

2025 Annual Sustainability Report

Reporting period: 1 July 2024 – 30 June 2025



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'ngiyani winangaylanha' – we acknowledge

Katie Bugden Art, Kamilaroi artist

Instagram: @KatieBugden_Art

Acknowledgement of Country

First Nations readers should be aware that this document may contain images or names of people who have since passed away.

IFM Investors acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connections to lands, waters and communities. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

About the artwork

The artwork is titled 'ngiyani winangaylanha' and was created by Kamilaroi artist, Katie Bugden. It tells the story of respect for Country in a broad sense. The artwork has representations of many different environments found throughout Australia and the meeting places motif overlaid on top represents IFM's connection to Country and our respect for Country.

The environments that are represented through different colours and shapes are mountains, deserts, rainforest, bush land, rivers and riverbanks, and oceans and beaches. To differentiate the rivers and oceans two different types of turtles are seen, sea turtles and long necked river turtles.

In the Gamilaraay language the words 'ngiyani winangaylanha' mean 'we (as a collective term) acknowledge'.

Terms used

Throughout the FY25 Annual Sustainability Report the term First Nations is used. The term Indigenous is used where it relates to a program name or is a preferred term. This includes the United Nations Declaration on the Rights of Indigenous People.

Glossary

2030 Infrastructure Equity Portfolio Target	IFM's target to reduce Scope 1 and 2 financed GHG emissions for the infrastructure equity portfolio by 2.08 mtCO _{2e} from a 2019 baseline by 2030.
2050 Target	IFM's target to reach net zero by 2050 for our own operations and Scope 1 and 2 GHG emissions across our asset classes. This target does not apply to client mandates in our listed equities asset class.
asset classes	<p>Refers to the sum of our infrastructure equity portfolio, our listed equities portfolio, our debt investments portfolio, our private equity portfolio, and our real estate portfolio (see Our capabilities IFM Investors for further details).</p> <p>References to “products” within an asset class refers to specific types of funds and/or managed accounts IFM manages or advises in such asset class, with a “product” being one such fund and/or managed account. References to “mandates” within an asset class refers to specific agreements with individual clients. References to a “team” in the context of an asset class refers to the IFM team specifically supporting that asset class, with the term “investment teams” referring to the relevant teams across asset classes.</p>
greenhouse gas (GHG)	As defined by the Intergovernmental Panel on Climate Change in its AR6 Synthesis Report, greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and ozone (O ₃) are the primary greenhouse gases in the Earth's atmosphere. Humanmade GHGs include sulphur hexafluoride (SF ₆), hydrofluorocarbons (HFCs), chlorofluorocarbons (CFCs) and perfluorocarbons (PFCs); several of these are also O ₃ -depleting.
IFM	“IFM”, “IFM Group”, “we” and “our” refer to IFM Investors Pty Ltd (see https://www.ifminvestors.com/en-au/about-us/) and its subsidiary undertakings. IFM Investors Pty Ltd acts in a capacity as a diversified portfolio advisor or manager and any references to IFM acting as an “asset manager” or references to “our investments”, “our portfolios”, “IFM's portfolios” or equivalent should be read as understood to be in this capacity.
infrastructure equity/ debt investments/ listed equities/ private equity/ real estate portfolios	<p>Refers to our investments across asset classes. See: Debt Investments IFM Investors Infrastructure IFM Investors Listed Equities IFM Investors Private Equity IFM Investors Real Estate IFM Investors</p> <p>Our listed equities portfolio undertakes a variety of strategies including both active and passive strategies. Active strategies seek to achieve higher returns than an index by carefully selecting stocks with specific characteristics. This involves monitoring markets and economic trends, as well as research and expertise, in order to identify opportunities to capitalise. Stocks are frequently traded and held on a short-term basis. Passive strategies are designed to replicate market performance by matching the same weights of an index. Typically, through these passive strategies, the listed equities portfolio buys and holds stocks over a long-term horizon which can result in minimal trading, lower risk and fees.</p>
portfolio company / companies	Refers to a public or private company where IFM holds an equity investment. This excludes debt investments.
Purpose	IFM's purpose is to invest, protect and grow the long-term retirement savings of working people.

scope 1, 2 and 3 emissions	As defined by the GHG Protocol – Corporate Accounting and Reporting Standard: a. Scope 1 emissions mean the direct GHG emissions that occur from sources that are owned or controlled by an entity, for example, emissions from combustion in owned or controlled boilers, furnaces, and vehicles. b. Scope 2 emissions mean indirect GHG emissions from the generation of purchased electricity consumed by an entity. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. c. Scope 3 emissions mean other indirect GHG emissions from the activities of an entity, but that occur from sources not owned or controlled by the company, for example, transportation of purchased fuels, use of sold products and services. ¹
stewardship	Refers to IFM’s use of various strategies, including the responsible allocation, management and oversight of capital with the aim of creating long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.
sustainable business	Refers to IFM’s sustainable investing activities combined with IFM’s overarching organisational approach to sustainability across key areas of risk management, and value building practices and activities (encompassing the integration of sustainability considerations, stewardship, collaboration and advocacy, transparency and reporting and corporate sustainability).
sustainability considerations	Considerations that relate to society and the environment, such as climate change, worker safety and labour rights. These considerations, and how they are integrated into investment processes, can give rise to investment risks, opportunities and impacts that may be financially relevant and ultimately affect investment performance. Our assessment of relevant sustainability considerations and the approach we take varies across asset classes, tenure of holding and degree of influence we have. References to “sustainability opportunities”, “sustainability risks” and “sustainability impacts” shall be construed as opportunities and risks associated with such sustainability considerations (as applicable). Our definition and use of “sustainability considerations” and “sustainability risks” may differ from, and is not intended to refer to, the technical definitions of “sustainability factors” and “sustainability risks” in Article 2, points (24) and (22) respectively under the European Union’s Sustainable Finance Disclosure Regulation (SFDR) or other applicable regulations.
sustainable investing	Refers to IFM’s approach to integrating sustainability considerations into investment analysis, decision-making, ongoing management and oversight of investments, recognising the impacts these can have on investment performance, as well as wider society and the environment. Our sustainable investing approach is tailored to asset classes, tenure of holding and degree of influence we have as owners. Our definition of “sustainable investing” differs from, and is not intended to refer to, the technical definition of “sustainable investment” in Article 2, point (17) under the European Union’s Sustainable Finance Disclosure Regulation (SFDR) or other applicable regulations.
social and environmental boundaries / planetary boundaries	Refers to the frameworks ² that identify 12 social foundations and 9 environmental critical earth system boundaries within which humanity can continue to develop and thrive. The social foundations are internationally agreed minimum social standards and established through the United Nations Sustainable Development Goals. ³

¹ Where the actual data on the electricity purchased is unavailable (i.e. market-based scope 2 emissions) we use estimations based on the average consumption in the location where the asset or company is located (i.e.: location-based scope 2 emissions).

² See <https://www.stockholmresilience.org/research/research-news/2023-09-13-all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed.html> for further details.

³ See: [Sustainable Development Goals: 17 Goals to Transform our World | United Nations](#)

Important Notes

This report provides activity updates for the 1 July 2024 – 30 June 2025 financial year (FY25) unless otherwise stated.

This report provides details of how we seek to align with the principles of the UK Stewardship Code. Readers should note that the acquisition of ISPT introduced a new asset class (real estate), into IFM's portfolio during the reporting period. ISPT had not been a signatory to the UK Stewardship Code prior to its acquisition. As such, stewardship practices and disclosures relating to the real estate asset class may be limited in this report. Integration of stewardship principles, IFM's net zero target across our asset classes (scope 1 and 2 emissions) by 2050, policy harmonisation and reporting frameworks for the real estate portfolio is ongoing, and we intend that future reports will reflect progress in aligning these activities with the UK Stewardship Code.

In December 2024, IFM Investors Pty Ltd acquired ISPT Pty Ltd and ISPT Operations Pty Ltd, including their subsidiaries (ISPT Group), an Australian real estate investment management business. ISPT Group ("ISPT") is now a wholly owned subsidiary of IFM Investors and operates under the oversight of the IFM Investors Board of Directors.

This report contains climate-related and other forward-looking statements and metrics which are not, and should not be considered to be guarantees, predictions or forecasts of future climate-related outcomes, financial performance or share prices. The statements are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of IFM. Readers are cautioned not to place undue reliance on such statements in light of the significant uncertainty in climate and sustainability-related metrics and modelling that limit the extent to which they are useful for decision-making, and the many underlying risks and assumptions may cause actual outcomes to differ materially. Such uncertainties and risks include (amongst others), and by way of example only, matters such as (i) evolving sustainability-related metrics and methodologies; (ii) data challenges (e.g. availability, accuracy, verifiability and data gaps); and (iii) new and evolving regulatory requirements imposed by relevant jurisdictions and policy changes. While IFM has prepared the information in this report based on its current knowledge, understanding and in good faith, it reserves the right to change its views in the future.

This important information should be read together with all of the important disclosures and disclaimers in [Appendix 4](#) of this report.

Section 1

Overview





Cath Bowtell
Chair, IFM Group Board



Deborah Kiers
Chair, IFM Group Board Responsible
Investment and Sustainability Committee

Note from the Board

We are pleased to present IFM's Sustainability Report for FY25. This report provides a detailed update on our sustainability-related actions and a snapshot of their outcomes for our clients, owners and wider society.

In a challenging year for global economic growth and volatile inflation, we are proud of the performance we have delivered for our clients. Despite the challenges, IFM continued to grow, both through the expansion of our existing asset classes and through the integration of ISPT, a leading Australian real estate funds manager. This strategic alignment has strengthened our capabilities and broadened our platform.

As a result, our funds under management increased by 11.6% to USD 162.7 billion. The number of clients we serve grew by 8.8% to more than 780, and the IFM team now comprises over 1,100 staff across 16 offices globally. Each member of our team plays a vital role in advancing our Purpose: to invest, protect, and grow the long-term retirement savings of working people.

This report provides an overview of IFM's organisation-wide approach to sustainability, including our approach to sustainable investing which guides our efforts to maximise long-term risk-adjusted returns for our clients and owners. We remain focused on the role we can play in addressing the broader issues that affect the long-term stability of the systems in which we invest and operate. We see significant opportunity to work collaboratively with investors, governments and civil society to have an impact on policy development and market practices that can support the health of these broader systems and deliver long-term value for our clients.

We extend our gratitude to our clients and owners for their continued support and collaboration.



David Neal
Chief Executive Officer

Message from our Chief Executive Officer

FY25 was a year of building on the strong foundations of our sustainable investing approach; through which we aim to deliver long-term value for our clients, in doing so recognising that this can create sustainable benefits for the economy, the environment and society.

This year saw Australian real estate funds manager, ISPT, join IFM. IFM Investors and ISPT have a large common shareholder base and the purpose of both businesses is to contribute to building the retirement savings of working people. Bringing ISPT onto the IFM platform has presented an opportunity to combine the capabilities, talent and experience and increase IFM's capabilities to include real estate offerings.

We believe the case studies throughout this report help to illustrate our sustainable investing approach, which is tailored across our asset classes. Highlights from the year include an update on our partnership with GrainCorp and Ampol on a feasibility study on the creation of a Sustainable Aviation Fuel supply chain in Australia⁴ and launching of the blueprint, *Mobilising pension capital for net zero: a policy blueprint for the UK*.⁵

IFM also welcomed a new owner, with UK Pension scheme NEST taking a stake in IFM and becoming the first owner outside of Australia in IFM's history. Nest will support IFM's further expansion into new investment opportunities and markets across the globe, bringing UK expertise into IFM's ownership group, as we seek to give pension fund members greater access to global markets that have the potential to deliver risk-adjusted returns for their retirement. This is a

historical milestone in IFM's history and has arisen because of IFM and Nest's shared purpose – to invest, protect and grow the long-term retirement savings of working people.

This report not only provides details on our investment approach and examples of its implementation, but also on how we as a business address sustainability considerations and the commitments we have made with regards to our corporate operations. We are excited by opportunities to lead by example for businesses across our asset classes and to demonstrate our sustainable business approach across our geographies of operation. A key milestone this year was the launch of our first organisation-wide sustainability dedicated learning program, 'SustainED', which aims to equip employees with the mental agility to integrate sustainability into their roles effectively, whether they are seeking to build foundational knowledge, expand technical application of their skills or incorporate sustainability into strategic decision-making.

This report also provides details of how we seek to meet the twelve principles of the UK Stewardship Code⁶ under the four broad areas of: purpose and governance, investment approach, engagement and exercising rights and responsibilities. We support the aims of the UK Stewardship Code to promote transparency and accountability in the market and enhance stewardship outcomes across all asset classes to help improve long-term returns to clients and beneficiaries.

Thank you to our colleagues for the great efforts this year, and to our clients and partners for their continued support and advocacy.

⁴ Please see case study: Memorandum of Understanding with GrainCorp Limited (GrainCorp) on Sustainable Aviation Fuel (SAF)

⁵ Please see case study: Mobilising pension capital for net zero: a policy blueprint for the UK

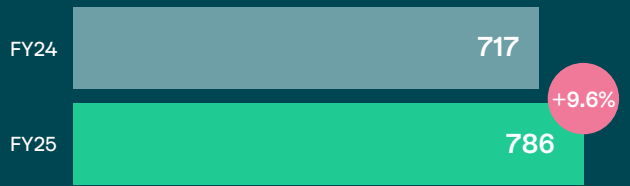
⁶ UK Stewardship Code Signatories

The year at a glance⁷

Funds under management (USD)



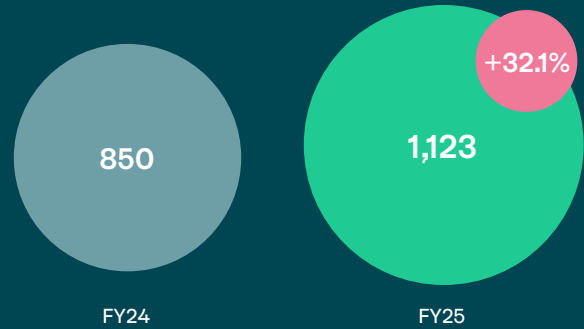
Growth in global clients



Investor Satisfaction Questionnaire (ISQ)



Growth in staff numbers⁸



⁷ Figures as at 30 June 2024 and 30 June 2025 respectively.

⁸ Full time equivalent.

Section 2

About IFM

About IFM

IFM Investors is a global asset manager, founded and owned by pension funds, with capabilities in infrastructure equity and debt, private equity, private credit, real estate and listed equities.

Our purpose is to invest, protect and grow the long-term retirement savings of working people. We believe healthy returns depend on healthy economic, environmental and social systems - and these are evolving on a scale never experienced before.

The interests of working people are at the heart of our heritage and our Purpose. Our 780+ clients collectively manage the retirement savings of more than 160 million people⁹ around the world. We're focused on investing, protecting and growing their long-term retirement savings to create benefits for them and the communities in which they live, now and for generations to come.

IFM acts in its capacity as a diversified portfolio advisor or manager for investments across our infrastructure equity, debt investments, listed equities, real estate and private equity portfolios. Where possible, we aim to build a real and lasting impact by focusing on investments that we believe combine excellent long-term risk/reward characteristics with broad economic, environmental and social benefits to the community.

Large institutional asset managers like IFM can be regarded as universal owners, as our portfolios cover a broad cross-section of the economy. This means we are exposed to systemic risks that affect the entire economic system, which have the potential to result in lower investment returns over the long-term. We believe universal owners have a role in identifying and helping tackle systemic risks. We seek to do so by applying our overall sustainable investing

approach including integrating sustainability considerations within our investment processes.

Our sustainable investing approach integrates sustainability considerations with investment processes in a manner we believe benefits our clients and their beneficiaries. We aim to engage with our investments in order to help manage sustainability risks and pursue opportunities to maximise their net performance while minimising our portfolios' investment risk. This reflects our broader sustainable business approach which considers sustainability on an organisation-wide basis across key areas of risk management and value building practices and activities as further detailed below and throughout this report.

As a signatory to the United Nations-supported Principles for Responsible Investment (PRI)¹⁰ and the UK Stewardship Code, we seek to actively engage on sustainability considerations with the companies in which we invest, noting that the level of engagement and our approach is tailored depending on the asset class, type of investment and the level of governance rights.

We remain focused on the role we can play in addressing the issues that affect the long-term stability of the broader systems in which we invest and operate. We see our collaborative engagement and policy advocacy activities as key opportunities to do this.

We believe that cultivating a unifying and purpose-aligned culture across our organisation is a key factor to our success.

Trusted with the retirement savings of more than 160 million people worldwide, we're using what makes us different to make a difference.







⁹ As at 30 June 2025.

¹⁰ The Principles for Responsible Investment is a United Nations-supported international network of asset managers, asset owners and service providers working together to promote and implement six principles for responsible investment incorporating Environmental, Social, and Governance (ESG) issues into investment practice. [What are the Principles for Responsible Investment? | PRI Web Page | PRI \(unpri.org\)](https://www.unpri.org/What-are-the-Principles-for-Responsible-Investment?|PRI-Web-Page|PRI(unpri.org))

Our Purpose and sustainable business approach

Our Purpose is to invest, protect and grow the long-term retirement savings of working people.




Our values set out below, together with our Purpose, guide our people and our work.

 <p>Prioritise Client Outcomes</p> <p>We are trusted partners, making the delivery of superior and sustainable outcomes for clients and their beneficiaries our priority.</p>	 <p>Achieve Together</p> <p>We work together as One IFM - collaborating to get things done and make a lasting, positive difference.</p>	 <p>Value Everyone</p> <p>We all play our part in shaping an environment that's inclusive, caring and respectful of one another.</p>	 <p>Embrace Growth</p> <p>We are curious and agile, always learning and thinking of ways to evolve to deliver long-term value.</p>
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We believe these values align with our Purpose and help us to navigate economic ups and downs, build the long-term prosperity of our portfolio assets and support our actions to assist the communities in which we operate. By focusing on our core values, we seek to demonstrate leadership in the workplace and promote a fairer, safer and more inclusive environment, which we believe can lead to better long-term outcomes for our clients.

Our values also inform our actions across IFM's five strategic sustainability pillars – Clients and Owners, Investments, Workers and Communities, Policy and Markets Ecosystem and Our Colleagues and Operations.

Strategic sustainability pillars

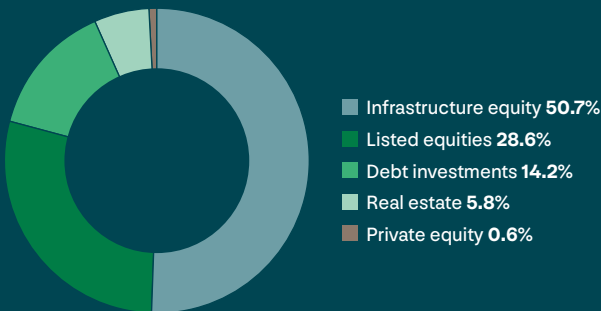
 <p>Clients and Owners</p> <p>Be a TRUSTED PARTNER for our clients and owners, aligned to their sustainability priorities.</p>	 <p>Investments</p> <p>Seek to maximise long term RETURNS by delivering value and effecting positive REAL-WORLD CHANGE via sustainable investing.</p>	 <p>Workers and Communities</p> <p>Strive to ensure our assets have STRONG RELATIONSHIPS with their workforces and with local communities.</p>	 <p>Policy and Markets Ecosystem</p> <p>Advocate for regulatory, policy and financial services systems to be fit to ADDRESS THE SYSTEMIC SUSTAINABILITY RISKS relevant to us today and tomorrow.</p>	 <p>Our Colleagues and Operations</p> <p>Be a LEADER BY EXAMPLE to the assets we hold.</p>
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Financial highlights

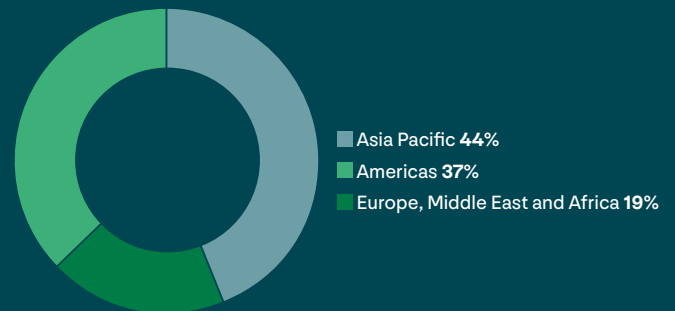
USD 162.7 billion funds under management across five asset classes¹¹

<p>infrastructure equity portfolio</p> <p>USD 82.5bn</p> <p>Targeting core infrastructure, with interests in 41 portfolio companies operating across Australia, Europe and North America.</p>	<p>debt investments portfolio</p> <p>USD 23.2bn</p> <p>We are a specialist credit, infrastructure debt, core bond and cash manager. Includes global infrastructure debt products, diversified credit products and treasury services.</p>	<p>listed equities portfolio</p> <p>USD 46.6 bn</p> <p>Includes global listed equities across an extensive range of active, indexed and smart beta options.</p>	<p>private equity portfolio</p> <p>USD 0.9bn</p> <p>With direct holdings represented by investments in Australia in service sectors targeting technology, healthcare and business services.</p>	<p>real estate portfolio</p> <p>USD 9.5bn</p> <p>Investing in and managing a diversified real estate portfolio across Australia, spanning sectors including office, retail, industrial and health, life sciences and education assets.</p>
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Funds under management (FUM) split by asset class

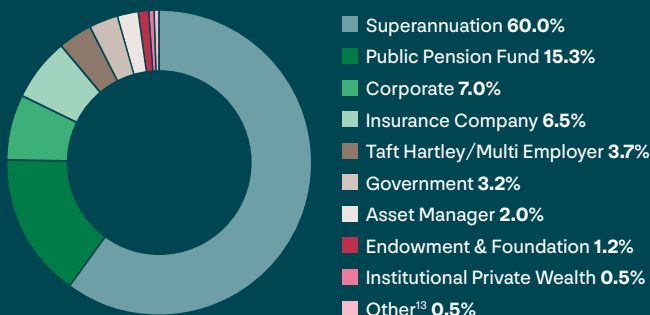


FUM geographical split¹²

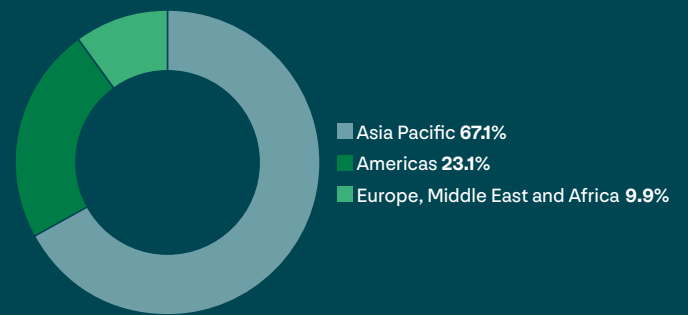


Reflecting our heritage, pension funds constitute a significant proportion of our client base. We are continuing to broaden our client base with investors that are seeking to maximise long-term risk-adjusted returns. This includes sovereign wealth funds, endowments and charities, insurers, and private wealth clients, amongst others.

