

Tristan Capital Partners

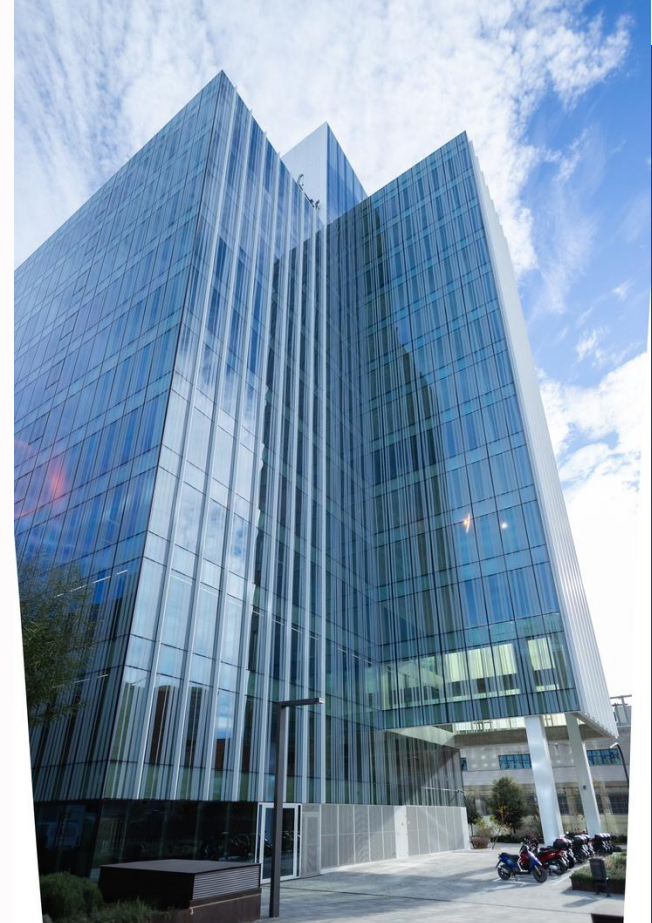
Sustainability Report 2022



TRISTAN
CAPITAL PARTNERS

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Welcome to our Sustainability Report

This is Tristan Capital Partners' second Sustainability Report, where we reflect on our achievements from 2022 and outline our priorities for 2023 onwards.

When I came to write this year's report, I looked back over my notes to clients, partners and our team at the start of 2022 and was struck by the tone of cautious optimism. At that time, we were at the tail end of the Covid pandemic and consensus was that we would be entering a new era of growth. Household savings had surged across many advanced economies, inflation was around 5% across Europe and central banks' response were still dovish.

By mid-March, the mood had changed. The Russian State invaded Ukraine. Inflation, driven initially by soaring energy prices caused a rapid unwinding of longstanding central bank monetary policy. Successive rate hikes increased the cost of capital across Europe and sent real estate capital markets into hibernation. Towards the end of 2022, we saw the first signs of a liquidity crunch as the banks squared up to their first stress test since the global financial crisis.

We also saw an increase in extreme weather events globally in 2022, compounding supply chain issues of many essential goods and driving up food prices as energy prices began to fall. For lower income groups, rising costs amplified the ongoing cost-of-living crisis in advanced economies, deepening social inequality.

These structural and demographic changes continue to reshape the role of real estate globally.

Our mission is to continue to position ourselves to navigate these challenges and capture the

opportunities offered by these complex and interrelated environmental and societal forces.

Through our 'Manage to ESG' strategy, we aim to acquire assets where we have the potential to improve each asset's sustainability credentials. We believe this improves the overall resilience of our portfolio and gives us the optionality to unlock additional value and enhance investment outcomes by anticipating the emerging demands of occupiers and future owners.

In 2022, we continued to see occupancy trends evolve, with demand growing for high-quality sustainable assets across all sectors. The limited availability of quality, well-located, energy efficient, highly-amenitised space in Europe means that rents are rising for these types of assets and falling for older, poorer-quality space that is harder to upgrade. We believe that the spread between the best and the rest will only widen from here.

Continuing to develop our ESG strategy in response to the evolving requirements of all our stakeholders remains a priority and is increasingly informing the way we manage our business. As real estate capital markets recover and investment volumes pick up, ESG factors will form an even greater part of our due diligence and investment decision making processes, shaping the way we build our portfolio over time.

We hope you find this year's report illuminating and, as always, we are available to answer any questions you may have.



Ric Lewis
Executive Chairman,
Chair of the Investment Committee and Co-CIO
Tristan Capital Partners

Our approach to the environment, social responsibility and governance (ESG)

We believe that real estate plays a pivotal role in our communities, both now and in the future.

Leading by example and integrating sustainability matters throughout our business can help create better investment outcomes for our clients, our partners and society at large.

Our approach to sustainable practices - whether it be our clients' capital growth or aligning our interests with business partners - is based on several Strategic Pillars (displayed right), which aim to integrate ESG opportunities throughout the lifecycle of our investments.

To have real impact on investment outcomes, our approach to sustainability starts by focusing on the key material matters that are important to both our clients and our business.

These are implemented with the coordination of the ESG committee, reviewed annually, and reported internally and externally.



Our approach to ESG

Our ESG Committee is led by our Head of Asset Management and ESG, Jean-Phillippe Blangy.

With support from external advisors, Longevity Partners and JLL Sustainability Services, this group is responsible for anticipating and responding to emerging best practices, occupational trends and evolving regulatory and reporting requirements across our portfolio.



22yr

Investment track
record spanning
12 funds

70

Joint venture partners
across 20 countries

170+

People based in London
and in several hubs in
key strategic locations
across Europe

“ The consideration of ESG matters is embedded throughout the investment lifecycle at Tristan. We constantly challenge ourselves to identify emerging best practices and seek opportunities to enhance performance for our clients. ”

The group reports regularly to a Senior Advisory Board, which is Chaired by Ric Lewis – Executive Chairman and Chair of Tristan's Investment Committee and includes Tristan's CEO, Ian Laming, Co-CIO, Cameron Spry and Chief Investment Strategist, Simon Martin. Through our partnership with New York Life Investment Management, we also sit on their Cross Boutique ESG Working Group to share best practice and consistency in environmental, social and governance investing.

