



LEA 02	Disclosures Monetary	Reason Gateway	Principle PRI 1,2,3
<p><b>Type of engagement</b> Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in internal staff</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> </ul>		
<p><b>Type of engagement</b> Collaborative engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> </ul>		
<p><b>Type of engagement</b> Service provider engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage in service provider</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company relevant ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> </ul>		

# RI TRANSPARENCY REPORT

## 2013/14

Bridges Ventures

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Public							✓
PE 02	Typical level of ownership	✓	Public							✓
PE 03	Description of approach to RI	✓	Public	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	✓	Public				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	✓	Public	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 11	Encouraging improvements in investees	✓	Private	✓	✓					
PE 12	ESG issues impact in selection process	✓	Public	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 16	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 18	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	✓	Private	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	✓	Private							✓

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Public							✓
PR 02	Breakdown of assets by management	✓	Public							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Description of approach to RI	✓	Public	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Public				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

# Bridges Ventures

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Bridges IMPACT+ is an advisory function within Bridges Ventures, providing practitioner-led advisory services that promote the growth of the sustainable and impact investment industry.

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Execution and advisory only services

OO 01.2 Additional information. [Optional]

Bridges is committed not only to promoting financial and societal returns through its own funds but also to supporting the growth of the wider sustainable and impact investment sector. It is in this spirit that we have established Bridges IMPACT+, an advisory function within Bridges. Each year, Bridges IMPACT+ takes on a small number of projects where we believe that our expertise in combining financial and social returns can make a real contribution to the growth of the market. In the past year Bridges IMPACT+ has engaged with a broad range of leading organisations, including The Rockefeller Foundation, Mars Inc., Bank of America Merrill Lynch, Oxfam, Comic Relief and the African Private Equity & Venture Capital Association. While many of our projects are bespoke to clients, we also disseminate public research whenever we see an opportunity to support the sector's thinking. These range from market analysis to specific product development research.

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

**OO 02.2** | Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** | Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

30

**OO 03** | **Mandatory** | **Descriptive** | **General**

**OO 03.1** | Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** | **Mandatory** | **Gateway/Peering** | **General**

**OO 04.1** | Indicate the year end date for your reporting year.

31/03/2014

**OO 04.2** | Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			340	000	000
Currency	GBP				
Assets in USD			529	549	369

**OO 04.3** | Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 04.4** | Additional information. [Optional]

We have indicated our Funds under Management figure.



OO 06.1	To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.
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Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	46	0
Property	54	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as broad ranges

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08.1	Indicate the breakdown of your organisation’s AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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<b>OO 09.1</b>	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Bridges Ventures is an innovative specialist fund manager, dedicated exclusively to using an impact-driven investment approach through to create superior returns for both investors and society at-large.

It is a founding principle of Bridges Ventures that all the funds we manage aim to achieve stated social and/or environmental purposes as well as financial returns for investors. This is a key element of our founding documentation and is reflected throughout the company in the way we incentivise our team. Bridges is majority owned by its management team with the Bridges Charitable Trust having a 30% interest and control over any change to the firm's founding commitment to raise only funds with social goals; while the Bridges team also donates 10% of their own profits to the Trust's philanthropic activities.

We believe that market forces and entrepreneurship can be harnessed to do well by doing good. Our investment strategy is to focus exclusively on opportunities where a pressing social or environmental challenge creates a pocket of growth - be it backing businesses in low-income inner-city areas where limited competition and lower costs create strong commercial opportunities, or building environmentally friendly care homes for the elderly to sustain an ageing population.

In addition to an impact-driven investment approach, all our activities are governed by our ethical charter and responsible investment policy which is published on our website.

### Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
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<b>OO 11.1</b>	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Private equity
- Property
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

	Direct - Other asset classes with dedicated modules
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- Private Equity
- Property

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Bridges Ventures

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes
- No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

In pursuing an impact-driven investment strategy, we focus on what companies do (the societal impact of their product/service or location) but also on how they behave (the societal impact of their operating practices). We build these principles into both our portfolio companies and ourselves as a firm.

(A). Our investees: We follow a 3-stage "SET" process to ensure impact is built into the entire investment cycle:

(1) SELECT: We invest exclusively in companies where impact and high-growth potential go hand-in-hand, with a focus on four main themes: Health and Well-being, Education and Skills, Sustainable Living and Underserved Markets. Certain sectors are excluded e.g. alcohol, gambling, arms and pornography.

(2) ENGAGE: We work with our investees to optimise their ESG impacts in ways that protect and improve commercial performance.

(3) TRACK: We track progress to inform timely management decisions, as well as report back to our investors. As an impact-driven investment firm, sustainability indicators form a seamless part of our performance management. At the fund-level, we take a hands-on approach through monthly board meetings and close partnerships. Monthly investment analysis is always multi-faceted, looking at relevant operational, financial, environmental, social and governance data side-by-side. At financial year-end, investees complete a tailored Bridges' IMPACT Scorecard - a comprehensive 'snapshot' of Key Performance Indicators (KPIs) that tell us whether the company is achieving impact through what it sells or where it is located, as well as through how it is operating (ESG factors that signal risks, as well as opportunities to create additional value).

