



Bain Capital Double Impact
Operating Principles for Impact Management
2024 Disclosure Statement

Operating Principles for Impact Management Affirmation

Bain Capital Double Impact (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”).

This Operating Principles for Impact Management Disclosure Statement (the “Disclosure Statement”) affirms the investments included in funds managed by Bain Capital Double Impact are managed in accordance with the Impact Principles. The investment funds managed by Bain Capital Double Impact, LP (also referred to as “Bain Capital Double Impact,” “Double Impact” or “BCDI”) include Bain Capital Double Impact Fund, L.P., Bain Capital Double Impact Fund II, L.P., and Bain Capital Double Impact Fund III, L.P. (collectively, the “Double Impact Funds,” the “BCDI Funds” or the “Funds”).

This Disclosure Statement applies to the following assets or business lines (the “Covered Assets”): the Double Impact Funds.

The total Covered Assets in alignment with the Impact Principles is US\$ 1.01 billion as of September 30, 2024.

Todd Cook

Partner, Bain Capital Double Impact
December 2024

Operating Principles for Impact Management Disclaimer

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network (“the GIIN”) or the Secretariat or Advisory Board of the GIIN. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, “Affiliate” shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

Bain Capital Disclaimer

Bain Capital Double Impact, LP is an investment adviser registered with the U.S. Securities and Exchange Commission (the “Commission”). Registration with the Commission does not constitute an endorsement of Bain Capital Double Impact by the Commission, nor does it imply a certain level of skill or training. No securities commission or regulatory authority in the United States or in any other country has in any way passed upon the merits of an investment in a Bain Capital Double Impact fund or the accuracy or adequacy of the information or material contained herein or otherwise.

This Disclosure Statement provides general information about Bain Capital Double Impact and its business, and it should not be relied upon as the basis for making any investment decision, entering into any transaction or for any other purpose.

Bain Capital Double Impact, its subsidiaries and affiliates, and their respective employees, officers and agents make no representations as to the completeness and accuracy of any information contained within this Disclosure Statement. Information contained in this Disclosure Statement is for informational purposes only and should not be construed as an offer or solicitation of any security or investment product, nor should it be interpreted to contain a recommendation for the sale or purchase of any security or investment product. Any offer to purchase or buy securities or other investment product will only be made pursuant to an offering document and the subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with any such offering.

Bain Capital Double Impact acts for the funds which it manages or advises and will not be acting for anyone else. In particular, Bain Capital Double Impact will not advise potential investors on subscriptions in any fund or co-investments and will not arrange transactions on behalf of anyone other than the Funds or provide advice on the merits of such transactions. No representative of Bain Capital Double Impact has the authority to represent otherwise. Bain Capital Double Impact is not responsible for providing any recipient of this Disclosure Statement (“you”) with the protections afforded to its clients and you are strongly advised to take your own legal, investment and tax advice from suitably qualified advisers.

An investment in the Funds is speculative and involves a high degree of risk, which may not be suitable for all investors. The Funds may engage in leveraging and other speculative investment practices that may increase the risk of investment loss and the investments may be highly illiquid. The Funds are not required to provide periodic pricing or valuation information to investors. Investing in the Funds may involve complex tax structure, and there may be delays in distributing important tax information. Private funds are not subject to the same regulatory requirements as mutual funds, and private fund advisers and sponsors often charge high fees.

An investment in the Funds involves a number of significant risks and other important factors relating to investments in limited partnerships generally and relating to the structure and investment objectives of a given partnership in particular. Investors should consider risks associated with the following: illiquidity and restrictions on transfer; tax considerations; valuation risks, and impact of fees on returns. The foregoing list of

risk factors does not purport to be a complete enumeration of the risks involved in an investment in the Funds. Prospective investors should reference the offering document and consult with their own legal, tax and financial advisors before deciding to invest in the Funds. Refer to a particular Fund's private placement memorandum for additional details, risk factors and other important considerations, including registration requirements for certain jurisdictions.

The opinions and information contained in this Disclosure Statement are provided for informational purposes only and represent the current good-faith views of Bain Capital Double Impact at the time of preparation. These views are inherently subjective and subject to change without notice of any kind. Contact your Bain Capital Double Impact representative for further information. Certain information contained herein are not purely historical in nature, but are "forward-looking statements," which can be identified by the use of terms such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe" (or negatives thereof) or other variations thereof. These statements are based on certain assumptions and are intended to illustrate hypothetical results under those assumptions (not all of which are specified herein). Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements.