The ESG Committee works closely with Tristan's Equality, Opportunity & Philanthropy (EOP) Committee, which designs and delivers diversity, belonging, inclusivity and charitable initiatives across the firm and industry.

2022 Highlights

2022 was a year of positive momentum for ESG at Tristan across four priority areas: maintaining and driving value and sustainability of assets; monitoring the ESG landscape and anticipating structural changes; enhancing ESG analysis at the asset level; and broadening the scope of our corporate social responsibility work for the benefit of our people, our partners, and the communities we share and serve.

Sustainability Performance



GRESB Scores:

During 2022, we continued to progress the Global Real Estate Sustainability Benchmark (GRESB) results for our funds by refining our management approach whilst both acquiring quality assets and upgrading existing stock. Over the past two years, GRESB star ratings for our funds have increased by 1.5 stars on average. The majority of our funds now have a GRESB score above the average for their peer group, and most now have a rating of at least three stars out of a maximum of five. Curzon Capital Partners III (CCP III) received the highest rating of five-stars.

PRI:

Tristan is a signatory of the United Nations Principles for Responsible Investment (UN PRI). By aligning with the UN PRI, we have reaffirmed our public commitment to responsible investing and the further integration of ESG matters into our decision-making processes. The UN PRI's standards also ensure we are held accountable for our progress against our ESG goals.

Anticipating Structural Changes



In collaboration with Longevity Partners and JLL Sustainability Services, two leading multi-disciplinary energy and sustainability consultancies, we proactively monitor the evolving ESG landscape.

This helps us to anticipate structural changes and act accordingly, keeping our processes and funds – and, by extension, our clients – ahead of the game.

As part of this collaboration, we brought in three staff on secondment to provide advisory support to our funds and assist in the implementation of ESG related strategies.

Enhancing Asset-Level Analysis



We have strengthened and enhanced the incorporation of ESG factors throughout the investment lifecycle of assets and funds. This includes an assessment of future climate-related risks and opportunities. New transactions for Article 8 funds - acquisitions for CCP V LL and EPISO 6 and loans for TIPS 1 - are subject to an even more rigorous ESG due diligence process.

Transition risk is an important consideration for long-term assets. Our teams conducted thorough risk assessments across the key geographic areas in which they invest to ascertain financial implications and climate-related opportunities.

At an individual asset level, we made significant progress in implementing initiatives to reduce the energy intensity and carbon footprint of our properties, helping to reduce their environmental impact. We use Deepki, a market-leading platform renowned for monitoring the environmental footprint of properties, to ensure we have accurate and reliable carbon data.

We have increased coverage of green building certifications across most investment portfolios.

2022 Highlights

SEO/LONDON SPONSORS FOR EDUCATIONAL OPPORTUNITY

To improve the incorporation of ESG considerations into our investment processes, we introduced two 'sustainability champions' from our analyst programme. Nouhaila and Chloe contribute to our ESG strategy but also bring unique perspectives and promote awareness of ESG matters and opportunities among their colleagues.

We continued our sponsorship of the 'Real Estate' Programme' run by the UK charity Sponsors for Educational Opportunity (SEO London). The programme aims to help young people from underrepresented socio-economic backgrounds find careers in the real estate industry. In 2021, 125 students completed the five-week course, and in 2022 the programme was extended to operate year-round for around 300 students. Participants benefit from networking opportunities, technical training, and insights into real estate investing, valuation, and financing.

61%

Offices are now
certified green
buildings

425

Students have
participated in the 'Real
Estate Programme'

1.5

Stars average increase in
GRESB rating across our
fund range over the past
two years

“ Being sustainability champions has broadened our knowledge around ESG topics whilst also enabling us to extend our network across the business at all levels. It's great to work for a company that not only actively supports the drive to deliver better buildings, workspaces, and governance but also empowers its people to be catalysts for change. ”

Chloe Jouvelot and Nouhaila Touhami, Tristan Sustainability Champions



Our ESG Strategy

Our ESG Policy shapes how we meet financial objectives while maximising the socio-economic and environmental performance of our assets cost effectively.

Our overall ESG strategy reflects the current market context, legislative drivers, investor expectations and the perspective of our management team. Our approach to ESG matters is outlined in our ESG Policy and re-evaluated continuously, the latest of which was published in Q2 2023 and is available [on our website](#).

Our corporate ESG strategy provides a governance framework for the responsible management of our business, including our approach to treating our people, partners, and the communities we engage with thoughtfully and respectfully.

Our approach at fund level is focused on responsible stewardship and ensuring we build diverse and resilient portfolios which deliver positive investment outcomes for our clients and the end beneficiaries they represent.

The link between the environmental performance of our portfolios and their financial value continues to increase in prominence. Future-proofing assets through our 'Manage to ESG' strategy is therefore an ever-growing priority for our Investment, Asset Management and Portfolio Management teams.

ESG Strategic Framework



Our focus at an asset level is to protect value and identify opportunities to drive additional gain for our investors by integrating sustainability analysis into every step of the investment process.

Our ESG strategy guides our approach to managing our assets. We do this in three ways; by working in partnership with our stakeholders; future-proofing our investments; and transforming our assets so that they meet the environmental and social targets we have set.

In the first instance, this relates to how we tackle relevant sustainability matters and opportunities during due diligence and integrate their management within the business plan for each asset or loan. During the holding period we aim to identify and improve the credentials of our assets to ensure that they are future-proofed for disposal. This means anticipating and responding to ESG priorities which are shaping occupational and institutional investor demand for the types of core assets we create across property sectors.



ESG Strategy: Stakeholder Engagement

Our stakeholders are an integral part of our sustainability strategy and overarching business plan.

We take every opportunity we can to listen to the concerns and priorities of our investors, our tenants, our people and our regulators to make sure they know about our plans and what lies behind them. We take the views of our stakeholders into account when we are making decisions and plans, and this is critical to the success of our strategy.

