

BRIDGE S.C.A. SICAV-SIF – BRIDGE EUROPE 2018 SENIOR

Sustainability-related website disclosure
Article 10 (SFDR)

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SUMMARY

This disclosure is made by Edmond de Rothschild Asset Management (UK) Limited (the “Investment Manager”), incorporated and existing under the laws of England and Wales, on behalf of BRIDGE Europe 2018 Senior (the “Sub-Fund”), pursuant to Article 10 of the EU Sustainable Finance Disclosure Regulation 2019/2088 (“SFDR”).

The Sub-Fund complies with “Article 8” product under SFDR.

The Sub-Fund promotes environmental and social characteristics, but it will not make any sustainable investment.

The Sub-Fund focuses on energy transition with a target to invest minimum seventy-five percent (75%) in assets which have the meaning of Energy Transition eligible, within the “Greenfin” Label, and it pursues an ESG exclusion strategy and best in class strategy whereby potential borrowers/issuers are selected on the basis of a detailed ESG scrutiny performed during the initial assessment and on an ongoing basis.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investments.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Sub-Fund focuses on energy transition with an indicative target to invest minimum seventy-five percent (75%) in assets which have the meaning of Energy Transition eligible, within the “Greenfin” Label and Criteria Guidelines published by the French Ministry of Environment, Energy and the Sea (also referred to by the label criteria as “Type 1”). The relevant criteria are published here: <https://www.ecologie.gouv.fr/label-greenfin>.

Label eligibility is reviewed by independent auditor Bureau Veritas Certification France (previously Novethic was the auditor before they were acquired). These calculations are based on the Net Asset Value per investment calculated on an annual basis.

It is this usage of the Greenfin label investment criteria that gives the sub-fund its Article 8 eligibility. The list of approved Type 1 activities ensures promotion of investments with strong environmental objectives as they are all activities deemed by the French state to fall within the scope of energy and ecological transition. Furthermore, the label requires robust governance policies and procedures to be in place with respect to ESG. It also requires monitoring and reporting of specific transition related Key Performance Indicators for which the Investment Manager has chosen CO2. All of these points (and the exclusion criteria below) are reviewed as part of the annual audit by Bureau Veritas Certification France.

In addition to the Investment Manager’s own exclusion criteria, under the terms of the Label, exclusion criteria also apply so that although a 25% “diversification” bucket exists in fact all assets in the sub-fund must meet minimum standards and not adversely impact the energy transition.

In terms of actual excluded activities under the Greenfin label, this can be separated into companies excluded under a “strict criterion” (for example generating 5% or more of turnover from activities such as exploration and extraction of solid, liquid and gaseous fossil fuels) and a “loose criterion” (for example 30%

or more of turnover from storage and landfill centres without GHG capture, or incineration without energy recovery). The full list is available at the link provided above.

INVESTMENT STRATEGY

(a) The investment strategy used to meet the environmental or social characteristics promoted by the financial product:

The Sub-Fund's target is to invest a minimum of seventy-five percent (75%) in assets which have the meaning of Energy Transition eligible, within the "Greenfin" Label.

Label eligibility is reviewed by independent auditor Bureau Veritas Certification France. These calculations are based on the Net Asset Value per investment calculated on an annual basis.

Since the label was first awarded in 2018, CO₂ emissions induced and avoided have been tracked. Third party advisor Carbone 4 are employed to review the portfolio and prepare a report summarising the position per investment and in aggregate.

In addition, the Investment Manager's own ESG Policy and Procedures were applied - The Investment Manager uses its own ESG Review Tool to appraise and monitor – on an ongoing basis - ESG criteria. This ESG Review Tool operates a two steps approach. Firstly, exclusion criteria are applied (such as direct involvement in nuclear, uranium, weapons, coal or tobacco). Secondly, a qualitative assessment of ESG factors across each of the Environmental, Social and Governance aspects is carried out. Each aspect (i.e. E, S and G) is allocated a score ranging from 1 to 3 resulting in an ESG score ranging from 3 to 9, 3 being the best and 9 being the worst. Examples of factors considered are the environmental quality of the project (E), the social quality of the project (S) or the quality of the reporting and the management (G). Any deal with an ESG score above 6 at the point of investment will be systematically excluded.

