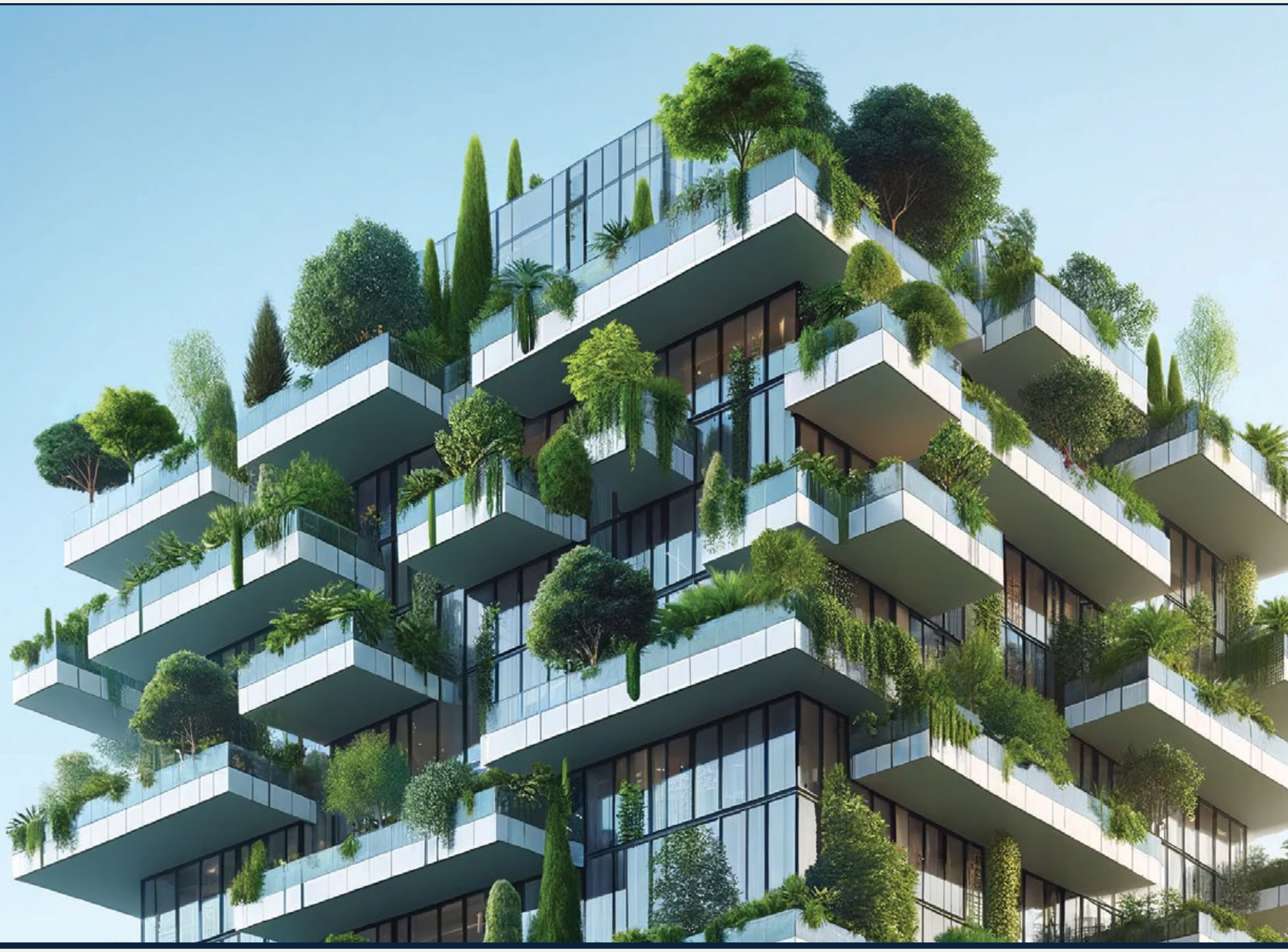


Responsible Investment & Stewardship Report 2023

About Resolution Capital

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

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

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

The Resolution Capital Board approves all policies including the Responsible Investment, Proxy Voting, Engagement, and Diversity and Inclusion Policies. The composition of the Resolution Capital Board is as follows:

- Michael Cameron, Non-Executive Director/Chairperson (independent)
- Sonia Luton, Executive Director/Managing Director
- Andrew Parsons, Executive Director/Chief Investment Officer/Portfolio Manager
- Marco Colantonio, Executive Director/Portfolio Manager
- Ian Macoun, Non-Executive Director

There is no separate ESG team as we consider these factors an integral part of our whole business and our investment process. Our dedicated ESG Analyst sits within, and supports, the investment team. The responsibility of incorporating ESG into the investment process sits with the entire investment team with oversight by the CIO and other Portfolio Managers.

ESG Framework

The ESG Framework adopted by the Company which governs how ESG is considered and implemented across all aspects of the Company is as follows:

Board

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

Company

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

Investment Team

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

ESG Committee

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

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

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

The focus of the committee has primarily been on:

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

Responsible Investment Philosophy

Resolution Capital is a specialist real assets securities investment manager focused on investing in the global listed real estate and infrastructure sectors. Our primary investment objective is to deliver superior risk adjusted, long-term returns, compared with relevant benchmarks.

This we believe can be achieved by investing in concentrated portfolios of carefully selected listed real estate and infrastructure securities. There is an emphasis on avoiding fundamental flaws which could reasonably result in permanent impairment of the underlying investments. This aligns our investment process and security selection with clients' objectives of long-term wealth creation.

Resolution Capital is focused on fundamentals driven stock selection, with an emphasis on:

- High quality, high barrier/monopolistic assets, where there is pricing power;
- Sustainable capital structures with lower leverage levels
- Aligned management teams with a strong track record in asset management

Our analysis of ESG factors aligns with this approach and therefore forms an important part of our analysis of investee companies. While analysis of governance structures has long been a primary area of focus as an active owner, we also incorporate environmental and social factors into our analysis and modelling of existing and potential portfolio holdings.

For all stock initiations, ESG factors are a key part of the analysis to identify any potential concerns, such as poor governance structures, a lack of carbon reduction strategies or poor employee engagement and safety programs. These are then factored into valuations via adjustments to the company's earnings forecasts and / or valuation multiple, where applicable.

Further information about the way in which we are integrating sustainability considerations into our corporate operations can be found in our new Corporate Social Responsibility Report, and our approach to identifying, assessing and managing climate-related risks and opportunities in our new Climate Report. Our approach to responsible investment and stewardship are outlined further in our Responsible Investment, Proxy Voting, Engagement, and Diversity & Inclusion Policies, which can be found on our website **www.rescap.com/esg**.

The following sections outline how we approach the assessment of Social and Governance issues facing our portfolio and breakdown the performance of the global REITs and global listed infrastructure portfolios by region or by sector.

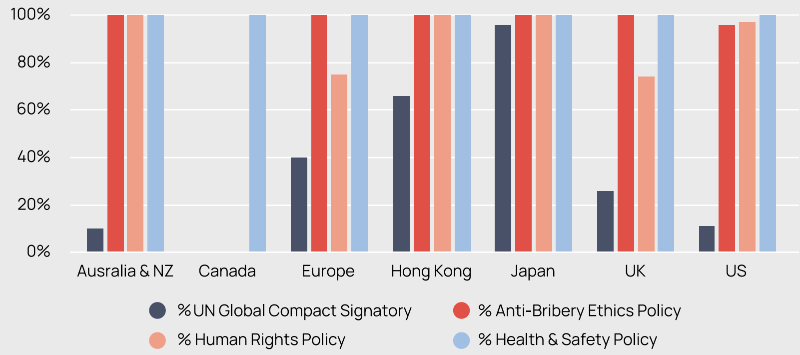
Social Factors

Real estate and infrastructure touch many facets of our everyday lives and therefore it's important to consider how companies interact with all stakeholders. We review the performance of investee companies in areas such as:

- Stakeholder relationships, including customers, local community and government;
- Safety track record (including fatalities);
- Adherence to human rights norms (including in the supply chain); and
- History of illegal activities/corruption.

