



Environment, Social and  
Governance Principles  
("The Principles")

May 2023

## Environment, Social and Governance (ESG) Principles (“The Principles”)

### ESG Strategy

Europa looks to its Partners, Employees, joint venture partners, advisers and other service providers to aspire to and to uphold high standards on Environmental & Sustainability, Social and Governance matters in the programmes of real estate investment on which Europa advises and manages.

Europa supports environmentally responsible policies and procedures and through its actions, Europa consistently endeavours to incorporate a sensible, sustainable approach to the environment and to use of natural resources.

In the course of its business of advising on and managing real estate investments in Europe, Europa:

1. recognises that both occupiers’ and investors’ demand for real estate will be increasingly influenced by both enacted and expected environmental legislation and accordingly, they are likely to seek to incorporate its influences in their real estate decision-making processes;
2. acknowledges the increasing regulatory framework for “green rating” of built real estate in the drive to seek to achieve government targets for carbon emissions, to encourage energy efficiency and to support sustainable activity in the real estate sector, together with the rise in international performance bench-marking;
3. seeks to adopt good practice in assessing the energy performance of investments on which it advises and in the identification of opportunities for improvement in energy efficiency;
4. strives to engage with local communities in which invested assets are located and occupiers thereof, to assess and monitor social impact, and to encourage safe and secure occupational environments;
5. aims to foster a strong compliance culture consistent with its regulatory authorisations.

Europa’s primary mandate as a real estate fund manager is to maximize risk adjusted returns for the investors in the funds and other investment initiatives on which it manages and advises. Europa strives to optimise the opportunity to incorporate these Environmental & Sustainability, Social and Governance Principles into its activities and to promote good ‘sustainable’ practice.

### Environmental and Sustainability Principles

The Funds advised by Europa have the capacity to invest in a wide range of real estate assets in many different jurisdictions with differing legal requirements and regulations. Whilst it is not possible to be prescriptive that the same standard must be achieved on each and every investment, nevertheless, it is important that fund investments remain competitive in their respective markets. To this end, in the course of its real estate fund management activities, Europa will customarily:

1. foster the awareness of management teams of the environmental and sustainability regulations and practice pertinent in relevant real estate jurisdictions through promulgation of regular briefings internally and/or from environmental consultants with appropriate accreditation in their field;
2. as part of the due diligence process at acquisition of an investment, review the extant environmental conditions including, where available, the current energy certification and performance, pertinent to the real estate. Where appropriate, an environmental study should be commissioned from a specialist third party consultant(s) to identify a) actual or potential risks and b) opportunities for potential improvement, and appropriate account incorporated into the investment business plan. In relation to built assets, a Building Sustainability Assessment Toolkit (‘BSAT’) Phase 1 Pre-Acquisition Report must be completed, with the assistance of external consultants where necessary. A summary of the findings shall be reported in the FIR or other investment recommendation;
3. aim to ensure that the asset management and property management teams (including third party service providers) responsible for the delivery of the business plan for investments, implement the most appropriate strategies for environmental and sustainability compliance including, where possible, securing accredited green rating certification;

Where it is within Europa's control to do so and by adopting its responsible property management procedures for real estate asset management:

- a. ensure that for those energy utilities for which the owner is responsible, regular and accurate meter readings are obtained and collated;
  - b. foster policies for the reduction and recycling of waste;
  - c. undertake regular review of data with the objective, where possible, of improving energy performance of and reducing CO2 emissions arising from, real estate investments;
  - d. seek to introduce appropriate measures to improve the energy efficiency of the assets Europa manages when appropriate in the life cycle of the asset, taking account of obligations to occupiers and investors;
  - e. where practicable, move towards a generation of "greener" leases;
  - f. to engage with occupiers in whose control is the consumption of energy and utilities and, where possible, encourage them to introduce energy efficiency initiatives.
4. Develop and roll-out an approach to evaluate asset level climate change resilience risks. This will be documented within a resilience risk matrix for each fund. The matrix must be reviewed annually as a minimum or when there is a major change.
  5. In the procurement of development and refurbishment activities, encourage responsible and sustainable practices in relation to suppliers, sourcing of materials, working practices including health & safety, and climate change impacts.

Europa's Environmental & Sustainability Committee will regularly review and monitor performance against these Principles, reporting to the Partners on a quarterly basis.

## Environmental and Social Principles

Europa recognises that business activities associated with real estate can have impacts, both direct and indirect, not only on the natural environment but also upon wider society. Europa acknowledges that it must respect and engage with the communities in which it operates. Europa seeks:

1. to uphold equal opportunities for employees and potential employees;
2. to apply the highest labour standards and prioritise the welfare of those who work for Europa, providing support and encouragement to enable continued career progression;
3. to ensure careful consideration is given to the effects physical change(s) to a real estate asset may have on surrounding areas and communities;
4. to ensure that real estate assets provide accessible, safe and secure environments which contribute to local neighbourhoods;
5. to ensure best practice is followed in the management of health and safety issues;
6. to ensure that appropriate health and wellbeing programmes, designed to benefit building users, are established;
7. to measure and report on fund contribution to social value in annual fund sustainability reports;
8. to establish a Europa level charitable/educational support programme, with defined and measurable objectives.

## Governance Principles

Europa is authorised and regulated by the Financial Conduct Authority (FCA) and is required to abide by the Principles and guidance provided by the FCA (and, in time, its successor entity) and by local law. Europa is also a participating member of INREV.

It is recognised that Europa and its personnel must act with integrity, openness and transparency in business dealings, be accountable for its actions, avoid conflicts of interest and respect confidentiality whilst acting within its own limitations. To ensure that this occurs:-

1. a strong compliance culture is fostered through a centralised compliance team which, inter alia, maintains a comprehensive Compliance Manual and advises on compliance policies & procedures;
2. compliance policies and procedures are reviewed no less than annually, to take into account changes in the regulatory environment, if any, and to assess whether any policies need to be adapted to meet current best practice guidelines;
3. all Europa personnel are required, annually, to sign a declaration that they have read, understood and abided by Europa's compliance procedures;
4. Europa aims to produce clear and informative reports to enable investors to incorporate the metrics of their investments managed by Europa into their own portfolio analyses;
5. these Environmental & Sustainability, Social and Governance Principles are incorporated into Europa's key operating procedures by which all Europa personnel are required to abide.

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