At the investor level, we report financial information quarterly to our LPs, with a yearly Partnership meeting to review the overall performance of the funds: here, we showcase the financial performance of each investment side-by-side with the IMPACT Scorecard, as well as aggregate fund-level financial and impact metrics. This brings to life our approach of using an impact-driven investment strategy to create superior returns. While we do not publicly share financial information, our annual IMPACT Report showcases our investment strategy through case studies of how our portfolio companies are combining social and financial returns. We hope this will inspire others to follow suit.

(B). Ourselves: Bridges is majority owned by its management team with the Bridges Charitable Trust having a 30% interest and control over any change to the firm's founding commitment to raise only funds which combine financial and social goals; while the Bridges team also donates 10% of their own profits to the Trust's philanthropic activities.

We believe that adherence to the Principles of Responsible Investment is good investment practice, and we openly communicate our support of the Principles to our potential investee companies. The standard Bridges Ventures term sheet includes the potential investee's commitment to operating in deprived areas and/or sustainable sectors and we have a reference to our commitment to the Principles in all term sheets. The investment papers that are reviewed by the investment committee include detailed analysis of the key social/environmental impacts of the business.

While we are accountable to our shareholders, we take into account the interests of all our stakeholders. We aim to be commercial and fair, to maintain our integrity and professionalism and to respect the needs of investors, staff, suppliers, the local community and the businesses in which we invest. These standards are embedded in the company culture and reinforced by our recruitment and review process, where our investment team is evaluated not only on their commercial performance but also on the social or environmental value they are able to protect

and create through their investments.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.bridgesventures.com/responsible-investment-policy>

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Bridges IMPACT Methodology	<a href="http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REP_ORT_2013_FINAL.pdf">http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REP_ORT_2013_FINAL.pdf</a>
Our Ethics	<a href="http://www.bridgesventures.com/our-ethics">http://www.bridgesventures.com/our-ethics</a>
Bridges Charitable Trust	<a href="http://www.bridgesventures.com/bridges-charitable-trust">http://www.bridgesventures.com/bridges-charitable-trust</a>

No

OA 03	Mandatory	Core Assessed	PRI 1,2
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**OA 03.1** Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<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

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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**OA 04.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

**OA 04.2** Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

To the extent that conflicts do arise, we have a policy that any conflicted party must declare that conflict and recuse itself from decision-making on that point wherever possible. If a conflict of interest occurs at investment committee, it will be documented in the investment committee papers, along with mitigating actions and reported to our Limited Partners as part of quarterly reporting.

If we have a conflict between funds, the Investors Committees of the relevant funds are consulted.

No

**Objectives and strategies**

<b>OA 05</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**OA 05.1** Indicate if your organisation sets objectives for its responsible investment activities.

Yes



**OA 05.2** Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

**OA 05.3** Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

<b>OA 06</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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**OA 06.1** List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

Add responsible investment objective 1

Objective 1	To share our detailed IMPACT methodology publicly (our approach to integrating ESG factors into the entire investment cycle) in order to solicit feedback and improve.
Key performance indicators	Disclosure of full impact methodology in our publicly-available annual report
Describe the progress achieved	Done. See link at: <a href="http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf">http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf</a>

Add responsible investment objective 2

Objective 2	Training in Bridges IMPACT methodology for all new recruits
Key performance indicators	% new recruits trained
Describe the progress achieved	100% of new recruits have been trained in Bridges IMPACT methodology

Add responsible investment objective 3

Objective 3	To produce a piece of research intended to broaden the market of investors seeking environmental and social objectives, alongside financial
Key performance indicators	# reports produced
Describe the progress achieved	Bridges IMPACT+ authored "Shifting the Lens": A De-risking Toolkit for Impact Investment", with support from Bank of America Merrill Lynch (launched January 2014).

**OA 06.2** List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Upgrade of our data collection platform for environmental, social and governance indicators
Key performance indicators	% data tracked on upgraded system, with 3rd party support

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Deepen our work with new portfolio companies on ESG value creation initiatives
Key performance indicators	# Portfolio companies executing ESG value creation initiatives; est value created, in terms of both impact indicators and financial indicators (if available)

Add responsible investment objective 3 for the next reporting year

**OA 06.3** Additional information.

See: [http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf) for our report sharing our IMPACT Methodology.

See: [http://www.bridgesventures.com/sites/bridgesventures.com/files/BV\\_BoA\\_de-risking\\_report\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/BV_BoA_de-risking_report_FINAL.pdf) for our report on de-risking impact investment.

**Governance and human resources**

<b>OA 07</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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**OA 07.1**

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Our responsible investment policy is such a core part of the Bridges impact-driven approach that all investment professionals are responsible for implementing it from deal origination to execution to portfolio management.

As an impact-driven investment firm, impact/ESG indicators form a seamless part of our performance management. At the fund-level, we take a hands-on approach through monthly board meetings and close partnerships. Monthly investment analysis is always multi-faceted, looking at operational, financial, environmental, social and governance considerations side-by-side. At financial year-end, investees complete a tailored Bridges' IMPACT Scorecard - a comprehensive 'snapshot' of Key Performance Indicators (KPIs) that tell us whether the company is achieving impact through what it sells or where it is located, as well as through how it is operating (ESG factors that signal risks, as well as opportunities to create additional value). The Bridges team reviews and interprets this Scorecard and the Board of the company approves the data.

