

RESOLUTION CAPITAL



Corporate Social Responsibility Report 2023

A message from our Managing Director

As part of our commitment to building a more sustainable world we are committing to a number of ESG initiatives across our business and investment portfolios. In this report we detail where we are on our ESG journey.

Changes in climate bring both risks and opportunities and we are firmly committed to ensuring that the investment portfolios that we manage on behalf of our clients investors are well-positioned to meet the Paris Agreement target of net zero emissions by 2050, whilst ensuring that our long-held investment philosophy of investing in high quality companies, strong balance sheets and aligned management teams is not compromised.

We have long been committed to strong Corporate Governance and engagement opportunities and were delighted and proud to be named a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA) in its 22nd annual study launched on the 18th September 2023, placing Resolution Capital in the top 20% of investment managers assessed in Australia for responsible investment.

The firm and Resolution Capital Board is also committed to strong Corporate Social Responsibility and developing positive relationships with our community. In 2023 we have continued our charity partnerships with Yalari, Mirabel Foundation, Children's Medical Research Institute and the Alzheimer's Research Australia. These charities are undertaking important work in the areas of children's health, indigenous education, mental health and diseases of ageing which are all key focus areas for the firm.

Resolution Capital also strives to have an inclusive and equitable workplace and this report details the improvements we have made in this area, as we believe a more diverse and engaged team and workplace delivers better outcomes for our clients.

Sincerely,



A handwritten signature in black ink that reads "Sonia Luton". The signature is fluid and cursive.

Sonia Luton
Managing Director

Our Business

About Us

Resolution Capital Limited (Resolution Capital, the Company) is a specialist investment manager focused on investing in global real asset securities, which includes both real estate securities and infrastructure securities listed on major exchanges globally.

Our approach to ESG encompasses both the way that we operate and manage our business, and the assessment of the companies in which we invest on behalf of our clients.

Our clients include large superannuation and pension funds, institutions and government entities from around the world. In addition, we have a number of retail clients in the pooled funds we manage in Australia.

ESG Framework

- Commitment to ESG by the Board and the incorporation of ESG by the investment team
- Approval & Adoption of Responsible Investment, Proxy Voting, Engagement and Diversity & Inclusion policies.
- Commitment to the Principles of the PRI and UN Global Compact

Board

- Commitment to be carbon neutral
- ESG Committee
- Partnerships with charities
- Signatory to the PRI and UN Global Compact, members of GRESB, RIAA and Ceres Investor Network
- Corporate volunteering

Company

- Incorporation of ESG into the investment process & stock initiations
- Proxy voting
- Formal engagement with investee companies
- ESG KPIs for investment staff

Investment Team



ESG Committee

The ESG Committee was established by the Company in 2019 with the aim of ensuring that sustainability practices were discussed more broadly within the business and to ensure that there was a commitment to improvement across the team. The Committee meets at least quarterly.

The Committee is made up of 7 staff from across the business including:

- Managing Director
- Head of Operations
- Head of Client Services
- Portfolio Manager
- ESG Analyst
- Head of Quant
- Investment Analyst

The focus of the committee has primarily been on:

- Continuous improvement of ESG integration in the investment research process
- Identification of data providers e.g MSCI
- Review of the PRI and UN Global Compact Submissions
- Reporting on Resolution Capital's stewardship activities (particularly proxy voting and engagement)
- Education of all employees regarding ESG related matters
- Identifying collaboration opportunities with peers
- Understanding and incorporating the requirements of various sustainability-related regulatory requirements, including Sustainable Financial Disclosure Regulations (SFDR), EU Taxonomy requirements, ASIC and SEC focus on the presentation of ESG-related information in marketing materials by investment managers to avoid 'greenwashing', and new mandatory disclosures for Australian companies.

