PROFIT THROUGH **PURPOSE**

ESG Policy

INTRODUCTION

The ESG Policy formalises Resonance's commitment to integrating ESG considerations throughout all operations and investments. It translates our ESG Strategy - which is comprised of three sub-strategies (see overview below) - into practical guidance, setting out responsibilities, governance structures, and reporting expectations to ensure consistent, accountable, and ESG-informed decision-making.

ESG STRATEGY

Resonance's **ESG Strategy** provides a high-level overview of the numerous ways in which environmental, social and governance issues are embedded across our organisational and investment policies and processes.

Our mission is to mobilise capital for social impact, supporting enterprises and communities to create positive change. We are solely focused on impact investment, building our funds around highly targeted social impact models, with over twenty years of experience in UK impact investment. As a Certified Social Enterprise and B Corporation, ESG is central to how we operate - it is part of our DNA.

We were founded to champion and infuse ESG into the mainstream financial market, guided by our vision is of a world where:

- Capital serves people and communities
- Everyone is empowered to invest for positive social impact
- Resources are stewarded responsibly for future generations

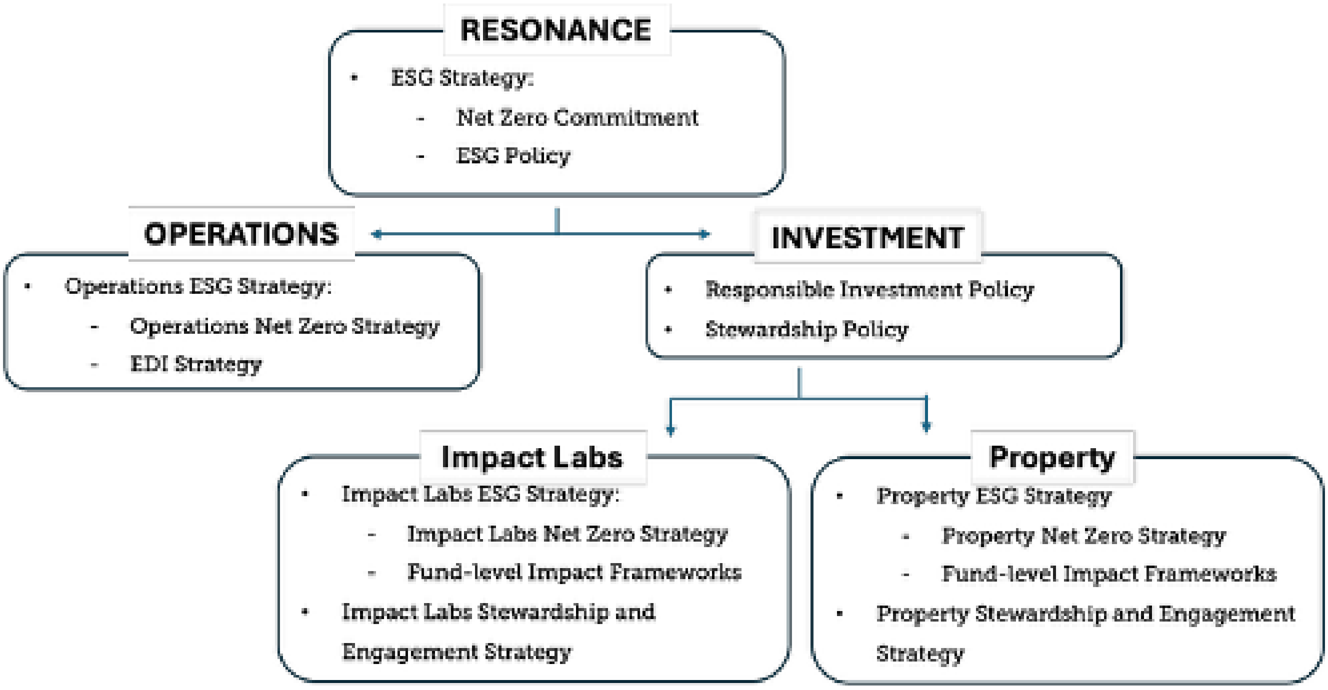
Our ESG Strategy translates this mission and vision into practical action, offering a structured framework for integrating ESG considerations across all areas of our business. In many cases, there are further, more detailed policies and processes through which we seek to ensure ongoing excellence in our approach to ESG. We are committed to updating these policies and processes considering our own learning and that of the wider investment sector.