Percent of FUM by client type



Percent of FUM by client geographical location



¹¹ All figures in this graphic are as at 30 June 2025 and may not sum due to rounding.

¹² Data is based on location of the headquarters of the asset or company invested in for our private equity and infrastructure equity portfolio assets and for our infrastructure debt and listed equities portfolio assets it is based on the country of issue of the relevant security. The chart excludes undrawn commitments, cash, derivatives, and intra fund investments. All exposures are taken as at 30 June 2025. Figures used in the calculation of 'geographic split', may vary slightly from figures used in other tables, charts, infographics, or similar due to differences in original sources of the data, as well as variations in exclusions used in aggregations.

¹³ Includes client categories: Bank, Aggregator, Investment Consultant

Section 3

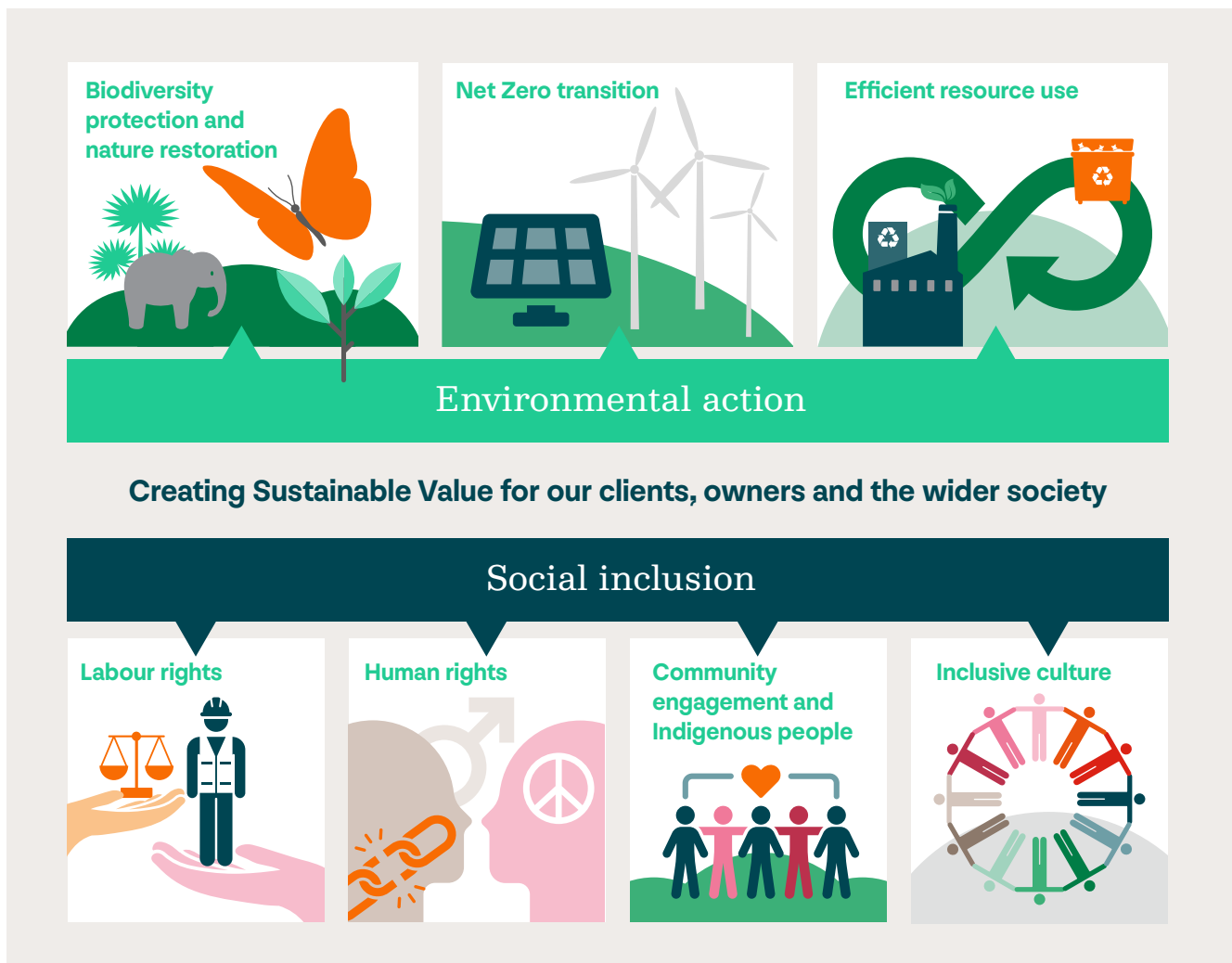
Sustainable investing

Our sustainable investing approach¹⁴

Our sustainable investing approach guides our efforts to maximise risk-adjusted returns over the long-term for our clients and owners.

We have seven sustainable investing focus themes covering both environmental and social issues, as shown in the diagram below. We developed principles to underpin these seven themes, which are covered in detail in IFM’s Sustainable Investing Guidelines.¹⁵ These principles serve as a framework to help us make investment decisions to maximise returns over the long-term and manage risks for our clients. We aim to apply these principles across asset classes where practicable. The implementation process is ongoing, with some areas more advanced than others. We aim to conduct a review of these principles to help ensure they remain fit-for-purpose at least annually.

Our sustainable investing approach forms a key part of our overarching global growth strategy. Under our growth strategy, we aspire to become a truly global, diversified private markets investment firm with a proud Australian heritage, while continuing to deliver on our Purpose. We recognise the need for an approach that reflects the expectations of our owners, our clients and our people. We are also mindful of the rapidly evolving regulatory environment and, importantly, the broad range of new investment opportunities that global developments, such as the transition to a low carbon economy, present to IFM and our clients as we pursue our Purpose.



¹⁴ Our definition of “sustainable investing” differs from, and is not intended to refer to, the technical definition of “sustainable investment” in Article 2, point (17) under the European Union’s Sustainable Finance Disclosure Regulation (SFDR) or other applicable regulations.

¹⁵ Available on IFM’s website: [Governance and reporting | IFM Investors](#) and as Appendix 2 to this report. See the Guidelines for full details.

During FY25 we reviewed our Sustainable Investing Guidelines as part of the integration with Australian real estate business, ISPT, with the aim to ensure alignment with our sustainable investing approach. This review built on the FY24 update, which saw the replacement of our sustainable investment strategy, ESG Policy, and Responsible Investment Charter with IFM's Sustainable Investing Guidelines.

The principles in IFM's Sustainable Investing Guidelines guide us in making investment decisions which aim to maximise returns and manage risks for our clients. As part of this approach, we seek to identify, understand and manage a broad range of sustainability risks and opportunities that can materially impact the value of our investments. Our sustainable investing approach varies across asset classes, as outlined in further detail below, and is based on considerations such as the holding period, and the degree of influence we have.

The FY25 review was led by our Sustainable Investment team, with approval by our Board Responsible Investment and Sustainability Committee (BRISC) to ensure the guidelines remain fit-for-purpose and aligned with our broader asset management strategy, including real estate.

Client mandates and certain indirect investments (such as derivatives) are not subject to IFM's Sustainable Investing Guidelines¹⁶ and our sustainable investing approach as summarised in this report may not apply to all these mandates and investments.

We use a combination of the following to seek to ensure we implement our principles and minimise risk for our clients and owners:

- Integration of relevant sustainability considerations throughout the investment process
- Engagement and voting (where relevant) at an asset level
- Collaboration and engagement at an industry or national level
- Transparency and reporting

Sustainable investing integration

The integration of sustainability considerations into IFM's investment management processes supports us in:

- Identifying, understanding and managing sustainable investing risks and opportunities that can affect investment value and returns in the short, medium and long term (i.e. focusing on how sustainability considerations impact our investments); and
- Understanding the potential impacts and consequences of our investments on external environmental and social considerations (i.e. focusing on how our investments impact sustainability considerations externally), given the potential of such impacts to become risks and opportunities.

We recognise that adverse impacts from investment decisions may be wide-ranging and could pose future risks to our investments. For this reason, we seek to engage, promote and improve the overall awareness of these potential impacts including among our portfolio companies. We do this by collaborating and consulting with a diverse range of key stakeholders.

We consider the impact of sustainability considerations in our pre-and post-investment processes for our infrastructure equity, debt investments, listed equities and private equity portfolios, as appropriate, noting our approach differs across the different asset classes and depends on the nature of the investment. This assessment helps us to identify and manage a broader set of risks with a view to protecting and maintaining the long-term value of our portfolios. Investment teams across asset classes also work closely with our Sustainable Investment team to help ensure that our practices align with IFM's Sustainable Investing Guidelines, as appropriate and in line with client mandates.

We also believe that through our approach, as a participant in financial markets, we have the potential to contribute positively to the overall sustainability of those markets.

Issue prioritisation

The issues we choose to pursue and act on will depend on the asset, company and/or sector and our level of influence. However, we prioritise our seven sustainability focus themes as we believe these apply across many assets and geographies.

¹⁶ With respect to client mandates, certain listed equity mandates could be subject to the voting and engagement sections of the Sustainable Investing Guidelines based on the specific client agreements.

Separate to our sustainability focus themes, we use several criteria to prioritise companies for our stewardship activities, namely:

- The size of our investment or the size of the asset, portfolio company and/or property;
- The materiality of sustainability considerations on financial and/or operational performance; and
- Significant issue exposures identified through our due diligence and monitoring process, particularly where there appears to be a lack of adequate controls.

Investment time horizons

Investment time horizons vary by asset, strategy and by client, from relatively short term for certain investment strategies, such as cash and bond funds within treasury services, to medium and longer-term, for other strategies, such as private debt, private equity and infrastructure equity. Our various strategies are intended to meet the differing needs of our owners, clients and beneficiaries. IFM aims to develop and manage investment strategies that generate attractive risk-adjusted returns and meet the preferences of our clients.

Our infrastructure equity portfolio investment strategy centres on the long-term ownership and active asset management of core infrastructure investments (e.g. utilities, ports, airports and toll roads) with long-term, stable cashflows. We believe open-ended fund structures best-suit this investment strategy in long-term infrastructure investment. For example, our longest-held assets; Brisbane¹⁷ and Perth¹⁸ Airports have been held within our infrastructure equity portfolio for over 25 years.

Stewardship, engagement and voting

Stewardship

Stewardship is the use of various strategies, including the responsible allocation, management and oversight of capital with the aim of creating long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.

IFM believes that effective stewardship, incorporating company engagement and exercising voting rights (where applicable and appropriate, and in line with client mandates), can lead to better company performance with a wide range of benefits for our portfolios.

Our overarching approach to addressing sustainability considerations with the companies

in which our portfolios invest is established at the IFM or investment advisor level, and then we seek to tailor our stewardship practices to match the needs of specific asset classes and strategies, considering the nature and tenure of holdings and the degree of influence we have.

Engagement

Where we believe it is appropriate, we seek to engage in direct dialogue with the entities where we invest our clients' funds. We conduct this engagement either on our own or in collaboration with others.

Through this engagement, IFM seeks to:

- Build strong relationships that facilitate the transfer and flow of important sustainability data;
- Deepen our understanding of how a company / issuer / asset manages sustainability considerations, which in turn helps inform our investment decisions and proxy voting decisions where appropriate;
- Influence positive change in sustainability-related practices, processes and behaviours regarding company / issuer / asset specific issues and broader industry, sector or thematic issues, where appropriate; and
- Escalate issues of concern where relevant.

Engagements and initiatives can be bottom-up at the asset or portfolio company level or top-down where the focus is on a particular theme, such as safety in the workplace. These engagements are an important opportunity for IFM to have influence, as well as an important source of information for the investment teams to improve their knowledge of the portfolio companies.

Engagement with issuers and investments in our portfolios is a core element of our stewardship activities. When issues related to an investment's risks or returns are under discussion, we seek to actively use our position with the aim of encouraging improvements in corporate behaviour and driving a greater strategic understanding of sustainability considerations, risks and opportunities.

We work with portfolio companies to collect data about their sustainability-related performance and practices and to encourage continuous improvement in reporting capabilities. This data informs our asset management approach and the creation of organisation-wide sustainability strategies.

¹⁷ For further details see: <https://www.ifminvestors.com/capabilities/infrastructure/our-portfolio/brisbane-airport/>

¹⁸ For further details see: <https://www.ifminvestors.com/capabilities/infrastructure/our-portfolio/perth-airport/>

Engagement escalation

Through our due diligence processes, we seek to identify sustainability considerations at the individual company and/ or sector levels that we may prioritise for engagement and escalation in our stewardship activities.

This approach reflects our different asset classes and strategies, as well as the geographic locations and jurisdictions in which we invest, the materiality of the relevant sustainability consideration, the initial period of engagement, and whether initial engagement efforts were direct, collaborative or via a service provider.

Voting

In December 2024, IFM introduced a revised set of Listed Equities Proxy Voting Guidelines,¹⁹ with enhancements to the previous 2019 version. The new guidelines provide structured voting principles across key areas including environmental action, social inclusion, director elections, and executive remuneration.

Advocacy and collaboration

Public policy and regulation are important contributors to portfolio risk adjusted returns. We seek to engage in policy advocacy as part of our contribution to the management of systemic risks, as well as where there is another appropriate link to our business or client interests. We aim to engage the broader investment market and stakeholder groups

to share learnings on systemic sustainability risks which have the potential to affect long-term returns for our clients. We seek to achieve this by working closely with our clients and owners to build collective solutions that meet their needs in domestic and global private markets, and by engaging proactively in public affairs to support asset teams and the wider business where appropriate.

We believe that through our collaboration and advocacy activities we can have a greater positive impact on policy development and market practices that support our Purpose. We are members of and signatories to a range of collaborative industry initiatives, as detailed in [Section 4](#). Through these initiatives and our policy advocacy activities, we work with other investors, civil society and governments to seek to drive change and promote sustainability-related practices in pursuit of our Purpose.

Transparency and reporting

To earn and maintain the trust of our owners, our clients, our people and our other stakeholders, we seek to uphold principles of transparency including through supporting the application of sustainability reporting frameworks. In addition to this report, we provide our clients, owners and other stakeholders with a range of reporting, thought leadership and insights that aim to provide transparency about our approach, practices and outcomes. See [Section 7](#) for further details on our approach.

Implementing our sustainable investing approach

IFM's investment teams integrate sustainability considerations within their investment decision-making processes and seek to engage with companies and/or borrowers to understand the materiality of sustainability considerations to investments. This approach applies both during investment due diligence and as part of post-acquisition asset management plans and annual asset reviews, where appropriate. The investment teams are responsible for the implementation of data collection, risk management and roll out of sustainability initiatives. Where applicable this

involves working with our portfolio companies or borrowers to collect data about their sustainability performance and practices.

Each investment team tailors its sustainable investing approach to match its specific strategy, the tenure of holdings and our degree of influence, as outlined in further detail in the following pages.

The interaction between the Sustainable Investment team and the investment teams during the investment process is illustrated below.²⁰

¹⁹ <https://www.ifminvestors.com/siteassets/shared-media/pdfs/proxy-voting/proxy-voting-guidelines/ifm-listed-equities-proxy-voting-guidelines.pdf>

²⁰ During the reporting period, IFM acquired a subsidiary operating in a new asset class (real estate). The acquisition occurred mid-way through the reporting period. As such, stewardship practices and disclosures relating to the real estate asset class may be limited in this report. Integration of stewardship principles, IFM's net zero target across our asset classes (scope 1 and 2 emissions), policy harmonisation and reporting frameworks for the real estate portfolio is ongoing.

Integrating sustainability considerations throughout the investment process

To help ensure a comprehensive assessment of risks and opportunities, we incorporate a range of sustainability considerations in our investment analyses and decision-making processes as applicable to each asset class.

Sustainable Investment team	Investable universe	How we connect to global investment opportunities	<p>We are connected to global investment opportunities via broad relationships with global investor institutions, investment banks and advisors.</p> <p>Investment teams identify investable opportunities, complemented by information the Sustainable Investment team provides about emerging areas of sustainability risks, opportunities and impacts.</p>
	Initial analysis	Identification of relevant sustainability considerations	<p>Over the course of pre-investment analysis, investment teams identify key sustainability considerations for investment opportunities to inform the investment decision.</p> <p>Where appropriate and applicable, screening overlays are applied to help ensure alignment with IFM’s Sustainable Investing Guidelines.²¹</p>
	Due diligence	Assessment of opportunities and risks, including mitigation measures, in relation to sustainability considerations	<p>The Sustainable Investment team and investment teams work together on assessment of sustainability considerations, applying any pre-existing asset class specific due diligence toolkits. This forms part of our overall assessment of investment risks.</p> <p>The Sustainable Investment team provides support and serves as a sounding board and peer reviewer, when applicable. Investment teams may also draw on external party analytical tools and research, as required.</p> <p>Where appropriate, investment teams seek to identify and incorporate mitigants for any identified risk.</p>
	<div style="background-color: #004a5c; color: white; padding: 10px;"> <p>Development of a modern slavery due diligence framework</p> <p>During the reporting period we progressed developing an IFM modern slavery due diligence framework, which is intended to help our investment teams better identify, manage, and mitigate risks within investment portfolios.</p> <p>This framework is being designed to capture, at a high level, how the different investment teams at IFM incorporate modern slavery risk considerations into both their pre-investment decisions (where applicable) as well as the ongoing monitoring of portfolio companies (where applicable).</p> <p>By integrating modern slavery due diligence into our investment decision making frameworks (where applicable) and the procurement of goods and services within the real estate asset class, we believe IFM can demonstrate leadership in sustainable investing, help to promote transparency, and play our role towards driving positive change within portfolio companies. This not only aims to enhance long-term value for stakeholders but also helps contribute to global efforts to eradicate modern slavery.</p> <p>Please see Section 4 – Engagement with government bodies and policy makers for information on our engagement with government on modern slavery during FY25.</p> </div>		
	Investment decision	Investment decisions based on robust analysis	<p>A final analysis of relevant sustainability considerations is prepared by the investment team and included in investment committee papers. The Sustainable Investment team provides support where required during this process. Sustainability considerations are identified in order to support the investment team’s objective of making investment decisions which are aligned with our clients’ mandates and with our Purpose.</p>
	Ongoing stewardship	Monitoring of sustainability risks and opportunities	<p>Where practicable, sustainability risks and opportunities across our portfolios are monitored by investment teams with the support of the investment team sustainability specialists and/or the Sustainable Investment team, in efforts to protect and enhance value.</p> <p>Where appropriate, IFM engages with portfolio company or borrower management teams to seek to influence activities and decisions that may impact investment value and returns.</p>

²¹ IFM does not stipulate screening and exclusions at a firm-wide policy level. Investment teams apply them, as relevant, in response to individual investor mandates and in accordance with IFM’s Sustainable Investing Guidelines.

Sustainable investing specialists

We have integrated sustainable investing specialists within our infrastructure equity, debt investments, and real estate portfolio teams, providing tailored expertise for each asset class.

Defined responsibilities

Our Sustainable Investment team and asset class sustainable investing specialists have clearly defined responsibilities as they work together throughout the investment process as illustrated above.

The Sustainable Investment team is tasked with developing IFM's overarching firm-wide sustainable investing approach and related policies and organisational guidelines, which are implemented by teams in each asset class as appropriate. The asset class sustainable investing specialists are responsible for operationalisation of these group-wide policies and, where required, they develop asset class specific sustainability procedures, standards, guidelines and work instructions.

Such implementation is supported by the Sustainable Investment team's expertise on sustainability considerations that may be applied to investment screening, analysis and due diligence.

The primary responsibility within IFM for developing and implementing sustainability-related asset-level activities is held by the asset class investment teams.

With respect to reporting, metrics and data, asset class investment teams are responsible for managing asset and portfolio-specific data, where available. The Sustainable Investment team collaborates with the asset class investment teams to collate this data for external client and regulatory reporting purposes.



Infrastructure equity investments

Our approach

For new infrastructure equity investments, we have a toolkit²² and risk matrix to seek to ensure we incorporate sustainability considerations in the due diligence process, as appropriate and in line with client mandates. While the toolkit and risk matrix have been regularly updated²³ since their first development more than a decade ago, the purpose remains the same: to help identify sustainability risks and opportunities associated with potential investments; provide input into IFM Investment Committee decision-making; and help inform the development of business plans following acquisitions.

Our infrastructure equity portfolio team works with the Sustainable Investment team on a collaborative basis to regularly update the toolkit to seek to ensure that this remains an effective tool.

For our existing infrastructure equity portfolio, we strive to work collaboratively with management teams and other stakeholders to support sustainable investing initiatives and business practices, with a view to preserving and enhancing the value of these businesses. We believe this helps to build resilient businesses that deliver benefits to multiple stakeholders over the long-term, including shareholders, workers and local communities. We seek to evaluate and engage with portfolio companies across a number of areas including strategy, capital structure, industrial relations, risk management frameworks, capital expenditure and executive selection and remuneration.

