

2022 diversity, equity and inclusion metrics for BDC Capital's portfolio

December 2022

Strong involvement from BDC Capital GPs



Templates sent to 71 GPs¹	That manage 115 Funds	Invested in 1,000+ Companies	Result: 80% Response rate²
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Observations on the 2021 DEI reporting data collection effort

- Of GPs that reported, 93% of GPs provided self-reported³ DEI data
- GPs had difficulty reporting on sexual orientation: 25% of GPs left this field blank
 - GPs may not be comfortable asking their team this question
 - Employees may fear being “outed”
- 47% of GPs did not report on veterans
 - GPs likely not accustomed to asking about military service
- GPs had difficulty collecting portfolio company data

1: Indirect fund managers (excl. VCCI/VCAP) as of December 31, 2021 + BDC Internal GPs. Includes U.S.-based GPs in the indirect portfolio.

2: Response rate = GP templates received/Total GP templates distributed

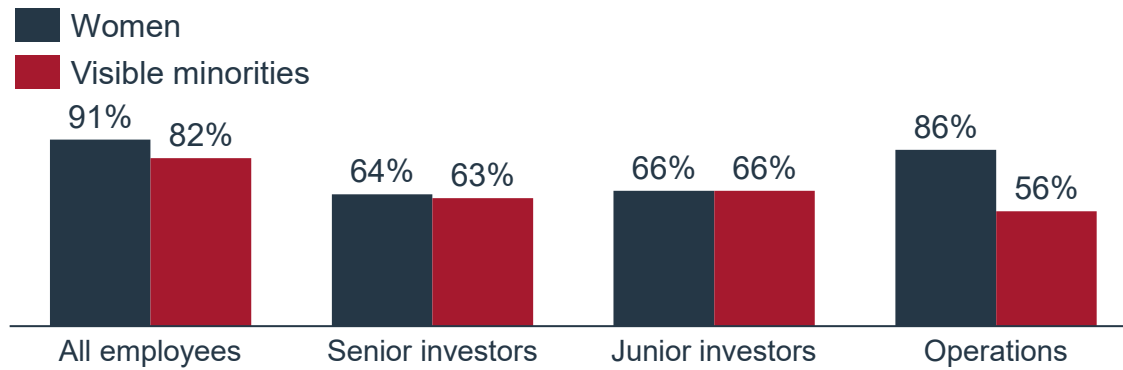
3: Self-reported data indicates employees willingly disclosed their diversity identity to the GP

Note: Statistics include 11 BDC internal GPs unless otherwise stated

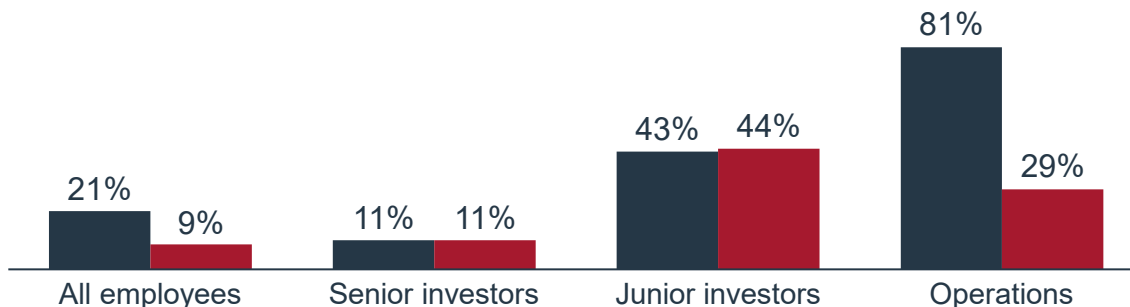
Greater gender and racial diversity is found at the junior and operational levels of GPs



Percentage of GPs that have at least one woman and visible minority on their team, per role



Percentage of GPs that have at least 50% women and visible minority representation on their team, per role



