

*****IMPORTANT NOTICE*****

This disclosure is provided pursuant to European Union regulatory requirements as of the date hereof and is not intended for use by investors outside of the European Union. In particular, the information contained herein is not for distribution to and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America to or for the benefit of U.S. Persons. U.S. Person includes, but is not limited to, a person (including a partnership, corporation, limited liability company or similar entity) that is a citizen or a resident of the United States or is organised or incorporated under the laws of the United States.

Sustainability-related disclosures: Bridges Property Alternatives Fund V LP

1. Summary

Bridges Property Alternatives Fund V LP (the “Fund”) has a sustainable and impact investment objective to contribute positively to meeting the needs of people and the planet, now and in the future. The Fund invests in real estate and property-backed operating businesses in underserved areas and sectors in the UK and Europe where financial returns and impact delivery are closely aligned and is managed by Bridges Fund Management Limited (the “Manager”, “Bridges” or “we”).

2. No significant harm to the sustainable investment objective

Across all investments, the Fund is committed to reducing all significant harm for all stakeholders. We do this through sustainability screening, application of impact management standards and due diligence throughout the investment period.

During due diligence, and then subsequently at regular intervals, we identify all material negative impacts of each investment. We seek to identify all significant potential or existing negative impacts of real estate developments or operating businesses using real estate and sustainability standards, and we collect data throughout the investment period on all material impacts. To mitigate the risk of harm we track performance on these impacts and actively manage performance, which includes mitigating harm if it arises. We do this alongside enforcing minimum ESG standards for construction, refurbishment and operation throughout the investment period. We additionally use sector standards such as BREEAM and LEED, and other real estate assessment methodologies, to identify opportunities to generate further positive impacts.

Starting from investment selection and due diligence, we also take into account the principal adverse impact indicators applicable to investments in real estate assets in Table 1 (Statement on principal adverse impacts of investment decisions on sustainability factors) of Annex I of Regulation (EU) 2022/1288. Specifically:

- We have not made, and do not expect to make, any investments involved in the extraction, storage, transport or manufacture of fossil fuels; and
- We have not made, and do not expect to make, any investments in energy-inefficient real estate assets with the intention to operate them. For all investments in new developments, the Fund is committed to achieving an EPC rating of B as a minimum. All current investments (which are all new developments) have an EPC target of B or above.

We decide whether to collect data on the indicators from Tables 2 and 3 of Annex I on an investment-by-investment basis, having regard to the level of risk of each investment demonstrating significant harm with respect to each indicator, however we expect to track carbon emissions and energy consumption for all assets where practicable.

As set out in our [Sustainable Investment Policy](#), our diligence and investment management processes follow the OECD guidance on Responsible Business Conduct for Institutional Investors. Our processes therefore implement

the recommendations of the OECD Guidelines for Multinational Enterprises (the “**OECD Guidelines**”) where applicable. The OECD Guidelines are fully aligned with the UN Guiding Principles on Business and Human Rights.

3. Sustainable investment objective of the financial product

The sustainable investment objective of the Fund is to make investments that contribute positively to meeting the needs of people and the planet, now and in the future. Each of our investments has a sustainable investment objective which means each asset targets a positive social or environmental outcome, where ‘positive’ or ‘sustainable’ performance is assessed relative to a scientific, local or national standard or (where these don’t exist) stakeholder feedback.

Bridges aims to identify clear positive correlation between the social or environmental outcomes of a property investment and its financial return (“lockstep”) and this needs to be integral to the investment thesis.

4. Investment strategy

The objective of the Fund is to invest in properties and property-backed operating businesses which can generate attractive financial returns whilst delivering a positive outcome for people or the planet. This might be through creating sustainable and affordable housing, delivering healthcare properties for the ill or older populations or creating highly environmentally sustainable buildings that are net zero in operation. The Fund focusses mainly on property investments in the UK, and may invest up to 15% of total commitments elsewhere in Europe.

Our assessment of the governance practices of potential investments is embedded within our standard due diligence process as described in section 10 (*Due diligence*) below. Specifically, before working with a Joint Venture (“JV”) partner we assess their commitment to impact and ESG management and require them to meet good governance practices and procedures, adhere to legal requirements, and have processes in place for risk management and mitigation. For operating assets, we review the company’s HR and governance practices in a similar way. During the investment period, we work to manage any material risk for each property investment collaboratively with our JV partners, using a mitigation plan and reporting progress regularly at Board meetings and at Fund portfolio review meetings.

5. Proportion of investments

100% of the Fund’s equity allocation will go into sustainable investments. At least 10% will be invested in sustainable investments with an environmental objective and at least 10% in sustainable investments with a social objective. These are minimum thresholds and the actual percentages of sustainable investments with an environmental objective and a social objective, respectively, are disclosed in the Fund’s periodic disclosures.

