

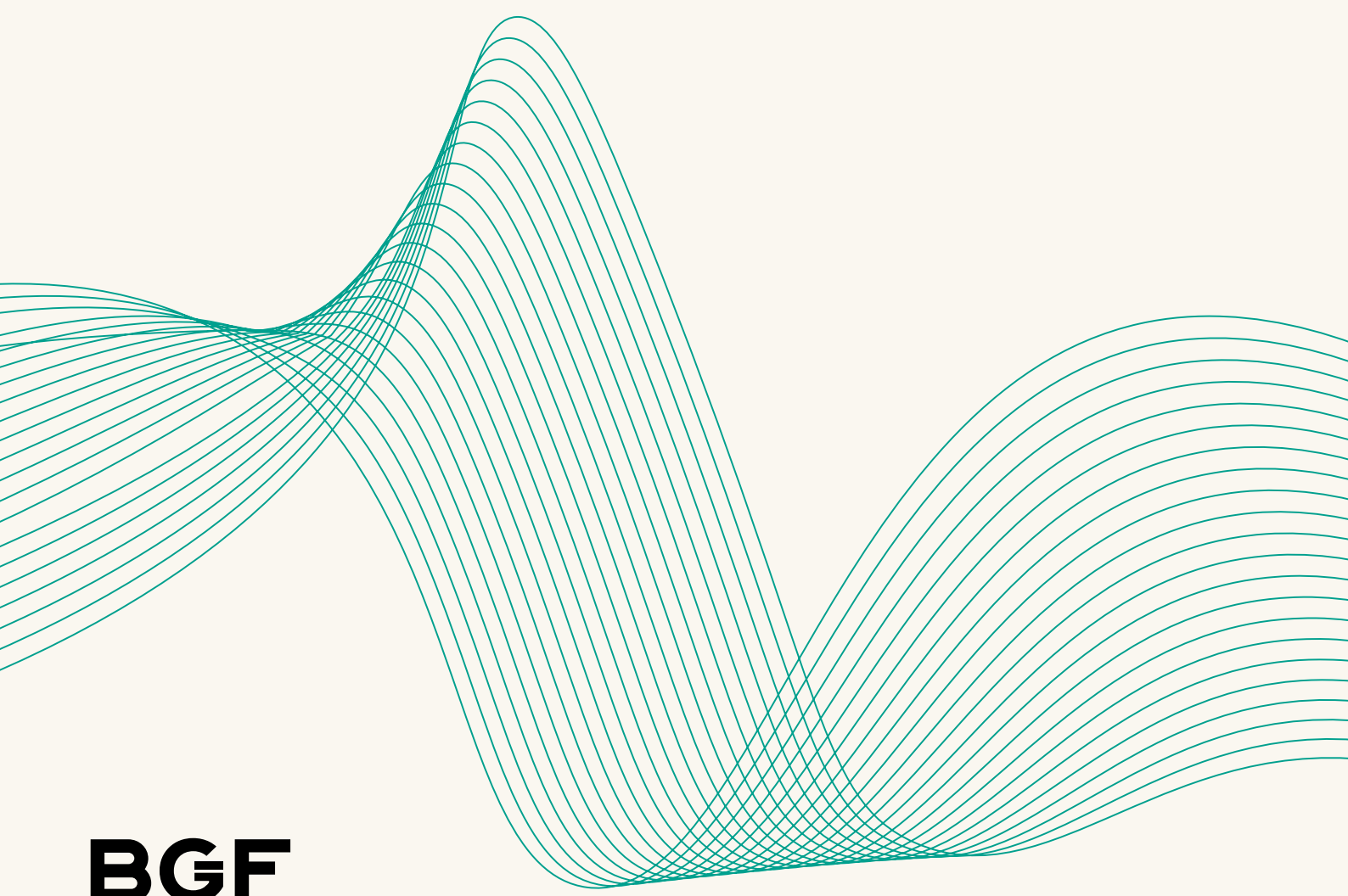
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Task Force on Climate-related Financial Disclosures (TCFD) Report

2024/5



BGF

Introduction

The planet is facing an existential threat from climate change. In 2024, the world exceeded 1.5°C above pre-industrial levels for the first time and is now rapidly approaching the lower end of the Paris Agreement's temperature goal.

In the UK, there is now unequivocal evidence that climate change is intensifying extreme weather events, including heatwaves, heavy rainfall, and wildfire-conducive conditions. The Climate Change Committee (CCC) reported that the period between October 2022 to March 2024 was the wettest 18-month period on record for England, leading to the second-worst arable harvest since modern records began. This followed record-breaking heatwaves in summer 2022, which saw temperatures exceeding 40°C for the first time in many places and resulted in almost 3,000 heat-related deaths. Simultaneously, the hot and dry conditions led to a surge of wildfires, with emergency services experiencing a fivefold increase in calls.

