

# 2022 TCFD REPORT

BRIDGE INVESTMENT GROUP'S  
CLIMATE-RELATED DISCLOSURES

**BRIDGE**  
**INVESTMENT**  
**GROUP**

# TABLE OF CONTENTS

---

04	OVERVIEW
05	LETTER FROM OUR CHAIRMAN
06	BRIDGE'S HISTORY OF CLIMATE ACTION
07	CLIMATE-RELATED INDUSTRY ASSOCIATIONS & PARTNERSHIPS
09	TCFD ALIGNMENT: PROGRESS TO DATE
10	SPOTLIGHT: EFFICIENCY IMPROVEMENTS IN WFAH
11	GOVERNANCE
12	STAKEHOLDER RESPONSIBILITIES
13	STRATEGY
15	SPOTLIGHT: BRIDGE SOLAR
17	RISK MANAGEMENT
18	SPOTLIGHT: MUNICH RE RISK SUITE
19	FRAMEWORK FOR CATEGORIZATION OF CLIMATE-RELATED RISKS & OPPORTUNITIES
21	METRICS & TARGETS
22	BRIDGE ENVIRONMENTAL DATA TRACKING
23	SPOTLIGHT: WELL HEALTH & SAFETY RATING AND AIR QUALITY MANAGEMENT
25	BRIDGE'S DECARBONIZATION PLAN
27	NEXT STEPS
29	DISCLOSURES & DISCLAIMERS

## OVERVIEW



### ABOUT BRIDGE

Bridge Investment Group Holdings Inc. (NYSE: BRDG) ("Bridge") is a leading, vertically integrated real estate investment manager, diversified across specialized asset classes, with approximately \$43.8 billion of assets under management as of September 30, 2022. Bridge combines its nationwide operating platform with dedicated teams of investment professionals focused on select U.S. real estate verticals: residential rental, office, development, logistics properties, net lease, real estate-backed credit, solar infrastructure, and prop tech.

### ABOUT THIS REPORT

Bridge is committed to addressing climate-related risks and opportunities. With the built environment representing approximately 40% of global energy-related emissions, it is our duty as a globally trusted real estate investment manager to do our part to decarbonize. Building further awareness on the urgent priorities of climate change is critical for our shareholders, investors, tenants, residents, employees, and communities.

This report was developed in alignment with the guidelines of the Task Force on Climate-Related Financial Disclosures ("TCFD") and represents a collaboration across multiple groups and leaders at Bridge. It is our first standalone TCFD report. We expect to update our analysis and scope of work as our climate-related initiatives and practices evolve.

# LETTER FROM OUR CHAIRMAN

Climate change is expected to impact all aspects of our economy and society - with the burden heaviest on the most vulnerable sections of society. We are uniquely situated to contribute to a just climate transition with our strong position as a market leader in community revitalization with a large footprint spanning the U.S. and multiple property types.

Our climate journey dates back to 2016 when Bridge joined the Freddie Mac Green Advantage Program to transform our multifamily properties while maintaining their affordability in our Workforce and Affordable Housing ("WFAH") strategy. In late 2019, the Bridge Board approved the launch of an ESG Steering Committee responsible for pioneering ESG initiatives across the company.

2020 was a year of multiple milestones, with Bridge becoming a United Nations Principles for Investing ("PRI") Signatory, launching a dedicated solar program to bring a range of renewable energy to certain of our office assets and beyond, and hiring a Head of ESG. In 2021, we completed our first GRESB assessments, published our first firmwide ESG report, and became a supporter of the TCFD, while also aligning with a number of the United Nations Sustainable Development Goals ("SDGs").

As we look to the future, we see the critical need to provide climate solutions. Plans are underway for decarbonization and climate risk management based on economic analysis, best-in-class efficiency measures, and innovative technologies. Our aim is to create credible, science-informed carbon pathways from the bottom-up for each of our equity real estate asset verticals, which include Multifamily, WFAH, Office, Seniors Housing, Development, Logistics, Net Lease, and Single-Family Rentals.

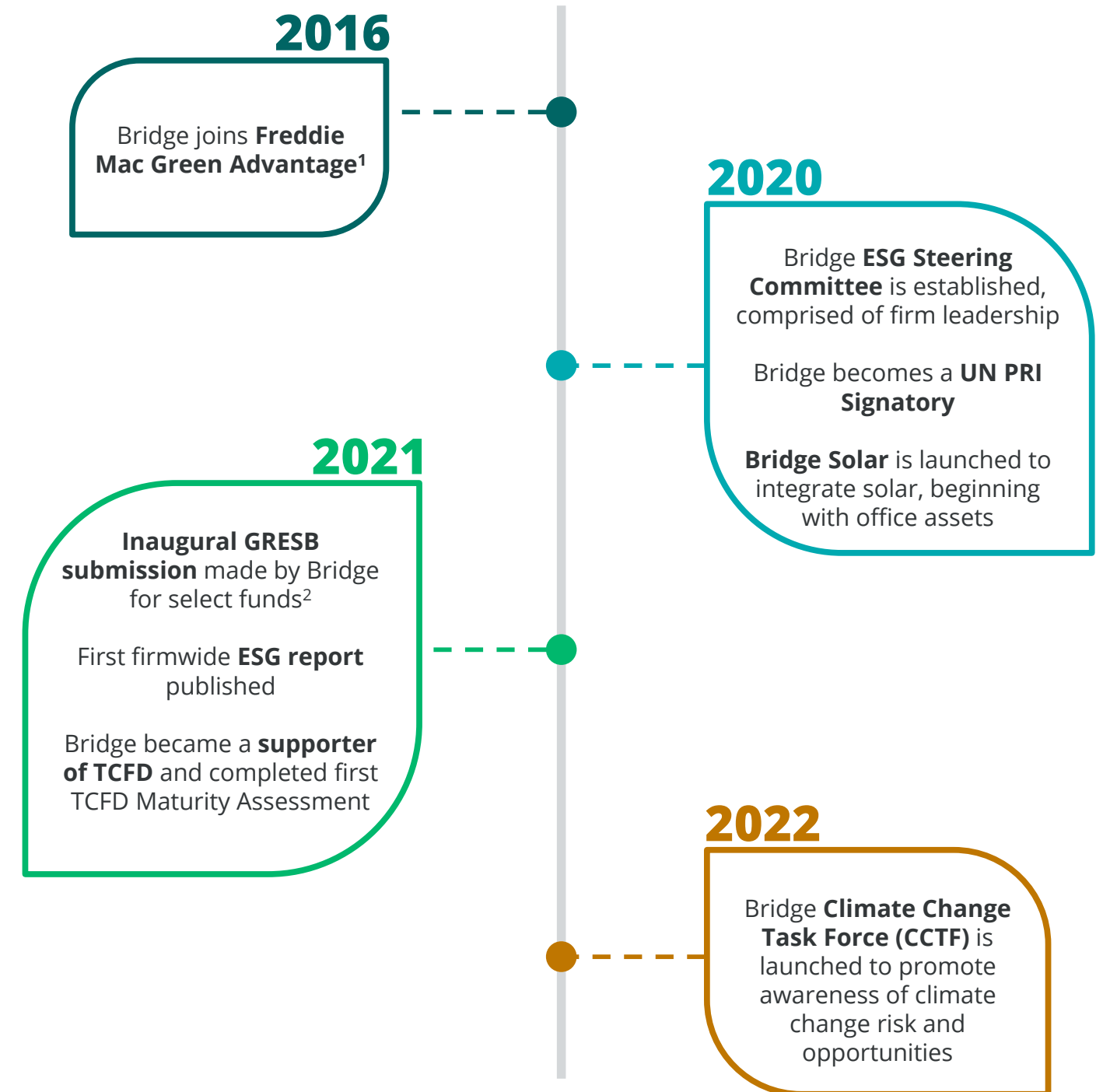
We have aligned with strong partners to measure our carbon emissions and are reporting in the leading sustainable real estate assessment and climate frameworks of GRESB and TCFD. We have built a strong team to identify climate opportunities and pathways and to implement and embed climate in all aspects of our business.

