



TRISTAN
CAPITAL PARTNERS

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Stewardship Policy

This paper sets out the Stewardship Policy of Tristan Capital Partners and its funds.

Updated as of 2023

BACKGROUND

Tristan Capital Partners (“Tristan”) is a leading pan-European real estate investment firm specialising in equity and debt investment strategies across all property types in the UK and mainland Europe with over €16 billion in assets under management. The firm’s track record includes more than 22-year investment history that spans 12 funds and encompasses value-added / opportunistic, core-plus, and private debt strategies.

Tristan is a signatory to the industry-wide stewardship initiative, the Principles of Responsible Investment (PRI). This Stewardship Policy provides the fullest picture of Tristan’s active ownership activities, which are in accordance with the 2020 UK Stewardship Code.

At Tristan, we recognise that Environment, Social and Governance (“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 we are committed to integrating ESG considerations into our investment processes, operations, and overall business philosophy.

TRISTAN CAPITAL PARTNERS’ STEWARDSHIP STATEMENT

Tristan aligns with the definition of stewardship as provided by the UK Financial Reporting Council (“FRC”), whereby stewardship is the responsible allotment, management, and oversight of capital to generate long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The present document should be read in conjunction with Tristan’s Environment, Social and Governance (“ESG”) Policy which sets out our commitment to adopting a sustainability-led approach to our investments and our corporate functions.



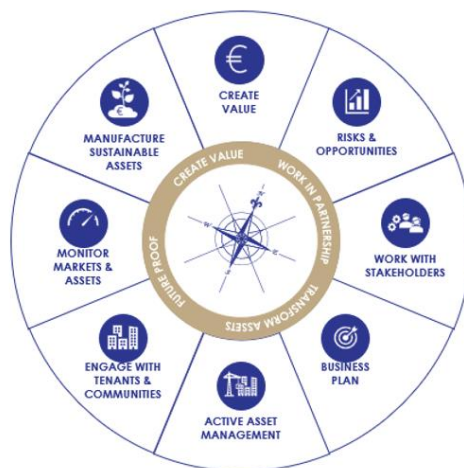
Principle 1: Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Tristan's policy is to actively manage the environmental footprint of its assets under management in a responsible manner and for all its real estate activities to have a suitable and appropriate environmental impact. In addition, Tristan aims to carry out its entire business in a prudent manner with appropriate thought given to the goods and services being used and to the welfare of participants in all its activities.

Our core objective is to maximise returns for our investors. In the context of a rapidly evolving landscape of sustainability-related impacts on investment, our Responsible Property Investment Strategy sets a clear direction of travel for us to navigate this landscape. We have embedded robust management of material sustainability matters into our core business activities and decision-making. This will enable us to meet our financial objectives while cost-effectively maximising the socio-economic and environmental performance of our assets.

Our approach to ESG is underpinned by three Strategic Pillars:

1. **Transforming our assets:** We seek to optimise returns by improving the overall sustainability performance of our assets. We seek to transform the performance across our funds over time on issues that are material to value creation and therefore aligned with our investor's objectives.
2. **Future proofing our investments:** We aim to manage the downside ensuring that we make investment decisions based on future-focused due diligence.
3. **Working in partnership:** We uphold Tristan's core values of performance, teamwork, partnership, trust, and integrity. We believe in maintaining high standards of governance, ethics, and responsible property investment practices throughout our operations. We also seek to communicate our sustainability performance transparently to our investors and tenants.



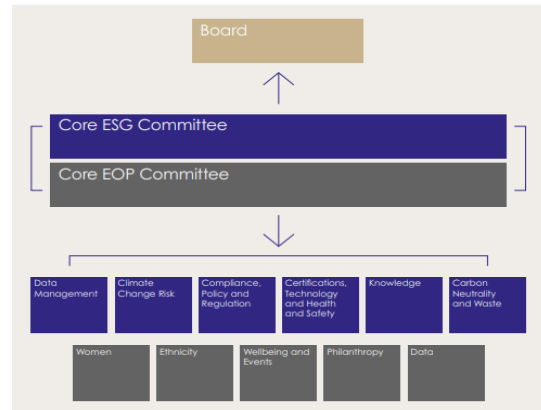
Tristan has a formal ESG policy, which as a stand-alone document emphasises Tristan's commitment and engagement with ESG. This can be accessed via our [website](#).