Looking ahead, the UK's climate is projected to continue changing at an accelerated pace, driven by ongoing human-induced emissions. The CCC has warned that national preparedness for the physical impacts of climate change remains inadequate, posing significant risks to infrastructure, public health, and food security.

As a UK-based investor, BGF recognises its responsibility to manage the risks of climate change to both our firm and the portfolio companies we support. We invest in hundreds of SMEs across varying stages, sectors, and regions, and are committed to helping these businesses scale in ways that are compatible with a low-carbon, climate-resilient future. We believe this approach is not only aligned with our fiduciary responsibilities but is also essential to accelerating the UK's transition to a net zero economy.

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BGF takes its role as a long-term, responsible investor seriously. We achieved B Corp certification in 2023, scoring 97.5, and are working to recertify under the new standards in 2025. We've reported our carbon emissions since 2020 and published our first voluntary TCFD-aligned disclosure in 2024.



Roshni Bandesha
Head of ESG

BGF's second voluntary TCFD-aligned disclosure represents a continued evolution in our climate strategy, and communicates our ongoing efforts to better understand and communicate portfolio climate-related risks and opportunities.



About the Taskforce on Climate-Related Financial Disclosures

The Taskforce on Climate-related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board to provide recommendations for climate-related risk and opportunity disclosure and reporting. This framework supports investors to integrate the financial implications of climate change into their risk management processes and subsequent strategic planning.

The TCFD disclosure recommendations are structured around four key operational themes:

Governance

An organisation's governance of climate-related risks and opportunities

Strategy

An organisation's method and planning related to climate-related risks and opportunities

Risk Management

An organisation's processes to identify, manage and mitigate climate-related risks

Metrics and Targets

An organisation's metrics and targets set to assess progress of the mitigation of climate-related risks and the impact of climate-related opportunities

From 2024, following the publication of the IFRS Foundation's S1 and S2 Climate-Related Disclosures, the TCFD is being subsumed into the ISSB with the standard-setter overseeing the monitoring. BGF has chosen to undertake its second year of voluntary disclosures aligned to the TCFD recommendations in the spirit of transparency and accountability, and to demonstrate progress over time.

The UN PRI supports the adoption of the TCFD recommendations and has integrated TCFD-aligned disclosures into its signatories' mandatory reporting. As a signatory of the PRI, BGF is committed to these principles of transparent reporting and disclosure as part of its ongoing aims of responsible stewardship.

PILLAR 1

Governance

This section outlines BGF's governance of climate-related risks and opportunities, including Board oversight and management's role.

Recommendation 1: Oversight

Oversight

Assessment & Management

The diagram below shows an overview of BGF's governance structure for its oversight of climate-related risks & opportunities

Non-Executive Board Member

Board and CEO

Responsible for overall climate-related risk management strategy

Investment Committee

Audit and Risk Committee

Executive Committee

ESG Committee

Provide quarterly ESG & climate risk updates to the Board

ESG Team

Coordinate ESG and climate-related risk efforts & inform Committees/Board

Investors

Green Innovators Group

Value Creation Team

Support ESG team to deliver climate-related risk management efforts

Portfolio Company Management

Coordinate ESG and climate-related risk efforts within portfolio companies

PILLAR 1 – GOVERNANCE

Portfolio management

Overall, the Board and CEO hold ultimate responsibility for BGF's climate-related risk management strategy, which is inclusive of climate-related risks and opportunities. Ultimate board-level responsibility of the strategy is overseen by Chris Olds, Chief Operating Officer (COO) and Board member. We are further supported by Alice Avis, a Non-Executive Director at BGF.

The Board hold ultimate accountability for all investment processes at BGF, including the integration of climate-related considerations. The integration of climate-related risks and opportunities within the investment cycle is outlined in our Responsible Investment Policy. BGF also report on our climate strategy within our Annual Report.

To ensure the Board are updated quarterly on climate matters, BGF has embedded governance of climate-related risks and opportunities across four key committees based on their specific roles and responsibilities: BGF's Investment Committee, Audit and Risk Committee, Executive Committee, and ESG Committee.

The Investment Committee considers the Exclusion List (which excludes several high-emitting sectors) and screens all Growth opportunities for climate-related risks and opportunities. This initial screening assesses the tracking and reporting of Greenhouse Gas (GHG) emissions, governance of climate change adaptation and mitigation, and readiness for the transition to a low-carbon economy and changing regulatory landscape. The ESG team support the investors with this screening process.