STAKEHOLDER	ENGAGEMENT	AD HOC	AS REQUIRED	QUARTERLY	SEMI-ANNUALLY	ANNUALLY	CONTINUALLY
Investors	Reporting	○	○	○	○	●	○
	Ad Hoc Questionnaires	●	○	○	○	○	○
	Advisory Board Meetings	○	○	○	●	○	○
Operating Partners	Regular training opportunities	○	○	○	○	●	○
	Target Setting	○	●	○	○	○	○
	Compliance checks	○	○	○	○	●	○
	Environmental Performance Monitoring	○	○	●	○	○	○
Employees	Engagement surveys	○	○	○	●	○	○
	Sustainability Training	○	○	●	○	○	○
	Volunteer and Fundraising Opportunities	●	○	○	○	●	○
	Health and Wellbeing Initiatives	○	○	○	○	○	●
	Diversity and Inclusion Initiatives	○	○	○	○	○	●
Tenants	Engagement surveys	○	○	○	○	●	○
	Environmental Performance Monitoring	○	○	●	○	○	○
	Compliance checks	○	○	○	○	●	○
Suppliers	Sustainable Development Charter	○	●	○	○	○	○
	Supplier Screening	○	○	○	○	○	●
Community	Charity Involvement	●	○	○	○	○	○
	Community engagement initiatives	○	●	○	○	○	○

ESG Strategy: Material Issues

Our ESG Philosophy:

Our philosophy is to embed the identification, management and integration of material ESG issues within our business and investment decision-making processes to generate compelling risk-adjusted returns for our clients.

This integrated approach gives us confidence that we are managing our assets and our firm in a way that chimes with our overall philosophy.

It also gives us a more comprehensive understanding of the ESG risks we identify, the ways in which we can mitigate them, and the opportunities that may be created by them.

In that way, we can meet our core financial objectives for our clients, partners and people, whilst maximising the environmental performance and socio-economic profile of our assets in a cost-efficient manner.

CATEGORY	SUBCATEGORY	STAKEHOLDERS	SUSTAINABLE DEVELOPMENT GOALS
Environment	Sustainable Investment	Portfolio	  
	Energy Consumption	Assets	  
	Carbon Footprint	Portfolio	 
Social	Employee Wellbeing	Employees	  
	Tenant Satisfaction	Assets	  
	Client Relations	Investors	
	Talent Acquisition	Employees	
	Training	Employees	 
	Growth and Development	Employees	    
	Equality, Opportunity, and Philanthropy	Employees	   
Governance	Compliance and Regulation	Portfolio	  
	Social Responsibility	Portfolio	     

Our Environmental Impact: Data and Monitoring

In 2019 we established a partnership with Deepki, a leading ESG related data management platform.

	CCP III	CCP IV	CCP V LL	EPISO 3	EPISO 4	EPISO 5
ENERGY INTENSITY (LANDLORD CONTROLLED)	256	426	121	3,293	3,315	6,158
SCOPE 1	171	69	7,812	1,724	5,873	3,594
SCOPE 2	10,395	2,399	27,576	28,348	26,137	26,256

Through our collaboration with Deepki, we have successfully logged all our assets onto their system, enabling us to closely monitor and analyse asset performance.

This partnership has significantly enhanced our benchmarking capabilities and streamlined our reporting processes, allowing us to dedicate more attention to impactful ESG initiatives and the effective implementation of our overarching strategy at asset-level. Working in collaboration with our occupiers, we collect and consolidate energy, water, and waste data on a quarterly basis.

Our quarterly reports comprehensively document project progress, including relevant certifications and ratings, and are distributed to key internal and external stakeholders. A summary of our 2022 data can be found in the Appendix of this report.

Goals

Our environmental data and monitoring processes enable us to introduce asset-level initiatives with optimal asset performance in mind.

Whilst the timeframes of achieving some commitments may fall outside of the Fund's lifespan, the Fund will review and progress asset level initiatives, where possible and appropriate, with a view to maintaining and increasing value whilst also reducing the risk of stranding.

	TOTAL AVERAGE
ENERGY INTENSITY	2,262
SCOPE 1 EMISSIONS	3,207
SCOPE 2 EMISSIONS	20,185

Progress and Action

We are implementing asset-level initiatives such as renewable energy installations and LED retrofitting to reduce energy intensity and the carbon footprint across our funds.

Green certification, Décret Tertiaire compliance and climate risk assessments are key components for our plans for new developments, ensuring their sustainability. Additionally, we aim to increase the proportion of standing assets with certification throughout 2023.

Weighted by GAV, 61% of all office investments across the C-Series and E-series fund range hold green building certification (e.g. BREEAM, LEED, HQE, DGNB). Including green building certifications that are in progress, 84% of all office investments either hold certification or are expected to be certified within next 12-18 months.

Highlights of our 2022 data and achievements are presented in tables in the Appendix.

We are undertaking several social initiatives at asset level, including:

- Sponsorship of a local football club
- An outreach project with local schools where we facilitate school visits to site and workshops
- At our Eden project in London, we have employed four people from the local borough on apprenticeships during the construction phase
- The donation of 235 items of furniture and white goods to local organisations
- Across our student accommodation portfolio, we are working with our partner to host events aimed at helping to reduce anxiety in young individuals as well as working with new media brands to increase visibility of topics such as diversity



Case Study:

Project Mermaid (CCP V LL)

An energy efficient, high-quality residential development in Copenhagen.

- The buildings have received one of the **highest energy label ratings (A2015) in Denmark**, which is attributable to highly energy efficient buildings
- The asset was built to and has qualified for **green bond financing from Nykredit**, a leading Danish financial services group
- **DGNB 'Gold' certification** expected in Q3 2023
- **Sustainability features:** the projects features green sedum roofs, which can absorb rainwater, shared roof terraces, open green courtyards and a playground; apartments feature large window areas to ensure maximum daylight, as well as balconies to provide additional outdoor space
- **28 EV chargers** have been installed to further improve ESG credentials of the asset



Case Study:

Project Panther (EPISO 6)

Initiatives to enhance environmental performance of budget hotels and staff.