Certain information contained in this Disclosure Statement has been obtained from published and non-published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. Such information has not been independently verified by Bain Capital Double Impact and Bain Capital Double Impact does not assume responsibility for the accuracy of such information (or updating the Disclosure Statement based on facts learned following its publication). All information contained herein is subject to revision and the information set forth herein does not purport to be complete.

This Disclosure Statement has been provided to you solely for your information and may not be copied, reproduced, further distributed to any other person or published, in whole or in part for any purpose. Any other person receiving this material should not rely upon its content.

Introduction to Bain Capital

Since 1984, Bain Capital has employed a strategic, analytical approach to partnering with management teams and investing to transform businesses. Our purpose and values define our approach to investment and asset management. They shape the choices we make and the actions we take, continuously driving achievement of our investment goals. By leveraging our beliefs and principles to set a strong foundation, we can invest in and partner with companies making a difference—and help deepen their impact.

Our Purpose

We invest and engage in business to drive positive and lasting impact for companies, employees, communities, and the environment.

Our Values

We develop exceptional partnerships

We are personally invested in each other's success. We know that great outcomes come from diverse teams.

We work with tenacity

We roll up our sleeves, dig in, and come to work every day searching for better outcomes. We relentlessly tackle tough problems. We see things through.

We challenge conventional thinking

We think differently. We nurture a culture of deeply objective inquiry and seek the full potential in every opportunity.

We believe character matters

We embrace personal integrity, humility, and citizenship. We act with empathy and conviction.

Today Bain Capital has more than 1,850 team members in 24 offices across the globe. We have approximately \$185 billion dollars in assets under management.

Bain Capital Double Impact, an affiliate of Bain Capital, was established as an investment strategy derived from Bain Capital's proven, deep diligence, value-added approach that works to build great companies that deliver both strong financial results and responsible social and environmental stewardship. We accomplish this by partnering with outstanding companies and management teams to bring the expertise of our team and the global Bain Capital platform to accelerate growth and enhance positive contributions to customers, employees, communities, and society.

Bain Capital Double Impact invests primarily in North America in companies with measurable social and environmental impact. We target control investments in middle market companies where we



believe we can execute a value creation strategy alongside management teams and establish clear accountability for impact.

Double Impact invests in three impact themes: Health & Wellness, Education & Workforce Development, and Climate & Sustainability. We believe there are an increasing number of companies across these themes where positive outcomes for people and the planet are strategically aligned with opportunities for business growth.

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

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

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.

Double Impact invests across three impact themes: Health & Wellness, Education & Workforce Development, and Climate & Sustainability. For each of these verticals, we believe there are several long-term secular trends that present compelling opportunities for mission-driven, for-profit enterprises, and believe there is an increased need for aligned capital and value-added strategic support of companies to accelerate their commercial and impact growth.

Double Impact's investment strategy targets control investments in middle market companies with a track record of providing products and/or services aligned with one of our three impact themes. BCDI seeks to invest in companies where a positive impact on people or the planet are inherent to the business model.

Impact themes and intended outcomes













For each theme, BCDI has developed an impact thesis, which outlines the solutions and outcomes we are seeking to invest in and scale, in partnership with management teams.

- **Health & Wellness:** Improve health outcomes by providing access to high quality, affordable healthcare for underserved patient communities and develop products and services that promote healthy lifestyles and address other social determinants of health
- **Education & Workforce Development:** Address gaps in skills and achievement and improve economic mobility through training, education and catalyzing economic growth in underserved communities
- **Climate & Sustainability:** Enable the energy transition and decarbonization of the economy, restore and preserve natural resources, improve resource efficiency, and scale sustainable production and consumption

Thematic alignment with the SDGs

Underpinning each theme are defined impact objectives, which align with one or more of the United Nations Sustainable Development Goals (SDGs).

