

Description of the principal adverse impacts on sustainability factors						
Resolution Capital considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of the Resolution Capital UCITS Common Contractual Fund (the "CCF")						
Resolution Capital Global Property Securities CCF (the "Fund")						
This principal adverse impacts statement covers the reference period from 1 January to 31 December 2022 [year n].						
[information referred to in Article 7 in the format set out below]						
Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact [2022]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	451.8	N/A	This is the sum of portfolio companies' Carbon Emissions - Scope 1 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	Resolution Capital does not target specific levels for this indicator, other than aiming to be better than our benchmark, the FTSE EPRA NAREIT Developed Index.
		Scope 2 GHG emissions	2058.3	N/A	This is the sum of portfolio companies' Carbon Emissions - Scope 2 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	
		Scope 3 GHG emissions	9024.3	N/A	This is the sum of portfolio companies' Carbon Emissions - Scope 3 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	
		Total GHG emissions	11534.4	N/A	This is the total annual Scope 1, Scope 2, and reported and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
	2. Carbon footprint	Carbon footprint	27.8	N/A	This is the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	Resolution Capital uses this ESG data to identify companies that are lagging their peers in terms of year-on-year performance, or levels of disclosure, for further engagement to encourage them to improve their performance or ESG disclosures.
	3. GHG intensity of investee companies	GHG intensity of investee companies	336.8	N/A	This is the portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.0	N/A	This is the percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	90.85%	N/A	This is the portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated.	Resolution Capital does not have a threshold or target for this metric, however the metric is used to inform our understanding of a companies decarbonisation strategy and also informs climate change focused engagements with companies.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.176	N/A	This is the portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code L (Real Estate Activities)	Resolution Capital does not target specific levels for this indicator, other than aiming to be better than our benchmark, the FTSE EPRA NAREIT Developed Index.
			0.041	N/A	This is the portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code J (Information and Communication Activities)	
			0.000	N/A	This is the portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code A (Agriculture, Forestry and Fishing Activities)	
			0.000	N/A	This is the portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code H (Transportation and Storage)	The FTSE EPRA NAREIT Developed Index is not PAI aware, nor does it have any additional ESG related factors built into its construction. Resolution Capital uses constituent data and ESG data sourced independently to calculate the GHG emissions of the index.
			0.002	N/A	This is the portfolio's weighted average of Energy Consumption Intensity (GWh/million EUR revenue) for issuers classified within NACE Code F (Construction)	Resolution Capital also uses these ESG metrics to identify companies that are lagging their peers in terms of year-on-year performance, or levels of disclosure, for further engagement to encourage them to improve their performance or ESG disclosures.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.0%	N/A	This is the percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the environment.	

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	N/A	This is the total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio. Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.000681	N/A	This is the total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	This small amount of hazardous waste is generated from one of our Healthcare REIT holdings and is primarily due to medical waste.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0	N/A	This is the percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	Resolution Capital is a signatory to the UN Global Compact and is therefore committed to upholding the principles in our operations as well as our investments, and encourage companies to become signatories if they have not already. Companies may be excluded from consideration where the social impact of their activities is so great that the companies are considered non-investment grade regardless of other factors; these include: - Mistreatment of employees or other stakeholders (such as suppliers or purchasers); - Operations in jurisdictions where regulations surrounding such activities are poor or nonexistent; and - Engaging in any illegal activities.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	85.9%	N/A	This is the percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	5.0%	N/A	This is the portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	Resolution Capital will consider the average ratio of gender pay gap for our investee companies, subject to the availability and quality of company disclosures, using our proprietary database. Companies that are identified as outliers can be flagged for further analysis and targeted engagement or escalation through our proxy voting.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	31.7%	N/A	This is the portfolio holdings' weighted average of the ratio of female to male board members.	Resolution Capital will consider the average ratio of gender diversity of the board of directors for our investee companies, subject to the availability and quality of company disclosures, using our proprietary ESG database. Companies that are identified as outliers can be flagged for further analysis and targeted engagement or escalation through our proxy voting.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0	N/A	This is the percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and investments. Ties to landmines do not include related safety products.	Resolution Capital only invests in listed Real Estate equities and therefore has no investments in companies with involvement in the manufacture or sale of controversial weapons. As a result our exposure is zero.
Other indicators for principal adverse impacts on sustainability factors						
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2]						
Adverse sustainability indicator		Metric	Impact [2022]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	25.4%	N/A	The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement.	Resolution Capital does not target specific levels for these indicators, other than aiming to be better than our benchmark, the FTSE EPRA NAREIT Developed Index.
Water, waste and material emissions	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	50.7%	N/A	The percentage of the portfolio's market value exposed to issuers without evidence of setting water reduction targets, measuring water footprint, implementing water conservation measures, or other initiatives focused on water management.	Resolution Capital also uses this ESG data to identify companies that are lagging their peers in terms of year-on-year performance, or levels of disclosure, for further engagement to encourage them to improve their performance or ESG disclosures.
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3]						
Adverse sustainability indicator		Metric	Impact [2022]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	63.1%	N/A	The percentage of the portfolio's market value exposed to issuers' where their supplier code of conduct does not include commitments to eradicate unsafe working conditions, precarious work, child labor and forced labor.	