Crucially, the ESG Strategy is composed of three distinct but complementary ESG sub-strategies, aligned with Resonance's core business areas:

- **Operations ESG Strategy**
- **Property ESG Strategy**
- **Impact Labs ESG Strategy**

All three ESG strategies share the same core structure: informed by a double materiality assessment (via ESG Risk Register), clear ESG Goals and Objectives, and a set of KPIs to measure, assess, report, and continuously improve our ESG performance. All strategies follow a common approach to governance and reporting, which is outlined in this ESG Policy.

Overview of all strategies to be carried out in accordance with this ESG Policy:



GOVERNANCE

Effective governance is critical to ensuring ESG considerations are consistently embedded across the organisation and aligned with our strategic objectives. To translate our ESG Strategy into measurable action and accountability, we have a structured governance and management approach. It tracks progress of each ESG strategy, flags risks and non-compliance, and drives continuous improvement across both operations and investments.

Level	**Role**	**Responsibilities**
Board of Directors	Strategy & Oversight	• Approves ESG Strategy and ESG Policy • Reviews ESG performance and risk annually • Delegates to relevant sub-group, as required
Senior Leadership Team	Strategy & Operational Oversight	• Inputs into ESG Strategy development/review and supports the identification of, and consultation with, key stakeholders (materiality assessments). • Ensures ESG is embedded across organisational decision-making, from operations to investment. • Receives 6-monthly ESG performance reports for each business area and supports commentary for Board. • Certain members are accountable for ensuring the delivery of their respective business areas – impact labs, property, and operations.
Head of Compliance and Risk	Operational Oversight	• Ensures ESG risks and opportunities are formally included in the organisation's Risk Register, updated twice a year, and reported annually to the Executive Team and Board. • Reviews all ESG-related reporting to ensure compliance. • Supports annual internal audits (and periodic external assurance) to validate ESG data and processes.

Level	Role	Responsibilities
		• Part of P2NZ Steering Committee, with focus on adherence to ESG Policy.
Head of ESG and Impact	Operational Leadership & Coordination	• Advocates for ESG across the organisation, driving ESG-related initiatives and buy-in at all levels. • Leads the development, implementation and review of the ESG Strategy across the organisation, in operational and investment decision making. • Supports with the development and review of ESG Sub-Strategies (incl. objectives and KPIs). • Chairs the P2NZ Steering Committee. • Drives stakeholder engagement to ensure double-materiality perspectives are reflected. • Guides data collection and coordinates ESG monitoring and reporting across the organisation. • Conducts data checks and leads on data analysis. • Supports internal audits to validate data and process. • Reports to Executive Team via Communications Director on ESG performance 6 monthly, advises on ESG risks, opportunities, and sector-specific issues. • Monitors unfolding ESG practices and reporting and provides recommendations on the update of relevant accreditations and affiliations.
Steering Committees and Sub-Groups	Monitoring & Advisory	• Conducts monthly / quarterly meetings for progress updates related to ESG (and net zero within this). • Selected ‘Champions’ are responsible for working with their respective business area leads (‘Executers’ below) to develop and monitor the delivery of strategies and identify areas for learning.
Senior Manager (People and Communications Team)	Execution	• Oversee the development and delivery of the Operations ESG Strategy (and Net Zero Strategy) • Ensure integration of ESG into decision making, such as recruitment, training and development. • Collect, track and report ESG KPIs to Head of ESG & Impact in accordance with ESG Policy.
Fund Managers (Property, Impact Labs)	Execution	• Oversee the development and delivery of the Property and Impact Labs ESG Strategy (and accompanying Net Zero Strategy) • Ensure integration of ESG factors into investment decisions, due diligence, and stewardship • Collect, track and report ESG KPIs to Head of ESG & Impact in accordance with ESG Policy.
Staff	Execution	• Apply ESG principles in daily operations. • Participate in ESG initiatives/training. • Work in accordance with our mission and values.

Level	Role	Responsibilities
		• Input into Resonance's ESG Strategy.

MANAGEMENT

Data collection: Each ESG Objective has a series of metrics (and KPIs). The data for these is gathered from internal systems (occasionally, from partners/portfolio companies) by Fund Managers (investment) and the Communications and People Team (operations) and reported quarterly to the Head of ESG & Impact. Head of ESG & Impact conducts data validation and analysis.