Figure 1: Alignment with UN Sustainable Development Goals

Theme	Impact Objectives	Aligned SDGs ¹
Health & Wellness	<ul style="list-style-type: none"> Expand access to high quality care Improve outcomes for patients and improve quality/cost equation Scale new models to address social determinants of health 	  
Education & Workforce Development	<ul style="list-style-type: none"> Enable access to quality education and training Promote career pathways and inclusive workplaces Catalyze opportunity for workers and communities 	 
Climate & Sustainability	<ul style="list-style-type: none"> Scale solutions that facilitate the energy transition Preserve and restore natural resources and advance resource efficiency Sustainably produce products and reduce resource intensity of key production models 	      

During the due diligence process (described in greater detail in Principle 4), the deal team assesses how a potential investment's product or service may be aligned to the underlying Targets and/or Indicators of the thematically aligned SDG(s). BCDI considers an investment "aligned" at the Indicator level if the target company can (or it is anticipated that it could) collect impact metrics that relate to addressing issues identified at the SDG Indicator level.

Portfolio-wide alignment



The second way Double Impact considers SDG alignment is through the operational impact of our portfolio companies. As partners to our portfolio company management teams, we work with investees to support the development of high-quality jobs, inclusive and equitable workplaces, and responsible environmental stewardship. These core values and portfolio-wide priorities align with SDG 1: No Poverty, SDG 5: Gender Equality, SDG 8: Decent Work & Economic Growth, SDG 10: Reduced Inequalities, and SDG 13: Climate Action.²

¹ Not all listed SDGs will be applicable to every investment in each investment theme.

² The Targets and Indicators that underpin SDG 13 relate specifically to government policies and actions on climate change, rather than the private sector, which is why we have chosen not to claim alignment at the investment theme level. We have chosen to include it in our portfolio-wide alignment as it reflects our commitment to work with companies to reduce their environmental impact and take climate action.

Principle 2: Manage strategic impact on a portfolio basis

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

BCDI seeks to drive impact through our active portfolio management approach. During our ownership period, Double Impact strives to be a thoughtful partner to its portfolio companies to scale the core impact of each business, facilitate the management of material ESG risks, and capitalize on value-creation opportunities.

Scaling impact

Double Impact partners with the respective portfolio company management team to expand the impact of such company, by increasing access to the company's inherently impactful products and services and assessing and improving the quality of impact. To do that, Double Impact works with portfolio companies to establish growth plans, roll out impact initiatives focused on ensuring high-quality outcomes for stakeholders, and establish impact metrics to measure progress, drive accountability and track improvement.

Double Impact also works with portfolio companies to incorporate ESG considerations into their business practices and provides guidance through board membership and/or active engagement from the BCDI Portfolio Group team. Our goal is to help portfolio companies measurably improve their performance on key priorities reflected in Bain Capital's five Core ESG Commitments (included in Figure 2: *ESG Core Commitments & BCDI's ESG Priorities for Improvement on page 9*).

BCDI works with its portfolio companies to make progress on its Core ESG Commitments through initiatives, such as:

- **Employee engagement:** Implementing tools to track and improve engagement, including standard surveys to assess employee satisfaction and welfare and best practices to build inclusive cultures and engaged teams
- **Employee benefits and financial security:** Evaluating current pay structures to ensure equity, benchmarking current compensation levels against industry and impact best practices, and providing additional financial services and benefits to employees as appropriate
- **Environmental management:** Measuring carbon footprint and environmental impact of operations to identify opportunities, where practical, to implement reduction strategies
- **Community engagement:** Encouraging companies to set policies on how they engage with and support their local communities, which may include establishing paid time off for volunteering or identifying local organizations to support through in-kind or monetary donations

Figure 2: ESG Core Commitments & BCDI's ESG Priorities for Improvement



Measuring progress

Bain Capital Double Impact measures portfolio companies' impact related to their products and/or services and their operations. The Double Impact team takes a specific approach for each category:

- **Company-specific impact metrics**

BCDI helps its portfolio companies' management teams establish specific impact metrics (typically two to five metrics) and set annual, quantifiable goals. Metrics are tracked and reported at the portfolio company board level.

To measure company-specific impact, we leverage metrics from IRIS+, when applicable and practical. Given the diversity of Double Impact's portfolio, not all companies use the same impact metrics.

- **Operational impact:** Bain Capital Double Impact works with portfolio companies to capture their performance on environmental, social and governance best practices, such as worker pay, environmental management systems, and support for community organizations.

