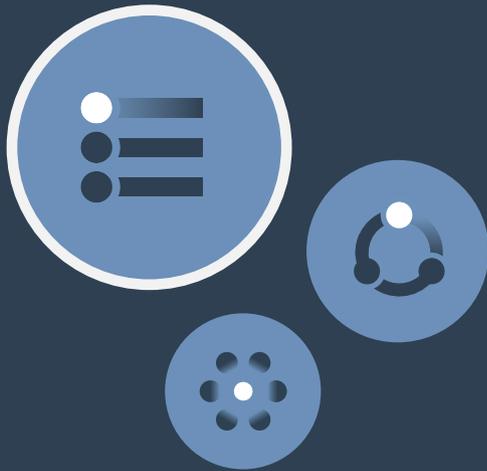
Future focus

- BPEP will not engage with a GP that does not have an ESG policy or does not intend to develop one during the course of the investment period. In cases where a GP does not have a policy, BPEP aims to be helpful by sharing best practices where possible
- Further develop our internal ESG Rating System and engage with GPs whose score indicates that there is room for improvement
- Continue to engage with GPs further along the ‘impact spectrum’



1

Prioritise



An ESG review encompasses portfolio company management's long-term industry view on sustainability, both environmentally and socially, and prioritises initiatives to further improve ESG performance.

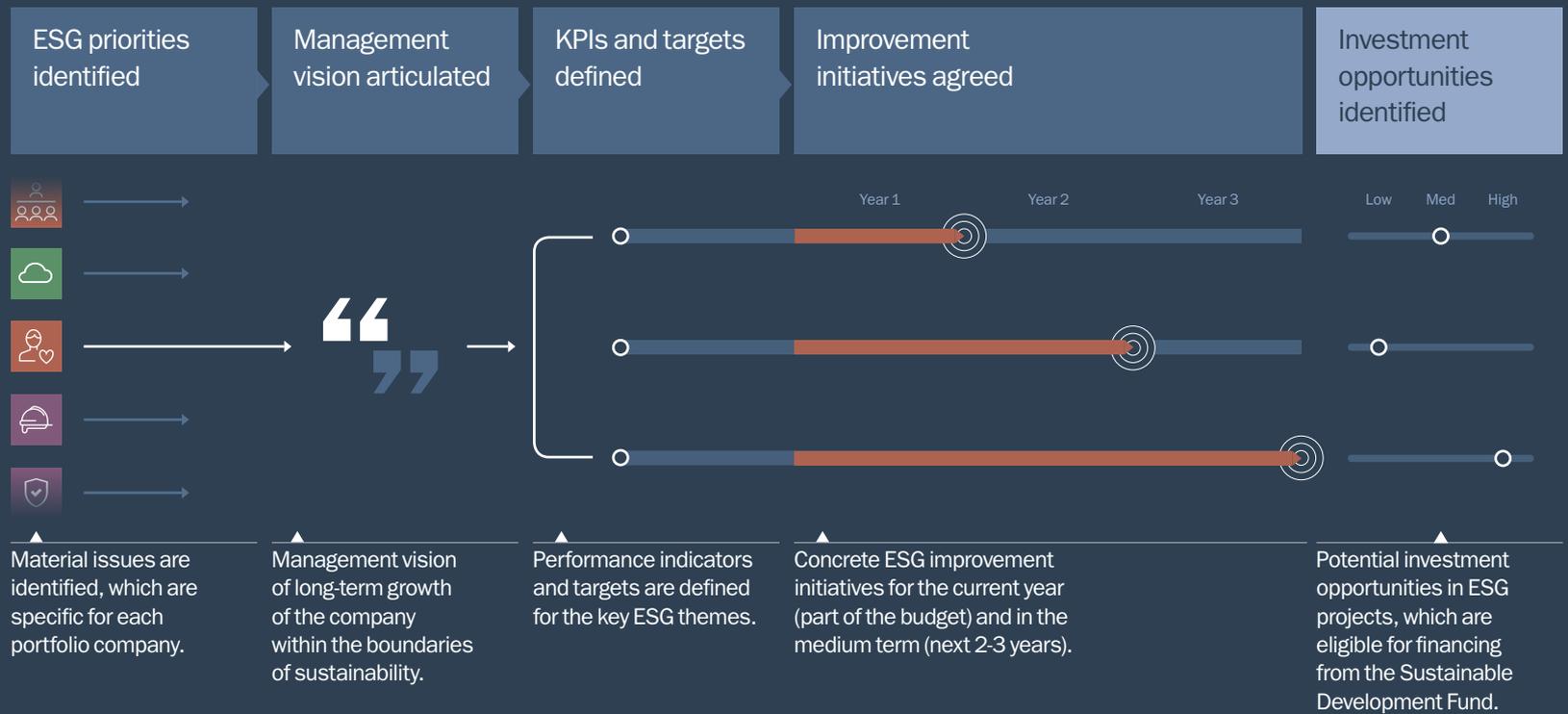
Post initial investment, Bregal deal teams work closely with portfolio company management to prepare a 100-day or value creation plan to guide strategic direction and prioritise value creation initiatives. We aim to integrate material aspects of ESG in our value creation plans, so we drive progress in financial as well as ESG performance.

The main elements of the ESG plan are prioritisation of ESG issues, an overview of short- and medium-term initiatives to improve ESG performance, and KPIs to report and monitor progress. The purpose of this ESG plan is to support management in embedding material ESG aspects in their operations and strategy.

The Board of Directors of each of our portfolio companies is Bregal's primary platform for monitoring ESG performance and progress, and we encourage them to discuss ESG priorities more extensively at least once a year.

ESG review process

ESG reviews are completed annually across the portfolio



1 Prioritise BregalUnternehmerkapital

ATP Adhesive Systems

ATP Adhesive Systems (ATP) is a leading provider of speciality adhesive tapes. The company specialises in the development and manufacturing of pressure sensitive adhesive tapes tailored specifically to the customer's requirements for a broad range of applications. Focused on water-based adhesive tapes, ATP offers an environmentally friendly alternative to more traditional solvent-based adhesive tapes.

