

ASTARTE CAPITAL PARTNERS

# ESG ANNUAL REPORT

2020

# FOREWORD

**As the new world continues to take shape, people are increasingly concerned about environmental and societal issues.** These are real issues that can only be correctly addressed if all sectors, including the financial sector, participate in the process. Attention has been on liquid investment opportunities, which have a relatively short term lifecycle.

**The changes that need to be made are urgent but will require a long term perspective.** Illiquid investments by design have a long-term focus, and therefore are much more conducive to having a positive impact on sustainability in the longer term. The first illiquid players, partly pushed by asset owners, have now started looking at the topic, but so far we have seen limited evidence of true integration or a systematic approach towards impact measures.

**Astarte is an active asset manager building sustainable investment platforms and aspires to act as a catalyst in the next generation of ESG standards for private markets investments.**

Our established and applied Responsible Investment Policy ensures we use an effective tool to allow us to be active actors and promote the long-term changes.

**Our process has been focused on integration with our investment process as well as incorporating clear forward-looking targets in order to measure our impact.** This has been developed to address the lack of consistent guidance and criteria on ESG methodologies and which assessment criteria, particularly across sectors. As a result, the focus of many has been reliant on using historic information, often poor or not available for private assets.

**Another challenge we sought to address is the lack of clear forward-looking targets that define the impact or ambition of an ESG framework.** We believe the balance of current and historic analysis in both our responsible investment policy as well as our future oriented impact goals makes our process highly and robust.

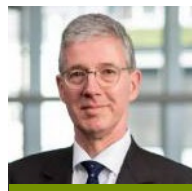
**As an active manager, we hold responsible investing to be a priority for all teams,** including platform members, which all adhere to our Responsible Investment Policy. We genuinely believe that well managed platforms with strong ESG performance will lead to better risk management and alpha generation.

We are pleased to release this ESG Annual Report where we can showcase the concrete steps we are taking and the outcomes we are already achieving on our journey to stay at the forefront of championing and promoting sustainable and responsible investment in real assets.

We hope you enjoy reading this report.

**Jan Straatman**

Partner and Head of ESG Team



# CONTENTS

01	Policy and Integration	5
02	Portfolio Insights	14
03	Looking Ahead	22



# EXECUTIVE SUMMARY



## ESG integration at Astarte

In 2020 we built a comprehensive process to evaluate the ESG considerations of all our investments. Part of the process has been to work with our partners to build a repeatable approach across all platforms.

•

We have carefully considered how we as investors can maximise alpha generation by effectively managing key material ESG risks and capitalising on opportunities presented through an ESG lens.

•

Our framework ensures comprehensive and consistent integration of ESG considerations in all stages of our investment activities. The aggregated conclusions of the baseline ESG assessments are presented in this report.

•

We commit to using this reporting to measure, inform and improve upon key ESG themes.



## Platform highlights

Yoo Capital Management (YCIM) and Astarte held the first close of the new opportunistic real estate fund in Q4 2020.

•

YCIM developed a best-in-class reporting framework for measuring ESG performance of its real estate assets. YCIM's proprietary social impact framework demonstrates how the firm creates value through its focus on mixed-use spaces that deliver inclusive communities.

•

Astarte have engaged in 2021 with a new sustainable forestry investment platform – SilviPar. We are excited to welcome SilviPar on board in the coming year.

•

All existing platform members already adhere to Astarte's Responsible Investment Policy and for incoming partners as well, ESG will be a priority for the management teams going forward.



## 2021/2022 goals

Work closely with platform members to build upon the quality of ESG reporting at portfolio level, with Astarte acting as advisers.

•

Enhance communication with existing and prospective investors with regards to ESG.

•

Monitor YCIM targets as well as work with SilviPar to set their action plans for their ESG programme going forward.

•

Continue to develop and improve our impact thesis with measurable, concrete goals and outcomes

•

Continue to improve our framework to better measure and monitor progress and targets at the portfolio and partnership level.

# 01 POLICY & INTEGRATION



# INTRODUCTION



## About Astarte

Astarte Capital Partners ('Astarte') is a specialist investment platform, focusing on value-add real asset opportunities. Our mission is to be a strategic partner to our investors and build accretive value frameworks for investing in private markets by forming active partnerships with seasoned asset operating teams.

Over the past year, Astarte reviewed many opportunities and ultimately partnered with two specialist managers. Both of them fit our philosophy, met our risk and return targets, and aligned with our ESG criteria.

Both these and future platform members will be individually supported in the development and implementation of best-in-class ESG processes and practices specific to their sector verticals, focusing on material ESG themes, with the goal of enhancing investment outcomes over the long term.

## About this report

This report has been created to:

- Affirm Astarte's commitment to the integration of ESG within its investment activities,
- Introduce Astarte's approach to responsible investments and outline our policies,
- Provide a framework for Astarte to measure and report against the Environmental, Social and Governance performance of its investments and platform members.



# THE ASTARTE DIFFERENCE

## Private investors have great potential to capture sustainability value through our influence

While this is generally accepted across the industry, private equity has a great deal of catching up to do in terms of ESG integration before it reaches a stage of maturity that is expected and demanded by institutional investors. This is in contradiction with the claims many are making in terms of their sustainability credentials, invalidating the progress this industry has already made.