To capture companies' operational impact, BCDI uses the B Impact Assessment and an annual ESG Survey. The annual ESG Survey includes, but is not limited to, metrics from the ESG Data Convergence Initiative. Our portfolio companies complete the B Impact Assessment and annual ESG Survey on web-based applications, and the results are reviewed for accuracy by the Double Impact team.

Ongoing measurement and regular reporting

BCDI conducts a portfolio-wide review twice per year to evaluate companies' progress using these measures. For portfolio companies that are within the first year of our investment period, reviews are completed quarterly.³

Double Impact shares a Year in Review, which includes company-level and portfolio-wide impact and ESG performance results, as well as case studies. Investors in the Double Impact Funds receive additional impact and ESG information during our annual investor meetings and in other investor-facing reports. Additional information on Double Impact's approach to measurement and reporting is available in Principle 5.

Aligning incentives with impact achievement

Performance on impact and ESG priorities is incorporated into the compensation structures for BCDI portfolio companies' management teams. Bain Capital Double Impact also considers achievement of impact priorities during annual performance evaluations of Double Impact team members. Senior Double Impact team members have specific impact and ESG objectives integrated into their annual priorities and objectives on which their annual compensation is determined.

³ Double Impact aims to include all portfolio companies in the bi-annual portfolio review and to review new investments on a quarterly basis during the first twelve months after BCDI's initial investment closes. However, in rare instances special circumstances may prevent reviews from being completed at stated times.

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

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Bain Capital Double Impact's partnership approach to management of its portfolio companies is modeled on Bain Capital's proven method of value creation, with an added focus on driving social and environmental outcomes. Senior representatives of the BCDI team generally sit on the boards of our portfolio companies and remain actively involved with management, playing an advisory role in a wide range of areas such as strategy, acquisitions, senior team performance evaluations, capital structure and liquidity events.

Bain Capital Double Impact professionals, including dedicated portfolio resources, are committed to working with management teams and are held accountable for driving value creation in our investments. This holistic and long-term engagement throughout our ownership period enables the BCDI team to form strong, trust-based relationships and collaborate closely with portfolio company management to build great companies.

After investment, the BCDI team deploys a consistent playbook for engagement, which includes:

- **Strong Start Playbook:** Focused on the first 12 months of our investment, our strong start playbook ensures that we quickly identify opportunities for financial and impact returns and the path to drive them forward
- **Business Blueprint:** We work with companies to identify the key commercial value drivers and set forth specific execution plans
- **Impact Blueprint:** We devise a roadmap – aligned with the broader business strategy – for how a portfolio company will integrate ESG and impact measurement, and rollout priority impact initiatives
- **Talent Blueprint:** We identify core gaps in leadership, compensation and employee engagement and develop a plan to address

BCDI monitors progress across each of these four areas of the playbook. During the first year of our investment, we review the portfolio company's progress on a quarterly basis.

Following the closing for each new investment, the BCDI team works with the company's management team to select company-specific impact metrics. To support ongoing impact measurement and accountability, BCDI ensures companies choose metrics that align with Double Impact's theory of change and the core business strategy and that are reasonably within the management team's control. The management team reports its baseline performance, typically within the first six to 12 months after BCDI's investment closes.

The company also completes a baseline assessment of its current ESG performance, using the B Impact Assessment. Together with the management team, BCDI identifies areas for improvement



across the five stakeholder groups measured by the B Impact Assessment (Governance, Workers, Community, Environment, and Customers).

Based on its baseline results, the respective management team sets quantifiable targets for impact and ESG improvement annually. Over the life of the investment, Double Impact tracks and reports progress on impact and ESG priorities for all portfolio companies.

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

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Double Impact implements a comprehensive impact and ESG due diligence process when evaluating target companies for investment. The impact and ESG due diligence process coincides with the commercial diligence and financial underwriting and is led by the BCDI deal team with support from the portfolio group, impact and ESG team and external subject matter experts, as needed.

