

# **BB Alternatives ESG Statement**

## **Introduction**

BB Alternatives considers sustainability factors as crucial parts of its corporate philosophy. As an independent advisory firm for alternative assets, this is particularly important when selecting target funds. A strong integration of ESG factors (Environmental, Social, & Governance) into the selection process serves our corporate goal of supporting clients in building a stable and long-term value creating private markets portfolio. BB Alternatives is convinced that good ESG management and corresponding transparency actively contribute to improving the risk-return profile of a portfolio.

## **Signatories to the United Nations Principle for Responsible Investments (UNPRI)**

As a signatory to the United Nations Principle for Responsible Investments, BB Alternatives strengthens its commitment to a sustainable financial system. We are committed to complying with the following principles:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

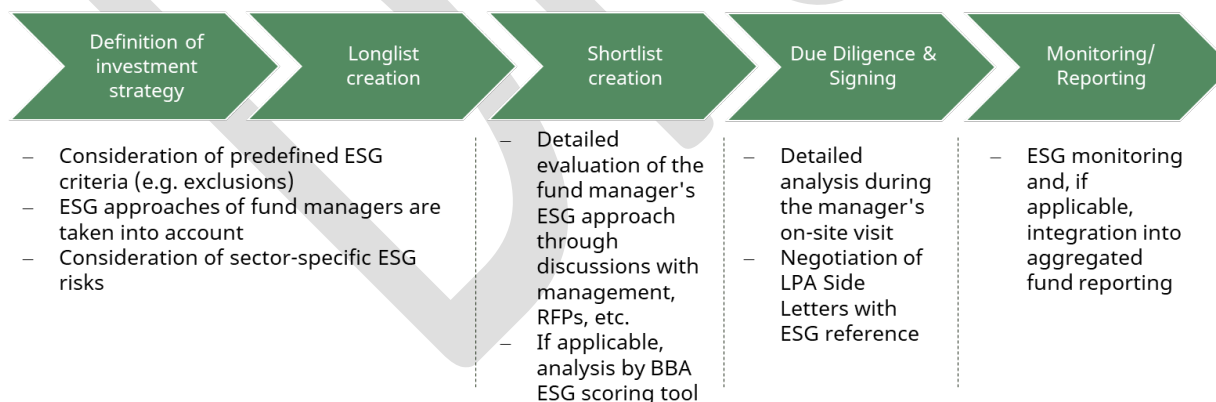
## Aspects of responsible investment (inclusion of environmental, social and good governance factors, ESG)

Environment (E)	Social (S)	Governance (G)
<ul style="list-style-type: none"> <li>– Environmental Protection and Ressource Management</li> <li>– Climate protection (CO2 reduction, energy efficiency), adoption measures to climate change</li> <li>– Protection of biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>– Good working environment (low employee turnover)</li> <li>– Health- and safety management within the supply chain</li> <li>– Product safety</li> <li>– Gender equality and diversity</li> <li>– Appropriate education opportunities</li> <li>– Social engagement</li> </ul>	<ul style="list-style-type: none"> <li>– Good firm policy, board construction and ethics</li> <li>– Risk- and sustainability management overlooked from board</li> <li>– Transparency and reporting</li> <li>– Compliance and risk management</li> <li>– Owners structure, conflicts of interests</li> <li>– Fair remuneration and incentivisation</li> <li>– Data management and cyber security</li> </ul>

Investments in private markets asset classes should not have any negative social and/or environmental impacts or at least limit them as much as possible (risk minimisation).

### Analysis and Selection of Target Funds

When analysing and selecting target fund managers in close consultation with our clients, we consistently incorporate ESG factors into the process. Depending on the objectives and requirements, we develop various criteria that must be fulfilled in the different phases of the selection process and in the subsequent monitoring phase.



BB Alternatives developed a powerful ESG scoring tool to evaluate the ESG sensitivity of a manager or the specific fund strategy, which can be used to analyse the ESG performance of a fund manager.

In a comprehensive fund due diligence, ESG aspects of the manager or fund are analysed and explained in detail in a separate section and a comparison is made with other market participants.

### **Continuous Improvements**

ESG is a very dynamic and constantly evolving topic. BB Alternatives standards and procedures for the integration of ESG aspects into the selection process and the monitoring and reporting processes of BB Alternatives are reviewed at least once a year at a strategy meeting and further developed or amended as necessary.

### **Responsibilities and Contact**

The management of BB Alternatives is involved in all steps of the process and in the ongoing evaluation and is in charge of the implementation. For further information on the implementation of ESG factors or the overall sustainability strategy as well as general information on BB Alternatives, please contact:

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