- **Improved Environmental Performance Certificates** issued for Liverpool Street and Paddington
- **BREEAM New Construction certificates** for King Cross (Very Good), Shoreditch (Excellent), Liverpool Street (Very Good), and Westminster (Very Good). All additional assets are on track to receive BREEAM In-Use Very Good certifications by the end of the year
- QR codes allowed guests to **donate to two charities of choice**. £1,500 was raised, which the hotel franchise, Point A, has matched
- Initiatives in place to **reduce the consumption of utilities and eliminate single-use plastic** at premises
- Point A Hotel Paddington has been recognised by the **Best Places to Work in Hospitality Awards**
- **Cost of living support for employees:** support with General Expenses (Wagestream discount codes); discount on tech products, Each Person discount; support with travel (Cycle to Work, Annual Season Ticket Loan); food whilst on shift; mental, emotional and financial wellbeing support (Hospitality Action, Wagestream 121 Financial Coaching, Queensway Foundation)

Progress and Action



Case Study: Working with Timeless Investments

The implementation of smart technology for The Kauwgomballenfabriek (KBF) for EPISO 5 with Timeless Investments

The KBF Warehouse is already an inspiring place where enterprising minds and like-minded people congregate. The transformation of this former factory is another step in its evolution from a traditional business park to a mixed-use destination.

The KBF is located in an area that is going through change, and once complete, it will be a place for living and working complemented with a neighbourhood park and social facilities.

Our Smart Technology partner, SENSE, showcases of what can be achieved in the field of sustainability and wellbeing when it comes to buildings. We expect to reduce the total energy consumption by 31% through leveraging the SENSE technology platform

Enhancing Kauwgomballenfabriek into a nature-centric working environment

KBF will become a healthy, comfortable, and sustainable working environment that will give even more way to creative innovations.

With this smart building platform, KBF will make use of natural sources for heating and lighting. The SENSE system will control sun blinds, cooling/heating, and lighting to balance the indoor climate based on measured incoming light and heat.

The monitoring of occupancy, indoor- and outdoor climate in a digital twin allows for an in-depth understanding of the building's performance, generating insights to inform improved operations and ESG-reporting. With machine learning, SENSE can further optimize operations over time and lower energy consumption accordingly.

“The long-term vision and entrepreneurial mentality of both Tristan and Timeless’ teams working together will make this success happen. For the Kauwgomballenfabriek, we are very focused on sustainability, comfort, and health. Smart technology plays an important role in this. We chose SENSE because they tailor the automation of the building to use and external influences. This is how smart becomes really smart and sustainable.

Selina Polman, Timeless Investments

”

Our Social Impact: Internal initiatives in 2022

Tristan was founded with an intentional culture of performance, trust, integrity, partnership, and teamwork that still governs behaviour and values today. This informs how we work together, how we support each other and how we present ourselves internally and externally.



Diversity

Ensuring a diverse and inclusive workforce is an important part of establishing a positive culture and achieving strong corporate performance. As an industry with highly specialist knowledge and a relatively tight labour pool, we recognise the importance of introducing initiatives from the ground up which create new generations of diverse talent in real estate.



Integrating DEI

Integrating DEI into our recruitment practices: We continually aim to improve diversity within our recruitment procedures and processes. After making a conscious decision to introduce better gender diversity in recruitment panels, we saw that 55% of hires in 2022 were female versus 50% in 2021.

In 2021, we set our ambition for black, indigenous and people of colour (BIPOC) candidates applying to the Tristan Analyst Programme. In 2022, we achieved 18% representation among interview candidates, which compares to 22.5% the year before.

We have redoubled our efforts with our Analyst programme recruitment partner Dartmouth to meet our objective for 2023. In September 2022, 17% of analysts on the programme identified as BIPOC.



Employee Wellbeing

In 2022, we developed a range of initiatives to support staff at all levels to advance in their careers and feel supported in the workplace. We continued to roll out The Tristan Coaching Programme, our 4-month internal executive leadership programme, which is designed to upskill Team Leaders and people managers across the business.

Our Social Impact: Internal initiatives in 2022



The Tristan Charity Trust

The Tristan Charity Trust continued to provide financial support to St Mary's Centre (SMC) Youthwork and the Black Heart Foundation. SMC Youthwork is a charity based in Camden that provides support to young people at risk of exclusion, gang exploitation and serious violence. The Black Heart Foundation is a charity dedicated to helping young people access higher and further education to realise their ambitions.

Through our support of The Black Heart Foundation, we also provide financial backing to the 10,000 Black Interns programme, which seeks to offer 2,000 internships to young black people in the UK each year for five consecutive years. This is a cause we have supported since its launch in 2021.



Tracking Sentiment

Tristan runs bi-annual employee Pulse Surveys to track sentiment, engagement, and wellbeing. The average response rate to our surveys in 2022 was 67%. The responses are summarised by HR and fed back to the senior leadership team following the closure of each survey. In 2022, our surveys showed a marked improvement in overall wellbeing year on year. This followed the implementation of multiple wellbeing initiatives in 2021, including the introduction of MYNDUP, an online platform providing instant access support across the whole mental health spectrum.

In March 2022, we launched Women in Tristan (WiT), an internal networking programme designed primarily for women in the business. The group holds regular events to encourage networking, build connections between senior women and junior staff, and to identify issues and initiatives in partnership with the HR team which we believe will contribute to the development of a more inclusive culture. We held our second event in September 2022 on 'Mentorship versus Sponsorship', highlighting an important distinction for gender, ethnic and socio-economic diversity in the workplace.

Our Social Impact: External initiatives in 2022

SEO London – The Real Estate Programme

Alongside Goldman Sachs and Eastil Secured, Tristan is a founding sponsor of the Real Estate' Programme, run by Sponsors for Educational Opportunity (SEO) London.

In 2021, 125 students completed the five-week course, and in 2022 the programme was extended to operate year-round for around 300 people with the additional support of new sponsors Blackstone and Westbrook Capital.

The Real Estate Programme is designed to help remove the barriers to aspiration and achievement by providing networking, insights and resources that otherwise would be out of reach for people from underprivileged backgrounds. By informing, mentoring, and supporting new generations of talent, we can bring about real change in a potent and productive way.

"Taking part in the SEO Real Estate programme has been like enrolling on a second master's degree. The programme provided me the opportunity to meet some of the leading real estate investors in London and build upon my experience in built-world technology and sustainability. I learnt the ins and outs of the industry – from how various market participants work together, to how wildly strategies can differ amongst GPs. I have not only been able to deepen my network within private equity and real estate, but also meet a network of like-minded students and graduates interested in a long-term career in the sector."

Student from LSE



"The Real Estate Programme is designed to educate and energise students around what a career in real estate can look like. During the programme, our cohort of diverse students, many from economically disadvantaged backgrounds, are connected with titans of the industry who address head on the rising need and desire for greater diversity of thought, perspective, and experience within the industry.

"We are honoured to have such supportive and hands-on partners who have been heavily involved in the development of the programme and the syllabus, giving incredible opportunities to our students, many of whom knew nothing about the industry before starting. SEO London is all about community and creating powerful networks amongst our students, and in this Real Estate Programme we have created a professional network which will outlast their time with SEO London."

Nathalie Richards, CEO of SEO London

SEO
/LONDON



Our Governance

Our ESG principles articulate the values and standards that we have stood by for many years and that are woven into every aspect of what we do.

Our risk-focused investment strategy is central to our responsible investment approach.



Governance and Risk Management

We maintain a strong culture of transparency, accountability, and integrity. Our governance framework ensures that decision-making processes are robust, and we comply with applicable laws, existing and upcoming regulations, and industry best practices.

We advocate ethical conduct and anti-corruption measures throughout our organization and supply chains, integrating the protection of the environment and people, community involvements, governance, compliance, and ethics into our fabric.

We conduct comprehensive due diligence on our business partners and maintaining clear policies to prevent conflicts of interest. We also strive for continuous improvement by regularly reviewing and monitoring our ESG performance. Tristan extends its commitments to its service providers, and looks to treat suppliers fairly, without prejudice and in a collaborative manner.

ESG Reporting and Standards

Our Sustainable Development Charter outlines the standards for employees, partners, and suppliers to adhere to for all refurbishments and new development projects. It is publicly available on our website, showcasing our transparent commitment to creating sustainable buildings that meet modern tenant's requirements.

Our Funds participate annually in GRESB and in 2022 the majority improved on their scores from the previous year. We continue to outperform the benchmark average in many sections, and significantly improved our ranking relative to respective peer groups, with many Funds achieving three out of five-star status.

We have achieved this in several ways, such as:

- Introducing measures to improve quality and completeness of environmental data, such as implementing Deepki, a leading ESG platform for monitoring energy, water and waste performance.
- Expanding and enhancing the internal project team.
- Extending the scope of our ESG reporting and disclosure efforts which encompasses Quarterly Reports, press releases, and a dedicated section on our website.
- Setting ambitious internal objectives for individual deals and portfolios.

Our Governance: Task Force on Climate-Related Financial Disclosures (TCFD)

We recognise the direct link between climate-related risks and real estate investment risk. By incorporating sustainability measures into our business strategy, we proactively address climate-related matters.

Accordingly, we take practical steps to enhance the resilience of our assets and ensure adherence to sustainability criteria throughout the lifespan of our investments.

Regular identification, review, approval, and management of climate-related risks is key to our governance structure. As a subset of our overarching ESG Committee, our Climate Working Group, steers efforts towards assessing and managing climate-related risks and opportunities, organising portfolio and asset-level reviews, and determining overarching strategy to combat these risks.

The Working Group (composed of key members from Asset Management, Portfolio Management and specialised ESG advisors) briefs the Committee, and in turn, the Tristan Management Board, at regular intervals on any important developments relating to the management and mitigation of any identified climate-related risks.

In December 2021, we rolled out the latest stage of our climate risk assessment programme, which involved surveys to systematically identify and assess climate-related risks. These are conducted using market-leading physical risk data from Munich RE, the Carbon Risk Real Estate Monitor (CRREM) and further evaluations conducted by Longevity Partners. This scope covered the existing portfolio, with any new acquisitions since undergoing additional screenings for climate-related risks at the due diligence stage. This was coupled with pilot studies conducted in late 2020 and early 2021 in partnership with JLL Sustainability Services and Moody's Four Twenty Seven tool, providing full portfolio oversight on our climate-related exposure. This initial screening process concluded in 2022, with a shortlist of assets for detailed vulnerability analyses to be compiled in 2023.

The preliminary screening results indicated the following material risks:

- Policy (short and medium-term horizons)
- Market (short, medium, and long-term horizons)
- Technology (medium-term horizons)
- Reputation (short term horizons)
- Flooding (short, medium, and long-term horizons)
- Heat stress (medium and long-term horizons)
- Sea level rise (long-term horizons)

Given our investment and asset strategy, these findings are unlikely to have a significant or financial impact on the funds or the business at this stage. Nevertheless, these material matters are beginning to identify several opportunities, which will be investigated further once the latest analyses are complete. These include, but are not limited to:

- Solar PV
- EV charging stations
- Smart building technologies
- Energy audits to combat both building footprints and heat stress
- Nature-based solutions

Once the latest analyses are complete, we will refine and elaborate on our existing internal objectives.

Our risk management process incorporates climate-related considerations from pre-acquisition to disposal to ensure complete integration within the investment lifespan. All new investments undergo a rigorous Sustainability Due Diligence process including provisions for assessing climate-related risk. This process provides an awareness of any perceived risks that would either prevent acquisition or enable the transformation of such risks into opportunities ahead of disposal to, in turn, future-proof these assets upon disposal.

Our Governance: UNPRI and Sustainable Finance Disclosure Regulation

UNPRI

The UN PRI is the world's leading reporting framework for investors, promoting the importance of responsible decision-making. We are a signatory of the UN PRI and will be reporting against the UN PRI framework for the first time in 2023.

The six underlying principles are thus integrated and embedded within our ESG policies, due diligence processes and Investment Committee memos:

- 01 We will incorporate ESG issues into investment analysis and decision-making processes.
- 02 We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 03 We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 04 We will promote acceptance and implementation of the Principles within the investment industry
- 05 We will work together to enhance our effectiveness in implementing the Principles.
- 06 We will each report on our activities and progress towards implementing the Principles.

The UN PRI framework sets the standard for implementation and emphasises a process-driven approach. Becoming a signatory of UN PRI was a significant milestone in our sustainability journey. Over the next year we will continue to ensure that our approach to policies, risk management and governance structure bridges the gap between financial risk, opportunities, and real-world outcomes. Our aim is to make a tangible difference to the sustainability of our portfolio through the assets we invest in and manage.



