



CLIMATE TRANSPARENCY REPORT 2019

Bridges Fund Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-2224D7C6-98AF-4D7C-9062-97D78A390531/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Bridges Fund Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Property Internally Managed
Signed PRI Initiative	2009
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	97% from 38 Voluntary indicators

Bridges Fund Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Other, specify (1) Impact investment framework <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Please see here our Responsible Investment Policy

<http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf>

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Please see here our Responsible Investment Policy

<http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf>

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Across our funds, our Sustainable Living investments have been addressing challenges outlined in SDG #13. For example we've invested in businesses that divert waste from landfill, promote a more sustainable approach to food and farming and we've refurbished buildings to make them more energy-efficient.

In our property funds for example we screen for following risks and opportunities:

Risks

- Avoid areas with high risk of flooding without mitigation measures / food defences
- Assess the risk of overheating and structural stability in new developments
- Assess the impact of climate change on biodiversity and select climate resilient planting

Opportunities:

- Incorporate renewable and energy efficiency reducing dependency on fossil fuels whilst reducing carbon dioxide emissions
- Resource efficiency, materials and embodied carbon for example using Cross Laminated Timber in low rise construction to reduce programme, costs and environmental impact
- Using thermal mass minimising energy consumption and future retrofit of air conditioning

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

Yes, for example in our property funds these risks have been assessed in new developments.

Timescales modelled vary with regards to each assessment. For example in the property funds flooding or drainage assessments usually take into consideration 1 in 100 year plus climate change flood level, with an

increase in rainfall intensity for climate change of 40%. Overheating assessments usually take different scenarios, a year with moderately warm summer, a year with more intense single warm spell and a year with a long period of persistent warmth and/or use future weather data following UK Met office climate change projections for 2020,2050, 2080 high, medium and low emissions scenarios.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

Bridges is currently evaluating how the recommendations of the TCFD could be implemented across our funds in order to report on this in the future. To that we're analysing the procesudres required with regards to governance, strategy, risk management and metrics.

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Bridges mission is to invests for social and environmental change.

Bridges Sustainable Living impact theme is hence a key investment strategy across our funds. We've identified oppotunities addressing challenges connected to SDG #13 as outlined above.

Bridges also always tries to manage it's negative effects - to that end we screen for climate-related risks across our investments and work with our portfolio companies to reduce our negative effects. There is a strong business case to manage those risks across our portfolio and we believe that SME's must play a a role in order for the UK to reduce its Co2 emissions and achieve the Paris Climate Goals. To manage those risks more effectively we've developed an environmental reporting tool across the portfolio to measure carbon and cost from energy, fleet, waste and water on a quarterly basis in the future.

We are developing a holistic assessment that takes into consideration the materiality of climate change related risks in our investments, defines a range of scenarios for each asset class to evaluate transition and physical risks, assist us to evaluate the impacts on our investments and business models, identify potential risk, opportunitites and responses and how to disclosure the information internally and to third parties.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
--------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{hyperlink:<http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf>}

- Attachment (will be made public)
- Formalised guidelines on environmental factors

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{hyperlink:<https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf>, <http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf>}

- Attachment (will be made public)
- Formalised guidelines on social factors

	URL/Attachment
--	----------------

- URL

URL

{[hyperlink:http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf](http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf)}

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf](https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf)}

- Attachment (will be made public)
- Asset class-specific RI guidelines
- Sector specific RI guidelines

URL/Attachment

- URL

URL

{[hyperlink:http://bridgesfundmanagement.com/publications/better-outcomes-better-value-evolution-social-impact-bonds-uk/](http://bridgesfundmanagement.com/publications/better-outcomes-better-value-evolution-social-impact-bonds-uk/)}

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf](https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf)}

- Attachment (will be made public)
- Other, specify (1)

Other, specify (1) description

Impact investment framework

URL/Attachment

- URL

URL

{hyperlink:https://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf}

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

{hyperlink:http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf}

- Attachment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches

URL/Attachment

- URL

URL

{hyperlink:http://www.bridgesfundmanagement.com/wp-content/uploads/2017/08/Bridges-2013-Impact-Report-screen.pdf}

- Attachment
- Reporting

URL/Attachment

- URL

URL

{hyperlink:http://www.bridgesfundmanagement.com/bridges-annual-impact-report-2017/}

- Attachment
- Climate change
- We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
----------------	------------------------------------

Please note: Our Annual Impact Report 2018 will be published shortly.