The effectiveness of our stewardship relies on a number of governance features in our team which support the management of our infrastructure equity portfolio:

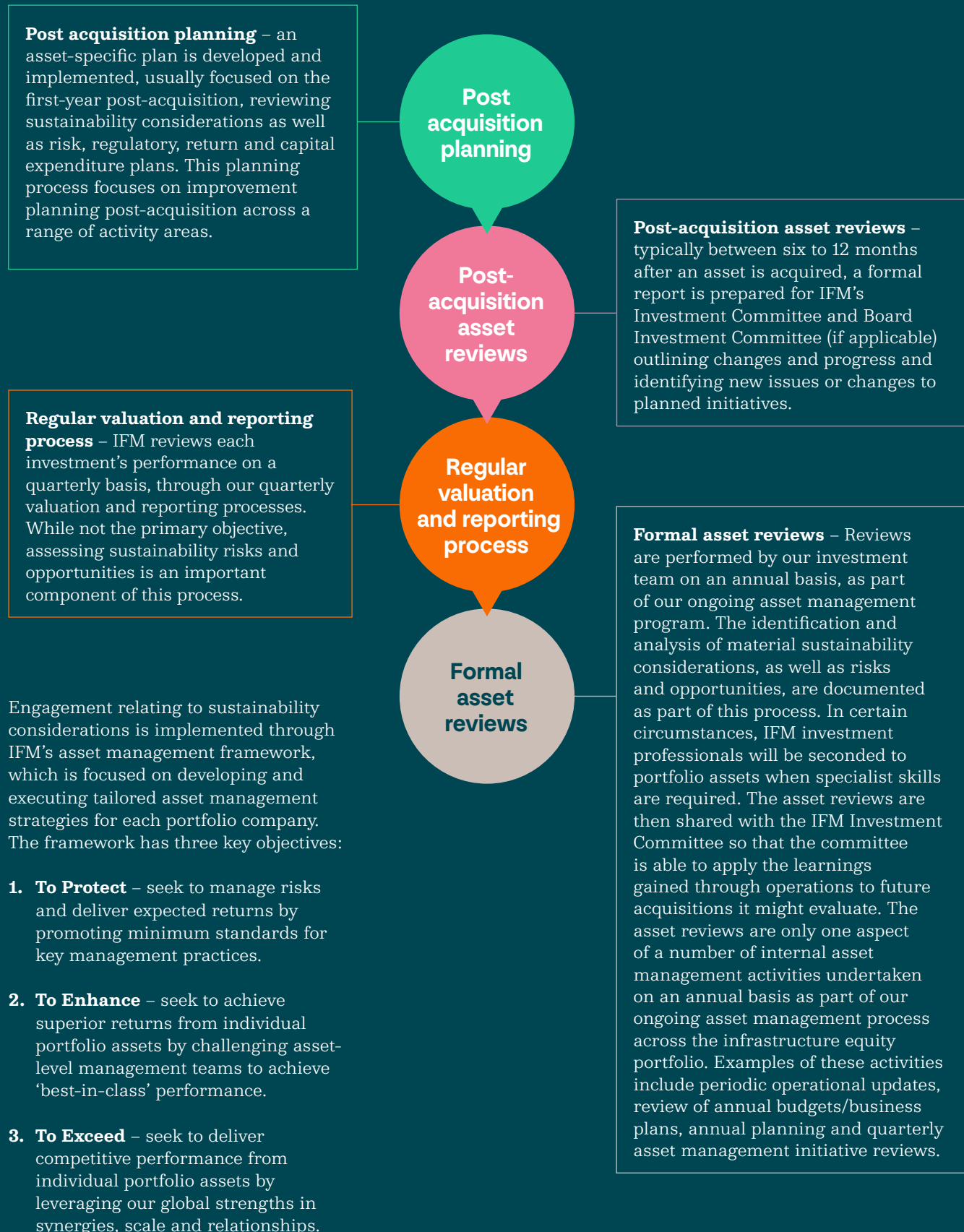
- Board directors: Where applicable we appoint directors to investee company boards (and board committees) who we consider are suitably qualified. We recognise that inclusive boards, bringing together a range of backgrounds, experiences and perspectives, can support building and maintaining a viable, profitable and efficient company over the long-term. In turn we seek to contribute positively to the inclusivity of boards through our appointments.
- We regularly undertake activities which seek to improve the knowledge of our directors so they can perform more effectively in their roles. Where necessary, we will look externally to find the right nominee director. IFM has policies and procedures regarding the appointment of investee company directors which seek to reinforce good governance.
- IFM investment teams: Each board director appointed to an investee company is supported by a team of investment professionals which monitors and analyses asset information and performance, often contained in board reports, and provides investee company directors with research on support and insights on the investment.
- Asset Management Specialist Team (AMST): The AMST consists of approximately 30 investment professionals (as of 30 June 2025) who support the broader investment team's asset management and governance activities and who provide their skills to investment teams or portfolio companies to address a specific initiative. For example, the AMST team has worked closely with some portfolio assets to undertake deep dive health and safety reviews where hazards were known to be high. The AMST develops an annual asset management and sustainability action plan which contains portfolio-wide and asset management initiatives which are unique for each asset. The plan's progress is monitored regularly throughout the year with oversight from the BRISC.

²² The toolkit was completed and implemented from October 2023.

²³ Minor updates were completed in 2024 to address user feedback. We intend to annually assess required updates as part of our operational business as usual activities.

How we engage

We aim to identify and define material sustainability considerations that inform our asset management activities through the following processes:



Our teams engage directly with portfolio company management teams and IFM-appointed representatives on investee company boards, where they exist. This helps the team to maintain an understanding of sustainability risks and mitigation programs and initiatives.

Engagement escalation with our infrastructure equity portfolio companies is determined on a case-by-case basis. IFM prefers to support and work with the companies in our infrastructure equity portfolio in partnership, as opposed to undertaking formal escalation, and our level of involvement will depend on the particular circumstances and issue.

CASE STUDY

Sustainability in data centre operations

Rationale

Given the pace of technology developments data centres have the potential to be a future source of environmental impact.

Switch is a developer, owner and operator of data centres committed to reducing its environmental impact and driving global climate action. Through innovative design and responsible practices, Switch actively lowers power consumption and promotes sustainability across its operations.

IFM action

Our asset management teams worked directly with the Switch management team, along with the company's sustainability teams to develop tools for enhanced reporting and decision making. This has been particularly useful in areas like energy and water use – Switch has been able to take advantage of opportunities as they arise, in support of the company's growth agenda while developing innovated solutions and aim for more sustainable practices.

Outcome

100% Renewable Energy and Efficiency

Since 2016, Switch's facilities have been powered entirely by renewable energy through power purchase agreements and renewable energy certificates. The company has maintained zero Scope 2 emissions since 2016 and achieved net zero Scope 1 and 2 emissions in 2021. Switch is also exploring solar development in Nevada to directly power its regional facilities.

Recognised by the Environmental Protection Agency's Green Power Partnership (Top 10 Tech & Telecom, 2021–2024), Switch earns energy efficiency rebates due to its patented data centre

design, which includes advanced air handling and power distribution systems. Clients benefit from the "Living Data Centre" portal, which offers real-time energy data to optimize usage and reduce waste.

Waste Reduction & Recycling

Switch conducts annual environmental reviews and implements cost-effective waste reduction strategies. Its eco-friendly program covers e-waste, batteries, wood pallets, and scrap metals. Since 2019, its recycling reuse initiative has resulted in a 48% reduction in overall waste.

Water Conservation

Switch has pioneered chemical-free cooling technologies and leads water improvement projects in its communities. It is piloting water reuse initiatives aimed at fully offsetting its water footprint. With a Water Usage Effectiveness (WUE) of 1.35, Switch demonstrates efficient water use in cooling and operations.



CASE STUDY

First Nations Engagement Approach in Infrastructure

Rationale

At IFM, we recognise the Indigenous Peoples of all countries in which we operate and invest as important stakeholders, and we have developed our First Nations Engagement Approach in our infrastructure portfolio to reflect this. We recognise that infrastructure investment should aim to be inclusive of First Nations perspectives to deliver long-term, equitable outcomes. This commitment is founded on the understanding that Traditional Owners and Indigenous communities are central to the cultural, social, and economic fabric of the regions in which IFM operates. By working to embed Indigenous voices into governance, employment, and community development, IFM aims to foster respectful partnerships and create enduring value for both communities and investors.

IFM action

In FY25 we continued to work with our infrastructure portfolio companies to assess their approach to Indigenous engagement, with a view to supporting the creation of fit-for-purpose action plans, such as a Reconciliation Action Plan (RAP), where appropriate. As we develop this work, we seek to incorporate learnings from portfolio companies that have already commenced and progressed their Indigenous engagement approaches.

Airport Development Group (ADG), the company that owns and manages Darwin, Alice Springs, and Tennant Creek Airports in the Northern Territory, refreshed its Indigenous Engagement Strategy in 2021. The updated strategy has a renewed focus on intergenerational change through education, engagement, employment, mentoring and retention. IFM is a representative on ADG's Indigenous Advisory Committee,²⁴ which also comprises of Indigenous stakeholder and ADG representatives, and is a key strategic initiative of ADG's engagement strategy.

In FY25, the Advisory Committee's efforts included:

- Supporting the development of inclusive governance structures by facilitating joint decision-making bodies with equal representation from Indigenous organisations and corporate partners to guide strategic planning.
- The Indigenous Training Academy, which aims to enable education and employment opportunities for Indigenous Australians, expanded its reach, with 15 active trainees placed across airport sites and supported through mentoring, formal qualifications, and award nominations.
- Supporting organisations such as Purple House, an Indigenous-owned non-profit health organisation, a community grant recipient of ADG, with funding supporting the installation of Starlink connectivity, enabling safer long-distance travel.

Outcomes

These initiatives demonstrate tangible progress in community empowerment and inclusion, and reflect IFM's strategic intent to build respectful, long-term partnerships with Indigenous communities and seek to ensure that infrastructure investment contributes to social equity and regional resilience. With the help of these partnerships, we have identified Indigenous issues as a distinct factor in our pre-investment analysis in all our infrastructure investment strategies, and we seek to engage with Indigenous communities on rights, people, and territory topics across all investment platforms. Several other assets in our Australian Infrastructure portfolio have committed to the ongoing process of reconciliation and seeking to drive positive impacts for local Indigenous communities through Reconciliation Action Plans, including Brisbane Airport, Port of Brisbane, Sydney Airport and Ausgrid.

²⁴ ADG's Indigenous Advisory Committee provides advice to ADG on how to ensure the appropriate cultural protocols are followed throughout the business.

Monitoring and assessing effectiveness

Due to the direct nature of the investments, our infrastructure equity portfolio stewardship activities are monitored and tracked directly by our investment and asset management teams, and/or via the IFM appointed directors on the investee company board.

Material risks which are identified during due diligence are fed into asset management plans for risk assessments and monitoring, as appropriate. Portfolio assets are reviewed at least on an annual basis and portfolio and asset priorities and plans are updated frequently, depending on the level of progress.

Data and information relating to our infrastructure equity portfolio is maintained in data systems managed by the investment team. This information is reviewed in collaboration with the AMST to help ensure data consistency and quality. We do not currently engage external auditors for sustainability data, however some of the portfolios' larger assets do undertake independent external verification of sustainability-related indicators.

CASE STUDY

Operationalising sectoral charters for Seaports and Airports

Rationale

Engaging with key stakeholders at the sectoral, national and global levels helps us understand our obligations and manage risks and opportunities. We aim to promote fair, safe, and inclusive workplaces, and protect workers' rights during transitions like automation and global energy shifts. We believe effective workforce management is crucial for both worker fairness and business effectiveness during and after transitions. Labour rights is one of the main focus areas of our sustainable investing and stewardship approach.

IFM action

In 2019, we signed a Memorandum of Understanding (MoU) with the International Trade Union Confederation (ITUC) to respect labour rights. Since FY24, we have continued to operationalise the sectoral charters for Seaports (2022) and Airports (2023), in collaboration with the Australian Council of Trade Unions (ACTU) and other relevant unions. The charters aim to formalise structured engagement between IFM and labour representatives, focusing on:

- Regular and structured engagement with the relevant unions;
- Enhancing board-level understanding of labour relations and workplace issues;
- Identifying the key issues for engagement for workers, including health and safety, workplace changes such as automation, protection of human rights and inclusion and diversity; and

- Supporting workers' rights to union membership and collective bargaining, in line with the OECD Guidelines and UN Guiding Principles on Business and Human Rights.

Building on the foundations laid in FY24, FY25 has focused on deepening and expanding the impact of the charters, including the development of a modern slavery risk management approach across our infrastructure portfolio that focuses on reducing harm to workers, and is informed by those with the most direct lines of contact with the workforce.

Outcome

The dynamic environment of airports and seaports requires alignment between stakeholders to mitigate risks to workers. The charters have created a multi-stakeholder coalition, including asset operators, union representatives and worker delegates, with formalised responsibilities to uphold workers' rights and find just solutions to their most pressing concerns.

Looking ahead, through continued collaboration with unions and stakeholders, IFM aims to strengthen workplace resilience, uphold labour laws, maintain fair employment conditions, and support inclusive transitions across our infrastructure equity portfolio.

CASE STUDY

Evidence-based collaborations to advance socially sustainable workplaces in infrastructure

Rationale

Workplaces today are undergoing rapid transformation driven by megatrends such as climate change, automation, and shifting workforce demographics. We believe that fostering socially sustainable and inclusive workplaces is essential to mitigating risks, enhancing productivity, and supporting long-term value creation.

We believe social connection, (what academics call “social capital”), in the workplace boosts workplace productivity. A lack of social capital can undermine performance, while social capital can help companies become employers of choice in competitive labour markets.

IFM action

To strengthen our approach to socially sustainable and inclusive workplaces, our infrastructure equity team engaged in two major academic collaborations:

- **University of Sydney Business School and Faculty of Medicine and Health:** Since 2022, IFM has partnered with researchers to develop metrics that define socially sustainable infrastructure workplaces. This work maps the impact of megatrends, such as artificial intelligence and climate change, on workforce dynamics and how this could be used to inform investment and asset management decisions. A social risk mapping project was also conducted across IFM’s infrastructure equity portfolio, combining bottom-up asset-level analysis with top-down identification of systemic and sectoral risks.
- **Wharton Business School, University of Pennsylvania:** In FY24, IFM engaged Wharton as a specialist advisor to identify evidence-based approaches that support assets to address labour shortages and manage more diverse workforces. In FY25, IFM’s infrastructure portfolio team, with

the Wharton Business School, directly engaged with assets individually and as a collective through roundtables to share best practice from advisors and help build a global community of practice between assets. We also conducted deep dives with assets to focus on key challenges and opportunities, including recruitment, retention, and workforce renewal.

Outcomes

- The University of Sydney collaboration has helped IFM develop a framework for identifying and responding to how megatrends affect infrastructure equity portfolio assets and their workforces. It has also exemplified the importance of building social sustainable workplaces to better adapt to these changes. This will provide our infrastructure equity portfolio team with an asset management diagnostic tool to help understand and respond to workforce impacts of strategy implementation to protect long-term value.
- The Wharton roundtables have facilitated knowledge sharing and learning across assets. Key recruitment and retention challenges were identified by our infrastructure assets, which included attracting female talent, low turnover rates impacting the ability to renew workforces, and shifting business needs due to automation. We continue to work with the Wharton Business school to translate its research into actionable strategies and tools that assets can implement to help create more inclusive and supportive workplaces.

These collaborations reflect IFM’s commitment to evidence-based approaches. By partnering with leading academic institutions, IFM aims to rigorously challenge its thinking and enhance its strategies for long-term social sustainability in infrastructure workplaces.

CASE STUDY

Embedding worker-informed risk management in infrastructure supply chains

Rationale

Infrastructure investments in OECD countries can be particularly exposed to modern slavery risks through their complex supply chains. IFM recognises this risk, and has sought to embed a worker-informed, harm-reduction approach across our infrastructure equity portfolio.

In FY24, we conducted a portfolio-wide risk assessment to identify salient modern slavery risks in our infrastructure equity portfolio. This included a review of public-facing documentation and an inherent risk analysis using geographic and industry data from Walk Free.²⁵ The assessment confirmed that supply chains, especially in the renewable energy sector, are a common area of vulnerability.

We have developed a modern slavery risk management approach that focuses on reducing harm to workers, and is informed by those with the most direct lines of contact with the workforce. This approach integrates stakeholder engagement, asset-level policy reviews, and collaborative procurement practices to seek to address risks in infrastructure supply chains, particularly in the renewables sector.

IFM Action

IFM incorporated modern slavery into its annual data collection process and deployed its internally developed ESG Due Diligence Toolkit

to assess jurisdictional and industry risks during investment screening. In 2024, IFM conducted a comprehensive review of the availability and coverage of modern slavery policies across all infrastructure assets, benchmarking against inherent risks by sector and geography. This identified renewables supply chains as a key focus area.

In FY25, IFM convened procurement leaders from key infrastructure assets to discuss risk management, cost efficiencies, and modern slavery. This collaborative forum aimed to:

- Increase transparency in procurement practices
- Share best practices across assets
- Establish clear procurement priorities
- Facilitate multi-stakeholder responses to emergent risks

Outcomes

This approach has aimed to enhance modern slavery risk profiling and monitoring across our infrastructure assets, strengthen supplier relationships, and increase assurance procurement practices. It has also aimed to improve transparency and alignment with sustainability goals, in support of IFM's efforts to foster worker-informed risk management.



²⁵ <https://www.walkfree.org/>

Listed equities

Our approach

IFM's listed equities portfolio has several different investment processes and portfolio construction methodologies, with the majority of these being determined by Investment Management Agreements (IMAs) between IFM and our clients. These range from purely passive investment strategies where the goal is replicating the performance of an index, to low tracking error approaches where the portfolio holds securities based on a specific investment criterion, with the goal to deliver a return that closely tracks an index. In addition, we manage active long-only and active long-short mandates. Our overall approach is to partner with clients with a view to understanding their requirements and working together to develop an investment approach that seeks to satisfy their requirements. As a result, engagement and voting are important tools used to integrate sustainability considerations in the asset class, as appropriate and where they are in line with our client mandates.

Our engagement activity in our listed equities portfolio primarily focuses on Australia, as the majority of our listed equities portfolio products are invested in Australian listed companies. We engage directly with Australian companies or through collaboration with other investors, primarily via our membership of the Australian Council of Superannuation Investors (ACSI), as outlined below.

We manage all our voting on Australian listed companies in-house and consider and deliberate on all resolutions pertaining to the top 20 companies (by market capitalisation), all 'Say on climate' resolutions, resolutions that we designate as being contentious, and on all shareholder proposed resolutions. Our voting decisions are primarily informed by our company engagement activities, internal and external research, and we also consider proxy advice received from ACSI and Glass Lewis, where appropriate. Our voting decisions are governed by our Proxy Voting and Engagement Committee (the role of which is outlined in [Section 7](#)).

We also participate in several thematic engagement initiatives alongside other major Australian shareholders through industry collaborations such as Climate Action 100+.²⁶ Our team managing our active Australian strategies within our listed equities portfolio also engages directly with portfolio companies' management on business strategy and performance.

Our listed equities portfolio does not have a designated investment team located outside Australia, so our international engagement and

voting efforts in support of our listed equities portfolio are limited. For our listed equities portfolio companies outside Australia, we use the advice from international proxy advisor Glass Lewis. At all times, our clients are able to advise us of their individual voting position for the portfolios we manage that are under an individual client mandate.

How we engage

Our listed equities asset class engagements aim to reinforce our expectation for companies to strategically recognise and manage all material risks and opportunities to help protect and enhance long-term shareholder value.

Our engagement activities for Australian investments in our listed equities portfolio include:

- Direct one-on-one company engagement by our Sustainable Investment team, which is generally focused on sustainable investment related issues IFM considers to be material, follow-ups from prior engagement requests or issues arising from the previous proxy voting season. These meetings will also typically include representatives from our Listed Equities portfolio team.
- Collaborative engagements are sought where we believe there is benefit to engaging collectively with other investors, rather than (or in addition to) individually with a company, on an issue that a broad range of investors are concerned about. An example is IFM's participation in the Climate Action 100+ initiative. We believe that the power of collective engagement based on independent decision-making elevates issues and can signify to companies that the issues raised are important to a broad cohort of investors. We also draw on insights and benchmarking provided by the broader network of investors. We engage with these companies periodically as part of an engagement plan that is developed by the lead investor and communicated to the other participating investors.
- As a member of ACSI, IFM has representatives attend a number of the engagement meetings that ACSI conducts with ASX300 companies. ACSI engages on IFM's – and other members' – behalf and communicates identified sustainable investing issues to these companies. IFM collaborates with other members in setting ACSI's engagement priorities at the start of each year as well as in the period when ACSI updates its' governance guidelines, which set out ACSI members' expectations about the governance practices

²⁶ <https://www.climateaction100.org/>

of the companies in which they invest. Should IFM be unable to attend these engagements, ACSI makes its representation on our behalf. We believe engagements via ACSI are an important element of IFM's company engagement and stewardship approach. ACSI members represent a significant proportion of the superannuation fund industry in Australia, and the expectations ACSI communicates to companies are largely aligned with IFM's, given IFM's involvement in setting and updating the ACSI governance guidelines.

- Importantly, when ACSI engages on our behalf, it represents all of our listed equities portfolio holdings in Australia and there is no differentiation between active or passive strategies. We see this as a key benefit to our membership of ACSI. Furthermore, when IFM is engaging with Australian listed companies either directly or via other collaborative investor initiatives, we are doing so on behalf of all holdings, and not for a specific portfolio or investment strategy.

Information about our stewardship activities with regards to our listed equities portfolio in Australia is also publicly available on the stewardship page of our website.²⁷

The outcome of engagement with our listed equities portfolio companies is challenging to measure due to the long-term nature of engagements. We do not necessarily think in terms of success or failure, but rather we view our engagement as a continuum of ongoing interactions with the companies in which we invest to understand how they can evolve responsibly and be as successful as possible. We recognise that positive outcomes are not necessarily due only to IFM's specific efforts and, usually, are the result of a number of driving forces contributing to the outcome. However, IFM places importance on ongoing engagement as a key pillar in our ownership approach for the portfolio.

CASE STUDY

Nine Entertainment Group – Governance and Corporate Culture

Rationale

In October 2024, Nine Entertainment, an ASX-listed media and entertainment company, released the findings of an independent workplace culture review which revealed systemic issues across the organisation.²⁸ This included abuse of power, bullying, discrimination, and sexual harassment. The review highlighted significant shortcomings in leadership accountability and board oversight, raising serious concerns about the company's governance and corporate culture. Given the gravity of the findings and the board's role in overseeing corporate conduct, IFM assessed that stronger accountability measures were necessary to restore stakeholder confidence and drive meaningful cultural change.