Our ESG Policy sets out the vision and commitments that support the 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.

Principle 2: Signatories' governance, resources, and incentives support stewardship.

At Tristan, we believe that we are more productive, creative, and smart when we pool our collective knowledge and work as a team. That is why we created a multi-disciplinary ESG Committee chaired by Jean-Philippe Blangy (Senior Partner, Head of Asset Management and Head of ESG) and supported by representatives from different teams and levels of seniority, including Asset Management, Investment, Client Relations, Operations and Portfolio Management.

The Committee meets monthly and takes responsibility for monitoring performance, setting annual objectives, and overseeing the effective implementation of the ESG roadmap. All such activities are coordinated by the Chair, who reports progress directly to the Senior Partners.



Tristan also works closely with and is supported by industry leading external advisors on ESG. We have an ongoing partnership with Longevity Partners and JLL Sustainability Services acting as independent advisors, to ensure that our strategy reflects the latest thinking and best practice when it comes to ESG.

Beyond this, 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'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, Asset Managers have ESG objectives embedded within business plans for assets they manage. These are also considered as part of overall employee performance.

Finally, Tristan adopts a policy of co-operation with local, national, governmental, and regulatory authorities, and organizes trainings to inform staff on sustainability matters. Sustainability training programmes and other resources are available to all employees. All operating partners and property managers undergo an onboarding process to ensure resources and training are provided to them, enabling them to conduct their operations in accordance with our ESG and Stewardship objectives.

Principle 3: Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

We recognise the significance of managing potential conflicts of interest. Tristan has a detailed company-wide Conflicts of Interest Policy in place, available on its compliance platform. The policy stipulates that Tristan has a duty to act in the best interests of its clients. Should a conflict arise, Tristan's senior management will take appropriate steps to ensure fair treatment of all clients, including disclosure of the conflict to affected clients. Training on conflicts of interest is available to all staff and is often covered during our general compliance meetings.

Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Tristan has an internal legislation tracker that is regularly reviewed to ensure compliance of its assets and activities in the context of emerging regulation. Tristan monitors legislation on a regular basis to ensure our properties are compliant and integrate any potential gaps into our evolving ESG strategies. Tristan identifies material ESG opportunities as part of our pre-acquisition process for investments, embedding it as a core section within our sustainable due diligence. On an ongoing basis, we also monitor energy consumption and performance of the assets, whilst ensuring our business plans are aligned with our value-added asset management strategy. Our core objective is to maximise returns for our investors.

To respond to market-wide and systemic matters, Tristan has two risk-management committees: one at the company-level and one at the fund-level. Committees, which are chaired by our CEO, Ian Laming, meet quarterly where information on risks is discussed and appropriate measures agreed on. Tristan has a Fund Risk Management Policy which addresses the techniques and tools the firm uses to manage these matters within its funds.

Tristan is also a member of INREV and a signatory of the UN PRI. Every year since 2013, we submit our funds to GRESB to evaluate their sustainability performance, which promotes a risk-averse, well-functioning financial system.

Principle 5: Signatories review their policies, assure their processes, and assess the effectiveness of their activities.

To ensure the effectiveness and consistency of our stewardship activities, Tristan's ESG Committee reviews outcomes of our actions, this Stewardship Policy, and other policies (e.g., Conflict Policy and Code of Conduct) on an annual basis, adjusting our approach to ensure we maintain our alignment with market best practice.

At a fund level, we report quarterly and annually on our ESG performance and stewardship activities. The Portfolio Managers together with the ESG Committee are responsible for reviewing ESG reporting to ensure that disclosures made are fair, balanced, and understandable.

Principle 6: Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Tristan's ESG Policy seeks to articulate how we implement our responsibilities to create a positive impact which is aligned with our commercial objectives. The policy also recognizes that our investment and management decisions impact our clients, the end-users of our assets and the communities in which those assets are located.

