



TRISTAN  
CAPITAL PARTNERS

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## **Environmental, Social and Governance Policy**

This paper sets out the Environmental, Social and Governance (“**ESG**”) Policy of Tristan Capital Partners and its funds.

Updated as of 2023

## TABLE OF CONTENTS

1.	Introduction	3
2.	Our Mission	4
3.	ESG Commitments	5
4.	Continuous Improvement	7
5.	ESG Governance	7
6.	Corporate Sustainability Commitment	7



# 1. INTRODUCTION

Tristan Capital Partners (“Tristan”) is a real estate investment management boutique, headquartered in London. Regarded as one of the leaders in the European marketplace, our track record includes a 22-year European investment history that spans twelve funds and encompasses both value-added / opportunistic and core-plus strategies.

This document outlines Tristan’s approach to ESG at the entity level and applies to all asset classes and the entire assets under management of Tristan. The Policy guides the firm’s sustainability objectives, defines its governance structure and ownership of implementation, and states the commitments that the firm undertakes across all its asset classes. The Policy is enhanced by any fund-specific commitments outlined in their individual environmental, social and governance (“ESG”) policies, if applicable. Responsible investment approaches are exhibited in a separate responsible investment policy.

At Tristan, we recognise that ESG factors play an increasingly important role in the long-term success and sustainability of the real estate industry. As a pan-European real estate investment manager, specialising in value-add equity and debt strategies, we are committed to integrating ESG considerations into our investment processes, operations, and overall business philosophy.

Building on our core values, we are committed to further embedding our commitment to sustainability across the investments we manage. This encompasses entire investment lifecycle, from pre-acquisition phase to disposal.

We pursue an ESG strategy that is focused on addressing the most material issues to the funds we manage and see ourselves as long-term stewards of our clients’ capital and of the generational impact that we can contribute to improving. We collaborate with stakeholders, including investors, operating partners, property managers, and local communities, to share knowledge, best practices, and collectively address emerging ESG challenges across Europe and in local markets through such strategies.

Tristan’s 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. This policy is reviewed by our ESG Committee on an annual basis and updated to reflect changes in governance of the firm, asset classes invested in, and new approaches aligned with the market standard. Updates to the policy will be communicated on the firm’s website and through various media channels where applicable.

Tristan’s ESG Policy is woven throughout our culture and focuses on the following four key areas:

## **Environmental Responsibility**

We strive to minimize the environmental impact of our investments by promoting energy efficiency, resource conservation, and sustainable practices throughout the lifecycle of our properties. We actively seek opportunities to reduce greenhouse gas emissions, improve energy performance, and adopt renewable energy solutions. The risks and opportunities from climate and environmental change are at the heart of Tristan’s ESG strategy as the real estate industry must adapt and prepare for the transition to a low carbon economy.

## **Social Impact**

We are committed to fostering positive social outcomes and contributing to the well-being of the communities we serve. We prioritise the health, safety and well-being of our employees, occupiers, and stakeholders, ensuring compliance with applicable laws and regulations. Moreover, we will actively engage with local communities, supporting initiatives that make a positive contribution to the people that work in, shop, or live within or in the vicinity of the assets we invest in. At Tristan and across our partner network, we promote an inclusive and diverse workplace and advance equity within the real estate investment industry to create equal opportunities.

## **Governance and Ethics**

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, 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 further cement our commitment by conducting 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.

## Reporting and Transparency

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 occupiers, service providers and investors.

With this data, we are committed to providing regular and transparent reporting on our ESG performance on at least a quarterly basis, ensuring that our investors and stakeholders are informed about the impact and progress made. In addition, Tristan publishes the results of its activities to business partners, investors and tenants through various media as appropriate. We adhere to internationally recognized reporting frameworks on an annual basis, such as the Global Real Estate Sustainability Benchmark (“GRESB”) and the Principles for Responsible Investment (“PRI”), to disclose relevant ESG metrics, goals, and achievements whilst benchmarking sustainability performance of our funds.