Social and employee matters	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters	36.9%	N/A	The percentage of the portfolio's market value exposed to issuers without evidence of disclosure indicating availability of grievance and complaint handling procedures.	Resolution Capital uses these metrics to inform our modern slavery/forced labor focused engagement by identifying companies without relevant policies, to target those companies with potentially higher risks of facing instances of modern slavery/forced labour in their supply chains.
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers	33.0%	N/A	The percentage of the portfolio's market value exposed to issuers without a whistleblower protection policy.	
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)	105.1	N/A	The portfolio's weighted average of issuers' ratio of CEO pay to average employee pay.	Resolution Capital will consider the average ratio of CEO pay to average employee pay for our investee companies, subject to the availability and quality of company disclosures, using our proprietary ESG database. Companies that are identified as outliers can be flagged for further analysis and targeted engagement or escalation through our proxy voting.

[Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6[1], point (c), in the format in Table 2 or Table 3]

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Resolution Capital has developed and implemented policies to identify, prioritise and address principal adverse impacts, these policies include our Responsible Investment Policy, Proxy Voting Policy and Engagements Policy, which are reviewed and approved by the Resolution Capital board annually. The most recent update to these policies was approved in May 2023 and can be found on the website (<https://rescap.com/about/>). Incorporating ESG factors into the investment process is the responsibility of the Investment team. Investment Analysts and Portfolio Managers are responsible for identifying and assessing relevant ESG factors. The Investment Manager monitors ESG factors on a regular basis through measurement of characteristics such as the investee company's energy consumption per square metre, like for like change and stated targets for energy, greenhouse gas emission, water and waste management. Information is sourced via publicly available company disclosures, from third parties (including Global Real Estate Sustainability benchmark (GRESB), MSCI, Bloomberg) and through direct engagement with investee companies. The Investment Manager also identifies whether a company has in place appropriate social policies such as Human Rights, Workplace Health and Safety, and Anti-Bribery/Ethics policies and whether there have been any reported breaches or incidents. The Investment Manager engages with the investee companies in the Fund as another way of monitoring that the companies are on track to meet their stated targets.

Environmental

The Investment Manager includes a review of a company's impact on the environment as part of our investment process and is a key component when assessing the quality of the assets owned by the company.

Specifically, the Investment Manager considers the Sustainability/ESG policy of the entities, the existence of green buildings in the entities' portfolio and the adoption of sustainability standards in construction practices, among other environmental initiatives and targets. Where data is available, we also measure a company's consumption, like-for-like change and reduction targets for the following environmental metrics:

- Carbon intensity via greenhouse gas emissions (GHG);
- Energy consumption;
- Water consumption or harvesting; and
- Waste generation and diversion to landfill.