Following an approval from the Investment Committee, companies undergo a third-party ESG due diligence conducted by Holtara to independently verify ESG and climate-related data and claims, with the findings presented to the Investment Committee for consideration. This committee, consisting of senior investment leadership, including the CEO, deliberates on the ESG due diligence outcomes, focusing on identifying and mitigating any ESG-related risks and capitalising on opportunities.

Once an investment decision is made, ESG and climate considerations are integrated into the post-investment value creation plan. This plan benefits from the active engagement of the Investment Team and the support of the Value Creation Team, which the ESG team sit within.

Furthermore, a large proportion of companies are invited to participate in the annual ESG assessment, also conducted by Holtara, providing BGF with an understanding of evolving climate-related risks and opportunities. 205 portfolio companies completed the assessment in 2025, an increase of 15 from the previous year.

The Audit and Risk Committee is crucial in tracking ESG metrics as part of the formal risk register. This process, supported by the ESG team, continuously evaluates BGF's exposure to ESG risks. These metrics are reviewed quarterly, allowing the committee to monitor progress and adapt strategies as necessary. The metrics are also reported to the Executive Committee monthly.

The Executive Committee stays abreast of the impact of ESG and climate-related risks on the business and portfolio in a number of ways. First, they receive the monthly metrics as mentioned above. Second, they receive monthly updates on developments in ESG support provided to portfolio companies as part of the summary from the Value Creation team. Third, the Head of ESG updates the committee on strategic matters and presents relevant recommendations from the Green Innovators Group, BGF's internal climate action employee group, to the committee.

Finally, comprising BGF's CEO, COO, and heads of departments from legal, portfolio, and HR, the ESG Committee is tasked with identifying, reviewing, and monitoring ESG issues, including climate related issues, within new deals or portfolio companies. The committee's duties include agreeing on actions to be taken, approving initiatives, establishing best practices in line with BGF's ESG policy, and preparing discussions on ESG issues for the Board and Audit & Risk Committee as required.

The investors undertake mandatory ESG training on at least an annual basis to ensure they are involved in implementing the ESG and climate strategy and supporting portfolio companies in their climate change adaptation and mitigation measures. There is also mandatory ESG training for all new joiners at BGF.

PILLAR 1 – GOVERNANCE

Operations

Ultimate board-level responsibility of climate-risk related issues across BGF's operations is overseen by our COO. Our ESG team provide support and strategic direction of our climate-related risk strategy, including incorporating ESG and climate risk considerations into BGF's operations and when determining the risk profile and appetite of its investment decisions. The ESG team report directly to the Executive Committee and the Board, and provide strategic direction on wider operational climate goals and actions. BGF's Green Innovators Group (GIG) also support the ESG team to drive progress against our climate targets for our operations and across the portfolio.

Over the past year, the Group has focused on setting near-term environmental goals and laying the groundwork for longer-term ambitions, with upskilling initiatives on net zero strategies and collaboration with external experts to re-baseline emissions data using a 2024 Greenhouse Gas (GHG) inventory.

Recommendation 2: Assessment and Management

The investors are responsible for monitoring climate-related risks and opportunities and including these within the 100-day plan post-investment, where deemed material to the portfolio company. Recommendations extend to e.g. undertaking a climate risk assessment, tracking and reducing energy consumption, or setting a GHG emissions reduction target.

The ESG team supports the investors in their consideration of climate-related issues throughout the investment cycle, including during the initial pre-acquisition screening, due diligence, and 100-day plan. In BGF's 2025 ESG Forum, the Head of ESG presented the findings of a portfolio-wide physical climate risk analysis of risks posed to company headquarters across the UK and Ireland.

BGF's ESG-linked financing facility with NatWest, HSBC, and Lloyds includes key performance indicators such as increasing the proportion of portfolio companies measuring Scope 1 and 2 emissions, and reducing BGF's operational scope 1 and 2 emissions. In 2024, BGF surpassed these ESG-linked targets, and further refined the targets for 2025.



PILLAR 2

Strategy

This section describes the climate-related risks and opportunities BGF has identified over the short, medium and long-term, and the impact on our strategic and financial planning.

Recommendation 3: Risks and Opportunities

Climate-related risks and opportunities identified over short, medium, and long-term time horizons

In 2025, BGF conducted a whole portfolio scenario analysis to identify the most material climate risks and opportunities. The purpose of this scenario analysis is to provide BGF with an understanding of the resilience of the portfolio to climate change and to inform BGF's investment strategy.

The evaluation of climate risk impacts are presented across three time horizons:

- **Short term**
5-year time horizon (to 2030)
- **Medium term**
15-year time horizon (to 2040)
- **Long term**
25-year time horizon (to 2050)

These time horizons are selected due to BGF's long-term investment outlook, including re-investment opportunities. The time horizons help to inform BGF's investment strategy, assess climate risk impacts during the hold period and period of re-investment, and the longer term beyond our investment in a company. Climate-related issues often manifest themselves over the medium and longer terms and BGF's portfolio is dynamic, therefore we will seek to conduct the scenario analysis annually.

