



**PUBLIC TRANSPARENCY REPORT**  
**2025**

**Resolution Capital Limited**

Generated 24-11-2025

# About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)	7
ORGANISATIONAL OVERVIEW (OO)	10
POLICY, GOVERNANCE AND STRATEGY (PGS)	18
LISTED EQUITY (LE)	54
CONFIDENCE-BUILDING MEASURES (CBM)	63

# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Resolution Capital is an active securities manager investing in listed real assets securities, which includes real estate and infrastructure sectors globally. ESG considerations are a key part of Resolution Capital's investment philosophy. We believe that strong ESG practices adopted by the companies we invest in are likely to be additive to their performance and lead to investors ultimately being rewarded through superior investment outcomes. Our investment philosophy is focused on three fundamental areas:

1. Focus on the quality of the real estate and infrastructure assets we invest in. We believe high quality assets with strong sustainability ratings and credentials will be more attractive to underlying tenants and users and will help underpin cashflows.

Resolution Capital is focused on assets and markets where customer demand levels exceed supply, and which consequently produce pricing power for the companies that own those assets.

2. Focus on conservative capital structures. Real estate and infrastructure are capital intensive sectors, and it is critical that the debt load of these companies are manageable through the investment cycle. We seek to avoid highly leveraged companies that may need to raise equity at discounted prices in a downturn to repay debt which may dilute the equity on issue.

Resolution Capital has a preference for companies with lower leverage to protect our clients capital from the risk of the permanent impairment.

3. Focus on corporate stewardship and alignment with the management teams of the companies we invest in. It is critical to meet with the management teams of companies we invest in and who oversee capital allocation to assess their capabilities, business strategy and experience.

These three core principals foster an investment approach which leads to investment portfolios that possess visible, recurring cash flows, conservative capital structures, and which are operated by experienced, capable and aligned management teams. Resolution Capital has a long history of taking a responsible approach to investing our clients' funds and has been a signatory to the PRI since 2010.

We incorporate ESG factors in stock analysis and as discussion points for broader engagement activities. As investors who think and act like long-term owners, we endeavour to fully integrate sustainability into company analysis and valuations. We consider the ESG characteristics of the companies we invest in and how they fit into the components of our investment philosophy and Responsible Investment policy, which also aligns to the PRI. Principles. Resolution Capital's company engagement forms an important part of ESG integration in our investment process. Engagement provides us the opportunity to share our philosophy and corporate governance values and make a positive contribution to investee companies.

Furthermore, it often provides us with a deeper perspective on how the company operates. Proxy voting is another important way in which we demonstrate our responsible investment practices. Resolution Capital will vote on all resolutions to which it has the right. Where voting against management, we will advise the company, wherever practicable, prior to the vote. The responsibility of incorporating ESG into the investment process sits with the Investment Team. The Portfolio Managers and analysts are responsible for identifying and assessing relevant ESG factors as it relates to their investments in the strategies we manage. This responsibility means that ESG engagement factors form a component of Investment Team staff remuneration. Climate risk has been a key area of focus and we recognise the need to limit average global temperature rise to well below 2°C, and ideally 1.5°C, compared to pre-industrial levels, by 2100 in line with the goals of the Paris Agreement, requiring the global economy to be net zero carbon emissions by 2050.

The level of decarbonisation needed to achieve this will provide significant opportunities for companies that can take part in this transition to a low carbon economy and significant risks for those that cannot. We believe that it is financially responsible for management of our investee companies to pursue investments and initiatives that are environmentally sustainable, and we believe this will lead to an improvement of investment returns for our clients. One of the key challenges of integrating ESG continues to be ensuring that companies are providing climate-related and human rights information in a consistent manner across all regions. This has been a focus during the year via our engagements and collaborations with peers. ESG-related training has also been a focus, with particular emphasis on how climate metrics can be used to analyse and compare companies within our investment universe. Another area of focus has been improving transparency, reporting and disclosure of our responsible investment practices.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

In the past year, we have made significant progress in advancing our Responsible Investment practices at Resolution Capital, as outlined below. We continued our expanded ESG reporting suite, with three separate ESG reports capturing our commitment to active stewardship, ESG integration and to building a more sustainable world. They present a comprehensive overview of sustainability and responsible investment initiatives across our business and how we are responding to key sustainability and responsible investment issues in our investment portfolios, covering Climate Risk, Responsible Investment and Stewardship, and Corporate Social Responsibility. Our Climate Risk Report builds on the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and prepares us for mandatory climate-related financial disclosures regulations in Australia, which we will have to report under from FY2027. In December 2024 we also published our Climate Change Policy, which outlines our climate change risk framework, drawing on the recommendations of the Taskforce on Climate-Related Disclosures (TCFD), and our assumptions for our analysis of climate related risks and opportunities. We maintained our membership in the Responsible Investment Association of Australasia (RIAA) this year.

Our membership of RIAA strengthens our relationships within the responsible investment industry in these regions and provides us with broader access to best practice investor networks, broader collaborative engagement programs and responsible investment product certification programs. Pleasingly, our commitment to excellence in Responsible Investing was recognised in RIAA's 2024 Responsible Investment Benchmark report, where we were again named as a Responsible Investment Leader, placing Resolution Capital in the top 20% of investment managers in Australia assessed in the report. One of the major improvements to the integration of ESG into our investment process during the year was the incorporation of IIGCC's Net Zero Investment Framework (NZIF) to assess the maturity of a company's alignment with the Paris Agreement. This framework evaluates if companies have a history of decarbonising and have disclosed detailed plans for long-term decarbonisation and capital allocation.

This assessment will drive climate related engagements and be used to measure progress, highlighting leading and lagging companies. This year we continued the expansion of our ESG database to include more ESG focused dashboards and ESG metrics for our property securities (REITs) and global listed infrastructure (GLI) strategies, making ESG information and analysis more accessible and relevant for the investment team. Specifically, we enhanced our climate change transition risk and scenario analysis, allowing for easy access to analysis on the decarbonisation pathways of our Global Listed Infrastructure strategy portfolio holdings while comparing them to 1.5°C and 2°C scenarios. We had attempted to expand our physical risk assessments this year however, we have encountered some difficulties with scalable data collection and reliability in terms of geolocation mapping of investee company assets, which is a significant driver of climate risk exposures. This is an area we are actively working on so that we are better able to quantify these critical risk exposures. During 2024, we participated in a collaborative engagement program run by the Global Real Estate Sustainability Benchmark (GRESB) in the Asia Pacific region.

This program aimed to increase the quality and breadth of ESG disclosures in the region from Real Estate and Infrastructure companies, targeting companies that were not reporting into the GRESB program and had gaps in their ESG disclosures. The engagement resulted in several target companies either indicating intent to participate in, or signing on to, the GRESB assessment program in the following year. In 2024, we continued our participation in the ESG Working Group facilitated by our business partner Pinnacle Investment Management (Pinnacle), including its subgroup the Supplier Engagement Working Group. This subgroup focuses on engagement with corporate suppliers to mitigate potential modern slavery risks as well as gaining information on how they are addressing climate related risks. This group aims to leverage the size of the Pinnacle group in supplier engagements, generate efficiencies and promote key sustainable themes within our corporate supply chain.