IFM Action

In response to the review, IFM voted against the company's remuneration report and the re-election of Chair Catherine West at the 2024 AGM and wrote to the Chair directly post-AGM to explain our voting rationale. These voting decisions reflected our view that the board had not demonstrated sufficient oversight or accountability in addressing the cultural issues

identified. In March 2025, IFM met with Catherine West to discuss the company's response to the review and to assess the adequacy of the remediation measures being implemented. During the engagement, the Chair acknowledged the seriousness of the findings and outlined the board's commitment to cultural reform.

Outcome

Following the review, the board and management team at Nine Entertainment took a number of steps to address the issues raised. These included leadership changes across the news and streaming divisions, the implementation of all 22 recommendations from the independent review,²⁹ and the adoption of two additional cultural commitments. The company introduced coaching for 200 leaders, revised employment contracts to enhance job security, and committed to more frequent and transparent employee surveys to monitor cultural progress. While IFM acknowledges the actions taken to date, we continue to monitor the company's progress closely. We expect further improvements in governance, cultural metrics, and board oversight to ensure that the company builds a safe, inclusive, and accountable workplace culture.

²⁷ <https://www.ifminvestors.com/en-au/capabilities/listed-equities/stewardship/>

²⁸ [Intersection-Nine-Entertainment-2024-Report-FA.pdf](#)

²⁹ [Nine Entertainment releases culture review findings - Nine for Brands](#)

CASE STUDY

Perenti Ltd – Safety Performance and Board Accountability

Rationale

Perenti Ltd is an ASX listed global mining services company employing approximately 11,000 people across operations in more than 12 countries. Despite the high-risk nature of its industry, the company has recently experienced a concerning pattern of workplace fatalities, with eight recorded in total over five consecutive years.³⁰ In 2023, IFM voted against the company’s remuneration report due to the lack of meaningful impact on bonus outcomes despite continued poor safety performance. The report received a 33% vote against. To further signal our dissatisfaction with the company’s safety record and the board’s oversight, we also voted against the re-election of the two directors up for election at the 2023 AGM, including the Chair. We wrote to the company after the AGM, outlining our voting positions.

In early 2024, Perenti reported a fatality at the Mana Mine in Burkina Faso,³¹ reinforcing our concerns about the company’s ability to manage safety risks effectively. This incident prompted further scrutiny of the company’s safety culture, governance, and accountability mechanisms.

IFM subsequently met with Perenti representatives in March and May 2024 to discuss the circumstances surrounding the Burkina Faso fatality, the implementation of safety protocols, and the broader cultural and operational challenges faced by the company. During these meetings, Perenti acknowledged that it had not achieved its stated objective of preventing adverse or life-changing events. Discussions also explored the complexities of operating across regions with distinct cultural and linguistic contexts,

and the rollout of the company’s “Checkmate” safety procedure. While the procedure had been implemented and relevant staff trained, the most recent fatality occurred despite these measures being in place.

IFM Action

Following these engagements, IFM concluded that the company’s response to safety risks remained inadequate. To reinforce the need for stronger accountability and cultural change, we voted against the remuneration report and supported a board spill resolution at the October 2024 AGM. We felt other directors such as the prior Chair of the Safety Committee should be held accountable for the poor safety track record, and they were not up for re-election at this AGM. We believe this course of action sent a strong signal to the company that this issue is still of great concern to IFM, and we would like to see further progress, while at the same time avoiding adverse outcomes for shareholders.

Outcome

At the October 2024 AGM, ~16% of shareholders voted against Perenti’s remuneration report. Following the AGM, IFM formally communicated its voting rationale to Perenti’s Chair and reiterated our expectations for improved safety governance and cultural transformation. While we acknowledge that shifts in safety culture require time and sustained effort, we remain concerned about the company’s ability to prevent further fatalities. We intend to continue to monitor Perenti’s safety disclosures and engage constructively with the company to support the development and implementation of more effective safety practices.

³⁰ [PRN_SUSTAINABILITY-REPORT-2024_scr.pdf](#)
[Perenti-2022-Annual-Report.pdf](#)

³¹ [Perent-announcement.pdf](#)

Proxy voting

For our listed equities investments, our ownership rights are executed via our proxy voting program – as described below.

We believe exercising our voting rights is important to encouraging action on the issues we think are material to long-term investor value.

Once voting positions have been determined for all resolutions across our holdings in the Australian listed equities portfolios, we pre-declare these votes to clients invested in these portfolios. We disclose our voting decisions in full, and where we vote against management recommendations, we provide a voting rationale. All clients of our Australian listed equities portfolio receive this voting guidance, regardless of whether they execute voting independently based on their own policies and procedures, or if IFM votes on their behalf. In FY25, IFM exercised voting rights on approximately 15% of our Australian listed equities portfolio.

Proxy Voting and Engagement Committee (PEC)

IFM's PEC is responsible for the oversight and implementation of proxy voting and engagement activity for our Australian listed equities portfolio companies. The role of the PEC is outlined in [Section 7](#).

IFM Listed Equities Voting Guidelines

In December 2024, IFM introduced a revised set of Listed Equities Proxy Voting Guidelines,³² with enhancements to the previous 2019 version. The new guidelines provide clear and structured voting principles across key areas including environmental action, social inclusion, director elections, and executive remuneration.

With the aim to ensure broad awareness and accountability, IFM formally communicated these updated listed equities voting guidelines to clients as well as all ASX300 companies in March 2025. They are publicly available on IFM's website and included as an appendix to the IFM Investors Sustainable Investing Guidelines, reinforcing IFM's commitment to transparency and consistency in our stewardship practices.

Voting process

ACSI and Glass Lewis proxy advice is an input to our independent decision-making process. IFM has, on numerous occasions, voted against proxy advisor recommendations where the PEC has considered it appropriate to do so.

The PEC executes votes in the following order of priority:

- In accordance with client directives and/or instructions;
- The IFM view of the resolution, which occurs following an evaluation of the proxy advice received; and
- Where there is no recommendation from ACSI, we will review guidance from other proxy advisors and make a final voting decision based on the principles contained within the ACSI Governance Guidelines and IFM's own voting guidelines.

Prior to casting votes, a pre-voting report is prepared and issued to all clients of our Australian listed equities portfolio and to relevant internal stakeholders. The pre-voting report contains the vote decision and rationale for the decision when we recommend a vote contrary to the recommendation provided by the relevant company. The pre-voting report provides clients with an opportunity to review IFM's decision and inform us of an alternative voting preference for an individual mandate, if they so choose. Pre-voting reports are issued only to clients of our listed equities portfolio and are not publicly available because our listed equities portfolio products are not public-facing.

Following the issue of the pre-voting report, proxy votes are lodged online via the Glass Lewis 'Viewpoint' online platform. This platform provides relevant teams and users with visibility of shareholdings in individual client mandates where we have voting authority, as well as the wider portfolio. Glass Lewis receives regular holdings files from our clients' custodians which are automatically uploaded into the platform. During the daily upload process, a reconciliation is performed within the system to match ballots and verify holdings to ensure details are accurate. Glass Lewis will flag any issues

³² [ifm-listed-equities-proxy-voting-guidelines.pdf](#)

such as unrecognised holdings, missing shares or incorrect data with the relevant custodian for investigation in the first instance. IFM is contacted if any escalation is needed. For monitoring purposes, Glass Lewis distributes weekly reports to selected IFM users which detail all votes officially cast over the prior week. This provides assurance that votes have been executed correctly and within the set deadlines. The platform also allows us to download a report at any time which displays the number of shares held and the number of votes cast for any company historically.

IFM does not undertake any stock lending directly for our listed equities portfolio clients. Some of our clients do engage in stock lending, and in this situation, they instruct their custodians to manage the stock lending program for them.

Voting terms

Voting terms and authorities for individual mandates are agreed with the client and outlined in the relevant IMA. Clients can give IFM delegated authority to vote on their behalf via a mandated arrangement. In some cases, a client may request an alternative position to what IFM has proposed, in which case IFM is able to cast this individual vote where delegated authority is in place. Only shares where IFM has been granted the right to vote on behalf of a client will appear in the Viewpoint³³ platform.

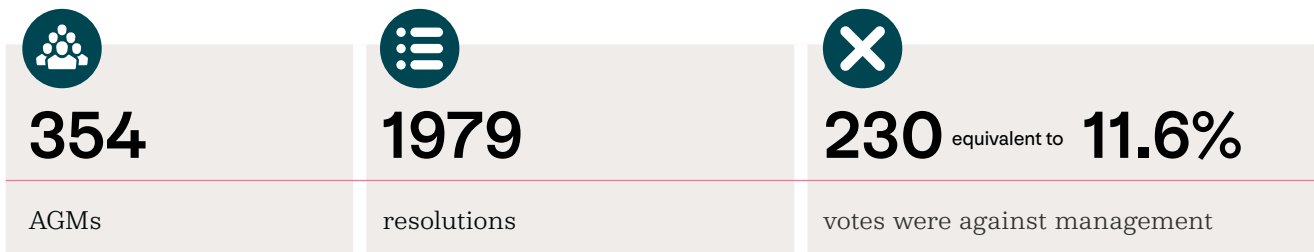
In terms of any listed equities pooled funds, IFM, as trustee, would have full power to exercise its voting rights and do so in-line with our own voting guidelines. As at 30 June 2025, IFM had one listed equities pooled fund.



³³ <https://viewpoint.glasslewis.com/WD/?siteId=IFM>

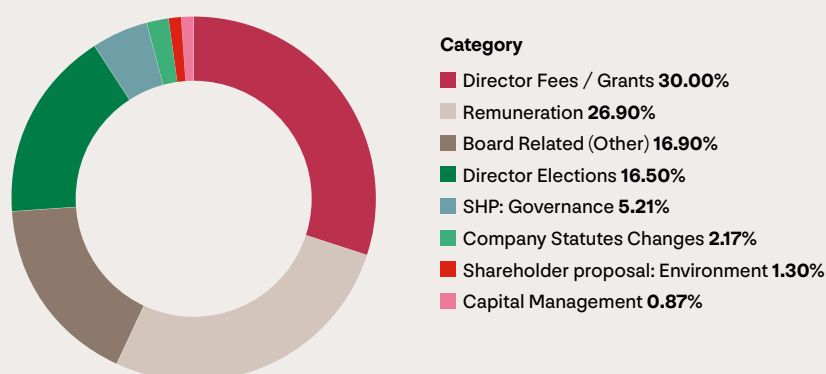
Voting summary statistics for FY25

FY25 Australian listed equities portfolio engagement and voting summary






Category	With Management	Against Management	Abstain	Sum
Audit / financials	66	0	0	66
Board related (other)	48	39	0	87
Capital management	102	2	18	122
Company statute changes	28	5	0	33
Corporate activity	60	0	0	60
Director elections	746	38	1	785
Director fees / grants	373	69	0	442
Remuneration	293	62	0	355
Say on climate	3	0	0	3
Shareholder proposals – Governance	5	12	0	17
Shareholder proposals – Social	1	3	0	8
Shareholder proposals – Environment Change	5	0	0	1
Total	1730	230	19	1979

VOTES AGAINST MANAGEMENT



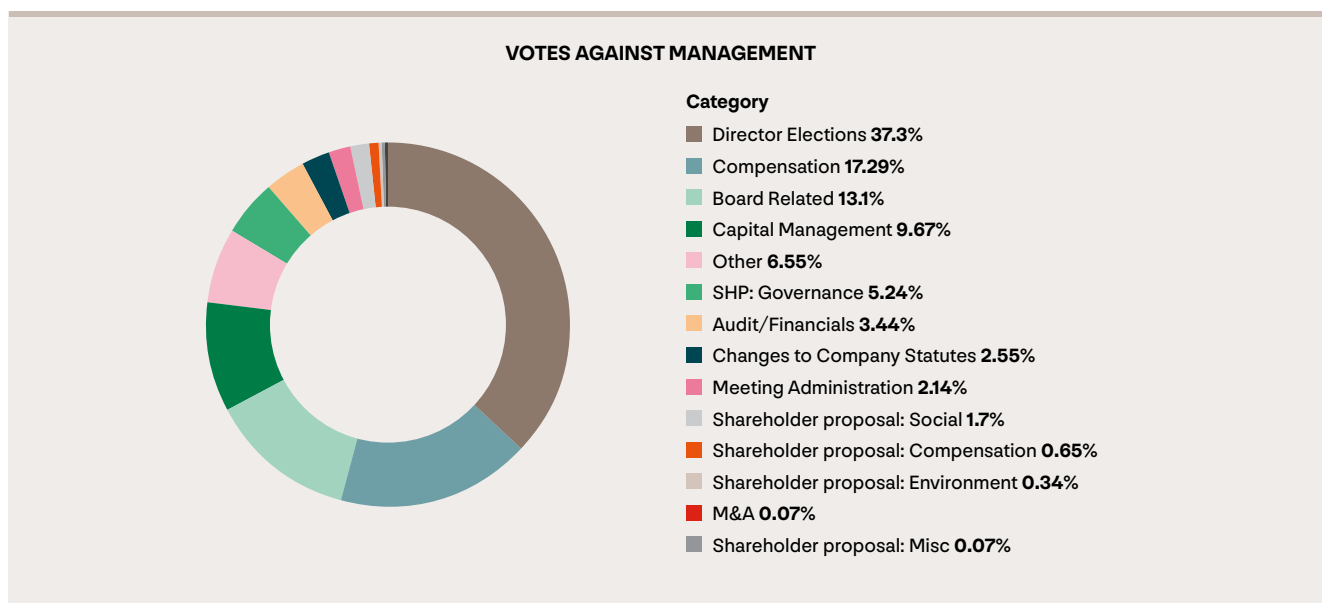
FY25 international listed equities portfolio engagement and voting summary

 2736 AGMs	 34,194 resolutions	 2,938 equivalent to 8.6% votes were against management
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Category	With Management	Against Management	Abstain	Sum
Audit/Financials	4883	101	27	5010
Board Related*	3582	385	5	3972
Capital Management	2422	284	26	2732
Changes to Company Statutes	1305	75	4	1383
Compensation	3236	508	10	3754
Director Elections	13187	1096	41	14324
M&A	383	2	1	386
Meeting Administration	852	63	4	918
Other	724	192	2	917
SHP**: Compensation	53	19	0	72
SHP: Environment	128	10	0	137
SHP: Governance	233	154	0	386
SHP: Miscellaneous	11	2	0	13
SHP: Social	140	50	0	190
Total	31136	2938	120	34194

*excludes Director Elections

**SHP: shareholder proposal



100% of eligible votes were cast in FY25 and the number of votes on which we abstained is shown in the table above. All IFM voting decisions can be searched and viewed from our website at: [IFM Investors Listed Equities – Proxy Voting Activity \(glasslewis.com\)](https://www.glasslewis.com).

Monitoring and assessing effectiveness

We record IFM's direct engagements with listed Australian companies in our listed equities portfolio and track them in a third-party online platform which can be accessed by our listed equities portfolio team and our Sustainable Investment team. This enables a form of peer review and information sharing which helps to ensure we are focusing our engagement efforts in the right areas.

Engagement undertaken by ACSI on behalf of members is stored and tracked in a central ACSI member platform to which IFM has access. Representatives from our Sustainable Investment team often attend engagement meetings convened by ACSI for members which allows IFM direct involvement in these engagements

Details of all ACSI engagement meetings are recorded within the member platform. The platform enables detailed tracking on the number of engagements, method of engagement, level within the organisation at which the engagement occurred, topics discussed, detailed summaries of discussions (together with observations of progress) and publicly available materials/statements.

In addition to tracking engagement progress and voting outcomes, we also meet regularly with ACSI as well as proxy advisor Glass Lewis to discuss market issues and trends as well as significant events.

IFM's internal audit process (undertaken by an external auditing firm) includes a review of our stewardship voting activity and records against the statistics reported and procedures described in internal and external documents.



Debt investments

Our approach

Given the nature of debt investments, our debt investments team places considerable emphasis on the due diligence stage of the investment process, where we have a more pronounced opportunity to engage and influence borrowers on sustainability-related matters.

During the due diligence process, our debt investments portfolio team seeks to ensure that risks deemed material to the investment decision have been assessed and addressed, with the diligence approach then tailored to the specific asset class and product. Across our infrastructure debt and diversified credit products, our credit analysis for each investment opportunity is documented in a Credit Assessment Memorandum, which contains a section summarising any material sustainability considerations. This assessment is underpinned by an underlying risk matrix and represents the documentary core of our sustainability analysis for opportunities across these products. For the infrastructure debt products, this matrix considers

18 discrete sustainability topics, (e.g. GHG emissions, resource scarcity and degradation, labour practices, community relations) that are individually assessed in an iterative review alongside the Sustainable Investment team where required for each new investment and presented during our Investment Committee process. Our diversified credit due diligence process also leverages our due diligence risk matrix, calibrated to the opportunity set across 16 discrete sustainability topics. We believe these matrices facilitate robust identification of sustainability risks and opportunities. Where issues are deemed particularly material or nuanced, we may also draw upon third party data or expert advice when making a credit assessment.

Across treasury services, we apply a rules-based approach that excludes certain exposures based on investor requirements where applicable. In addition, we seek to identify sustainability risks and opportunities we consider to be material in the context of our overall objective of maximising long-term risk adjusted investor returns. Any material

CASE STUDY

Investing in Digital Inclusion

Rationale

Fibre to the Home (FTTH) supports digital inclusion and delivers long-term, resilient infrastructure that can drive inclusive economic growth and social equity. By providing ultra-fast, reliable internet directly to households, FTTH can bridge the digital divide—especially in underserved or rural communities—helping to enable access to education, healthcare, remote work, and essential services.

It supports digital inclusion by facilitating all individuals, regardless of geography, to participate fully in the digital economy. As a future-proof technology with low maintenance costs and high scalability, FTTH can offer both measurable social impact and strong financial returns.

IFM action

In FY25, we invested in one of the largest European FTTH operators via a Sustainability-Linked Loan in order to support the rollout of FTTH to a quarter of the regional population.

The company has contributed to over 7 million fibre optic connections to date and has formally integrated sustainability into its vision. This includes the following objectives by 2030:

- 30% reduction in GHG emissions intensity
- Removal of diesel cars in the firm's fleet
- Increase in use of low-carbon and renewable energy
- Improvement to gender equality index, measured against a nationally enforced index.

Outcomes

Over the last year alone, the company has made meaningful strides against its sustainability objectives. In addition to contributing to the rollout of fibre to its target communities, the firm has reduced emissions intensity by 9% in the latest reporting period, December 2024, and outperformed its gender equality score by 8% based on wage gap and gender balance in the workforce.³⁴

³⁴ The borrower's calculation with regards to emissions and gender equality score is subject to external audit.

items are summarised and presented to the IFM Investment Committee as part of the formal decision-making process.

Transition risk

In parallel to our risk matrices, our processes for our infrastructure debt and diversified credit products have integrated transition risk frameworks into their respective diligence processes. Our infrastructure debt products team utilises the Cambridge Institute for Sustainability Leadership Transition Risk framework,³⁵ with our diversified credit team incorporating assumptions from this framework into its enhanced climate diligence framework which is tailored to the materiality of climate risk to the investment under consideration. Both frameworks leverage established third party scenarios such as the International Energy Agency's Net Zero Emissions ("IEA NZE") by 2050 Scenario and the Network for Greening the Financial System (NGFS) scenario in order to quantitatively assess assets in higher risk sectors for exposure to transition risks.

How we engage

In general, debt investments tend to provide less scope to influence and drive impact than equity investments. As a result, we have sought to curate a robust pre-investment diligence approach that holistically evaluates the sustainability risk and opportunity profile of a given investment opportunity.

Nevertheless, there are certain instances in which we can seek to engage borrowers post-investment, such as areas in which a risk identified at the pre-investment diligence phase materialises or where a subsequent risk issue arises. Under these circumstances the basis of our engagement will typically be, first to gain an understanding of the issue, its materiality, and its potential to impact credit risk; secondly, we seek to determine whether mitigation actions are required, to the extent these are available. Importantly, given we are not asset owners and our investment horizons are limited, available mitigation actions can be confined to engagement only and then divestment, as a last resort.

With respect to the issuance of credit more broadly, we may work with syndicate participants and the borrower directly on sustainability considerations and lending controls, based on our independent assessment, to the extent that is practical and applicable. This can include:

- Assessing sustainability considerations in credit research;
- Engaging with management at the issuer, arranger, or sponsor to seek sustainability-specific information, including sustainability criteria and/or reporting requirements in deal documentation;
- Seeking risk mitigation actions be taken to address specific issues; and
- Continuing to monitor progress of sustainability considerations post-investment.

IFM continues to strive to engage with industry players to progress sustainability considerations in the debt investments asset class via participating in discussion forums and seminars.

Risk monitoring and assessing effectiveness

The Risk Monitoring and Valuation team within the debt investments portfolio team, reviews and monitors asset performance including financials and covenant certification received from the issuers. As necessary, the team engages with the issuer's management via calls and when necessary through face to face meetings and site visits.

The team engages with issuers post-investment as part of the ongoing monitoring of issuers from a credit perspective. If a particular issue occurs during the investment period, be it credit-specific and/or a sustainability-related issue, or if a previously known issue becomes more material, the team will engage with the issuer to seek more information and clarifications. Depending on the terms and obligations as detailed in the lending/credit agreements, the issuer may be required to report certain credit or sustainability-related information to IFM. Examples of sustainability-related information include reporting of environmental incidents or regular workforce safety performance. Depending on how these reporting requirements are documented, failure to comply with these additional obligations may result in the triggering of review events.

³⁴ For detail see: [Climate risk | Cambridge Institute for Sustainability Leadership \(CISL\)](#)

Private equity

Our approach

Our private equity portfolio team considers material sustainability issues throughout the investment process, both pre- and post-acquisition, in order to identify financially material risks and unlock sustainability-linked value creation opportunities. This thorough process allows us to examine prospective portfolio companies' licence to operate, cost structure (e.g. indicated by energy use), governance (e.g., indicated by emissions trends), and workforce health, among other considerations.

Sustainability risks and opportunities are assessed in the deal screening and due diligence stage, as appropriate. This assessment includes the application of the IDEA (IFM Deal Evaluation Assessment) framework, which is a proprietary scoring system that IFM uses to rank all deals that enter the assessment process for potential private equity portfolio investments. The IDEA framework aims to facilitate debate with a view to ensuring consistency with the investment strategy, identify focus areas for due diligence and enable discussion around portfolio construction. We also often meet with target companies' management teams during due diligence to screen for sustainability risks and opportunities and explain IFM's strategy and intentions post-acquisition.