PILLAR 2 – STRATEGY

The following table shows the potential impacts of the climate-related R&Os across BGF's portfolio and their timescales. The relevant Risk and Opportunities (R&Os) were identified using the Axa Altitude tool which incorporates guidance from the IPCC and Global Climate Models (GCMs).

Identified climate risks

Type	Risk Description & Potential Impact	Opportunity Description & Potential Impact
Acute physical	Description: Increased frequency and severity of extreme weather events such as water stress, storms, floods, and landslides; as well as chronic changes in precipitation patterns, rising sea levels, and rising average temperatures. Potential Impact: Increased operational expenditure e.g., from inefficiencies related to inability for staff to travel to work.	None.
Chronic physical		
Policy and legal	Description: Increased climate disclosure and regulations in the UK and Ireland, as well as risk of regulatory fines, penalties, and litigation resulting from potential non-compliance. Potential Impact: Increased operational expenditure related to cost of compliance. Failure of compliance could result in potential reputational damage.	Description: Favourable regulatory frameworks and public incentives towards low-carbon economy. Potential Impact: Value creation from businesses able to demonstrate compliance with regulations.
Market	Description: Increased production costs for portfolio companies resulting from price changes, as well as consumer preference shifts towards low-carbon products or services. Replacement of existing products and services with lower or zero-carbon alternatives impacting businesses.	Description: Expansion of low-emissions goods and services as customer preferences shift to low-carbon products. Potential Impact: Access to new markets and improved market reputation.
Reputation	Description: Risk of climate controversies Potential Impact: Lower valuations and negative stakeholder perception if companies are seen to be lagging on climate action.	Description: Competitive advantage for companies that reduce their environmental impact and align with sustainability trends. Potential Impact: Increase in revenue down to customer preference towards companies that demonstrate strong climate action.
Technology	Description: Client/consumer shift towards preference to low-carbon products or services. Potential Impact: Higher operational costs related to cost of evolving customer and regulatory needs.	Description: More efficient buildings and operations, and use of lower-emission sources of energy. Potential Impact: Reduction in operating costs and decreased exposure to volatile energy prices. Improved supply chain resilience.

PILLAR 2 – STRATEGY

Recommendation 4:
Impact of climate-related risks on our business and strategy

Physical and transition risk scenario analysis

BGF is a minority investor in over 300 portfolio companies, with on average a new investment per week and an exit per week. For the purpose of the scenario analysis BGF took a snapshot as of 31.12.2024 using company data for 227 portfolio companies that participated in our annual ESG assessment in 2025.

Climate scenarios used for physical and transition risk and opportunity evaluation:

Scenario	Orderly transition	Disorderly transition	Hothouse world
Network for Greening the Financial System (NGFS) scenario	Net Zero 2050	Delayed transition	Current policies
IPCC Shared Socio-Economic Pathways (SSPs)	SSP1-2.6: Optimistic	SSP2-4.5: Middle of the Road	SSP5-8.5: Fossil-Fuelled Development
Assumed warming by the end of the century	1.8°C	2.7°C	4.4°C
GHG emissions	Low	Low – intermediate	High – very high
Risks	More transition risks		More physical risks Less transition risks

Summary of physical risk scenario analysis

The portfolio company headquarters were assessed against physical climate hazard maps across the three climate scenarios and three time horizons. Risk scores (from very low risk to high risk) were attributed to each portfolio company. The risk score was evaluated based on likelihood (influenced by the different scenarios) and impact (influenced by BGF’s invested capital). Low risk means that the likelihood and impact are both assessed to be small, whilst high risk means that the likelihood of the hazard materialising is significant and/ or BGF is highly invested.

PILLAR 2 – STRATEGY

Most material physical climate risks

Sectors	Invested Capital	Most Significant Physical Risks														
		Changing Air Temperature			Landslides			Floods			Storms			Water Stress		
		2030	2040	2050	2030	2040	2050	2030	2040	2050	2030	2040	2050	2030	2040	2050
Healthcare	14%	Lower	Lower	Low-Med	Med	Med	Med	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Information Technology	22%	Lower	Lower	Low-Med	Lower	Lower	Lower	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Real Estate	2%	Lower	Lower	Low-Med	Lower	Lower	Lower	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Services	23%	Lower	Lower	Low-Med	Med	Med	Med	Higher	Higher	Higher	Med	Med	Med	Higher	Higher	Higher
Consumer Brands	18%	Lower	Lower	Low-Med	Med	Med	Med-High	Med	Med	Med	Higher	Higher	Higher	Higher	Higher	Higher
Industrials	16%	Lower	Lower	Low-Med	Lower	Lower	Lower	Higher	Higher	Higher	Higher	Higher	Higher	Med	Med-High	High-Med
Energy	4%	Lower	Lower	Low-Med	Lower	Lower	Lower	Med	Med	High-Med	Higher	Higher	Higher	Higher	Higher	Higher
Communication Services	1%	Lower	Lower	Low-Med	Lower	Lower	Lower	Lower	Lower	Lower	Med	Med	Med	Med	Med	Med