Figure 3: Double Impact Diligence Approach

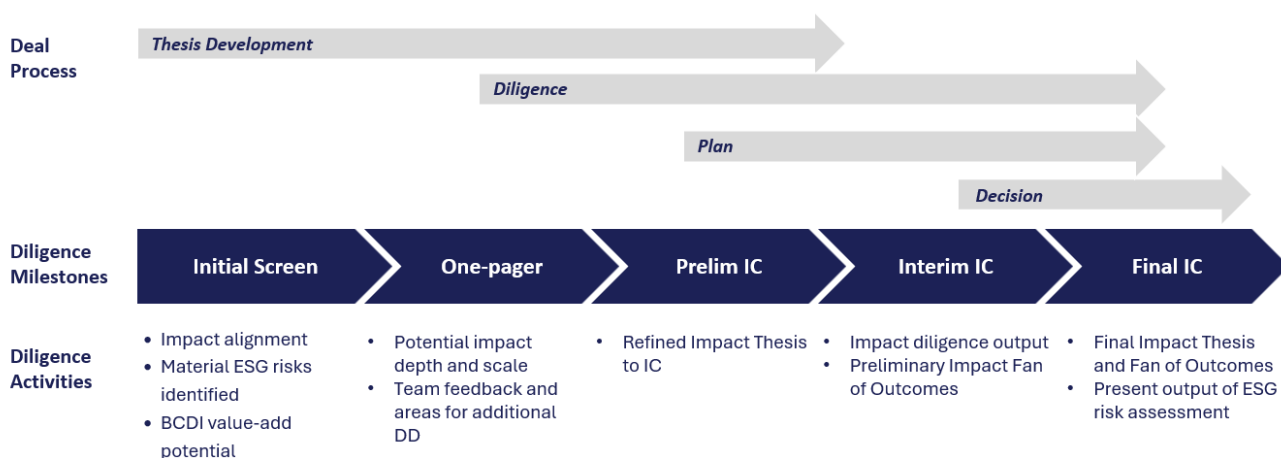


Figure 3 is illustrative of the process, which may be subject to change.

Impact diligence

BCDI uses the Impact Management Project's (IMP) five dimensions of impact as a framework to evaluate potential investments, including impact risks. Target companies are scored for each dimension, and scores are compared to similar companies and other BCDI investments. The BCDI

investment professionals on the deal team present a preliminary impact thesis to the full BCDI team and field questions and feedback on areas for further diligence.

If a deal moves forward, the BCDI deal team builds out a full impact theory of change.⁴ This includes further defining the target problem or challenge that the target company addresses, the solution(s)/intervention provided, the potential impact (short, medium and long-term), and possible metrics for tracking impact over time. The BCDI deal team predominantly relies on existing third-party research to evaluate how and to what extent the target company's product/service positively impacts society and/or the environment, but where appropriate, may field custom research. In addition, BCDI works with external partners to complete surveys and interviews of the target company's stakeholders (e.g., customers) to better understand the company's differentiated impact in the market and how that may contribute to improved outcomes for stakeholders as the company scales.

Prior to the final Investment Committee meeting, the deal team evaluates possible opportunities for impact across five stakeholder groups (Customers, Community, Environment, Governance, and Workers) and prepares an Impact Fan of Outcomes.⁴ The Fan of Outcomes forecasts potential impact outcomes that could be generated by the investment, covering both upside and downside scenarios.

⁴ Process may differ for deals which are not led by Bain Capital Double Impact (e.g., where the Fund is co-investing alongside a lead investor).

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

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Double Impact takes a comprehensive approach to ESG diligence, measurement, and management throughout the investment lifecycle.

ESG diligence

For each potential investment opportunity, we seek to identify and evaluate relevant and material ESG factors⁵ that are specific to that opportunity. These ESG factors may (i) affect our decision to invest and/or the conditions upon which we invest, (ii) determine the potential for value creation were we to invest, (iii) identify negative, unintended risks relating to the investment, and (iv) lay the groundwork for the management of material ESG considerations during our ownership period (described further below).