We sent suppliers a questionnaire that focused on modern slavery and climate change related risks. For modern slavery these questions asked about the policies and processes in place to prevent causing, contributing or being directly linked to human exploitation and for climate change we asked about emissions disclosures and carbon reduction targets.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

A summary of our focus over the next two years to advance our Responsible Investment commitment includes, in no particular order:

- Continuing our integration of climate related risk analysis into our investment processes and ESG database. This will include exploring how to integrate physical risk exposures; scenario testing for transition and physical climate risks, benchmarking against scenarios from Science Based Targets Initiative and the International Energy Agency; as well as alignment with net zero scenarios
- Assessing the impacts of Scope 3 emissions on our investments using third party data sources and building them into our ESG database
- Continuing our engagements with our investee companies to increase their Paris Aligned carbon reduction commitments and therefore increasing the proportion of our portfolio holdings that are aligned with the requirements of the Paris Agreement
- Ensuring our reporting to clients aligns with emerging climate reporting frameworks and standards in Australia and globally
- Expanding focus on Modern Slavery and Human Rights in our investments and corporate operations through company engagements and working with the Pinnacle led Supplier Engagement Working Group.
- Continuing regular training and education of our investment team and senior leadership on ESG themes and topics
- Preparation for the mandatory climate-related financial disclosure regulations under which we are captured (eg Australia and New Zealand)

### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Sonia Luton

Position

Managing Director

Organisation's Name

Resolution Capital Limited

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

B

# OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

## OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

### OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?**

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) Modern Slavery Act [United Kingdom]
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) SFDR Regulation (2019/2088) [European Union]**
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]**
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]**
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) Modern Slavery Act (2018) [Australia]

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]
- (AI) Other
- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?**

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) Global Reporting Initiative (GRI) Standards [Global]
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other  
Specify:  
UN Global Compact
- (AF) Other
- (AG) Other
- (AH) Other
- (AI) Other

○ (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	30	06	2025

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 9,388,819,999.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	100%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental 100%

(D) Other strategies 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

#### (1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

#### (1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active

(9) >70 to 80%

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	0%
(E) Thematic and integration	100%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

- (A) Yes, we market products and/or funds as ESG and/or sustainable
- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

We also address risks related to political influence, safety track records, provision of affordable products, such as housing or utilities bills, or safeguards for these, for low-income or key workers.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://rescap.com/esg/>

**(B) Guidelines on environmental factors**

Add link:

<https://rescap.com/esg/>

**(C) Guidelines on social factors**

Add link:

<https://rescap.com/esg/>

**(D) Guidelines on governance factors**

Add link:

<https://rescap.com/esg/>

(E) Guidelines on sustainability outcomes

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://rescap.com/esg/>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://rescap.com/esg/>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://rescap.com/esg/>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://rescap.com/esg/>

**(J) Guidelines on exclusions**

Add link:

<https://rescap.com/esg/>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://rescap.com/esg/>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://rescap.com/esg/>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://rescap.com/esg/>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://rescap.com/esg/>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

Resolution Capital is a specialist global real assets securities manager, which includes both listed real estate and infrastructure. Our investment objective is to deliver superior risk adjusted, long term returns, compared with relevant benchmarks. We believe this can be achieved by investing in concentrated portfolios of carefully selected listed real estate and infrastructure securities. Within the investment process there is an emphasis on avoiding fundamental flaws which could reasonably result in permanent impairment of the underlying investments. This aligns our security selection with clients' objectives of long-term wealth creation. Primarily through bottom-up research, the Company seeks to identify and invest in a select group of high- quality securities which exhibit unique characteristics that the market continues to under appreciate. Our stringent filtering process focuses on identifying and exploiting three key attributes:

- High barrier markets where owners have the best potential for long term pricing power or attractive regulatory frameworks / concessions;
- Strong balance sheets which can successfully withstand and exploit market cycles; and
- Management teams with skill, discipline and alignment.

Environmental, Social and Governance (ESG) considerations are an integral part of the Company's investment philosophy and are incorporated in stock analysis.

We believe that strong ESG practices benefit the broader community and are additive to performance, ultimately rewarding investors through superior investment outcomes.

Resolution Capital continues to integrate ESG considerations into its investment process to align itself with the six Principles of the PRI:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues from the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance our effectiveness in implementing the Principles.
6. Report on our activities and progress towards implementing the Principles.

Resolution Capital has been a signatory to the Principles for Responsible Investment ([www.unpri.org](http://www.unpri.org)) since 2010.

We report annually to the PRI and make our Transparency Report publicly available on our website (<https://rescap.com/esg/>).

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment						
(B) Guidelines on environmental factors					(7) 100%	
(C) Guidelines on social factors						
(D) Guidelines on governance factors						

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change					(1) for all of our AUM	
(B) Specific guidelines on human rights					(1) for all of our AUM	
(C) Specific guidelines on other systematic sustainability issues					(1) for all of our AUM	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
  - (B) Senior executive-level staff, or equivalent
- Specify:

Managing Director, CIO and Head of Operations

- (C) Investment committee, or equivalent
- Specify:

CIO and Portfolio Managers

- (D) Head of department, or equivalent
- Specify department:

Head of ESG

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input type="checkbox"/>

(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes
- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

Our Head of ESG, Morgan Ellis, started in January 2022. The role sits within the investment team and reports to the CIO. The role includes oversight of the ESG policy framework and ESG risks and opportunities for portfolio companies in research reports and initiations; educating the investment team on relevant ESG trends to assist with investment decisions; leading the engagement program with investee companies and advising the portfolio managers on proxy voting.

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

**(1) KPIs are linked to compensation**

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

(B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including governance-related recommended disclosures
- (B) Yes, including strategy-related recommended disclosures
- (C) Yes, including risk management-related recommended disclosures
- (D) Yes, including applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

[www.rescap.com/esg](http://www.rescap.com/esg)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://rescap.com/funds/resolution-capital-global-property-securities-ucits-fund/>

- (B) Disclosures against the European Union's Taxonomy
- (C) Disclosures against the CFA's ESG Disclosures Standard
- (D) Disclosures against other international standards, frameworks or regulations

Specify:

We disclosed against the New Zealand's Climate-related Disclosures regulations for the first time in 2025 for our Global REITs strategy.

Link to example of public disclosures

<https://www.companiesoffice.govt.nz/all-registers/climate-related-disclosures/>

- (E) Disclosures against other international standards, frameworks or regulations
- (F) Disclosures against other international standards, frameworks or regulations
- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

[www.rescap.com/esg](http://www.rescap.com/esg)

- (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns

- (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

### (1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

At Resolution Capital, as active owners and stewards of our client's assets, engaging with our investee companies is a critical part of our investment process. Engagement with company management provides our investment team an opportunity to share our investment philosophy, corporate governance values and potentially make a positive contribution to the operations of the companies in which we invest, or may invest. It also provides an excellent opportunity for us to gain a deeper understanding and potentially different perspectives of how a company operates than could otherwise be gained from public disclosures alone. We also conduct some engagement with companies that we see as potential investments or industry leaders, so that we can understand their plans and what their intentions are going forward. Each year Resolution Capital has a formal engagement program where we communicate with companies on specific topics that are intended to progress a company's ESG performance in line with the principles outlined in our Responsible Investment, Proxy Voting and Engagement policies. Key engagement initiatives across our strategies have included the continuation of focus on topics from prior years:

- How are companies identifying and managing climate risks, both transitional and physical risks?
- How are companies decarbonising their operations and supply chains?
- How are companies assessing their supply chains for exposure to modern slavery risks and managing those risks?
- Specific to the US-based Utilities sector in our GLI strategy: how are companies mitigating risks related to a lack of transparency of the process to review and approve political donations?

We use the ESG data in our proprietary database to highlight companies with leading and lagging, or absent, ESG metrics that can be targeted for engagement under the topics outlined above. This data gives the investment team targeted information with which to discuss activities and changes to the ESG performance of the companies with which we are engaging.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

At Resolution Capital we are supportive of collaborative engagements and recognise the benefit of collective engagement. We seek to be involved in engagement programs where we can have the most effective impact, leveraging scale and additional relevant expertise of a larger and more diverse group. This additional expertise can come in the form of regional, sectoral, or even company level expertise, bringing benefits to the wider group. We are exploring opportunities for collaboration in engagement programs that align with our investment universe and with our broader engagement aims. The Global Real Estate Sustainability Benchmark (GRESB) is an organisation that provides validated ESG performance data and peer benchmarking for the real estate and infrastructure sectors.

We use GRESB to provide ESG data (including carbon emissions, carbon reduction targets, electricity and water consumption) to measure and track the ESG performance of our REIT strategies. In 2024 we participated again in a collaborative engagement program with GRESB, as one of 16 participating investor signatories. The aim of the program was to target real estate companies in the APAC region that were not participating in the GRESB assessment program and to encourage them to do so. This approach was interesting to us as it aligned with our long-standing engagement priority of improving the level of ESG disclosure, as well as the standardisation and comparability of those disclosures across the real estate industry. The program targeted 59 listed real estate companies, across 12 countries, with the aim of holding meetings with each to inform them of the benefits of participating in the GRESB assessment and seeking a commitment from the company to sign up for the assessment in the coming year. Compared to the results from 2023, while there was an increase in the proportion of companies that did not to respond to GRESB this year, there was a slight increase in the proportion of companies either showing interest in meeting or holding a meeting with members of the engagement group.