The Team

- Our team of 28 is made up of investment professionals, middle office/operations staff and a dedicated client services team. The average tenure is 7 years.
- Policies in place to protect the safety and rights of our staff are approved by the Board and form part of the staff on-boarding process. These include:
 - HR Policy (including Recruitment & Selection, Leave, Termination, Employee Behaviour & Grievance Resolution)
 - Privacy Policy
 - Workplace Health and Safety Program
 - Code of Conduct (including anti-corruption and bribery, gifts and entertainment policy)
 - Whistleblower Policy

Diversity within Our Team

Resolution Capital is an equal opportunity employer and believes that gender and cultural diversity leads to better engagement and decision- making by providing different perspectives and insights.

The Board currently has one female Executive Director (20% female membership) and the broader team currently has 35% female membership.

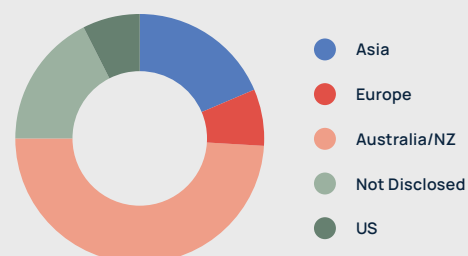
Since 2022, Resolution Capital has participated in our business partner Pinnacle Investment Management's Women in Finance Scholarship, which is open to students who are close to finishing their university studies. Our hope is to encourage female applicants into a career in real assets investment. In 2023, we had two students from the program working within our investment team.

Gender Diversity*



* As at 31 December 2023

Cultural Diversity



Carbon Neutral

Resolution Capital has been carbon neutral since the end of 2021. It achieves this by offsetting carbon emissions through the purchase of carbon credits from South Pole. Emissions are measured in tonnes of carbon dioxide equivalent (tCO_{2e}), a standard unit for counting greenhouse gas emissions.

Emissions (tCO _{2e})	FY2021	FY2022	CY 2023
Scope 1	0.00	0.00	0.00
Scope 2	13.20	5.21	0.35
Scope 3	15.15	214.23	347.97
Total	28.35	219.45	348.31

Scope 1 emissions (direct emissions owned or controlled by the company) are nil. There are no activities performed by the firm which produce direct emissions.

Scope 2 emissions (indirect emissions produced to generate the power used by a company) are primarily from the electricity used. Resolution Capital has changed electricity provider and has elected to use “green power” which means that the electricity is sourced from renewable sources.

Scope 3 emissions (indirect emissions produced in the consumption or use of a company’s goods or services) is primarily due to business travel, with the largest contributor being flights.

In FY2021, Covid impacted business travel due to border restrictions and lock-downs, therefore Scope 3 emissions were limited.

Methodology for calculating emissions

Scope 3 emissions are made up of:

Emissions (tCO _{2e})	FY2021	FY2022	CY 2023
Flights	2.96	179.86	323.25
Business Travel	3.67	11.57	3.83
Accommodation	0.00 [#]	10.28	9.79
Employee commute	8.52	6.01	11.05
Total	15.15	214.23	347.97

[#]Not calculated in indicated year

- Flights are calculated based on the distance travelled and class of travel.
- Business travel includes taxis/Ubers and is based on an estimated distance travelled based on the average fare within major cities.
- Accommodation includes hotel or other accommodation used in the course of business travel.
- Employee commute involves identification of the method that staff use to get to and from the office (e.g. bus, train, driving, walking) adjusted for the number of days per week staff attend. The team works under a hybrid model with the investment team in 4 days per week and other staff required to be in the office 3 days per week.

ESG Advocacy

Resolution Capital is a member of several responsible investment industry investor groups, which are summarized below. Our membership and involvement in these groups allow us to participate in collaborative engagements and provides access to industry best practices through peer working groups.



UNPRI Signatory

Resolution Capital has been a signatory to the PRI (www.unpri.org) since 2010 and our Responsible Investment Policy aligns to the Principles of the PRI.