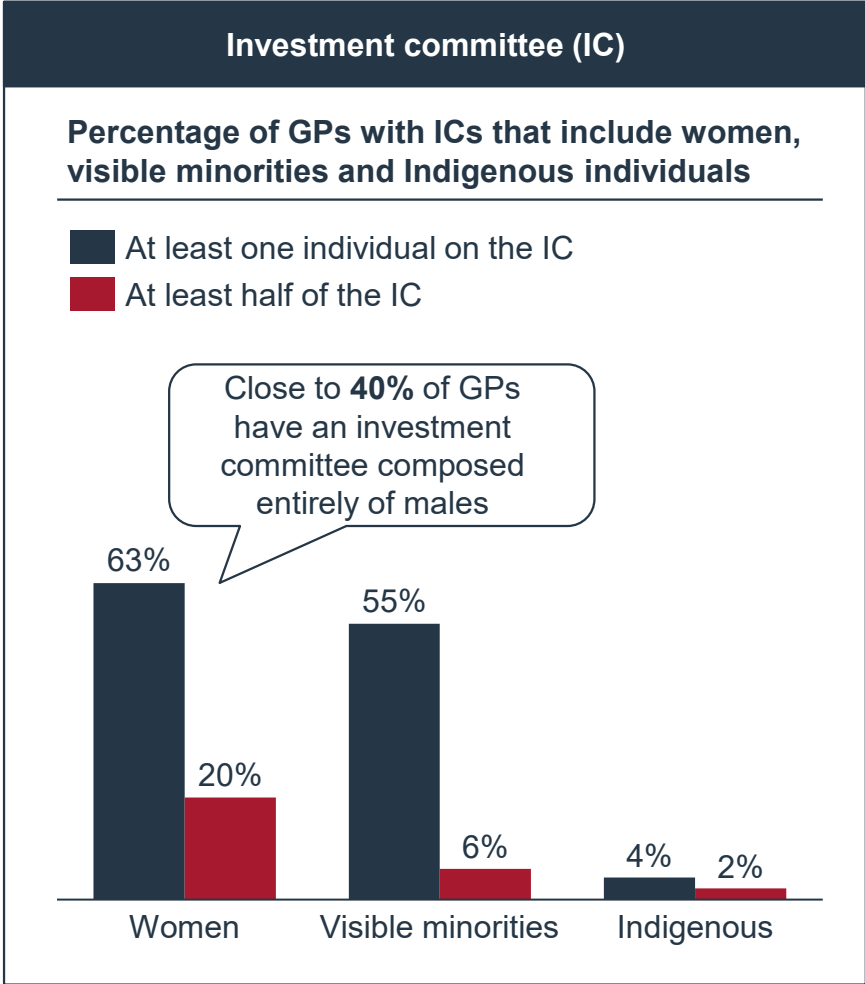
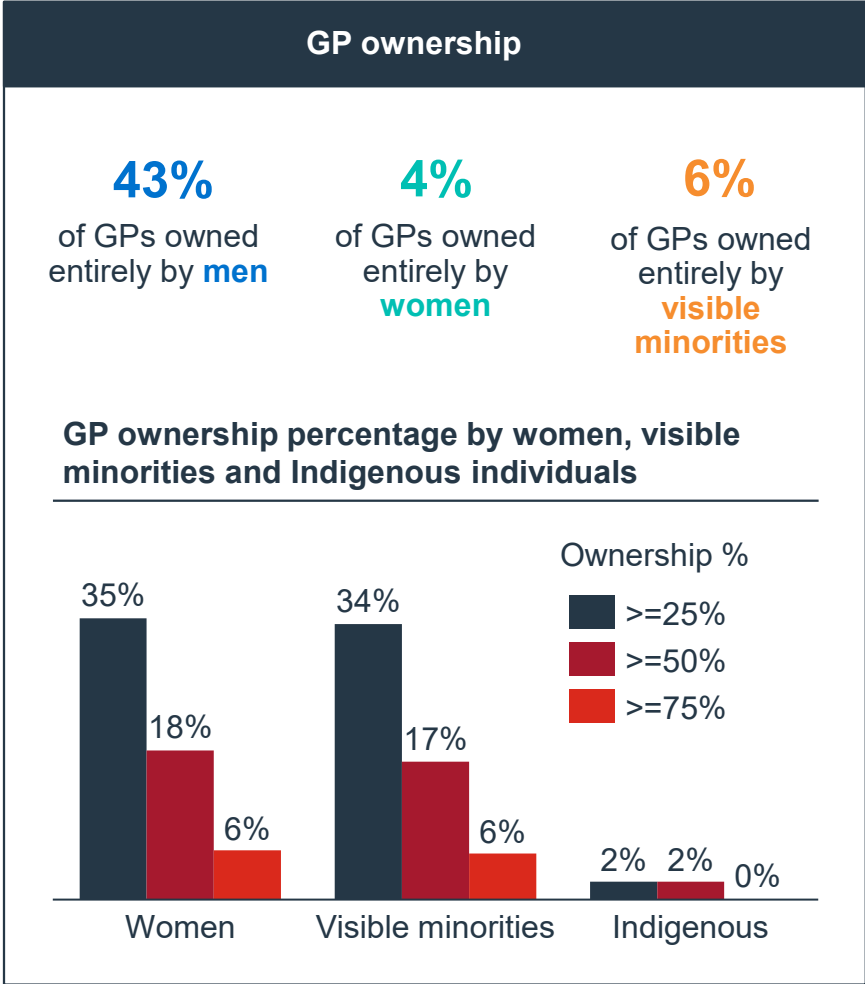
Less diversity is found among senior investment roles, mirroring findings from the [2021 CVCA State of Diversity and Inclusion report](#).