Moving forward, we will work earnestly to implement decarbonization strategies and embed climate action into all applicable aspects of our business. In the preliminary plan that follows, you will see our unique approach to the climate challenges that lay before us. We are confident that the future holds bright possibilities and are proud to be at the vanguard of climate innovation.

- Robert Morse, Executive Chairman

# BRIDGE'S HISTORY OF CLIMATE ACTION

Acknowledging that climate change poses both risks and opportunities to our business and the broader society we live and operate in, Bridge has engaged in a number of climate and ESG-related efforts to date.



<sup>1</sup> Bridge's participation in the Freddie Mac Green Advantage program has resulted in 16 current direct loans for multifamily properties.  
<sup>2</sup> Bridge Office Fund II ("BOF II") and Workforce and Affordable Housing Fund I ("WFAH I").

## CLIMATE-RELATED INDUSTRY ASSOCIATIONS & PARTNERSHIPS

Bridge is committed to contributing to decarbonization and seeks to align with goals and frameworks established by ESG leaders and climate-related industry groups supporting the real estate industry.



### UNITED NATIONS-SUPPORTED PRINCIPLES FOR RESPONSIBLE INVESTMENT

Bridge became a PRI signatory in 2020 and completed its first firmwide PRI report submission in 2021 for our equity strategies. We believe ESG issues can affect our investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. We recognize that applying the PRI principles over time within our strategies may better align investors with broader objectives of society.



### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Bridge became a supporter of the TCFD in 2021 and is reviewing applicable principles from the TCFD framework to determine applicability to future fund reporting. As regulatory requirements evolve, we expect to evaluate certain requirements in the context of our future fund reporting.



### ENERGY STAR PORTFOLIO MANAGER

Bridge works with the U.S. Environmental Protection Agency's (EPA) ENERGY STAR Portfolio Manager ("ESPM") tool to track the energy performance of our properties. Our goal is to continue to increase the coverage of our properties on ESPM, and together with our data management tools, monitor performance via the ENERGY STAR score and further enhance our efficiency strategies.



### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The SDGs, also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. Bridge has aligned with 13 SDGs across certain aspects of our businesses and equity strategies.

## INDUSTRY ASSOCIATIONS & PARTNERSHIPS - CONTINUED



### FREDDIE MAC GREEN ADVANTAGE

Bridge was one of the first industry participants in Freddie Mac's Green Advantage program, where in return for investment into environmentally friendly property initiatives, we obtained a reduction in our loan interest and our multifamily residents obtained a reduction in utility costs. Bridge's participation in this program has resulted in 16 current direct loans. Over the course of our asset ownership within this program, a minimum of 15% energy and water savings must occur for interior and exterior areas of properties.



### GRESB

Bridge is a GRESB member and has participated in the annual GRESB assessment since 2021. Four Bridge funds completed an assessment in 2022. Established in 2009, GRESB has become the leading ESG benchmark for real estate and infrastructure investments across the world, used by 140 institutional and financial investors to inform decision-making.



### GLOBAL IMPACT INVESTING NETWORK'S IRIS+

The Global Impact Investing Network ("GIIN") is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world. GIIN's IRIS+ Catalog of Metrics offers a comprehensive set of impact measures for reporting on environmental, social, and financial performance objectives. Bridge collects IRIS+ data for each of our Workforce & Affordable Housing asset acquisitions and throughout our hold period. Bridge publishes annual GIIN IRIS+ metrics reports on community programming, environmental sustainability, and housing affordability.



### CERES

Bridge is a supporter of CERES and joined the Ceres Investor Network in 2021, which includes more than 200 institutional investors and asset management firms from across the globe. Through working groups and shared learning opportunities, Ceres Investor Network members engage and collaborate on ESG issues in order to advance leading investment practices, corporate engagement strategies, and policy solutions.

# TCFD ALIGNMENT

## PROGRESS TO DATE

01

### GOVERNANCE

Dedicated ESG and climate team  
 Launched Climate Change Task Force ("CCTF")  
 Dedicated Risk Management team  
 Two Board members overlap with the CCTF

02

### STRATEGY

Identifying improved resource efficiency, energy sources, and resilience opportunities  
 Analyzing material climate risks and opportunities  
 Conducting physical risk analysis for IPCC's three climate scenarios aligned with <2°C, 2-3°C, and >3°C and three time horizons  
 Incorporating solar consideration into decision-making

### RISK MANAGEMENT

Establishing methodology for assessing physical risks  
 Evaluating transition risks  
 Enhancing climate integration into the overall risk strategy

03

### METRICS & TARGETS

Establishing initial environmental KPIs  
 Increasing coverage of Scope 1, 2 and 3  
 Improving coverage of water, energy, and waste utility data collection  
 Measuring resource use intensity and data coverage

04

## SPOTLIGHT: EFFICIENCY IMPROVEMENTS IN WORKFORCE & AFFORDABLE HOUSING

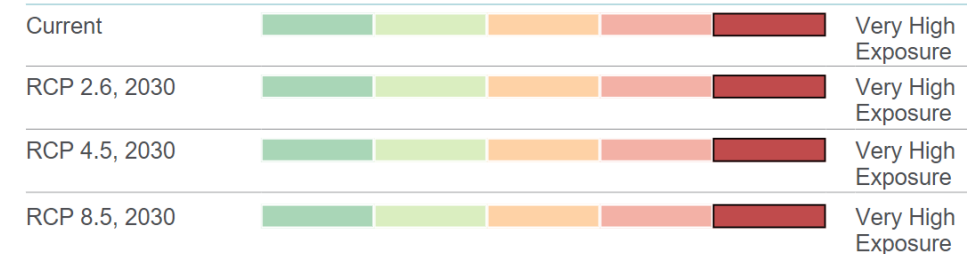


Bridge is increasingly addressing the pressing needs that are arising due to climate stress.

### TOPAZ SPRINGS IN LAS VEGAS, NV

- Bridge invested \$1.1 million in energy and water efficiency improvements, HVAC, appliances, lighting, and xeriscaping.
- Upgrades vastly improved the asset's energy and water efficiency and decreased costs for our operations and residents.
- The water savings are addressing the "Very High Exposure" Munich RE rating for drought at this asset.
- The energy savings are translating to reduced utility bills for these households which are primarily at or below 80% of the area's median income and facing increasing heat stress.