The investment team also proactively engages with sustainability personnel of investee companies, typically through one-on-one discussions. As a team they have long standing relationships with the key decision makers in the companies they invest in.

Social

A review of an entity's activities is part of our investment process, as we believe these activities have an overall social impact on all stakeholders and therefore have a consequential impact on the value of each entity. Factors that are considered, inter alia, in this process include:

- Overall social impact of activities of the company
- Where activities do have a detrimental social effect, how strong is the regulation of the company's activities;
- Does the company adhere to all the regulatory requirements that apply to them;
- Has the company been subject to many complaints from stakeholders (whether they are employees, shareholders or other parties interacting with them); and
- Gender diversity on Boards and senior management

The activities that will result in companies being excluded for consideration occur where the social impact of the activities of the company is so great that the companies are considered non-investment grade regardless of other factors.

Activities that may be included in this assessment include:

- Mistreatment of employees, particularly in emerging markets or jurisdictions where regulations surrounding such activities are poor or non-existent;
- Mistreatment of other stakeholders (such as suppliers or purchasers), particularly in emerging markets or jurisdictions where regulations surrounding such activities are poor or non-existent; and
- Engaging in any illegal activities.

[Information referred to in Article 7]

Engagement policies

Analysing sustainability topics and then engaging with companies on material issues is an integral part of our investment process. The analysts and Portfolio Managers are all involved in the process of engagement with investee companies.

To add robustness and ensure a systematic approach to our engagement activities, each year we set an engagement agenda. Here, we analyse the performance of our portfolio holdings across a couple of key ESG issues and engage with those companies who fall short of our expectations. We define specific objectives for all of our engagement activities, and monitor the actions companies take during and following our discussions with them to determine whether the engagement has had an impact, or whether further engagement is required. We typically conduct engagements over a number of years to enable us to better track and monitor progress on our engagements and follow up with a company if there is not sufficient progress in our areas of interest. We are also able to use our Proxy Voting to enable increased leverage to push for change in a company by voting against specific directors, remuneration plans or chairs of committees that oversee the relevant area of engagement. Please see our Engagement and Proxy Voting Policies for further details.

Recent engagements have focused on:

Climate Change

The Investment Manager is committed to mitigating climate risk in the Portfolios it manages, and we believe limiting global warming to well below 2°C, and preferably to 1.5°C by dramatically reducing Greenhouse Gas (GHG) emissions is vital. We believe it is critical that the Real Estate sector plays its part in reducing emissions consistent with the goals of the 2015 Paris Agreement.

Alignment with the 2015 Paris Agreement means approximately a halving of greenhouse gas emissions by 2030 (from a baseline of 2015) and carbon neutrality by 2050. We also actively encourage our Portfolio companies to implement the Taskforce Climate Related Disclosure (TCFD) recommendations including; better climate-related disclosures, encouraging the calculation and disclosure of their carbon footprint, and encouraging those companies that had not done so, to undertake a physical risk assessment of their assets.

Modern Slavery

The Investment Manager considers adherence to human rights a key consideration in our Responsible Investment Policy. We are also required to take into consideration the requirements of the Modern Slavery Act 2018 (Australia) on behalf of our clients. We therefore have engaged with investee companies to understand how they identify and address human rights within their business operations and supply chains.

[Information referred to in Article 8]

References to international standards

Resolution Capital is a signatory to the UN Principles of Responsible Investment (the PRI) (since 2010), UN Global Compact (since 2019), and a member of a number of responsible investment industry bodies, namely the Global Real Estate Sustainability Benchmark (GRESB), the Ceres Investor Network and the Responsible Investment Association of Australasia (RIAA). Resolution Capital's PRI Transparency Report is publicly available on our website (<https://rescap.com/about/>).

Alignment with the Objectives of the Paris Agreement

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. To achieve this, the global economy needs to be 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. We engage with our investee companies to motivate them to implement carbon reduction targets in line with the requirements of the Paris Agreement, which include both short term and long-term reduction targets.

[Information referred to in Article 9]

Historical comparison

This is due in 2024.

[Information referred to in Article 10]