Additional results

Of GPs that responded:

- **6%** (3 GPs) have at least one Indigenous employee
- **26%** have at least one LGBTQ2+ employee
- **21%** have at least one employee with a disability
- **1** GP reported having a veteran on their team
- **1** GP reported having an individual who identifies as nonbinary on their team

There is a lack of diversity in GP ownership and investment committees

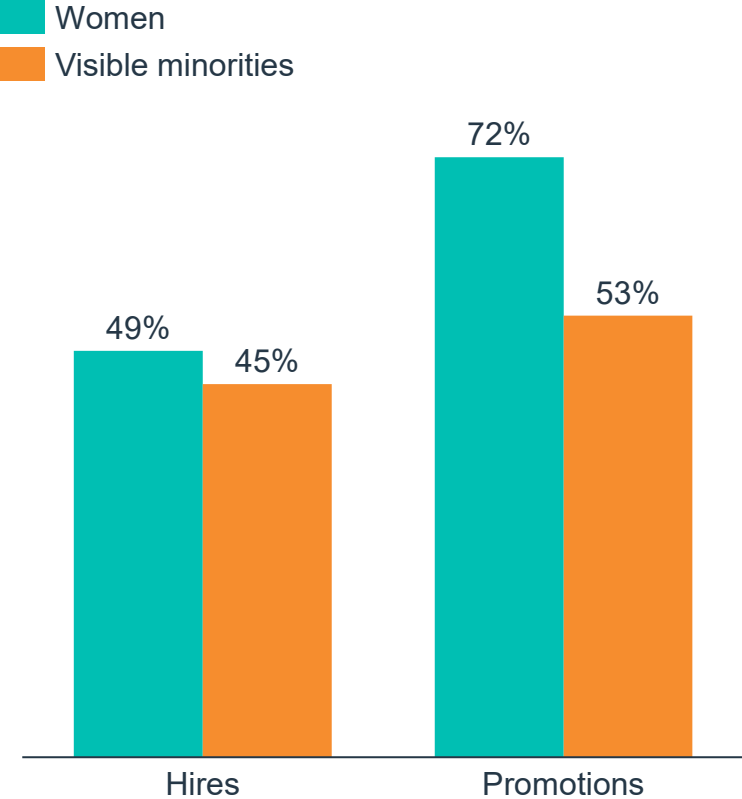


Note: Sample size varies across categories.