Our ESG standards are embedded in the culture of the Bridges and are reinforced by our recruitment decisions and our annual performance review process, where our investment team is evaluated not only on their commercial performance but also on the social or environmental value they are able to protect and create through their investments. In addition, Bridges IMPACT+, the advisory function within Bridges Ventures, supports our investment team to integrate impact throughout the investment cycle, helping ensure we both incorporate and contribute to evolving best practices - from investment selection to ESG optimisation to investor reporting.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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**OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles present in your organisation**

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
**Head of IMPACT**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Other role, specify
- Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

Number
--------

2

<b>OA 08.3</b>	Additional information. [Optional]
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Bridges impact-driven investment approach means, in addition to having resources dedicated to Responsible Investment, our ESG standards and activities are embedded in every investment officer's role. These standards are also re-enforced by the culture of the company and by our recruitment decisions and our annual performance review process, where our investment team is evaluated not only on their commercial performance but also on the social or environmental value they are able to protect and create through their investments.

<b>OA 09</b>	Voluntary	Additional Assessed	General
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<b>OA 09.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan
- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other C-level staff or head of department**

**Head of IMPACT**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Dedicated responsible investment staff**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

<b>OA 09.3</b>	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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Bridges responsible investment standards are re-enforced by our recruitment decisions and our annual performance review process, where our investment team is evaluated not only on their commercial performance but also on the social or environmental value they are able to protect and create through their investments.

In addition, the Bridges Charitable Trust has a 30% interest in Bridges Ventures LLP and control over any change to the firm's founding commitment to raise only funds which combine financial and social goals; while the Bridges team also donates 10% of their own profits to the Trust's philanthropic activities.

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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Yes

<b>OA 10.2</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have contributed to PRIs ESG research, with a case study of our responsible investment approach included within the PRI publication "Integrating ESG in Private Equity - a guide for general partners"

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

**British Venture Capital Association**

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We sit on the Committees of both the BVCA Responsible Investment Group and the BVCA Citizenship Advisory Group, both of which meet regularly

- Other collaborative organisation/initiative, specify

Global Impact Investment Rating System (GIIRS)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We sit on the Standards Advisory Committee, which meets regularly

- Other collaborative organisation/initiative, specify

Social Stock Exchange

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We sit on the Admissions Panel, which meets regularly

Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Bridges IMPACT+ is an advisory function within Bridges Ventures, set up specifically to support the growth of the wider sustainable and impact investment industry.

No

<b>OA 11.3</b>	Additional information. [Optional]
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Bridges is committed not only to promoting financial and societal returns through its own funds but also to supporting the growth of the wider sustainable and impact investment sector. It is in this spirit that we have established Bridges IMPACT+, an advisory function within Bridges. Each year, Bridges IMPACT+ takes on a small number of projects where we believe that our expertise in combining financial and social returns can make a real contribution to the growth of the market.

In the past year Bridges IMPACT+ has engaged with a broad range of leading organisations, including The Rockefeller Foundation, Mars Inc., Bank of America Merrill Lynch, Oxfam, Comic Relief and the African Private Equity & Venture Capital Association. While many of our projects are bespoke to clients, we also disseminate public research whenever we see an opportunity to support the sector's thinking. These range from market analysis to specific product development research.

Our research initiatives to-date include:

- Equity-like Capital for Social Ventures (2004)
- Investing for Impact: Case Studies Across Asset Classes (2010)
- The Power of Advice in the UK Sustainable and Impact Investment Market (2012)
- Spectrum of Capital - How we define the market (2013)
- Shifting the lens - A De-risking Toolkit for Impact Investment (2014)

<b>OA 12</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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<b>OA 12.1</b>	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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- Yes
- Yes, individually
  - Yes, in collaboration with others

<b>OA 12.2</b>	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

<b>OA 12.3</b>	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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- Yes, publicly available
  - No
- No

## ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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**OA 13.1** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

Yes

**OA 13.2** Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

Our investment strategy is to invest across four impact themes: Underserved Markets, Sustainable Living, Health& Well-being and Education & Skills. However, we do not specify asset allocation within each of these themes. Certain sectors are excluded from our Underserved Markets theme, e.g. alcohol, gambling, arms and pornography.

No

OA 14	Voluntary	Descriptive	PRI 1
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**OA 14.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**OA 14.2** Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

100

**OA 14.3** Please specify which thematic area(s) you invest in and provide a brief description.

Area

Clean technology

Asset class invested

Private equity

Property

#### Brief description of investment

Operating the only facility of its kind in the UK, Whelan Refining Ltd recycles waste oil to produce base oil - the base for all industrial and automotive lubricants. Since 2006 Whelan has helped to successfully divert over 100,000 tonnes of waste oil from use as a low grade fuel while producing net savings of over 300,000 tonnes of greenhouse gas emissions. In addition to this positive environmental impact, the plant operates out of Stoke-on-Trent which is in the most deprived 8% of wards in England. Whelan has created 31 jobs as well as investing much on suppliers in the area.