Encouragingly, there was an increase in companies participating in the GRESB assessment after this engagement, with four companies participating in 2024. We participated in the Pinnacle Investment Management-led Supplier Engagement Working Group again in 2024. The group engages with corporate suppliers to Pinnacle and their affiliated investment managers to identify and mitigate potential modern slavery risks and to understand the climate ambitions of our suppliers. The Supplier Engagement Group aims to maximise the leverage of the larger Pinnacle group in these supplier engagements, generate efficiencies and promote key sustainable themes within our corporate supply chain. The group has targeted suppliers in the hospitality and catering industries, facilities management, IT and electronics services, as well as professional services companies. During the year the working group received a range of responses from suppliers - from constructive responses that showed willingness to work with the group to improve processes and explain their approaches, to companies that were not willing to move beyond providing a standardized response covering a minimum level of information. The working group also encountered some barriers during these engagements that were not necessarily a result of not wanting to be involved, but more a function of a lack of resources. This was particularly with smaller suppliers that might not have the resources to produce the requested information and those suppliers that are used on a one-off or ad hoc basis. In these cases the working group provides best practice examples from similar businesses or sectors so that smaller companies can still potentially benefit from these engagements and be ready to either respond to other stakeholders or implement appropriate programs when they have the resources.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2
- 4
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation’s stewardship activities linked to your investment decision making, and vice versa?

Company engagement is an important part of Resolution Capital's investment process. As active owners, engagement provides us the opportunity to share our philosophy and corporate governance values and make a positive contribution to investee companies. Furthermore, it often provides us with a deeper and different perspective on how the investee company operates. Since inception of the firm, we have focused strongly on holding our investee companies to high governance standards. Furthermore, we prefer companies to have simple strategies and low leverage. Real estate is capital intensive and being forced to recapitalise at the bottom of the market leads to permanent impairment of capital.

We believe that companies who have strong ESG credentials will provide better results for their investors and the communities in which they operate. Resolution Capital's stewardship goals include using its position as an active shareholder to influence the companies in which we invest on behalf of our clients to incorporate sustainability targets and initiatives in their businesses. In addition to our formal engagement program, we also conduct ad hoc engagements on company specific issues throughout the year. For instance, changes in compensation structure or a material increase in leverage warrant more timely investigation. Engagement is typically initiated by one or more of the Portfolio Managers with senior management (CEO/CFO) of an investee company. These initial discussions are important to determine the company's overall ESG ethos (among other things).

The next step is to identify those companies we believe did not demonstrate a clear path for improvement in their ESG practices. In these cases, we give feedback on what best practice is or should be. We then follow up in 12 months to ensure progress is being made. We believe that an effective engagement should involve regular discussions with senior management and/or sustainability managers on ESG matters across our investee companies. Furthermore, by also speaking with "best-in-class" companies on ESG, we are in a position to disseminate best practices to less advanced companies to assist them in their ESG progression. Proxy voting is another important aspect of our approach to responsible investment, we often engage with companies in advance of AGMs on specific resolutions, typically with respect to remuneration or director elections.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

**Additional context to your response(s): (Voluntary)**

Resolution Capital utilises ISS and CGI Glass Lewis as providers of proxy voting research. Both feed into our evaluation of entities' governance procedures, but only as one of several inputs to our decision-making process, however our portfolio managers are responsible for reviewing and casting votes on proxies in accordance with our Proxy Voting Policy and in combination with investor analysts and our Head of ESG.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes
- (B) Yes, for the majority of (proxy) votes  
Add link(s):  
[www.rescap.com/esg](http://www.rescap.com/esg)
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(2) for a majority of votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(1) for all votes	(1) for all votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

[www.rescap.com/esg](http://www.rescap.com/esg)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

It is the policy of Resolution Capital to vote on all proxy resolutions it has the ability to vote on. Institutional Shareholder Services (ISS) provides notifications to the operations team when an upcoming vote is scheduled. Following the Portfolio Manager's or Analyst's instruction on how to vote on the resolutions, the operations team exercises Resolution Capital's voting rights electronically via ISS, ensuring this is done before the cutoff date for each vote. ISS provides a confirmation report once the vote is processed or if a vote has been missed. Any vote that has been missed is a breach of our proxy voting policy. Votes are instructed by Portfolio Managers and Analysts who are specifically responsible for researching the company. As the voting chain is electronic within ISS, any logistical obstacles are minimised.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

**(1) Listed equity**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Filing, co-filing, and/or submitting a shareholder resolution or proposal
- (C) Publicly engaging the entity, e.g. signing an open letter
- (D) Voting against the re-election of one or more board directors
- (E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director
- (F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Explain why: (Voluntary)

We have not engaged with policy makers during the previous year, as we have focused more on understanding how we could engage more widely with either collaborative industry engagements or engaging with other industry bodies. This is something we are exploring internally, specifically on how we could engage, and in which areas, with policy makers in a way that is most effective in terms of our effort and impact.

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Decarbonisation efforts and climate risk management - Equity Lifestyle Properties

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We engaged with Equity Lifestyle Properties (ELS), a US-based residential REIT that focuses on manufactured homes communities. We met with the company's sustainability team to discuss any updates and progress on their decarbonisation strategy and any climate resilience projects they are undertaking. In terms of energy efficiency and onsite renewable energy generation, the company has made notable progress in the last year. They have prioritised working with manufactured home suppliers to improve the energy performance of the homes they purchase. In 2023, 58% of homes were EnergyStar-certified, making them more energy-efficient than 75% of similar buildings in the U.S. However, further adoption remains constrained by the limited availability of certified homes, as not all manufacturers across all locations offer them.

ELS has actively advocated for more manufacturers to produce certified homes, highlighting their commitment to raising industry standards. Although still in very early stages, ELS has a pilot project to investigate integration of solar shingles into manufactured homes during the production process. Only five homes have been purchased so far for this project. This project is an encouraging development, given we have asked ELS a number of times over recent years about integrating solar panels in their homes and have been underwhelmed by their responses in the past. ELS has also significantly expanded its onsite renewable energy generation, producing 2,300 MWh of solar energy in 2023, up from just 405 MWh in 2022.

ELS has focused on constructing parking shelters with solar-panel canopies, which optimize space while generating clean energy. The company has 5.5 MW of solar projects currently under construction, underscoring their commitment to renewable energy expansion. Solar power currently accounts for just over 2.7% of overall electricity consumption, so there is significant scope to increase this to further drive decarbonisation. Climate resilience has been another area of improvement, with considerations embedded into their capital investment programs. The company has aligned with increasingly stringent building codes, ensuring that new manufactured homes are better equipped to withstand severe weather conditions, such as higher wind ratings.

After storm events, they have incorporated innovative rebuilding practices, such as burying overhead wires, raising electrical equipment pedestals, and using moisture-resistant wall materials. Other initiatives, like raising sea walls and installing permeable pavers to improve stormwater retention, demonstrate their commitment to enhancing site resilience against flooding and other climate-related challenges. Overall, while we were encouraged by the progress that ELS has made in improving the energy efficiency of purchased manufactured homes, on site solar energy generation expansion, and climate resilience projects, it lags behind industry peers like Sun Communities (SUI). Notably, the lack of a net-zero target and relatively slow decarbonisation progress suggest that their efforts, while methodical, may lack the urgency and ambition needed to lead the sector. Further expanding purchases of EnergyStar homes, renewable energy generation capacity and setting robust emissions targets could help to position them as a stronger sustainability leader in the future.