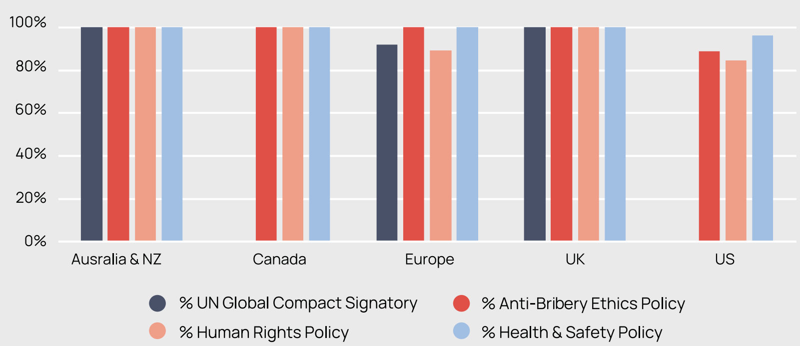
In assessing the modern slavery risk within the strategies that we manage, we engaged with companies to understand whether they had stated a commitment to address modern slavery risks in their business and in their supply chain, and whether they had the policies and processes in place to identify and remediate any areas of concern. The results of that review are stored in our proprietary research database.

% of Companies Within Global REIT Portfolio with Social Policies by Region



Source: FactSet, Resolution Capital, Company Disclosure, 2023

% of Companies Within Global Listed Infrastructure Portfolio with Social Policies by Region



Source: MSCI, Resolution Capital, Company Disclosure, 2023

Diversity and Human Rights

We also assess how companies are working to attract and retain employees so that they are not losing productivity with regularly recruiting and training new employees, advertising positions and onboarding, as well as the loss of institutional knowledge that occurs with staff turnover. We also look at diversity within companies, whether gender, racial or cognitive, as it is well established that companies with diverse employee groups tend to perform better over time.

Where practicable, we review the following factors, looking for evidence of how companies are working to attract and retain key employees, and evidence that these programs are effective through:

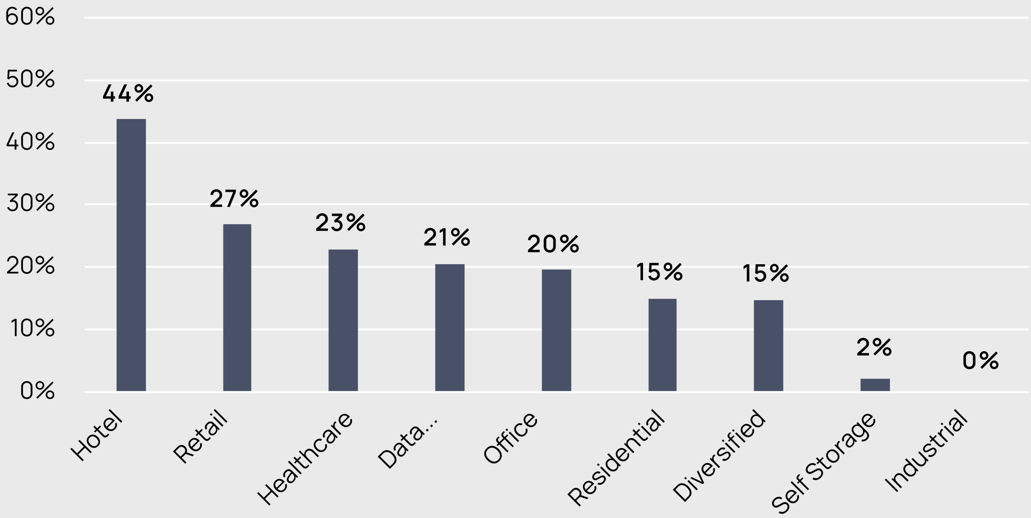
- Employee engagement and training;
- Staff turnover, either through voluntary attrition or through redundancies; and
- Diversity.

Other factors that we consider, in terms of a company's social license include:

- The overall social impact of activities of the company;
- How strong are the regulations in the jurisdictions a company operates, ie how severe are penalties for controversial events;
- Does the company adhere to all the regulatory requirements that apply to them?; and
- Has the company been subject to many complaints from stakeholders (whether they are employees, shareholders or other parties interacting with them)?

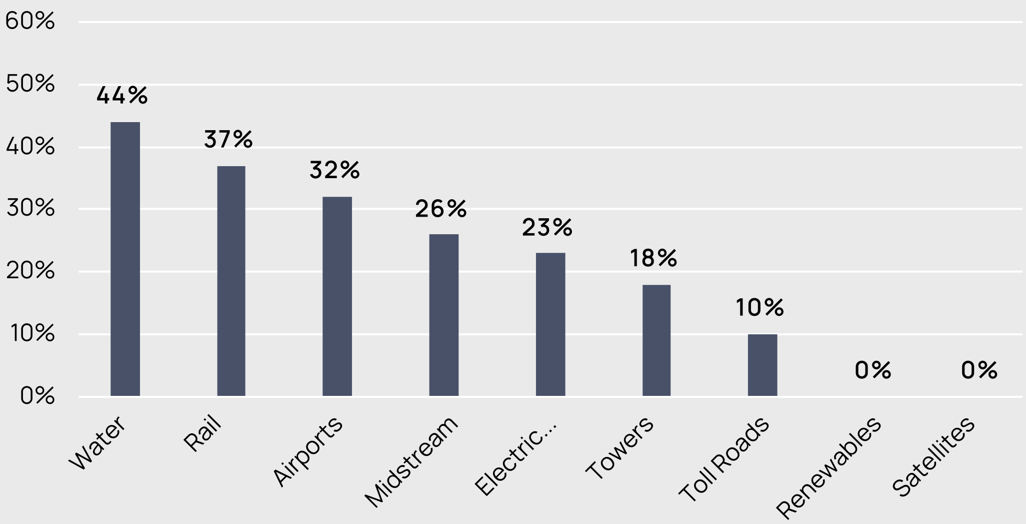
One of the metrics that we have measured is the number of female board members within the companies in which we invest. This information is presented below. The proportion of female board members varies greatly based on the industry in which the companies operate. For REITs, females are more involved at board level in hotels, retail and healthcare than in other sectors.

Average % of Female Executives, by Sector, for Companies within the Global REIT Portfolio



Source: MSCI, Resolution Capital, Company Disclosure, 2023

Average % of Female Executives, by Sector, for Companies within the Global Listed Infrastructure Portfolio



Source: MSCI, Resolution Capital, Company Disclosure, 2023

In our opinion, which is supported by research, boards that embrace cognitive diversity, as manifested through appropriate gender representation and a broad spectrum of skills and experience, are more likely to achieve superior risk adjusted returns.

Governance Factors

We believe that good governance and good management are imperative to a company's long-term success. We have observed that companies with aligned management typically outperform companies with inferior alignment over the long term.

Management is one of the key screening criteria within our investment process. We seek companies that have strong alignment of interests with shareholders, a consistent strategy, disciplined capital management and a track record of active asset management.