Bridges has now exited this investment, with a return representing a 33% IRR and 4.7x the total investment for Bridges Ventures' Sustainable Growth Fund I.

Green buildings

#### Asset class invested

- Private equity
- Property

#### Brief description of investment

A 44,000 sq ft business park comprising 25 office buildings plus a 5.5 acre development site. Solar photovoltaic panels have been installed on all 25 units, providing tenants with 50%+ of free electricity. It is calculated that this will lower the carbon emissions from the site by approximately 60%, whilst generating additional income via the feed in tariff revenue. <http://www.bridgesventures.com/investment/elmbridge-court>

In addition, Bridges has constructed some of the UK's 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. <http://www.bridgesventures.com/investment/pre-let-care-homes>

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

- Private equity
- Property

Brief description of investment

All investments in our Sustainable Growth Funds are SMEs  
<http://www.bridgesventures.com/sustainable-growth-funds-0>

- Social enterprise / community investing

Asset class invested

- Private equity
- Property

Brief description of investment

HCT Group is a transport company operating commercial London red bus routes, yellow school bus routes and Park& Ride services. It uses its surpluses to operate community transport services for those unable to use conventional public transport due to mobility difficulties:  
<http://www.bridgesventures.com/investment/hct-group>

- Affordable housing
- Education

Asset class invested

- Private equity
- Property

Brief description of investment

Babington Business college provides Skills Fund agency-funded apprenticeship training in accountancy, business administration, customer service and financial advice to learners:  
<http://www.bridgesventures.com/investment/babington-business-college-ltd>

- Global health

Asset class invested

- Private equity
- Property

Brief description of investment

A joint venture to develop a series of highly sustainable, pre-let care home developments in partnership with specialist healthcare developer, Castleoak: <http://www.bridgesventures.com/investment/pre-let-care-homes>

CASA is a domiciliary care company operating an employee-ownership model, which gives the staff in this typically low-paid industry both a share of the profits of the business and a voice in how the organisation is run. This is not only beneficial to the staff themselves, but also results in a better quality of care for the service-users: CASA is able to achieve considerably lower staff churn than the rest of the industry which means the service users generally benefit from having one main carer rather than a changing mix of carers which is usually often the case in the sector. <http://www.bridgesventures.com/investment/care-and-share-associates-casa>

Other area, specify

No

**Innovation**

OA 18	Voluntary	Descriptive	General
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<b>OA 18.1</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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Our investment strategy goes beyond Responsible Investing to focus exclusively on opportunities where a pressing social or environmental need creates a commercial opportunity.

We have developed a three-stage "SET" process, and accompanying tools, which ensure we build impact/ESG into the entire investment cycle:

1. Select: We select companies where impact and commercial returns will go hand-in-hand.
2. Engage: We engage with our portfolio companies to manage ESG risks, as well as to identify opportunities to create additional value - opportunities we call "win-wins" because they improve social or environmental performance in ways that also improve commercial performance.
3. Track: We track progress to inform management decisions, as well as report back to our investors. Our IMPACT Scorecard is the tool we use to engage and track our portfolio companies from initial investment throughout the investment-holding period to exit.

Over the last decade, we have learned to focus our impact analysis on four key criteria: Target Outcomes (whether an investment's product/service/location will create positive impact in our target social/environmental themes), Additionality (whether the positive change would happen anyway), ESG (any additional environmental, social and governance risks and opportunities) and Alignment (alignment between an investment's generation of impact and its ability to deliver competitive risk-adjusted financial returns). While we tailor our approach to each type of fund, certain criteria are common to all Bridges' investments and provide a holistic view of an investment's ability to generate positive societal change.

We consider it as important to understand the impact risk of an investment as to understand its potential for impact return. We therefore consider impact returns and impact risks as they relate to each of our key criteria, in order to generate an impact risk/return profile for each investment. We also do this at the portfolio level, in order to understand the overall impact risk/return profile of each fund.

See our IMPACT Methodology for more information:

[http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf)

## Assurance of responses

<b>OA 19</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>OA 19.1</b>	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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Yes

<b>OA 19.2</b>	Indicate who has reviewed, validated and/or assured your reported information.
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- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

No

# Bridges Ventures

## Reported Information

### Public version

#### Direct – Private Equity

## 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.



## Overview

PE 01

Mandatory to Report Voluntary to Disclose

Peering

General

PE 01.1

Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
<b>Total</b>	<b>100%</b>

PE 02

Mandatory to Report Voluntary to Disclose

Peering

General

PE 02.1

Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

PE 03	Voluntary	Descriptive	PRI 1-6
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PE 03.1	Provide a brief overview of your organisation's approach to responsible investment in private equity.
---------	---

We follow a 3-stage "SET" process to ensure ESG considerations are built into the entire investment cycle:

(1) **SELECT:** We invest exclusively in companies where impact and high-growth potential go hand-in-hand, with a focus on four main themes: Health and Well-being, Education and Skills, Sustainable Living and Underserved Markets. Certain sectors are excluded e.g. alcohol, gambling, arms and pornography.

(2) **ENGAGE:** We work with our investees to optimise their ESG impacts in ways that protect and improve commercial performance.