- (B) Example 2:  
Title of stewardship activity:

Decarbonisation efforts and climate risk management - TXNM Energy

- (1) Led by
- (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate

- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We had an engagement call with TXNM Energy (TXNM) as we wanted to get a better understanding of their decarbonisation strategy and how they were approaching the retirement of their fossil fuel fired generation assets. This conversation reinforced our understanding of the importance of having alignment with both the relevant state government and regulator to be able to achieve ambitious decarbonisation targets, retire fossil fuel generation assets and develop renewable energy generation. TXNM Energy has a goal to generate carbon free electricity by 2040, five years ahead of New Mexico's goal of net zero emissions by 2045. Their current Integrated Resource Plan (IRP) states that the planned exit from coal generation is by 2032 with the closure of the Four Corners Power Plant. While this deadline is ambitious, the company said they were currently comfortable with achieving this goal for several reasons. Firstly, they enjoyed excellent solar and wind resources in their region, with over 300 days of sunshine a year on average, and good wind resources in the east of their jurisdiction. Secondly there is a stable Democrat majority in the state legislature that is supportive of the clean energy transition. There would need to be a major electoral shift to change this support and impact the net zero by 2045 target. Lastly, there is alignment with the state regulator with respect to decarbonising the grid. The IRP was approved in June 2025. Another aspect of the company's decarbonisation strategy is to also focus on the demand side of electricity consumption. This involves reducing the amount of electricity consumed on its network by educating their customers on energy efficiency as well as rolling out demand side management programs and rolling out smart meters to residential customers allowing easier monitoring and management of electricity consumption. These programs are still in the early stages of deployment and will take some time to impact the company's decarbonisation trajectory. We inquired whether they would be able to exit, or retire, the Four Corners Power Plant earlier than the current 2032 retirement date. They mentioned that they had explored this possibility in 2016 and had submitted a request to the regulator, which outlined the potential savings to their customers by doing so. However, the request was denied on the grounds that there wasn't the necessary replacement generation in place. Since this process had taken several years to complete, there are less and less potential savings available as an argument for earlier retirement compared to when the initial request was made. So, unless the other owners in the plant also decide to exit and retire the plant early, TXNM Energy is unlikely to pursue this further.

(C) Example 3:

Title of stewardship activity:

Engagement on Modern Slavery - Federal Realty Trust

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We engaged with Federal Realty Trust (FRT) to understand their policies and practices to identify and mitigate modern slavery risks in their supply chain. FRT have a standard Human Rights Policy and Vendor Code of Conduct that prohibits forced labour and other human rights issues and outlines their expectations that all vendors comply with these policies and with applicable labour laws. This is a typical policy and compliance-based approach we've seen for U.S. based companies. However, talking to them about their practices showed that they are operating beyond a merely compliance-based approach.

Actions taken included:

- Regular site checks by their local staff, which oversee and regularly visit properties and construction sites;
- Focusing on construction, cleaning and security contractors as potential sources of elevated labour risks;
- Engaging with tenants where possible to ensure they're compliant with their own supply chains (incorporating requirements into leases); and
- They have a whistleblower hotline that is available to anyone, not just direct employees, which is not always the case. Its operation is checked every quarter.

Finally, FRT mentioned that they received a report from a union that a cleaning contractor in Florida was potentially not being paid a living wage. They sent their local team to investigate and talk to the cleaners on the site.

This investigation determined that the allegation was unfounded. This highlighted their approach of relying on their local, on the ground, teams to provide protection against wrongdoing. As a follow up to this engagement, we sent a mandatory Modern Slavery Statement from a leading Australian REIT as an example of what REITs in other jurisdictions are doing in this area. This was not in the expectation that FRT would prepare their own modern slavery statement to this level, but so that they could see how companies can identify and assess these risks.

(D) Example 4:

Title of stewardship activity:

Engagement on Political Donations - NextEra Energy

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We have engaged with NextEra (NEE) for the third year in a row on the issue of transparency around political donations due to their consistently poor performance on the Zicklin Index. They continue to have the lowest Zicklin score in our portfolio, even though the U.S. Utilities sector is the highest scoring sector in the index. Since our first engagement with NextEra on this topic in 2022 there has been some progress in improving the transparency and stringency of governance frameworks around political donations. Improvements included having all political donations reviewed by an independent general counsel, which assesses both the company being donated to and the quantity of the donation.

The general counsel then reports to the Governance and Nominating Committee for final approval. However, after our engagement in 2023, some gaps remained in that political lobbying through tax exempt social welfare organisations is still allowed, and there is no requirement to disclose the counter party or quantity of a donation. In our most recent engagement with NextEra on this topic in December 2024, we did see some improvements in terms of increasing the detail of its disclosures of corporate contributions to political candidates, parties and certain tax-exempt groups to include itemised information about recipients and donation amounts. However, there are still two key areas that we feel can be improved. The first relates to disclosure of independent political expenditures a company may make in direct support of, or in opposition to, a specific political campaign.

The second relates to disclosures of donations made to 501 (c)(4) tax exempt organisations. This type of organisation does not have to disclose its donors, nor does it have limits on donations or spending. Therefore, this has the potential to be a source of unlimited and undisclosed political spending, also described as “dark money”, and its influence on the political process. Although NextEra has expressed comfort that the current level of their disclosures in this area is appropriate given the sensitive nature of the donations, we feel they can still improve given other similar companies are able to disclose this information. We will continue to push the company to improve their disclosures in this area.

(E) Example 5:

Title of stewardship activity:

Collaborative Engagement with GRESB on ESG Disclosures

(1) Led by

- (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
- (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

The Global Real Estate Sustainability Benchmark (GRESB) is an organisation that provides validated ESG performance data and peer benchmarking for the real estate and infrastructure sectors. We use GRESB to provide ESG data (including carbon emissions, carbon reduction targets, electricity and water consumption) to measure and track the ESG performance of our REIT strategies. In 2024 we participated again in a collaborative engagement program with GRESB, as one of 16 participating investor signatories. The aim of the program was to target real estate companies in the APAC region that were not participating in the GRESB assessment program and to encourage them to do so. This approach was interesting to us as it aligned with our long-standing engagement priority of improving the level of ESG disclosure, as well as the standardisation and comparability of those disclosures across the real estate industry. The program targeted 59 listed real estate companies, across 12 countries, with the aim of holding meetings with each to inform them of the benefits of participating in the GRESB assessment and seeking a commitment from the company to sign up for the assessment in the coming year. Compared to the results from the 2023 engagements, while there was an increase in the proportion of companies that did not respond to GRESB, there was a slight increase in the proportion of companies either showing interest in meeting or holding a meeting. Encouragingly, there was an increase in companies participating in the GRESB assessment after this engagement, with four companies from that engagement group participating for the first time in 2024. There were typical reasons given by companies that have considered GRESB but not yet committed to participating. These include difficulty in getting tenant data in double or triple net leased properties, resources required for data monitoring and collections, and then finally there was concern about being benchmarked against more ESG advanced companies which they thought could put them in a negative light in front of investors. However, compared to previous years undertaking this engagement program, based on conversations during this program there was optimism for stronger take up next year, given enthusiasm for participation can take time to translate into action as teams work through internal processes on obtaining management buy in and approvals, as well as working through feasibility studies.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

- (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Resolution Capital's standard planning horizon for the portfolios that we manage on behalf of clients is 5 years. Our assessment of climate-related risks and opportunities over this horizon are split into two categories: Transition Risks and Physical Risks. The risks and opportunities related to Transition Risks we assess arise from regulations, market preferences and technology improvements, how they might drive changes to a low carbon economy, and how these changes can impact the value of the companies in which we invest over time. These factors are considered both risks and opportunities given the potential for companies to benefit from incorporating initiatives to take advantage of these drivers or the potential for assets to become stranded if sufficient capital investment is not made stay ahead of these changes. For our REIT and infrastructure strategies we focus on carbon reduction legislation.

For REITs, we look at how building regulations are creating incentives for property owners to improve the energy efficiency of their properties and the design of properties in their development pipelines. For global listed infrastructure we assess carbon reduction targets that are set by governments and regulators, considering the levels of carbon reduction for each sector and the speed with which this is can be implemented. In terms of the impacts of market preferences, we look at how customers of our investee companies might drive demand changes due to the need for more sustainable and less carbon intense products and services, stranding assets that cannot meet these new requirements. For property this may include tenants of the properties owned/managed by the REITs in which we invest choosing to rent in buildings which align with their own sustainability goals, particularly in relation to carbon reduction targets. For infrastructure, carbon free electricity demand will have a significant impact on not only Utilities, but also companies that will rely on carbon free energy to provide their own services. This may include rail companies providing freight services using electric or hydrogen fuel cell powered locomotives, or airports providing access to Sustainable Aviation Fuels to airlines. Changes in availability and cost of technology also has an impact, enabling companies to achieve their carbon reduction goals and therefore stay ahead of Regulations and Market based risks. For property, two examples are the decreasing cost of solar panels and the improving performance of heat pumps, both of which can have a drastic impact on reducing carbon emissions.