GPs are taking steps to increase diversity, but retention appears difficult in a competitive labour market



Percentage of GPs whose hires and promotions included at least 50% women and/or visible minorities



72% of GPs that promoted team members in 2021 promoted women at least half of the time, while **53%** promoted visible minorities at least half of the time.

49% of GPs that hired new team members in 2021 hired women at least half of the time, while **45%** hired visible minorities at least half of the time.

While these findings are encouraging and show that GPs are taking steps to improve diversity, data shows that at least half of departures were women and visible minorities at **48%** and **38%** of GPs, respectively. This could suggest retention of diverse hires has become difficult in the current talent market.

Percentage of GPs whose departures were composed of at least 50% women and/or visible minorities



Note: Sample size varies across categories.

GPs struggle to go beyond the basics in integrating DEI policies into their organization and investment process

The industry has advanced in several key areas ...



Have steps to remove bias from the hiring process and/or widen the applicant pool



Have a family leave and/or promote flexible work policies



Provide mental health support to their employees and/or portfolio companies



Volunteer/partner with associations or initiatives promoting DEI

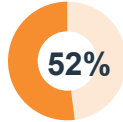


Have a standard code of conduct and/or anti-discrimination policy

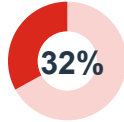


Have a harassment reporting system or an independent ombudsman

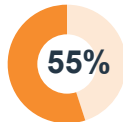
... but there is still room for improvement.



Have an organizational DEI statement/strategy and/or Chief Diversity Officer/Champion



Have mentorship/training programs tailored to diverse hires



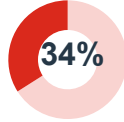
Incorporate DEI questions during diligence



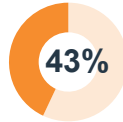
Have organizational culture surveys and methods to track progress



Have diversity targets for portfolio company boards or management teams



Provide specialized training (e.g. leadership, anti-harassment, cultural competency)



Track and report on deal flow demographics



Provide office hours for underrepresented founders

Note: BDC internal GPs not included. Sample size varies across categories.

Portfolio company data proved difficult to collect

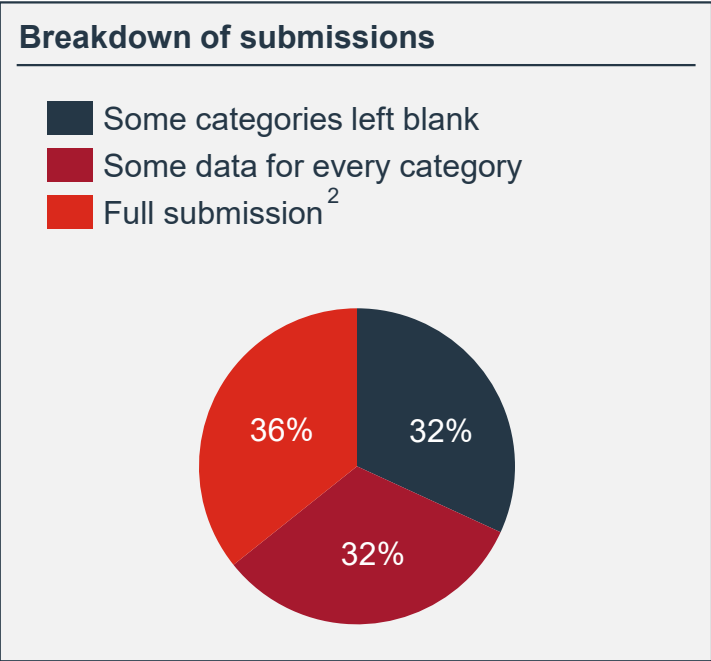


Submission statistics

1115¹
Submissions
expected

544
Submissions
with data

49%
Response
rate



- ### Observations
- GPs cited privacy concerns; some GPs only provided data for their Canadian companies
 - Question on self-reported data not answered consistently
 - For submissions received, **gender was most reported**, followed by visible minority data
 - Data on Indigenous peoples, members of the LGBTQ2+ community, veterans and persons with disabilities were all **less likely** to be provided
 - Data for these categories was received less than a quarter of the time

1: Unique count of unrealized and partially realized assets in underlying portfolio (inc. US assets) as of Dec 31, 2021 adjusted for exits occurring between Dec 31, 2021 and March 31, 2022.