Our investment opportunity

Unique and highly efficient customised product development capabilities

Large and growing addressable market

Strong and experienced management team

Employees 300

Sector Chemicals

Head office Wollerau, Switzerland



1 Prioritise **Bregal**Unternehmerkapital

Material issues

- Occupational health and safety
- Carbon footprint
- Product design and quality
- Waste and hazardous material management

Key performance indicators

Electricity consumption in operations (kWh)



Lost time (days)



Material efficiency – ATP Alltape (m² waste/m² produced) (%)



Waste volumes (tonnes)



Highlights

Optimised energy usage

As part of its long-term commitment to carbon neutrality by 2030, ATP has been exploring a number of energy optimisation and carbon reduction solutions. In 2019, the company piloted combined heat and power (CHP) systems, designed to reduce carbon emissions by up to 30%. Two additional systems will be installed in 2020.

High-quality and environmentally friendly products

Product quality is closely monitored, and ATP is continuously investing in innovation to minimise the impact of its products. ATP has a lower environmental production footprint compared to common solvent-based adhesive tape producers as their water-based adhesive tape production does not rely on evaporating solvents. The company continues to further develop sustainable carrier materials.

Healthy and safe workforce

To ensure mitigation of exposure to industrial hazards such as dust, noise and harmful chemicals, ATP's health and safety risk manager oversees a detailed monitoring system and provides employees with regular training.

A mental health risk assessment has recently been carried out. These measures help to ensure that lost time days and absenteeism targets are consistently met and that employee turnover remains significantly below industry averages.



“As a leading manufacturer of industrial adhesive tapes, ATP consistently relies on the environmentally-friendly technology of water-based acrylates and produces sustainable products of the highest quality. Manufacturing under the strictest adherence to all environmental and occupational safety standards is beneficial for the health of all our employees and for society.”

Daniel Heini CEO, ATP Adhesive Systems

Priorities going forward

- Further roll-out of CHP systems and continuous energy usage optimisations
- Improve sustainable product design such as the development of biodegradable tape
- Optimise manufacturing processes to minimise production waste

Source: ATP Adhesive Systems company data

1 Prioritise **BregalSagemount**

SurePrep

Founded in 2002, SurePrep is a provider of tax documentation automation software and software-powered services and is the leader in 1040 tax automation for Certified Public Accountancy firms. The company provides innovative, comprehensive and productive personal federal income tax automation solutions that include scanning, an optional optical character recognition verification service, outsourcing and a two-time award-winning mobile solution.

Our investment opportunity

Leading player in the market

Currently unpenetrated market

Insulated industry with compelling end-market dynamics

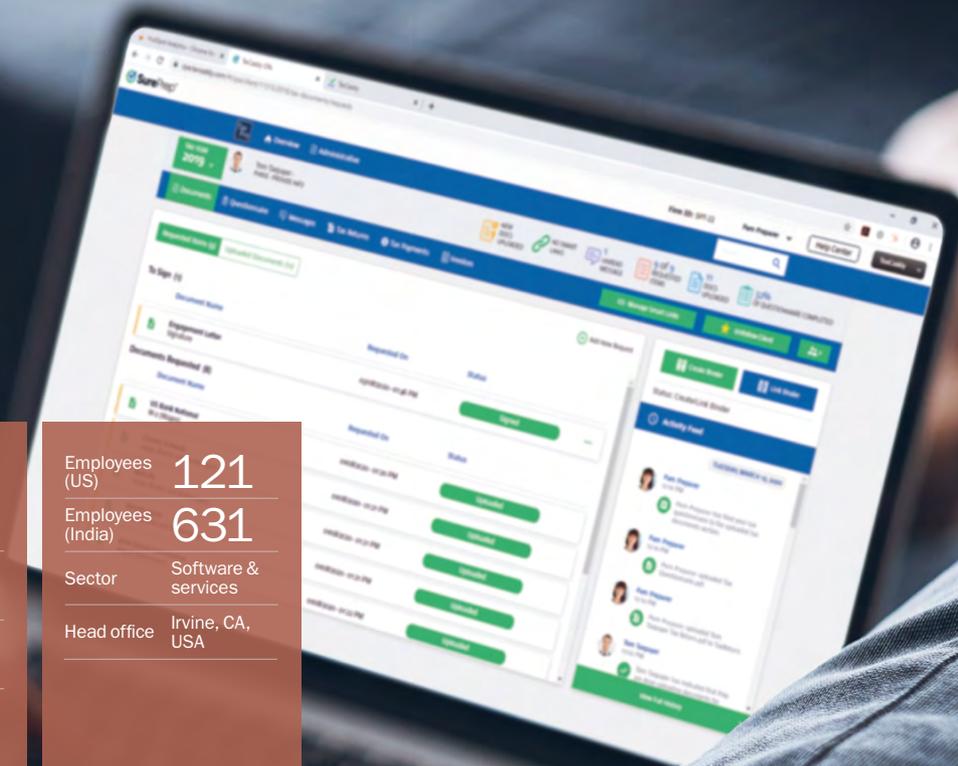
Significant potential to accelerate sales

Employees (US) **121**

Employees (India) **631**

Sector Software & services

Head office Irvine, CA, USA



1 Prioritise **BregalSagemount**

Material issues

-  Data privacy and security
-  Good governance, ethics and compliance
-  Engaged and diverse workforce
-  Carbon footprint

Key performance indicators

Number of critical or high risks identified in annual penetration test	Zero
Diversity rate	62.5% male 37.5% female

Source: SurePrep company data

Highlights

Data privacy and security 

To ensure best-in-class data management and protection, SurePrep has established rigorous information security policies and processes.

Specific data security roles and responsibilities are assigned to individuals, including the Chief Innovation Officer, Director of IT and Information Security and a full-time Information Security team based in India.

SurePrep follows a documented process to ensure data security and conducts regular vulnerability testing. The company has achieved ISO 9001:2015 certification for process quality management. Relevant training is provided annually to all employees.

Fair labour conditions and engaged workforce across operations  

SurePrep has operations both in the US and India, and HR functions are managed separately to address country-specific employee needs. Robust policies are in place, ensuring a consistent approach and coverage of country-specific issues. For example, in India, the company has an Internal Complaints Committee to handle any harassment complaints and offers sexual harassment awareness workshops and confidential counselling sessions.