Technological changes are also important for infrastructure, as many sectors outside Utilities will be reliant on new low carbon technologies becoming available. Companies seen as laggards in transitioning to a low carbon economy, or who fail to consider this transition in their strategic planning, can risk losing market share and eventually their social license to operate. In terms of the exposure to risks to businesses due to physical risks, the predominant risks for both strategies are reductions in revenue and asset values caused by business interruptions and reduced asset productivity for those companies not preparing for the increasing frequency and intensity of physical risks. These impacts have been seen in the escalating costs of insurance, particularly in the US, which have risen significantly due in part to increasing frequency and severity of storms, as well as property development expanding into regions with higher levels of climate risks.

Investment opportunities presented by the transition to a low carbon world are grouped into the following categories: Resource Efficiency; Energy Source; and Resilience. REITs that are focusing on energy efficiency and sourcing renewable electricity can be better prepared for a carbon constrained economy and better able to meet consumer demand for properties to meet their own sustainability targets, potentially seeing lower vacancy rates and higher sales prices. Switching to more efficient transportation modes, fuels and modernising transport fleets, such as electric trains or sustainable aviation fuels allow for increased efficiency and lower fuel usage. The decarbonisation and electrification of power supply is necessary to achieve a low carbon economy and to meet carbon reduction targets.

Companies that can develop and deploy low or zero carbon energy generation can take advantage of the increasing demand for less carbon intensive electricity. Conversion of existing infrastructure assets to deliver carbon free fuels, such as green hydrogen, could enhance asset life and operating economics. Focusing on strengthening climate protections for long lived assets means companies can withstand the impacts of changing climate better than those that don't, lower ongoing operational costs (including insurance), and ensure assets can continue to operate during adverse weather and climate events.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Our assessment of climate related risks and opportunities beyond our standard planning horizon has Transition and Physical risk components, with the latter having increasingly more serious impacts over time. Transition risks and opportunities will be driven by the impacts of the potential achievement of the Paris Agreement and how the regulatory environment, market preferences and technology changes have contributed to that state. For our longer term transition risks, in both our REITs and infrastructure strategies we are looking at whether the companies in which we currently or potentially may invest have credible decarbonisation or transition plans in place that charts their pathway towards a low carbon economy that is likely to be defined by stringent net zero emissions regulations, customers that require zero-, or low-, carbon goods and services for their own operations, as well as taking advantage of technological advancements that enable a low carbon economy to operate. These risks are likely to accelerate and intensify over time, and companies that begin to tackle the risks and take advantage of the opportunities are likely to be able to withstand these challenges.

Finally, companies that fail to decarbonise over the next 10-20 years are likely to lose significant market share to those companies that do, as customer and community perceptions of the company decrease. As extreme weather events become more frequent and intense, companies in both our strategies will face disruptions to operations and revenue generation if their assets are not prepared to withstand the impacts of greater rainfall, more frequent flooding, or wildfires. Assets that are not able to withstand extreme weather events can also end up with damage that is uneconomical to repair and become stranded and uninsurable. For our real estate strategy, companies face reductions in operating capacity and business continuity of their properties, increased operating costs, and increased capital expenditure to repair and adapt to changing climate conditions.

For companies that do not have plans to mitigate or adapt to these risks, it may become an existential problem and lead to reductions in value that cannot be overcome. Our infrastructure strategy faces similar risks and opportunities from physical risks, where increasing frequency and severity of climate events can impact the ability of infrastructure assets to operate as intended and to generate revenues and provide necessary services without significant capital investment. For example, Utilities that have not sufficiently prepared their generation or transmission assets for increasingly extreme temperature ranges can face significant and costly interruptions to the provision of electricity. Railroad companies can also face damage to rail networks from inland flooding or extreme weather without the proper investments made to strengthen their infrastructure.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Resolution Capital has a key focus on climate related risks and opportunities in its investment processes, aligning its active ownership activities with the objectives of the Paris Agreement with the aim that our portfolios make a positive contribution to the global shift to a net zero economy. To strengthen our assessment of a company’s approach to managing its climate transition risks and the maturity of its strategy, this year we incorporated an assessment using the Net Zero Investment Framework (NZIF). By using the NZIF, we are assessing whether companies not only have a track record of decarbonising, but also whether a company has disclosed detailed decarbonisation and capital allocation plans to achieve long term decarbonisation targets. This framework uses both historical decarbonisation performance as well as forward-looking datapoints, including carbon reduction targets and capital allocation plans, to determine the maturity of a company’s net zero transition trajectory.

The NZIF also provides a way to measure and track how a company is progressing, or regressing, on its decarbonisation journey over time. Environmental and climate-related metrics are integrated into the investment process at the company modelling stage. In our REITs strategy for example, environmental factors influence our forecasts for occupancy, rent growth, capex, and cap rates. This can lead to a lower capitalisation rate (discount rate) for REITs which own higher quality portfolios with sustainable buildings. This also includes forecasting revenue, derived from occupancy and rental income, differently for companies that are decarbonising their portfolios in line with market regulations and tenant expectations. In our Global Listed Infrastructure strategy, we look at the impact of regulations to reduce carbon emissions on the ability of a company to generate revenues over the long term, and how a company might be preparing for the transition to a low carbon economy to take advantage of these changes.

This could mean that revenue generating assets relying on technologies or fuels/material inputs that are not compatible with a low carbon economy might have a shorter lifespan than originally intended, impacting valuations of these assets and therefore that of the company. Across all our investment strategies we are assessing how companies are taking advantage of the opportunities presented by the transition to a low carbon economy. In our REITs strategy, we consider the Sustainability/ESG policies of the entities we invest in, especially with regard to the existence of ‘green’ buildings in the entities’ portfolio and the adoption of sustainability standards in construction practices, among others. Through its analysis, Resolution Capital has observed that environmentally friendly assets make better business sense, as they have greater tenant demand due to lower expense ratios.

Environmental policies that lead to greater energy, water and waste efficiencies reduce operating expenses, making assets more profitable and environmentally sustainable. Additionally, tenants and consumers are increasingly setting minimum standards for sustainability. Buildings that meet such requirements have higher tenant demand and occupancy. Finally, buildings with high environmental standards may receive better pricing upon sale due to a wider pool of potential buyers. In our GLI strategy, we are assessing whether a company can decarbonise in line with the requirements of the Paris Agreement and whether it has a viable and credible plan, including the necessary capital investment, to achieve that goal.

When looking at a company’s potential alignment with this goal we are investigating a company’s carbon emissions trajectory and whether it has a carbon reduction target that is in line with the Paris Agreement. We also take into account economic and market factors that can cause assets and businesses to become stranded, which may include increasing costs from national climate and energy targets and policies, carbon pricing, emissions and energy efficiency minimum standards, as well as increasing insurance costs. This analysis feeds into earnings forecasts, asset valuations, and therefore the valuation metrics that get uploaded into our proprietary database. This database forms the basis of our investment process, allowing us to measure various metrics by sector, region, and at the company specific level.

Over the last several years, we have made considerable progress in integrating material ESG factors into our database. Our proprietary database presents climate related data in numerous ways, including at a portfolio, sector, or company specific level, allowing us to identify leaders and laggards to see where additional analysis, or engagement, is required.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

(B) Gas

Describe your strategy:

Our exposure to the Gas sector is through our investments in the Midstream Oil & Gas Transport, and Gas Utilities sectors. Using the results from our Net Zero Investment Framework (NZIF) assessment, we concentrate our climate related engagements on companies that do not have short and long term carbon reduction targets consistent with the goals of the Paris Agreement of 2015. This means that short term targets should involve at least a halving of greenhouse gas emissions by 2030 and being net zero carbon emissions by 2050. As part of the engagements we will encourage companies to set targets in line with these goals. As part of recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), we will also specifically engage with companies that have not undertaken a physical risk assessment and encourage them to do so.

(C) Oil

Describe your strategy:

Our exposure to the Oil sector is through our investments in the Midstream Oil & Gas Transport sectors. Using the results from our Net Zero Investment Framework (NZIF) assessment, we concentrate our climate related engagements on companies that do not have short and long term carbon reduction targets consistent with the goals of the Paris Agreement of 2015. This means that short term targets should involve at least a halving of greenhouse gas emissions by 2030 and being net zero carbon emissions by 2050. As part of the engagements we will encourage companies to set targets in line with these goals. As part of recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), we will also specifically engage with companies that have not undertaken a physical risk assessment and encourage them to do so.