We also have:

A Sustainable Property Policy: <http://dev.bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Sustainable-Property-Policy-2017.pdf>

An ethical charter: <http://dev.bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Ethical-Charter-2017.pdf>

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
-----------------	-----------	--------	-------------	---------

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
-------------------	---

	Board members or trustees
--	---------------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
--	---

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or head of department
--	---

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Portfolio managers
--	--------------------

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC** For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The Bridges Fund Management Board is responsible for our Responsible Investment Policy and Ethical Charter. The Partners on the Board are responsible for ensuring that we do all in our power to conform to the letter and spirit of this Policy and Charter.

Our Responsible Investment Policy can be found here: <http://bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Responsible-Investment-Policy-2017.pdf>

Our Ethical Charter can be found here: <http://dev.bridgesfundmanagement.com/wp-content/uploads/2017/03/Bridges-Ethical-Charter-2017.pdf>

**SG 07.7
CC** For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.

For each of our four key impact criteria, we have a scoring guide that enables us to analyse both impact return and risk. Pre-investment, the scores informs due diligence and will be considered by management during the Investment Committee. Post-investment, they act as a portfolio management tool, so that we can monitor the impact risk/return profile of each investment (and therefore of each fund) on an ongoing basis.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
--------------	------------------	---------------	--------------------	--------------

SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

We use climate change scenario analysis and/or modelling in our property funds to assess for example physical risks like structural stability above and below ground, overheating, flood risk, CO2 emissions, habitats and resource use.

- Yes, to assess future climate-related risks and opportunities

Describe

We use climate change scenario analysis and/or modelling in the property funds to select resilient building construction, decrease energy and future CO2 emissions (for example by simulating building behaviour under different weather scenarios and selecting appropriate services strategies that are future proofed and decrease maintenance and replacement cost).

- No, not to assess future ESG/climate-related issues

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13 CC

Voluntary

Public

Descriptive

General

SG 13.4 CC

Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

We use climate change scenario analysis and/or modelling in the property funds to select resilient building construction, decrease energy and future CO2 emissions (for example by simulating building behaviour under different weather scenarios, and selecting appropriate services strategies that are future proofed and decrease maintenance and replacement cost).

- Incorporation into investment analysis

Describe

We have used different scenarios in our property funds, with regards to climate change physical risks (embodied and operational CO2 emissions) and transition (public perception of sustainable dwellings) to build our latest residential development. It is built out of Cross Laminated Timber (CLT), a renewable material that saved 1,600 tonnes of CO2 in embodied energy in comparison to traditional construction (BAU), using timber from sustainable sources, reduced waste in construction and CO2 emissions in operation as timber is a better insulant than concrete, minimised environmental impact to neighbours with regards to traffic, noise and air quality, shorten the construction programme and reduced costs.

Inform active ownership

Describe

In our property funds we have developed user guides for our residents with regards to how to occupy their homes under different climate seasons and scenarios.

Other

**SG 13.5
CC** Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

specify

Building occupants

**SG 13.6
CC** Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

Yes

Describe

Yes, Bridges considers climate change material risks beyond the investment time-horizon, as described above in case of flooding, structural stability, CO2 emissions reduction, overheating, etc.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> Met Office UK Climate Projections
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
-------	---	--------	---------------------	-------

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Bridges' impact-driven approach focuses on four impact themes - Health and Well-being, Education and skills, Sustainable living, and Underserved markets.

- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			303	710	078
Currency	GBP				
Assets in USD			389	050	378

Specify the framework or taxonomy used.

Total low carbon and climate resilient AuM is £303,710,078.0 including PE and property.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Support our portfolio companies to comply to the Energy Savings Opportunity Scheme.

- None of the above

SG 14.5

Additional information [Optional]

Over the last few years Bridges has actively supported the development of a common ESG measurement and benchmarking standard by working closely with the non-profit B Lab in developing the B Impact Assessment - the questionnaire that powers the B Corp certification. A partner from the Bridges Impact+ team is an active member of the B Lab UK Standards Advisory Council, ensuring this US-founded benchmark is accurately applied in a UK context. The use of the tool has now been incorporated into our assessment of ESG issues.

The benefits of B Impact Assessment are two-fold.