Management-level diversity training is provided to foster an inclusive workplace culture. In recognising the importance of diversity, SurePrep is also assessing recruitment initiatives, such as hosting 'women in technology' days to engage local university students.

In addition to onboarding training, SurePrep provides new employees with weekly check-ins for the first month and offers to pay for further training needs.

Exit interviews are conducted for all employees who leave voluntarily and in 2019 SurePrep hosted a wellness week in the US which was very well received by employees.

 **“** Data privacy and security of our systems is critically important to our CPA clients in delivering their services and maintaining reputation. It is therefore our key priority to meet constantly evolving information security requirements. We are proud to have served our clients for the last 18 years without a single known incident of data breach.

David Wyle CEO, SurePrep

Priorities going forward

- Finalise review of the Code of Ethics and hire new Compliance Officer 
- Conduct a full employee engagement survey 
- Consider renewable energy usage and carbon offsetting options 

1 Prioritise **BregalPartners**

American Seafoods

Founded in 1987, American Seafoods is the largest harvester of fish for human consumption in the US and one of the largest catcher-processors of sustainably harvested fish in the world. The company serves 1 billion people around the globe with consistently high-quality seafood products. Catches are harvested and processed on board and include Alaska pollock, Pacific whiting, yellowfin sole and Pacific cod in the waters off Alaska, and Pacific hake off the coasts of Oregon and Washington.

Our investment opportunity

Access to abundant and well-managed, sustainable natural resources

Market-leading company in attractive segment of pollock fishery

Favourable global trend of increasing demand for healthy protein

Employees **840**

Sector Fishery

Head office Seattle, WA, USA



1 Prioritise **BregalPartners**

Material issues

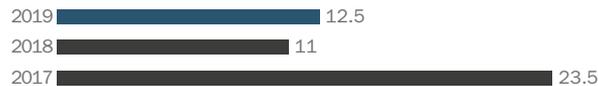
- Sustainability of the fisheries
- Labour standards and occupational safety
- Energy usage and carbon/water footprint
- Employer of choice

Key performance indicators

Finished products (kWh/lb)



Accidents and illnesses (per 1 million hours)



Marine Stewardship Council (MSC) certification scores

Pacific hake	96.8 (#1)
Bering Sea and Aleutian Islands (BSAI) pollock	96.3 (#2)
BSAI Pacific cod	92.3 (#10)

Source: American Seafoods company data

Highlights

Leader in sustainable fisheries

American Seafoods hold certifications for both the Marine Stewardship Council and the Alaska Seafood Marketing Institute Responsible Fisheries Management Program.

The company's strong communications infrastructure, which permits members of harvest cooperatives to share catch information in real time via satellite, enables it to minimise any bycatch. American Seafoods' catches of wild Alaska pollock in the Bering Sea have the highest retention rates for targeted species, at 99.5%, setting it apart from its major peers.

Ensuring occupational safety on board

American Seafoods aims to be best-in-class for health and safety performance in the industry. Therefore, in 2019, the company launched its Corporate Safety Committee to drive best practice and a 'fit for duty' health protocol.

The company has also strengthened its partnership with the Dutch Harbor clinic, offering consolidated medical providers and records to allow for better care, as well as pneumonia vaccines. This has led to an annual reduction of illnesses per trip of 41%, and a decline in average injuries per trip of 3%.

In the face of the Covid-19 pandemic, the company has undertaken rigorous testing and quarantine procedures to preserve operations and ensure employee safety.

Energy usage and carbon footprint

The company has taken significant steps to reduce its carbon footprint. In 2019, it used 19.3 million gallons of fuel, equating to roughly 0.5kg of total carbon emitted for every kilogramme of fish that reaches consumers. This is lower than all other traditional sources of protein including nuts, tofu, poultry, pork and beef.



“Our promise to the world is to feed people better food sourced from a better place. We are committed to helping our crews at sea, communities where we fish, and hungry people around the world.”

Mikel Durham CEO, American Seafoods

Priorities going forward

- Ensure safety and security of crews during the pandemic
- Become an industry employer of choice by 2021
- Optimise processes and efficiency of vessels to reduce environmental footprint

1 Prioritise BregalMilestone

ePassi

Founded in 2007, ePassi is a provider of employee benefit solutions, offering sports, culture, wellness, public transport and lunch benefits, primarily in Finland and Sweden.

ePassi is a pioneer in mobile payment systems, and has become one of Europe's fastest-growing companies, on which more than 1 million employees rely for employee benefits.

Our investment opportunity

High-growth Nordic fintech

Leading mobile payment player in the market

Predictable revenue model with high barriers to entry

Licensed Payment Service Provider with significant potential for further disruption

Employees **88** Sector Fintech/employee benefits

Head office Helsinki, Finland



1 Prioritise **BregalMilestone**

Material issues

-  Data privacy
-  Good governance
-  Employee engagement and performance management

Key performance indicators

An in-depth ESG assessment has been conducted and detailed actions have been identified in areas of employee engagement, data privacy and security, and good governance. Management has committed to tracking numerous KPIs, including compliance training completion rate, employee NPS score and diversity & inclusion rate.

Highlights

Data privacy 

A strong culture of compliance and business ethics are important to Bregal, and ePassi's management team is making good progress in further formalising procedures. The company's main focus has been to enhance GDPR-related documentation, with ongoing work to incorporate compliance and risk-related aspects into the business values, including embedding these policies

as part of onboarding for new employees and in annual employee training. ePassi has taken the important step of hiring a Compliance Officer who will build on the current practices to further set up a robust and mature programme.

Employee engagement and performance management 

ePassi has two HR managers who provide operational HR support across Finland, Sweden and Poland. The team has been working hard to standardise and formalise people management practices across all three countries, covering the full employee scope with a focus on the employee value proposition, engagement of the workforce and management of performance and talent. Formalised engagement measure tools and KPI tracking is underway with the aim to further improve employee motivation and satisfaction.

Good governance 

ePassi's management team has taken significant steps to establish a regular and structured set of leadership meetings with documented agendas and minutes.

