



Brightstar Environmental, Social & Governance (ESG) Policy

INTRODUCTION

Brightstar Capital Partners, L.P. (“Brightstar” or “we”), on behalf of its Limited Partners and affiliated private equity funds (“Funds”), is committed to investing in the spirit of responsible business ethics and practices. Brightstar recognizes that environmental, social, and governance (ESG) issues may affect investment performance, and furthermore, that the effective management of ESG issues can create better risk-adjusted returns. Therefore, consistent with our fiduciary duties, Brightstar will endeavor to take into account material ESG considerations, both during the investment decision-making process and post-investment. We intend to use this policy (the “ESG Policy”) to define our approach to integrating ESG issues across all aspects of the investment lifecycle at Brightstar.

Through this ESG Policy, Brightstar strives to embrace the industry guidelines set forth in the [American Investment Council Guidelines on Responsible Investment](#) and thereby manage material ESG risks and opportunities, while acknowledging Brightstar’s principal duty to act in the best interest of its Clients and Investors. Brightstar recognizes that industry ESG guidelines and the approach to managing ESG issues will continue to evolve over time. As such, we will periodically review this ESG Policy to incorporate prudent changes.

For the purposes of this ESG Policy, “material” ESG issues are defined as those issues that Brightstar determines have—or have the potential to have—a material impact on an organization’s going-forward ability to create, preserve or erode economic value, as well as environmental and social value, for that organization and its stakeholders.

SCOPE AND LIMITATIONS

This ESG Policy is intended to reflect Brightstar’s general framework for managing ESG issues through the lifecycle of an investment. Brightstar’s ability to influence and exercise control over the companies in which the Funds invest will vary depending on the investment structure and terms. In cases where Brightstar determines it has limited ability to conduct diligence or to influence and control the consideration of ESG issues in connection with an investment, at either the investment-level or the Fund-level, Brightstar will only apply those elements of this ESG policy that it determines to be practicable. Examples of such cases at the investment-level include where a Fund has limited governance rights, or where other circumstances affect the Fund’s ability to assess, set or monitor ESG-related performance goals.

I. ENHANCE FIRM ESG MANAGEMENT CAPACITY

Brightstar’s Chief Sustainability Officer oversees our ESG program and the implementation of this ESG Policy and meets with investment teams to discuss and evaluate evolving ESG issues and practices, including potential ESG issues across our investment strategies.

To support the implementation of the principles set forth in this ESG Policy, Brightstar pledges to enhance the ESG management capacity among our investment professionals. Brightstar will seek to implement this commitment by:



- A. Ensuring that this ESG Policy is available to all investment professionals for their periodic reference; and
- B. Continuing to build ESG awareness among investment professionals through training on ESG issues and evolving frameworks, enabling investment teams to effectively manage ESG issues and use up to date ESG frameworks for value creation through the investment process and hold period.

II. PRE-INVESTMENT ANALYSIS AND DUE DILIGENCE

Brightstar is committed to seeking to identify and evaluate ESG risks and value creation opportunities through pre-investment due diligence on investment opportunities. The depth of diligence is calibrated to the materiality of ESG factors with third-party pre-investment ESG due diligence typically conducted for majority platform investments, as well as for add-ons and minority investments on a case-by-case basis. In Investment Committee reviews of potential acquisitions, Brightstar pledges to evaluate material ESG considerations that it determines may affect the investment's performance. Brightstar will seek to implement this commitment by:

- A. Seeking to assess material ESG factors of investment opportunities to identify operational areas with the greatest likelihood, vulnerability, and potential for significant ESG impact on a per company basis;
- B. Engaging internal and external experts to enhance assessments of investment opportunities' material ESG factors as appropriate; and
- C. Systematically including a discussion of material ESG risks and opportunities in Investment Committee materials and decisions on the allocation of investment capital.

III. RESPONSIBLE PORTFOLIO COMPANY OWNERSHIP

Brightstar pledges to work with its portfolio companies to increase awareness of material ESG issues, mitigate material ESG risks, and create value through applicable ESG opportunities throughout its ownership period. Brightstar will seek to implement this commitment by:

- A. Distributing this ESG Policy to portfolio company management teams;
- B. Seeking to ensure that material ESG risks identified in due diligence are addressed during the hold period, where practicable and commercially reasonable to do so;
- C. Enhancing portfolio company management's awareness of ESG principles and related risks, opportunities, and considerations; and, upon request, provide supplementary ESG resources, where applicable;
- D. Encouraging portfolio companies to implement governance structures that provide adequate levels of oversight in the areas of audit, risk management, ethics and compliance, and potential conflicts of interest required by applicable law and regulation;
- E. Working closely with portfolio company management teams to encourage portfolio companies to comply with applicable laws and regulations with respect to the environment, health and safety, human rights, labor issues and corporate governance;



- F. Using commercially reasonable efforts to monitor material ESG issues throughout the ownership of a portfolio company by including ESG-related inquiries, initiatives, and review of material negative incidents in quarterly board meetings; and
- G. Providing material ESG-related information, including with respect to value creation and risk management considerations, to investment bankers and potential buyers during exit and sale processes, where practicable and commercially reasonable to do so.

IV. ACCOUNTABILITY AND TRANSPARENCY

Brightstar pledges to create accountability within the organization and transparency to its Limited Partners of its approach to, and assessment of, material ESG issues. Brightstar will seek to implement this commitment by:

- A. Integrating discussion of material ESG issues into reporting to our investors to provide transparent and objective updates;
- B. Disclosing this ESG Policy to investors and prospective investors (as required and upon request);
- C. Notifying our investors of material, negative ESG incidents that, in our judgment, may have a significant negative impact on investment performance and/or Brightstar's reputation;
- D. Where considered appropriate, engaging relevant stakeholders, industry initiatives and working groups that are committed to ESG best practice, and supporting local communities, including through initiatives with nonprofits or other charitable organizations; and
- E. Allocating sufficient internal and external resources to support the commitments in this ESG Policy.

V. INTERNAL FIRM MANAGEMENT

Brightstar pledges to continue its practice of proactively managing material firm-level ESG factors whenever they may become apparent. Whenever necessary, we will take steps to mitigate material internal ESG risks, including but not limited to data privacy and security, anti-bribery and corruption, business ethics, conflicts of interest, and workforce diversity. We will also identify and pursue ESG-related opportunities at the firm-level, where we deem them effective in creating stronger capabilities to fulfill our fiduciary duties to Investors and Clients.

This ESG Policy was last updated in January 2022 and is subject to change as Brightstar considers necessary or advisable.