First, it helps us identify and monitor the most material risks and opportunities. KPIs used to track progress against these areas are aggregated into 'Impact Scorecards', and are regularly reviewed at company board meetings and our own internal portfolio review meetings.

Second, it helps us drive deeper engagement across the four key stakeholder areas (workers, community, environment & governance). Management teams are able to use the 'Improve your score' resources to better understand how to get top marks in each ESG area. As such, management teams feel greater ownership of the ESG process - while the recommendations are more likely to become real objectives during the initial 100-day plan and subsequent investment period.

Based on the B Impact Assessment results and our own analysis, during due diligence we work with management to develop Key Performance Indicators ("KPIs") e.g. around the carbon footprint that tell us whether the company is achieving impact through what it sells or where it is located (outcome KPIs), as well as through how it is operating (ESG factors that signal risks as well as opportunities to create additional value).

Also, Bridges is introducing an environmental reporting tool to capture a more complete set of data on the environmental impact of our portfolio companies. We believe there is a clear business case and have piloted the tool over the last couple of months with some of Bridges' portfolio companies. Going forwards, we are providing free access to the tool to accurately track key environmental indicators including Carbon Footprint, waste efficiency and water usage. This data will also feed into work, co-ordinated by Bridges, to meet the Energy Saving Opportunity Scheme ("ESOS") regulation that impacts each business in the portfolio.

SG 14 CC

Voluntary

Public

General

**SG 14.6
CC**

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Carbon emissions reductions in our new property developments	% over the baseline (standard new built property)	KgCO2/yr / Building simulation
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Minimise carbon dioxide emissions to atmosphere and find opportunities for improvement	KgCO2 emissions or tonnes of CO2	Energy audits
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Understand our overall impact	KgCO2 emissions or tonnes of CO2	Mix, mostly energy audits and internal assessment
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Understand energy efficient assets	tonne of CO2 per sqm	(tCO2e) from energy-related floor area (m2) from energy audits

**SG 14.7
CC**

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Year	% CO2 improvement of new developments versus standard new construction	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

Prior to making an investment, we consider the positive and negative effects across different stakeholders. To identify ESG risks and opportunities Bridges uses the B Impact Assessment - the questionnaire that powers the B Corp certification.

Based on the B Impact Assessment results and our own analysis, during due diligence we work with management to develop Key Performance Indicators ("KPIs") e.g. around the carbon footprint that tell us whether the company is achieving impact through what it sells or where it is located (outcome KPIs), as well as through how it is operating (ESG factors that signal risks as well as opportunities to create additional value).

- Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------------	--	---------------	--------------------	--------------

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

100

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Private equity

% of AUM

19

Property

% of AUM

95

Other (1)

Brief description and measures of investment

One of our four impact themes is sustainable living. Across our funds, we seek investment opportunities that meet these challenges, such as decentralised renewable energy generation, waste recycling and waste water treatment and recycling.

Our Sustainable Growth Fund ("SGF") III has two investments within this theme:

World of Books Ltd ("WOB"), a circular economy business that resells or recycles used books. This reduces the need to print new copies as well as ensures that books not resold are recycled into pulp, used in corrugated cardboard, rather than sent to a landfill.

Vegetarian Express ("VE"), a food supplier that sources and provides plant based foods to restaurants and businesses in the UK. The environmental footprint of rearing and transporting meat is huge compared to plant based alternatives and VE aims to help address this issue by encouraging the replacement of meat with plant based proteins on the menus of their customers.

Renewable energy

Green buildings

Asset class invested

Private equity

Property

% of AUM

95

Other (1)

Brief description and measures of investment

In our Property Funds, we partner closely with both the developer and operator, agreeing upfront on the 'win-win' strategy of creating commercial and societal value. For example, by partnering closely with Castleoak and Barchester through our Property funds, we have established that an increased spend on environmental features can translate into lower energy costs over time. As a result, we have developed some of the UK's most environmentally-friendly care homes. The care homes in Kent and Cheshire were the first BREEAM Excellent rated homes constructed in the UK. The care home in Northamptonshire was the first care home to be constructed utilising the highly sustainable Passivhaus method of construction.

In our new residential led developments we are aiming to save 35% of CO2 emissions relative to the baseline scheme - which results in direct cost savings to occupants. In the Old Vinyl Factory in Hayes, we have saved embodied carbon, cost and time / programme by building the boiler house out of Cross Laminated Timber, which has saved 1,600 tonnes of CO2, equivalent to operate the development as carbon neutral for the first 30 years in operation and achieved a 52% COe missions reductions against standard new built construction.