(D) Utilities

Describe your strategy:

The Global Listed Infrastructure (GLI) strategy has a significant focus on Utilities, and using the results from our Net Zero Investment Framework (NZIF) assessment, we concentrate our climate related engagements on companies that do not have short and long term carbon reduction targets consistent with the goals of the Paris Agreement of 2015. This means that short term targets should involve at least a halving of greenhouse gas emissions by 2030 and being net zero carbon emissions by 2050. As part of the engagements we will encourage companies to set targets in line with these goals. As part of recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), we will also specifically engage with companies that have not undertaken a physical risk assessment and encourage them to do so.

(E) Cement

(F) Steel

(G) Aviation

(H) Heavy duty road

(I) Light duty road

(J) Shipping

(K) Aluminium

(L) Agriculture, forestry, fishery

(M) Chemicals

(N) Construction and buildings

Describe your strategy:

For our global REITs strategy, the results from our Net Zero Investment Framework (NZIF) assessment, we concentrate our climate related engagements on companies that do not have short and long term carbon reduction targets consistent with the goals of the Paris Agreement of 2015. This means that short term targets should involve at least a halving of greenhouse gas emissions by 2030 and being net zero carbon emissions by 2050. As part of the engagements we will encourage companies to set targets in line with these goals. As part of recommendations outlined by the Task Force on Climate-Related Financial Disclosures (TCFD), we will also specifically engage with companies that have not undertaken a physical risk assessment and encourage them to do so.

- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

Resolution Capital's scenario analysis for both our global real estate and infrastructure portfolios has focused on the impact of Transition Risks and the potential ability of our investee companies to align their decarbonisation pathways to meet carbon emissions limits that are aligned with the requirements of the Paris Agreement. For our REITs strategy, we used the Paris Agreement aligned decarbonisation pathways developed by the Climate Risk Real Estate Model (CRREM) Risk Assessment Tool. This data is used to understand the transition risks facing real estate assets and portfolios by comparing the Scope 1 and 2 carbon emissions intensity of properties to the Green House Gas (GHG) emissions budget for a specific property type, located in a specific country. This allows us to compare our portfolio's projected carbon emissions reduction performance against decarbonisation pathways aligned with limiting global warming to 1.5°C or 2°C. In our analysis of holdings in Utilities for our GLI strategy, we benchmarked the projected carbon intensity reductions against the Science Based Targets Initiative (SBTi) 1.5°C scenario, using the Sectoral Decarbonisation Approach (SDA), where sector emissions converge to a net zero state.

We also used the International Energy Agency (IEA)'s Net Zero Emissions by 2050 (NZE) scenario, which shows a pathway for the global energy sector to achieve a net zero emissions state by 2050 while maintaining global average temperature rises close to 1.5°C. These two scenarios allow us to see the speed and level of decarbonisation that the Utilities sector must achieve to reach net zero emissions in a way that is aligned with the goals of the Paris Agreement.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks

## (1) Describe your process

Resolution Capital recognises the need to limit average global temperature rises to well below 2°C, and ideally 1.5°C, compared to pre-industrial levels by 2100 in line with the goals of the Paris Agreement of 2015. In order to meet this target, the global economy needs to achieve net zero carbon emissions by 2050. The level of decarbonisation needed to achieve this will provide significant opportunities for companies that can enable and take part in this transition to a low carbon economy and significant risks for those companies and assets that cannot. To strengthen our assessments of how companies are making this transition, this year we have incorporated the IIGCC's Net Zero Investment Framework (NZIF) to assess how a company is managing its transition risks. The NZIF assesses whether companies not only have a track record of decarbonising, but also whether a company has disclosed detailed decarbonisation and capital allocation plans to achieve long term decarbonisation targets.

The primary objective of the NZIF is to enable investors to decarbonise investment portfolios and increase investment in climate solutions, in a way that is consistent with achieving global net zero emissions by 2050 or sooner and maximises decarbonisation of the real economy. Thus, our focus is not just on the position of our portfolios at a point in time, but also on the changing nature of our environmental performance and whether investee companies are improving or whether a declining level of performance requires engagement with company management. We also support the increase in transparency in company reporting and ESG disclosure in the sector, as well as the introduction of TCFD recommendations for company reporting, which can increase the standardisation and comparability of company disclosures. Consideration of the objectives and track record of company management is another critical component of our analysis, which gives us confidence that a company can achieve its environmental goals.

We use meetings with management, as well as asset tours to discuss environmental credentials and review how they are incorporated into asset management and development. Public disclosure of sustainability data is a fundamental target of our engagement efforts. Companies which track and disclose environmental metrics are more likely to focus on and improve their energy, waste, and water usage. Resolution Capital engages with companies that fall short of our disclosure standards. For both our Global REITs and our Global Listed Infrastructure (GLI) strategies, we focus our climate related engagements on companies that do not have carbon reduction targets consistent with the goals of the Paris Agreement of 2015, which means a halving of greenhouse gas emissions by 2030 and being net zero carbon emissions by 2050.

Through our engagements, we also encourage investee companies to disclose ESG-related metrics in line with industry frameworks, such as the Global Real Estate Sustainability Benchmark (GRESB), the recommendation the Taskforce for Climate-Related Financial Disclosures (TCFD), International Sustainability Standards Board (ISSB) and local variations of the ISSB standards. As part of recommendations of the TCFD and mandatory climate-related financial disclosures standards in Australia, we will also specifically engage with companies that have not undertaken a physical risk assessment and encourage them to do so.

## (2) Describe how this process is integrated into your overall risk management

Our proprietary database houses our ESG data, which we collect directly from company disclosures, as well as from third party data providers, including GRESB, MSCI, Bloomberg and ISS. This allows us to compare various ESG metrics at company, sector, regional and portfolio level. This is important for understanding whether ESG metrics for the Portfolio are being influenced by individual stock selection or sector bets. For example, data centres are significantly more carbon intensive compared to the self-storage sector. We need to be able to differentiate whether the carbon footprint of the Portfolio is being influenced by an overweight to this sector, or rather, we are picking companies that underperform their relevant peers.

Additionally, our assessment and categorisation of a company's transition maturity using the NZIF has also been incorporated into our ESG database. This framework also provides a way for us to measure and track how a company is progressing, or regressing, on its decarbonisation journey over time. A company's NZIF categorization, representing its level of alignment, is determined by a combination of the following attributes:

1. A commitment to being net-zero carbon emissions by 2050;
2. A short- or medium- term carbon reduction target in line with the Paris Agreement, ie targets that are in line with a 50% reduction in carbon emissions by 2030;
3. Actual carbon emissions reductions in line with this target over a rolling five-year period;
4. Disclosure of Scope 1, 2 and 3 emissions;
5. Publicly disclosed decarbonisation strategy; and
6. A capital allocation plan that shows how a net zero target will be resourced and achieved.

Using these attributes, we have adapted the NZIF alignment categories as outlined below to determine a company's level of alignment:

- Not Aligned to a Net Zero Pathway
- Committed to Aligning
- Aligning to a Net Zero Pathway
- Aligned to a Net Zero Pathway

Achieving Net Zero These categorisations will also help to inform our company engagements, prioritising companies in the Not Aligned and Committed to Aligning categories and encouraging them to implement policies and practices to move to higher categories. Ultimately, this will lead to all companies progressing to the Aligned category and becoming Net Zero by 2050. Additionally, our ESG database also displays individual company environmental metrics. Here, we can compare how companies perform in relation to their relevant peer set in our Portfolio and the benchmark. By enabling the identification of outliers, gaps in disclosure or laggards in particular areas, this can serve as a tool for further investigation of company performance, a prompt for company engagement, or to help facilitate constructive dialog during ESG engagements with investee companies. As mentioned above, where this data identifies disclosure gaps, or lagging performance, these companies are targeted for engagement to understand why there is this deficiency or if there are plans to rectify them, and to encourage the company to do so.

A key area of focus has been on encouraging companies to improve their ESG related disclosures through recognised frameworks aimed at robust reporting and increasing standardisation. Therefore, we encourage companies to report in line with the recommendations of the TCFD or ISSB and for REITs to report through the GRESB assessment. This allows for better understanding of the risk profile and comparability between holdings in the global REIT Portfolio. Furthermore, better disclosure typically results in increased focus by the company on areas including waste reduction, water usage and the company's environmental footprint.