The private equity portfolio team also seeks to consistently apply a sustainability due diligence tool to identify potential sustainability risks and opportunities at the initial IFM Investment Committee meeting. The tool assesses a prospective investment opportunity according to a broad subset of sustainability-related criteria, which are considered as part of an IFM Investment Committee recommendation to conduct further due diligence or to decline the opportunity.

When a deal reaches the IFM Investment Committee, the team seeks to identify and clearly articulate the relevant portfolio company's key environmental or social objectives; discuss sustainability risks and propose incorporating mitigations into the first 100-day plan for the asset; and sets up monitoring of the first-year sustainability-related deliverables in the bi-annual portfolio review process.

How we engage

During the ownership phase, sustainability-related objectives are established as part of the value-creation plan for individual investments and the IFM team works in partnership with portfolio companies to seek to monitor outcomes and value created. The

value-creation plans can include actions such as supporting emissions reduction plans; enhancing employee value propositions by supporting an inclusive workforce; and regularly assessing cybersecurity risk.

We believe that the IFM investment team and the relevant portfolio company boards can drive sustainability-linked objectives to support achieving long-term risk-adjusted investment returns. We aim to articulate sustainability-linked objectives and deliverables in our investment strategies and seek to align them with the portfolio company's purpose and culture. Portfolio company management teams are then responsible for integrating these goals into company strategy and planning processes with associated tracking and reporting (with our private equity portfolio team's support). Through our ownership period, we regularly review and refresh these objectives. We maintain a dashboard of sustainability-related metrics which help to inform these objectives each year. We report on these metrics and performance against these objectives via our annual Private Equity Sustainable Investment Report distributed to our clients.

Reviews are generally conducted twice a year. The following measures are typically included in each bi-annual review:

- Carbon reduction: progress of carbon reduction initiatives;
- Employee engagement: employee engagement surveys conducted to identify any areas for improvement and track impact of any employee initiatives;
- Measurement of diversity and inclusion statistics within portfolio companies and Workplace Gender Equality Agency³⁶ compliance where applicable;
- Governance: Review of the implementation of policies (for example, employee leave, codes of conduct and corruption and whistle blower-related policies), business continuity and sustainability-related planning and board accountability; and
- External checks on disaster recovery plans and data protection practices including design and implementation of recovery simulation exercises.

³⁶ The Workplace Gender Equality Agency is an Australian government agency responsible for promoting and improving gender equality in Australian workplaces. <https://www.wgea.gov.au/>

Engagement escalation

Engagement escalation with our private equity portfolio assets is determined on a case-by-case basis, in the same way our infrastructure equity portfolio companies are managed.

Monitoring and assessing effectiveness

The monitoring and assessment of our private equity portfolio companies follows the same approach as our infrastructure equity portfolio companies. This is due to the direct nature of the investment and our close working relationship with the assets.

CASE STUDY

Smart Urban Properties Australia (SUPA) – Meaningful Impact during first two years of ownership

Rationale

IFM acknowledges the benefits of investing in companies that have a clear purpose and unrealised, actionable opportunities to (i) reduce greenhouse gas emissions and (ii) to help transition the overall economy to net zero by 2050. By doing this, IFM believes that we can optimise long-term investor returns.

IFM works closely with portfolio company management teams to determine (i) how they might be able to reduce their Scope 1 and 2 emissions and (ii) how each portfolio company can best assist with reducing emissions intensive activities in the broader ecosystem in which it operates.

IFM actions

IFM invested in SUPA in August 2023. SUPA is Australia's first integrated infrastructure services provider that owns and operates embedded energy and fibre solutions for multi-dwelling properties in Australia.

Since our initial investment, SUPA has:

- Completed a baseline measurement of its scope 1, 2 and 3 carbon emissions;
- Developed a Board-approved decarbonisation strategy that targets the achievement of net zero for scope 1 and 2 emissions within 5 years of IFM's ownership and net zero for scope 3 emissions by 2050;
- Increased the proportion of renewable energy provided to its customers from 29.4% to 36.6% primarily consisting of 'Front-of-Meter' renewable consumption and a smaller component representing 'Behind-the-Meter' (onsite) solar PV generation;

- Increased its purchasing of volumetric progressive Electricity Meter Load and Environmental Certificates from 15.2k to 31.2k between FY24 and FY25;
- Partnered with other infrastructure providers, developers and owners' corporations to deliver electric vehicle charging infrastructure; and
- For strategic purposes, divested SUPA's Technology business in May 2025. The Technology division was a major source of Scope 1 and 2 emissions.

Additionally, one of SUPA's flagship projects supports Homes Victoria to deliver over 1,000 social, affordable, specialist disability and market rental housing apartments in Victoria including in Flemington, Brighton and Prahran. SUPA's contribution to the project includes providing embedded electricity by supplying and funding advanced smart meters and centralised heat pumps for hot water services.

Outcomes

These actions not only aim to reduce SUPA's Scope 1 and 2 emissions, but they can also reduce Scope 3 emissions by providing energy efficient solutions to end customers. SUPA intends to continue to provide on-site renewable energy generation by funding, installing and operating integrated solar PV systems.

Real estate investments

Our approach

Our real estate investment strategy is grounded in long-term value creation for our clients and their beneficiaries. As one of Australia's largest unlisted property fund managers, our portfolio consists of 139 assets across sectors including office, retail, industrial, healthcare, education, residential, and social infrastructure.

Our real estate investments are primarily managed through direct ownership and asset management. This enables a higher degree of control over sustainability outcomes across the asset lifecycle, from acquisition and development to ongoing operations. The portfolio also includes co-owned properties, and where we don't have operational control we engage the joint venture parties to seek to ensure the appropriate influence with regards to sustainability-related issues that may impact those investments.

Our stewardship approach is embedded in our real estate sustainability framework, which is governed by the principles of organisational governance, accountability, transparency and disclosure, and stakeholder engagement. The strategy is overseen by the Real Estate Investment Committee and the Board Responsible Investment and Sustainability Committee (BRISC) and operationalised through cross-functional teams within the real estate portfolio team.

To support the implementation of the real estate portfolio sustainability strategy, several cross-functional teams and individuals play crucial roles, each with specific responsibilities:

- Chief Sustainability Officer: Champions the implementation of the real estate sustainability strategy within the business.
- Real Estate Leadership Team (RELT): Also champions the sustainability strategy implementation within the real estate asset class.
- Fund managers: Oversee the implementation of the sustainability strategy within their respective funds.
- Real estate sustainability specialists: Provide strategic leadership at the portfolio, and asset level.
- Capital works & technical services team: Responsible for technical oversight related to sustainability at the asset level.
- Property management company: Handles day-to-day operational delivery of sustainability initiatives.

These teams and individuals aim to ensure that sustainability considerations are integrated into investment decisions and ownership practices, as appropriate, at both the fund and asset levels, providing a comprehensive and coordinated approach to sustainability implementation.

We have established an integrated delivery partnership between our real estate portfolio team and specific property management companies. While our real estate portfolio team is responsible for internal technical oversight and strategic leadership, the property management companies are responsible for technical delivery.

How we engage

Our stewardship in real estate extends beyond asset management with a broad range of stakeholders, including (as applicable) tenants, property managers, local councils, suppliers, Indigenous communities, and social enterprises.

We have an engagement policy which outlines the framework in which our real estate portfolio team engages with key stakeholders on sustainability issues. The engagement policy aims to ensure our decision making and engagement framework is generally aligned with the expectations of investors, government regulation and property industry best practice whilst seeking to maximise risk adjusted investment returns.

CASE STUDY

Engaging with our tenants in real estate

Rationale

Our real estate portfolio team designs and manages its buildings with the aim of supporting community wellbeing and creating connections. We assess how our spaces can contribute to local community needs and implement initiatives – such as health-focused amenities, cultural programming, and inclusive design – that respond to those insights. Our real estate precincts also provide opportunities for measurable social impact, with outcomes tracked through engagement metrics, tenant feedback, and community partnerships.

IFM Action

In FY25, we worked with tenant partners across our real estate portfolio to deliver a range of initiatives that aimed to embed wellbeing and community connection into the everyday experience of our spaces. These included:

- Health and wellbeing initiatives such as rooftop urban beehives, movement and mindfulness classes, and our EPIC Kindness³⁷ campaign.
- Cultural and community engagement through Injalak Arts³⁸ exhibitions, National Aborigines and Islanders Day Observance Committee (NAIDOC)³⁹ Week celebrations and 'Epic Thrive' programs.
- Retail precinct transformations, supporting local employment and social enterprises, and activating public spaces to foster pride and connection.
- Office precinct evolution, creating environments where people can connect, move, learn, and thrive, seeking to redefine the role of the workplace.

Outcomes

TWO GOOD CO

These initiatives sought to integrate wellbeing into daily life, reduce social isolation, and strengthen local identity.

One example in our partnership with Two Good Co, a social enterprise supporting women affected by domestic violence. Through this collaboration, our real estate portfolio team:

- Joined Two Good's national Pledge campaign, using the workplace toolkit to raise awareness, share resources, and make our places safe supportive spaces.
- Integrated 1,680 washroom products into 12 buildings, helping create employment opportunities through the Work Work⁴⁰ program.
- Helped assemble a record 2,750 packs of wash products for women's shelters across Australia, delivering a message of support and dignity.
- Serving Scoops for Good⁴¹ at 10 sites during the 16 Days of Activism,⁴² seeking to create moments of joy while initiating conversations and raising funds for women affected by domestic violence.

³⁷ EPIC for communities - ISPT

³⁸ Injalak Arts: 35 Years of Screen-Printing and Textile Art [Exhibition] (2025)

³⁹ <https://www.naidoc.org.au/about/history>

⁴⁰ Two Good Co: Building evidence for an innovative social enterprise program - Parenting Research Centre

⁴¹ Sian Bishop's Story - Gelato Messina | Two Good Co

⁴² #16daysofactivism

Monitoring and assessing effectiveness

To track and evaluate sustainability outcomes, our real estate portfolio team employs a comprehensive approach involving multiple metrics, reporting frameworks, and regular monitoring:

- Sustainability ratings and metrics:** Sustainability ratings such as the National Australian Built Environment Rating System (NABERS)⁴³ and Green Star⁴⁴ certifications are monitored to evaluate the environmental performance of our real estate portfolio assets. These ratings help the real estate portfolio team assess the effectiveness of our real estate sustainability practices and identify areas for improvement. We also track sustainability data related to energy and water consumption, waste management, and social impact (where available) to gain insights into the sustainability performance of investments.
- Global Real Estate Sustainability Benchmark (GRESB)⁴⁵ participation:** Our real estate portfolio team actively participates in GRESB, an industry-driven global benchmark for sustainability performance in real estate portfolios. Our real estate funds have achieved the highest 5-star rating for the last eight years, reflecting strong sustainability performance and continuous improvement.
- Cleaning Accountability Framework (CAF)⁴⁶:** Our real estate portfolio team has been a long-term collaborator with CAF since 2013, promoting ethical labour standards in the cleaning sector. We support CAF initiatives by incorporating CAF Portfolio rating requirements into national cleaning tenders, ensuring contractors meet ethical labour practices. We also partnered with

CAF to develop and pilot a Portfolio Rating model, enabling certification of entire property portfolios, which enhances efficiency and positive outcomes for cleaners and supply chain stakeholders. These outcomes include streamlined assurance across multiple assets, reduced administrative burden and cost, and improved labour conditions where companies take steps to meet the CAF Standard, covering fair labour practices, responsible procurement, safe work environments, worker engagement, and transparency.

Sustainability performance targets and reporting: Our real estate portfolio sets sustainability performance targets aligned with the real estate sustainability strategy. These targets are embedded in financial instruments such as Sustainability Linked Loans (SLLs), where meeting or exceeding targets results in financial benefits such as lower margins. Performance against these targets is reviewed annually by third-party auditors to help ensure transparency and accountability. Performance metrics include:

- NABERS co-assess ratings
- NABERS indoor environment rating
- Certification under CAF
- GRESB
- Green Star Performance ratings

Each property has an annual investment management strategy which explicitly requires review of the performance initiatives, states emerging risks to the asset as well as planning capital expenditure for a 10 year rolling period. Real estate property managers review the sustainability indicators of the property on a regular basis, helping to ensure good housekeeping, and recommend improvements to the real estate asset manager.



⁴³ <https://www.nabers.gov.au/>

⁴⁴ <https://new.gbca.org.au/green-star/certification-process/>

⁴⁵ <https://www.gresb.com/nl-en/products/real-estate-assessments/>

⁴⁶ <https://www.cleaningaccountability.org.au/>

CASE STUDY

Real estate portfolio achieves full portfolio certification for ethical cleaning standards

Rationale

Australia's commercial cleaning industry employs nearly 130,000 workers,⁴⁷ many of whom face systemic labour risks. Since 2013, our real estate portfolio team has actively supported the Cleaning Accountability Framework (CAF) to promote fair labour practices and responsible procurement.

IFM Action

In 2025, our real estate portfolio (at the time, ISPT) became the first asset owner in Australia to achieve full CAF Portfolio Certification for ethical cleaning standards. This milestone builds on the real estate portfolio team's role as a launch partner for the CAF Portfolio Certification program in 2024. In addition, one of our funds earned a Gold Portfolio Rating, recognising strong performance in labour rights across our national portfolio of neighbourhood retail assets.

Labour standards are embedded as a key KPI in the portfolio's AUD 5.3 billion sustainability-linked loan - one of Australia's largest for a real estate manager. CAF Certification serves as a performance measure that demonstrates our commitment to sustainable investment in our operations. The certification process includes continuous monitoring and a direct feedback loop with cleaners, enabling early identification of labour risks.

The worker engagement element of the CAF certification allows us to hear directly from cleaners through an independent process, helping us to seek to identify and resolve issues quickly. Full CAF Portfolio Certification provides assurance that contractors are supported to deliver high-quality services that are valued by tenants, and that labour risks can be addressed proactively and transparently.



⁴⁷ Cleaning Accountability Framework Ltd. (2024). FY24 Annual Report. <https://www.cleaningaccountability.org.au>

Section 4

Navigating market-wide risks



Our investment teams identify, analyse, measure and monitor risks in our portfolios, including market-wide and systemic risks through their risk identification processes during investment due diligence and asset management. Systemic risks related to economic, social and environmental matters are identified by multiple teams examining the range of inherent and operational risk factors particular to assets, companies, sectors, systems and regions. Systemic risks are challenging to manage as they require us to work with or influence external stakeholders to seek to make changes in the wider economy.

Risk management

A key aspect of our process is the early identification and detection of risks. IFM's Risk Management Framework and Strategy is designed to enhance our understanding of risks and it supports us to adapt our business and processes accordingly.

IFM's Risk Management Framework

IFM's Risk Management Framework provides the firm with the tools and processes to identify, assess, manage and report on a broad taxonomy of risks, including climate-related risks where appropriate. A number of internal and external sources are utilised to validate the risk landscape including risk areas, topics and themes that IFM should focus on. These are then assessed by applying methodologies from the framework. Enterprise risk profile monitoring and reporting is informed by the risk assessments and supported by an assessment of the business context as well as the mitigating controls where appropriate. These assessments are performed in conjunction with the respective business areas, and final outcomes are shared with the IFM Risk Committee and the Board Audit & Risk Committee.

Some of the approaches that IFM is taking to identify and respond to market-wide and systemic risks, and help promote a well-functioning financial system include:

Conducting research and analysis

We utilise our in-house resources and occasionally work with third-party partners to conduct research and analysis to identify market-wide and systemic risks. This covers many areas, including (but not limited to) analysing economic data and trends, changes in government and central bank policies and key investment themes.

Participating in industry associations and networks

We participate in industry associations and networks that focus on systemic risk considerations such as climate change. Our involvement helps us to stay current on developments in the industry and to collaborate with other stakeholders on identifying and addressing systemic risks.

Engaging with companies and regulators

We engage with companies and regulators to gain insights into potential systemic risks. For example, we may ask companies about their exposure to certain risk considerations or engage with regulators through our industry bodies to understand potential changes to regulation and work with them to improve the regulatory landscape where possible.

Utilising specialised tools and services

There are a variety of tools and services available to help us identify, measure and monitor risks, market volatility and liquidity. For example, our proprietary infrastructure equity portfolio risk management system, InFRAME, enables us to analyse the underlying revenue streams that drive the performance of infrastructure assets. InFRAME synthesises risk profiling, scenario modelling and portfolio optimisation to help identify and achieve a target strategic asset allocation for our infrastructure equity portfolio.



Picture: Mersin International Port

Nature and biodiversity analysis

During FY25, we continued the work which was started in FY24, that aims to advance our understanding of our exposure to nature and biodiversity risks. We undertook preliminary analysis at portfolio level and a more detailed analysis in our infrastructure equity portfolio.

CASE STUDY

Deforestation analysis for our asset portfolio

Rationale

Deforestation⁴⁸ is a critical driver of biodiversity loss and climate change, with significant potential implications for long-term asset values. By assessing potential deforestation risk across all assets in our portfolio, we aim to strengthen risk management, and transition to supply chains that address the risks deforestation presents to our portfolio.

IFM Action

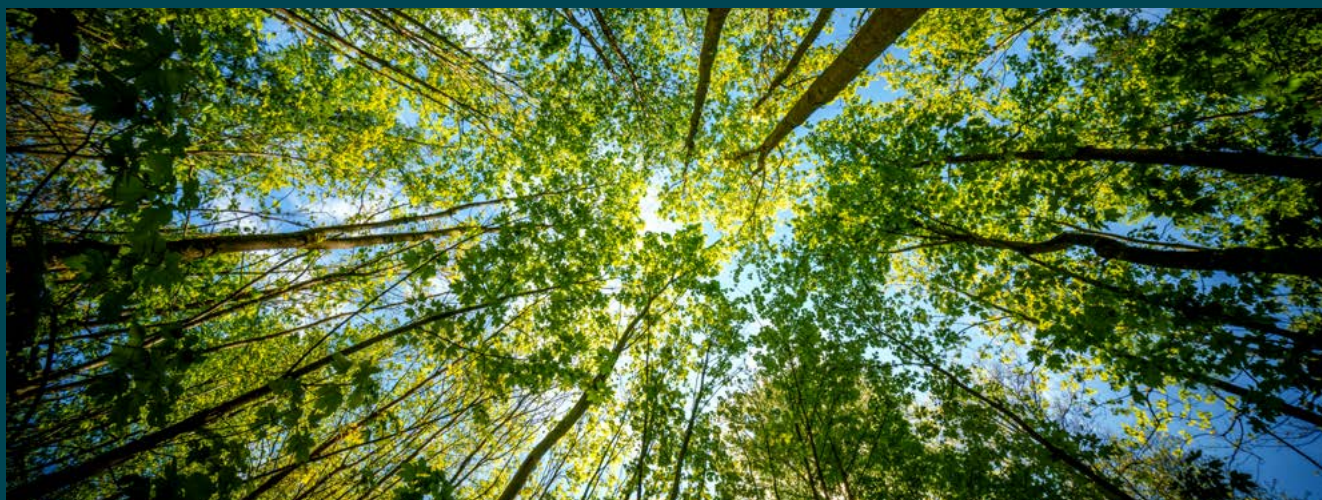
We conducted a two-stage potential deforestation risk assessment across all portfolio holdings, standardising exposures using Global Industry Classification Standard (GICS) Level 4 sub-industry classifications. Then, each holding was mapped against the high-risk sector classifications, as outlined in the framework produced by Global Canopy: “Eliminating Commodity-Driven Deforestation: A Roadmap for the Finance Sector”.⁴⁹ Finally, we applied an additional layer of asset-specific analysis, drawing on internal expertise and detailed knowledge of individual holdings to refine the initial classifications. This enabled us to account

for nuances not captured in the broader sector-based mapping. This approach allowed us to identify and quantify the proportion of our portfolio exposed to sectors with elevated potential deforestation risk.

Outcome

As a result of this analysis, we have a better understanding of where potential deforestation risks could lie in our portfolio across asset classes. We were pleased to confirm that after the two-stages of preliminary analysis we were able to show that only a small proportion of our overall holdings are exposed to potential high risk of deforestation. The methodology provides a scalable framework as a starting point for ongoing monitoring and supports future enhancements, such as location-based risk screening and deeper asset-specific analysis.

This analysis was performed as a top-down approach to identify potential risk. Any identification of actual risks for individual assets requires further detailed analysis for the specific assets.



⁴⁸ The methodology used for this analysis specifically refers to commodity-driven deforestation, which includes:

- The clearing of natural forests for the production of forest-risk commodities (e.g., soy, beef, palm oil, timber, pulp and paper).
- Severe and sustained degradation of forests that compromises their ecological integrity.

⁴⁹ https://guidance.globalcanopy.org/wp-content/uploads/2022/02/Finance_Sector_Roadmap_final.pdf

CASE STUDY

Nature and Biodiversity Risks and Opportunities in Infrastructure Equity

Rationale

Nature and biodiversity play a critical role in climate resilience and infrastructure functionality, and we believe that, through proactive risk management and the opportunity to leverage nature-based solutions, we can aim to reduce loss, enhance operational resilience, and create value within the infrastructure equity portfolio.

IFM Action

We conducted an assessment for all our infrastructure equity portfolio assets to identify nature and biodiversity-related risks and opportunities and seek to improve decision making. Risks were located, evaluated and assessed in line with TNFD's LEAP (Locate, Evaluate, Assess, Prepare) Framework.

The assessment leveraged several sources of information including:

1. ENCORE (a sectoral nature and biodiversity benchmarking tool);
2. RepRisk analytics reports; and
3. The asset's public reporting and asset management team's knowledge of the asset.

Using this information we identified the key asset physical characteristics, proximity to biodiversity-sensitive areas and geographic footprint, among other factors. We then assessed and scored nature and biodiversity-related risks, using our proprietary enterprise risk management framework and documented the top three risks per asset, based on both impact of the risk materialising and the likelihood. At this point, where applicable, we also identified the top three nature and biodiversity related opportunities, where applicable, based on the benefit they would provide.

Outcome

Risks

Based on the assessment approach used, we concluded that our infrastructure equity portfolio is exposed to lower nature and biodiversity risk than the ENCORE sectoral benchmark.