The team has been diligent in establishing clear decision-making authority per role and function across ePassi, enabling decisions to be made more effectively and without direction from the top of the organisation.

The team is ensuring the necessary controls and checks are in place, with clear thresholds and requirements for spend decisions and commercial proposals.



“Whilst at ePassi we have always held our employees and work to the highest standards, it has been important to formalise our policies into a top-notch system, reflective of our values. ESG is critically important to ePassi and we are proud to be working alongside Bregal to ensure these processes continue to adapt as we scale.

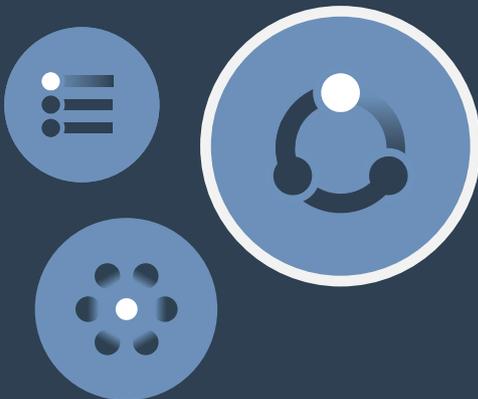
Pekka Rantala CEO, ePassi

Priorities going forward

- Enhance GDPR documentation and respective policies 
- Finalise new Compliance Officer onboarding 
- Create a standardised employee engagement, incentivisation and management policy handbook 

2

Invest



We are funding and supporting Bregal portfolio companies' ESG ambitions by providing loans at attractive terms to finance improvement initiatives aligned with the UN Sustainable Development Goals.

Launched in 2018, the Bregal Sustainable Development Fund (SD Fund) is a €40 million fund intended for investments in improvement projects that contribute to the sustainability performance of Bregal portfolio companies.

The purpose of the SD Fund is to support portfolio companies in transitioning their business models towards greater environmental and/or social sustainability by providing funds to invest in improvement projects which meet strict ESG criteria.

Achieving any substantial ESG improvements often requires funding. However, the payback period for ESG-related improvement projects may be too long for portfolio company management and Boards to decide to deploy scarce equity or operating cash to these projects. By launching the SD Fund, we encourage our portfolio companies to realise tangible ESG improvements.

To date, 40% of the SD Fund has been deployed to fund seven projects, including the reduction of carbon emissions, water management, improved quality of care and renewable energy generation.

Eligible projects

Projects eligible to receive funding from the Sustainable Development Fund 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 a consumer level.

Eligible projects include, but are not limited to, those presented opposite.



 <p>Renewable energy 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 Investments in production processes, green buildings or product efficiency improvements of at least 20% vs the incumbent technology or existing asset base.</p>
 <p>Ecosystem impact Investments in impact reduction of company operations or its supply chain on terrestrial and aquatic biodiversity. Projects to protect and conserve nature.</p>	 <p>Emissions and waste 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 Investments in water efficiency projects such as upgrades to water efficiency fixtures or investments in water filtration.</p>	 <p>Eco-efficient product development Development and introduction of more environmentally friendly products, potentially with eco-label or environmental certification, sustainable packaging and distribution.</p>
 <p>Supply chain improvements Investments in enhancing operating standards of suppliers through improvements in health & safety standards, chemical usage, liveable wages and supply chain transparency.</p>	 <p>Miscellaneous 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>

2 Invest BregalSagemount

Connectria

Founded in 1996, Connectria is a global leader in cloud hosting, cloud managed services and cloud security, as well as cloud management software.

The company was the first HIPAA-compliant managed hosting company and is the largest IBM i (AS/400) cloud provider in the world. Connectria operates out of five data centres and serves more than 1,000 customers worldwide.

Our investment opportunity

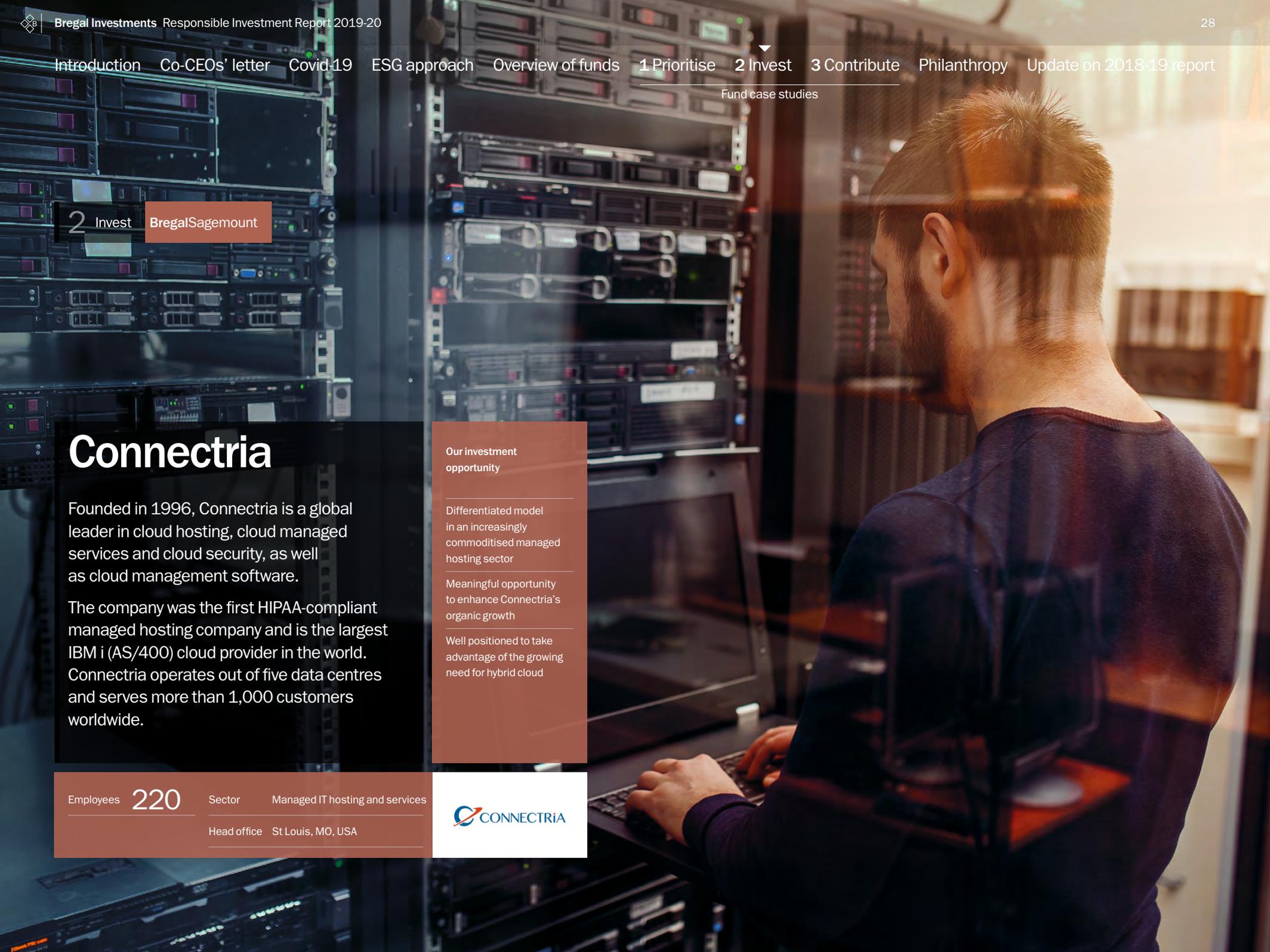
Differentiated model in an increasingly commoditised managed hosting sector