**(B) Yes, we have a process to manage climate-related risks**

**(1) Describe your process**

In managing the climate-related risks our portfolios face, we use the information collected for our ESG database in conjunction with sector-, and company-, level research conducted by the investment team to understand the exposure to, and the extent of, climate related risks faced by our investee companies. This allows us to track how companies are managing the risks faced by changing climate related regulations, increasing market demand for low carbon products and services, changing market conditions in terms of energy pricing and availability of green electricity, and the availability and access to technology that enables the transition to a low carbon economy. In our analysis for our REITs strategy, we look at companies' carbon reduction plans to assess whether they are aligned to the Paris Agreement's carbon reduction requirements, and how their carbon emissions are changing over time to track their progress. We do this by using data from sources such as GRESB, MSCI and Bloomberg and compare the performance of our portfolio to that of our benchmark index, the FTSE EPRA NAREIT Developed Index. For our Global Listed Infrastructure strategy, we assess a company's carbon reduction plans, carbon emissions trajectories, proportion of renewable electricity generated for Utilities, and compare our portfolio performance versus the benchmark index, the FTSE Developed Core 50/50 Infrastructure Index.

This focus on the clean energy transition, and those companies that can enable it, have led to our portfolio having lower carbon emissions intensity, lower fossil fuel energy generation and higher renewable energy generation than our benchmark index. This analysis also helps to inform our conversations with company management in our regular discussions as well as our formal engagements on climate related matters. In the last three years we have engaged with companies on the following topics to ask about their decarbonisation plans and how they are assessing their physical climate change risks. Specifically, we have asked whether companies are:

- Setting carbon reduction targets that are aligned with the Paris Agreement, and whether Scope 3 emissions are being assessed in these targets;
- Undertaking climate change risk assessments in line with TCFD recommendations; or
- Identifying areas of their supply chains with heightened exposure to human rights related risks and actions taken to mitigate those risks.

Once we have identified the companies that need these targeted engagements, we have discussions with company management and their sustainability teams to address our concerns and determine whether this lagging performance could be caused by a gap in the company's strategy or poor disclosure and communication of the company's sustainability efforts.

In order to keep companies accountable and to gauge whether there has been progress, we have follow up meetings approximately 12 months after the initial engagement meeting.

In these follow up meetings we discuss any progress made and action items agreed with the company to determine whether there is sincere effort being made.

In the event our investment team is unhappy with the direction of progress we have several levers to further hold the company accountable, using proxy votes to vote against directors, particularly those on Nomination Committees, to apply further pressure. In extreme cases where we don't see a way forward or see sufficient commitment from a company, we may consider divesting from that company. However, given that once we have exited an investment we no longer have "a seat at the table" to push for change, this is something that only occurs in rare cases.

**(2) Describe how this process is integrated into your overall risk management**

Where our data analysis identifies companies with disclosure gaps, or lagging performance, these companies are targeted for engagement to understand why there is this deficiency or if there are plans to rectify them, encouraging the company to do so. A key area of focus has been on encouraging companies to improve their ESG related disclosures through recognised frameworks aimed at robust reporting and increasing standardisation. Therefore, we encourage companies to report in line with the recommendations of the TCFD and for REITs to report through the GRESB assessment. This allows for better understanding of the risk profile and comparability between holdings in the global REIT portfolio. Furthermore, better disclosure typically results in increased focus by the company on areas including waste reduction, water usage and the company's environmental footprint. In our REITs strategy, a key area of focus has been on encouraging companies to improve their ESG related disclosures through recognised frameworks aimed at robust reporting and increasing standardisation.

Therefore, we encourage companies to report in line with the recommendations of the TCFD and for REITs to report through the GRESB assessment. This allows for better understanding of the risk profile and comparability between holdings in the global REIT portfolio. Furthermore, better disclosure typically results in increased focus by the company on areas including waste reduction, water usage and the company's environmental footprint. In our opinion infrastructure will play a key part in decarbonising the world, and enabling it to decarbonise, through the electrification of everything and the decarbonisation of electricity generation, which can provide secular growth opportunities for decades. Therefore, in our engagements with companies in our GLI strategy, we are asking companies that do not currently have carbon reduction targets that are aligned with the Paris Agreement if they are planning on implementing one, and if not, why not. For the companies that do not demonstrate a clear intention to become Paris aligned, our approach requires us to follow up with company management, talk through the issues, and apply pressure.

We leave the meeting communicating the importance of an ambitious environmental strategy and our intention to follow up in 6 months to ensure that progress is being made. If engagement does not yield any progress, we could use proxy voting as an escalation tool and vote against company directors.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://www.rescap.com/esg>
- (E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed**
    - (3) Metric or variable used and disclosed, including methodology
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://www.rescap.com/esg>
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

- (A) Scope 1 emissions**
  - (1) Indicate whether this metric was disclosed, including the methodology
    - (1) Metric disclosed
    - (2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[www.rescap.com/esg](http://www.rescap.com/esg)

**(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

o  **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[www.rescap.com/esg](http://www.rescap.com/esg)

**(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

o  **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[www.rescap.com/esg](http://www.rescap.com/esg)

o (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

**(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

o (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

(A) The UN Sustainable Development Goals (SDGs) and targets

**(B) The UNFCCC Paris Agreement**

**(C) The UN Guiding Principles on Business and Human Rights (UNGPs)**

(D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

**(E) The EU Taxonomy**

(F) Other relevant taxonomies

(G) The International Bill of Human Rights

(H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(I) The Convention on Biological Diversity

(J) Other international framework(s)

(K) Other regional framework(s)

(L) Other sectoral/issue-specific framework(s)

- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potential negative outcomes for people connected to your investment activities?**

- (A) We assessed the country level context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

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. Using the supplier register initiated by our business partner, Pinnacle (and affiliated business partners), over the past 12 months we have engaged with common suppliers on their modern slavery and climate change related policies. While this is an ongoing workstream among Pinnacle and its affiliate investment managers, there has been progress in continuing conversations with suppliers on improving their policies and practices in this area. 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).

- (B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- (C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes
- (D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes
- (E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

We engaged with investee companies and our corporate suppliers about modern slavery and forced labour risks.

Explain how these activities were conducted:

We have engaged with our investee companies on how, or if, they are identifying and assessing modern slavery and forced labour risk exposures over the last three years. Responses varied depending on the jurisdiction in which the company was listed. In jurisdictions where there is modern slavery-related legislation, companies were more likely to have performed analysis on their business operations (at least), and to some extent their supply chain to identify where there may be a higher risk of labour exploitation. There are particular areas of the property industry which are likely to encounter higher risks such as cleaning staff, maintenance, security, and sources of building materials. In 2024 we continued our focused engagements on modern slavery beyond just asking about the presence of public facing policies.

This was necessary particularly since the majority of our portfolio holdings for both Global REIT and GLI strategies are located in the U.S., where modern slavery is not as commonly discussed, or understood, as an investment risk as it is in countries with relevant legislations, such as Australia or the United Kingdom. To initiate these engagements, we sent our target companies a letter outlining the problem we were looking to understand and what we wanted to know about how these companies are identifying and mitigating these risks, if at all. As a signatory to the UN Global Compact, we are highlighting these Principles to the companies we are engaging with, especially those focusing on human rights and labour rights. Specifically, we are interested in how companies are working with their suppliers in relation to the use of outsourcing and third-party service providers, to ensure that there are adequate processes to check for contraventions of human rights principles in these companies. We are asking companies the following questions as part of the engagement:

1. How are you addressing modern slavery, or forced labour, risks through your procurement of goods and services?
2. Do you engage or collaborate with your suppliers beyond requiring compliance with a vendor code of conduct, or similar, document?
3. Do you have any training or capacity building programs for employees, suppliers, and subcontractors to raise awareness of forced labour risks and promote responsible business practices?
4. Have you developed accessible whistle-blower / grievance mechanisms to address human rights issues raised by workers or other affected stakeholders?
5. Are you taking any other steps to minimise these risks in your supply chains?.