The top three dependencies identified using our approach across the portfolio were:

- Rainfall pattern regulation
- Flood and storm mitigation
- Climate regulation

The top three opportunities identified using our approach across the portfolio were:

- Addressing habitat destruction and loss
- Reducing and offsetting emissions
- Reducing the risk of coastal flooding

Our assessment concluded that the nature and biodiversity related risks identified may typically materialise into, financial, reputational and legal and compliance impacts for our assets.

Opportunities

When assessing opportunities, it was found that approximately 45% of our assets within the infrastructure equity portfolio are considering or already pursuing nature and biodiversity-related opportunities.

These opportunities present a range of potential solutions that can align with cost and operational efficiencies, as well as broader environmental and social benefits. The findings suggest that nature-based solutions may unlock new avenues for value creation, while reducing risk.

Industry and peer collaboration⁵⁰

IFM participates in industry collaborations that seek to address systemic risks that could affect our assets' performance in addition to affecting the broader financial system. We aim to be part of collective efforts to define, measure, and manage systemic risks.

We are signatories to or members of a number of organisations and initiatives promoting responsible and sustainable business principles globally.

Examples of organisations or initiatives include:

Australian Council of Superannuation Investors (ACSI)

IFM is a full member of ACSI, which focuses on engaging with ASX 300 companies on a range of sustainability considerations and associated risks and opportunities. IFM is represented on the ACSI Member Council and the Board.⁵¹

In FY25, we were members of several ACSI working groups, including the Social Factors Working Group, Climate Disclosures Working Group, the Diversity other than Gender Working Group and ACSI's Governance Guidelines Working Group.

Social Factors Working Group

Established in 2023, this group supports ACSI and members in better understanding social risks by undertaking research and projects on social issues. In FY25, a draft Workforce Engagement Framework (which covers questions on workforce management issues) was tested with companies, with results and revisions due in late 2025.

Climate Disclosures Working Group

Formed in 2023 to guide ACSI's engagement on Australia's mandatory climate-related financial disclosure laws and promote effective reporting standards. In FY25, the group consulted on draft climate-related financial disclosure guidance for super funds, with further revisions planned for late 2025.

Diversity Other Than Gender Working Group

Created to expand ACSI's diversity expectations beyond gender, the goal of the group is to improve cognitive diversity. It encourages ASX listed companies to assess and measure a broader range of diversity factors, disclose links between company strategy/business model and their diversity activities, as well as provide information about how organisational structures and processes drive improvements in diversity. A draft position was completed but paused due to global uncertainty; it is expected to be revisited in the second half of 2025.

Governance Guidelines Working Group

Reconstituted biennially to review ACSI's Governance Guidelines, which outline investor expectations on ESG issues and inform company engagement and voting recommendations. The 2025 review is currently underway.

Australian Sustainable Finance Institute (ASFI)

IFM has been a member of ASFI since its inception in 2021. ASFI's purpose is to realign the Australian financial services system to support greater investment into activities that aim to create a sustainable, resilient and inclusive Australia.

IFM is supporting ASFI's initiative to develop an Australian Sustainable Finance Taxonomy. Australia's sustainable finance taxonomy for climate change mitigation was issued on 17 June 2025.⁵² The taxonomy was supported by a grant from the Australian Treasury to the Australian Sustainable Finance Institute (ASFI), with distinct governance arrangements. In particular, the taxonomy development was overseen by a Taxonomy Technical Expert Group, whose membership was endorsed by the Council of Financial Regulators' Climate Working Group Taxonomy Subgroup. IFM's contribution to the taxonomy included: (i) one of IFM's Executive Directors was appointed to the Technical Expert Group, and (ii) IFM made written submissions and coordinated verbal briefings for the ASFI secretariat on the technical screening criteria.

IFM also participates in ASFI's COP31 working group, which comprises a range of financial organisations working to develop collaborative engagement strategies and policy priorities in respect of Australia's bid to host in 2026. During FY25 we also presented at a roundtable organised by ASFI for staff from the Department of Foreign Affairs and Trade, Austrade, and Export Finance Australia on opportunities and challenges for investing in Southeast Asia. We also supported ASFI during this year's London Climate Action Week, our collaboration for these events created connections and opportunities for collaboration between the UK and Australia in sustainable finance.

⁵⁰ We participate in industry organisations for the express purpose of benefitting our owners and investors. Each membership has been evaluated for alignment to our strategy of maximizing risk adjusted returns of our investments. None of these outside organisation determines our strategy or, our investment decisions in whole or in part.

⁵¹ For further details see: <https://acsi.org.au/about/board-member-council/>

⁵² Sustainable finance taxonomy | Treasury.gov.au

CERES Investor Network	As a member of the CERES Investor Network, we participate in the initiative's Policy Working Group. In FY25, the Policy Working Group discussions centred on the investment implications of changes to the United States' Inflation Reduction Act brought about by the mid-year budget bill.
Climate Action 100+ (CA100+)	IFM is a signatory to CA100+, an investor-led initiative that focuses on encouraging the world's largest corporate greenhouse gas emitters to take necessary action on climate change. ⁵³ IFM's participation in this collaborative initiative involves engaging with several of Australia's highest greenhouse gas-emitting publicly listed companies. IFM is a contributing investor for 7 companies. The CA100+ benchmark provides a consistent framework of 11 categories that can act as an engagement guide for our discussions with companies, either directly or collaboratively, that aim to improve their decarbonisation strategies.
FCLT Global	FCLT Global's mission is to focus capital on the long-term to support a sustainable and prosperous economy. IFM is a member of FCLT Global, with our CEO and one of the IFM Board members holding two FCLT Global Board seats. A number of our senior executives contribute to and attend its work programs and events, contributing practice experience, including at its summit.
Principles of Responsible Investment (PRI)	<p>IFM has been a signatory to the PRI since 2008 and representatives from IFM have participated in a number of collaborative engagements and investment practice committees over the years.</p> <p>In FY25, IFM participated in workshops on system-level risks and on applying PRI research more directly to the needs of private investors, in addition to attending a number of other events and speaking at the annual PRI in Person conference in Toronto.</p>
Institutional Investor Group on Climate Change (IIGCC)	IIGCC focuses on bringing the investment community together to help build a climate resilient future. We are active across a number of IIGCC's working groups, having contributed to the <i>IIGCC Index Investing: Scaling NZIF Alignment</i> paper, as well as continuing to support the adoption of net zero frameworks for infrastructure, through the sharing of case studies at IIGCC-hosted webinars. These include transition plans aimed to make our assets more cost-efficient, less carbon intensive, and more resilient such as through proactive maintenance and the installation of onsite renewables which reduce the reliance on volatile fuel prices. The IIGCC Net Zero Investment Framework, NZIF 2.0, also continues to inform our net zero approach across our asset classes.
Investor Group on Climate Change (IGCC)	<p>The IGCC is a collaboration of Australian and New Zealand investors focusing on the impact of climate change on the financial value of investments. The IGCC operates through several working groups which help shape its position on key issues through the collaborative effort of members. IFM has been an active participant on the IGCC's Policy & Advocacy Working Group, Investor Practice Working Group, and Corporate Engagement Working Group, providing input and developing positions and practices to support the transition to a low carbon economy including work specifically designed to inform the Australian Government's development of six first-ever sectoral decarbonisation plans.</p> <p>During July 2025, we presented at the IGCC investor masterclass on "The Australia-Pacific COP31 Opportunity and Beyond: Establishing Australian Leadership in our Regions Climate Finance Agenda".</p>

⁵³ For further details see: <http://www.climateaction100.org/>

Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC)	<p>IAST APAC is an investor-led, multistakeholder initiatives that engages with companies in the Asia-Pacific region with the aim of addressing modern slavery and human trafficking risks in the region. The organisation aims to leverage the collective influence and resources of its members to drive systemic change in corporate practices and policies. By engaging with companies, advocating for stronger regulatory frameworks, and developing tools to assess and mitigate slavery risks, IAST APAC seeks to promote transparency, accountability, and ethical investment practices.</p> <p>Through IAST APAC, we have the opportunity to undertake engagement with a number of ASX listed companies, including large retailers, discussing how these companies are locating, fixing and seeking to prevent human rights abuses in their supply chains as well as their own workforces. Engagements that IFM has been a part of with large Australian retailers have resulted in some significant improvements, including enhanced supplier audits, better traceability and transparency across supply chains, the implementation of robust grievance mechanisms, and specific worker support programmes addressing modern slavery risks. We continue to consider ways to expand our involvement in this initiative and other direct modern slavery focused engagements.</p>
Net Zero Asset Managers Initiative (NZAMI)	<p>IFM is one of NZAMI's 30 founding signatories and was among the first asset managers in Australia to join. We work with a growing number of co-signatories to share our infrastructure expertise and support NZAMI's aim of encouraging the asset management industry to commit to net zero emissions by 2050 or sooner.</p> <p>In FY25, the initiative has kicked off a review of its purpose and approach, with IFM actively contributing to the review process.</p>
Partnership for Carbon Accounting Financials (PCAF)	<p>IFM remains committed to disclosing financed emissions using jointly developed GHG accounting methodologies, this report includes the emissions disclosure following PCAF methodology.</p>
Responsible Investor Association Australasia (RIAA)	<p>RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand.</p> <p>Representatives from IFM are members of its Human Rights, First Nations Peoples' Rights, and Nature working groups, which help inform our stewardship approach and may also feed into our due diligence process for new transactions.</p>
UK Sustainable Investment and Finance Association (UKSIF)	<p>Our Global Head of Sustainable Investment sits on UKSIF's Board, bringing the perspective of a long-term capital investor. In FY25, the focus has been on supporting the industry with the implementation of the new UK Sustainability Disclosure Requirements⁵⁴ and developing policy positions and recommendations across the key parts of the real economy (such as energy, housing and transport), as well as a body of work on pensions, including a thought leadership report on the UK pensions market.</p>
40:40 Vision	<p>The 40:40 Vision⁵⁵ is an Australian initiative working towards gender balance in executive leadership across all ASX 200 companies by 2030. Our Chief Executive Officer David Neal sits on the 40:40 Vision Steering Committee.</p>
Property Council of Australia (PCA)	<p>Our real estate portfolio team has 35 representatives on PCA Sustainability Committees, at both the state and national level. These committees include the national social sustainability roundtable, and modern slavery working group.</p>
Cleaning Accountability Framework (CAF)	<p>CAF works with stakeholders across the cleaning supply chain, including many of our real estate portfolio's industry peers and partners, to improve labour practices in the cleaning industry.</p> <p>Our real estate portfolio team⁵⁶ has been involved with CAF since its inception in 2013, and was the first in Australia to adopt the Framework and have properties in our portfolio CAF certified. A CAF-certified building provides assurance that services are being procured, managed, and delivered in a way that respects cleaners' labour rights, and seeks to avoid modern slavery.</p> <p>In FY25 we received confirmation that two of our real estate investment strategies were successful in achieving a GOLD CAF portfolio rating.</p>

⁵⁴ UK Sustainability Reporting Standards - GOV.UK (www.gov.uk)

⁵⁵ For further details see here: <https://www.hesta.com.au/4040vision>

⁵⁶ Previously ISPT Pty Ltd, which was acquired by IFM Investors mid-way through the reporting period.

FY25 collaboration highlights

CASE STUDY

Mobilising pension capital for net zero: a policy blueprint for the UK

Rationale

The new UK Government has made clean power by 2030 one of its defining priorities – and wants to work with private sector investors to double onshore wind, triple solar power and quadruple offshore wind over the next six years. The Government expects pension funds, both local and global, to play a major role in financing the wider energy transition.

IFM action

IFM in conjunction with some of the largest UK and Australian pension funds released a landmark blueprint in October 2024: Mobilising pension capital for net zero: a policy blueprint for the UK.

Collectively the signatories of the blueprint represent pension schemes that invest a combined £1.7 trillion (AUD 3.25trn) in the UK and abroad, including the retirement savings of more than thirty million British workers and more than ten million Australians.

IFM led the development of the blueprint, which is a first-time collaboration between Australian and UK pension funds and the UK pensions trade association, Pensions and Lifetime Savings Association (now Pensions UK).

Outcomes

Mapping out a comprehensive set of pro-investment policy settings across finance, planning, renewable markets and industrial decarbonisation, the blueprint's key recommendations to government also include:

- **Planning reform** including incorporating the government's legally-binding emissions reduction targets in the National Planning Policy Framework and enabling rapid permitting of the repowering of wind farms;
- **Fast-tracking the deployment of renewable energy** including through clearly-defined commercial objectives for Great British Energy, as well as longer term Contracts for Difference to bring down the cost of capital;
- **Supporting industrial decarbonisation and emerging net zero industries** by focusing the National Wealth Fund on supporting the commercial development of higher risk emerging net zero industries.



CASE STUDY

Memorandum of Understanding with GrainCorp Limited (GrainCorp) on Sustainable Aviation Fuel (SAF)

Rationale

We manage investments in major airports in Australia and globally. We believe development and production of SAF is key to the decarbonisation of these assets and therefore the long-term risk adjusted returns of these assets.

Emissions from aviation currently account for approximately 2% of global energy-related emissions and are growing faster than other transport-related emissions.⁵⁷ Aviation emissions are predominantly caused by the combustion of kerosene-based jet fuel and are considered 'hard-to-abate' due to the energy density requirements of fuels for medium and long-haul aviation and the compatibility of existing airline fleets and refuelling infrastructure with alternate methods of propulsion.⁵⁸

While it is likely that commercially mature hydrogen and electric solutions for short haul aviation will emerge, they are not anticipated to reach market until 2035 at the earliest and will require significant re-development of aircraft and airside refuelling infrastructure.⁵⁹ We believe that, ultimately, this positions SAF as the only reliable decarbonisation solution for medium and long-haul aviation out to 2050, which collectively account for c. 73% of aviation emissions.⁶⁰

Aircraft emissions are considered scope 3 emissions for airports and account for at least c. 80% of an airport's total carbon footprint.⁶¹ As an owner of airports and midstream infrastructure, our infrastructure equity portfolio considers mitigation of aircraft emissions through the use of SAF to be both an investment and decarbonisation opportunity.

Given the multiple airport holdings of our infrastructure equity portfolio in Australia which fall under an integrated regulatory environment, we made a strategic decision to focus on SAF in Australia in the first instance.

IFM action

In November 2023, we announced a memorandum of understanding with leading Australian agribusiness and processing company, GrainCorp. Together with GrainCorp, we have commenced a feasibility study on the creation of a SAF supply chain in Australia.

Central to the study is the structuring of a long-term feedstock supply framework that is expected to see a wide range of feedstocks (including crop-based oils, bio-organics, wastes and residues) converted into SAF and other low-carbon fuels through large scale refining infrastructure. In working with GrainCorp, we are focused on seeking to build a long-term and sustainable pathway for contributing to the decarbonisation of Australian aviation.

In July 2024 IFM signed an additional Memorandum of Understanding between IFM, GrainCorp and Ampol, Australia's leading transport energy distributor. Ampol and IFM intend to progress the feasibility assessment of a renewable fuels facility at Ampol's Lytton Refinery and to work with GrainCorp to explore the supply of homegrown feedstocks to supply canola oil to the future plant.

In December 2024, the project received a significant boost with AUD 14 million in funding from the Australian Renewable Energy Agency (ARENA) to support feasibility studies, for both the renewable fuels facility and oil seed crush facility.

Outcomes

The success of this initiative hinges on the introduction of a supportive regulatory framework. Drawing on international regulatory approaches, IFM advocates for a time-limited production tax incentive and a domestic SAF mandate to stimulate early investment and ensure global competitiveness.

With jet fuel demand in Australia projected to reach 10 billion litres annually by 2030, achieving a 10% SAF blend will require a diverse feedstock base and optimised agricultural supply chains. IFM anticipates that the right policy environment will incentivise farmers to grow feedstocks like canola and novel crops with high emissions reduction potential. This partnership exemplifies how coordinated industry and government action can unlock private investment, enhance regional economic development, and accelerate the decarbonisation of Australia's aviation sector. We see the development of a SAF industry in Australia as critical for our Australian airport assets, who we expect to have the opportunity to benefit from a reduction in scope 3 emissions through airlines' use of SAF.

⁵⁷ IEA 2024, <https://www.iea.org/energy-system/transport/aviation>

⁵⁸ McKinsey 2023, <https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/decarbonizing-aviation-executing-on-net-zero-goals>

⁵⁹ IATA 2019, https://www.iata.org/contentassets/d13875e9ed784f75bac90f000760e998/fact_sheet7-hydrogen-fact-sheet_072020.pdf

⁶⁰ ATAG 2021, https://aviationbenefits.org/media/167417/w2050_v2021_27sept_full.pdf, page 56

⁶¹ https://aviationbenefits.org/media/167417/w2050_v2021_27sept_full.pdf, page 12

Engaging with government bodies and policymakers

We participate in industry forums and work with other investors, civil society and governments to promote and contribute to discussions about sustainable investing objectives, as well as advocate for policy development that aims to maintain and build economic, environmental and social value.*

During FY25, we continued our advocacy and government engagement activities across the key regions in which we operate. We have advocated for public policy outcomes that we believe will help us to invest, protect and grow the long-term retirement savings of working people, including through strengthening the financial systems in which we operate and reducing systemic environmental and social risks to our investments.

We engaged with elected political representatives, government officials and industry stakeholders directly and through participation in a range of industry events and collaborative forums.

We have also continued to highlight the significant opportunity of mobilising superannuation and pension capital, for new infrastructure projects and, where practicable, for supporting the decarbonisation of existing infrastructure, while continuing to deliver reliable returns.

Regional advocacy activity

Australia

Treasurer Investor Roundtable

IFM participated at the Commonwealth Government's fifth Treasurer Investor Roundtable (TIR). The TIR focused on two key areas of government policy; Investment to Strengthen Australia's AI Ecosystem and Boosting Productivity Through Regulatory Reform.

As part of IFM's contribution, we focused on our global investments in data centres and how the convergence of the megatrends digitalisation and decarbonisation are driving demand for data centres. In FY26, IFM expects to have two data centre operators in our global infrastructure portfolio, one in the US and the other in Europe, collectively providing over 650MW of capacity with plans to expand further. These centres are run predominantly on renewable energy from their respective energy grids. Additionally, our real estate portfolio has a data centre in Sydney, Australia under development at the time of this report.

At the roundtable, we also noted that accelerating the transition to a renewables-powered grid in Australia,

including getting new transmission lines built, will be essential to enable timely investment in new data centres.

Low carbon liquid fuels

As outlined in the previous case study on SAF, IFM is progressing feasibility work with GrainCorp and Ampol to support the development of a domestic low carbon liquid fuels (LCLF) industry. The initiative is focused on establishing production capacity for SAF and renewable diesel to decarbonise hard-to-abate sectors such as aviation, freight, agriculture, mining and construction. Establishing domestic production capability enhances Australia's energy security, reduces reliance on imported fuels, and supports the Federal Government's decarbonisation goals, including through the Jet Zero Council and the Future Made in Australia initiative.

Key enablers for the industry include:

- Certification and traceability schemes to support carbon intensity accreditation and support Australia's low-carbon and high-quality feedstocks like canola.
- Supply-side incentives to de-risk early-stage investment.
- Demand-side mandates which enable market development.
- Infrastructure and capability development support.

As the project continues to move through feasibility to construction and production, the project has recently announced its projected outputs. Our MOU Project could be Australia's largest renewable fuels manufacturer with a projected output of 750,000 litres of sustainable aviation fuel. Australia is the world's eighth-largest jet fuel consumer and currently imports over 90% of its jet fuel. Conversely, Australia exports AUD 6 billion of feedstock every year to be processed and refined overseas. This includes 5.6 million tonnes of canola exported in 2024. Renewable fuels made from feedstock such as used cooking oils, tallow and Australian canola have the potential to reduce lifecycle emissions by up to 80% compared to conventional jet fuel. An Australian SAF industry has the potential to contribute approximately AUD 13 billion in GDP annually by 2040, supporting nearly 13,000 jobs in the feedstock supply chain and creating 5,000 new jobs to construct and run the facilities.

To support this, the Commonwealth Government has⁶² announced a AUD 1.1 billion ten-year Cleaner Fuels Program,⁶³ as well as further consultation on the demand side mechanisms needed to stand up a new LCLF industry and create a market. This builds

⁶² As at October 2025.

⁶³ For details please refer to the press release: <https://www.ifminvestors.com/en-au/news-and-insights/media-centre/ifm-investors-ampol-and-graincorp-welcome-federal-government-support-for-australian-low-carbon-liquid-fuels-industry/>

* We do not undertake policy advocacy work on sustainability matters in the US.

on a previous AUD 250 million commitment as part of the Future Made in Australia (FMA) Innovation Fund administered by Australian Renewable Energy Agency to accelerate the pace of Australia's growing domestic LCLF industry.

Engagement with the Australian Anti-Slavery Commissioner

In FY25, we commenced development of a white paper titled *Addressing Modern Slavery in Investment Portfolios*.⁶⁴ The paper aims to deepen awareness of modern slavery risks among IFM employees, clients, and broader stakeholders. The paper was conceived not only as an educational resource but also as a strategic roadmap to help investors identify, assess, and mitigate modern slavery risks across operations, supply chains, and portfolios.

A cornerstone of the paper's development was direct engagement with Christopher Evans, the Australian Anti-Slavery Commissioner. His insights were captured in a dedicated interview exploring the complexities of managing modern slavery risks in global supply chains and the evolving legislative landscape in Australia. This engagement helped shape the paper's practical recommendations and reinforced the importance of regulatory leadership in driving meaningful change. The paper was the foundation of a panel discussion hosted at IFM's Melbourne office in July 2025. The event featured experts consulted during the paper's development, including Christopher Evans, and highlighted the critical role of cross-sector collaboration in strengthening anti-slavery efforts and advancing responsible investment practices.

United States

Closing the infrastructure gap

In FY25, we continued to engage with the nation's governors, Administration officials and Members of Congress about the need to encourage the use of Public-Private-Partnerships (P3s) in US public infrastructure.

We are active members of policy organisations such as the National Governors Association (NGA) and industry groups such as the Global Infrastructure Investor Association which afford IFM opportunities to:

- Engage in policy-shaping discussion on the use of private and pension capital in public infrastructure.
- Advocate for federal statutory and regulatory change to promote the use of P3s at the state and local level.