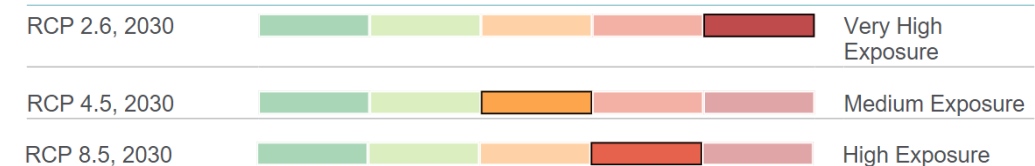
#### Climate: Heat Stress Index



ACTUAL SAVINGS FROM WATER AND ENERGY IMPROVEMENTS MADE

16,325,826 GALLONS TOTAL WATER USAGE SAVINGS

#### Climate: Drought Stress Index



329,472 KWH ENERGY SAVINGS

231 METRIC TONS CO2 SAVINGS

Source: Munich RE estimations for Topaz Springs, Munich RE, November 6, 2022, <https://www.munichre.com/>  
 Source: 2022 Workforce and Affordable Housing Impact Report, Bridge Investment Group, November 11, 2022, [https://www.bridgeig.com/\\_files/ugd/bea44f\\_18a0d7a499f945fd975c6432141608c9.pdf](https://www.bridgeig.com/_files/ugd/bea44f_18a0d7a499f945fd975c6432141608c9.pdf)

# 01 GOVERNANCE

## BRIDGE CLIMATE CHANGE TASK FORCE (CCTF) LAUNCHED JAN. 2022

### Firmwide Task Force Members

**Isela Rosales**  
MD, Head of ESG  
Committee Chair, CCTF

**Jonathan Slager\***  
CEO & CIO  
Multifamily III & IV

**Adam O'Farrell\***  
COO

**Jared Forsgren**  
CCO

**Barry Wilson**  
MD, Head of Risk  
Management

**Brock Andrus**  
Senior MD, Debt  
Capital Markets

**Claudius Weissbarth**  
MD, Client Solutions  
Group & Head of EMEA

### Asset Vertical Representatives

**Colin Apple**  
Senior MD, Multifamily  
Acquisitions  
& Co-CIO, Multifamily V

**Matt DeGraw**  
President, Bridge  
Property Management  
& Co-CIO, Multifamily V

**Robb Chapin**  
CIO, Seniors Housing

**Bob Close**  
Director, Development  
& Construction,  
Logistics Properties

**David Coelho**  
CIO,  
Opportunity  
Zones

**Matt Tucker**  
Co-CIO, Net  
Lease

**John Ward**  
CIO, Office

**Dave Piho**  
Deputy CIO,  
Single Family  
Rental

**Adam  
Haughton**  
CIO, Solar

\*Denotes Bridge Board Member

### CLIMATE CHANGE TASK FORCE MISSION STATEMENT

The mission of Bridge's CCTF is to increase awareness of climate risks and opportunities at all levels of the organization and utilize the recommendations of the TCFD pillars to support:

1. Governance that oversees climate issues and plays a key role in assessing and managing these risks and opportunities;
2. Strategy that focuses on actual and potential impacts of climate-related risks and opportunities on company operations, strategy, and financial planning;
3. Risk Management that reflects processes used to identify, assess, and manage climate-related risks; and
4. Metrics and Targets that can be established to assess, track, and manage relevant climate progress and opportunities over time.

Committee members also serve as advocates for the firm to facilitate continued progress in the execution of important goals and initiatives, and support the knowledge sharing of climate change with employees, residents, tenants, and stakeholders.

## STAKEHOLDER RESPONSIBILITIES

### 1. SENIOR MANAGEMENT

The Bridge Board is comprised of seven internal and external members. Two of the four internal Bridge Board members are also members of the CCTF and drive decision making with the Board related to climate issues. Board members are supported on climate-related matters through the ESG team's expertise, external climate specialists, and climate-focused training.

### 2. CLIMATE CHANGE TASK FORCE

Since its inception in January 2022, the CCTF has met on a monthly basis to help with discussions with the Board relating to climate topics. In addition to the two Bridge Board members, our CCTF is comprised of senior leadership from ESG, Risk Management, Compliance, Debt Capital Markets, Client Solutions Group, and our asset verticals. This Task Force and the ESG Steering Committee lead the development of metrics and will govern the process of developing targets.

### 3. ESG TEAM

Our current ESG team consists of five professionals dedicated to advancing our sustainability and climate agenda across our vertical strategies and Bridge overall. In 2022, we created a Vice President of Climate role to commit resources for continuing to measure, manage, and mitigate carbon emissions across our portfolios. Furthermore, our Head of ESG presents to the Bridge Board on a semi-annual basis. The team members bring over 40 years of combined experience in sustainable development as well as higher degrees in relevant disciplines.

### 4. RISK MANAGEMENT

Our Head of Risk Management oversees physical climate risk and scenario analysis for Bridge assets.

### 5. SOLAR TEAM

Bridge Solar professionals are vertically integrated across investment, asset management, and operations teams, which introduces synergies and operational efficiencies. The Solar team includes members from external partner Lumen Energy, a leader in the clean energy software and energy project development process technology space.

### 6. INVESTMENT COMMITTEES

All of the internal Bridge Board members sit on one or more Investment Committees ("ICs"). Each equity fund at Bridge has an IC which evaluates and drives decision making that includes, where applicable, cost approval for energy efficiency projects needed to reduce our carbon footprint in our equity real estate strategies.

## 02 STRATEGY

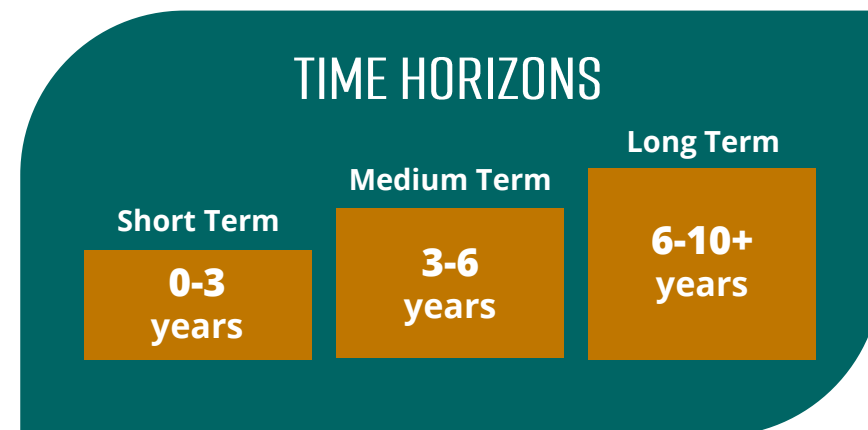
The TCFD advises using the following **five dimensions** to analyze how climate affects our strategy.

### 1. CLIMATE OPPORTUNITIES

Bridge has invested primarily in two climate opportunities so far: energy efficiency and solar energy. Energy efficiency measures have been implemented in Multifamily, Office, and Seniors Housing verticals and are beginning to be implemented in Logistics Properties and Net Lease verticals. The Solar vertical addresses climate opportunities in product and services, energy sources, and market trends across renewable energy. More details are available in the section “Spotlight: Bridge Solar”.

### 2. CLIMATE ACROSS TIME

Bridge defines time horizons as shown on the right, based on hold periods of its real estate assets. Given the hold period of the majority of assets being analyzed, the time horizon of focus for Bridge is currently 2030. Physical risk evaluation has also been performed for the 2050 and 2100 time horizons using the Munich RE database.



### 3. CLIMATE IMPACT ON BUSINESS STRATEGY & DEPARTMENT-LEVEL ANALYSIS

Our recently hired VP of Climate is working closely with our Head of Risk Management to continue to expand our climate risk management strategy. Resiliency planning currently involves assessing insurance costs (including rising premiums), evaluating current Business Continuity Plans (“BCPs”) and determining which Capital Expenditures (“CapEx”) can be made during Bridge’s hold period of the asset to improve its current resiliency profile in the face of potential climate-related events. Such CapEx line items include replacing roofs to help protect from hurricanes and improving storm water drains as a flood prevention mechanism.

### REPRESENTATIVE CONCENTRATION PATHWAYS (“RCPs”) OF INTEREST:



**RCP 2.6: Moderate scenario**  
global temperature rise < 2 °C by 2100

**RCP 4.5: Intermediate scenario**  
global temperature rise > 2 °C by 2100

**RCP 8.5: Most severe scenario**  
global temperature rise > 4 °C by 2100

As defined by the Intergovernmental Panel on Climate Change (“IPCC”).