(3) **TRACK:** We track progress to inform timely management decisions, as well as report back to our investors. As an impact-driven investment firm, ESG indicators form a seamless part of our performance management.

PE 04	Mandatory	Core Assessed	PRI 2
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PE 04.1	Indicate if your organisation's investment guidelines for private equity refer to responsible investment.
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☉ Our investment guidelines do refer to responsible investment

<b>PE 04.2</b>	Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].
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Bridges has a distinctive approach to responsible investing, which we call our "IMPACT Methodology". Bridges also has an ethical charter and responsible investment policy, which are published on our website; we are also a signatory to the UN Principles for Responsible Investment.

Bridges' IMPACT Methodology follows a three-step process:

1. Select: We set clear social/environmental criteria of location or sector then use commercial criteria to select our investments.
2. Engage: We engage with our portfolio companies to manage environmental, social and governance (ESG) risks, as well as identify opportunities to create additional value-opportunities we call "win-wins" because they improve social or environmental performance in ways that also improve commercial performance.
3. Track: We track progress to inform timely management decisions, as well as report back to our investors.

We report to our investors the financial performance of each investment side-by-side with an IMPACT Scorecard. This brings to life our strategy of focusing on sectors where underlying social or environmental need creates the opportunity for both commercial returns and positive impacts.

Our responsible investment policy is such a core part of the Bridges impact-driven approach that all investment professionals are responsible for implementing it from deal origination to execution to portfolio management.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

<b>PE 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
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<b>PE 05.1</b>	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
----------------	---

- Yes

**PE 05.2**

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in pre-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases

**PE 05.3**

Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

Bridges has a distinctive approach to responsible investing, which we call our "IMPACT Methodology". Bridges also has an ethical charter and responsible investment policy, which are published on our website; we are also a signatory to the UN Principles for Responsible Investment.

Bridges' IMPACT Methodology was developed in Funds I and II and follows a three-step process:

1. Select: We set clear social/environmental criteria of location or sector then use commercial criteria to select our investments.
2. Engage: We engage with our portfolio companies to manage environmental, social and governance (ESG) risks, as well as identify opportunities to create additional value-opportunities we call "win-wins" because they improve social or environmental performance in ways that also improve commercial performance.
3. Track: We track progress to inform timely management decisions, as well as report back to our investors.

We report to our investors the financial performance of each investment side-by-side with an IMPACT Scorecard. This brings to life our strategy of focusing on sectors where underlying social or environmental need creates the opportunity for both commercial returns and positive impacts.

No

PE 06	Voluntary	Additional Assessed	PRI 4
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PE 06.1	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment when requested by clients.
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- We always make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters
- Our clients do not request us to make formal commitments to responsible investment in private equity

PE 06.2	Additional information.
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Formal commitment in LPA: The Partnership will invest in businesses that the Manager judges have the potential to make attractive financial returns and strong positive social or environmental impacts, with a primary focus on four impact themes: underserved areas, health and wellbeing, education and skills and environment.

## Pre-investment (selection)

PE 07	Mandatory	Gateway	PRI 1
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PE 07.1	Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
---------	--

- Yes

<b>PE 07.2</b>	Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]
----------------	--

We follow a 3-stage "SET" process to ensure ESG considerations are built into the entire investment cycle:

(1) **SELECT:** We invest exclusively in companies where impact and high-growth potential go hand-in-hand, with a focus on four main themes: Health and Well-being, Education and Skills, Sustainable Living and Underserved Markets. Certain sectors are excluded e.g. alcohol, gambling, arms and pornography.

(2) **ENGAGE:** We work with our investees to optimise their ESG impacts in ways that protect and improve commercial performance. This analysis begins pre-investment and informs our investment selection. Prior to making an investment, our investment team works with the management team of the prospective portfolio company to identify ESG risks. To guide this discussion, we have developed an in-house risk assessment screen based on global best practices but adapted to fit the needs of investees operating in our areas of thematic focus. Our emphasis is on making this ESG risk screen as practical as possible - on making it a conversation about operational excellence. We use a materiality lens (see opposite page) to grade each risk as a high, medium or low priority and record the results on a risk register. For each material risk, we propose a mitigation plan in the Investment Committee paper, so that our investment decision is made with a holistic view of projected impact and a 100-day plan can be developed for immediately post-investment.

(3) **TRACK:** We track progress to inform timely management decisions, as well as report back to our investors. As an impact-driven investment firm, ESG indicators form a seamless part of our performance management.

No

<b>PE 08</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>PE 08.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the private equity investment selection process.
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Internal staff

	Specify role
--	--------------

Head of IMPACT

	Specify role
--	--------------

Director of Projects, IMPACT+

External resources

No use of internal or external advice on ESG issues

<b>PE 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PE 09.1</b>	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
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**ESG issues**

Environmental

List up to three typical examples of environmental issues
---

Diversion of waste (we backed the UK's first oil re-refinery, diverting 100,000+ tonnes of waste oil from use as low-grade fuel).  
 Reduction of CO2-equivalent emissions

Social

List up to three typical examples of social issues
--

Provision of vocational training to broaden accessibility or increase quality for greater employability  
 Catalysing economic growth in the most deprived locations in the UK (e.g. generation of supply-chain and wage spend in underserved areas)  
 Provision of health & well being-related services to a broad range of disadvantaged stakeholders