## Astarte is an asset manager determined to do things differently

In the face of widespread greenwashing, Astarte recognised an opportunity to establish itself as one of the leading private equity managers truly putting ESG at the core of each and every investment.

## Our unique approach sets us apart

Our unique and collaborative approach is what sets us apart. Having identified several key challenges facing the sector's ESG efforts, including the lack of consistent guidance and criteria on ESG methodologies and a lack of clear forward-looking targets to define impact, we aim to address these issues with a proprietary ESG model that is incorporated throughout our investment process.

By taking concrete steps in integrating ESG into our platforms, Astarte seeks to champion sustainable and responsible investment in real assets and has already achieved significant progress across the sectors in which we have invested. Details on our approach to YCIM and SAIFF are laid out in the next section of this report.

### YOOCAPITAL

Astarte PLATFORM MEMBER

Yoo Capital (YCIM) invests in transformative real estate opportunities that create maximum social value.

### SA Impact Forestry Fund

Astarte PLATFORM MEMBER

SilviPar (SAIFF) invests in sustainable, fully-FSC certified forests in Paraguay.

Source:

1 Schroders Institutional Investor Survey 2020.

2 BDO Private Equity survey, October 2020

## What investors want



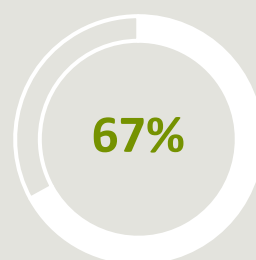
of institutional investors cite **full ESG integration** as their **preferred approach**<sup>1</sup>

## What the market says



of private equity managers say they **integrate ESG**<sup>2</sup>

## The reality



of institutional investors identify **greenwashing** as the **biggest challenge** to investing sustainably<sup>1</sup>

## The Astarte difference



of Astarte's platforms **contribute to a sustainable future** and demonstrate **strong performance** (avg. 4/5 or above) across all **material ESG themes**

# ASTARTE RESPONSIBLE INVESTMENT POLICY

## OUR BELIEFS

### Our sustainability principles and beliefs

As a long-term investor, Astarte places ESG factors at the core of our investment principles and beliefs. We believe that the actions and decisions we make today will have long lasting effects on the environment and our community.

We believe it is our fiduciary duty to act as responsible stewards. We therefore actively engage with our platform members on a continuous basis, using open channels of communication and leveraging on our expertise to effect positive change and add value to their individual investment propositions.

### Our commitments to responsible investment

Astarte has been a signatory of the UN PRI since 2017 and is committed to adopting the principles set out therein. We also aim to operate within the principles set out in the UN SDGs and Global Compact with reference to human rights, labour, environment and anti-corruption.

As part of the commitment to the UN PRI, we support the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD) and commit to identifying the climate-related risks and opportunities within our investments and to addressing these risks.

### ESG and value creation

We focus on ESG to not only leverage the framework for managing environmental, societal and governance risks, but also as a tool for potentially significant value creation.

We firmly believe that companies who efficiently monitor and manage their resources (both natural and human), risks and opportunities, through strong governance practices and transparent communication with all stakeholders involved, will create sustainable long-term value for our investors and for the society at large.

Therefore, we believe that:

- **Every organisation and member of society has a moral obligation** to support sustainability in the broadest sense in order to safeguard the wellbeing of future generations.
- **Sustainability has become economically important**, meaning that integrating sustainability principles into our investment decision process increases the probability of success while reducing investment risks over the longer term.
- **Astarte should actively develop and implement responsible investment practices** by promoting, engaging and integrating sustainable principles and solutions in our entire investment portfolio.
- **We should aim to be an active driver of transforming and raising the ESG standards** of all our managers and operating partners.



# ASTARTE RESPONSIBLE INVESTMENT POLICY

## OUR APPROACH

### Astarte is at the forefront of responsible investing within private markets

In the listed equity market, ESG has quickly become a requirement for asset managers to do business, with many standards and data providers available. In the Private Equity industry this has not been the case. The process of developing methodologies has been slow and inconsistent, and often does not exceed the level of marketing.

We believe that proper ESG integration requires a long term shared vision and close cooperation with companies and organisations. These are characteristics which are more common within private markets, as the investment horizon by design is much longer with inherently greater control and influence in the decision-making process.

For this reason, we have developed a bespoke process which is aimed at evaluating the current state of ESG compliance with our platform partners. Our methodology identifies potential issues and together with the partners, we develop tailored ESG plans with concrete targets in order to measure future impact.

### Our objectives

Our ESG process has been designed to meet the following objectives:

- A logical extension of Astarte's DNA of doing things 'that are right and where we can make a difference';
- Be fully integrated, continuous and embraced by all members of the organisation;
- Be comprehensive and easy to implement, such that it can be easily adopted by all operating partners;
- Not purely be backward looking but also forward looking, with concrete and measurable impact targets.

### Our methodology

Our methodology has integrated as much as possible elements of UN PRI, Sustainable Development Goals, Global Compact and TCFD, as well as other global industry standards.

Our approach was developed with the assistance of MJ Hudson, who shares the same forward-looking vision for ESG as we do. We continue to work closely with MJ Hudson in order to help us develop and identify external opportunities to verify our process.