Monitoring: Where KPIs fall below thresholds or if policies are breached, the Head of ESG and Impact will alert respective teams (e.g. Fund Managers, Senior People Development Manager) to flag under performance, identify reasoning, and co-create monitoring and mitigation plan (with assigned responsibilities and deadlines for corrective actions), in accordance with the **Escalation Policy**.

Reporting: ESG performance is reported semi-annually to the Executive Team and annually to the Board (ESG Performance Reports), with a narrative provided by the Head of ESG & Impact (with support from operations and investment teams). This includes an update on ESG risks and opportunities for Resonance and its investment funds. Our ESG performance is also reported in the Annual Report (or a stand-alone ESG Report), in addition to the Fund-specific Impact Reports.

Resonance also discloses alignment with (and benchmarks against) global frameworks, such as the UN Principles for Responsible Investment, B Corp and SME Climate Hub. Membership of differed ESG initiatives, reporting frameworks and standards, is continuously reviewed by the Head of ESG & Impact, and relevant awards and accreditations by the Communications team.

Audit & Assurance: Annual internal audits led by the Head of ESG & Impact (and supported by Head of Compliance & Risk) to check data and analysis accuracy. Periodic external assurance to validate ESG data and processes could be used, if considered necessary.

Review: ESG governance, monitoring, and reporting practices are reviewed annually to ensure alignment with evolving regulations, best practice, and stakeholder expectations, led by the Head of ESG & Impact and supported by Head of Compliance & Risk, and reviewed by the Executive Team and Board.

RESOURCING

Delivering our ESG Strategy requires dedicated and appropriately structured resourcing across the organisation. Resonance will ensure that sufficient time, expertise, and financial capacity are allocated to effectively implement, monitor, and continuously improve our ESG performance.

People and time allocation:

- The ESG Policy outlines ESG governance, with clear roles and responsibilities.
- ESG responsibilities are formally integrated into relevant role profiles (and performance reviews), with dedicated time allocated to the Head of ESG & Impact and Executors (Fund Managers, Senior People Manager) to support the creation, delivery and review of ESG objectives.
- All business areas are expected to embed ESG considerations into their workflows, with Executers responsible for allocating the necessary time (theirs and their team's) to data collection, KPI monitoring, and reporting in line with the ESG Policy.
- ESG Champions and committee members commit recurring time to monthly progress meetings and cross-departmental coordination.
- Staff across the organisation are supported to engage in ESG training and initiatives as part of normal working hours.

Systems and training:

- Appropriate systems will be maintained to support accurate data collection, monitoring, and reporting.
- ESG-related training will be provided across the organisation to ensure staff have the knowledge and confidence needed to apply the ESG Policy in daily decision-making. This includes providing investment teams with training on ESG screening and due-diligence processes.
- Specialist training will be made available for Executors and other colleagues (as relevant) with enhanced monitoring or reporting responsibilities.

Incentives and remuneration:

- Resonance recognises the importance of aligning incentives with ESG performance. While a formal ESG-linked remuneration framework has not yet been established, it may be developed as the organisation evolves and as best practice continues to mature.
- In the interim, job descriptions, objectives, and responsibilities should incorporate ESG-related duties where relevant. Managers should ensure that progress against ESG objectives - such as contribution to data quality, delivery of ESG initiatives, or integration of ESG into decision-making - is considered within performance reviews.
- As part of future policy development, Resonance will assess the feasibility of incorporating more structured ESG performance metrics into individual and team-level appraisal processes.

Financial Resources:

- Each key business area - Property, Impact Labs, and Operations - is expected to allocate an annual ESG budget, proportionate to its objectives and operational needs, to support the delivery of its respective ESG Strategy. This may include system enhancements, staff training, external advisory support, data and reporting tools, and capacity-building activities.
- Delivering on net zero commitments, which sit within each business area's ESG Strategy, must be incorporated into respective annual budgets.

- Additional funding for cross-cutting or specialised ESG initiatives may be made available subject to approval by the Senior Leadership Team and oversight from the Board.

QUESTIONS & FEEDBACK

If you have questions, feedback or any ideas to share that might help us to do better, please get in touch with Anna Haskins: anna.haskins@resonance.ltd.uk.

Date of last review: 1 June 2026