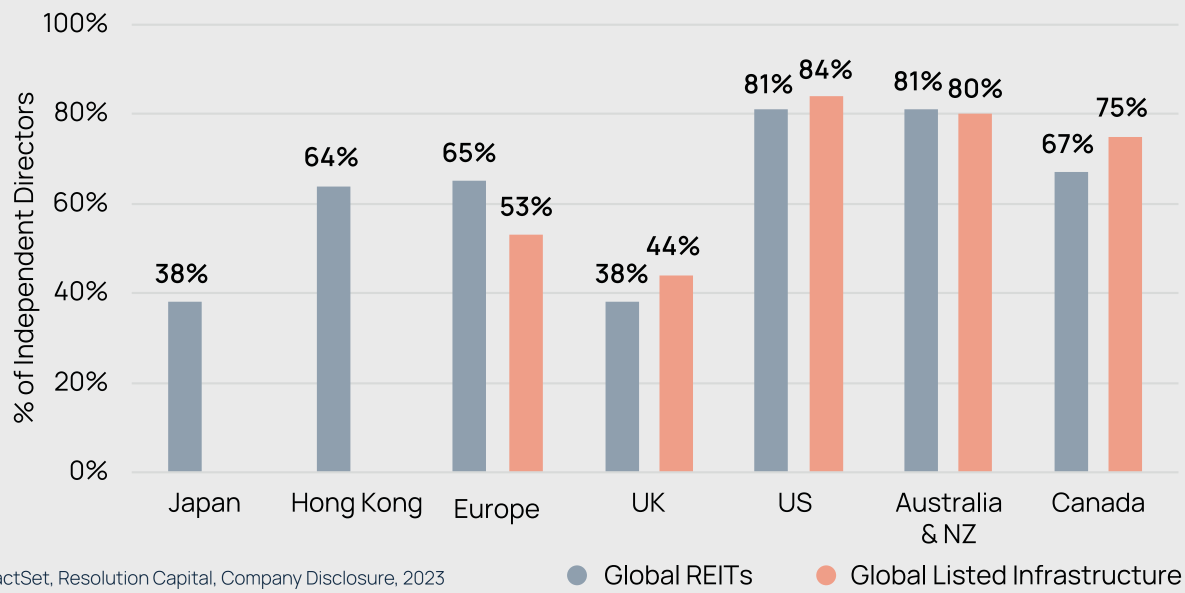
To assess this alignment, we focus on:

- Whether companies are internally or externally managed;
- The level of share ownership by management;
- Remuneration structure and KPIs;
- Board composition, including independence, diversity, director tenure;
- Track record, transparency, integrity;
- Minority shareholder protection; and
- The the presence and management of conflicts of interest or related party transactions.

Metrics that we incorporate into our analysis of the governance framework/practices of investee companies include:

- Percentage of independent directors
- Size of the board
- CEO total compensation compared to market cap and competitors
- Separation of CEO and Chair roles
- Independence of key board roles (Chair, Lead Director)
- Tenure of Independent Directors

Average % of Independent Directors, by Region, for Companies within Resolution Capital Portfolios*



Source: FactSet, Resolution Capital, Company Disclosure, 2023

* The GLI Portfolio does not hold investments in Japan and Hong Kong at the point of writing this report

Stewardship at Resolution Capital

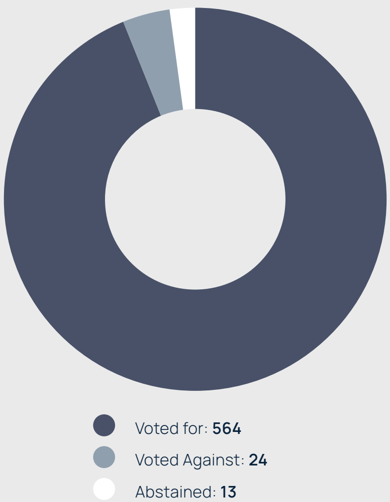
As a signatory to the PRI, Resolution Capital uses the six principles to guide our Responsible Investment policies and practices. The ability, opportunity, and responsibility for an investor to be an active owner and take action to influence investee companies to improve their performance in line with these principles is a role we take very seriously. Our Proxy Voting and Engagement policies further outline our approaches to this aspect of our responsible investment processes.

Proxy Voting

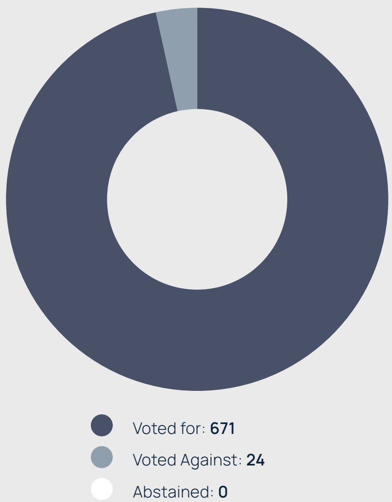
Resolution Capital considers the exercise of proxy voting key to our role as an active investor. We take our voting responsibility seriously and will vote on all resolutions that we have the right to (in accordance with client agreements). Where we do vote against management, we advise the company of our reasons for doing so prior to the meeting wherever practicable. The Portfolio Managers cast the votes for all proxies, in consultation with the investment team, and while we do not use a proxy advisory service, we do utilise proxy research from ISS and CGI Glass Lewis.

Proxy Voting Summary for Global REIT Strategy

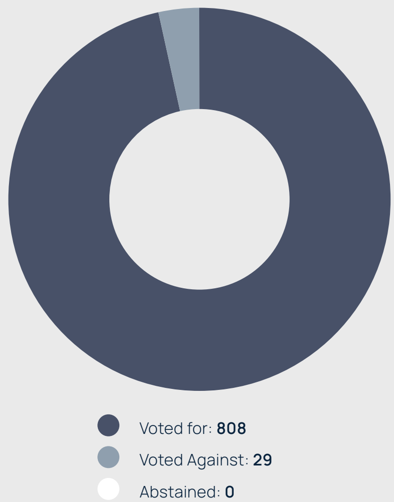
CY 2023 Total Resolutions



CY2022 Total Resolutions

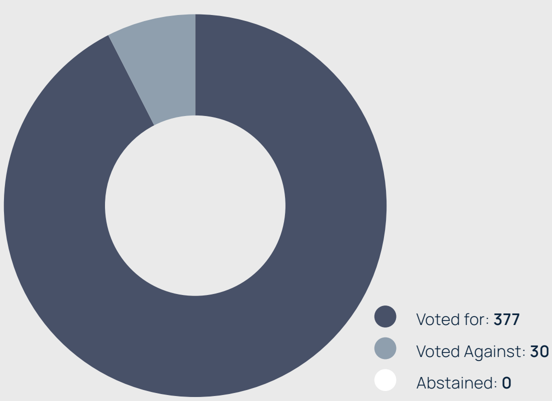


CY2021 Total Resolutions

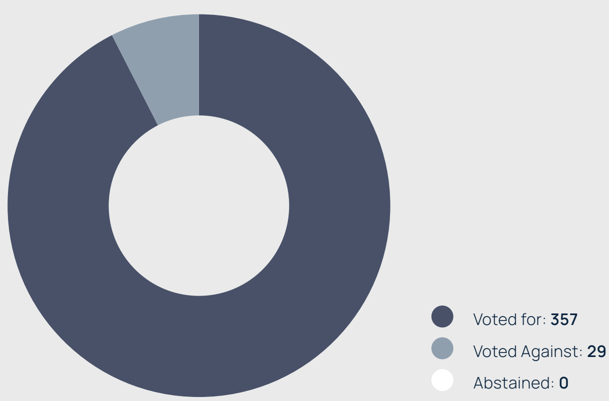


Proxy Voting Summary for Global Listed Infrastructure Strategy

CY 2023 Total Resolutions



CY 2023 Total Resolutions



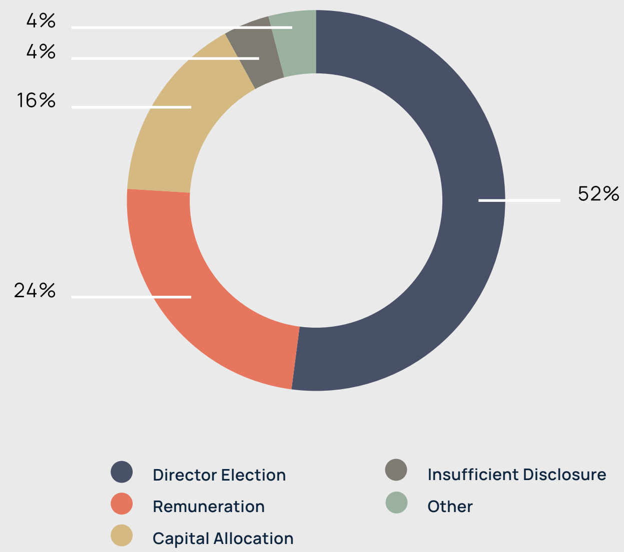
Voting Against Management

While we consider company resolutions on a case-by-case basis, we lay out five main themes in our Proxy Voting Policy, in which we describe our guidelines for casting our votes in these areas. These themes are:

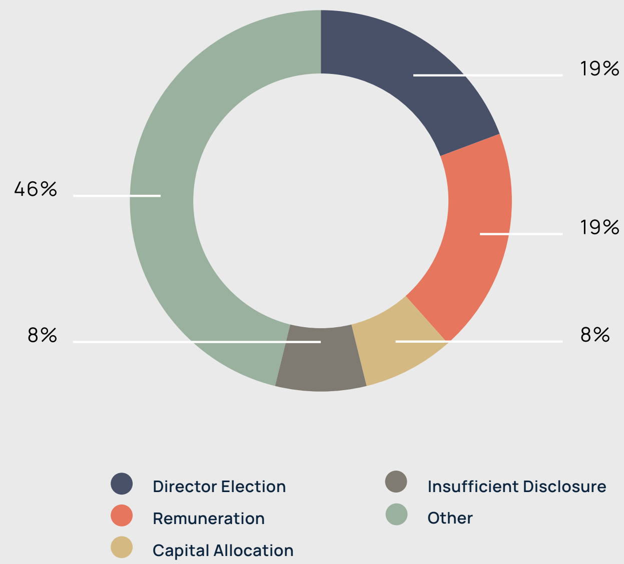
- Director elections
- Remuneration
- Shareholder rights
- Other proposals
- Environmental and Social proposals

Over the last 12 months, our votes against management were primarily director elections, remuneration and authorisation for share issuances. Additionally, as the world moves past the lock down periods driven by Covid-19 and the need for virtual only meetings reduces, we saw a significant decrease in the amount of shareholder rights focused resolutions asking for authorisation to hold virtual only Annual General Meetings.

Votes Against Management for Global REITs*



Votes Against Management for GLI*



Source: Resolution Capital, 2023

*12 months to 31 December 2023

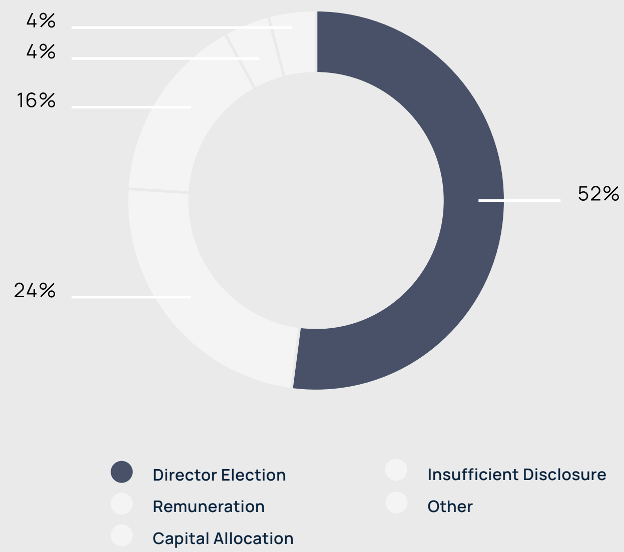
Voting Against Management – Director Elections

When voting for directors, we assess whether a company has a Board that shows sufficient independence from management influences, has the necessary skills and experience to fulfill their duties and has an overall cognitively diverse background.

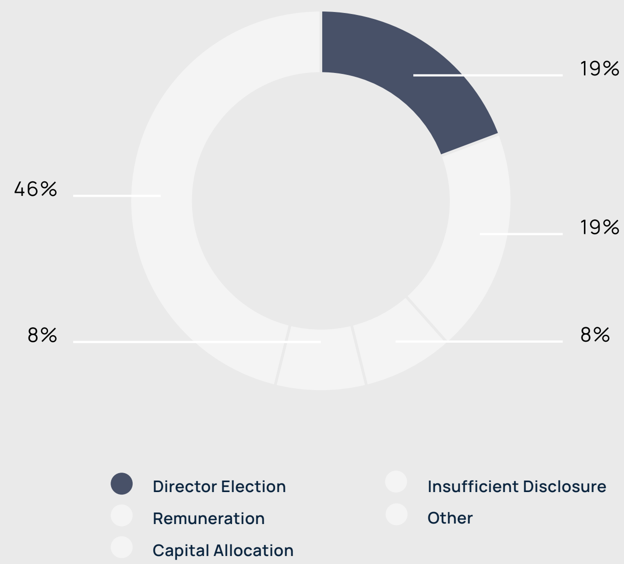
For both the Global REIT and GLI strategies, in the last 12 months we have voted against management proposed director elections due to:

- Poor track record in previous director or executive positions
- Involvement in governance related controversies
- Over-boarding
- Electing a director that reduces the independence of a board, including reducing independence of key board committees

Votes Against Management for Global REITs*



Votes Against Management for GLI*



Source: Resolution Capital, 2023
*12 months to 31 December 2023

Examples of rationale for voting against Direction Election resolutions

Company	Resolution Summary	Rationale	Result of Vote
Scentre Group	Election of Steve McCann	Based on his track record as CEO at Lendlease, including poor strategic decisions made in relation to its construction business and when disclosing information about problems in the division, the company's response was characterized by delay and a general lack of transparency.	Passed
Ventas	Election of Debra Cafaro (Chair and CEO) and James Shelton (Lead Director)	Our votes against the CEO/Chair and Lead Director were influenced by our opinion that Ventas has persistently underperformed its healthcare REIT peers. We voted against the two longest serving directors on the board who have the greatest level of oversight of the company's strategy and execution.	Passed
NextEra Energy	Sherry Barrat (Lead Director)	As Lead Director for a company with a combined CEO/Chair, the independence of this position is extremely important. However, there are several aspects of this proposed reelection that led to our vote against this resolution. These included Sherry Barrat's 25-year tenure on the board, she has already served two years in the position and reached retirement age, both limits are stipulated in company policy.	Passed

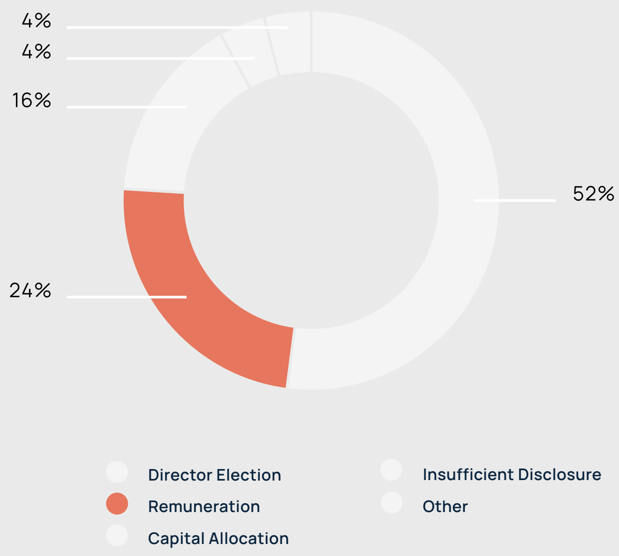
Voting Against Management – Remuneration

Remuneration of key senior executives is a subject of intense scrutiny in our assessment of company proxy votes. As shareholders, we strive to assess whether remuneration plans are structured to provide value for money and are reflective of company performance, as well as being sufficiently transparent.