Our results for PRI for 2023 are summarised as follows:

4 stars across three assessed modules:

- Policy Governance and Strategy – 83% vs the median score of 58% (4 Stars vs 3 Stars)
- Direct - Listed Equity – Active Fundamental – 93% vs the median score of 71% (5 Stars vs 4 Stars)
- Confidence building measures – 80% vs the median score of 80% (4 Stars vs 4 Stars)



Global Real Estate Sustainability Benchmark (GRESB)

Resolution Capital is an Investor Member of the Global Real Estate Sustainability Benchmark (GRESB) which enables us to collect reliable data for ESG reporting and make informed decisions about our investments. Our membership also allows us to participate in collaborative engagements to encourage improved reporting by companies in the real estate sector globally. We benchmark our Global REIT portfolio GRESB rating versus the relevant portfolio benchmark's rating (for example the FTSE NAREIT/EPRA Developed Index).



UN Global Compact

Resolution Capital has been a signatory to the United Nations Global Compact since 2019. The UN Global Compact is the world's largest corporate sustainability initiative (www.unglobalcompact.org). We are proud to conduct business responsibly through alignment on universal principles on human rights, labour, environment and anti-corruption.



Responsible Investment Association of Australasia (RIAA)

The Responsible Investment Association Australasia (RIAA) champions responsible investing and a sustainable financial system in Australia and New Zealand. RIAA is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy and is the largest network engaged in responsible, ethical and impact investing across Australia and New Zealand.

Resolution Capital became a member of the RIAA in 2022 and achieved RIAA certification for our flagship Australian Global Property Securities Fund in December 2022. The other two global REIT Australian funds were certified in August 2023. The certification signifies significant integration of ESG, or ethical considerations, into the investment process as well as adhering to strict operational and disclosure requirements.

We were delighted and proud to be named a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA) in its 22nd annual study launched on the 18th September 2023, placing Resolution Capital in the top 20% of investment managers assessed in Australia for responsible investment.



Ceres Investor Network

Resolution Capital became a member of the Ceres Investor Network in 2023. The Ceres Investor Network includes more than 220 institutional investors managing more than US \$60 trillion in assets. They work with members to advance sustainable investment practices, engage with corporate leaders, and advocate for key policy and regulatory solutions to accelerate the transition to a just, sustainable, net zero emissions economy.

Modern Slavery Risk

Resolution Capital is not a reporting entity under the Australian Modern Slavery Act, however we believe it is important to understand and mitigate the risk of modern slavery in our business and supply chain. We are working with our business partner Pinnacle Investment Management (Pinnacle) and their affiliated investment managers to collate and monitor a supplier register which assists with the risk assessment of common suppliers.

Resolution Capital has policies in place which support the identification, assessment and mitigation of risks relating to modern slavery and human trafficking.

These include:

- Code of Conduct – workplace harassment, discrimination and bullying, anti-corruption, whistleblowing
- Worksafe Manual – provision of a safe workplace
- HR Policy – Recruitment, equal employment opportunity, victimisation
- Whistleblowing Policy
- AML-CTF Program (Sanctions Program)
- Responsible Investment Policy

In order to provide investment management services to our clients, Resolution Capital procures services from a number of key suppliers including staff, property management (including cleaning services), electricity supplier, professional services organisations (such as auditors, insurance, lawyers), banks/financial institutions, and shared services (Pinnacle provide IT, legal, regulatory compliance, distribution, finance). Other suppliers to the business

include those providing stationary, food and beverage/kitchen supplies, office equipment, office furniture, and recruitment firms.

In order to assess modern slavery risk in the key suppliers, we reviewed (where available) Modern Slavery Statements issued by those companies on the Department of Home Affairs website. We also reviewed whether the companies published any other relevant reports or policies on their websites (such as Human Rights Policy, Code of Conduct/Ethics, Anti-Corruption Policy).

Pinnacle Supplier Engagement Group

In 2023, Resolution Capital participated in a organised by Pinnacle Investment Management to engage with corporate suppliers to mitigate potential modern slavery risks.