### 4. SCENARIO ANALYSIS

Our risk evaluation is based on the powerful functionality of our risk analysis partner, Munich RE. As Bridge is considering conducting climate scenario analysis, it will follow TCFD guidance and apply sufficiently diverse scenarios and time horizons. We intend to utilize Munich RE’s three RCPs and three time horizons for our climate scenario analysis<sup>1</sup>. This will allow Bridge to continue to correctly value and future-proof its portfolios and assets.

### 5. TRANSITION PLANNING

Bridge intends to strengthen its capacity to right-price real estate across markets and asset classes by accounting for transition and physical risk. Transition risks refer to risks related to the transition to a lower-carbon economy such as shifts in investor preferences and policy changes. Physical risks refer to the physical impacts of climate change such as increased severity of flooding or rising mean temperatures. These risks are further analyzed in section “Framework for Categorization of Climate-Related Risks and Opportunities” on p. 19. Bridge is considering preparing a climate transition plan that will review the relevant risks and our strategy to address them, following the TCFD guidance for such plans.

<sup>1</sup>The scenarios compare the atmospheric gas concentration to pre-industrial period of 1850-1900 and predict the warming by the end of the 21st century.  
TCFD climate scenario guidance: [https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD\\_Guidance-Scenario-Analysis-Guidance.pdf](https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD_Guidance-Scenario-Analysis-Guidance.pdf)



# SPOTLIGHT: BRIDGE SOLAR

BRIDGE SOLAR IS PROJECTED TO ADD 400MW TO THE GRID, EQUIVALENT TO POWER PRODUCED BY 627+ MILLION POUNDS OF COAL PER YEAR.

Bridge Solar is rooted in a partnership between Bridge and Lumen Energy that seeks to create value through the production of clean energy by building and operating renewable energy infrastructure on existing commercial properties to meet the growing demand for green energy.

Bridge Solar aims to build solar arrays on existing buildings, parking buildings, and/or excess land to capitalize on the underutilized space to meet the growing demand in green energy, while at the same time potentially providing owners and tenants access to energy at a discount to market prices.

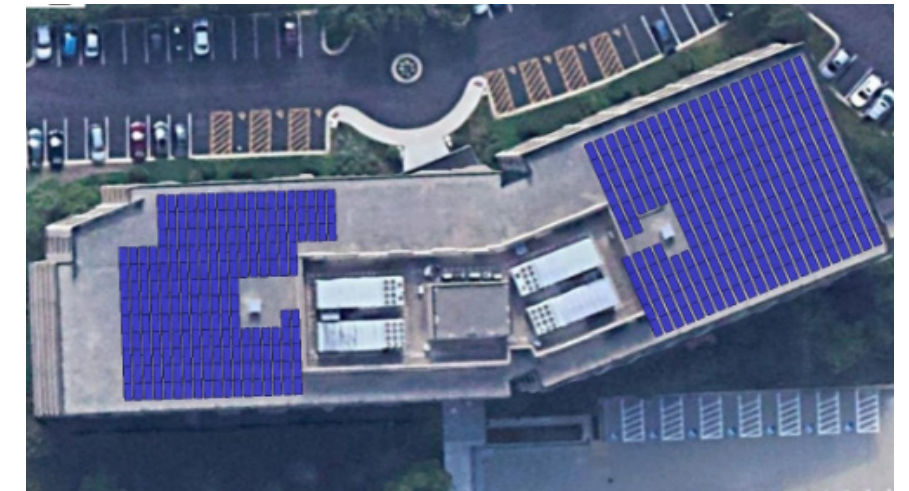
Today, both investors and tenants demand measurable and achievable results, as well as a shrinking carbon footprint to improve sustainability. Commercial deployment has been slow due to a complicated and fragmented marketplace with multiple vendors, financing options, and diverse state-specific incentives. While renewable energy portfolio standards and incentive programs are challenged, Bridge's local expertise combined with Lumen's technology streamlines the analysis and implementation of solar in a high-demand market.

As commercial solar installation is often complex and requires CapEx for building owners, Bridge Solar provides a turn-key solution that lowers their power cost without CapEx. Furthermore, we seek to capture fundamental value by generating electricity at a fixed cost over a 25-year period, while seeking to generate and monetize renewable credits within state programs legislated to require renewable energy additions to the electric generation portfolio.

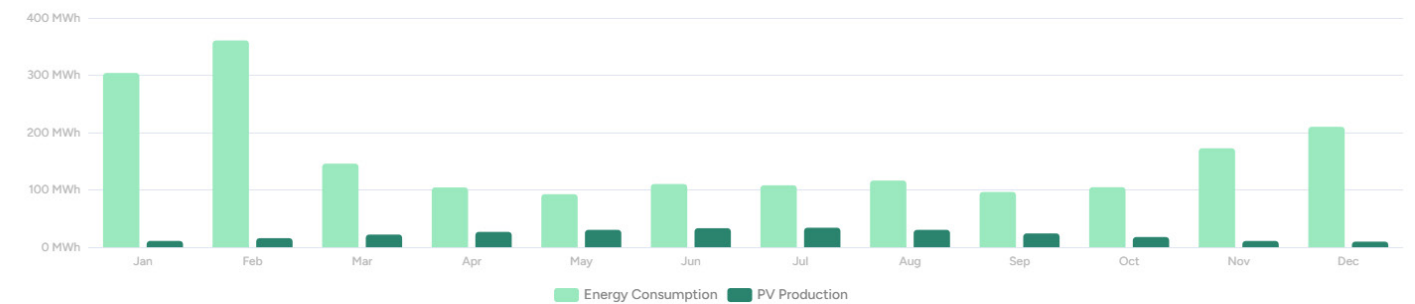
## CABOT OFFICE SITE - NEARING COMPLETION

LOCATED IN LISLE, IL

- Anticipating operational start in early 2023, with 212 kW of capacity
- The solar panels will help reduce energy costs and generate revenue through the sale of Solar Renewable Energy Certificates ("SRECs")
- Selling the SRECs from the solar system to a utility company will help the utility fulfill its state-mandated renewable energy targets



CABOT SOLAR PRODUCTION



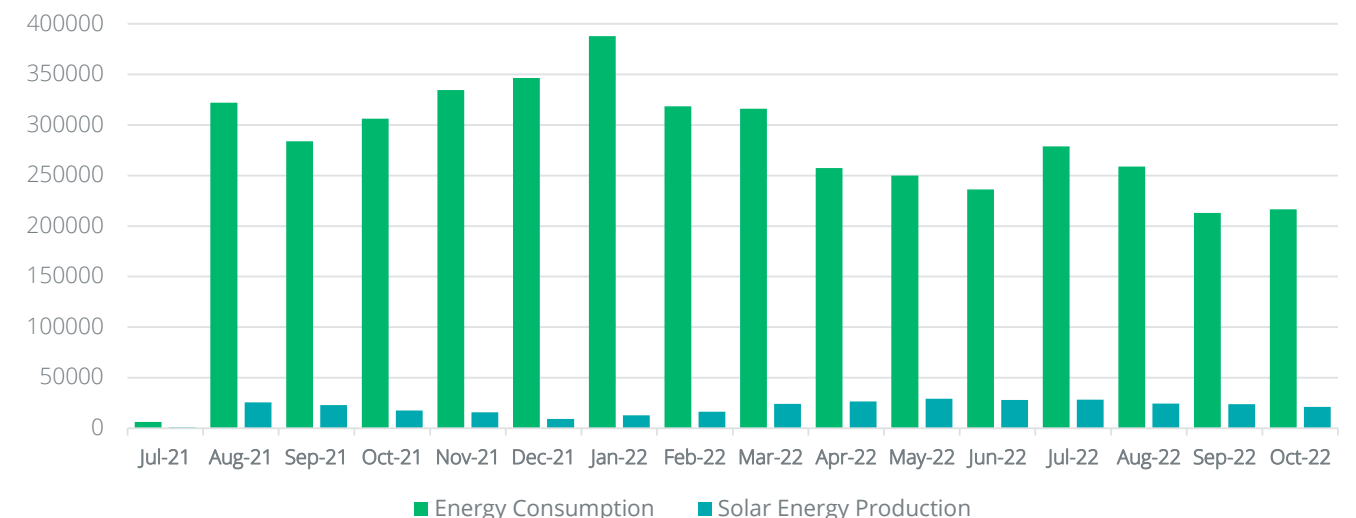
Source: Lumen Energy platform estimations, Lumen Energy, November 9, 2022, <https://getlumen.com/>