For new investments, we have identified a list of ESG factors to evaluate prior to our investment. During our diligence period, we seek to evaluate each of the following factors (where material and relevant):

- Governance structures and routines, including board composition and oversight, and management team composition and decision-making authority, along with business ethics, responsible conduct, and compliance with applicable laws and regulations
- Transition and physical climate-related risks, environmental risks and liabilities, as well as sustainability efforts and potential value-creation opportunities; carbon emissions, supply chain management, waste, water and additional environmental impacts
- Labor relations and treatment, employee health, wellness, and safety; management and leadership team composition, equity and inclusion, employee engagement and pay practices; and human rights practices (e.g., practices to prevent child or forced labor or discriminatory policies)

This approach helps the BCDI deal team assess ESG risks and opportunities. BCDI seeks to proactively incorporate these considerations into our ESG value creation approach (where applicable) during our investment period.

⁵ Material ESG factors will vary across industries and businesses, and access to detailed data and management will vary for each investment. As a result, not all the ESG factors referenced in this section will be evaluated for a given investment. Similarly, consideration of ESG factors will not necessarily bind an investment decision.

Key ESG diligence findings are documented (where appropriate and practicable)⁶, highlighting material areas of concern, if any, and opportunities as they pertain to the core ESG commitments of Bain Capital. Findings are presented to the Investment Committee for consideration.

Measuring and improving ESG performance

As stated previously, BCDI asks each of its portfolio companies to complete the B Impact Assessment (BIA), a third-party assessment developed and managed by B Lab, the non-profit behind B Corp Certification. The comprehensive BIA tool assesses companies' current policies and practices across five impact areas: Governance, Workers, Environment, Community, and Customers. The framework is adaptable and applicable across industries; companies receive a score on the assessment. BCDI works with its portfolio companies to earn at least 80 points on the BIA, which is the threshold for B Corp Certification. While BCDI is supportive of its portfolio companies seeking B Corp Certification, they are not required to do so.

Additionally, Double Impact has developed a proprietary ESG survey, which its portfolio companies are asked to complete annually. The survey aligns with Bain Capital's five core ESG commitments and includes, but is not limited to, metrics from the ESG Data Convergence Initiative.

BCDI analyzes impact performance across its portfolio on the BIA and the annual ESG survey during the BCDI team's bi-annual Portfolio Review process. In addition to company-specific actions for improvement, the BCDI team identifies opportunities for cross-portfolio impact initiatives and improvement.

Ongoing governance and oversight

Senior representatives from the BCDI team engage with portfolio company management teams on a regular basis through board membership and day-to-day operational support. We encourage portfolio company leadership teams to discuss impact and ESG performance as part of the quarterly board meetings. In the event of an ESG incident at a portfolio company, BCDI is made aware and works with management team members to address such incidents in a timely manner.

⁶ Key ESG diligence findings are documented where appropriate and practicable; this may not be possible for every ESG factor for every BCDI prospective investment.

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

The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

BCDI works with portfolio company management teams to establish impact metrics, baseline measurements, and targets for ongoing improvement aligned with the impact thesis and outcomes identified by the BCDI deal team during diligence.

Monitoring progress

BCDI works with portfolio company management teams to set annual targets on priority, company-specific impact metrics. Most impact metrics also have a quarterly target, which allows teams to monitor progress throughout the year and assess whether performance is on track to meet the annual target. Portfolio company management teams are expected to share progress on impact metrics and priority initiatives with their respective Boards on a regular basis.

Data collection and measurement

Portfolio companies report impact and ESG metrics to Double Impact annually. Reporting for the prior year typically takes place in the first quarter of the calendar year. Data is reviewed for accuracy by the Double Impact team, and where available and feasible, portfolio companies provide back-up documentation to support reported data.

BCDI uses a third-party platform to support data collection of impact and ESG metrics. Portfolio companies also utilize third-party carbon measurement tools to measure and report their carbon emissions as part of their annual ESG reporting.

Leveraging the responses and data from the individual portfolio companies' reporting, Double Impact completes an internal portfolio-wide review of portfolio companies' impact and ESG performance. This is an opportunity for Double Impact to review the portfolio's performance for the prior year and goals for the current year.

Reporting

BCDI typically shares an impact and ESG performance report with its portfolio companies following the annual ESG and impact data submission and review process. This report reflects the respective portfolio company's year-over-year performance, benchmark analysis on core KPIs, and key areas for improvement for the coming year. Management teams are encouraged to share the report with

their respective board and are asked to provide an update on action plans for addressing areas of underperformance.