Meaningful opportunity to enhance Connectria's organic growth

Well positioned to take advantage of the growing need for hybrid cloud

Employees **220** Sector Managed IT hosting and services

Head office St Louis, MO, USA



2 Invest BregalSagemount

First ever carbon neutral 'green cloud' in North America and the EU

SD Fund loan 2019 \$5m

Project eligibility

-  Renewable energy
-  Emissions and waste
-  Energy efficiency

Key performance indicators

Annual energy savings when operating at full capacity	1,360 MWh
Annual carbon emissions reduction when operating at full capacity	1,579 CO₂e Mt
Energy savings to date:	
• North America	87,000 kWh
• EU	8,000 kWh

Source: Connectria company data

Highlights

Minimising environmental impacts

As a market leader in cloud solution services, it is Connectria's priority to help minimise the industry's increasing environmental impact whilst providing customers with the highest-quality service.

Energy is a central component for data centres across the globe and the industry already consumes 3% of all electricity production and is predicted to account for 14% of total worldwide carbon emissions by 2040, around the same proportion as the US does today.

In 2019, enabled by a Bregal Sustainable Development Fund loan, Connectria created the first ever carbon-neutral IBM Power Systems 'green cloud', which allows companies in North America and the EU who are running IBM i and VMware systems to significantly reduce their energy consumption.

For any residual energy consumption, Connectria purchases high-quality carbon offsets or renewable energy credits, which makes the cloud completely carbon neutral.

Creating a carbon neutral footprint

The energy savings are made possible by a unique systems architecture developed and implemented by Connectria.



“Data centres account for about 3% of all energy consumption worldwide and growing, and we want to be good stewards of our planet. By creating carbon neutral IBM i and VMware clouds, Connectria is doing its part to take care of our planet, and not be jerks.

Rich Waidmann Founder, President and CEO, Connectria

Investment in each new IBM flash storage has helped replace 40 older and larger devices, resulting in energy reduction of 95%.

Connectria's advanced data centres also contribute to a carbon neutral footprint across its IBM i and VMware clouds. For instance, its newest data centre in Amsterdam is one of the most energy efficient in the world. The facility is LEED Gold, ISO 14001 and 50001 certified and uses a mix of biomass and hydropower to achieve 100% renewable energy consumption.

Connectria's 'green cloud' has already received significant traction with new and existing customers who are looking for high-quality, yet environmentally friendly solutions. To date, over 87,000 kWh of energy savings have been achieved by customers in North America and over 8,000 kWh in the EU. Based on customer demand and commitment, a further 245,000 kWh of savings are expected in 2020.

2 Invest BregalEnergy

IMG Energy Solutions

IMG Energy Solutions (IMG) offers a wide range of development, construction and asset management services for gas and solar power generation. The company owns and operates quick start, small-scale, natural gas-fired power plants, and solar PV projects in the PJM network – the US's most prominent regional transmission organisation providing power to over 65 million people in the Mid-Atlantic and Midwest regions.