The Supplier Engagement Group aims to maximise leverage in supplier engagements, generate efficiencies and promote key sustainable themes within our corporate supply chain.

As part of our engagements, we sent targeted suppliers a short questionnaire asking about modern slavery and the policies and processes that might be in place in order to prevent that organisation from causing, contributing or being directly linked to human exploitation.

Questions focused on the seniority of responsibility for managing labour issues, whether modern slavery risk assessments or due diligence is undertaken on suppliers, whether there are grievance mechanisms to report instances of potential modern slavery and whether there an awareness of employees in higher risk categories.

Charity Partnerships & Corporate Giving

Resolution Capital partners with the **PNI Foundation** (<https://pinnacleinvestment.com/pni-foundation/>) to support charities whose work is focused on causes which resonate with the company values and our team. This includes those with a focus on children (including providing education, medical research and supporting mental health), and the elderly via Alzheimer's Research Australia. Our partnerships are reviewed annually to ensure that each donation is being utilised for specific programs, however, we aim to offer support for at least 3 years.



Yalari

- Provides trusted, quality educational opportunities for indigenous children by offering secondary education scholarships at leading Australian boarding schools to indigenous children from regional, rural and remote communities
- Up to 50 scholarships offered annually to indigenous children who satisfy the selection criteria
- Our contribution is directed towards the annual Orientation Program which is a key initiative bringing together all new Yalari students to help them prepare to embark on their boarding school journey
- In 2021 we also extended this support to sponsor a Rosemary Bishop scholarship for a year 7 student which will continue throughout her high schooling at Kambala School in Rose Bay. Lilli has completed year 9 in 2023 and we receive regular reports on her progress.

www.yalari.org



Mirabel Foundation

- Assists children who have been orphaned or abandoned due to parental illicit drug use and are now in the care of extended family (kinship care)
- Also assists the children's carers – often grandparents
- Mirabel provides opportunities for the children to interact with others in similar circumstances via group based and individual support programs, tutoring, and by holding Big Day Out events where children are taken to venues such as Luna Park and Raging Waters during school holidays. Here they have a fun outing away from their day-to-day lives and form peer connections with others, while Mirabel staff have the opportunity to observe and monitor their social wellbeing.
- The Resolution Capital team also has the opportunity to volunteer as chaperones for these events.
- In 2023, Resolution Capital assisted with funding for peer support groups for grandparents and kinship carers which provide support, information and companionship to improve their emotional wellbeing in order for them to provide long-term safety and stability for the children in their care.

www.mirabelfoundation.org.au 



Alzheimer's Research Australia (ARA)

- Supports medical research into Alzheimer's disease including:
 - Increasing the understanding of the causes of Alzheimer's disease
 - Developing earlier diagnostic techniques
 - Identifying treatments and interventions
- Our joint contribution is helping to research blood biomarkers and the development of a non-invasive, simple, early stage diagnostic blood test to show "markers" for Alzheimer's, and assist in early identification and potential early treatment for the disease.

www.alzheimersresearch.org.au 





Children's Medical Research Institute (CMRI)

- For over 60 years, CMRI has been helping to save the lives of children through research into causes and prevention of children's genetic diseases and cancer
- Our joint contribution assists with the purchase of cutting edge, vital equipment used across multiple departments including most recently the Eye Genetics Unit and Cancer Research Labs
- In 2023, Morgan Ellis, our ESG Analyst, had the opportunity to visit the CMRI laboratories and see one of the expert scientists provide a demonstration of the equipment that Resolution Capital assisted in purchasing, and hear about the work that CMRI does.

www.cmri.org.au 



Further Information

Further information about the way in which we are integrating sustainability considerations into our investment process can be found in our new Climate Risk Report and Responsible Investment & Stewardship Report, and in our Responsible Investment, Proxy Voting, Engagement, and Diversity & Inclusion Policies which can be found on our website www.rescap.com/esg

Or contact Resolution Capital Client Services team at clientservices@rescap.com.

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