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

Private equity

% of AUM

100

Property

% of AUM

39

Other (1)

Brief description and measures of investment

SMEs contribute disproportionately to job creation, accounting for 60% of private-sector employment and nearly half of private-sector turnover. Yet small companies struggle to innovate and grow without access to skills and support. In addition to all investments in our Sustainable Growth Funds being SMEs, Bridges has long supported hubs of enterprises that encourage ideas sharing, collaboration and competition, all of which promote productivity.

In our Property Fund (BPAF III) we have invested in strategic niche sectors (SME workspace) and value situations (industrial parks, secondary offices and business parks) and are supporting circa 2,900 SMEs through our investments in Evans Easyspace and Flexspace portfolios, Middlemarch and Beeston Business Parks that expect to provide workspace for over 15,000 jobs.

- Social enterprise / community investing

Asset class invested

- Private equity

% of AUM

100

- Property

% of AUM

100

- Other (1)

Brief description and measures of investment

Based on the PRI's definition of social enterprise/ community investing, 100% of our funds are invested for positive social and environmental change.

In our Growth Funds we look to invest in ambitious, profitable organisations that have a strong social purpose, a clear competitive advantage and high growth potential. Through our property funds we enable lower cost housing and regeneration of disadvantaged areas.

Furthermore, through our social sector funds we support charities and social enterprises delivering services with high social impact.

In 2016 we launched the Bridges Evergreen Holdings Fund that provides patient capital and operational support to businesses with a social purpose. The Bridges Social Entrepreneurs Fund aims to address the funding gap often faced by fast growing social enterprises looking to scale, and the Bridges' Social Impact Bond (SIB) Fund. The SIB fund was the first of its kind worldwide. It provides working capital and support to charities and social enterprises delivering services to the public sector, on a payment by results basis.

- Affordable housing

Asset class invested

- Private equity

% of AUM

2

- Property

% of AUM

2

- Other (1)

Brief description and measures of investment

Four of our investments across the Social Sector Funds (2%) provide subsidised housing for vulnerable young adults and families at risk of becoming homeless. These organisations also provide a range of other support services to help young people into education, training or employment, reducing the risk of homelessness.

In our property funds, all residential investments during the year have an allocated proportion of affordable homes as part of the development.

Education

Asset class invested

Private equity

% of AUM

12

Property

% of AUM

0

Other (1)

Brief description and measures of investment

12% of our Social Sector Funds AUMs are in Education.

An investment in our Social Entrepreneur fund, London Early Years Foundation ("LEYP") is a charitable social enterprise that provides early years education through nurseries in London. Its mission is to build a better future for London's children, families and local communities through a commitment to excellence in early years education, training and research. LEYP operates in some of the most disadvantaged areas in London, where there is typically an under-supply of high quality nurseries. It operates an innovative 'balanced portfolio' business model which enables it to provide a consistently high quality of nursery education in all the areas in which it operates. As a charity, all surpluses are re-invested to support its mission.

This year we have been managing six SIB programmes aimed at tackling the rising number of young people not in education, employment and training. As an example, the social impact bond-backed Unlocking Potential programme is working across Greater Merseyside where, with seven unemployed people for every job vacancy, the barriers to entry for young people are particularly high. Its targeted programme is helping young people turn their lives around, getting them back on track for long-term success.

Global health

Asset class invested

Private equity

% of AUM

41

Property

% of AUM

10

Other (1)

Brief description and measures of investment

Bridges has a number of health-driven investments, across our funds. Two examples from our Sustainable Growth and Evergreen Holdings below:

Alina, a domiciliary care business backed by the Sustainable Growth Funds - where there is a strong emphasis on establishing a comprehensive staff recognition, reward and training programme. Staff receive refresher training, group and individual supervisions, as well as tailored specialist training, all with set minimum hours. These go well beyond the industry norm, where the tendency is to provide refresher training only to the extent that is required by regulation.

Shaw healthcare, was the second investment of our Evergreen Holdings vehicle. Shaw healthcare, an employee-owned care provider is one of the UK's leading providers of residential and nursing care for the elderly, helping to address the urgent under-supply of quality provision by providing high-quality, affordable residential and nursing care to the elderly.

Water

Other area, specify

No