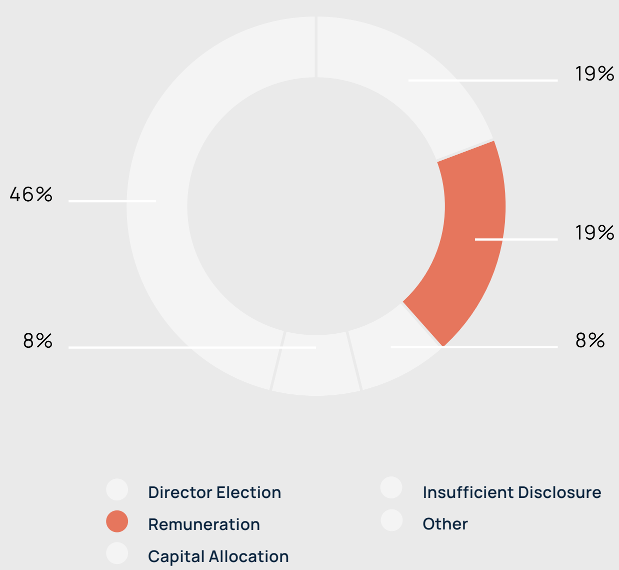
For both the Global REIT and GLI strategies, in the last 12 months we have voted against remuneration plans due to:

- Insufficient disclosure of performance hurdles, peer set comparisons or achievements in Short- or Long-Term Incentive plans
- Overly generous Golden Parachute or severance packages
- Compensation schemes allowing for share awards that could lead to significant dilution of existing shareholders
- Performance hurdles that award management for company performance below that of its peer set median
- Overly generous pension schemes
- Discretionary bonuses awarded without details on why the bonuses were awarded

Votes Against Management for Global REITs*



Votes Against Management for GLI*



Source: Resolution Capital, 2023

*12 months to 31 December 2023

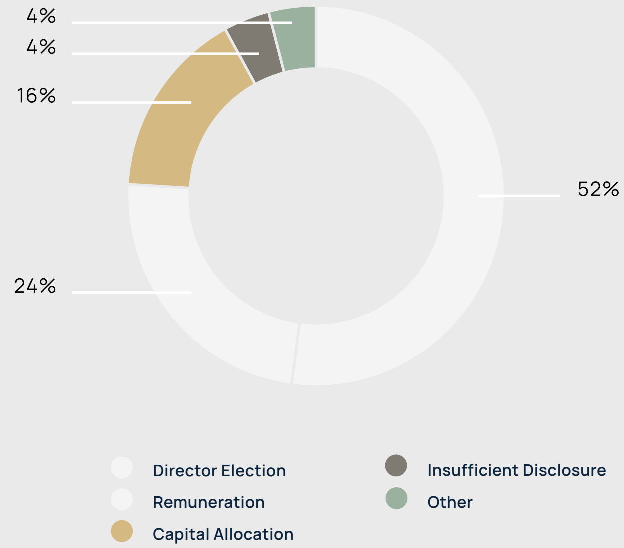
Examples of rationale for voting against Remuneration resolutions

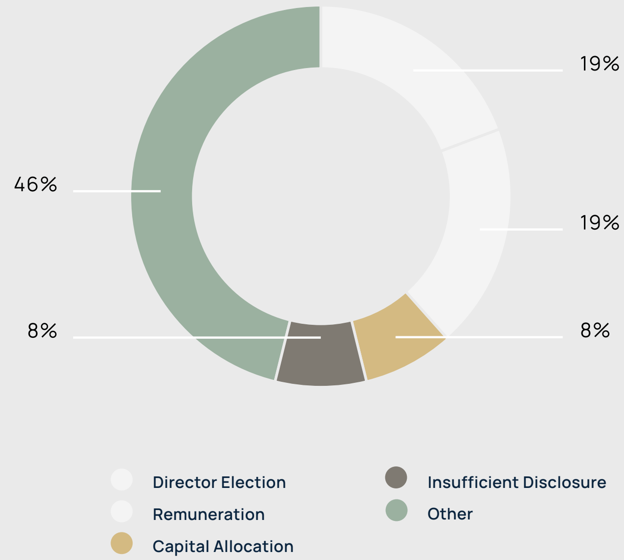
Company	Resolution Summary	Rationale	Result of Vote
Prologis	Advisory vote on remuneration report	The Long Term Incentive (LTI) awarded a significant percentage of the target bonus amount if Prologis underperforms its Total Shareholder Return (TSR) benchmark relative to peers. This is primarily due to modest TSR performance hurdles in the LTI and Prologis Outperformance Plan (POP) schemes. There was also an element of overlapping goals between the POP and LTI schemes, potentially rewarding the CEO twice for achieving one goal.	Not Passed (received 24% of votes For)
Infrastrutture Wireless Italiane	Remuneration policy and equity compensation plan	There were gaps in disclosures of historic and future Long Term Incentive Plan (LTIP) targets, with a significant portion of this award being contingent on the achievement of performance targets that are not disclosed. The company also made severance payments to the former CEO, Giovanni Ferigo, that were greater than two years' salary, which we considered to be excessive.	Passed
Shaftesbury Capital	Remuneration report	The 2023 remuneration policy allows the remuneration committee to apply discretion in unforeseen events and control changes. Additionally, the overall quantum of the compensation proposed appears excessive, given Capital & Counties Properties PLC's (CAPC, now SHC) poor historical shareholder return performance relative to its peer group over the last decade,	Passed

Voting Against Management – Other Proposals

Management and shareholder proposals that do not fall into the preceding categories are classified in Other Proposals. These types of proposals can include:

- Voting against takeover protections, such as poison pills, that could be overly restrictive for shareholders
- Merger and acquisitions, asset sales or purchases that do not represent good value for shareholders
- Share issuances with no clear investment usage that allow a company to unnecessarily dilute existing shareholders
- Whether companies are rotating, or considering rotating, their auditors to avoid a loss of independence in that relationship
- Insufficient disclosure of key ESG related information, including diversity, climate change transition plans, carbon reduction targets, independence requirements for board positions.





Source: Resolution Capital, 2023

*12 months to 31 December 2023

Examples of rationale for voting against Other resolutions

Company	Resolution Summary	Rationale	Result of Vote
Sun Hung Kai	Issuance of equity securities and reissuance of repurchased shares	The resolution proposed the issue of capital without pre-emptive rights and did not disclose the discounted price or the specific use of the funds. Hong Kong listing rules allows companies to issue equity at a maximum discount to market prices of 20%. We voted against the resolution to reissue shares that had been repurchased by the company given this would cause the aggregate share issuance without pre-emptive rights to exceed the recommended limit of 10% at 20% of total issued shares.	Passed, but with significant votes against (22% each)
Aeroports de Paris	Share repurchase program	We voted against the resolution seeking to authorise the company to repurchase up to 10% of its issued share capital. Our rationale for voting against this resolution was due to the company not being explicit about whether this could be used as an antitakeover defence without shareholder approval.	Passed
Union Pacific	Ratification of Auditors	We voted against the ratification of Deloitte as auditors because they have been in place since 1967. We encourage rotation of auditors at least every 10 years to promote independence and rigour in the auditing process.	Passed

Shareholder-led and Climate Focused Proposals

In 2023, we saw a number of both shareholder-led proposals and "Say on Climate" proposals across the Global REITand GLI strategies. As outlined in our Proxy Voting Policy, we consider shareholder-led proposals on a case-by-case basis, however, we are looking to vote for resolutions that:

- Require companies to improve environmental disclosures and implement measures to reduce greenhouse gas emissions that align with the requirements of the Paris Agreement;
- Enhance social responsibility standards in line with internationally accepted norms, including those outlined by the UN Global Compact and the PRI;
- Require an increase, or improvement, in the disclosure of diversity at the board, management, and employee levels;
- Increase disclosure around political donations and expenditures, as well as any affiliations with industry bodies, where there is no clear board oversight of these activities and insufficient disclosure of the size of donations or expenditures involved; and
- Increase disclosure of supply chain risks, particularly with regard to risks the company may be facing in relation to purchasing materials and labour practices.