Our investment opportunity

Growth in decentralised and flexible generation capacity

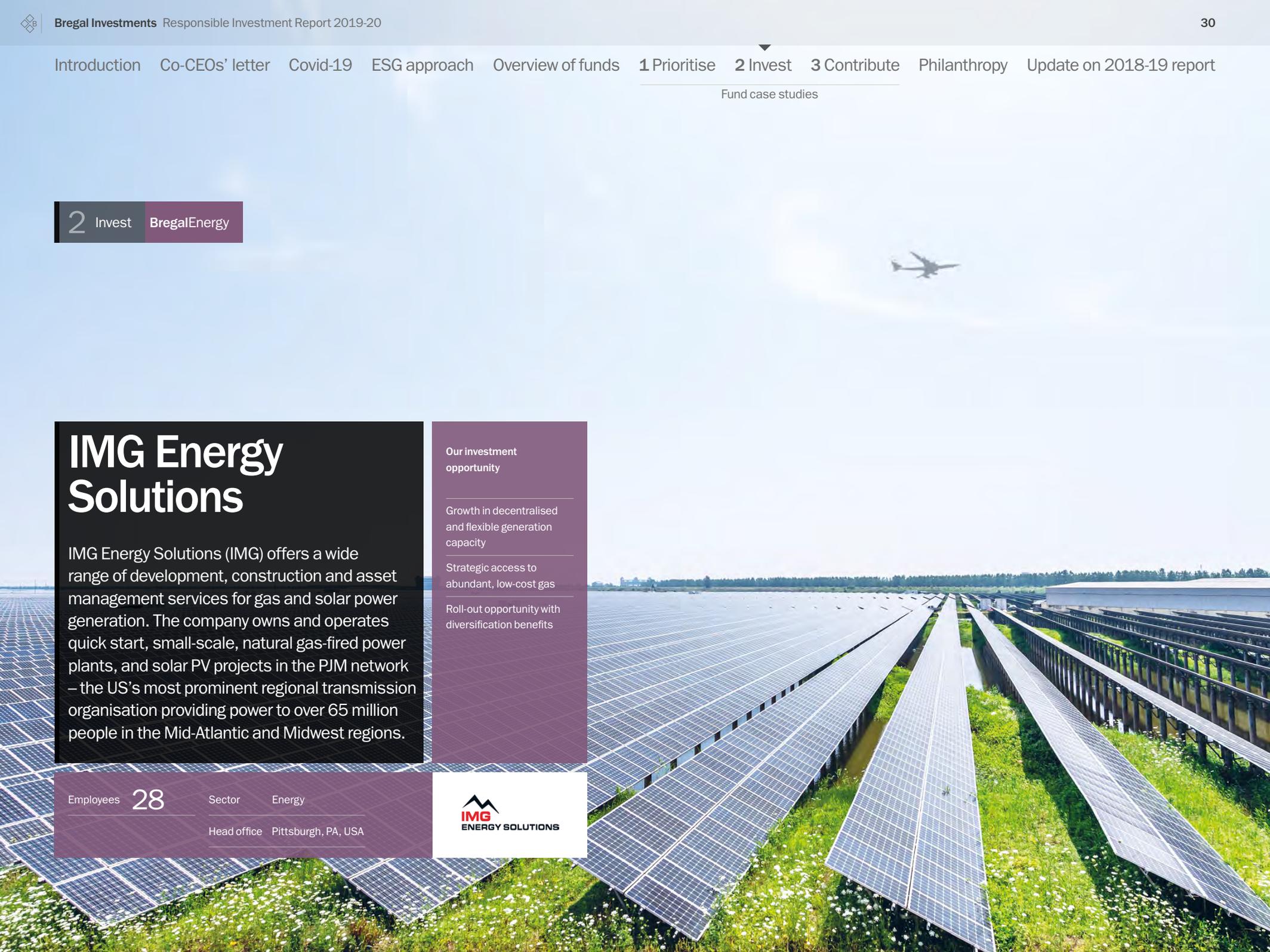
Strategic access to abundant, low-cost gas

Roll-out opportunity with diversification benefits

Employees 28

Sector Energy

Head office Pittsburgh, PA, USA



2 Invest BregalEnergy

Solar power opportunity at Pittsburgh International Airport

SD Fund loan 2019 **\$6.36m**

Project eligibility

- Renewable energy
- Emissions and waste
- Energy efficiency

Key performance indicators

Solar power production per annum on average over the project's useful life	4.2 MWh
Equivalent households powered by clean energy	>378
Savings per annum over the project's useful life (64,000 tCO ₂ e in total)	1,600 tCO₂e

Highlights

Powering the future at Pittsburgh International Airport

In 2019, starting with the Pittsburgh Airport project, IMG has expanded its offering towards developing efficient and environmentally friendly on-site power generation facilities for critical infrastructure in the community.

The Pittsburgh International Airport will soon become the first major US airport entirely powered by solar energy and onsite existing natural gas, making it one of the most resilient airports in the world and a global leader in aviation innovation.

This is being made possible through a combination of IMG's natural gas generation expertise and IMG's development, ownership and operation of a 3.5MW solar power system.

Scheduled to be operational in 2021, the project will bring power resiliency and safety to the airport, its tenants, and nine million annual passengers, whilst also creating cost efficiencies estimated to be worth more than \$500,000 in the first year alone.

Power from the solar plant will be sold to the airport under a long-term power purchase agreement. IMG will also provide operations, maintenance and asset management services to the natural gas plant through long-term service contracts.



“IMG is excited to be part of this unique and smart power project that represents the real value and viability of integrating clean natural gas power with renewable energy sources whilst de-risking critical power infrastructure and achieving significant savings on electricity costs.

Mike Brady CEO, IMG

Sustainable energy production across Pennsylvania

Financed by a \$6.36 million loan from Bregal's Sustainable Development Fund, the solar plant will immediately contribute to Pennsylvania's sustainability roll-out plan.

Despite being the third highest power generator across all US states, Pennsylvania ranked only 42nd in renewable generation in 2019. The project will not only immediately contribute to improving Pennsylvania's sustainability roll-out, but will also bring greater power resiliency and redundancy to a critical regional infrastructure player, enhancing public safety and creating cost efficiencies.

As high-profile airport power outages multiply across the country, the microgrid is unique. In addition to providing power to both terminals, the airfield, the Hyatt hotel and a Sunoco gas station, it will be fuelled by regionally produced natural gas as well as by the airport's on-site natural gas wells and nearly 9,800 solar panels across eight acres of an otherwise low utility former landfill.

Source: IMG Energy Solutions company data

3

Contribute



We actively support Bregal portfolio companies to engage with their local communities and address social causes and business-relevant impact.

In 2018, supported by the COFRA Foundation, Bregal launched the Social Impact Initiative to further align our charitable giving with the ESG-related opportunities we have in our portfolio.

We aim to support our portfolio companies to engage with their local communities and to create positive social and environmental impact. We believe such positive impact is relevant for the long-term prospect of any business.

Consumers and employees, particularly from younger generations, increasingly express a desire to be associated with businesses and brands that share their values and sense of purpose.

Our Social Impact Initiative aims to support portfolio companies to create positive social impact. We believe that this is most fruitful in areas relevant to the long-term prospects of the business. To date, the Initiative has provided five grants.

In early 2020, together with the COFRA Foundation, our senior Bregal employees also established a €3 million Bregal Helps Initiative to help our portfolio companies support their local communities affected by Covid-19. Nine initiatives have been supported to date. You can read more about the Bregal Helps Initiative on page 4.

Approach to supporting initiatives

When considering an initiative, we assess the opportunity from different angles, with positive social impact always being our key priority.



