BGF Group plc

Disclosure Report

Date Submitted: September 8th, 2023

Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
2) Describe how the company has addressed this issue
3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company

Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	☐	☑
Biodiversity Impacts	☐	☑
Chemicals	☐	☑
Disclosure Alcohol	☐	☑
Disclosure Firearms Weapons	☐	☑
Disclosure Mining	☐	☑
Disclosure Pornography	☐	☑
Disclosure Tobacco	☐	☑
Energy and Emissions Intensive Industries	☐	☑
Fossil fuels Gambling	☐	☑
Genetically Modified Organisms	☐	☑
Illegal Products or Subject to Phase Out	☐	☑
Industries at Risk of Human Rights Violations	☐	☑
Monoculture Agriculture	☐	☑
Nuclear Power or Hazardous Materials	☐	☑
Payday, Short Term, or High Interest Lending	☐	☑
Water Intensive Industries	☐	☑
Tax Advisory Services	☐	☑

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	☐	☑
Breaches of Confidential Information	☐	☑
Bribery, Fraud, or Corruption	☐	☑
Company has filed for bankruptcy	☐	☑
Consumer Protection	☐	☑
Financial Reporting, Taxes, Investments, or Loans	☐	☑
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	☐	☑
Labor Issues	☐	☑
Large Scale Land Conversion, Acquisition, or Relocation	☐	☑
Litigation or Arbitration	☐	☑
On-Site Fatality	☐	☑
Penalties Assessed For Environmental Issues	☐	☑
Political Contributions or International Affairs	☐	☑
Recalls	☐	☑
Significant Layoffs	☐	☑
Violation of Indigenous Peoples Rights	☐	☑
Other	☐	☑

Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	☐	☑
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	☐	☑
Company prohibits freedom of association/collective bargaining	☐	☑
Company workers are prisoners	☐	☑
Conduct Business in Conflict Zones	☐	☑
Confirmation of Right to Work	☐	☑
Does not transparently report corporate financials to government	☐	☑
Employs Individuals on Zero-Hour Contracts	☐	☑
Facilities located in sensitive ecosystems	☐	☑
ID Cards Withheld or Penalties for Resignation	☐	☑
No formal Registration Under Domestic Regulations	☐	☑
No signed employment contracts for all workers	☐	☑
Overtime For Hourly Workers Is Compulsory	☐	☑
Payslips not provided to show wage calculation and deductions	☐	☑

	Yes	No
Sale of Data	☐	☑
Tax Reduction Through Corporate Shells	☐	☑
Workers cannot leave site during non-working hours	☐	☑
Workers not Provided Clean Drinking Water or Toilets	☐	☑
Workers paid below minimum wage	☐	☑
Workers Under Bond	☐	☑
Other	☑	☐

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	☐	☑
Child or Forced Labor	☐	☑
Negative Environmental Impact	☐	☑
Negative Social Impact	☐	☑
Other	☐	☑

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Disclosure Industries

Topic	Company has investments exposure in controversial industries
Summary of Issue	BGF Group plc, the holding company for the BGF group, supports investments in earlier-stage businesses, established private businesses, and smaller listed companies. Across some of its investments, BGF Group has investment exposure into entities that participate in industries designated as controversial by B Lab. These include companies in the Alcohol, Animal Products and Services, Fossil Fuels, and Mining industries over the last 5 years.
Size/Scope of Issue ***(e.g. $ financial implication, # of individuals affected)***	As of December 2022, the company has disclosed that 10.01% of its Assets Under Management (AUM) are invested in companies within the industries mentioned earlier and approximately 10.86% of revenues from investment management fees were derived from these investments. This breakdown is across 30 companies and encompasses: A. 2.79% in AUM & 3.43% in fee from businesses associated with animal-based products; B. 1.64% in AUM & 0.12% in fee from businesses associated with mining industry; C. 1.92% in AUM & 1.98% in fee from businesses associated with fossil fuels industry, and D. 4.47% in AUM & 5.99% in fee from businesses associated with the alcohol industry.
Impact on Stakeholders	Companies that work with clients in controversial industries can indirectly increase the harmful impact to stakeholders by enabling business growth. Therefore, companies that work with clients in these industries should have practices in place to ensure that their impact is aimed at decreasing the negative impacts of the industry. B Lab has flagged the involvement of companies with clients in controversial industries as a material issue and new standards will be created to address possible risks related to this matter.
Implemented Management Practices	At BGF, their investment selection process adheres to robust criteria. Each potential investment undergoes a third-party ESG evaluation, which serves as a critical component of their due

	diligence. This evaluation not only generates an ESG score for benchmarking against historical data but also explores specific areas, such as a company's climate adaptation plan, environmental and biodiversity management approach, and the strength of data and governance structures that underpin their sustainability initiatives. The results are presented to the Investment Committee for analysis and discussion. In cases where non-negotiable concerns emerge, particularly related to governance or environmental and social responsibility, BGF declines those investment opportunities. Once a company becomes part of their portfolio, they receive ongoing support on ESG matters. This includes regular value-added initiatives designed to enhance their skills and assist in achieving their ESG goals. The suite of offerings includes learning webinars with subject-matter experts and access to talent through their network, ensuring that companies have expert guidance readily available. In line with their mission to advocate for all industries within the SME landscape, BGF recognizes their role in driving change across critical sectors. They consider themselves instrumental in supporting these entities in their decarbonization and sustainability endeavors. It's important to note that, as part of their forward-looking approach, BGF does not anticipate pursuing new investments in the oil & gas exploration sector.
Report	https://www.bgf.co.uk/about-us/
Management Comments	The information is correct as of the date of the document and may change as BGF Group progresses in its future investment activities. Assessing ESG risks and opportunities will continue to play a critical role in supporting SMEs and enabling them to improve their resilience and performance.