Examples of rationale for voting on Shareholder resolutions

Company	Pillar	Description	Vote	Result
Public Storage Inc	E	Proposal by shareholder activist, As You Sow, requesting that the Board issue short- and long-term Scope 1, 2 and 3 greenhouse gas reduction targets aligned with the Paris Agreement's goal of limiting global temperature increases to 1.5°C and achieving net zero emissions by 2050. The company was asked to publish a compliant target and to disclose annual progress towards meeting this target. We voted for this resolution as we believe that all companies should be targeting net zero carbon emissions and doing so in a way that is in alignment with the Paris Agreement.	For	Did not pass. 34% votes for
Ameren	E	Proposal focused on Scope 1 & 2 emissions targets, claiming the current net zero target was not aligned with the requirements of the Paris Agreement or International Energy Agency's (IEA) Net Zero Emissions by 2050 scenario. It requested that the company disclose short-, medium- and long-term Scope 1 and 2 GHG emissions targets that are aligned with these requirements, as well as plans to achieve those targets. We decided to vote FOR the resolution since we believe that the currently disclosed carbon reduction targets could be more ambitious. Over time there will be increasing drivers and opportunities to retire coal generation ahead of the company's current timetable.	For	Did not pass. 13.8% votes for

Company	Pillar	Description	Vote	Result
Union Pacific Corp	G	Proposal to amend governing documents of the company to require a formal separation of the CEO and Chair roles and that the Chair should be independent where possible. This is considered best practice to maintain independence in board leadership and the resolution set an expectation that the positions would always be separated, and that the Chairman would be independent.	For	Did not pass. 20.5% votes for
PPL Corp	G	Proposal to amend governing documents of the company to require a formal separation of the CEO and Chair roles and that the Chair should be independent where possible. This is considered best practice to maintain independence in board leadership and the resolution set an expectation that the positions would always be separated, and that the Chairman would be independent.	For	Did not pass. 16.6% votes for
NextEra	S	The proposal requested the disclosure of each director/nominee's self-identified gender and race/ethnicity, as well as the defined skills and attributes that are most relevant considering the Company s overall business, long-term strategy, and risks, particularly with respect to climate change. We voted for this resolution as it would provide useful information on the background and skill sets of incumbent directors.	For	Did not pass. 48.9% votes for

In addition to the two shareholder led climate related proposals outlined above, we also voted on three "Say-on-Climate" resolutions, put forward by Klepierre, Canadian Pacific Kansas City and Canadian National Railway. These are summarised in the table below. Say-on-Climate resolutions are similar to Say-on-Pay type resolutions, where companies present their proposed climate plans, and any relevant updates or progress reports, to give their shareholders the ability approve or reject them on a regular basis. They are typically Advisory votes and are not necessarily binding, however there is some reputational risk associated with poor shareholder reactions and insufficient subsequent engagement from the company.

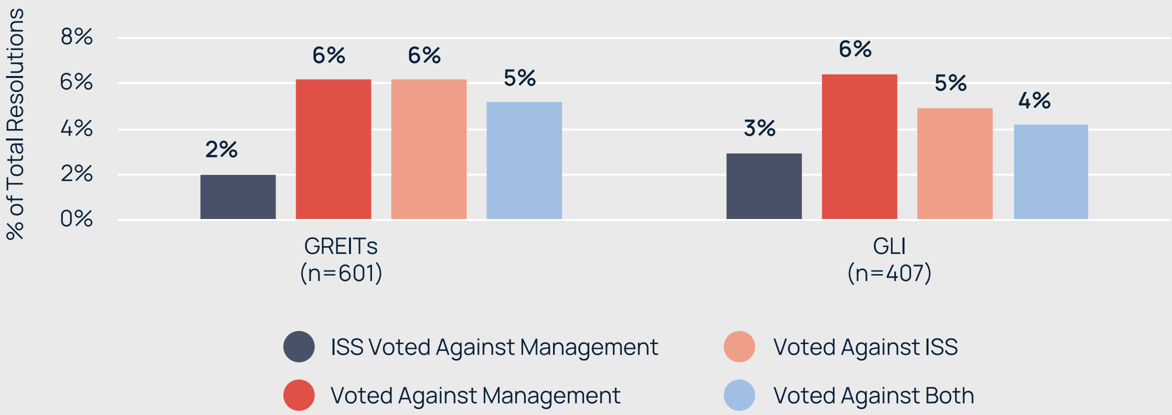
Summary of Say-on-Climate resolutions

Company	Description	Vote	Result
Klepierre	The climate transition plan commits the company to carbon neutrality by 2030, as well as Scope 1, 2 and Scope 3 Downstream emissions aligned with a Science Based Targets Initiative (SBTi) 1.5°C trajectory. Additional positive aspects to this plan are the inclusion of these targets in the CEO's compensation, on-site renewable energy production expansion and procurement of renewable electricity for portfolio energy consumption.	For	Passed with 95.2% votes for
Canadian Pacific Kansas City	The proposal includes two science-based targets, one related to locomotive operations and one its non-locomotive operations. For its locomotive operations, it has a SBTi approved target to reduce its Scope 1, 2 and 3 emissions intensity by 38.3% by 2030. For its non-locomotive target, the company is targeting a reduction in Scope 1 and 2 emissions of 27.5% by 2030.	For	Passed with 83.7% votes for
Canadian National Railway	The company has SBTi approved short term targets with 2030 deadlines, for Scope 1 and 2 emissions intensity (43% reduction) and Scope 3 (40% reduction). It has also committed to a net zero by 2050 target, but this is not SBTi approved. The proposal also outlines the company's progress on these goals (13.4% for Scope 1 and 2, and 30.9% for Scope 3).	For	Passed with 96.3% votes for

Voting Independence

While we utilise proxy research from ISS and CGI Glass Lewis, we use the research as a guide to inform our own analysis and are not bound by their recommendations. The chart below shows the proportion of resolutions that we voted against either Management, ISS or both. For both investment strategies we voted against ISS recommendations with approximately the same frequency as we did against Management's. During the year, ISS only recommended a vote against Management recommendations for 2-3% of resolutions, showing we voted against Management recommendations more often than ISS recommended doing so.

Proportion of Votes Against Management and ISS Recommendations



Source: ISS, Resolution Capital, 2023

Engagement

Company engagement is a critical part of Resolution Capital's investment process. As active owners, engagement provides the investment team with 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 of how the company operates.

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.

The engagement agenda is set annually by our ESG Analyst and agreed upon by all Portfolio Managers responsible for the strategy.

Engagement Process

Identify Companies we Need to Engage with

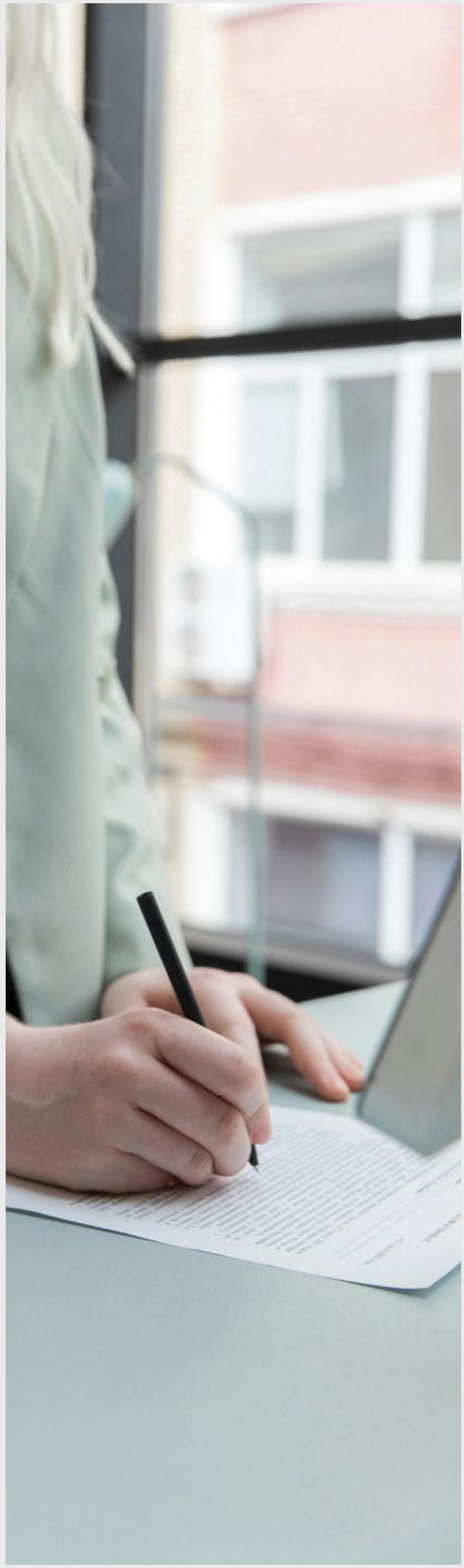
- Poor ESG score/disclosure: no/ low GRESB score, sustainability report, no disclosed targets
- Y/Y deterioration in ESG scores
- Poor board diversity

Discussion with Company

- Poor effort or poor disclosure?
- Acceptable risk profile?

