

**Resolution Capital Limited**  
**Engagement Policy**

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# 1. Introduction

Engagement is an important part of Resolution Capital's (ResCap) 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 company operates.

## 2. Our Approach

Our engagement initiatives are designed to optimise our ability to affect outcomes and enhance our investment decision-making. More specifically, the approach is premised on the following:

- The Engagement Policy covers all of our investment exposures.
- The Portfolio Managers (PM's) drive the engagement agenda. The PM's determine the engagement priorities and work with the investment analysts in preparing and executing engagement initiatives. The methods of engagement employed may include:
  - Meetings with management or Board members;
  - Phone calls;
  - Emails; and
  - Voting (see Proxy Voting Policy)

We generally meet with the management of prospective investee companies before an initial investment is made.

The Environmental, Social and Governance (ESG) related engagement at these meetings tends to focus on Corporate Governance and includes, but is not limited to, better understanding a company's Governance policies, including

- Board function;
- Board composition and remuneration policies;
- Exploring optimal capital structures; and
- Understanding the motivations of majority shareholders.

Furthermore, we observe the importance management places on ESG factors. Subsequent meetings provide a forum to discuss, amongst other things, the ESG performance and disclosure processes of the company, and advocate further improvement in their ESG performance and disclosure, where relevant.

We may meet with the Chairperson and other non-executive Board members. This provides a further opportunity to discuss the company's Governance Policies, including Board function, Board composition, remuneration policies (magnitude, metrics and hurdles) and subcommittee performance.

In addition to our meetings with management and Board members, we conduct engagement meetings (either in person or by phone) with ESG specialists within prospective and portfolio companies. This is a further forum to engage with the company on ESG performance, and where relevant advocate further improvement in their ESG performance and disclosure.

ResCap will engage with investee companies who rate relatively poorly on ESG related issues in order to understand their plans, or lack thereof, for improved sustainability practices.

Our engagement activities also include our participation in collaborative initiatives including the United Nations Principles for Responsible Investment, Global Real Estate Sustainability Benchmark, EPRA (European Public Real Estate Association), UN Global Compact, and ESG Research Australia.

Another important method of engagement is through exercising our ability to vote on behalf of our clients' portfolios in order to influence management's decisions, as appropriate. Refer to ResCap's Proxy Voting Policy for further information which is available on our website.

ResCap reports on our engagement activities to stakeholders, through our quarterly reports and marketing presentations.

### **3. Conflicts of Interest**

Where a conflict of interest in connection with ResCap's engagement with a particular investee company arises, the conflict is required to be escalated to the Head of Operations and/or Chief Investment Officer (CIO). The conflict will be assessed and managed to determine the appropriate course of action to ensure that client interests are protected in accordance with the ResCap Conflicts of Interest Policy.