## ROYAL CENTER IV OFFICE SITE - COMPLETED

LOCATED IN ATLANTA, GA

- Operational since July 2021<sup>1</sup>
- Providing the anticipated carbon reduction of 220 MTCO<sub>2</sub> for July 2021 through June 2022<sup>2</sup>

ROYAL CENTER IV ENERGY CONSUMPTION & SOLAR PRODUCTION



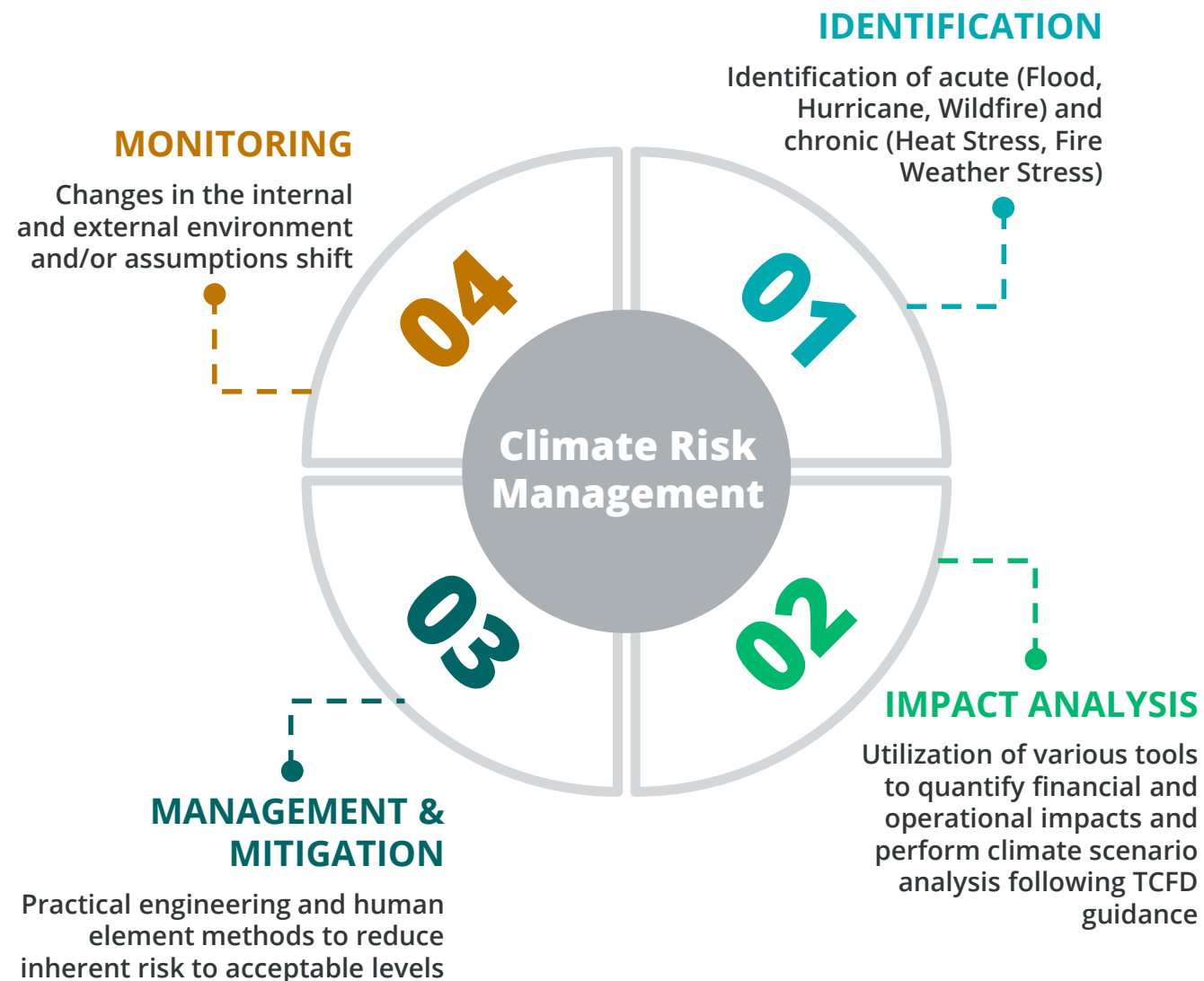
<sup>1</sup>The solar PV system at Royal Center IV pre-dated the Bridge and Lumen partnership.

<sup>2</sup>The associated Solar Renewable Energy Credits have not been formally retired with the state authority.