The heatmap above shows a summary of the risk levels for each climate hazard across BGF's main sectors for the most material physical risks. Our analysis included a screening of 17 physical risks in total: out of the 17 risks, 11 were found to be low risk across all scenarios and timeframes for BGF's investments.

Overall, BGF's portfolio exposure to acute and chronic physical climate risks increases for higher emission scenarios (SSP246 and SSP585) and time periods. This is indicative that whilst climate risks may not change in their severity during BGF's hold period, we should be preparing businesses for all scenarios as best practice in their risk management processes.

Across all BGF sectors and scenarios, the most relevant physical risks to the portfolio were identified as:

1. Water stress
2. Storms
3. Floods
4. Landslides
5. Changing air temperature

We will therefore prioritise these specific risks for more detailed scenario analysis and financial integration. Given that the risk categories are calculated based on likelihood, we anticipate that the risk category may be mitigated for multi-site assets. We will therefore endeavour to include a broader range of sites in future analysis and prioritise the highest risk sectors (Healthcare, Information Technology, Real Estate, and Services).

BGF is a UK-based investor and therefore there is a commonality in the physical risk types that will affect each investment. Going forwards, BGF will aim to utilise this commonality to upskill investors on the mitigation and adaptation measures needed for these specific physical risk types, to better equip the portfolio to deal with these risks.

PILLAR 2 – STRATEGY

Summary of transition risk scenario analysis

Transition risks and opportunities were identified for each BGF sector using the AXA Altitude assessment of potential impacts to portfolio company revenue, OPEX, and CAPEX.

Transition risks

Sectors	Invested Capital	Transition Risks							
		Market		Reputation		Technology		Policy and Legal	
		2030	2040	2030	2040	2030	2040	2030	2040
Energy	14%	Lower	Lower	Lower	Lower	Higher	Higher	Med-High	High-Med
Industrials	22%	Lower	Lower	Lower	Lower	Lower	Lower	Med-High	High-Med
Real Estate	2%	Very Low	Very Low	Lower	Lower	Lower	Lower	Med-High	High-Med
Information Technology	23%	Very Low	Very Low	Lower	Lower	Higher	Higher	Very Low	Very Low
Consumer Brands	18%	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Med-High	High-Med
Healthcare	16%	Very Low	Very Low	Lower	Lower	Lower	Lower	Lower	Lower
Services	4%	Very Low	Very Low	Lower	Lower	Very Low	Very Low	Lower	Lower
Communication Services	1%	Very Low	Very Low	Lower	Lower	Very Low	Very Low	Lower	Lower

Most material transition risks

Within transition risks there is a breakdown; similarly to transition opportunities e.g., policy and legal – increased pricing of GHG emissions

Overall, the sectors experiencing the highest transition risks are those with energy-intensive manufacturing (energy, industrials, and real estate). Policy and legal transition risks (namely, the increased pricing of GHG emissions) and technological transition risks (the increased cost of raw materials) were identified to be the most material for BGF's portfolio, with risks increasing in the 2040 scenarios and in the most aggressive carbon reduction scenarios. Going forwards, we will engage with the most impacted (Energy, Industrials and Real Estate) sectors to further explore the impact to them.

PILLAR 2 – STRATEGY

Summary of transition opportunity
scenario analysis

Transition opportunities

Most material transition opportunities

Sectors	Invested Capital	Transition Opportunities							
		Reputation		Policy and Legal		Technology		Market	
		2030	2040	2030	2040	2030	2040	2030	2040
Energy	4%	Very Low	Very Low	Very Low	Very Low	High-Med	High-Med	Higher	Higher
Industrials	16%	Very Low	Very Low	Lower	Lower	Higher	Higher	High-Med	Higher
Real Estate	2%	Very Low	Very Low	Very Low	Very Low	Higher	Higher	Very Low	Very Low
Information Technology	22%	Very Low	Very Low	Very Low	Very Low	Very Low	Very Low	Higher	Higher
Consumer Brands	18%	Very Low	Very Low	Very Low	Very Low	Low-Very Low	Med-Low	Med	Med
Healthcare	14%	Very Low	Very Low	Very Low	Very Low	Med	Higher	High-Med	Med
Services	23%	Very Low	Very Low	Very Low	Very Low	Med	Higher	High-Med	Med
Communication Services	1%	Very Low	Very Low	Very Low	Very Low	Med	Higher	High-Med	Med

