

Tricon Residential



Following our environmental engagement in 2022, we welcome Tricon disclosing comprehensive GHG emission data for the first time. We encourage the company to set ambitious emission reduction targets with its next ESG report in spring 2023

Andreas Welter, Senior Portfolio Manager

Engagement rationale

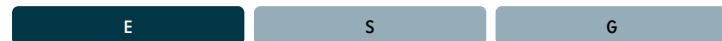
Tricon Residential is a large institutional landlord of single-family rental homes in the US owning c30,000 homes and has a market capitalisation of >3bn USD.

Background

Tricon scores at the lower end in our Environmental Pathway Framework versus its US residential peers, mainly due to the lack of disclosure of emission data and related reduction targets. Back in June 2022 we reached out to discuss the strategy and timing of additional disclosure as well as encouraging them on setting reduction targets for its emissions.

Theme for engagement

Environmental



- Improve disclosures and reporting of environmental/emission data
- Develop and publish a strategy to reduce its emissions and link quantitative targets directly to management compensation

Development

Positive

Milestone



Engagement objectives

We followed-up with Tricon to check on the progress made on disclosing emissions, setting reduction targets and linking management remuneration to those targets.

Engagement results

The progress Tricon has made until today includes:

- Tricon improved their reporting and disclosure significantly including its emission data. Tricon is now disclosing scope 1, 2 and 3 data for the first time, which we very much welcome.
- Tricon took part in the GRESB survey for the first time, further enhancing its disclosure.
- Noteworthy, Tricon further started various initiatives to measure - and more importantly - reduce the scope 3 emissions of its portfolio. For example, Tricon plans to improve their homes' energy usage and emissions through the choice of systems and components installed during construction and renovation.

Next steps

- Tricon confirmed to work on a strategy to reduce their carbon footprint and aim to publish targets with their next ESG report in spring 2023.
- Regarding linking board remuneration to those targets, Tricon currently does include a target to establish consumption baselines and set a targeted three-year performance improvement plan, though without specific emission targets.



Company

Tricon Residential Homes

Country

USA

Sector

Real Estate

Market cap

Small Cap

Materiality

Improving ESG efforts can lead to a lower risk profile and multiple benefits for all stakeholders.

ESG Research

MSCI ESG Rating: A
Sustainalytics: 18.8 (low risk)

Engagement initiated

Q2 2022

Latest update

Q2 2023

Kempen Fund

Kempen (Lux) Global Property Fund





1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	