# 03 RISK MANAGEMENT

## CLIMATE RISK MANAGEMENT PROCESS



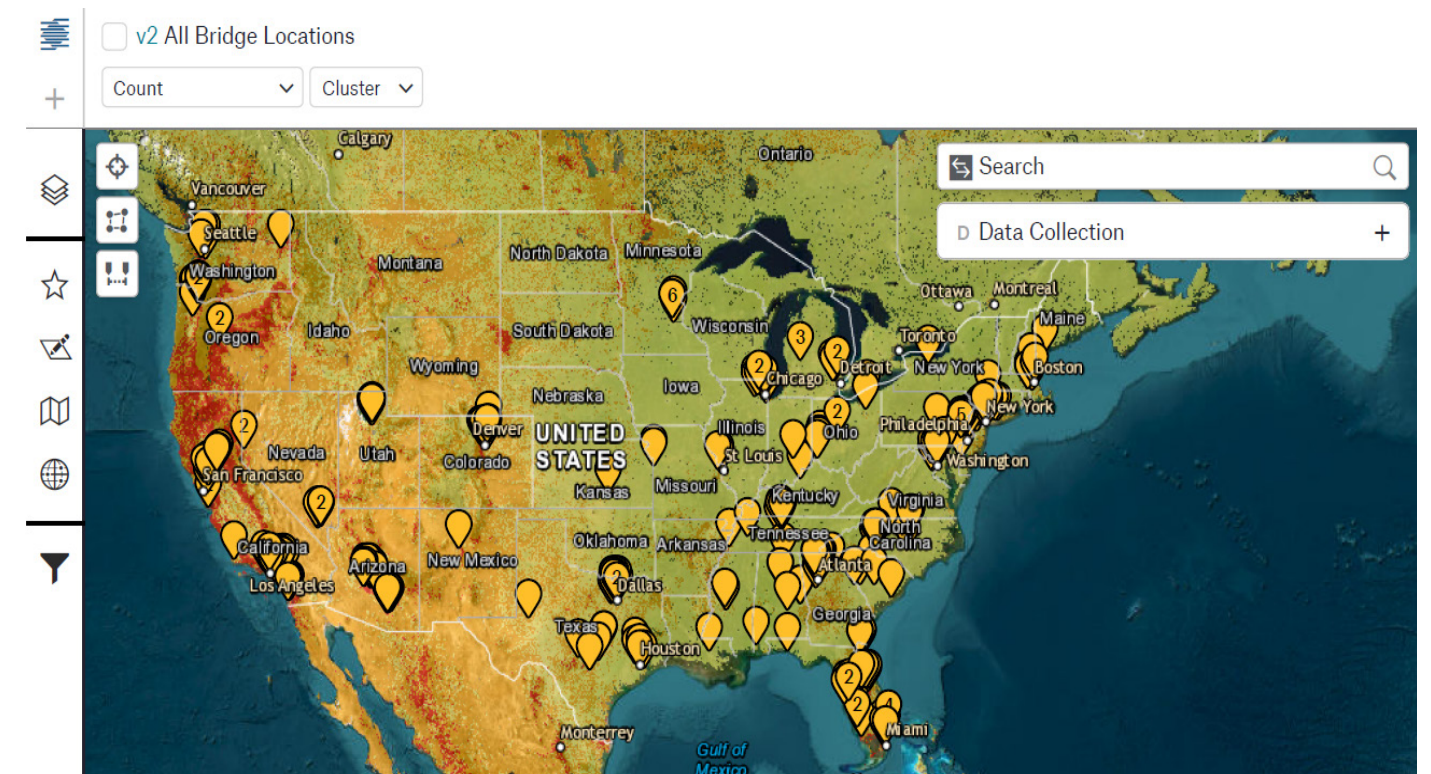
## SPOTLIGHT: MUNICH RE RISK SUITE

Munich RE's Risk Suite provides access to valuable and time-tested risk management tools. It represents knowledge and experience of 140 years by one of the world's leading providers of reinsurance, primary insurance, and insurance-related risk solutions.

Since the introduction of the Natural Hazards Assessment Network ("NATHAN"), Munich RE has been a pioneer in the global assessment of natural hazard risks. Munich RE's Risk Suite builds on this expertise and offers a selection of well-engineered risk assessment solutions for technical underwriting, data protection, investment decisions, and climate change analysis.

We adopted Munich RE's Risk Suite in 2021 to perform scenario analysis of physical risks of Bridge-managed assets. At this time, the assets undergoing scenario analysis are those owned by our equity portfolios<sup>1</sup>. We have assessed three climate scenarios following RCPs 2.6, 4.5, and 8.5 for the 2030, 2050, and 2100 time horizons using the Munich RE database.

The map below shows all Bridge locations that are currently tracked in Munich RE for Wildfire Risks. There are 540 assets total, including Opportunity Zones assets; Single Family Rental assets are not shown.



<sup>1</sup>The only exception being our Single Family Rental assets where options for incorporation are being evaluated. Images Source: Munich RE estimations, Munich Re, November 8, 2022, <https://www.munichre.com>

# FRAMEWORK FOR CATEGORIZATION OF CLIMATE-RELATED RISKS & OPPORTUNITIES

Bridge’s approach to categorizing climate-related risks and opportunities follows the TCFD framework. It divides climate-related risks into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change. The climate opportunities outlined in the TCFD framework are grouped under five categories: (1) Resource Efficiency; (2) Energy Source; (3) Products/Services; (4) Markets; (5) Resilience. The process of assessing the materiality of these risks is expected to follow guidance of various frameworks and is expected to be implemented through the existing CCTF governing systematic processes.

The tables below show our classifications and examples of potential financial impacts that Bridge may examine when considering these risks and opportunities.

## CLIMATE RISKS: TRANSITION RISK

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

Transition Risks and Examples	Examples of Potential Financial Impacts, Based on TCFD Guidance*
<b>Policy and Legal</b> <ul style="list-style-type: none"> <li>Enhanced climate or sustainability related requirements could increase compliance costs or increase insurance premiums</li> <li>New laws or regulations could negatively impact certain of Bridge’s investment strategies</li> </ul>	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Asset impairment or early retirement of existing assets due to policy changes</li> </ul>
<b>Technology</b> <ul style="list-style-type: none"> <li>Substitution of construction products with lower embedded emissions products</li> <li>Costs to transition to new technology (e.g., new energy efficiency)</li> <li>Unsuccessful investment in new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Capital investments in new technologies</li> <li>Costs to adopt/deploy new practices and processes</li> </ul>
<b>Market</b> <ul style="list-style-type: none"> <li>Changing customer behavior</li> <li>Uncertainty in market signals</li> <li>Increased cost of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)</li> <li>Abrupt and unexpected shifts in energy costs</li> <li>Change in revenue mix and sources</li> </ul>
<b>Reputation</b> <ul style="list-style-type: none"> <li>Shifts in investor preferences</li> <li>Stranded assets</li> <li>Increased stakeholder concern</li> </ul>	<ul style="list-style-type: none"> <li>Capital availability</li> </ul>

\* These statements are examples of types of potential financial impacts and do not indicate that Bridge is currently experiencing or will experience such impacts.

## CLIMATE RISKS: PHYSICAL RISK

Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.



Physical Risks and Examples	Examples of Potential Financial Impacts, Based on TCFD Guidance*
<b>Acute</b> <ul style="list-style-type: none"> <li>Increased severity of flooding, wildfires, severe storms</li> </ul>	<ul style="list-style-type: none"> <li>Increased capital costs (e.g., damage to assets)</li> <li>Increased operating costs due (e.g., higher utilities)</li> <li>Write-offs and early retirement of existing assets (e.g., damage to property and assets in “high-risk” locations)</li> <li>Increased insurance premiums and potential for reduced availability of insurance on assets in “high-risk” locations</li> </ul>
<b>Chronic</b> <ul style="list-style-type: none"> <li>Rising mean temperatures: Heat stress</li> <li>Changes in precipitation patterns and extreme variability: precipitation stress, drought stress</li> <li>Rising sea levels</li> </ul>	

## CLIMATE OPPORTUNITIES

Efforts to mitigate and adapt to climate change also produce opportunities for Bridge to continue, for instance, its resource efficiency value-add and the adoption of low-emission energy sources.

Climate-Related Opportunities and Examples	Examples of Potential Financial Impacts, Based on TCFD Guidance*
<b>Resource Efficiency</b> <ul style="list-style-type: none"> <li>Improve building energy efficiency</li> <li>Increase recycling</li> <li>Reduce water usage</li> </ul>	<ul style="list-style-type: none"> <li>Reduced operating costs</li> <li>Increased value of assets</li> </ul>
<b>Energy Source</b> <ul style="list-style-type: none"> <li>Renewable energy</li> <li>Use of supportive policy incentives</li> <li>Use of new technologies</li> <li>Participation in carbon market</li> </ul>	<ul style="list-style-type: none"> <li>Returns on investment in low-emission technology</li> <li>Reduced operational costs</li> <li>Increased capital availability</li> <li>Reputational benefits resulting in increased demand for investment products</li> </ul>
<b>Products and Services</b> <ul style="list-style-type: none"> <li>Development and/or expansion of low emission goods and services</li> <li>Ability to diversity business activities</li> <li>Development of new products and services through R&amp;D and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenue through demand for lower emissions products and services</li> <li>Better competitive position to reflect shifting consumer preferences, resulting in increased revenues</li> </ul>
<b>Markets</b> <ul style="list-style-type: none"> <li>Access to new markets</li> <li>Use of public sector incentives</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenues through access to new markets (e.g., partnerships with public sector)</li> <li>Increased diversification of financial assets</li> </ul>
<b>Resilience</b> <ul style="list-style-type: none"> <li>Strengthen resilience of buildings</li> </ul>	<ul style="list-style-type: none"> <li>Increased market valuation through resilience planning (e.g., land, buildings)</li> <li>Decreased insurance premium</li> <li>Avoided loss of assets and revenue</li> </ul>