3 Contribute BregalPartners

Ruby Slipper

The Ruby Slipper Restaurant Group is an award-winning restaurant concept, known for adding New Orleans flair to Southern breakfast, brunch and lunch classics. Founded in 2008, after Hurricane Katrina devastated the New Orleans area, Erich and Jennifer Weishaupt created a place where locals could enjoy unique New Orleans-inspired dishes in an authentic and vibrant atmosphere. The concept now operates 18 restaurants across Louisiana, Alabama, Florida, Tennessee and North Carolina.

- Our investment opportunity
- Unique restaurant concept
- Roll-out potential
- Opportunity to build growth platform
- Breakfast/brunch arguably one of the more attractive segments within the restaurant industry

Employees **400** Sector Food retail

Head office New Orleans, LA, USA



3 Contribute **BregalPartners**

Supporting local federal employees affected by the government shutdown

Contribution	\$15,000
Key performance indicators	
Number of people helped	>7,000
Amount donated (in free meals)	c.\$55,000

Highlights

Providing free meals to those in need

In 2019, due to the longest US government shutdown in history, approximately 800,000 federal workers were furloughed. In line with one of Ruby Slipper's core values of supporting and giving back to local communities, the company was committed to finding a way to positively impact those directly affected by the shutdown.

In response, Ruby Slipper launched a unique initiative, offering free meals to furloughed federal employees and their families. With the support of the Social Impact Initiative, they were able to feed more than 7,000 people and donated approximately \$55,000 in free meals. The programme was a great success and garnered overwhelmingly positive responses from all who benefited, in addition to the community at large.

Ongoing support during the pandemic

The fight against Covid-19 has resulted in significant unemployment across the country and in particular in New Orleans, where Ruby Slipper is based. Faced again with a unique and challenging situation, Ruby Slipper continued to stay true to its roots and found a way to give back, in spite of the economic challenges faced as a restaurant during the Covid-19 pandemic.

From the onset of the 'stay at home' orders issued by local government, Ruby Slipper committed to ensuring their Krewe members and families would have a warm meal to eat by offering all Krewe throughout their restaurant group's locations up to four meals (per family) daily for eight weeks.

Ruby Slipper also launched a programme partnering with loyal guests and community to donate meals for Covid-19 frontline response workers, which helped serve thousands of meals. In addition, the company's founders launched the Lagniappe Krewe Emergency Relief Fund to help support hospitality workers and their families who have been impacted by situations beyond their control, particularly as a result of the pandemic. With the support of the Bregal Helps Initiative's grant of \$100,000, the fund is expected to provide vital support for over 400 people.



Ruby Slipper's free meals initiative was greatly appreciated by all who benefited



The Ruby Slipper meal donations programme provided more than 1,300 meals for frontline workers



“ Since the inception of our brand, we have set out to be the first to raise our hand to help serve our team, our guests and our community, to leave them better than how we found them.

Peter Gaudreau President and COO, Ruby Slipper

Philanthropy

Our Philanthropy Programme is designed to encourage our employees to become more active in charitable organisations. The COFRA Foundation grants address themes such as climate change and inequality, and at Bregal we are especially focused on education and training, services for 'at risk' youth and families, as well as climate change.

COFRA Foundation Grants

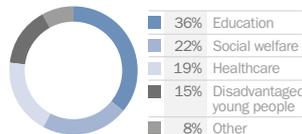
The COFRA Foundation funds employee philanthropy activities across COFRA businesses, in the spirit of engagement and commitment to the communities they live in and work with. Through its programme, the COFRA Foundation wants to connect and inspire colleagues across the globe to contribute to causes close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

€764,026
Total committed in 2019

€3,022,689
Total committed since inception in 2011

28
organisations supported in 2019

Grants by sector



Note: All donations mentioned in this section are funded by the COFRA Foundation.

Selected foundations that received a donation



South Bronx United
Leveraging soccer for social change

South Bronx United provides soccer and after-school programmes to more than 1,300 children in the low-income and black/immigrant community of the South Bronx, NY. The charity also provides other services such as academic tutoring, college prep, health and wellness programmes, and immigration/legal services.

2019 donation: **€35,000**



Justice & Care
The Victim Navigator Programme

The Victim Navigator Programme sees specialist workers deployed in police forces across the UK, offering specialist knowledge in slavery investigations and support to victims to rebuild their lives. In 2019, it trained almost 1,000 officers, providing advice in 210 cases and support to 56 survivors.

2019 donation: **€50,000**



ReachOut
Mentoring charity for disadvantaged youth

ReachOut is a charity working with volunteer mentors to provide disadvantaged children with support to raise aspirations and help them grow in character and attainment. In the 2017/18 school year, 980 young people were referred to the charity and received 10,224 hours of mentoring from 863 volunteers.

2019 donation: **€22,351**



Spread a Smile
Providing smiles to seriously or terminally ill children

This charity visits London hospitals and provides joy where it's needed most to children who are seriously or terminally ill by distracting them with magicians, fairies, singers, face painters and therapy dogs. Spread a Smile also takes families to special events such as concerts and theatre shows.

2019 donation: **€50,000**

Matching grant programme

We are a socially conscientious firm which supports, through the COFRA Foundation, charitable causes throughout the world. By supporting the truly charitable initiatives which are important to the people who work for Bregal, we hope to strengthen the spirit of employee volunteerism and engagement that is core to our values.

Through this programme, the COFRA Foundation will match any charitable contribution by a sponsoring employee from €100 up to €5,000 made during any current calendar year.

€105,861

Total committed in 2019

€456,868

Total committed since inception in 2011

86

organisations supported in 2019

Selected foundations that received a donation



Educational First Steps
Improving education for disadvantaged children

Educational First Steps improves the quality and availability of early childhood education for disadvantaged children by transforming existing daycare centres in the most vulnerable neighbourhoods in North Texas into nationally accredited preschools.

2019 donation: €3,274



Achilles International
Building confidence through participation in mainstream athletics

Achilles International operates in over 65 locations in the US with a mission to enable people with all types of disabilities to participate in mainstream athletics in order to promote personal achievement, enhance self-esteem and lower barriers to living a fulfilling life.