United Nations  
Global Compact



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

# ASTARTE RESPONSIBLE INVESTMENT POLICY INTEGRATION

## Integration with our investment strategy and process

- Astarte's investment strategy is to invest across real assets in partnership with best-in-class emerging managers and operating teams in the market. As a result, ESG issues can both arise at the operating level and at the sub-sector/strategy level in which the team operates.
- Since we form joint ventures with these managers and operating teams, we must ensure that the way ESG is embedded in our investment process fully addresses issues that may arise at both levels.
- We have therefore embedded ESG in every step of our investment process, using a framework that ensures simplicity, clarity and transparency to all parties involved. Our internal framework is designed to not only identify and assess ESG risks but also to be forward thinking and proactive in mitigating overall ESG risks and generate opportunities for value creation.
- Our ESG process includes 5 steps to identify, evaluate, mitigate, monitor and report potential ESG issues.
- Once an investment is onboarded, the investment team, ESG Team and external advisor, MJ Hudson, create a comprehensive ESG Action Plan to include meaningful and concrete targets and goals to be achieved during the investment period. The ESG Action Plan is approved by the Investment Recommendation Committee and is continuously monitored and benchmarked throughout the investment lifecycle by the Investment and ESG Teams.

### Astarte Investment Process



### Astarte's ESG Practice

Admission	Due Diligence	Integration	Review	Retrospective Outlook
<ul style="list-style-type: none"> <li>▪ Assessment of ESG standards of the industry</li> <li>▪ Identification of the material ESG themes, risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Due diligence of the project and operator</li> <li>▪ Identification of any key issues and feedback to business plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Detailed ESG Strategy with clear definitions of benchmarks, targets and milestones</li> <li>▪ Monitoring and reporting strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ In-depth annual ESG review</li> <li>▪ Continuous monitoring of targets and milestones with updates whenever necessary</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete and thorough investment ESG review post completion</li> <li>▪ Integration of feedback results into future opportunities</li> </ul>

# ASTARTE RESPONSIBLE INVESTMENT POLICY FRAMEWORK

## Internal ESG framework and process

Our unique internal ESG framework and process were designed to evaluate and integrate ESG practices with clear focus on identifying risks and opportunities that are material to the industry we are investing into or to operator we are partnering with.

As such, we have created a list of 9 key ESG themes that are potentially relevant to any investment that we are evaluating. From the nine themes, up to four that are material to the concerned investment are selected ensuring a focused and concrete ESG Action Plan.

Material Themes Selection		
Environment	Social	Governance
Energy & carbon Ecosystem impact Material circularity	Employee wellbeing Customer impact Corporate citizenship	ESG & business reliance Corporate governance Supply chain management

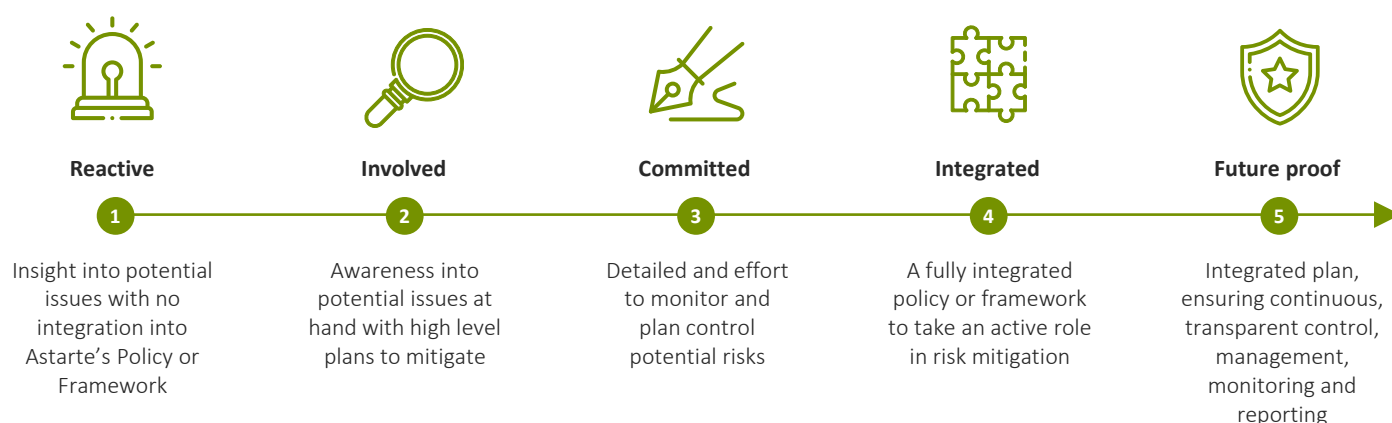
Once the material themes have been selected, both Operator and industry ESG performance are evaluated by:

- Screening the operator or manager for their existing ESG policy, monitoring, goals and reporting while highlighting any red flags;
- Understanding how the selected ESG themes affect the industry and how the operator anticipates in bringing these themes to the forefront of their investment process;
- The performance of the operator in each of the selected key material ESG themes is then classified as one of the following: **Reactive, Involved, Committed, Integrated, Future Proof**;
- Elaboration of the ESG Action Plan to define to which of the 5 classification above we would like to bring the investment at the end of the holding period and what the real steps to be taken (short and long term);
- With the lack of standardised data, we have also begun to develop our own library of criteria and targets that can be applied to specific industry. Whenever possible, we integrate UN SDGs, Global Compact and TCFD targets and recommendations into our ESG Action Plan

Using this framework, we can analyse each opportunity against the following questions:

- Does the strategy reduce/increase negative/positive impact?
- Does the industry generally have high ESG standards? Can it be improved? What role can Astarte play in leading the required improvement or transition within the sector?
- Does the manager have a clear understanding, the necessary tools and policies to assess and address ESG risks? How does the manager engage with the community and other stakeholders?
- For this specific sector/sub-sector, are there specific policies or frameworks that we can leverage or adhere to for best practice?