Across all BGF sectors, opportunities were greatest for sectors with higher GHG emission intensities. The analysis highlighted positive opportunities resulting from climate-related impacts, with value potential increasing in lower emission scenarios and increasing up to 2050. We identified that market opportunities (expansion of low-emissions goods and services, shift in customer preferences to low-carbon products, and access to new markets) were most material across the portfolio, which we will therefore explore further in future scenario analysis.

PILLAR 2 – STRATEGY

Recommendation 5: Resilience of our strategy

Impact of climate-related risks on our business and strategy: our plans for 2025/6

This year's analysis has allowed us to define the following next steps as part of our risk management:

- Broadening our scope of analysis – to include further details of company operations and their value chains
- Understanding impacts in more detail – linking impacts with financial risk management
- Engagement with the worst affected sectors – both on physical and transition risks
- Incorporate considerations into our Due Diligence – prioritising higher-risk industries
- Training of portfolio managers – on what the analysis means for our investment strategy
- Continuing to work with companies to reduce their carbon footprint – adapting to the low-carbon economy

From an opportunity perspective, BGF will continue to invest in companies whose products and services are critical for a low-carbon economy. In June 2025, we expanded our Deep Tech & Climate Advisory Board, which provides critical analysis on opportunities and market trends to ensure we remain at the forefront of investing in technologies addressed by the climate and deep tech sectors.



CASE STUDY

Nuada capturing carbon at source

BGF invested £3.4 million in Nuada in 2023, an innovative carbon capture business. Nuada's next generation 'heatless' capture technology is removing the deployment barriers of energy intensity and cost, enabling industrial emitters to decarbonise their operations efficiently and economically. BGF's funding will support the construction of a pilot plant at an energy- from-waste facility in the UK.



CASE STUDY

Decarbonising cold chain logistics with Sunswap

BGF invested £17.3m into Sunswap in 2024 to accelerate the rollout of their zero-emission transport refrigeration technology across the UK and Europe. Sunswap's combined solar and battery technology fits to trailer units of articulated lorries carrying chilled consumer goods throughout the European road transport network. This technology provides a low carbon alternative to diesel powered refrigeration.

PILLAR 3

Risk Management

This section describes BGF's process for identifying, assessing, and managing climate-related risks and the integration of these into our overall risk management.

Recommendation 6: Process for identifying risks

BGF has sought to incorporate climate risks and opportunities considerations into each stage of its investment lifecycle.

In 2021, BGF updated its screening of all potential Growth and Early Stage investments to include bespoke screening of climate-related risks and opportunities. The tool screens for the impact and resilience of the business to face climate change related risks. It assesses the readiness of the business in meeting the decarbonisation need that is a focus of the regulators, markets, and customers globally.

The purpose of the screening is to flag potential climate risks at the pre-acquisition stage. The Investment Team work with the company's management team to understand the lived experiences, known concerns and implicit resilience to build a qualitative case of the potential types of material climate risks or opportunities. Whilst the questionnaire is not designed to be exhaustive or to provide a definitive view of the level of all climate risks and opportunities, it is used to highlight issues for future and wider due diligence and analysis.

Following the screening, all Growth companies undergo a detailed due diligence assessment by a third-party, Holtara, to further identify climate risks and opportunities.

Recommendation 7: Process for managing risks

BGF's ESG team engages with portfolio companies upon acquisition to analyse the results of the pre-acquisition ESG due diligence and identify climate risks and opportunities. Any immediate actions required are incorporated into the 100-day plan.

BGF offer materiality and strategy development workshops for portfolio companies to develop detailed ESG actions plans based on an assessment of materiality.

On an annual basis, BGF engages key sustainability professionals across the portfolio through its in-person ESG Day event, to share best practice and regulatory updates. In 2025, 39 professionals from portfolio companies attended the ESG Forum.

BGF also runs an ESG survey and uses this to improve the quality of data and disclosure of ESG topics including climate change and GHG emissions. In 2024, BGF improved this data collection process to include the ESG Data Convergence Initiative (EDCI) metrics. This facilitated the standardisation of definitions and methodologies for ESG metrics including Scope 1, Scope 2, and Scope 3 emissions, as well as calculations for renewable vs non-renewable energy consumption and production.

The execution of all actions is undertaken with the help of the ESG team (for internal BGF and investment matters), the Value Creation team (for investment and portfolio matters), and the Green Innovators Group, which includes senior-level representatives from investment and operations functions of BGF.