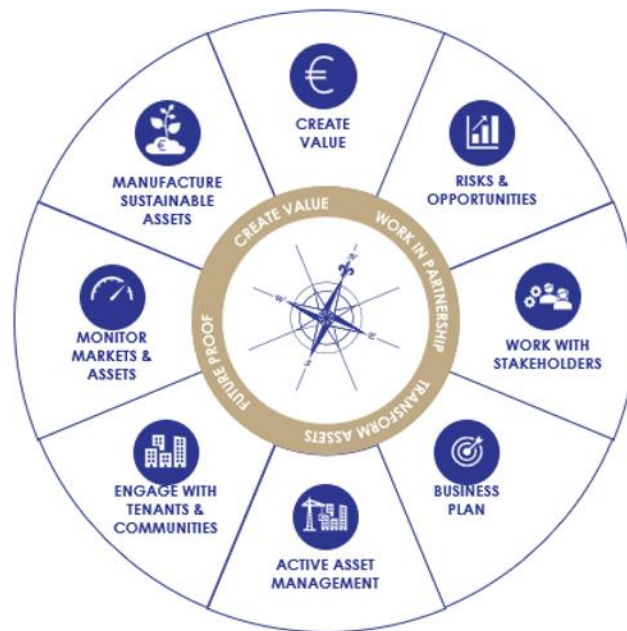
This Policy is aligned with the requirements of the EU’s Sustainable Finance Disclosure Regulation (“SFDR”) by describing our approach to the integration of sustainability risks into our investment decision-making process. For the purposes of SFDR, a “sustainability risk” is defined as any ESG event 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”. Curzon Capital Partners 5 Long-Life (“CCP 5”), European Property Investors Special Opportunities 6 SCSP (“EPISO 6”) and Tristan Income Plus Strategy One SCSP (“TIPS 1”) funds report their environmental, social and governance characteristics as Article 8 funds for the purpose of SFDR. Separate policies for these funds can be found using following links: [CCP 5](#), [EPISO 6](#) and [TIPS 1](#).



## 2. OUR MISSION

At Tristan, we believe that sustainable practices and investment strategies are interwoven and that is why we are continuing to build on our core values and principles. Our approach to sustainable practises, whether it be our clients' capital growth or aligning our interests with business partners is based on a number of Strategic Pillars which aim to integrate ESG issues throughout the lifecycle of our investments.

### Our Strategic Pillars



## 3. ESG COMMITMENTS

Tristan's ESG policy framework informs both its group and fund level activities. The ESG policy includes actions to enhance the governance and transparency of both the firm and Funds.

We believe that sustainability starts by focusing on key material issues which are important to both our clients and investments we manage. These are implemented with the coordination of the ESG committee, reviewed annually, and reported internally and externally according to the guidelines set in the reporting chapter of the policy.

### 1. Working in partnership

- We commit to engaging with our stakeholders in a collaborative way – in particular operating partners, occupiers, employees and the communities we operate in.
- We commit to communicating our ESG performance transparently to our investors, partners and occupiers 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.

## 2. 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 optimize 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 seek to improve tenant satisfaction, health and well-being, and promote sustainable living across all asset classes, particularly our residential and hotel investments.
- 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. We use our **Sustainable Development Charter** to incorporate the principles of energy efficiency and broader sustainability into the planning, design and construction of new buildings and into the renovation of existing structures.
- 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 acknowledge that not all asset classes can be standardized in their sustainability journey. Therefore, 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, based on our core values

## 3. Future-proofing our investments

- We aim to 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.
- We will continue to monitor and evaluate our disclosures on the principal adverse impacts of our investment decisions for CCP 5, EPISO 6 and TIPS 1 funds, in line with the requirements of SFDR.
- We strive to reduce risks related to future ESG related regulations, such as future minimum Energy Performance Certificate (“EPC”) standards. We regularly track and monitor current and upcoming legislation across our geographies of investment and operation. We match performance against these regulations for both our current and incoming building stock to ensure compliance.

- 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

#### 4. Responsible investment

- Tristan is a signatory to the UN PRI and is committed to uphold the principles of responsible investment. Tristan has ratified a responsible investment policy for the group which informs the funds' investment strategies, their target setting and exclusionary criteria. Tristan's ESG commitments are guided by a sustainability driven active ownership. Further information and the specific approach to responsible investment can be found on the firm's website.
- Tristan also recognizes the growing relevance of sustainability factors as a market influence. A wide range of physical, social, and environmental factors can affect the value of our investments. Wherever appropriate, the relevance and significance of sustainability matters form an integral part of Tristan's investment valuation approach.

## 4. CONTINUOUS IMPROVEMENT

We recognize that, whilst sustainability is a core value for Tristan, there are still continual developments in both the real estate industry and regulations. Tristan is committed to continually assessing 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. To ensure that all personal and other information is handled responsibly and safely, Tristan utilizes a cybersecurity awareness training program with a view to educate our employees on data security risks.

## 5. 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 of Tristan, the individuals accountable for achieving the policy's commitments.

The ESG Manager coordinates the work of Tristan's ESG Committee, which involves employee representation from all business areas and various levels of seniority. Tristan also works closely with and is supported by industry leading external advisors on ESG.

Employee and director's contributions to achieving Tristan'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.

## 6. 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, specifically through cycle to work and city bike hire schemes as well as public transport season ticket loans
- 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, including subscription services to mental health services
- Corporate Equity, Opportunity & Philanthropy (“EOP”) Committee promoting diversity, equality, and inclusion
- Volunteering days for staff
- Net zero carbon roadmap

Tristan places great importance on the mental and physical health of its employees and expects the same from any third-party service providers. The corporate governance policy of Tristan protects workers’ rights, ensures equal opportunities for all, and seeks to eliminate forced labour and fraudulent activity, and expects partners to align with these shared values.