## Evaluation classification



# ESG AND CLIMATE REGULATION

At Astarte, we adhere to ESG and climate regulations and are in active dialogue with relevant global organisations. We also follow globally recognised standards and regulation at firm and investment levels.

## Astarte-backed standards and regulation

We are committed to globally focused regulations and standards for responsible investment which include:

- Embracing the UN PRI, of which we are a signatory and maintain an active dialogue to further improve global standards;
- Further adherence to the UN SDGs / Global Compact and TCFD recommendations in all our investments with commitments whenever is possible;
- We aim to be fully aligned to the UK Stewardship Code by 2022.

We also encourage and support each of our platform members to adopt and follow the highest standards to become a leader in their respective industry.

## YCIM-backed standards and regulation

YCIM continuously monitor standards to strengthen its value proposition through a rigorous ESG process.

- As such, YCIM has also become a UN PRI signatory to ensure globally recognized principles are embedded into all investment decisions;
- Furthermore, YCIM also closely follows the GRESB international standards and adoption of BREEAM ratings.

## SAIFF-backed standards and regulation

The nature of the SA Impact Forestry Fund ("SAIFF") means that the project focuses on the highest level of standards and regulation available to investors.

- The SAIFF portfolio is fully Forest Stewardship Council (FSC) certified;
- Aim for SAIFF to be validated as carbon credits issuer under a major international standard (e.g. VCS, Golden Standard) by 2022.

## Standards followed by Astarte and platform partners



1. Measures the ratio of total water withdrawals to available renewable water supplies.
  2. Measures the percentage of population affected by coastal flooding in a year.
  3. Measures where droughts are likely to occur
- Source: WRI Aqueduct.

# ASTARTE TEAM

Every professional at Astarte is responsible for championing ESG in all activities and investment processes carried out with the support of our ESG team.

## Partners



**Dr. Stavros Siokos\***  
Managing Partner &  
Co-Founder



**Teresa Farmaki\***  
Managing Partner  
& Co-Founder



**Jan Straatman\***  
Partner



**Mark Levinson**  
Partner



**James Hartley**  
Partner

## Team



**Paul Kerr**  
Managing Director



**Roger Fuchs**  
Investment  
Director



**Nick Clayton**  
Investment  
Director



**Bruno Fumach**  
Investment  
Director



**Tingting Peng**  
Director



**Richard Templer**  
Finance Director



**Petros de Bree**  
Senior Associate



**Omar Habboush**  
Associate



**Jessie Sun**  
Analyst



**Giovanni Beliossi**  
Senior Advisor



**Tony Birbilis**  
Senior Advisor

\* Investment Committee Member

■ ESG Team members

# RESPONSIBLE INVESTMENT POLICY

## IN-HOUSE OPERATIONS

### We seek to practice what we preach

As a company and in our day-to-day activities, we believe that:

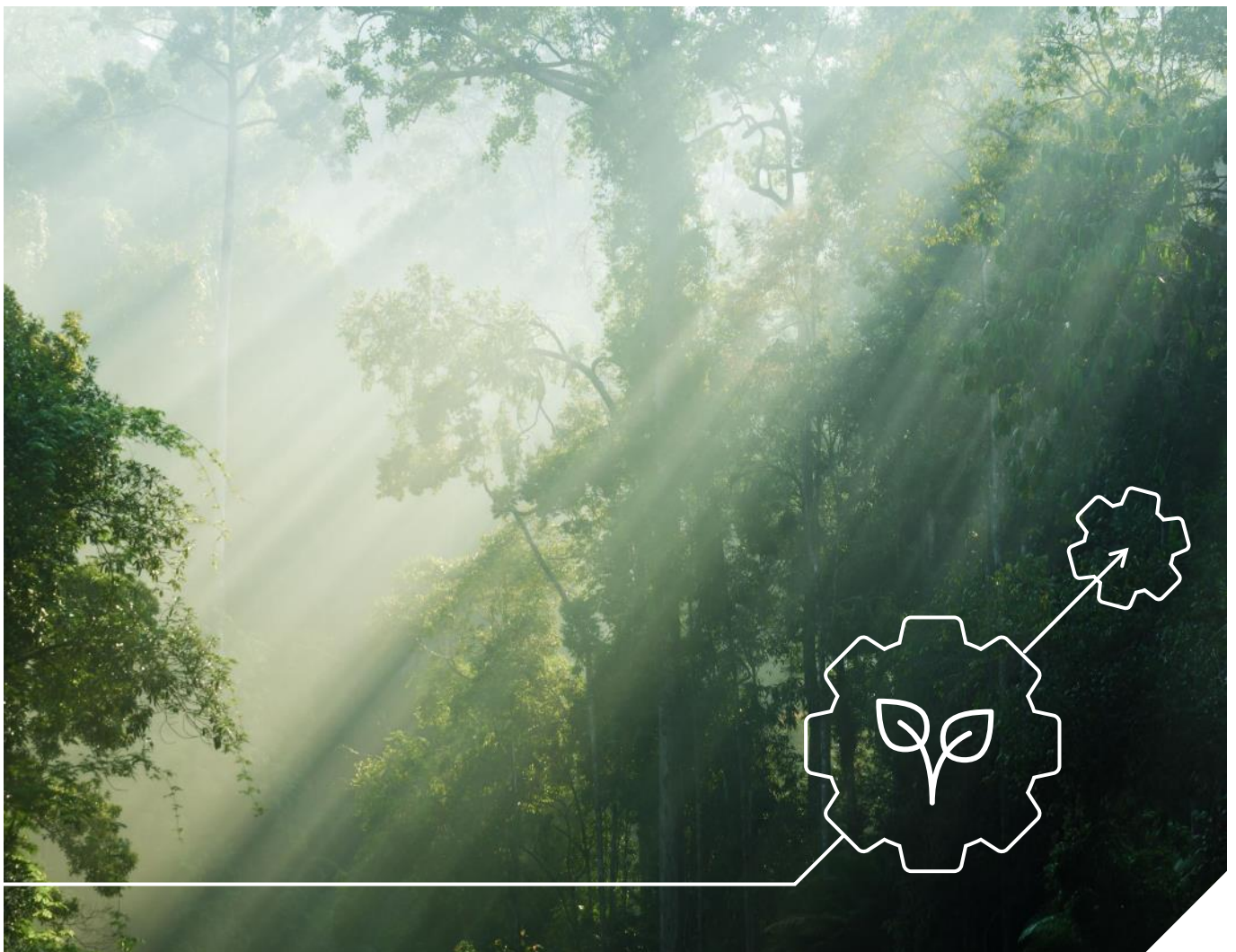
- We have a duty to be mindful and good corporate citizens as part of the wider society;
- We encourage diversity of thought, backgrounds, and experiences and value freedom of speech and welcome new ideas;
- We need to promote and encourage best ESG practices with all our stakeholders;
- We must ensure that we use all resources efficiently.

We proudly champion and support our ESG partners such as [Beyond Capital](#) in their journey to promote impact investment across the globe. We also dedicate a part of our carried interest to support access to quality education for underprivileged students.

At Astarte, we promote a respectful and inspirational workplace, respecting diversity of gender, beliefs and opinions that create a working environment where the contribution of each employee is encouraged, respected and rewarded. We also promote our employee wellbeing by encouraging a healthy and balanced life.

In addition, we seek to minimise our environmental footprint and CO2 emissions. For this, we encourage the efficient use of all our resources to reduce waste production and energy consumption. We also take advantages of an even-more connected society by meeting people virtually and reduce unnecessary trips.

We will also treat our internal and external stakeholders in a fair manner through a strict due diligence process when engaging with supplier and consultants, who along with other third parties engaged by Astarte, must also declare/undertake that they adhere to Astarte's ESG principles.



## 02 PORTFOLIO INSIGHTS



# YOO CAPITAL INVESTMENT MANAGEMENT ("YCIM")

**yooCAPITAL**

Astarte PLATFORM MEMBER

HQ	London
# Assets	1
ASOP Committed capital	£30m
ASOP role	Co-manager

Yoo Capital Investment Management (YCIM) was formed by seasoned investment professionals with comprehensive in-house capabilities to originate, structure, negotiate, underwrite, develop and manage real estate investments.

Historically, Yoo Capital has invested in over £2.6bn gross development value ("GDV") and 3.0 million square feet of opportunistic real estate across the UK, predominantly in edge-of-prime and infill locations in the Greater London area.

YCIM specialises in taking complex and underperforming real estate assets and transforming them into future institutional-quality core assets. The team is driven by a conviction that positive social impact is at the core of transformative real estate; that a focus on creating societal value goes hand-in-hand with investment returns.

This results in authentic mixed-use developments that include, for example, affordable housing, commercial space, retail, community space, and cultural and educational facilities, resulting in enhanced desirability for commercial tenants.

## Investments to date

In late 2019 YCIM and Astarte launched a new opportunistic real estate fund.

To date, the fund has invested in one asset:

### Shepherd's Bush Market.

- Shepherd's Bush Market was a 110-year-old failing market, at risk of closure due to a dwindling number of traders.
- YCIM's investment in the site will revive one of London's historic markets, creating an authentic and vibrant masterplan reflective of the local area.
- The project is partnering with the London Borough of Hammersmith and Fulham to deliver affordable housing and there are further opportunities to partner with a university and other local stakeholders.