2: Every requested field is filled-out, including zeros

Companies lack diversity at the leadership level, especially on the board of directors



Selected results from data collected at from portfolio companies

All employees

- **94%** have at least one woman employee, **85%** have at least one visible minority employee
- **28%** of companies that reported disability data have at least one employee with a disability
- **42%** of companies that reported LGBTQ2+ data have at least one LGBTQ2+ employee

Board of directors

- **Almost half** of all companies have a BoD composed entirely of men
- Gender parity exists on only **11%** of boards
- **55%** of boards do not have a visible minority member

Management team

- **21%** have at least gender parity on the management team
- **41%** don't have a visible minority in management, **26%** don't have a woman in management
- Only **3%** of companies have an Indigenous person on the management team

DEI policies and code of conduct

- **82%** of companies have a code of conduct or anti-discrimination policy in place
- **64%** of companies have DEI policies, practices and initiatives

Note: Asset data sample sizes vary and are small in some cases.



Appendix

Definitions



Race and ethnicity

Visible minorities	Persons, other than Indigenous peoples, who are non-Caucasian in race or non-white in colour. The visible minority population mainly consists of the following groups: Arab, Black, Chinese, Filipino, Japanese, Korean, Latin American, South Asian, Southeast Asian, West Asian.
Indigenous peoples	First Nations Peoples, Metis Nation, Inuit, and other Indigenous Communities.

Gender

Women	An individual self-identifying as a woman, not exclusively cisgender individuals.
Men	An individual self-identifying as a man, not exclusively cisgender individuals.
Nonbinary	A person who identifies with or expresses a gender identify that is neither entirely male nor entirely female.

Additional diversity information

LGBTQ2+	A person who identifies as a member of the LGBTQ2+ community.
Veteran status	A person who has been honourably discharged following service in any branch of the military.
Persons with disabilities	A person with long-term physical, mental, intellectual or sensory impairment(s), which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.

Definitions



		(GP) Investment professionals
Senior investment team	Firm and investment leadership (Partners and C-level executives)	For example, CEO, President, Managing Partners, Partners and Managing Directors with primary responsibility for overall leadership of the management company and oversight of the investment team, sometimes defined as the executive committee. May or may not be directly involved in sourcing, evaluating, executing and managing deals. Typically responsible for final deal decisions, including exits. Typically participates in any carried interest earned from exited deals and/or profits of the management company. Does not include operations leadership.
	Senior investment professionals	Investment professionals who serve in a decision-making capacity but are not part of firm leadership, e.g., may include Managing Directors, Senior Directors and Directors with a meaningful role in sourcing, recommending and leading investments and contributing to firm investment decision-making. May include dedicated portfolio company operating partners that work closely alongside deal professionals in managing investments.
Junior investment team	Other investment professionals	For example, Principals, Vice Presidents, Associates, Analysts. Primarily responsible for sourcing, evaluating, executing, managing and supporting deals. May or may not participate in carried interest earned from exited deals and/or profits of the management company.
		(GP) Non-investment professionals
Operations team	Operations and administration leadership (Partners and C-level executives)	For example, CFO, COO, CAO, CCO, General Counsel, CHRO, IR Partner, Managing Directors or partners on a non-investment team. Primarily responsible for leadership of the finance, marketing, investor relations, legal, and administrative teams (and any other unit detailed below). May or may not have input on final investment decisions (typically operational improvements). Typically participates in any carried interest earned from exited deals. May or may not participate in any profits of the management company.
	Other operations and administrative professionals	Operation professionals/Entrepreneurs in residence, marketing/investor relations/communications, financial/accounting, legal/compliance, administrative, other operations/administration team members.