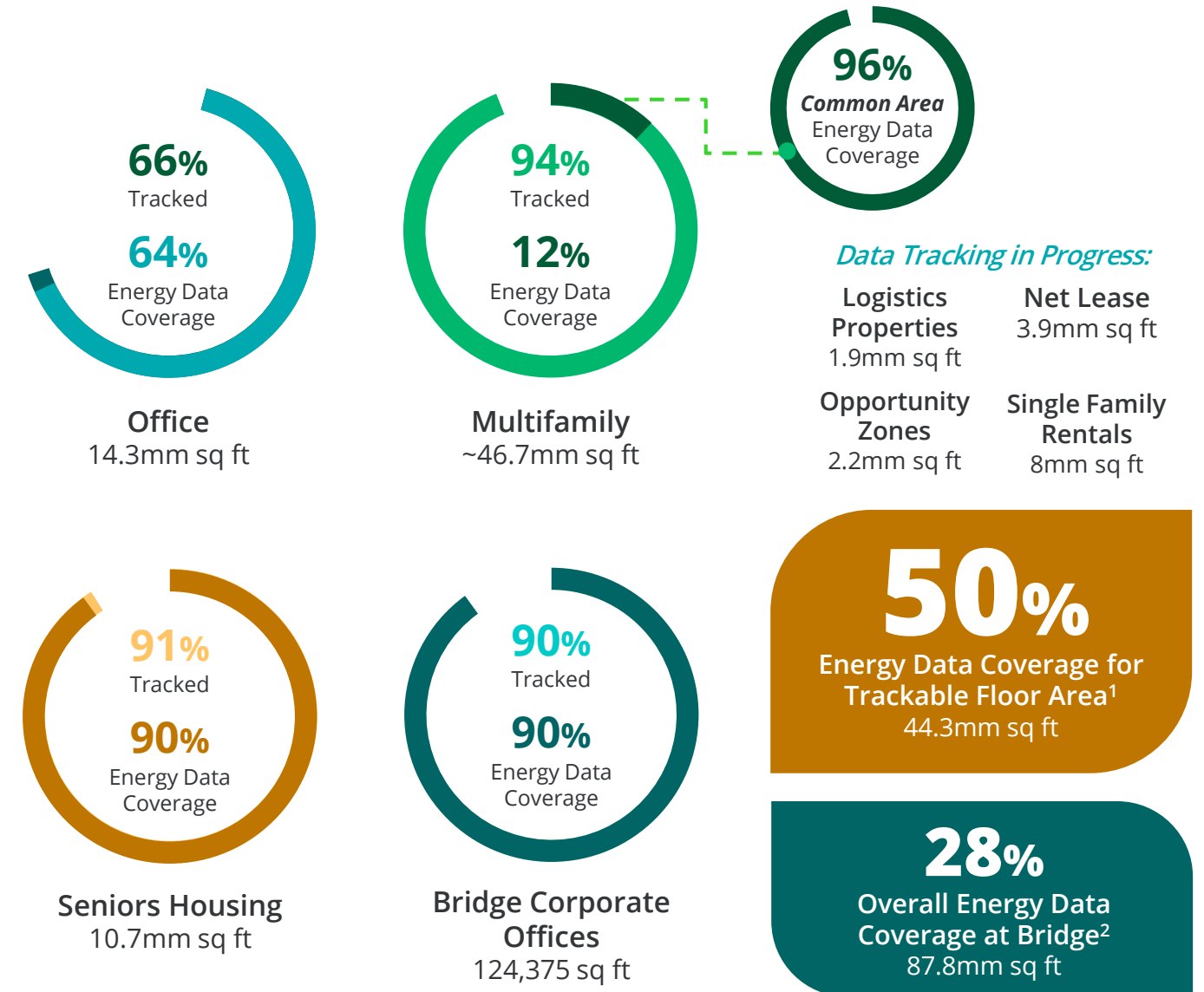
# 04 METRICS & TARGETS

Metric	KPI Description	Associated Indicators
 <b>Energy Consumption</b> <sup>1</sup>	Track energy use, calculate energy use intensity (MWh/floor area), and identify % of portfolio covered	GRESB: EN1 (14 pts) GRI: 302 1-5 SDG: Goal 7 (Affordable & Clean Energy)
 <b>GHG Emissions</b> <sup>2</sup>	Track total GHG emissions, calculate GHG intensity (MTCO2e/floor area covered), and identify % of portfolio covered	GRESB: GH1 (7 pts) GRI: 305 1-7 SDG: Goal 13 (Climate Action)
 <b>Water Consumption</b> <sup>3</sup>	Track water use, calculate water use intensity (m <sup>3</sup> /floor area), and identify % of portfolio covered	GRESB: WT1 (7 pts) GRI: 303 1-5 SDG: Goal 6 (Clean Water & Sanitation)
 <b>Energy &amp; Water Tracking</b> <sup>4</sup>	Report on the number of investments with energy and water tracking (ex. ENERGY STAR Portfolio Manager Profiles)	GRESB: BC2 (2 pts) SASB: IF-RE 130a.4 SDG: Goal 7.3.1 (Energy Intensity)
 <b>Energy Ratings</b> <sup>5</sup>	For Office strategy, report on the number of investments with energy ratings (ex. ENERGY STAR Certification)	GRESB: BC2 (2 pts) SASB: IF-RE 130a SDG: Goal 7.3.1 (Energy Intensity)
 <b>Climate Change: Physical Risk</b> <sup>6</sup>	Assess climate change physical risks (heat and water stress, wildfires, floods, sea-level rise, hurricanes, earthquakes) for current holdings	SASB: IF-RE 450a GRESB: RM6.3 & RM6.4 (scoring to commence 2023) SDG: Goal 13 (Climate Action) GRI: 2-25

Bridge participation in each of the KPIs listed above are as follows:

1. Bridge Multifamily Fund ("MF") IV and V, Bridge Office Fund ("BOF") I and II, Bridge Workforce and Affordable Housing Fund ("WFAH") I and II, Bridge Seniors Housing Fund ("BSH") I, II, and III.
2. MF IV and V, BOF I and II, WFAH I and II, BSH I, II, and III.
3. MF IV and V, BOF I and II, WFAH I and II, BSH I, II, and III.
4. MF IV and V, BOF I and II, WFAH I and II, BSH I, II, and III.
5. BOF I and II.
6. Bridge Multifamily, Workforce & Affordable Housing, Office, Senior Housing, Net Lease, Logistics Value Add, and Development Verticals.

## BRIDGE ENVIRONMENTAL DATA TRACKING CURRENT PORTFOLIO DATA COVERAGE



<sup>1</sup> This figure excludes leasable square footage of Multifamily assets, due to lack of access to resident utility data.

<sup>2</sup> The total square footage for each of Opportunity Zones, Logistics, Net Lease and Single Family Rental verticals are currently not tracked in EnergyStar Portfolio Manager in the overall total of 87.8mm SF. Furthermore, Bridge Debt Strategies is not included in the overall square footage.

# SPOTLIGHT: WELL HEALTH & SAFETY RATING & AIR QUALITY MANAGEMENT

The WELL Health-Safety Rating (“WELL HSR”) for Facility Operations and Management is an evidence-based, third-party verified rating for all new and existing building and facility types focusing on operational policies, maintenance protocols, stakeholder engagement, and emergency plans.

The International WELL Building Institute (“IWBI”), which created WELL HSR, oversees the world’s premier framework for advancing health in buildings and spaces of all kinds - the WELL Building Standard (“WELL”).

WELL is grounded in the premise that buildings, communities, and organizations play a leading role in supporting our health and well-being, as well as our collective ability to prepare for and respond to global health challenges like the one we’re experiencing now.

WELL HSR is based on 5 core areas including: Cleaning and Sanitization Procedures, Emergency Preparedness Programs, Health Service Resources, Air and Water Quality Management, Stakeholder Engagement and Communication.