Top: artist rendition of Shepherd's Bush Market redevelopment  
Bottom: Shepherd's Bush Market current site



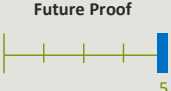

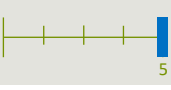
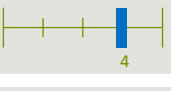
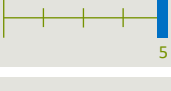
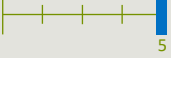
# YCIM

## ESG PERFORMANCE AND TARGETS

### Key material themes and performance<sup>1</sup>

Given the nature of the Real Estate industry, our primary focus is on efficient use and management of resources, particularly energy and carbon (efficiency and net zero building) and material circularity (water and waste management). We also are very mindful of our impact within the tenant and surrounding communities as corporate citizens and future proof in all ESG aspects.

As such, we have chosen to focus on the following material themes with the following targets:

Material Theme	Sub-theme	Performance (2020)	Next steps (2021)	Long-term objectives (2025)
Energy & Carbon	Energy management	Future Proof 	<ul style="list-style-type: none"> <li>Incorporate timber frame and modern methods of construction into design</li> </ul>	<ul style="list-style-type: none"> <li>Targeting BREEAM outstanding and WELL Platinum Certification</li> <li>Energy strategy aligned to reach net CO2 negative operations</li> </ul>
	Physical and transition risk	Integrated 	<ul style="list-style-type: none"> <li>Qualify for carbon offset tax relief due to net positive carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>Align company strategy to become climate resilient</li> </ul>
Material Circularity	Waste management	Future Proof 	<ul style="list-style-type: none"> <li>Prepare a waste management plan aligned with Q2 2025 targets</li> </ul>	<ul style="list-style-type: none"> <li>Waste management strategy aligned to become part of a circular economy and value of waste maximized</li> </ul>
	Water and wastewater management	Integrated 	<ul style="list-style-type: none"> <li>Prepare a wastewater management plan aligned with Q2 2025 targets</li> </ul>	<ul style="list-style-type: none"> <li>Annual water consumption reduction of &gt;2%</li> <li>Majority of water treated and returned to water table at same quality</li> </ul>
Corporate Citizenship	Tenant safety and satisfaction		<ul style="list-style-type: none"> <li>Put in place tenant satisfaction program and a social impact plan</li> </ul>	<ul style="list-style-type: none"> <li>Market positioning is based on outstanding tenant satisfaction</li> </ul>
ESG & Business Resilience	ESG management	Future Proof 	<ul style="list-style-type: none"> <li>Put in place ESG policies, prepare ESG report and undertake ESG management and reporting</li> </ul>	<ul style="list-style-type: none"> <li>Initiator/frontrunner of sustainability initiatives and pushing ESG standards in industry</li> </ul>

**Astarte's portfolio exposure to water stress is medium**

As at 31/12/2020



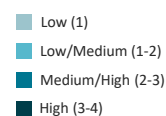
Water Stress<sup>1</sup>



Coastal Flood Risk<sup>2</sup>



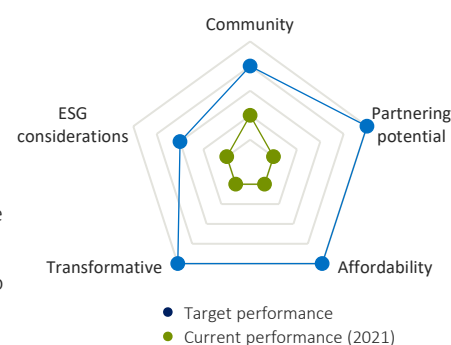
Drought Risk<sup>3</sup>



### Proprietary social impact framework<sup>1</sup>

In addition to the key themes, YCIM also has a special focus on social impact. Projects in the portfolio are assessed against 5 key metrics, with the highest score defined as:

- Community:** visible commitment to contribute to community; community can directly access, use and benefit from 50% of space in the new development
- Partnerships:** valuable partnerships with other stakeholders alongside the entire project
- Affordability:** whether the project is affordable and financially accessible; >15% affordable commercial space and >50% affordable housing
- Transformative:** 100% transformative impact on the existing use of the site, with power to unlock wider regeneration
- ESG considerations:** fully integrated to the building design, construction and operation; with minimising adverse effects of construction being prioritized



1. Limited to (target) performance Shepherd's Bush Market. No current performance is available as construction has not started.

# SHEPHERD'S BUSH MARKET

## OUR VISION

### Situation before YCIM involvement

**Heritage:** Open air market originally established to provide WW1 veterans with a job to support their families following the war.

**Existing site:** Market in severe decline following a decade of failed attempts to bring a masterplan forward. Significant issues with anti-social behaviour and security across the site. Council owned-land identified for affordable housing locked-in by surrounding site.

**Surrounding area:** Westfield shopping centre, redeveloped BBC television centre, Imperial College London campus (all developed within the last few years).

**What could have happened?** Several failed attempts have been made to redevelop the market and adjacent site. A previous developer had planned to build high-margin luxury flats, but this involved using Compulsory Purchase Orders to force market traders and local businesses to sell so that the entrance to the SBM site could be changed. Litigation ensued and the traders and local businesses were successful. A subsequent owner added pop-up restaurants, recreating a strategy of introducing temporary uses that had been successful on their other sites in London, but this also failed and was strongly opposed by traders and residents. In each case, the developers were attempting to take an off-the-shelf solution and apply it to this site, ignoring the community, the traders, the history and the fabric of the people who visit Shepherd's Bush Market.

