



SFDR website disclosures

4 June 2021

Bridges Fund Management and the members of its group (together, “**Bridges**”) make the following disclosures in accordance with Articles 3(1), 4(1)(b) and 5(1) of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“**SFDR**”).

Although the SFDR is not directly applicable to Bridges, Bridges has chosen to voluntarily align with the regulation because sustainability considerations are strongly embedded in the firm’s strategy, culture and values at all levels.

Art. 3(1). Integration of sustainability risks in Bridges’ investment decisions

A sustainability risk as defined in Article 2(22) of the SFDR is “an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment”.

Bridges includes sustainability risks in its investment decision-making process as set out in its [Responsible Investment Policy, which can be found on Bridges’ website](#).

Art. 4(1)(b): No consideration of sustainability adverse impacts

As part of its impact management approach, Bridges considers both the positive and negative (adverse) impacts of investment decisions on sustainability factors. As a specialist fund manager dedicated to sustainable and impact investment, Bridges uses an impact-driven approach to create returns for both investors and society as a whole by focusing on opportunities that help meet pressing social or environmental challenges, as set out in its Responsible Investment Policy (see above).

Bridges currently uses a principles-based compliance with Article 4 as the EU Regulatory Technical Standards (“**RTS**”) are yet to be adopted in their final form by the European Commission. As such, there is no definitive guidance available or developed market approach at this time in relation to the systems, controls and measures that would need to be put in place in order to align to the SFDR requirements on this. However, Bridges keeps this situation under ongoing review and will assess alignment once the RTS have been adopted in their final form by the European Commission.

Art. 5(1): Bridges’ Remuneration Policy in relation to the integration of sustainability risks

Bridges has a Remuneration Policy which takes into account the manner in which sustainability risks are integrated into its investment decision-making process as further described in its Responsible Investment Policy (see above).

In particular, the Remuneration Policy integrates sustainability risks considerations as follows:

- The Remuneration Policy and the firm’s general incentive structures are consistent with the firm’s long term strategy, including the overall business strategy, risk strategy, and appetite for risk across all types of risk as identified (including sustainability risks) and managed through the firm’s risk management framework;
- Bridges does not encourage excessive risk-taking (including with respect to sustainability risks)



- which is inconsistent with its risk appetite or the risk profile of the portfolios which it manages;
- The firm's Responsible Investment Policy sets out how its investment process incorporates consideration of ESG risks. Such risks form part of the firm's assessment of risk for the purposes of its remuneration policy;
 - The carried interest component of Bridges' Remuneration Policy rewards long term performance for which good management of sustainability risk is key;
 - Bridges does not typically compensate staff by way of variable compensation (bonus) payments, although this may happen in exceptional circumstances where the firm is comfortable that the award of variable compensation is not incompatible with the principle of sound risk management (including with respect to sustainability risks), and where the overall structure of remuneration ensures the continued alignment of interests between staff and other stakeholders.

Art. 10: Transparency of the promotion of environmental or social characteristics and of sustainable investments

Bridges is the manager of a number of funds that comply with SFDR. The information required under Article 10 of the SFDR is set out in the private placement memorandum and/or other pre-contractual materials for each fund that is being marketed by Bridges.