Follow up in 6/12 Months

- Hold company accountable
- Apply pressure
- Propose resolution



Engagement Priorities

Key engagement initiatives for both Global REIT and Global Listed Infrastructure have included the continuation of focus on topics from prior years:

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

Climate Change

In our Global REIT strategy, a key area of focus this year has been engaging with companies that have not publicly set long term carbon reduction targets in line with the Paris Agreement, i.e. does the target include a 50% reduction by 2030 and achievement of net zero by 2050. We have asked whether there are any plans to implement such a target and if not, why not, and what are the barriers to implementing such a target?

During these discussions we have also been 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 (now ISSB) and for REITs to report through the GRESB assessment.

This allows for better understanding of the risk profile and comparability between holdings in this strategy. 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 GLI strategy, we focus on whether a company has long term decarbonisation targets and planning in place. Infrastructure will play a key role in decarbonising the world and enabling it to decarbonise. This is likely to be achieved through the electrification of the economy and the decarbonisation of electricity generation, which can provide secular growth opportunities for decades. Therefore, we ask 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.

Engagement Outcomes – Case Studies

Corporate Defence Properties Trust (U.S. Based Office REIT)

In early 2023, we engaged with Corporate Defence Properties Trust (CDP) because they had no long-term carbon reduction target in line with the Paris Agreement and wanted to understand whether they had plans to implement such a target or not.

In 2022, CDP had exceeded its current carbon target ahead of time, and by some margin, albeit the target was not overly ambitious at a 5% reduction over 5 years. They said they were in the process of revising their targets and implied that it would be more in line with a net zero emissions target.

However, due to their focus on tenants in the defence contracting industry and government agencies, they do not see as strong a demand from that segment of their tenant base for sustainability features in their buildings beyond standard initiatives. There is a greater focus on ensuring that the tenants' mission critical operations are not interrupted, which can be quite energy intensive and often require upsizing of building services plant equipment, especially cooling capacity, when new tenancies are being fitted out.

We also enquired about how they are measuring their Scope 3 emissions from tenant use of their buildings. Approximately half of their portfolio is triple net leased and so there is limited visibility into tenant energy usage unless the tenants share their consumption data. Since many of these tenants are defence and government related entities, there is a level of confidentiality that means it will be hard to obtain this data. They are collecting tenant consumption data in their controlled buildings but did not have explicit plans to reduce these emissions, focusing more on their own Scope 1 and 2 emissions.

Although CDP did show that there was some sustainability and energy efficiency initiatives in place, with LEED certifications for new buildings, due to their focus on government agencies with mission critical operations as tenants, they will have a hard time achieving significant reductions in carbon emissions given their current approach.

While they did seem aware of the need to implement carbon reduction and energy saving initiatives in their properties, they seemed to be resigned to the fact that a significant portion of their tenant base is not focused on this as a priority.

Healthpeak (U.S. based Healthcare REIT)

In late 2023 we contacted Healthpeak to discuss their plans, if any, for implementing a net zero carbon reduction target since they do not currently have a long-term carbon reduction target in place.

Healthpeak has a strong track record of sustainability leadership, being one of the first healthcare REITs to set a Science Based Targets Initiative (SBTi) certified target. They currently have a target to reduce emissions by 37.5% over 2018 levels by 2033.

During this discussion the company said that they are in the process of reassessing their sustainability strategy after the acquisition of another U.S. healthcare REIT, Physicians Realty, to integrate the new portfolio into their sustainability strategy. As part of this reassessment, they are looking at building on their current sustainability performance through focusing on deep decarbonisation initiatives, electrification of its buildings and setting a net zero target.

During this process, they have reported facing similar challenges that we have heard from other REITs we have engaged with about net zero targets. These challenges include access to tenant utilities data to determine Scope 3 emissions, generating onsite renewable energy and costs of retrofitting existing buildings to be fully electric.

Healthpeak is working to overcome these challenges through engaging with tenants on the benefits and necessity of energy efficiency initiatives, even if they come with additional costs, and the use of Green Lease clauses in tenancy agreements to allow for data sharing and passing through either some or all of the costs of upgrades.

We are encouraged by this continued focus on improving their sustainability performance, especially with the integration of the Physicians Realty portfolio, and their progression towards implementing and achieving a net zero target.

Ameren Corporation (U.S. based Electric Utility)

At its Annual General Meeting (AGM) in May 2023, Ameren (AEE) faced a shareholder proposal requesting it accelerate its Scope 1 & 2 emissions targets to be in line with the Paris Agreement and the IEA Net Zero Energy by 2050 scenario. The proposal requested the company disclose short-, medium- and long-term Scope 1 and 2 GHG emissions targets that are aligned with these requirements, as well as plans to achieve those targets.

AEE currently has carbon emissions reduction targets of 60% by 2030, 85% by 2040 and net zero by 2045. Their current decarbonisation plan involves the progressive retirement of its coal generation fleet, to be completed by 2042 and the build out of renewable energy generation plus battery storage capacity. This decarbonisation plan has been agreed with the relevant state regulators as part of their Integrated Resource Plan. This means that the company will move outside the already agreed upon framework with regulators should they deviate from their current plan.

Prior to the AGM, we engaged with AEE to better understand the differences between the two approaches and the company's view on the shareholder proposal. While they mentioned their ambition to achieve net zero status as early as practicable, AEE said that they faced constraints, including the requirement for regulatory approvals for generation retirements, balancing affordability, and reliability concerns. Ultimately their decarbonisation plans are contingent on achieving the change in generation mix, which is contingent on the Integrated Resource Plan approved by state regulators.

We decided to vote FOR the resolution since we believe that AEE's currently disclosed carbon reduction targets could be more ambitious. Over time there will be increasing drivers and opportunities to retire coal generation ahead of what is currently planned. Their portfolio has strong potential to decarbonise on current economics. Ultimately, we believe that shareholder interests and decarbonisation are positively linked so AEE should increase their shareholder engagement to demonstrate their alignment with Paris Agreement targets. Unfortunately, this resolution only received 13.6% votes FOR, meaning that AEE does not have to take any further action at this stage.

Modern Slavery

In 2023 we wanted to have more focused and specific 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 Principles 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?

Engagement Outcomes – Case Studies

Equinix (Multinational Data Centre REIT)

We identified Equinix for engagement on this topic due to their multinational footprint, particularly their locations in Africa, which can represent higher levels of modern slavery related risks than the developed markets that some of our other holdings operate in.

They have senior management level oversight of their Human Rights program with the Senior Director of Supply Chain ESG, reporting to the Chief Procurement Officer being responsible for this program.

Equinix has included specific obligations within their supplier contracts and has an Equinix Business Partner Code of Conduct, which requires suppliers to comply with their labour and anti-modern slavery policies. A Supplier Risk Management program identifies higher risk suppliers, based on their location in high-risk areas that may have weak human rights laws. These higher risk suppliers are then engaged with to find out more information about how they manage potential human rights and modern slavery risks, and those that are then found to have insufficient processes or policies can be subject to corrective action plans and regular follow ups to ensure compliance.

Equinix also provides annual training on its Code of Conduct and Anti-Bribery and Corruption policies to its direct employees. The modern slavery and human rights components of its Supplier Code of Conduct are communicated to suppliers, their sub-contractors and other agents that act on Equinix's behalf. This is done during the onboarding of a supplier and as well as part of the monitoring and evaluation of a supplier's ongoing performance.

The company has also established whistleblower and ethics and compliance hotlines to assist in the reporting of Code of Conduct violations, which includes modern slavery matters. Access to these hotlines is offered to all stakeholders and is available in 20 languages with 24/7 availability.

We felt that Equinix had a strong response to our engagement questions and did not think that they required any follow up calls for clarifications at this point.