The ESG Review Tool also includes an appraisal for the Net Zero Asset Manager Initiative, where the Investment Manager assesses the decarbonisation strategy of the Borrower including targets set by the Borrower, emissions performance, disclosure of emissions data, and climate governance at the Borrower level.

The ESG Review Tool for each asset is updated periodically by the Investment Manager as part of its ongoing monitoring process. Where an issue is identified these updates may take on increased frequency including where relevant discussion with senior management.

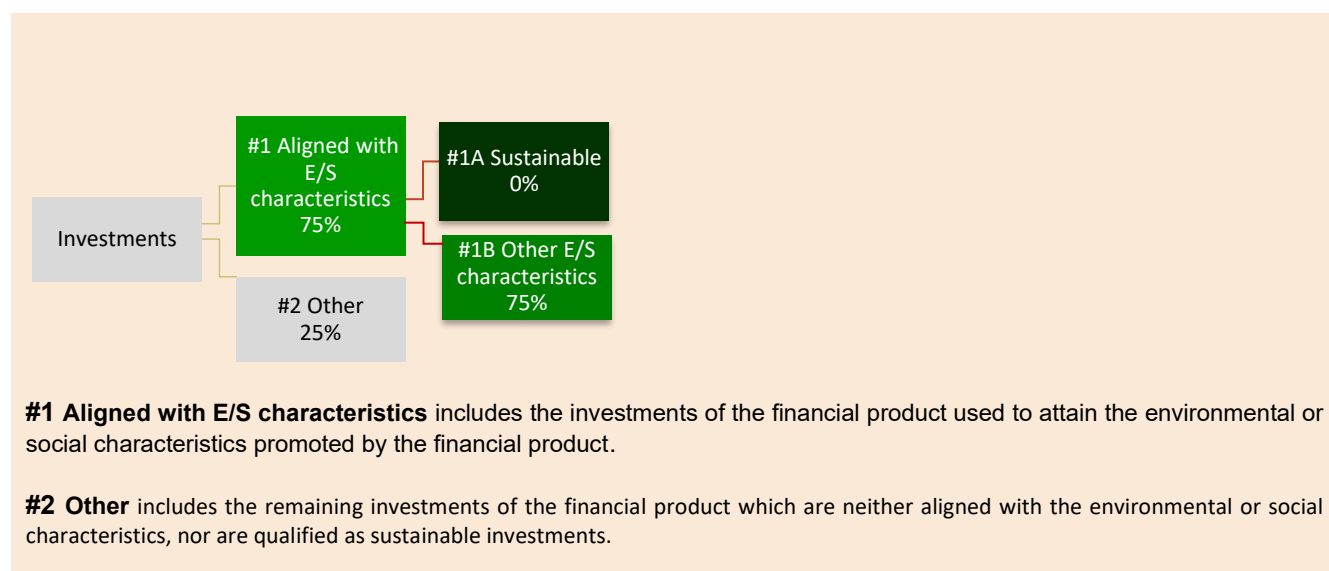
(b) The policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The appraisal and ongoing monitoring referred to in the preceding paragraph includes consideration of good governance practices focused mainly on business ethics (including but not limited to litigation, consultation and remedy with stakeholders, fraud, corruption and bribery, independence of the board, lobbying and shareholder voting rights) and quality reporting and management (including but not limited to suitable environmental, social or governance policies in place and communication of ESG activities to stakeholders).

PROPORTION OF INVESTMENTS

The Sub-Fund will mainly invest in debt instruments in European Infrastructure Assets with the Sub-Fund's target a minimum of seventy-five percent (75%) investment in assets which have the meaning of Energy Transition eligible, within the "Greenfin" Label.

The Sub-Fund may hold other debt instruments in European Infrastructure Assets that are defined as Type II assets, assets in which 10% to 50% of turnover comes from eco-activities, or Type III assets, assets in which less than 10% of turnover comes from eco-activities. These assets must still respect the exclusion criteria. These assets are classified as 'Other Investments' for diversification purposes. This part of the portfolio is shown below as #2, together with liquid assets.



