

## Bregal Investments

**Scope 1 and 2 targets:** Bregal Investments commits to reduce scope 1 and 2 GHG emissions 50% emissions by 2030 from a 2019 baseline.

### Scope 3 Portfolio Targets

**Headline Target:** Bregal Investments commits that 40% of its direct private equity investments by EUR invested capital will have set science-based targets by 2025 and 100% by 2030 from a 2021 base year. Bregal Investments portfolio targets cover 79% of total investment and lending activities by invested capital as of June 30, 2021.

### Summary of actions

Bregal Investments will implement the following strategy and actions to achieve its scope 3 portfolio targets:

- Bregal Investments direct private equity funds will engage with current and future private equity portfolio companies to promote the development and validation of Science Based Targets by the SBTi as soon as reasonably practical as part of our ongoing value creation programme and operational projects at portfolio companies.
- Bregal Investments direct private equity funds will support portfolio companies' target development and validation directly and through third party consultants, to enable data collection, target development and roadmap creation for target achievement.
- Some of the levers our direct private equity funds can use to engage portfolio companies to achieve 1.5 °C SBT include the following:
  - Implement energy efficiency measures to reduce electricity and fuel consumption
  - Switch to green power and/or procure renewable energy certificates (RECs)
  - Engagement with suppliers on indirect emissions in the supply chain
  - Shift data center consumption to green cloud providers
  - Expand the Bregal Sustainable Development Fund and provide ESG loans at attractive terms to existing portfolio companies to invest in low carbon technology or energy efficiency improvements.
- 21% of Bregal Investments' total investment and lending activities currently not covered by portfolio SBTs relate to its fund of funds and directing lending investments, which are deemed optional by the SBTi PE Guidance. Bregal Investments will continue to make efforts to engage with other private equity firms we indirectly invest in through our fund-of-funds and credit fund as we ramp up and learn from our experience setting science-based targets with our direct private equity funds.

- Bregal Investments already excludes companies involved in the extraction of coal as per our internal Restricted Investment list. With respect to investments in fossil fuel companies, Bregal Investments has legacy exposure of EUR91m to certain companies that are considered fossil fuel companies by the SBTi in line with PE-R11 – Disclosure of Fossil Fuel Investments and Lending.