PILLAR 3 – RISK MANAGEMENT

Recommendation 8: Integrating climate-related risks

BGF will seek to refresh its Risk Assessment framework by integrating good practice on climate-related risk and opportunity. This will involve the following considerations:

- Financial risk: using risk assessments and asset valuations for new and existing transactions to assess how climate-related R&O might impact the balance sheet and fund performance.
- Legal, regulatory and tax risk: incorporating climate risks into legal, regulatory and tax requirements
- Operational resilience risk: assessing how climate-related R&O may result in business disruptions; create mitigation and adaptation strategy for business processes
- Reputational risk: assess how management are positioned to respond to increased stakeholder scrutiny and address financial implications of R&O impacts



PILLAR 4

Metrics and targets

This section discloses the metrics used by BGF to assess climate-related risks and opportunities in line with our strategy and risk management process.

Recommendation 9: Metrics to assess risks and opportunities

BGF monitors several climate-related metrics and targets as part of its ESG data collection and monitoring process, within the firm and across the portfolio. Sample metrics include:

- Presence of an Environmental policy and inclusion of climate change within it
- Identification of major environmental impacts, including climate impact
- Inclusion of climate change in the organisation's formal risk management process
- Ability to identify major climate change risks and opportunities for the organisation
- Presence of a decarbonisation strategy or plan
- Short-term GHG target and long-term Net Zero plan
- Measurement of Scope 1, 2, and 3, along with details on methodology used and external audits of the data
- Specific targets set to reduce climate impact, such as renewable energy targets, water use targets.

Revolving credit facility

BGF is backed by Barclays, HSBC, Lloyds, NatWest, and Standard Chartered. As part of its revolving capital facility provided by NatWest, HSBC, and Lloyds, BGF track KPIs for:

- Portfolio company measurement of Scope 1 and 2 emissions (target 40%)
- The number of portfolio companies attending two or more ESG training sessions (target 22%)
- A reduction in BGF's scope 1 and 2 emissions (target ≤ 245.8 tCO₂e)

Recommendation 10: Targets used to manage risks and opportunities

We have committed to:

- 25% reduction in Scope 1, 2 and selected Scope 3 emissions by 2030
- Mandate Scope 1 and 2 GHG emission reporting for all new Growth companies
- Transition to 100% renewable energy in all offices where there is a feasible market solution for electricity supply

From 2025, we are using the Private Markets Decarbonisation Roadmap to prioritise decarbonisation efforts in the portfolio to high-emitting sectors.

Recommendation 11: Disclosure of GHG emissions

Since 2020, BGF has reported and measured its Scope 1, 2 and 3 emissions, in line with the Greenhouse Gas (GHG) Protocol methodology.

In 2024, BGF focused on enhancing the quality and accessibility of emissions data, empowering its workforce to contribute to environmental efforts, and making incremental improvements. Most notably, BGF expanded its Scope 3 emissions reporting to include purchased goods and services and capital goods emissions for the first time. BGF also improved Scope 1 reporting in 2024 by incorporating more detailed data on air conditioning refrigerant use. Additionally, BGF enhanced the quality of data on employee commuting and homeworking through a survey, achieving a high employee response rate of 82%.

Intensity metrics

	FY24 UK and non-UK	FY23 UK and non-UK
tCO2e per full-time employee	9.69	1.91
tCO2e per £100,000 of revenue	1.48	0.37
tCO2e per 1000 office sq ft	36.48	7.33

