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**Principle 1: Define strategic impact objective(s), consistent with the investment strategy**

- BCDI’s mission is to leverage deep industry experience and an active, value-added approach to build great mission-driven companies that deliver both **competitive financial returns** and **measurable social and environmental impact**.
- BCDI targets three distinct impact themes: Health and Wellness, Education and Workforce Development, and Sustainability

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**Principle 2: Manage strategic impact on a portfolio basis**

- BCDI has a standardized impact due diligence toolkit and impact blueprinting process that it implements from sourcing, through due diligence, portfolio management and exit.
- Pre-close, standard impact tools are incorporated into Investment Committee meetings.
- Post-close, the Impact Blueprinting process introduces measurement initiatives and cross portfolio ESG and impact activities and best practices. Board aims to hold management accountable for impact achievement through compensation incentives tied to impact KPIs.

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**Principle 3: Establish the investor’s contribution to the achievement of impact**

- BCDI signals that impact matters and engages actively with each of its portfolio companies to establish contributions that accelerate and improve both the company’s impact and commercial theses.

- Through our ‘Strong Start’ process and value creation playbooks, BCDI supports portfolio companies through a Business Blueprint, Talent Blueprint, and Impact Blueprint and supports portfolio company execution through its hands-on, active ownership approach.

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**Principle 4: Assess the expected impact of each investment, based on a systematic approach**

- BCDI has robust internal processes and consistent templates to promote rigor in our impact diligence and portfolio management process.
- BCDI is continuously evolving a standard set of impact-enhancing tools that can be implemented broadly across the portfolio. These toolkits include company specific measurement actions, as well as cross portfolio initiatives.
- BCDI completes regular portfolio reviews to evaluate progress, identify learnings, and address opportunities for improvement.

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**Principle 5: Assess, address, monitor, and manage potential negative effects of each investment**

- Pre-close, BCDI requires potential companies to undergo an ESG questionnaire during the due diligence process.
- Post-close, BCDI leverages the B Impact Assessment, stakeholder toolkits, and works in partnership with each company’s management team to deliver and execute improvements.

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**Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately**

- Through BCDI’s Strong Start process, impact metrics, impact forecasts, and impact initiatives are established. The impact blueprint is a specific plan that aligns with the broader business strategy and lays out how the company will measure, manage, and enhance its core social and/or environmental impact. Impact metrics are reviewed annually/quarterly as appropriate at Board meetings.
- BCDI works with portfolio companies to submit the B Impact Assessment at the beginning of the relationship and companies are expected to annually. This process assesses the operations and environmental, social, and governance practices and identifies areas for improvement.

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**Principle 7: Conduct exits considering the effect on sustained impact**

- Ensuring the longevity and sustainability of impact outcomes is core to BCDI’s operational additionality.
- Consideration of customers, employees, and stakeholders across the value chain are important both prior to investment, throughout the holding period, and at exit.
- BCDI considers impact when assessing potential buyers, and embeds ‘Impact at Exit’ Checklist in its decision making process.

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**Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned**

- BCDI reviews the expected and actual impact performance of each investment during Portfolio Reviews, as well as with portfolio company management as impact is a component of compensation consideration.
- Made up of external thought leaders and industry experts, the BCDI Impact Advisory Council supports continued refinement of BCDI’s impact measurement and management process and evaluation tools, and provide expert judgment on relevant topics.
- BCDI tracks positive and intended impacts, as well as negative and unintended impacts, of all portfolio companies.
- BCDI team members are responsible and accountable for implementing and integrating best practices for impact management and measurement, including a Portfolio Group team and dedicated impact and ESG resource that leads impact and ESG measurement and reporting, cross-portfolio, and cross-firm calibration.

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**Principle 9: Publicly disclose alignment with the Principles & provide regular independent verification of the extent of alignment**

- Please see BlueMark Verification Statement for results [April 2023].