Governance

List up to three typical examples of governance issues
--

Board of Directors' accountability for reviewing the company's social and environmental performance at least annually  
 Anti-bribery and business integrity

<b>PE 10</b>	Voluntary	Additional Assessed	PRI 1,3
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<b>PE 10.1</b>	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.
----------------	--

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

<b>PE 12</b>	Voluntary	Additional Assessed	PRI 1
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<b>PE 12.1</b>	Indicate if ESG issues impacted your private equity investment selection processes during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

**Post-investment (monitoring and active ownership)**

<b>PE 13</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>PE 13.1</b>	Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.
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Yes

<b>PE 13.2</b>	Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.
----------------	---

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

<b>PE 13.3</b>	Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	---

**ESG issues**

Environmental

	List up to three example targets of environmental issues
--	--

Reduction in tonnes CO2 emitted (e.g. The Gym: through energy efficient lighting and equipment)

Tonnes waste avoided from landfill (e.g. Whelan: an oil re-refinery diverting over 100,000 tonnes of waste oil from use as a low grade fuel)

% re-cyclable material used (e.g. Qbic: a hotel concept that retrofits existing buildings using aluminium pods that can be re-cycled completely)

Social

	List up to three example targets of social issues
--	---

Lack of economic dynamism in deprived parts of the UK: (e.g. % wage bill to employees residing in the most deprived quartile of the UK)



Access to improved health/well-being: (e.g. 66,000 first-time users of a low-cost gym; 1,246 individuals receiving domiciliary care)

Access to vocational training/ skill-building: 4,452 students enrolled in skills-training courses and 333 previously unemployed students now in full-time employment

Governance

List up to three example targets of governance issues

Anti-bribery and business integrity checks

Board accountability for impact/ESG performance through annual review of the Bridges IMPACT Scorecard

We do not set and/or monitor against targets

No

PE 14	Mandatory	Core Assessed	PRI 2
-------	-----------	---------------	-------

**PE 14.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 14.2** Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

PE 15	Voluntary	Additional Assessed	PRI 2
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**PE 15.1** Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.

**Types of actions taken by portfolio companies**

Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise
- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define when engagements with stakeholders should be carried out to discuss ESG issues

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Other actions, specify

<b>PE 15.2</b>	Describe how your organisation contributes to the portfolio's management of ESG issues.
----------------	---

Prior to making an investment, our investment team works with the management team of the prospective portfolio company to identify ESG risks. To guide this discussion, we have developed an in-house risk assessment screen

based on global best practices but adapted to fit the needs of investees operating in our areas of thematic focus. Our emphasis is on making this ESG risk screen as practical as possible - on making it a conversation about operational excellence. We use a materiality lens to grade each risk as a high, medium or low priority and record the results on a risk register. For each material risk, we propose a mitigation plan in the Investment Committee paper, so that our investment decision is made with a holistic view of projected impact and a 100-day plan can be developed for immediately post-investment. Thereafter, ESG issues are reviewed regularly at Board meetings with investee companies, as well as at our own firm-level portfolio review meetings. Once a year, each investee provides a snapshot of any new or outstanding ESG issues, as well as progress against targets, through the Bridges IMPACT Scorecard.

<b>PE 16</b>	Voluntary	Descriptive	PRI 2,3
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<b>PE 16.1</b>	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
----------------	---

**Type of reporting**

Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

**Typical reporting frequency**

- Quarterly or more frequent
- Semi annually
- Annually
- Every two years or less
- Ad-hoc, specify

Standalone reports highlighting targets and/or KPIs covering ESG issues

**Typical reporting frequency**

- Quarterly or more frequent
- Semi annually
- Annually
- Every two years or less
- Ad-hoc, specify

Other, specify

No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 17</b>	Voluntary	Additional Assessed	PRI 2
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<b>PE 17.1</b>	Indicate whether your organisation discloses information on ESG issues to potential buyers prior to exit for private equity investments.
----------------	--

- We always include ESG issues in pre-exit information
- We include ESG issues in pre-exit information in the majority of cases
- We include ESG issues in pre-exit information in the minority of cases
- We do not include ESG issues in pre-exit information

<b>PE 17.2</b>	Apart from disclosure, describe how your organisation considers ESG issues at exit.
----------------	---

Because we invest only in companies which we believe will create impact as they scale commercially, we typically do not separate out ESG issues from commercial issues, when assessing potential exit strategies. It is our experience that our ESG work makes our companies more commercially attractive at sale.

## Outputs and outcomes

<b>PE 18</b>	Voluntary	Additional Assessed	PRI 1,2
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<b>PE 18.1</b>	Indicate whether your organisation measures how your approach to ESG issues in private equity investments has affected financial and/or ESG performance.
----------------	--

	Financial performance
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- We measure how ESG issues affect financial performance

<b>PE 18.2</b>	Describe the measures your organisation uses to assess the impact of your approach to ESG issues on your private equity investments' financial performance.
----------------	---

In general, we select only investments whose ability to generate positive societal impact is integral to their success as a business. As a result, we consider ESG issues to be at the heart of strong financial performance.