- (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

**(3) Active - fundamental**

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

o

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

o

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

○

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

○

### (A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)

Environmental, Social and Governance (ESG) considerations are an integral part of the Resolution Capital's investment philosophy. We believe these initiatives benefit the broader community and that strong ESG practices of the companies in which we invest are likely to be additive to their performance and lead to investors ultimately being rewarded through superior investment outcomes. The responsibility of incorporating ESG into the investment process sits with the Investment Team who are responsible for identifying and assessing relevant ESG factors, with input and direction from our Head of ESG. A discussion of these factors is included in stock initiation and research reports and are explicitly factored into valuations via adjustments to the company's earnings forecasts and/or valuation multiple, where applicable. Given that the Investment Team are responsible for the incorporation of ESG factors in the investment process, ESG is a component of Investment Team staff remuneration. Our scenario analysis incorporation focuses on how different government regulations and market conditions, as well as alignment with 1.5°C or 2°C temperature rise decarbonisation scenarios, may impact our investments. Here we are assessing how companies have responded in the past and whether they have the track record and capabilities to adapt and meet changing requirements from government regulations, for example to restrict inclusion of access to natural gas for use in properties, or to the changing market conditions that could include increasing electricity prices or customer demands for properties with net zero emissions characteristics.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

#### (2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(2) in a majority of cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

**(3) Active - fundamental**

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

In the last few years US Utilities have been increasingly impacted by the increasing frequency and impact from wildfire events, as well as the lengthening of traditional wildfire seasons. This was particularly evident in the early months of 2024, with Colorado and Texas experiencing several significant wildfires. Wildfires impact utilities by causing physical damage to assets, including power lines, substations, and wooden poles, with damage causing costly outages, the need for repairs, as well as the potential for compensation for property damaged by wildfires caused by faulty utility equipment. Debris from burnt vegetation and fallen trees directly impairs power lines, while older and weathered utility poles are especially susceptible to fire damage. As a result, utilities face immense challenges in maintaining reliable service amidst the increasing frequency and severity of wildfires.

Climate change is exacerbating these risks by intensifying wildfire conditions through rising temperatures, prolonged droughts, and the proliferation of dry vegetation. As a result, utilities must adapt their infrastructure and operational strategies to mitigate escalating wildfire threats. Addressing these challenges is becoming increasingly important as utilities aim to uphold service reliability and resilience in the face of a changing climate where wildfire season is increasingly year-round, and wildfires are occurring in areas that have traditionally been lower risk. Power outages resulting from wildfires disrupt electricity service in affected areas, prompting utilities to implement preventative measures such as Public Safety Power Shutoffs (PSPS). While PSPS events aim to reduce wildfire ignition risks, they often impact millions of customers and have severe implications for public health, safety, and economic activities.

Utilities grapple with the trade-off between mitigating wildfire risks and minimizing the societal impacts of power disruptions. Where utilities are found to be liable for damages due to wildfires that were caused by negligence on their part, the value of liabilities can be significant, even leading to potential bankruptcy. PacifiCorp, a subsidiary of Berkshire Hathaway, and Hawaiian Electric are examples of utilities facing this situation, with both being found negligent in causing the ignition of wildfires in their service areas. Both utilities are facing potential liabilities that exceed their insurance coverage. Concerns about US Utilities' exposure to wildfire risks and how a company is mitigating these exposures are increasing and we have been engaging with our US Utilities holdings to understand these risks better.

Xcel Energy (XEL) is a prime example of this as the company has experience two significant wildfires in the last four months. XEL is an electric utility with operations in several US states and has coal, gas, nuclear, wind and hydroelectric power generation assets. In the last four months XEL's assets have been impacted by wildfires in two of its service territories, one fire in Colorado (Marshall Wildfire) and one in Texas (Smokehouse Creek Wildfire), these service territories represent approximately 50% of XEL's regulated asset base. These fires caused damage to XEL's own equipment, as well as damage to private property, including farmland, livestock, fencing and residential property. Recognising these wildfire risks, XEL has wildfire mitigation programs it is implementing at its facilities in Colorado.

For example, XEL uses unmanned aerial systems and LiDAR-equipped helicopters to inspect equipment along electric lines in wildfire risk zones, aiding in infrastructure hardening decisions. The company has started a Wildfire Safety Settings pilot program, upgrading select areas with devices to interrupt energy flow during high-risk periods, reducing the potential for ignitions. Additionally, XEL utilizes early wildfire detection cameras and advanced risk modelling to enhance situational awareness and target mitigation efforts effectively. There are currently no wildfire protection regulations in Texas, however XEL has proactively initiated work with the Texas regulators to implement a similar framework.

Edison International (EIX) is another utility, based in California, that we have engaged with on this topic. In discussions with management, they outlined their prevention measures include grid hardening, advanced monitoring and alert systems combined with AI and machine learning, aerial inspections, vegetation management and public safety power shutoffs (PSPS). These measures are designed to quickly identify faults in the transmission network that could lead to ignition events and pre-emptively shut off power to areas at risk. The company also mentioned that the company is pursuing partnerships with federal agencies to assist with land access and trimming trees as part of their vegetation management plans.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

**(3) Active - fundamental**

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

o

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(2) Active - fundamental**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

o

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

o

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

We have not explicitly looked at, or quantified, how ESG factors have contributed to fund performance or affected the realised returns of our assets. However, there are several ESG factors that we believe have a greater impact on our listed equity valuations and subsequently our portfolio construction. We believe that ESG focused valuation adjustment factors and ESG scoring systems are abstract tools that can have the undesirable effect of obfuscating true insight on underlying ESG risks and opportunities. We subscribe to the adage that not everything which is important can be measured. Social and governance factors, though critical to our investment process, often fall into this bucket. Hence, we integrate these factors into the investment process via portfolio positioning and our understanding of the market and customer dynamics that a company is facing and how they are managing those dynamics. Within the broader ESG framework, Resolution Capital's investment process places particular emphasis on a company's governance structure and management's alignment with shareholders. Resolution Capital has a preference for internally managed REITs to ensure alignment. External management can be penalised - a discount to valuation would be applied for external management if similar exposure can be achieved with an internally managed vehicle. We also take an active approach by way of proxy voting, where we vote on all resolutions and have regular meetings with company management on ESG issues. In the case of an externally managed REIT, the entity's sole activity is effectively the ownership of property. Whilst a Board oversees the entity, it has no employees and capital, asset or property management capabilities. All of the "active" functions are carried out via a separate, i.e. external, management services entity which has a contract to carry out various services. The management company is paid fees with presumably the objective of generating a profit margin for its own shareholders. They are described as closed end structures as investors cannot redeem their funds from the REIT, investments can only be sold to other investors typically on the stock market. Management does not need to stand for election, cutting off a traditional avenue for shareholders to hold management to account for poor performance. History suggests that externally managed vehicles are prone to growing through acquisitions as annual fees to the manager are typically based on gross asset size, and acquisitions generate transaction and other fees for the manager. Thus, the manager is incentivised to add properties, often on the pretence that it is beneficial in the short term to earnings per share, but with limited emphasis on long-term value creation. Hence, management's interests of generating higher fees are not necessarily aligned with REIT investors. It is very difficult to remove the manager and hence, as the vehicle is a closed end structure, fees tend to be entrenched. Internally managed REITs are far from perfect but most of the functions are carried out by employees and executives employed within the REIT structure. It has a shareholder elected Board, with independent directors providing oversight, which is responsible for monitoring the performance of management, determining their remuneration levels and of terminating their services if appropriate.

There are clear mechanisms for investors to remove the Board and management. Typically, this creates the best possible circumstances for their interests to be aligned with REIT investors. An example of how this preference for internally managed REITs impacted the realised returns of a REIT holding was the Australian REIT, Aventus. After undergoing a transition to being internally managed in 2018 at significant cost, Aventus agreed to an external management deal that was finalised in 2022 with an Australian based property group, Home Consortium. At the time, we believed that the transaction resulted in little or no tangible value creation for Aventus shareholders. Rather, in our opinion, the proposed merger was an exercise of financial engineering, including greater use of debt. The reported short-term increase in earnings per share as a consequence of the deal could be replicated simply by Aventus increasing its financial leverage (e.g. a return of equity to shareholders funded by debt). Critically the deal resulted in a compromised corporate governance structure, likely to result in higher management costs in the medium to long term, as described above. At the time of this announcement Resolution Capital had a position in Aventus, however with our view that externally managed REITs are more likely to underperform internally managed REITs, we sold our holdings in this company.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (F) We did not verify the information submitted in our PRI report this reporting year

### INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

#### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year