- Represent IFM's growing presence in diverse assets across the United States

United Kingdom and Europe

Managing social considerations

With the formal part of the work of the Taskforce on Social Factors completed in 2024, we have continued to advocate for more advanced integration of social factors into investment decisions and stewardship processes. To help provide continuity of the TSF's efforts, our Chief Strategy Officer Luba Nikulina, who had chaired the TSF, has joined the Europe and UK Regional Council of the newly formed international Taskforce on Inequality and Social-related Financial Disclosures (TISFD) to help shape the strategic direction of the work of this group.

Transition Finance Council

In April 2025, IFM's Global Head of Sustainable Investment and Director of Environmental Sustainability, Infrastructure, were both appointed to join the Transition Finance Council (TFC) in the UK.

The Transition Finance Council, was established by the City of London Corporation and HM Government to bring to life the recommendations of the Transition Finance Market Review.⁶⁵ Its overarching goal is to enable the flow of finance towards transitioning hard-to-abate sectors in a credible and accountable way, with the supporting guardrails in place to enable integrity within institutional capital deployment.

Our team will be supporting the TFC on two working groups: Credibility & Integrity and Pathways, Policy and Governance.

Inaugural Private Markets Forum

In April 2025 IFM held its first Private Markets Forum in London, *Partnering to Shape the Future of Private Markets: Insights Across Eras*, welcoming 90 clients, prospects, consultants, and industry experts for a morning of dynamic discussion and knowledge sharing.

The forum explored the evolution of private markets from niche to mainstream and how that evolution is reshaping global portfolios, addressing themes like deglobalisation, decarbonisation, digitalisation, and portfolio construction across diverse asset classes.

As the first event of its kind in the UK, planning is already underway for further forums where we aim to encourage open dialogue across the industry.

⁶⁴ <https://www.ifminvestors.com/en-au/news-and-insights/thought-leadership/addressing-modern-slavery-in-investment-portfolios/>

⁶⁵ Transition Finance Market Review - GOV.UK

Section 5

Climate change and advancing our net zero transition

RATING : 250V/16A AC
TEMP. : -30°C-+55°C
MODEL : HV00
TYPE : 3S

Climate risks and our commitment to emissions reduction

Climate change and the energy transition

Climate change poses a systemic risk to the global economy and long-term investment returns. We believe that the most efficient way to contribute to mitigating this risk for our clients is to consider whether, and if so, how the assets within our portfolios can transition to a net zero economy in a manner in line with the goals of the Paris Agreement. Echoing the agreement reached at COP28, we believe that long-term investors benefit if this transition happens in a just, orderly and equitable manner to maximise long lasting benefits throughout the global economy.

Our 2050 Target

IFM has set a target to reduce greenhouse gas emissions, targeting net zero across our operations and all of our asset classes (scope 1 and scope 2 emissions) by 2050 (2050 Target). This target does not apply to client mandates.⁶⁶ The work to determine our approach to deliver on this target is ongoing, tailored across asset classes and aligned with our priority to maximise risk adjusted returns for our clients.

Our overarching climate strategy focuses on transition, adaptation and climate solutions investment, rather than divestment. We also recognise that our ability to achieve our 2050 Target will be dependent on advances in technology, alternative energy sources being available at scale and policymakers and portfolio companies making and delivering on their own net zero commitments. Decarbonising a portfolio and its underlying assets cannot be achieved in isolation and will always be linked to the local political, technological and geographical context in which assets operate.

Interim target

In 2021 IFM set an initial decarbonisation reference target⁶⁷ to reduce scope 1 and scope 2 emissions by at least 1.2 mtCO_{2e} (million metric tonnes of CO₂ equivalent) across our infrastructure equity portfolio by 2030, as against the 2019 baseline total portfolio scope 1 and 2 financed GHG emissions of 3.0 mtCO_{2e}. As anticipated, when the initial target was set, the target has been adjusted annually to reflect material divestments and acquisitions of the infrastructure equity portfolio. It was updated most recently at end 2024, to a reduction of 2.08mtCO_{2e} in relation to the restated 2019 baseline of 6.4 mtCO_{2e}. As of 30 June 2025, the infrastructure equity portfolio represents approximately 50.7% (USD 82.5bn) of IFM's assets under management across all asset classes.

Net Zero Investment Framework

Since 2020, we have sought to improve our ability to measure our progress on the pathway to net zero for our assets, and we continue to both monitor and contribute to the evolution of NZIF 2.0, the Net Zero Investment Framework⁶⁸ (Framework) of the Paris Aligned Investment Initiative and its four investor networks (AIGCC, Ceres, IGCC and IIGCC), with our own strategy and targets being guided by the Framework where practicable and relevant. The Framework was developed and adopted by a number of asset managers and owners in collaboration with data providers and investment consultants and offers asset class specific guidance on net zero target setting, strategies and transition plans.

Principally, monitoring the development of the Framework allows us to consider actions and levers available at the firm, portfolio and asset level to assess the extent to which assets under management are *aligning to*, *aligned to*, or *achieving net zero* as defined in the Framework.⁶⁹ We believe understanding this distribution will allow us to more efficiently monitor and guide our progress against our 2050 Target.

IFM continues to work closely with a cross-section of our clients and wider industry stakeholders to support the evolution of the Framework, develop new guidance and address methodological gaps to seek to provide investment managers with the tools to support their transition journeys.

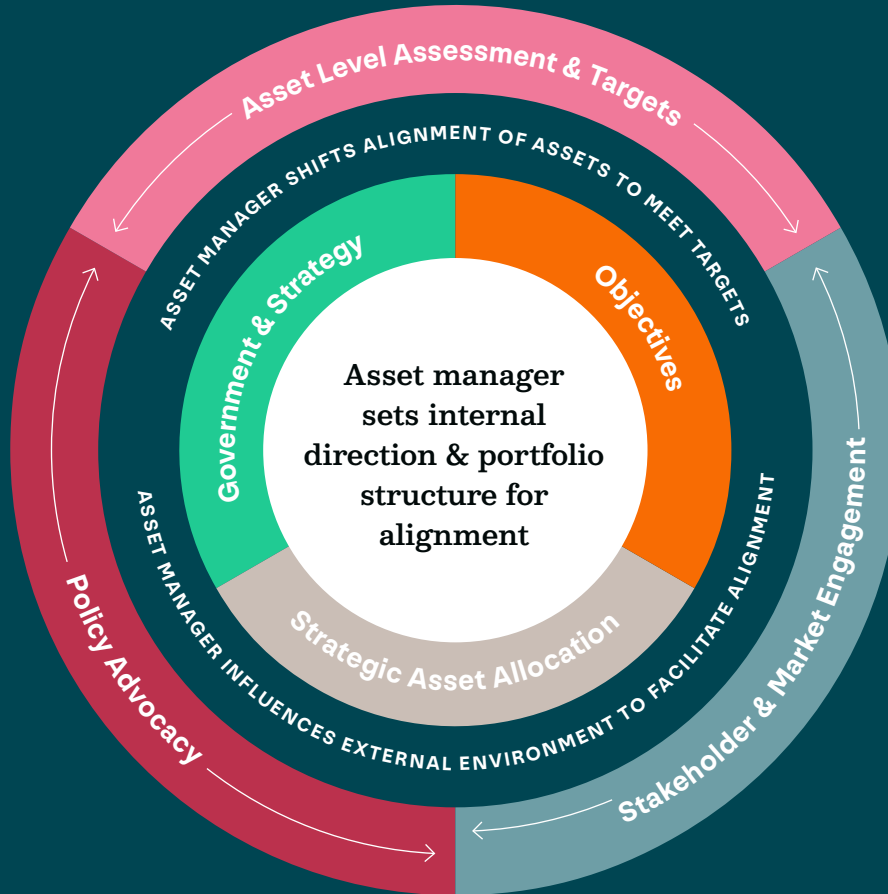
⁶⁶ Our client mandates are based on specific arrangements with our clients and reflect their own approach to sustainability considerations.

⁶⁷ [IFM Investors Pty Ltd – The Net Zero Asset Managers initiative](#)

⁶⁸ [Net Zero Investment Framework updated: NZIF 2.0 \(iigcc.org\)](#)

⁶⁹ Please note that assets under management mapping is applicable only to assets committed to being managed in line with net zero (i.e. bespoke client mandates are excluded from this exercise at present).

The IIGCC's Net Zero Investment Framework 2.0



● Governance & Strategy

Establishing the basis, legitimacy, and actions required by investors to address climate-related transition risks.

● Objectives

Establishing net zero objectives over a ten-year period, enabling net zero strategy and target performance assessment.

● Strategic Asset Allocation

Integrating net zero objectives into the asset allocation process, complementing traditional risk/return objectives.

● Asset Level Assessment & Targets

Helping investors shift the alignment of underlying holdings (assets) to be consistent with net zero goals and objectives.

● Stakeholder & Market Engagement

Facilitating the availability of data, mandates, and investment advice necessary to achieve net zero objectives.

● Policy Advocacy

Addressing barriers to, and captures opportunities for, net zero alignment created by the wider policy and regulatory environment.

The above is adapted from IIGCC's NZIF 2.0, 'The Wheel', on p.11 of [NZIF 2.0 Report PDF.pdf](#) (iigcc.org). The 'Policy Advocacy' and 'Stakeholder & Market Engagement' components are covered in Section 4 of this report.

What is net zero?

Net zero is a global goal to reduce greenhouse gas (GHG) emissions to zero or a residual level, with any residual emissions balanced by absorbing an equivalent amount from the atmosphere, while limiting global warming to below 2 degrees Celsius (while pursuing efforts to limit the increase to 1.5 degrees).

Why does net zero matter to our clients?

Climate change can put our investments at increased risk through physical impacts (e.g. extreme weather events) and transition risks (e.g. policy changes and technological shifts). Limiting the global temperature rise to below 2 degrees Celsius from the 1990 level reduces the risks and impacts of climate change.⁷⁰ Our 2050 Target helps us consider and manage these

risks by aligning our portfolios - over time - with a lower-carbon economy, thus helping to protect investments from future climate-related disruptions.⁷¹ In turn, this supports, our overall aim of maximising long-term risk-adjusted returns for our clients.

We believe that companies and assets that are committed to Paris Agreement aligned net zero goals are likely to be more resilient in the long term. By investing in certain businesses that are more resilient to climate-related risks and adapting to a transitioning future, we seek to drive sustainable growth and help to deliver long-term returns. Additionally, transitioning to a net zero economy presents new investment opportunities in existing and emerging renewable energy, green technologies and sustainable infrastructure.

Climate governance and strategy

Governance of IFM's climate strategy is consistent with that set out in [Section 7](#), with the IFM Board setting the strategy to build on existing work already achieved and continue to improve outcomes related to our climate strategy, and with the Board Responsible Investment and Sustainability Committee (BRISC), a sub-committee of the IFM Board, maintaining oversight of climate-related initiatives, performance and actions.

Consideration of climate risks and opportunities is a responsibility of IFM's investment teams, supported by internal and external sustainability professionals. The asset class-specific climate risk and transition planning approaches are determined and implemented by the respective asset class investment teams and are informed by the asset-class specific guidance set out in the Framework. Details of these approaches and the actions taken are set out below, with progress and achievement of key milestones factored into staff remuneration through the sustainability elements within the Scorecard or additional objectives for teams and individuals as set out in [Section 7](#).

In addition to the efforts to transition our current portfolios towards meeting our 2050 Target, we have continued to invest in businesses with sustainability-related objectives through our existing products as highlighted by some of the case studies contained in this report.

We continue to enhance our public and client-specific sustainability and climate-related disclosures, as we seek to respond to changing regulations relating to climate-related financial disclosures, such as SFDR and more recently incorporation of the International Sustainability Standards Board (ISSB) standards into Australian law, with modifications for Australian matters, and consultations to do the same in the UK,⁷² and changing stakeholder expectations.

Targets and objectives

To support our asset class specific transition approaches and progress towards our 2050 Target and the 2030 infrastructure equity interim target, we continue to enhance our financed emissions reporting, which is detailed at the end of this section. Information on IFM's corporate emissions footprint and details of steps being taken to reduce this are set out in [Section 6](#).

Our asset class specific approach

The following sections provide details on how we have integrated the considerations of climate risks and opportunities for each asset class. This is an ongoing and evolving effort. We also detail our progress against Strategic Asset Allocation and Asset Level Assessment, both of which are defined and set out in more detail in the Framework.⁷³

⁷⁰ [The Paris Agreement | United Nations](#)

⁷¹ This target does not apply to client mandates. Our listed equities client mandates are based on specific arrangements with our clients and reflect their own approach to sustainability considerations.

⁷² <https://www.ifrs.org/groups/international-sustainability-standards-board/>

⁷³ [Net Zero Investment Framework updated: NZIF 2.0 \(iigcc.org\)](#)

Working towards net zero in our infrastructure equity portfolio

We continue to recognise the role we can play in the decarbonisation of global infrastructure assets and continue to focus on taking action to reduce the scope 1 and scope 2 emissions of assets in our infrastructure equity portfolio where practicable.

We seek to invest in infrastructure assets where there is opportunity to have governance rights to help drive emissions reduction outcomes while creating value and generating long term net returns. The unpredictable pace at which the energy transition is unfolding requires us to frequently scrutinise our existing portfolio's adaptation strategy to seek to ensure our assets are prepared for the challenges presented by the global transition to a low-carbon economy. We also encourage our assets to explore the opportunities associated with such a transition, where practicable and in line with the asset company's business objectives.

Our due diligence process takes a risk-based approach to assessing both physical and transition risk for new investments in our infrastructure equity portfolio, with an aim to understand and minimise risk. As part of this assessment we typically consider:

- Whether the company's GHG pathway is aligned with IFM's 2050 target and the 2030 infrastructure equity interim target;
- Scenario analysis for both physical and transition risks;
- Material transition and physical climate risks and the time frame over which these might impact the investment;
- If management has assessed physical and transition risks and if it has put mitigation actions in place;
- Operating and capital expenditure in the business plan to address physical impact from climate change;
- The risk of the asset becoming a stranded asset; and
- Any climate-related opportunities that have been identified.

Once we acquire an asset, we seek to work with the asset in areas which were identified in the pre-investment due diligence stage as requiring improvement.

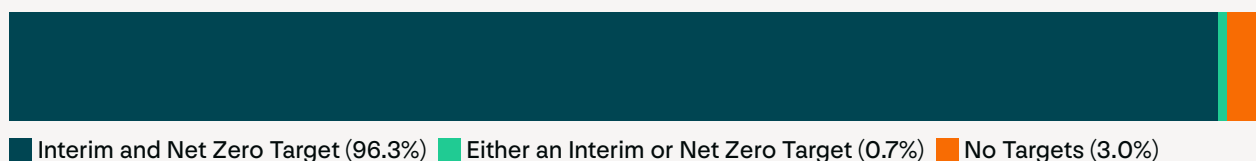
When managing our infrastructure equity portfolio investments, we aim to focus on the following activities:

- Collecting and monitoring certain sustainability data, including emission performance and seeking improvements in data quality;
- Setting scope 1 and 2 decarbonisation targets for the asset where these were not previously in place;
- Working collaboratively with the directors and management of the assets to share tangible transition strategies and practices; and
- Re-baselining and adjusting portfolio level emission reduction targets for material changes in the portfolio make-up, in line with the GHG Protocol.

Supporting these areas and achieving high coverage of sustainability-related data amongst our infrastructure equity portfolio assets allows us to consider our approach against the Framework requirements across ambition, targets, disclosure, governance, decarbonisation plans and emission performance as set out for the infrastructure asset class methodology. Ultimately, our active engagement reflects our heightened focus on strategy and practical measures to build transition planning competency across our assets consistent with the company's business objectives.

Throughout FY25, the infrastructure equity portfolio asset teams continued to work with those portfolio companies that were yet to establish their own targets to develop interim and/or long-term targets, as relevant to the assets' operations. The figure below illustrates the infrastructure equity portfolio company target setting coverage obtained as at the end of 2024, with 97% of the portfolio emissions being covered by some form of interim or net zero target.

% of emissions



Source: IFM Investors

Transition planning

We seek to collaborate with our infrastructure equity portfolio companies to understand and refine their decarbonisation strategy and support the business' transition to a low carbon economy. Our goal is to support these companies in adapting their business models, consistent with their business objectives, and delivering long-term financial value, in line with our investors' financial interests.

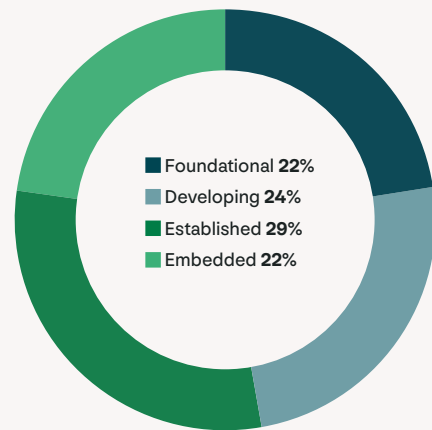
During the last financial year, following the launch of the Infrastructure Equity Transition Planning Playbook in 2023, we developed an in-house maturity framework to assess transition planning progress. This framework, informed by international guidance such as the Transition Plan Taskforce, is built around five pillars: climate governance, decarbonisation, transition risks, physical risks, and integration with broader company processes.

The year saw all assets within the infrastructure equity portfolio commencing work to enhance their understanding of, and response to, the transition to a low carbon economy. The assessment at the end of 2024 shows:

- **Transition planning is underway** across the infrastructure equity portfolio, with most companies showing adequate maturity relative to their climate risk exposure, in line with the inhouse maturity assessment developed in 2023 (please see the chart opposite).
- **Climate governance and decarbonisation** are the most advanced transition areas, and infrastructure equity portfolio companies focused on energy generation are stronger in these areas as compared with other companies in the infrastructure equity portfolio, seeking to future-proof the viability of their business models in the energy transition.
- **Physical climate risks** are generally well understood and integrated into standard processes, with some infrastructure equity portfolio companies undertaking dedicated scenario assessments to refine the analysis and develop corresponding adaptation plans to address these risks.
- **Transition risk assessments and integration into business processes** remain areas for improvement as infrastructure equity portfolio companies mature their understanding and approach to transition planning.

Throughout 2024, we held direct engagements and roundtables with most infrastructure equity portfolio companies to discuss climate targets, transition plans, and alignment with the IFM Transition Planning Playbook. These forums help build trusted relationships, clarify decarbonisation strategies, and set tailored objectives for improvement, ranging from governance and disclosures to energy efficiency and emissions targets.

Infrastructure Equity Transition Planning Maturity to 30 June 2024



Notes:

1. "Foundational" indicates the portfolio company has commenced transition planning, "Developing" indicates more than commencing across all criteria, some areas are in progress. Up to level "Established", the portfolio company needs to meet all transition plan maturity criteria specified for its material locations. For level "Embedded", the portfolio company needs to have accounted for all transition plan maturity criteria at all locations of its assets and subsidiaries.
2. A portfolio company needs to meet all criteria of the preceding level in addition to those specified in its specific level to be scored in that level (e.g., a company in the "Developing" level must meet all criteria for the "Foundational" and "Developing" levels).
3. Materiality has been assessed with regards to the portfolio company's Net Asset Value, financed carbon footprint, and governance rights.

Source: IFM Investors

Progress against targets

With respect to tracking our progress against the 2030 Infrastructure Equity Portfolio Target, scope 1 and 2 financed GHG emissions across the infrastructure equity portfolio were reduced by 1.38mtCO_{2e} as of end of 2024. This represents a 66% progress reduction in GHG emissions in relation to our 2030 Infrastructure Equity Portfolio Target. All targets and progress towards them is calculated on an equity share basis, with scope 2 market based emissions.

It should be noted that the progress in reducing emissions in any one asset or across the full infrastructure equity portfolio is unlikely to be

linear. As such, while the reductions demonstrate meaningful progress, future reductions are not taken for granted and will continue to be influenced by factors such as changes in portfolio composition and sector exposure, hence the importance of IFM's engagement with infrastructure equity portfolio companies to assess the credibility and progress of GHG reduction plans.

Our annual climate change report provided to our clients on our infrastructure equity portfolio assets outlines our progress against emissions reduction targets, and helps us showcase the ways we seek to use stewardship in our management of our infrastructure equity portfolio assets.

CASE STUDY

Decarbonising of our airport portfolio companies

Rationale

Our airports portfolio plays a pivotal role in achieving IFM's 2050 Target by implementing innovative strategies and technologies to reduce their carbon footprint. During 2024, our airports undertook a range of initiatives to support their progress toward net zero. Following significant progress in addressing Scope 1 and 2 emissions, the airports within the Portfolio are now focusing on actions to address Scope 3 emissions.

Decarbonising within the aviation sector presents significant challenges and opportunities, decarbonisation of these assets is both complex and essential. Rather than shy away from this difficulty, we should embrace the opportunity to support strategies that address the sector's inherently high energy demands. In doing so, we aim to share clear, transparent updates on our progress and outcomes.

IFM action

Our approach to asset management includes IFM holding director positions at our assets, through these positions and our asset management teams we focus on decarbonisation strategies, with our airport assets, seeking to ensure they have appropriate targets and transition plans in place to support decarbonisation.

An example of an initiative that IFM delivered to support the Australian airports in their drive to decarbonise is the Australian Infrastructure

Renewable Energy Program which was designed and delivered by IFM, with the support of the Queensland Investment Corporation (QIC), to assist in the procurement of renewable energy or major Australian infrastructure assets. The program aims to deliver, among other outcomes, longer term Power Purchase Agreements for the airports, which in turn reduces their scope 2 market-based emissions and reduces their exposure to volatility in energy prices.

Outcome

Melbourne Airport has made significant strides in reducing its reliance on grid energy by investing in renewable energy plants. The airport operates two solar farms, with the North Airfield Solar Farm completed in late 2024, adding 20,000 solar panels. Together, these farms generate 34 GWh of energy annually, covering 40% of the airport's total energy consumption. Melbourne Airport was also the first in Australia to become a GreenPower approved provider, allowing surplus energy to be sold to airport retailers and tenants. Additionally, all new commercial developments in the airport business park are structurally ready for solar installations.