The area of indoor air quality is of particular importance to Bridge as we consider it a main channel of transmission for climate change impacts on human health and productivity.

Climate change is both driven by air pollution and increases air pollution in urban and suburban areas. Outdoor pollution, measured by particulate matter 2.5 (or PM2.5), permeates into buildings, decreases productivity, and increases morbidity. Indoor air quality is important to manage communicable diseases, which will also increase with climate change.



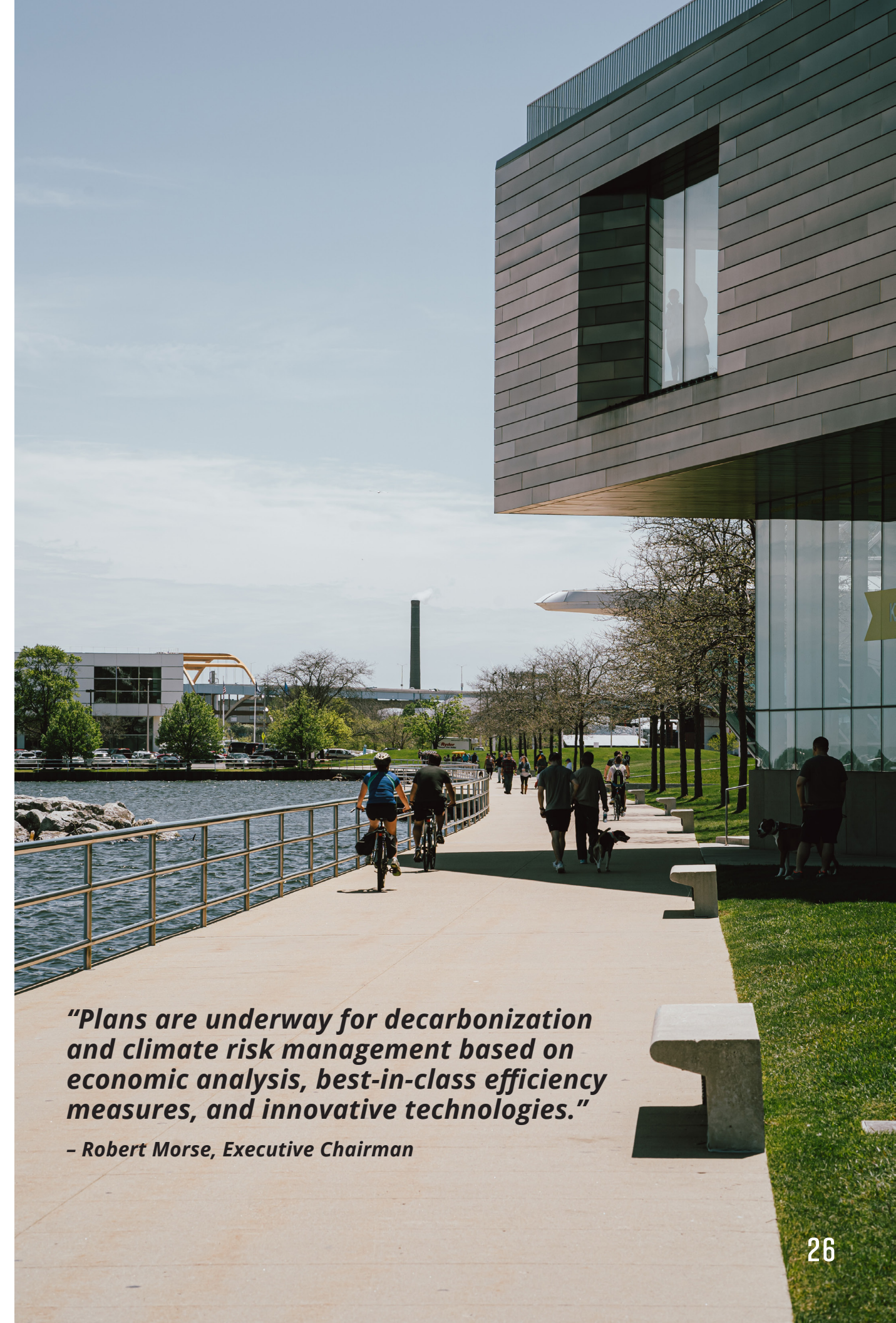
# 55

**BRIDGE OFFICE ASSETS HAVE AN ACTIVE WELL HSR. ADDITIONAL BRIDGE ASSETS ARE PREPARING TO PURSUE THE RATING.**

Sources:  
WELL Certified Health-Safety Rating, WELL, November 11, 2022. <https://www.wellcertified.com/health-safety/>  
Institute of Medicine 2011. Climate Change, the Indoor Environment, and Health. Washington, DC: The National Academies Press. <https://doi.org/10.17226/13115>

# BRIDGE'S DECARBONIZATION PLAN

The built environment contributes about 40% of annual global CO2 emissions. Therefore, with a tremendous opportunity to make an impact, Bridge is working with a phased approach up to the year 2030 to target significant GHG emissions reductions. Three distinct phases are indicated with corresponding strategic actions under consideration to help us reach our decarbonization goals for the Bridge portfolio.



***“Plans are underway for decarbonization and climate risk management based on economic analysis, best-in-class efficiency measures, and innovative technologies.”***

***- Robert Morse, Executive Chairman***



27 Image: Rooftop solar system at the Cabot Office site in Lisle, IL.

# NEXT STEPS

*As we prepare for the next stage in our climate journey, we are targeting the following pursuits to help further our alignment with the TCFD as well as prepare for other proposed climate risk disclosures.*

## 1. GOVERNANCE

- Board to meet and review in detail climate matters two to three times per year
- Dedicate time to address climate at applicable equity real estate Investment Committee meetings
- Increase climate risks and opportunities coverage in Investment Committee memos and vertical business strategy, acquisitions/divestitures, budgets, and KPIs
- Enhance education for Board members

## 2. STRATEGY

- Factor scenario analysis into the climate strategy and evaluate if it has material impact
- Assess impact on financial planning and position
- Develop a climate transition plan with annual re-evaluation

## 3. RISK MANAGEMENT

- Perform climate scenario analysis
- Strengthen management of climate risks
- Prioritize among climate risks facing Bridge assets

## 4. METRICS AND TARGETS

- Further increase data coverage
- Measure activities aligned with climate mitigation and adaptation
- Improve tracking of energy efficiency expenditures
- Establish interim and long-term targets

## DISCLOSURES & DISCLAIMERS

This TCFD Report (this “Report”) is provided for informational purposes only and is not, and may not be relied upon as, legal, tax or investment advice. This Report is not an offer to sell, nor a solicitation of an offer to buy any securities in Bridge Investment Group Holdings LLC (“Bridge”) or any entity or vehicle managed by Bridge or its affiliates, nor shall any contents contained herein be relied on in connection with any such investment decision. This Report includes certain forward-looking statements that reflect our beliefs and expectations as of the date of publication, including but not limited to our expectations regarding our commitments to community initiatives, the specific initiatives we expect to implement, and the outcomes or positive impacts of any of our social or community initiatives. These forward-looking statements are subject to various risks and uncertainties beyond our control, and the recipients of this Report should not place any undue reliance on any of the forward-looking statements contained herein. Any case studies contained within this Report may not be representative of all initiatives, and it should not be assumed that any comparable initiatives or actions will be made at all current or future comparable assets or that any success of any current or expected ESG initiatives referenced in this Report are guaranteed. This Report contains select images that are provided for illustrative purposes only and may not be representative of Bridge owned assets. Such images may include digital renderings or stock photos rather than actual photos of investments, residents or communities.