In terms of measuring specific ESG interventions: we quantify the financial impact of our ESG approach wherever possible (e.g. cost savings through energy efficiency) and we support this with qualitative assessments, such as consideration of the role that environmental leadership has played in increasing occupancy in our property investments.

- We do not measure how ESG issues affect financial performance

	ESG performance
--	-----------------

- We measure changes in ESG performance

**PE 18.3**

Describe the measures your organisation uses to assess the impact of your activities on your private equity investments' ESG performance.

Our IMPACT Scorecard is tailored to each portfolio company with a focus, above all, on materiality and practicality in the metrics that we track. We choose metrics that tell us whether the company is achieving impact through what it sells or where it is located (Thematic KPIs), as well as through how it is operating (ESG risks and opportunities).

We do not measure changes in ESG performance

## Communication

**PE 20**

**Mandatory**

**Core Assessed**

**PRI 6**

**PE 20.1**

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

Disclose publicly

provide URL

[http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf)

**PE 20.2**

Indicate whether the type of ESG information you proactively provide to the public is the same as that you provide to your clients (LPs)/beneficiaries.

Yes

No

**PE 20.3**

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients (LPs)/beneficiaries.

Public	Clients (LPs)/beneficiaries
<input checked="" type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input type="checkbox"/> Other, specify	<input checked="" type="checkbox"/> ESG information in relation to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relation to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other, specify <p>We provide much more detailed investment-level reporting to our Limited Partners, whereas our public materials describe our methodology with case studies and aggregate data.</p>

**PE 20.4** Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients (LPs)/beneficiaries.

Public	Clients (LPs)/Beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify

**PE 20.5** Describe the ESG information and how your organisation proactively discloses it to the public and/or clients (LPs)/beneficiaries. [Optional]

At the investor level, we report financial information quarterly to our LPs, with a yearly Partnership meeting to review the overall performance of the funds: here, we showcase the financial performance of each investment side-by-side with the IMPACT Scorecard, as well as aggregate fund-level financial and impact metrics. This brings to life our approach of using an impact-driven investment strategy to create superior returns. Once a year, we release a publicly-available IMPACT Report.  
[http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf)

- Disclose to investor clients (LPs)/beneficiaries only
- No proactive disclosure to the public or to clients (LPs)/beneficiaries

# Bridges Ventures

## Reported Information

### Public version

#### Direct - Property

## 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.

## Overview

PR 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

General

PR 01.1

Provide a breakdown of your organisation's internally managed property investments by equity and debt.

### Property investments instruments

Equity investments

Property investment instruments	Percentage of your internally managed property investments (in terms of AUM)
Equity investments	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10%

PR 01.2

Indicate the level of ownership you typically hold in your property investments.

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes

Debt investments

### Total 100%

N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity or debt in property on their behalf

PR 02

Mandatory to Report Voluntary to Disclose

Gateway/Peering

General

PR 02.1

Provide a breakdown of your organisation's property assets based on who manages the assets.



Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
<b>Total</b>	<b>100%</b>

<b>PR 03</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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<b>PR 03.1</b>	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input checked="" type="radio"/> Mixed use <input type="radio"/> Other, specify

PR 04	Voluntary	Descriptive	PRI 1-6
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PR 04.1	Provide a brief overview of your organisation's approach to responsible investment in property where you have equity stakes.
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Bridges Ventures specialises in using impact as a lens to identify investment opportunities, where a transaction's potential to create value for society also drives financial value, such as meeting demand for needs-driven market sectors (such as education and healthcare), unlocking the potential of emerging locations (thereby creating economic dynamism in underserved markets) and improving the energy footprint of buildings.

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
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Yes

<b>PR 05.2</b>	Provide a URL if your RPI policy is publicly available. [Optional]
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<http://www.bridgesventures.com/responsible-investment-policy>

No

## Fundraising of property funds

<b>PR 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,4,6</b>
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<b>PR 06.1</b>	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
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Yes

<b>PR 06.2</b>	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
----------------	--

- Policy and commitment to responsible investment
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in pre-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases

<b>PR 06.3</b>	Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]
----------------	--

Bridges Ventures specialises in using impact as a lens to identify investment opportunities, where a transaction's potential to create value for society also drives financial value, such as meeting demand for needs-driven market sectors, unlocking the potential of emerging locations and improving the energy footprint of buildings.

The Bridges Charitable Trust holds a significant minority ownership stake in the fund manager, and all members of our investment team dedicate an amount equivalent to 10% of their carry to the Trust. In addition, Bridges Ventures has an ethical charter and a responsible investment policy, which are published on our website; we are also a signatory to the UN Principles for Responsible Investment.

No

<b>PR 07</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 4</b>
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<b>PR 07.1</b>	Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.
----------------	---

- We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- Our clients do not request us to make formal commitments to responsible investment in property

**Pre-investment (selection)**

<b>PR 08</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>PR 08.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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- Yes
- No

<b>PR 09</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1,4</b>
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<b>PR 09.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process.
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- Internal staff
  - Specify role
    - Head of IMPACT**
    - Specify role
    - Specify role
- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles
- No use of internal or external advice on ESG issues

<b>PR 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PR 10.1</b>	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
----------------	---

**ESG issues**

Environmental

List up to three typical examples of environmental issues

Reduction of CO2 emissions in property (we have built some of the UK's most environmentally-friendly care homes)

Social

List up to three typical examples of social issues

Generating economic dynamism in underserved markets (all of our regeneration investments are located in the most deprived quartile of the UK)

Governance

PR 11	Voluntary	Additional Assessed	PRI 1,3
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**PR 11.1** Indicate what type of ESG information your organisation typically considers during your property investment selection process.

- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

PR 12	Voluntary	Additional Assessed	PRI 1
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**PR 12.1** Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

## Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4
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<b>PR 13.1</b>	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
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- Yes
- No

## Post-investment (monitoring and active ownership)

### Overview

<b>PR 14</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>PR 14.1</b>	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
----------------	---

- Yes

<b>PR 14.2</b>	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
----------------	--

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

- No

## Property monitoring and management

<b>PR 15</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,3</b>
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<b>PR 15.1</b>	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
----------------	--

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

<b>PR 15.2</b>	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	--

**ESG issues**

Environmental

List up to three example targets per issue

CO2-equivalent emissions reduction

Social

List up to three example targets per issue

Regeneration of underserved markets (using the government's Index of Multiple deprivation)

Buildings that contribute to improved education and skill outcomes

Buildings that continue to improved health and well-being outcomes

Governance

We do not set and/or monitor against targets

<b>PR 16</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**PR 16.1** List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

Add certification scheme, rating and benchmark 1

Specify	BREEAM Excellent
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	BREAAAM Very Good
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	Passivhaus
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets  (in terms of number of property assets)

## Property developments and refurbishments

PR 17

Mandatory

Core Assessed

PRI 2

PR 17.1

Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.

- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2

Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.

- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

## Occupier engagement

PR 18

Mandatory

Core Assessed

PRI 2



**PR 18.1** Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

**PR 18.2** Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

<b>PR 19</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
--------------	------------------	----------------------------	--------------

**PR 19.1** Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.

- >90% of leases or MoUs
- 51-90% of leases or MoUs
- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

**Community engagement**

<b>PR 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 20.1</b>	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
----------------	---

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

<b>PR 20.2</b>	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
----------------	--

- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

## Outputs and outcomes

<b>PR 21</b>	Voluntary	Additional Assessed	PRI 1,2
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<b>PR 21.1</b>	Indicate whether your organisation measures how your approach to ESG issues in property investments has affected financial and/or ESG performance.
----------------	--

	Financial performance
--	-----------------------

- We measure how ESG issues affect financial performance

**PR 21.2**

Describe the measures your organisation uses to assess the impact of your approach to ESG issues on your property investments' financial performance.

Before implementing any sustainability initiative, we run a cost-benefit assessment to ensure that the environmental strategy contributes to investment performance, either through energy efficiency measures which offer attractive lower energy bills for tenants or through renewable energy strategies which can not only cuts costs for our tenants but also attract tenants who care about environmental sustainability. We use a specialised software to assess potential cost savings of different sustainability strategies.

We do not measure how ESG issues affect financial performance

**ESG performance**

We measure changes in ESG performance

**PR 21.3**

Describe the measures your organisation uses to assess the impact of your activities on your property investments' ESG performance.

After selecting an investment, we design an IMPACT Scorecard, a tool developed by Bridges Ventures over the last 11 years of investing for impact. Our IMPACT Scorecard tracks Key Performance Indicators ("KPIs") as they relate to each of our impact assessment criteria.

We do not measure changes in ESG performance

<b>PR 22</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1,3</b>
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**PR 22.1**

Provide examples of ESG issues that affected your property investments during the reporting year.

Add Example 1

ESG issue	CO2 emissions reduction through solar
Types of properties affected	Office complex
Impact (or potential impact) on investment	Our environmental and management improvement is being received positively by tenants trading on the estate which receive free solar electricity, thereby reducing their energy costs by approximately 60%, resulting in savings in carbon emissions of approximately 57% and, we believe, contributing to letting of vacant space more quickly.
Activities undertaken to influence the investment and the outcomes	Following acquisition, we received planning consent to install Solar PV panels to the buildings which generated a 25 year revenue stream from the government's Feed-InTariff. We included this environmental impact within the branding for the site, in order to build tenant and consumer awareness.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5

## Communication

PR 23

Mandatory

Core Assessed

PRI 6

PR 23.1

Indicate if your organisation proactively discloses ESG information on your property investments.

- Disclose publicly

provide URL

[http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf)

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
- No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes
- No

**PR 23.4** Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

Public	Clients/beneficiaries
<input type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other, specify	<input type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input checked="" type="checkbox"/> Other, specify We provide a more detailed breakdown of each investment's performance to our limited partners.

**PR 23.5** Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

Public	Clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Semi annually <input checked="" type="radio"/> Annually <input type="radio"/> Every two years or less frequently <input type="radio"/> Ad-hoc, specify

**PR 23.6** Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

See our publicly-available IMPACT Report at [http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT\\_REPORT\\_2013\\_FINAL.pdf](http://www.bridgesventures.com/sites/bridgesventures.com/files/IMPACT_REPORT_2013_FINAL.pdf)

- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries