



TRISTAN CAPITAL PARTNERS ESG POLICY

MARCH 2021

INTRODUCTION

Tristan Capital Partners (“Tristan”) is an independent London-headquartered real estate investment management boutique, regarded as one of the leaders in the European marketplace. Our track record includes a 20-year European investment history that spans ten funds and encompasses both value-added / opportunistic and core-plus strategies.

We are proud of our reputation as an exceptional risk manager, and we believe that our intense focus on the risk / return trade-off is responsible for the firm’s superior track record of performance across several market cycles to date. ESG is an important part of our risk management investment approach.

Tristan’s Environmental, Social, and Governance (ESG) Policy sets out our vision and the commitments that support our core firm objective: to protect value and identify opportunities to drive additional value for our investors by integrating ESG considerations into every stage of our investment process.

OUR VISION IS TO PROTECT VALUE AND IDENTIFY OPPORTUNITIES TO DRIVE ADDITIONAL VALUE FOR OUR INVESTORS BY INTEGRATING ESG INTO EVERY STAGE OF OUR INVESTMENT PROCESS

Our ESG strategy addresses the environmental, socio-economic and governance risks and opportunities associated with our core activities in the acquisition, development, ownership and management of property assets.

This Policy is aligned with the requirements of the EU’s Sustainable Finance Disclosure Regulation (SFDR) by describing our approach to the integration of sustainability risks into our investment decision-making process. For the purposes of SFDR, a “sustainability risk” is defined as any ESG event that, if it occurs, could or will have a material negative impact on the value of our investments and therefore on our funds’ returns. “Sustainability factors” are defined as including environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters. Within this Policy, these concepts are referred to together as “ESG issues”.

STRATEGIC ESG FRAMEWORK

Tristan carried out a robust review of the market context, legislative drivers, investor expectations and management team’s perspectives in order to identify the ESG issues that are most material to the firm. The outcomes of this review enabled Tristan to tailor its ESG strategy to effectively manage its material risks and opportunities on a continuous basis within a framework and a set of commitments.

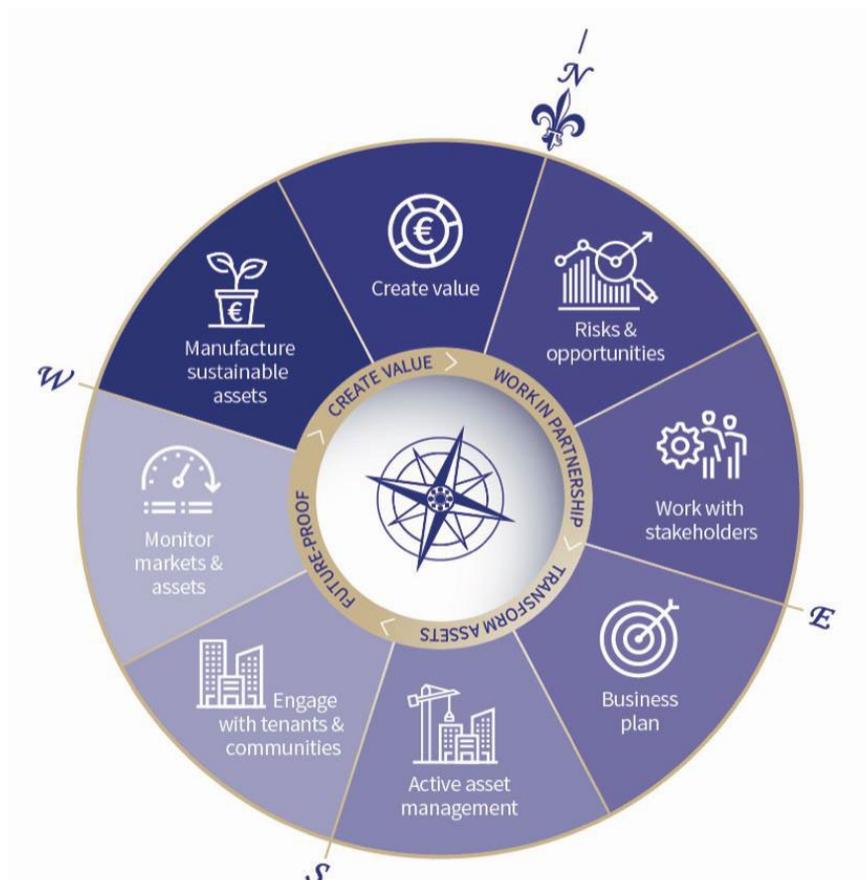
The ESG issues which apply across our investments may differ by industry, regulatory regime, and regional footprint. Our framework and commitments are tailored to allow for a flexible approach to the integration of sustainability risks as is considered most suitable for any particular investment. Our approach to the integration of sustainability risks and factors has evolved and will continue to evolve as markets develop, resulting in greater access to information to help us to identify, measure and manage these risks and factors.

Our vision

Our vision is to embed the robust management and integration of our material ESG issues within our business activities and investment decision-making. Such integration allows us to gain a more comprehensive understanding of both the risks and the opportunities arising from the ESG issues we have identified. This will enable us to meet our core financial objectives whilst maximising the socio-economic and environmental performance of our assets with cost efficiency. We regularly review ESG issues in the context of our investment activities and update our programme of activities accordingly.

We use each of our Strategic Pillars as a mechanism of integrating ESG issues throughout the lifecycle of our investments.

OUR VISION & STRATEGIC PILLARS



ESG COMMITMENTS

I. Working in partnership

- Our core values of performance, teamwork, partnership, trust and integrity support our philosophy of embedding high standards of ESG practices throughout our operations.
- We commit to engaging with our stakeholders – in particular operating partners, tenants, employees and the communities we operate in – on ESG issues, using their insights to help us improve performance and meet their evolving needs.
- We commit to communicating our ESG performance transparently to our investors, partners and tenants through reports and other means, and to engaging actively with industry initiatives.
- Throughout the selection and appointment process, we carry out necessary checks (e.g., background and anti-money laundering checks) to ascertain that our partners share our high ethical, legal and regulatory standards, and ensure our partners comply with Tristan's Code of Conduct, Anti-Bribery and GDPR policies. We also work with our partners to maintain compliance of our investments with sustainability-related legislation, and to obtain information and reports which relate to the sustainability of the investments.

II. Transforming our assets

- In both the value-added / opportunistic and core plus funds, Tristan's investment strategy is focused on acquiring assets where capital values can be enhanced under our ownership. In this context, we will seek to optimise returns by improving the overall sustainability performance of our assets whilst balancing these with our financial objectives. Although the initial sustainability risk assessment of our assets may be medium or high over the short term, we take a longer-term approach to managing and minimizing identified risks and consider individual asset's contribution in the transition to a more sustainable environment. This is a core pillar of our approach.
- We focus on guaranteeing compliance with current and upcoming regulations in each relevant jurisdiction, managing costs, identifying and reducing obsolescence risk and enhancing asset appeal to occupiers.
- We seek to transform the performance of our assets across our funds over time on issues that are material to value creation and therefore aligned with our investors' objectives and with our values.
- We adopt a high level of environmental and social sustainability standards on all new development and refurbishment projects, and work with Operating Partners to set regional specific targets and monitor progress.
- The sustainability issues of most significance to our asset management and development activities are:
 - Tenant attraction, retention and engagement
 - Energy efficiency and renewable energy generation
 - Carbon emissions
 - Sustainable building standards/certifications
 - Waste
 - Water
 - Sustainable procurement
 - Transport connectivity and accessibility
 - Health and wellbeing
 - Climate change risks, both physical and economic



- We operate a flexible approach to the integration of ESG issues, taking into consideration the investment mandate, the relevant jurisdictions and the asset class invested in. Our approach will be applied as we consider appropriate to all of the circumstances of the investment, while continuing to follow our values. This may include, for example, implementing asset specific improvement plans and setting KPIs against which we monitor progress.

III. Future-proofing our investments

- All investment decisions we make broadly consider the principal adverse impacts of those decisions on ESG issues. We will continue to monitor and evaluate our disclosures on the principal adverse impacts of our investment decisions, in line with the requirements of SFDR.
- We aim to avoid surprises, ensuring that we make investment decisions based on future-focused due diligence performed during our acquisition process. This is backed up by high quality research on the full range of issues we deem material to asset value and returns.
- We seek to mitigate our risk exposure through our disciplined approach to due diligence and the management of our assets throughout the investment cycle, and maximise opportunities to add value to our investment portfolios, while enhancing the environmental and socio-economic performance of our assets and portfolios.

The ESG issues of most significance to our investment activities, and factors we focus on prior to making investment decisions, are:

- Energy efficiency and renewable energy generation
- Carbon emissions
- Climate change risks, both physical and economic
- Sustainable building standards / certifications
- Transport connectivity and accessibility
- Tenant attraction, retention and engagement

Continuous improvement

We recognize the need to further strengthen our approach to addressing ESG issues. As part of this effort, Tristan continually assesses new or emerging ESG trends that may begin to have a material impact on our activities. This helps us to future-proof our investments.

We regularly train our employees on ESG-related trends and updates to ensure the latest information is considered in our approach to integrating ESG into investment and asset management activities.



ESG GOVERNANCE

ESG matters are co-ordinated by Tristan's ESG Manager and Head of the ESG Committee, who reports directly to the Senior Partners.

The ESG Manager coordinates the work of Tristan's ESG Committee, which involves employee representation from all business areas and various levels of seniority. The committee meets monthly and takes responsibility for monitoring performance, setting annual targets and overseeing the effective implementation of the ESG roadmap. Tristan also works closely with and is supported by industry leading external advisors on ESG.

Beyond this group, Tristan engages with wider stakeholders including employees, operating partners, property managers and tenants as appropriate to cooperate in the successful delivery of our ESG strategy.

Employee contribution to achieving Tristan Capital's diversity and inclusion, philanthropic, social and employee matters, respect for human rights, anti-corruption, anti-bribery and other sustainability-related objectives are considered as part of annual salary and other remuneration reviews, which are at the discretion of Tristan.

In addition, and in compliance with SFDR, Tristan's remuneration policies are consistent with the integration of sustainability risks and Tristan's ESG objectives.

DISCLOSURE AND REPORTING

The creation of robust systems to record and analyse the environmental performance of our assets is a fundamental part of our ESG strategy. We use an environmental data management platform to help us assess and report key environmental performance and risks. We seek ways to expand our data analysis going forward to include emerging or significant ESG trends, such as climate risk analysis and other long-term trends. Tracking performance against the full scope of our material issues within investment, development standards and asset management activities will enable us to adopt full risk management and business plans to improve the sustainability performance of our assets. Tracking performance also enables us to share the results of our work with tenants, service providers and investors.

We commit to reporting on our sustainability performance at least monthly internally, and at least quarterly to investors. In addition, Tristan will consider publishing the results of its activities to business partners, investors and tenants through various media, including external benchmarks such as the annual Global Real Estate Sustainability Benchmark (GRESB).

CORPORATE SUSTAINABILITY COMMITMENT

In addition to our ESG strategy, Tristan maintains an internal policy of promoting and positively managing environmental and social issues within its own offices, encompassing the following aspects:

- Workplace energy efficiency
- Minimisation of business travel
- Encouraging the use of public transport
- Responsible printing and use of recycled paper
- Promoting recycling and re-use
- Procurement decision-making that considers environmental and socio-economic aspects
- Employee wellbeing and mental health programmes
- Philanthropy activities