As part of our stewardship approach, we engage with our clients and other stakeholders to understand their evolving needs. We recognize that delivering success over the long-term requires not only identifying clear market opportunities, but also investing in stakeholder relationships and converging objectives. Tristan's Annual Sustainability Report and funds' quarterly reports, which are available to all investors, ensures that our clients and ultimate beneficiaries are kept informed on Tristan's ESG-related matters and outcomes of its stewardship initiatives.

Principle 7: Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Tristan integrates ESG into every stage of its investment lifecycle, from pre-acquisition to disposal. Prior to any investment, the opportunity is assessed to identify potential ESG matters and opportunities. Where material ESG matters and opportunities are identified, tailored asset management initiatives to be implemented during our ownership are documented as part of the sustainability action plan in respective Investment Committee memos and business plans. ESG aspects are then monitored on all projects throughout the ownership period. These processes, in turn, allow Tristan to evaluate the outcomes of its stewardship goals.

Principle 8: Signatories monitor and hold to account managers and/or service providers.

As part of Tristan's "Working in partnership" strategic pillar, our core values of performance, teamwork, partnership, trust, and integrity support our philosophy of embedding high standards of ESG practices throughout our operations. We monitor performance of not only our assets, but also performance of our partners and service providers with respect to investment, development standards, asset management activities. For example, we look to ensure that our employees, partners, and suppliers adhere to our Sustainable Development Charter, which outlines the standards for all refurbishments and new development projects.

Tristan also 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 mandates that partners align with these shared values.

Principle 9: Signatories engage with issuers to maintain or enhance the value of assets.

Tristan proactively engages with its clients, service providers and investors to coordinate approaches and align views to maximise the value of its assets. Tristan has implemented several tools to enhance the quality and efficiency of engagement activities. An example of this is Tristan's Code of Conduct for Operating Partners and Service Providers. The Policy, circulated and signed by all operating partners and service providers, stipulates, amongst other points, that partners will help Tristan understand where expenditure exceeds the approved budget and will assist Tristan in quarterly 'budget to actual' variance reports. Partners are also required to provide explanations for any material variances, which help Tristan better manage and mitigate fraud and bribery related risks.

Principle 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.

Partnership and Trust are two of Tristan's core values and are reflected in the collaboration with clients, the end-users of our assets, investors, key service providers and staff. Where Tristan has a majority interest in a project, we use this to promote good sustainability and stewardship practices. Where Tristan has a minority interest or where outside minority consent is mandatory, we work together with fellow investors to promote good practice.

Tristan and its funds are also members of different ESG-related bodies such as GRESB, UN PRI and INREV, leading platforms aimed at sharing knowledge for the non-listed real estate industry. This collaborative engagement contributes to the promotion of transparency, professionalism, and best practice to Tristan and thus its issuers.

Principle 11: Signatories, where necessary, escalate stewardship activities to influence issuers.

Tristan has a robust set of reporting processes in place through which the Investment Committees can review, report, and influence all aspects of project management. In recent years, these processes have been updated to give greater emphasis to sustainability matters. To that end, the ESG Committee periodically discloses and discusses sustainability matters to inform staff, investors, and service providers. In addition, Tristan's Risk & Compliance policies require the prompt escalation of material events which impact its stewardship of investments.

Principle 12: Signatories actively exercise their rights and responsibilities.

As direct real estate investing is focused on building acquisition and management, as opposed to acquiring shares in listed companies, Principle 12 is interpreted in its widest sense.

Tristan, guided by our responsible stewardship mindset, utilizes an active approach to managing and integrating identified ESG matters and opportunities in our actions to generate long-term value for our clients and beneficiaries whilst leading to sustainable benefits for the economy, the environment and society. We also recognize an individual asset's potential positive contribution in the transition to a more sustainable environment and align our practices accordingly. With this approach, the Company looks to build diverse and resilient portfolios which deliver positive investment outcomes for our clients and the end beneficiaries they represent.