2019 donation: €437



Mary Bendet Foundation
Helping deprived children from difficult backgrounds

The Mary Bendet Foundation strives to make underprivileged children's lives better by improving their living conditions in daycare centres, dormitories and playgrounds, as well as supporting talents by sponsoring scholarships.

2019 donation: €5,000



Mind
Providing support to people with mental health problems

For more than 60 years Mind has worked to improve the lives of people experiencing mental health problems. Through public campaigns, government lobbying and more than 1,000 services delivered in communities across England and Wales, the charity has touched millions of lives.

2019 donation: €1,274

Update on 2018-19 report

The companies presented in our previous Responsible Investment Reports have made further progress this year in incorporating ESG aspects into their business.

Highlights are presented on the following pages.



Onlineprinters

Optimised production to minimise waste

Onlineprinters and its subsidiaries retained their focus on process optimisation, supply traceability and reduction of waste. A workgroup was initiated by Onlineprinters in Germany to further strengthen engagement with suppliers on sustainable fibres, certification and chemical waste treatment. The company continuously promotes the usage of Forest Stewardship Council and Programme for the Endorsement of Forest Certification-certified papers by its customers, with subsidiary LaserTryk producing only eco-labelled paper. Where paper waste cannot currently

be fully eliminated from production, Onlineprinters has established numerous recycling initiatives, such as waste separation training, efficient prepress processing, and package sizing. In 2019, a recycling rate of ~95% was achieved across all subsidiaries. With regards to additive waste, all subsidiaries have achieved full compliance with state and European regulations. The company also implemented projects to further reduce the amount of chemicals required by investing in the most efficient machinery and investigating the use of mineral oil-free ink.

Steele Compliance

Pushing positive ESG impact

Steele's core products have continued to push positive ESG impact for its customers. The company has continued to grow its customer base

of large enterprises in the US and abroad, helping them mitigate bribery and financial crime risks, through anti-money laundering and media monitoring tools. Steele also began to sell a new suite of compliance tools focused on conflicts of interest tracking, and whistleblower/hotline services to better serve their compliance needs.

Blue Harvest Fisheries

Expanding MSC quotas

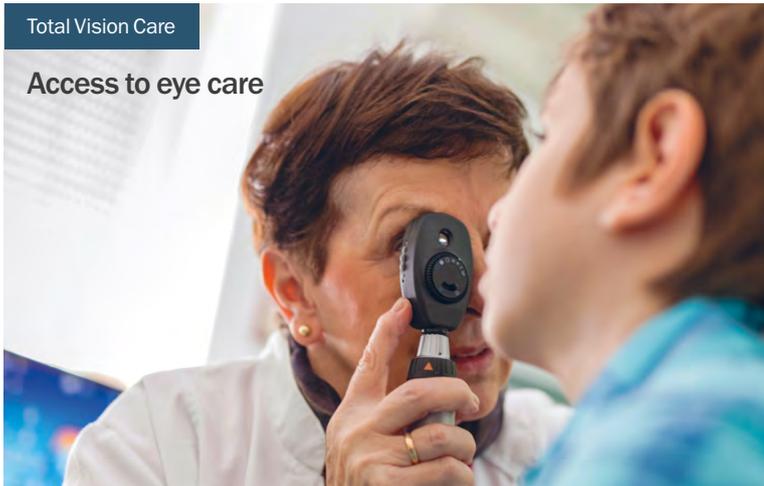
Blue Harvest Fisheries has continued to expand its portfolio of Marine Stewardship Council (MSC) certified resources with the acquisition of additional groundfish quota in early 2020.

90%
of harvested seafood is projected to be from MSC certified fisheries in 2020 (up from 84% in 2018).

94.7%
US Atlantic groundfish – MSC certification score

93.3%
US Atlantic sea scallop – MSC certification score





Total Vision Care

Access to eye care

Total Vision established a corporate-level programme to provide access to eye care for disadvantaged young people in the local communities in which Total Vision operates.

In February 2019, Total Vision participated in its first pilot community project, partnering with VSP Eyes of Hope to provide vision care to at-risk students identified by the San Diego County Offices of Education (117 eye exams, 100 pairs of glasses).

Since then, Total Vision has continued to partner with organisations to help provide eye care and glasses to young people in need. This includes partnerships with the Stand Down San Diego programme and Urban Street Angels organisation.

Through these two partnerships, Total Vision has donated over 350 pairs of glasses and eye exams. Total Vision has also partnered with the San Diego Lion's Club and Laguna Niguel Lion's Club to donate nearly 700 pairs of glasses.

1,000+
pairs of glasses donated

350
eye exams



IMG Energy Solutions

Sustainable, local energy

IMG is working with local universities to create custom solutions for sustainable power sourced locally.

New partnerships between IMG and innovative farms aim to provide

sustainable power to the local food supply chain, thus reducing the overall production carbon footprint, as well as providing long-term local jobs.

Enprecis

87%

By the fourth quarter of 2020, management forecasts that 87% of revenue will be from customers on the new, more energy-efficient cloud platform, built with investment from the Sustainable Development Fund. (Second quarter: 20%)

Aqua Terra

In 2019, four water recycling systems were installed at Aqua Terra's largest saltwater disposal facilities in the Permian Basin, supported by a loan from the Sustainable Development Fund. 33.6 million barrels of water have been processed since then, equivalent to 44% of the company's total Permian disposal volume over that timeframe.

Arkphire

Commitment to ESG

In 2019, Arkphire took important steps towards consolidating the sustainable governance of the business. The addition of Paul Nannetti as Chairman to lead with a strong commitment to ESG was pivotal. This was followed by the expansion of the Board of Directors, which demonstrated Arkphire's focus on promoting diversity across the Group and resulted in three out of the seven Board Directors being women.

Additionally, Arkphire was proud to announce for the third consecutive year that it had been named as one of Ireland's Best Managed Companies by Deloitte Ireland.

Remaining carbon neutral

A calculation error was discovered in Bregal's 2018 carbon emission data. The correct number is 3,276 tonnes of CO₂e (previously reported as 2,405 tonnes).

We addressed this by obtaining the respective credits, maintaining our carbon neutrality.

Disclaimer

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