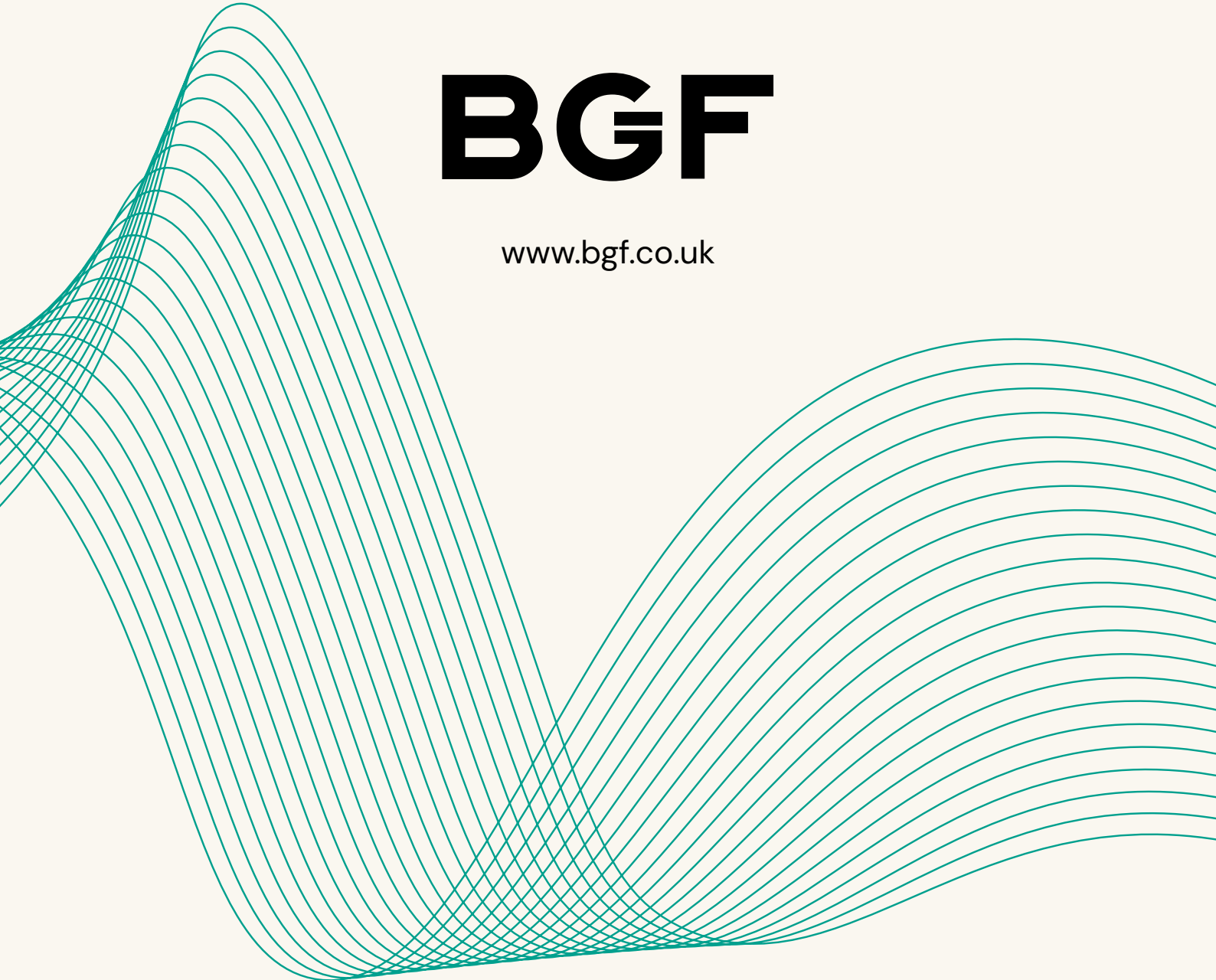
BGF annual greenhouse gas emissions

Type	Type	Kilowatt hours (kWh), 2024	Kilowatt hours (kWh), 2023	Tonnes of carbon dioxide equivalent (tCO2e), 2024	Tonnes of carbon dioxide equivalent (tCO2e), 2023
Scope 1	Stationary combustion 1	144,033	146,989	26.3	26.9
Scope 1	Fugitive emissions 2			36.2	21.9
Scope 2	Electricity, heat, steam, and cooling emissions 3	503,124	553,045	105.5	113.8
Scope 3	Mobile combustion 4	193,248	206,338	46.6	50.5
Scope 3	Other emissions 5			1753.4	170.1
Total emissions		840,405	906,372	1968.0	383.1
Offsets				509	383.1
Net Emissions				1,459	0.0

BGF engaged with its Green Innovators Group (GIG), an employee group dedicated to reducing our environmental impact, which includes representatives from various teams across the business. In 2024, the GIG worked with our external experts to conduct its most comprehensive GHG data gathering exercise to date. The 2024 GHG inventory was used as the basis for defining Net Zero reduction targets and measures. GIG's role will be to ensure that these targets and reduction initiatives become a continual part of the operational focus.

Starting this year, the operations team reviewed the contracts in place with energy suppliers to assess where BGF can transition to renewable sources. BGF will also continue to engage employees on environmental initiatives by running training webinars for all regional offices and functions.

BGF recognises that a significant proportion of emissions stem from Scope 3, particularly from business travel (including flights), hotel stays, and third-party vehicle use as it relates to supporting 360 portfolio companies. GIG explores opportunities for reducing travel where possible by using video and enabling and encouraging employees in more sustainable travel options. Regarding the Scope 3 emissions from portfolio companies, BGF has set a target to increase the percentage of portfolio companies reporting Scope 1 and 2 emissions to 40% by 2025.

A series of overlapping, wavy teal lines that create a sense of movement and depth, primarily located in the lower half of the image.

BGF

www.bgf.co.uk