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTIC

The environmental and social characteristics promoted by the Sub-Fund and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics are monitored throughout the lifecycle of the Sub-Fund by the Investment Manager.

To track the CO2 emissions induced and avoided, the Investment Team provide information to the third party advisor Carbone 4 to provide a reporting on the CO2 emissions for all investments. Carbone 4 review the portfolio and prepare a report summarising the position per investment and in aggregate on an annual basis.

The ESG Review Tool for each asset is also updated periodically by the Investment Manager as part of its ongoing monitoring process. All KPIs are tracked across the E, S and G pillars and this is reviewed by Risk Management.

The Investment Team provide all data for each deal in the sub-fund on an annual basis to Bureau Veritas who certify the Greenfin label if all conditions are met.

METHODOLOGIES FOR INVESTMENT OR SOCIAL CHARACTERISTICS

The primary methodology being used by the Investment Manager to measure how the social and environmental characteristics, which are promoted by the Sub-Fund, are met through the label eligibility which is reviewed by independent auditor Bureau Veritas Certification France.

DATA SOURCES AND PROCESSING

(a) Description of the data sources used to attain each of the environmental or social characteristics promoted by the financial product.

The initial investment assessment is carried out using a range of transaction specific external due diligence data provided from third party advisors (such as technical, legal, insurance and ESG specific reports).

Other sources of data are the information made available by the management and/or the equity sponsor of the borrower/issuer, including information memoranda and other technical reports and Q&As.

Third party advisor Carbone 4 review the portfolio and prepare a report summarising the position per investment and in aggregate in terms of CO2 emissions avoided and induced.

(b) Description of the measures taken to ensure data quality.

The Investment Manager implements the following measures to ensure the quality of data:

- establish clear ownership: each category of data can only be entered in the report and validated by the person responsible for that specific transaction; and
- cross-verification: perform regular cross-checks between data sources to identify inconsistencies or discrepancies.

(c) Description of how data are processed.

On a yearly basis, the Investment Manager provides the borrowers/issuers with a request to be provided with updated information for the purpose of PAI reporting. This information is aggregated by the Investment Manager with the support of an external advisor before delivering the final reports to the AIFM.

(d) Description of the proportion of data that are estimated.

Quantitative data used by the Investment Manager are based on precise measurement and are provided by the borrower/issuer. Where no value is provided, the data for that investment is left blank as such no data is estimated.

LIMITATIONS TO METHODOLOGIES AND DATA

(a) Description of limitations to the methodologies and the data sources.

The main limitation to the quality and scope of data available to the Sub-Fund is linked to the fact that the Sub-Fund acts as a lender of the portfolio company rather than an equity owner. As such, the Sub-Fund does not have direct access to the data of the portfolio company, nor it has power to instruct the collection of data by the portfolio company. The Sub-Fund mainly relies on the information provided during the due diligence phase and which are then reflected in the financing arrangements with the portfolio company and

on the annual reports that the portfolio company may have to furnish to the Sub-Fund to comply with any reporting obligations under the financing arrangement.

Furthermore, given ESG is still a developing area of investment practice the quality and scope of ESG information varies between investee companies. For example, significant variation exists in the number of PAIs for which investee companies made data available for following the Investment Manager's first annual PAI information request issued in 2022.

(b) Description on why such limitations do not affect the social and environmental characteristics promoted by the financial product.

The limitation described above only impacts the quality and the scope of the available data. But it does not impact the possibility for the social and environmental characteristics to be met.

DUE DILIGENCE

The due diligence on the borrower is carried out by analysing due diligence data provided from third party advisors (such as technical, legal, insurance and ESG specific advisors).

Other sources of data that are used during the due diligence phase are the information made available by the management and/or the equity sponsor of the borrower/issuer, including information memoranda and other technical reports and Q&As.

ENGAGEMENT POLICIES

Engagement is not part of the ESG strategy implemented by this financial product however as part of the Net Zero Asset Management Initiative, the Investment Manager has committed to engage with Borrowers on their decarbonisation strategy. The Investment Manager will engage with Borrowers through correspondence on an annual basis to promote decarbonisation.

DESIGNATED REFERENCE BENCHMARK

The Sub-Fund has not designated a reference benchmark.