BCDI also uses the annual data provided by portfolio companies to report to Double Impact's investors. Aggregate impact and ESG performance, as well as case studies, are shared with investors during Double Impact's annual investor meetings. Double Impact also publishes portfolio company-level impact and ESG data for all of its investors on Double Impact's investor site.

These investor-facing reports are in addition to publicly available impact results for each portfolio company published on the Double Impact [website](#).

Principle 7: Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Ensuring the longevity and sustainability of impact outcomes is core to BCDI's operational additionality. When exploring opportunities to exit an investment, BCDI considers the effect an exit will have on customers, employees, and other stakeholders.

During the sale or exit process for a portfolio company, Double Impact includes the impact and ESG results in reports and presentations given to prospective investors. This reinforces our belief that we see impact as a value-driver for companies in our portfolio.

The Double Impact team has a framework to evaluate the impact performance of the company's business relative to expectations during our underwriting for the investment and the likelihood the impact will be sustained after the investment is exited. This analysis is typically presented to the Investment Committee at a Final Exit IC meeting.

When possible, BCDI seeks to obtain a commitment from the buyer/subsequent investor, providing for continued support of the impact initiatives at the company. This commitment can be in the form of an impact covenant from the buyer/subsequent investor that is included in the purchase agreement, which can then be integrated into the transition documents or future plans for the business.

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

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Double Impact works to ensure that our approach is aligned with market-leading impact measurement and management best practices. We achieve this through various avenues. The first is through the BCDI Portfolio Review process which, as stated previously, entails a portfolio-wide review of all portfolio companies' impact, ESG and commercial performance. This is completed twice per year. Taking a portfolio-wide view allows the BCDI team to evaluate trends, share best practices, and identify areas for improvement and focused engagement moving forward. This multi-day review process results in an action plan detailing next steps for each portfolio company and for the Double Impact portfolio overall.

BCDI's Impact Advisory Council (IAC) supports continued refinement of BCDI's impact approach. The group, made up of leaders from the healthcare, sustainability, education, and impact investing industries, provides expert judgement and external perspective on relevant topics. The IAC meets with the Double Impact team throughout the year; agendas for discussions may include a review of progress across the portfolio and/or additional guidance on areas for improvement.

Double Impact has also worked with third-party firms to evaluate our impact measurement and management approach for alignment with the Impact Principles and other common standards and frameworks. This work was completed in 2020, 2023, and most recently in June 2024. During each engagement, Double Impact was provided with a set of recommendations for how our practices could evolve. Where applicable and appropriate, recommendations have been incorporated into Double Impact's approach.

On a day-to-day basis, BCDI team members are responsible and accountable for implementing and integrating best practices for impact management and measurement, including BCDI's Portfolio Group team and BCDI's dedicated impact and ESG team member who leads impact and ESG measurement and reporting and cross-portfolio and cross-firm calibration.

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

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Double Impact engaged BlueMark, a Tideline company, in prior years to complete a review of our impact measurement and management processes and policies. BlueMark’s assessment findings cover both areas of strength and areas for improvement, as reflected in the 2023 Verifier Statement.

BlueMark, a Delaware-registered public benefit company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to “strengthen trust in impact investing” and to help bring more accountability to the impact investment process. BlueMark has office locations in London, UK; New York, NY; and Portland, OR; and is headquartered at 154 W 14th St, 2nd Floor, New York, NY 10011. Its outside investors include S&P Global, Temasek Trust Capital, Blue Haven Initiative, Gunung Capital, Tsao Family Office, Ford Foundation and Radicle Impact. BlueMark’s verification does not constitute either an endorsement of the client’s practices or a verification of the resulting impacts achieved.

Bain Capital Double Impact received Advanced ratings on all 8 Impact Principles. For additional information on these processes and results, please see our BlueMark Verification Statement for our [April 2023 results](#). Additionally, Double Impact has been recognized by BlueMark as a Practice Leader for three years in a row.⁷ As a signatory to the Operating Principles for Impact Management, Double Impact commits to completing independent verification at regular intervals, likely every three years. The next independent third-party verification is expected to be completed in 2026.

⁷ Recognition received in 2022, 2023, and 2024. While Bain Capital did not pay cash or non-cash compensation to be recognized as a “Practice Leader” by Bluemark, Bain Capital did pay to have our processes and approach verified and rated in December 2020 and April 2023.