### Our vision on delivering social impact

Community Contribution	<ul style="list-style-type: none"><li>Revitalise and safeguard the market through improvements to infrastructure, facilities, layout and amenities and create greater opportunities for the local community to shop and start new businesses</li><li>Provide up to 30,000 sf of affordable office space, part of which is reserved for local artisans and creative traders</li></ul>
Partnering Potential	<ul style="list-style-type: none"><li>Partnership with the London Borough of Hammersmith and Fulham to provide affordable housing alongside other uses</li><li>Potential avenues of collaboration with universities and stakeholders including Transport for London and local schools to deliver art programs along the rail arches and throughout the market</li></ul>
Affordability	<ul style="list-style-type: none"><li>Deliver 100% affordable housing onsite and create 30,000sq ft of affordable commercial space</li><li>Rents within the market will be managed to allow for the long term future of existing and new traders; The redevelopment will protect the site from the risk of over-gentrification and the forcible relocation/closure of traditional market trader</li></ul>
Transformative	<ul style="list-style-type: none"><li>Transform a market that has been put at risk of closure with a diminishing number of traders while preserving its character and expanding both trade and traders within the market</li><li>Create areas to dwell, revitalize and celebrate, and increase the market's appeal across London and internationally to unlock regeneration in the wider Shepherd's Bush Market area</li></ul>
ESG Considerations	<ul style="list-style-type: none"><li>The project will deliver an office building that incorporates sustainability into every element by delivering a timber framed structure and targeting the highest level of BREEAM rating</li><li>Planting throughout the building and into the market will increase biodiversity.</li></ul>

# SHEPHERD'S BUSH MARKET

## PROJECT DEVELOPMENT



### Our approach

Work with market traders, building an understanding of the market today and their aspirations for the future

•

Create a masterplan that considers the needs of the traders and harnesses the character of the market and local area to create a unique and authentic destination.



### Our solution

Work with the traders from day one, immediately embarking on a repairs and maintenance programme, invest in marketing, improve security and suspend rent entirely for seven months during the COVID-19 pandemic.

•

Donate empty buildings to Kindred Studios, a local charity providing affordable studios for artists, until construction commences, supporting a local organisation and bringing vibrancy and creativity to the area.

•

Bring forward a masterplan with the market at its heart, creating complimentary uses and delivering on the Council's need to provide affordable housing.

•

Create an authentic, characterful place, aware of its history in contrast to other developments in the local area. Utilise the existing fabric of the site, for example by using the passing railway as an original, unique focal point rather than a feature to be hidden or obscured.



### Our value-add

Having created a vibrant, authentic, creative space for innovation at the ground level, the upper levels become more attractive as an office space.

•

Large, open plan office space is more efficient to build than luxury housing, and due to the above, more profit can be made from prime, high-margin office space.

# SA IMPACT FORESTRY FUND (“SAIFF”)

## SA Impact Forestry Fund

Astarte PLATFORM MEMBER

### Astarte has partnered with SilviPar, a leader in sustainable forestry

This is an exciting step in our journey and represents an important expansion of our investment capabilities, whilst demonstrating our dedication towards continued positive impact.

We are joining forces with SilviPar to develop and manage sustainable forestry assets in Paraguay. The goal is to establish plantations on around 35-50,000 hectares of land, from which the wood produced can be sold to the surrounding industry.

### ESG considerations

The potential for carbon sequestration with the SAIFF portfolio are enormous. Our fast-growing eucalyptus has the potential for sequestering 9.9m metric tonnes of CO<sub>2</sub>, equivalent to taking 3.6m cars off the streets for one year or 1.4x London’s fleet of 2.56m cars. SAIFF is actively engaged in becoming a validated carbon credit issuer by one of the major standards (e.g. VCS or Gold Standard) by 2022.

The forests established by SAIFF will also have a significant impact on the local fauna and flora. Conservation and Preservation Areas on c. 25% of the total area are to be created ensuring that native species are restored and preserved on what was before predominantly low productivity cattle ranching farms.

The impact of SAIFF goes beyond environmental considerations. It will not only create jobs for the local communities (SAIFF will employ 100% of the operations team from local workforce) with improved earning prospects but is also expected to catalyse the economic development of the broader region. The SilviPar team understand high quality forestry assets and has deep management experience in establishing and managing large scale forestry operations globally.



Top & bottom: actual site photos from SAIFF portfolio  
Middle: Ramon Gonzalez, CEO SilviPar SA, giving a briefing to our local team

# SAIFF

## ESG FEATURES & IMPACT

**SA Impact Forestry Fund**

Astarte PLATFORM MEMBER

High quality eucalyptus forestry portfolio in Paraguay with significant ESG attributes

### Positive sustainability impact



- Designated conservation zone of c.25% of the total land used to protect and restore native fauna and flora
- Drainage and other value-added works to develop low-productivity sites into sustainable forestry assets
- Improvement in ground conditions on the plantation has been observed to enable alternative crops

### Carbon sequestration



- The tree plantation will dramatically increase the sequestration of carbon and reduce emissions of greenhouse gases
- Potential for c. 9.9m metric tonnes of CO<sub>2</sub> sequestration, equivalent to taking 3.6m cars out of the streets for one year, 1.4x London's fleet of 2.56m cars