100% of the Fund’s investments represent direct exposures, except the Fund may enter into hedging agreements (in relation to currency and interest rates only) in relation to any borrowing incurred by it. Such arrangements reduce risk within the Fund and will be put in place solely in connection with the sustainable investments made by the Fund (and not, for the avoidance of doubt, for speculative purposes).

6. Monitoring of sustainable investment objective

The monitoring of impact and sustainability KPIs at the firm and fund level is coordinated by the Impact Management team. Bridges is an active investor and a dedicated member of the team engages on each investment to improve its sustainability performance. Performance against key performance indicators (KPIs) relating to each investment impact thesis is collected from each asset JV partner and relevant advisory team (e.g. the ecologist, management agents or energy assessors) on a regular basis. Further information on how we monitor the Fund’s sustainable investment objective and impact KPIs is set out in Section 7 (*Methodologies*) below.

7. Methodologies

During diligence, we determine the core impact thesis of an investment (using a theory of change and our impact valuation methodology, the Bridges impact score) and ensure that it is aligned with the Fund’s sustainable

investment objective. We work with our JV partners to establish targets for the impact thesis and determine the KPIs to be reported on a regular basis, to inform how we manage progress against those targets. The set of KPIs tracked are tailored to each outcome, and therefore each investment, with a focus on ensuring the information collected is decision-useful for all parties. The impact performance is analysed alongside financial performance to inform integrated decision-making.

We aim to set meaningful targets to guide progress towards better outcomes, aiming to achieve truly sustainable performance on each KPI by exit, where possible.

Performance against targets is reviewed regularly at board meetings and quarterly at our own portfolio review meetings. We make sure to review these targets regularly, taking into account available societal and ecological thresholds to ensure the level of performance we are aiming for is as ambitious as possible.

8. Data sources & processing

Impact performance data on each investment is collected directly from each investment's JV partner on a regular basis. Impact reporting is integrated with reporting of financial indicators for the purposes of analysis and decision-making.

See section 9 (*Limitations to methodologies and data*) for the measures we take to ensure we are using accurate data for decision-making. Some of the Fund's impact KPIs might rely on estimated data as we might pre-sell some of our investments before they are completed, and therefore the impact is reported based on available data at the time, such as: area developed, number of housing units to be delivered, jobs supported, and carbon emissions reductions.

9. Limitations to methodologies and data

As described in section 8 (*Data sources & processing*) the impact data is provided by each investment's JV partner into our monitoring platform. Therefore, we cannot completely eliminate the risk of inaccurate data. This may particularly be the case for KPIs which are calculated, such as carbon emissions reductions of property operating businesses which are calculated directly by third parties or estimated emissions predicted by building energy and sustainability specialists.

We take the following steps to internally assure the quality of the data reported: (i) we agree impact KPIs with JV partners collaboratively to ensure that they are achievable and they understand how to collect and report them, reducing the likelihood of inaccurate data, (ii) as one of our first post-investment steps, we agree an "impact lead" within the JV partner to take primary responsibility for all impact KPI data and (iii) we internally check all data, including by reference to underlying calculations, where appropriate, and discuss any discrepancies in our regular meetings with JV partners. Given we take these steps to mitigate the risk of error, we do not believe that this limitation will affect the attainment of the sustainable investment objective of the Fund.

10. Due diligence

We carry out a thorough due diligence process against all aspects of our investment thesis, which includes stress-testing the alignment of our indicative impact thesis with the investment's business plan and assessing all the other material positive and negative outcomes that the investment has the potential to generate for society and the environment.

This is a collaborative process between our impact management team members and investment team members. The impact thesis and impact due diligence are analysed and interrogated alongside financial, commercial, legal and other relevant due diligence risks by the Fund's investment committee.

As part of our due diligence, the impact management and the investment teams work with the JV partner to carry out an initial materiality assessment to identify the investment's social and environmental risks and opportunities pre-investment. This assessment is based on existing standards and frameworks and takes the form of a checklist and set of required KPIs. Where a potential risk is identified, Bridges may use external

consultants to assess the extent of the risk and make an action plan for mitigation. The initial diligence results in a series of 'sustainability workshops' where we discuss the impact potential and agree KPIs for ongoing management of impact with the JV partner's management team for the investment.

Once initial due diligence has been thoroughly undertaken, all investments need to be approved formally by the Fund's investment committee prior to the execution of legal documentation.

Once the impact priorities have been set, impact is actively managed through the planning, design, construction and/or operational stages of the investment. Latest results are shared against targets, and reviewed at the quarterly portfolio meetings and reported to LPs annually.

11. Engagement policies

Please see sections 7 (*Methodologies*) and 10 (*Due diligence*) above for how we engage with our investments' JV partners. Broadly, as described in those sections, we work with JV partners to guide progress towards improved outcomes, in respect of each investment's impact thesis as well as all other material positive and negative impacts. Our aim is to achieve truly sustainable performance on each KPI by exit, where possible.

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