American Tower Corporation (Multinational Towers REIT)

We approached American Tower Corporation (AMT) for engagement for the same reasons as Equinix above.

AMT became a signatory to the UN Global Compact in 2022 and has aligned its business practices with the Universal Declaration on Human Rights and UN Guiding Principles on Business and Human Rights, giving the company a good foundation on which to build its policies.

As part of its Vendor Code of Conduct, AMT requires its vendors to adhere to the same protection of human rights commitments they do. This requirement is standard practice. However, they conduct screening and vetting of new and existing international vendors on potential human rights related risks, which goes beyond the usual market practices.

Those vendors with higher risks are required to undertake additional training and are subject to increased oversight from AMT quality assurance supervisors. AMT also conducts regular audits on these suppliers and requires annual certification to ensure compliance is maintained.

AMT also maintains a whistleblower function that can also be used to report human rights violations through their third-party administered confidential website or hotline, which is also accessible to third parties and other impacted stakeholders. Each misconduct case is individually tracked and managed, with significant allegations reported to the Board via the Audit Committee.

There are also extensive training programs for all employees and suppliers, covering the company's expectations, policies and procedures regarding its human rights and modern slavery requirements. This training also covers relevant regulations, such as the Foreign Corrupt Practices Act and the requirements of the Office of Foreign Assets Control.

As a result of this engagement, we felt that AMT had a reasonably strong response to our questions and did not think they required any follow up calls for clarifications at this time.

Political Donations

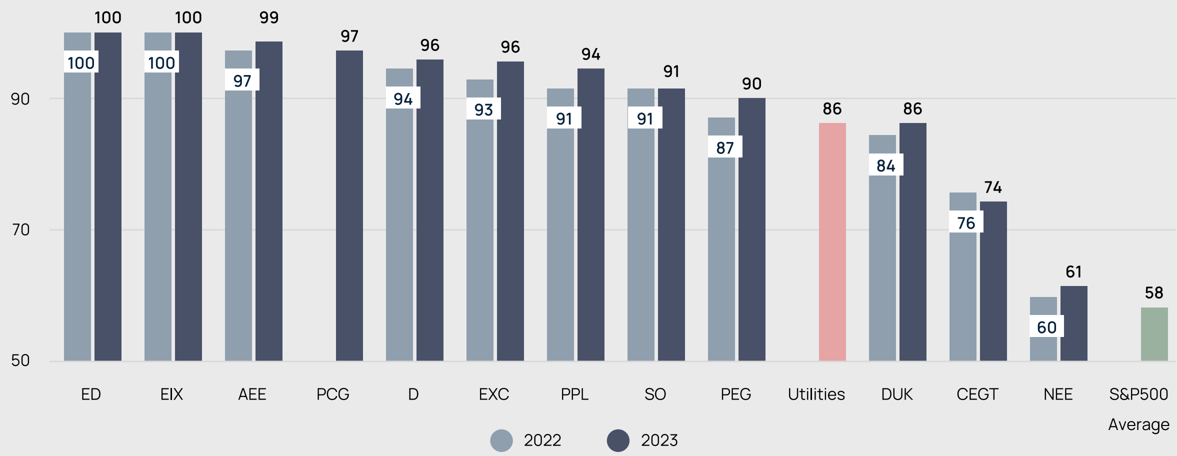
Given the regulated nature of infrastructure companies and Utilities in particular, they are highly impacted by decisions made by regulators and both state and federal legislators. Given this dynamic, we are interested in how transparent companies are with respect to their political donations and whether they are supporting political candidates, or industry bodies that are opposed to their stated decarbonisation goals.

To measure this, we use the Center for Political Accountability's CPA-Zicklin Index which measures the level of transparency and accountability of U.S. companies with respect to their political donations. This Index is an annual assessment that measures performance in three areas: disclosure; company political spend decision-making policies; and board oversight and accountability policies.

We consider this an important metric to assess, particularly for the U.S. utilities sector, as it incentivises best practices in corporate accountability and transparency, it helps protect shareholders and others concerned about increasing risks of company political spending, as well as enabling companies to compare their policies and practices with those of their peers and leaders in their industries.

In general, utility companies face elevated reputational and legal risks related to political donations and lobbying compared to other industries due to the regulated nature of their business models. In the face of this elevated risk, utilities generally have strong policies and procedures to govern their political donations activities and have a greater degree of transparency around their practices than other industries. The CPA-Zicklin scores of our U.S. Utilities portfolio holdings are all above the S&P500 average as shown in the chart below.

CPA-Zicklin Scores (0 – 100) for Utilities Portfolio Holdings



Source: CPA- Zicklin Index, 2023

Engagement Outcomes – Case Studies

NextEra (U.S. based Electric Utility)

We have targeted NextEra for engagement over the last two years on the issue of transparency around political donations due to their consistently poor performance on the Zicklin Index. They have the lowest Zicklin score in our portfolio, even though the U.S. Utilities sector is the highest scoring sector in the index. As shown in the chart on the previous page, they have had the lowest Zicklin score in our portfolio for the last two years, even though the U.S. Utilities sector is the highest scoring sector in the index.

When we spoke to NextEra in 2022 about this, there did appear to be clear controls and approval processes for donations to charities and industry bodies, however, there was not a clear process for donations to political candidates or parties. Speaking to management again in 2023 on this issue, they have made some improvements in this area. These 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, there are still some gaps in that political lobbying through tax exempt social welfare organisations is still allowed, and there is no requirement to disclose the counterparty or quantity of a donation.

Given its performance in this area continues to lag peers, we will be monitoring NextEra in the coming year to encourage them to improve these processes to minimise the risks associated with poor management and transparency around political donations.

Engagement Collaboration with GRESB

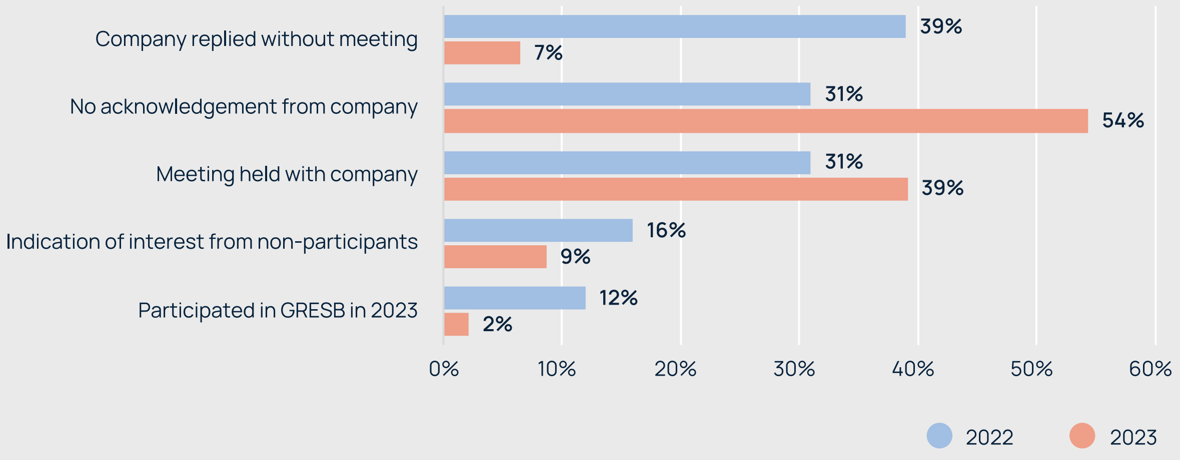
The Global Real Estate Sustainability Benchmark (GRESB) is an organisation that provides validated ESG performance data and peer benchmarking for the real estate and infrastructure sectors. We use GRESB to provide ESG data (including carbon emissions, carbon reduction targets, electricity and water consumption) to measure and track the ESG performance of our REIT strategies.

In 2023 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 included 46 target companies, across 13 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.

The results are summarised and compared to the results from 2022 in the chart below. While there was an increase in the proportion of companies that did not to respond to GRESB there was an increase in companies taking meetings.

Summary of Collaborative GRESB Engagement Outcomes



Source: GRESB 2023

Further Information

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

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

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