### Commitment to local communities



- SAIFF employs 100% of the operations team from the local workforce
- Project brings high quality jobs to an area where the poverty rate is c. 20-25%
- The target area avoids impact to local communities or affecting the native historical sights
- We maintain close relationships with local government, neighbouring communities, local NGOs, National Forestry Service and the Paraguayan Forestry Industry association

### Environmental and social monitoring



- The SAIFF portfolio is fully Forest Stewardship Council (FSC) certified
- Forests and operations already comply with most of IFC Environmental and Social Performance Standards
- Water and soil monitoring in excess to what is required by law to ensure that quality is not damaged by the forestry project

# SAIFF

## ESG PERFORMANCE & TARGETS

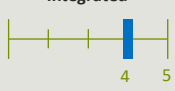
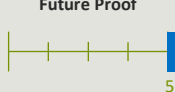

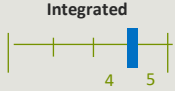
**SA Impact Forestry Fund**

Astarte PLATFORM MEMBER

### Key material themes and performance<sup>1</sup>

Being an active actor promoting sustainable investment in the Forestry Sector, it is natural that the main themes to focus are those related to Carbon and Ecosystem impact. However SAIFF goes beyond that. We also want to create a meaningful impact to the prosperity and wellbeing of local communities we are involved.

As such, we have chosen to focus on the following material themes with the following targets:

Material Theme	Performance (2020)	Next Steps (2021)	Long-term objectives (2025)
<b>Energy &amp; Carbon</b>	<p>Integrated</p> 	<ul style="list-style-type: none"> <li>Complete project validation to allow SAIFF to issue Carbon Credit certification by one of the relevant standards (VCS, Gold Standard, etc.)</li> <li>Audit the c.400,000t CO2 already fixed in the existing operation for Carbon Credit issuance</li> </ul>	<ul style="list-style-type: none"> <li>Issue carbon credits for both existing and expansion assets with the target to reach 6m+ tCO2 fixed</li> </ul>
<b>Ecosystem Impact</b>	<p>Future Proof</p> 	<ul style="list-style-type: none"> <li>Start with a full Environmental and Social Impact Assessment (ESIA) of the existing operations</li> <li>For each land acquired in 2021, map and develop a conservation plan for every UHCZ as well as for other areas reserved for conservation and buffer zones (estimated to be c.25% of the acquired land)</li> </ul>	<ul style="list-style-type: none"> <li>Implement all UHCZ, ensuring that they have eco corridors, restoration of native species</li> <li>Maintain water quality at the same level as before forestry development</li> </ul>
<b>Corporate Citizenship</b>	<p>Integrated</p> 	<ul style="list-style-type: none"> <li>Employs all workforce from the local community (expects to create c.150-200 direct employment per every 1,000ha of planting per year)</li> <li>Continue engagement with local communities and other stakeholder to raise their awareness about the development</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that all staff is paid above the minimum sustainable salary</li> <li>Prepare, disclose and implement the operations plan and ensure minimised nuisance to local communities</li> </ul>
<b>Corporate Governance</b>	<p>Integrated</p> 	<ul style="list-style-type: none"> <li>Formalise and Implement all relevant ESG policies and procedures</li> <li>Audit all our contractors to assure they comply with FSC, ILO and other labour laws</li> </ul>	<ul style="list-style-type: none"> <li>Have all ESG, labour and FSC policies and procedures in place</li> </ul>



## 03 LOOKING AHEAD

# OUR ACHIEVEMENTS AND GOALS

We aim to work with our operating partners to ensure that we have up-to-date, transparent and achievable goals across all our platforms. These are continuously updated as we integrate globally recognised standards into our decision making when onboarding and managing our platform partners.

## Achievements over the past year

- Implementation of our core Responsible Investment Policy
- ESG integration of YCIM Platform working with MJ Hudson
- Commitment to using this reporting framework to measure, inform and improve upon key ESG themes
- Release of the first ASOP ESG Annual Report (2020)

## Goals for next year

- Continue to implement our ESG strategy and ensure adherence of all our platform members (YCIM, SAIFF, and others)
- Finalise TCFD and SFDR disclosure requirements and implementation process, internally and across all platform members
- Finalise alignment of our investment process to the UK Stewardship Code
- Continue to develop and improve our impact thesis with measurable, concrete goals and outcomes
- Spread the word: proactively increase our ESG visibility through investor forums, industry discussions and collaborative research





**Jan Straatman**

Partner

Jan.Straatman@astartecp.com

**Bruno Fumach**

Investment Director

Bruno.Fumach@astartecp.com

**Tingting Peng**

Director, Investor Relations & Business Development

Tingting.Peng@astartecp.com

**Omar Habboush**

Associate

Omar.Habboush@astartecp.com

**Jessie Sun**

Analyst

Jessie.Sun@astartecp.com

**Astarte Capital Partners LLP**

Michelin House,  
81 Fulham Road,  
London, SW3 6RD  
United Kingdom

+44 203 761 4300

[info@astartecp.com](mailto:info@astartecp.com)

[www.astartecp.com](http://www.astartecp.com)



**Ebel Kemeling**

Managing Director

ebel.kemeling@mjhudson.com

**Marieke Boudeling**

Manager

marieke.boudeling@mjhudson.com

**Victoria Ashworth**

Consultant

victoria.ashworth@mjhudson.com