Sustainable Finance Disclosure Regulation

During 2022 we have implemented required procedures to ensure our investment approach aligns fully with the requirements of the Sustainable Finance Disclosure Regulation (SFDR). This is particularly important for our CCP V LL, European Property Investor Special Opportunities 6 (EPISO 6) and Tristan Income Plus One (TIPS 1) funds, all of which are classified as Article 8. Our Article 8 funds under SFDR, signify our commitment to promoting environmental or social characteristics and sustainable objectives, alongside strong governance practices for corporate holdings. However, neither Tristan nor its funds commit to making EU Taxonomy aligned investments at present.

Our future-proofing strategy identifies and mitigates sustainable and climate-related risks to ensure effective risk mitigation upon disposal. Our investment approach integrates these considerations from the outset, with a strong embrace of SFDR as a driving force of the industry.

Priorities for 2023

Laying the ground for our net zero pathway

At a corporate level, one of our priorities in 2023 is to take the first step on our net zero journey. We have commissioned Accenture to conduct a full Baseline calculation for Tristan's Scope 1-3 (Category 1-14) GHG emissions.

At an asset level, we have prepared plans and instigated initiatives that are designed to reduce the carbon footprint of our investments and transition them toward net zero during our ownership.

These ambitions relate to the proportion of our investments that meet a range of environmental objectives and allow us to track their performance and make the appropriate adjustments.

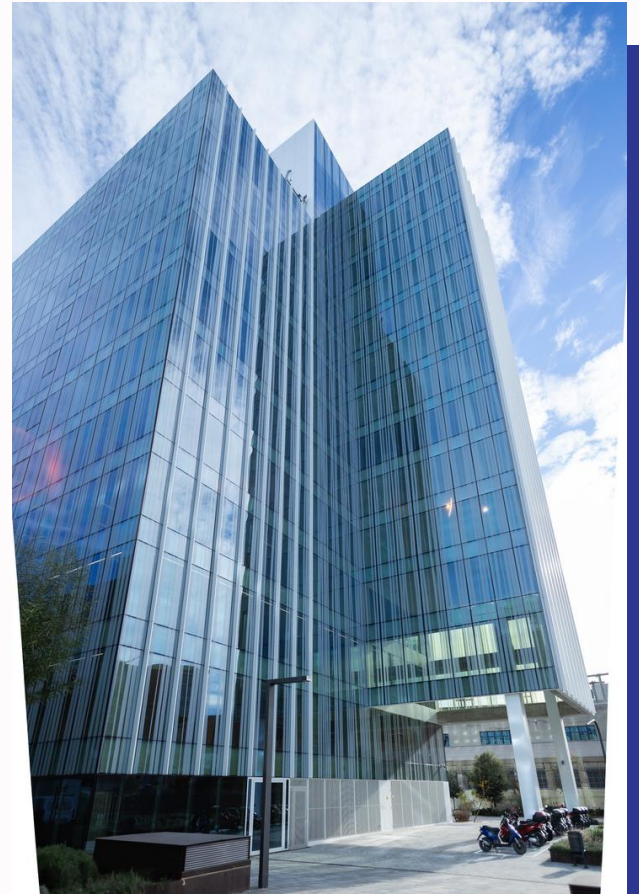
In line with our corporate carbon goals, particular emphasis will be put on our operational energy goals to reduce the carbon footprint of our existing building stock, improve energy efficiency, whilst exploring our options for Nearly Zero Energy Building and carbon neutrality projects in our development portfolios.

The latter will be complementary to our certification goals, including the registration of all new developments to gain green certifications.

- Improve green building certification coverage
- Increase generation of renewable energy
- Further improve the marketability of our investments through continued de-risking, addressing emerging country-specific legislation and tenants' preferences
- Continue to anticipate and integrate structural changes, whilst upskilling our staff on ESG matters



Appendix



About this report

This report covers our sustainability progress throughout 2022, with comparisons made between 2021 where possible and our outlook for 2023 activities. The reporting period referenced within this report pertains to 1 January 2022 until 31 December 2022. 100% of assets and entities are covered within our reported scope unless otherwise indicated, including the following seven Funds: Curzon Capital Partners III LP, Curzon Capital Partners IV, Curzon Capital Partners V LL, European Property Investors Special Opportunities 3, European Property Investors Special Opportunities 4 and European Property Investors Special Opportunities 5 SCSp, European Property Investors Special Opportunities 6 and Tristan Income Plus Strategy One. The content of this report is limited to our overarching strategy, governance and environmental and social performance surrounding our material topics.

For further information on our financial performance, which follows a 1 April 2022 to 31 March 2023 reporting period, please refer to our website.

Tristan Capital Partners is a non-listed company more than €16 billion of assets under management. Data is collected on a quarterly basis with monthly iterations where possible, unless otherwise indicated. However, for the purposes of this report, data has been summarised at the Fund and annual level. Please note that all data and content has been verified by a third-party but at the time of report release, has not been assured. For further questions regarding this report, please refer to our ESG department at ESG@tristancap.com

Report published: September 2023

Our ESG Committee



Jean-Philippe Blangy
Senior Partner, Head of ESG
and Head of Asset Management



Ben Newman
Senior Partner
CCP 5 LL Portfolio Manager



Anita Jerkovic
Managing Director
Deputy Portfolio Manager



Nik Haigh
Managing Director
Client Relations



Anze Sagadin
Director
Portfolio Management



Olivia Griffiths
Chief Operating Officer
and Chief People Officer



Kick van del Wel
Managing Director
Investments



Victoria Yakubenko
Director
Asset Management

Dedicated ESG Committee
with support from external advisors Longevity
Partners and JLL Sustainability Services.



Victoire Federlin
Senior Analyst



Olivia O'Brien
Associate Director
Longevity Partners

Supplementary data

2022 Landlord-controlled Energy performance							
		CCP III	CCP IV	CCP V LL	EPISO 3	EPISO 4	EPISO 5
Electricity	Absolute Consumption (kWh)	8,212,252	5,119,131	78,920,383	48,546,966	36,190,676	55,694,415
	Intensity (kWh/m ²)	99	228	119	281	148	140
	Coverage	78%	12%	31%	37%	26%	24%
Fuels	Absolute Consumption (kWh)	943,320	379,386	30,202,011	7,167,793	16,210,511	16,627,097
	Intensity (kWh/m ²)	26	15	40	54	44	53
	Coverage	76%	58%	49%	80%	62%	26%
District Heating & Cooling	Absolute Consumption (kWh)	3,807,548	3,576,986	15,561,319	8,574,415	8,223,619	17,736,648
	Intensity (kWh/m ²)	66	227	44	79	73	63
	Coverage	100%	100%	85%	68%	62%	88%

Data period: Jan-Dec 2022

Source: 2023 GRESB Real Estate Assessment

Supplementary data

2022 Scope 1 & 2 Emissions Disclosure

Fund	Absolute (tCO ₂ e)	Intensity (kgCO ₂ e/m ²)	Coverage
CCP III	6,324	66.9	90%
CCP IV	1,982	11.5	93%
CCP V LL	50,249	28	47%
EPISO 3	20,987	44.6	88%
EPISO 4	25,368	27.8	73%
EPISO 5	42,179	29.7	40%

Employee breakdown by ethnicity over the 2022 reporting period

Ethnicity	Total	Total %
Asian	1	1
Asian or Asian British – Bangladeshi	1	1
Asian or Asian British – Chinese	5	3
Asian or Asian British – Indian	4	2
Asian or Asian British – Pakistani	1	1
Black, African, Caribbean or Black British/American	4	2
Other ethnic group – Arab	2	1
White – English, Welsh, Scottish, Northern Irish or British	43	24
White – other	115	66
Grand total	176	100

2022 Scope 3 Emissions Disclosure

Fund	Absolute (tCO ₂ e)	Intensity (kgCO ₂ e/m ²)	Coverage*
CCP III	5,444	57.6	0%
CCP IV	3,494	20.2	0%
CCP V LL	62,341	34.8	7%
EPISO 3	17,691	37.6	48%
EPISO 4	39,001	42.8	0%
EPISO 5	35,689	25.1	7%

* The coverage rate also includes estimated and gap-filled data as calculated via our data monitoring service, Deepki, due to limited availability at this time. This considers factors such as floor area, energy source and asset type amongst others.

Employee breakdown by gender over the 2022 reporting period

Female	Male	Other*	Not disclosed	Total
96	80	0	0	176

* Gender as specified by the employees themselves

Employee breakdown by age over the 2022 reporting period

Age	Total	Total %
20-30	59	34
31-40	73	41
41-50	37	21
51-60	6	3
60+	1	1
Grand total	176	100

Global Reporting Initiative Index

Statement of use

Tristan Capital Partners has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

GRI Standards used:

GRI 2: General Disclosures 2022

GRI 3: Material Topics 2022

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 2: General Disclosure 2021	2-1 Organisational details	Page 22
	2-2 Entities included in the organisation's sustainability reporting	Page 22
	2-3 Reporting period, frequency and contact point	Page 22
	2-4 Restatements of information	N/A
	2-5 External assurance	N/A
	2-6 Activities, value chain and other business relationships	Page 15
	2-7 Employees	Page 14
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	Page 5
	2-10 Nomination and selection of the highest governance body	Page 5
	2-11 Chair of the highest governance body	Page 3
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 5
	2-13 Delegation of responsibility for management impacts	Page 5 and 8
	2-14 Role of the highest governance body in sustainability reporting	Page 5
	2-15 Conflicts of interest	Page 17
	2-16 Communication of critical concerns	Page 17
	2-17 Collective knowledge of the highest governance body	Page 17
	2-18 Evaluation of the performance of the highest governance body	N/A
	2-19 Remuneration policies	We have a series of policies to assist with our internal governance, which have distributed to employees with every new iteration and available on our intranet, including remuneration.
	2-20 Process to determine remuneration	Tristan has a risk-focused remuneration policy, which promotes effective risk management, subject to adherence of policies and procedures.
	2-21 Annual total compensation ratio*	Annual total compensation ratio: 4.84 (salary and bonus) Percentage increase compared with 2021: -0.14

* For Year Ending April 2023

Global Reporting Initiative Index, continued

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 2: General Disclosure 2021	2-22 Statement on sustainable development strategy	Page 8
	2-23 Policy commitments	Page 17
	2-24 Embedding policy commitments	Page 17
	2-25 Processes to remediate negative impacts	This is detailed within our Whistleblowing Policy – individuals are requested to fill out a disclosure form, which is then investigated fully, quickly and confidentially by Ian Laming, who also acts as Compliance Officer, as the firm’s ‘Whistleblowing Point Person’. This Policy applies to all UK based members of staff, including partners, directors, employees, contractors and trainees
	2-26 Mechanisms for seeking advice and raising concerns	This is detailed within our Whistleblowing Policy – individuals are requested to fill out a disclosure form, which is then investigated fully, quickly and confidentially by Ian Laming, who also acts as Compliance Officer, as the firm’s ‘Whistleblowing Point Person’. This Policy applies to all UK based members of staff, including partners, directors, employees, contractors and trainees
	2-27 Compliance with laws and regulations	N/A
	2-28 Membership associations	
	2-29 Approach to stakeholder engagement	Page 9
	2-30 Collective bargaining agreements	N/A

GRI STANDARD	DISCLOSURE	REFERENCE
GRI 3: Materials Topics 2021	3-1 Process to determine material topics	Pages 8-10
	3-2 List of material topics	Page 10
	3-3 Management of material topics	Page 8
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 21
	302-3 Energy intensity	Page 21
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 21
	305-2 Energy indirect (Scope 2) GHG emissions	Page 21
	305-3 Other indirect (Scope 3) GHG emissions	Page 21
	305-4 GHG emissions intensity	Page 21
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 21
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Whilst we currently do not have oversight over the average hours of training per year per employee, training is offered to all new joiners at Tristan Capital Partners and we are expanding and our training offerings to the wider Tristan team.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Page 15
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 15

Task Force on Climate-Related Disclosures (TCFD)

Task Force on Climate Related Financial Disclosures (TCFD*)

Category	Question	Disclosure
Governance	Describe the board's oversight of climate-related risks and opportunities	Tristan Capital Partner's internal ESG Committee is responsible for ensuring that both asset and investment managers have adequate expertise and resources concerning the implementation of climate-related risks, through liaison with external consultants and validation from Senior Partners. They oversee the integration of sustainability and climate risk into risk management frameworks and procedures, specifically at acquisition level for our flagship Article 8 Funds, CCP IV LL, EPISO 6 and TIPS 1. The investment team are responsible for executing the process, ensuring that investment decisions acknowledge any climate-related risks identified that should be written into acquisition negotiations or asset-level business plans, appropriate mitigation of identified climate-related risks, considering client tolerances, Fund objectives, liquidity, time horizon, and pricing.
	Describe management's role in assessing and managing climate-related risks and opportunities	Tristan Capital Partners' Investment Committee, which reports directly to Senior Partners of the firm, plays a crucial role in the oversight of sustainability risk, investment risk, frameworks and procedures. This committee is responsible for overseeing the execution of the process, while ensuring that the investment decisions reflect the appropriate mitigation of identified climate-related risks. Various departments including the portfolio managers, investment managers, and asset managers are responsible for managing different stages of the investment lifecycle, including climate-related risk assessments carried pre-acquisition. The roles and responsibilities of each department is detailed below.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<p>Risks include acute and chronic climate-related physical risks (predominantly flooding, heat stress and sea level rise), and climate-related transition risks (specifically, policy, market, technology and reputational risks).</p> <p>Opportunities include investments into new technology leading to energy and cost savings through operational efficiencies (LEDs, sensors, energy monitoring, amongst others) and on-site renewable energy generation.</p>
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Tristan Capital Partners considers climate-related risks and opportunities from pre-acquisition to disposal of investments, transforming and future proofing assets following completion of assessments and due diligence. Material findings and appropriate initiatives are integrated into Investment Committee memorandums and business plans. Existing buildings are scaled and optimised in line with our strategic goals, while we seek to develop and acquire buildings which are performing ahead of relevant benchmarks in terms of energy efficiency and resiliency, which is assessed through sustainability due diligences.

*Please refer to page 18 as a summary

TCFD, continued

Task Force on Climate Related Financial Disclosures (TCFD)

Category	Question	Disclosure
Strategy	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario	Tristan Capital Partners evaluated its portfolios for exposure to climate-related risks during 2022. Based on outcomes, we have developed acquisition frameworks per geography and asset type to ensure that our future investments and portfolios are resilient to climate change. Key components of our assessments include physical exposure to risk, legislative requirements and CRREM analyses.
	Describe how climate-related risks and opportunities are factored into relevant products or investment strategies	The climate-related risks and opportunities associated with each investment are considered throughout the investment process. All critical new investments are screened for climate-related physical and transition risk via Sustainability Due Diligences.
Risk Management	Describe the effect of the transition to a low-carbon economy on each product or investment strategy	Not currently assessed.
	Describe the organisation's processes for identifying and assessing climate-related risks	All new critical investments are screened for climate-related risks prior to acquisition during the due diligence phase.
	Describe the organisation's processes for managing climate-related risks	Climate-related risks are identified at the acquisition stage. Any identified risks to be further investigated or mitigated are written into the sustainability action plans of the asset to be addressed during the hold phase.

TCFD, continued

Task Force on Climate Related Financial Disclosures (TCFD)

Category	Question	Disclosure
Risk Management	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks are integrated into Tristan Capital Partners' risk management approach through portfolio climate-related risk screenings, sustainability action plans and overall Fund approach, such as SFDR Article 8 alignment.
	Evidence of engagement with investee companies to improve disclosure and data availability	Tristan Capital Partners engages with Operating Partners and property managers to ensure a collaborative approach to addressing climate-related risks, primarily through surveys and data monitoring to improve wider disclosures.
	Description of the resources and tools used to identify and assess risk	Tristan Capital Partners uses various tools to identify and assess risk. Historically, we have engaged Moody's 427 platform and latterly Munich Re to determine physical climate-related hazards that the existing critical portfolios are exposed to. Munich Re in particular considers scenario analysis across RCP2.6, RCP4.5, and RCP8.5 scenarios for the present, and future 2030, 2050, and 2100 (Sea-level Rise) scenarios. For incoming assets, the Cervest EarthScan platform is used to provide greater analysis at acquisition stage. In addition, Tristan Capital Partners have engaged with third-party consultancy Longevity Partners to determine the combined climate-related transition risk to the assets within all portfolios. This includes policy and regulatory risks, market risks (specifically through the Carbon Risk Real Estate Monitor tool at both 2C and 1.5C scenarios), technology risk and reputational risk to the Funds and asset classes. These have been screened at Fund level and for all new acquisitions, with next steps including filtering through highest risk assets for further audits and vulnerability assessments.
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Tristan Capital Partners discloses GHG emissions and energy intensity data within its annual report. Amongst investors, further metrics including water and waste, as well as climate-related risk data across various scenarios, are disclosed upon request. We hope to build upon this further in the future through greater monitoring and collection of data.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	Tristan Capital Partners discloses absolute Scope 1 and 2 emissions of assets where available, including other sustainability performance measures (such as intensity metrics).

TCFD, continued

Task Force on Climate Related Financial Disclosures (TCFD)

Category	Question	Disclosure
Metrics and Targets	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	As of 2022, all assets with accessible data have been evaluated using the Carbon Risk Real Estate Monitor following a 1.5°C trajectory. Through increasing the accuracy and granularity of our data collection and monitoring, we hope to set both asset and Fund-level targets in the future.
	Description of the metrics used to assess risks and opportunities in each investment strategy and how these have changed over time	All climate-related risk assessments have become increasingly more granular since our first investigation into these hazards in 2019. This includes incorporating more climate and tempo“+C19:C28”ral scenarios, as well as greater breakdowns of transition risk. Since late 2022, the climate-related risk approach for each new investment strategy differs depending on the asset type and location, for which we have developed a set of frameworks with bronze, silver and gold standards. These each set targets depending on the overarching Fund's strategy of both the granularity of climate-related risk assessments but also what minimum standards should be sought.
	Description of the extent assets are aligned with a well below 2°C scenario	We prioritise a 1.5°C scenario when evaluating investments for transition risk, and assess a range of scenarios for physical risk, including from RCP2.6 which is aligned to a 1.6°C scenario, up to RCP8.5 which is the worst-case scenario (approximately 4.3°C increase). By using this worst-case scenario, assets can ensure they are resilient to all potential impacts of physical climate risk.
	Disclosure of the weighted averaged carbon intensity (WACI) for each investment strategy, and other carbon footprinting metrics	Not currently assessed