Brisbane Airport is on track to become the first major Australian airport to achieve net zero for Scope 1 and 2 emissions in 2025. This milestone will be achieved through several sustainability initiatives, including purchasing 185 GWh per annum of renewable energy as part of the IFM Green PPA programme, installation of more than 38,000

CASE STUDY

Decarbonising of our airport portfolio companies *continued*

solar panels, transitioning to LED lighting and electrifying its airside support fleet. The remaining emissions (circa 3%) will be offset through native bush regeneration projects in south east Queensland. Brisbane Airport is now focusing on managing and reducing Scope 3 emissions, with initiatives such as Sustainable Aviation Fuel (SAF) and electrified ground support equipment.

Adelaide Airport is targeting net zero in Scope 1 and 2 emissions by 2030, from its 2018 baseline, and net zero carbon emissions by 2050, across scope 1, 2 and 3. In the interim, Adelaide Airport achieved a 90% absolute reduction in Scope 1 and 2 emissions, and offset residual emissions through local land regeneration Australian Carbon Credit Units in December 2024. The airport commenced a renewable power purchase agreement, which was a key contributor to the reduction in emissions. Other key initiatives include the installation of an additional 2.3 MW solar system bringing total onsite solar generation to 3.5MW, smart meters and LED lighting upgrades. Adelaide Airport is continuing to abate residual emissions with plans for further fleet upgrades to electric and Plug-in Hybrid Electric Vehicle (PHEV) and replacing remaining gas infrastructure with electric. Adelaide Airport has developed a Scope 3 Carbon Emissions Strategy, focusing on building partnerships in its value chain to address aviation and non-aviation sources of emissions. The Airport is actively engaged in initiatives to investigate both local SAF production pathways and opportunities to support access to imported SAF.

Sydney Airport is committed to achieving net zero by 2030 for Scope 1 and 2 emissions. Supported by IFM through Board Directorship, the airport has developed a detailed roadmap outlining key initiatives and timelines. In 2024, the airport made significant progress, including entering a Power Purchase Agreement to supply 100% renewable electricity by 2025 and the installation of additional solar photovoltaic (PV) arrays. The airport also continued its energy efficiency program, with LED lighting installations and a chiller upgrade. Sydney Airport is focusing on reducing Scope 3 emissions, which represent 99% of its total emissions footprint, through a comprehensive long-term strategy involving collaboration with airlines and governments.

Manchester Airports Group (MAG) has set a target to achieve net zero Scope 1 and 2 emissions by 2038, aligning with the Science Based Targets Initiative (SBTi). The group has published research on the environmental benefits of using household waste to produce SAF and is working with the Northwest Hydrogen Alliance to plan for future hydrogen fuel use. MAG is also involved in the East Midlands Hydrogen initiative, which aims to supply the airport with liquid hydrogen by 2050. Additionally, the group is progressing their Future Airspace Change project to reduce emissions through optimal flight routes and has achieved ISO 14001 and ISO 50001 certifications for environmental and energy management. In 2024 MAG agreed a contract offering a range of new analytics and solutions, including the online data tool EmeraldSky to measure CO2 flight emissions and on-time performance data. This will enable data driven optimisation of its operations and environmental strategies.

Vienna Airport continues to improve energy efficiency and reduce scope 1 and 2 carbon emissions, down from 46,000 tCO₂e in 2011 to 10,000 tCO₂e in 2024. through enablers such as 78,000 solar PV panels, CO₂-neutral geothermal energy and district heating, investment in electric vehicle (EV) charging, and new technologies for building control, among other measures. In addition, Vienna Airport provides infrastructure for airlines to utilise SAF, with the proportion of SAF provided versus conventional fuel expected to increase exponentially over the coming years.



Working towards net zero in our listed equities portfolio

Our listed equities portfolio is predominantly made up of client mandates which are currently outside the scope of IFM's 2050 Target. Nevertheless, when required, we work with our clients to understand their needs and tailor IMAs to meet their decarbonisation strategies. This could, for example, include selecting investments that meet limits on emissions compared to a benchmark.

Outside of portfolio construction and strategy, a key focus area for our listed equities portfolio is company engagement. As detailed in [Sections 3 and 4](#) of this report, we work with ACSI on a wide range of issues including climate change. We are also members of Climate Action 100+ and we use their benchmark which aims to encourage improvements in focus companies' decarbonisation strategies, as a guide for interactions with companies when appropriate.

Stakeholder engagement and policy advocacy

We recognise the importance of the role that policy engagement plays in supporting IFM's and the wider industry's net zero transition. We actively engage and collaborate with government bodies, policy makers and industry groups on climate policy and methodologies. To support our efforts further, IFM is a member of the Australian pilot of the Collaborative Sovereign Engagement on Climate Change, which is an investor-led initiative, coordinated by the PRI.⁷⁴ The initiative's aim is for investors to work collaboratively to support governments to take all possible steps to mitigate climate change, in line with investors' duty to mitigate financial risk and maximise long-term value of assets.

Further details of our stakeholder engagement and policy advocacy are set out in [Section 4](#).

Working towards net zero in our debt investments portfolio

Our debt investments portfolio spans three distinct business lines: global infrastructure debt, diversified credit and treasury services. Across the portfolio, we invest in a broad range of sectors, public and private, liquid and illiquid credit and direct and syndicated financing, which span infrastructure, corporate, sovereign, and asset backed lending of varying scales, sophistication and market positions.

The approach of our debt investments portfolio to climate risk and its contribution to IFM's overall 2050 Target varies across these business lines based on a range of considerations and the nature of the different investment strategies. Further, the approach reflects our position as debt and credit investors with a strong focus on pre-investment due diligence and risk management.

Risk assessment and management

Where appropriate, we seek to invest in certain companies and assets that are well-positioned for a transitioning economy as we believe this helps mitigate risks for our clients and supports returns over the long-term.

For our global infrastructure debt and diversified credit products, our due diligence process takes a risk-based approach to assessing climate risk within new investments. As part our investment processes, where appropriate, we:

- Capture climate data from investee companies or assets, including emissions footprints, climate policy responses, decarbonisation targets and progress against these;
- Conduct targeted scenario analysis to assess an asset's or company's exposure to transition risk based on a range of factors including sector, geography, materiality and investment horizon;
- Conduct targeted scenario analysis to assess an asset's or company's exposure to physical climate risks; and
- Assess maturity of an asset's or company's climate risk management, including consideration of the willingness of management to address climate risks and their progress to date.

Information and analytics

We recognise the importance of data and analytical capabilities in climate risk management and reporting.

Examples include:

- Pre-Investment Data Requests
 - We enhanced information requests to support analysis of climate risks and encourage stronger engagement with borrowers on the topic of climate risks.
 - Where possible, we seek to include data to support on-going risk management and reporting in the investment's reporting requirements.
- Greenhouse Gas Emissions Data Campaign
 - We conducted a debt investments portfolio-wide data campaign to request and collect scope 1 and scope 2 emissions data for the global infrastructure debt and diversified credit products.

⁷⁴ [Collaborative Sovereign Engagement on Climate Change | PRI Web Page | PRI \(unpri.org\)](#)

- Carbon Accounting and Reporting Capabilities
 - We implemented processes on carbon accounting in accordance with the Partnership for Carbon Accounting Financials methodology.
 - We built-out carbon reporting capabilities for absolute emissions scope 1 and scope 2 (tCO_{2e}), weighted average carbon intensity and emissions intensity (tCO_{2e} per USD 1m invested) on an asset-level and portfolio-level basis.

Engagement

As debt investors, we view engagement with stakeholders across the markets in which we invest to be an important tool in our climate risk management approach. We interface with a range of market participants, including our clients, consultants, borrowers, law firms, rating agencies, banks and peer investors.

New opportunities for climate solutions investment

This year, the debt investments portfolio team launched a global infrastructure debt product, representing the next iteration of the sub-investment

grade infrastructure debt programme that IFM has been managing since the globalisation of the business in 2013, but with an enhanced focus on environmental opportunities. Specifically, the strategy is designed to finance assets that contribute to real-world decarbonisation outcomes and environmental sustainability, including energy transition, electrification of transport, environmental management, energy efficiency, and digital inclusion.

Working towards net zero in our private equity portfolio

When looking for prospective investment opportunities within our private equity portfolio, we believe that companies with the potential to have a decarbonisation impact often have a resilient business structure that consequently can strengthen their ability to deliver long-term risk-adjusted returns for our clients.

In this context, we typically assess the potential for a prospective investment to have a decarbonisation impact across two main dimensions:

CASE STUDY

Investing in Rooftop Solar

Rationale

Rooftop solar represents both a compelling renewable energy solution and a powerful investment opportunity. By harnessing the sun's energy, property owners can significantly reduce electricity bills, increase property value, and benefit from government incentives and feed-in tariffs.

Beyond financial returns, rooftop solar contributes to decarbonising the energy grid, reducing reliance on fossil fuels, and promoting energy independence in a manner that can align financial goals with Scope 2 emissions reduction objectives.

IFM Action

In FY25, we participated in a bilateral investment in a company focused on rooftop solar and energy systems with 100% contracted revenues. This particular opportunity supports the democratisation of access to renewable technologies through an established business that has contributed 3GW of renewable energy to the grid.

As with all investments made on the IFM Infrastructure Debt platform, we performed a rigorous sustainability risk assessment over the course of pre-investment due diligence. This included a detailed evaluation of supply chain management with a view towards geopolitical

independence, impact & sustainability management, irradiance & physical risk, product responsibility, and transition risk.

We believe our emphasis on up-front sustainability risk assessment contributes to the overall strength of the credit analysis and our ability to deliver risk-adjusted returns to our investors.

Outcomes

This investment illustrates our expanding portfolio of energy investments that capture relative value opportunities and contribute to IFM's decarbonisation objective. With respect to this exposure, the borrower's solar systems are estimated to result in reductions of over 6 tons of CO_{2e} in Scope 2 GHG emissions per year of operation.

When investing in climate solutions, we believe it is imperative to ensure high levels of product responsibility to procure equipment and components from suppliers. This borrower demonstrated such initiatives through their processes and standards, as well as initiatives in which they have galvanized industry support for the build-up of solar manufacturing in Europe. We believe that this supports diversification of supply chain and reduction of geopolitical risk, contributing to the credit positive attributes of the business.

1. Opportunities for a material reduction in scope 1, 2 and 3 emissions of the company itself; and
2. The potential for the company to help facilitate decarbonisation of other stakeholders with which the company interacts (for example, through the development of technology and/or data management solutions which may help facilitate a third parties' progress towards their own decarbonisation-related objectives).

To facilitate and enhance this assessment, we added a Decarbonisation Framework to our IFM Deal Evaluation Assessment (IDEA) scoring tool for our private equity portfolio investments in FY24. This framework helps us to identify where companies have unrealised, actionable opportunities for decarbonisation, focusing on supporting energy transition rather than divestment. The tool helps to quantify the scale of the opportunity and to set up the measurement approach to track the benefits through the ownership phase.

As part of the initial ownership phase, the company's scope 1, 2 and 3 emissions are baselined in the first-year post-acquisition, companies are also subscribed to an emissions reporting platform and we measure certain sustainability metrics (such as, emissions per full-time equivalent employees, gross emissions and renewable energy consumption) bi-annually, with accountability for progress being held by the relevant portfolio company boards.

Where we hold positions on the boards of our portfolio companies, this helps in facilitating our support and challenge of their transition planning activities. We see net zero transition planning as a key area of focus which can help us as we seek to maximise the value and productivity of our assets long-term.

In FY25, the private equity team developed and adopted a transition maturity framework, which will be used to evaluate the progress of each portfolio company in executing their respective climate transition plans, specifically the integration of climate-related considerations into their risk management, governance and operational processes. The framework assesses the elements of a company's plan to address its emissions and rates the level of that plan's maturity (e.g. Foundational, Developing, Established, and Embedded). Each level represents an absolute measure of performance on a defined set of climate-related strategic initiatives, as well as a relative performance measure of emissions against external industry benchmarks.

For example, if a company completes all 7 of the workplan items required for a "Foundational" maturity level and three of the six workplan items required for a "Developing" maturity level, the company's transition plan inputs would be rated at the "Foundational" level. Additionally, the company's scope 1, 2, and 3 GHG emission intensity will be assessed against the emissions intensity of similar companies (e.g., a software-as-a-service provider would be assessed against private companies in Australia that are focused on Enterprise SaaS, roughly corresponding to a GICS code of 45103010). Depending on which quintile that emissions intensity lands in, the company's transition plan outputs could be rated anything from "Not Materially Progressed" (if emissions intensity is among the highest 20% in its peer group) to "Embedded" (if emissions intensity is among the lowest 20% in its peer group). The input rating and the output rating will then be averaged to create a unified rating.

In applying the framework, the Private Equity team will seek to identify potential risks in a company achieving its interim and long-term climate-related objectives; address areas where a company's progress is considered 'off-track'; and proactively identify opportunities to further elevate a company's maturity assessment to increase alignment with its transition plan.

During FY25, the private equity portfolio team refreshed its Carbon Emissions Reduction Strategy consisting of a more structured approach to:

- Target setting: which incorporates interim targets (achieving net zero for Scope 1 and 2 emissions within the first 5 years of IFM's ownership and an annual percentage reduction in Scope 3 emissions and longer-term targets (achieving net zero for Scope 3 emissions by 2050);
- Planning: implementing a Board-approved action plan to achieve emissions targets, including the application of an emissions reduction toolkit that is tailored to each portfolio company and the creation of a policy for purchasing offsets; and
- Monitoring: annual measurement, review and disclosure of performance against emissions targets, as well as action plan resetting where required.

CASE STUDY

Splend– Driving Decarbonisation in the Rideshare Industry

Rationale

We believe that we can support and maximise long-term investor returns by partnering with companies that have unrealised, actionable opportunities for decarbonisation. By seeking to support the alignment of portfolio companies' products, services and operations with the transition to a net zero economy, our private equity portfolio aligns with our purpose and creates tangible opportunities to unlock long-term value.

Following investment, we work closely with the companies in our private equity portfolio to support their sustainability-related objectives. These include emissions reductions, enhancing urban infrastructure and resource efficiency, improving workforce diversity and inclusion, and protecting labour rights including promoting safe and secure working environments. The private equity team also supports portfolio companies to drive decarbonisation within their broader ecosystems, both upstream to customers, by increasing the proportion of vehicle miles travelled in lower-emissions, less-polluting electric vehicles (versus traditional internal combustion engine-powered vehicles).

In January 2025, IFM completed an investment in Splend, a leading specialist provider of vehicles for rideshare drivers across Australia and the UK. Splend's integrated model bundles financing, insurance, maintenance, and registration into affordable weekly payments, leveraging telematics and proprietary data models to help manage risk and deliver a lower cost of ownership.

The investment in Splend capitalises on strong structural tailwinds driving electric vehicles (EVs) adoption in commercial rideshare fleets, supported by government incentives, operational cost efficiencies of EVs, and Uber's commitment to 100% zero-emission by 2025 (London) and 2040 (globally).

Through its focus on providing electric and hybrid vehicles, Splend addresses critical market needs as rideshare fleets generate disproportionately high Scope 1 emissions – travelling on average four times more than a consumer vehicle. With a fleet of over 7,000 vehicles, of which c.90% are electric or hybrid vehicles, Splend facilitates avoided emissions of around 8 tonnes of tailpipe carbon per year for every combustion engine replaced.

IFM action

Since investment, IFM has supported Splend with a range of initiatives, including relating to:

1. Decarbonisation Impact:

- Growth capital funding for EV fleet expansion and charging infrastructure development
- Strategic partnership facilitation and commercial support for EV strategy implementation
- Comprehensive measurement of carbon emissions across Scopes 1, 2, and 3

2. Operational Enhancement:

- Specialist legal, tax, and compliance capability recruitment
- Chief Technology Officer appointment to implement the technology growth strategy

3. Governance Strengthening:

- Enhanced Board reporting frameworks
- Three-year strategic planning with annual reviews
- Cybersecurity resilience improvements following external assessment

IFM's investment in Splend is intended to generate long-term investor returns while driving achieving meaningful decarbonisation within their broader ecosystems.

Outcomes

Splend is developing an EV charging strategy to overcome the primary barrier to rideshare EV adoption – inadequate charging infrastructure. Current challenges include reliance on public fast-charging infrastructure resulting in costly downtime and charging uncertainty for drivers.

The company is looking to develop EV charging sites specifically designed for rideshare drivers. Three initial sites in Sydney have been identified that will be designed to meet the needs of rideshare drivers and deliver lower cost charging to rideshare EV drivers, potentially materially accelerating the uptake EVs by rideshare drivers.

Working towards net zero in our real estate portfolio

Our approach to managing climate risk across our real estate portfolio is anchored in two key focus areas: emissions reductions and climate resilience.

Emissions reduction

The base building electricity across our real estate portfolio of owned and managed properties is now 100% supplied by renewable energy. This shift has significantly reduced the carbon footprint of our property portfolio and supports the sustainability ambitions of our tenant partners.

Climate resilience

Our real estate portfolio's climate resilience programme aims to systematically identify and assess the impact of climate-related risks on our property portfolio, thereby enhancing its resilience. The program demonstrates our commitment to reduce the overall risk exposure of our assets, from acquisition and development, through to operation.

The key steps of the program include evaluating the physical risks associated with assets and understanding transitional risks for the business.

We have undertaken a series of initiatives to assess the potential impacts of future weather patterns and natural hazards, identify the assets most exposed to climate extremes and future climate change, and evaluate their actual vulnerabilities. This helps prioritise assets for detailed climate risk assessments and adaptation strategies. By analysing each asset's vulnerabilities to climate change, we have developed climate change adaptation plans for 21 assets assessed with a higher relative risk in the portfolio.

Our climate risk assessments show that our property portfolio remains resilient to the direct physical impacts of climate change. However, we recognise there are opportunities to better incorporate climate considerations into our long-term property and business strategies.

CASE STUDY

Emissions reduction in our real estate portfolio

Rationale

IFM believes the most effective way to mitigate climate change risk is by enabling assets within our portfolios to transition to a net zero economy, in line with the goals of the Paris Agreement. Reflecting this ambition, the base building electricity across our real estate portfolio of owned and managed properties is now 100 percent powered by renewable energy from 1 January 2025. This has significantly reduced our real estate portfolio's electricity-based emissions footprint and contributed to the sustainability goals of our tenant partners.

IFM action

Our real estate portfolio team undertook a multi-year program to decarbonise its portfolio, including:

- establishing Power Purchase Agreements (PPAs) to supply renewable electricity to our properties;
- installing Solar Photovoltaic (PV) panels on the rooftops of our national property portfolio; and
- exploring new technologies to further reduce our reliance on grid energy.

During FY25, we finalised the PPAs in Queensland and Western Australia, expanding the agreements already in place in the Australian Capital Territory, New South Wales, and Victoria. A total of 74.4 GWh of renewable energy was supplied through these PPAs in FY25.

ISPT's four-stage plan to install Solar Photovoltaic (PV) panels on the rooftops of our national property portfolio began in 2016. It was the largest project in Australia at the time. Stage 5 was introduced in 2022, and Stage 6 is currently in the planning stages. Our goal was to establish a sustainability benchmark and deliver affordable renewable energy across the real estate portfolio and to our tenant partners.

Outcomes

We believe transitioning to 100 percent renewable energy offers practical benefits and future-proofing advantages, such as improved operational efficiency of our assets, reduced electricity-based emissions, and reduced reported emissions for our tenant partners.

The emissions footprint across our real estate portfolio is now almost 50,000 metric tonnes of CO₂ lower each year compared to our FY20 baseline.

By the end of FY25, our real estate portfolio team had completed 83 solar PV projects on 52 properties.

Moving forward, our real estate portfolio team is focusing on transforming our real estate assets into energy hubs by boosting on-site power generation over the next decade, including opportunities for battery storage facilities.

Our emissions disclosures for our assets

As part of our net zero targets, we measure both our corporate operational emissions and the emissions from our investment activity emissions.

As defined in the Partnership for Carbon Accounting Financials, *Financed Emissions 2nd Edition (2022)*,⁷⁵ not all emissions associated with our investment activities fall under the definition financed emissions, where we have real estate holdings over which we have operational control or where they can be categorised as leased assets, these are categorised differently, details of which can be seen in the real estate section below.

Monitoring our emissions from investment activities is an important part of our investment and asset management processes. We include our latest available emission data for each asset class in the sections below. For detail on our emissions from our corporate operations, please see [Section 6](#) of the report.

Financed emissions are the greenhouse gas (GHG) emissions associated with a financial institution's lending and investment activities, as defined in the Partnership for Carbon Accounting Financials, *Financed Emissions 2nd Edition (2022)*.⁷⁶

Corporate operational emissions are the emissions resulting from the organisations own activities, including direct and indirect activities, excluding all emissions from our investment activities.

The emissions from our investment activities are the most material of our overall GHG footprint and we use a variety of metrics to track and analyse these, including absolute financed emissions (tCO₂e), economic emissions intensity (tCO₂e per USD 1m invested) and weighted average carbon intensity. We define these measures in line with the methodology provided by the Partnership for Carbon Accounting Financials. The table below shows the definition of these measures. It should be noted that real estate business does not fall under the scope of PCAF because we have lease agreements and operational control of our assets.

Scope 1 emissions are those from sources that a company or organisation owns or controls directly.

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

Scope 3 emissions refer to the indirect GHG emissions associated with upstream and downstream activities in the value chain of a company, not directly owned or controlled by that company.

In this report we limit our disclosures on our financed emissions to scope 1 and scope 2 emissions for our asset classes. We have work ongoing to improve our scope 3 data quality for our assets.

Picture: Buckeye Partners



⁷⁵ <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>

⁷⁶ <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>

Metric	Definition	Units	PCAF Aligned
Asset class absolute emissions (scope 1 and 2)	The total GHG emissions (scope 1 and 2) of an asset class or portfolio (using attribution factor for ownership percentage as specified in PCAF Standards).	tCO ₂ e	Yes
Economic emissions intensity (scope 1 and 2)	The absolute emissions (scope 1 and 2) per each million dollars of value of the asset held by IFM.	tCO ₂ e / USD 1m of investment held	Yes
Weighted average carbon intensity (WACI) (scope 1 and 2)	The absolute emissions (scope 1 and 2) per one million dollars of company revenue, taking into account IFM's exposure to the asset.	tCO ₂ e / USD 1m of revenue	Yes
Emissions intensity per metre square of floor space (for real estate asset class)	The absolute emissions (scope 1 and 2) per metre square of the building, taking into account IFM's exposure to the asset.	tCO ₂ e/m ²	Only used for our Real Estate portfolio which does not fall under Financed emissions and therefore not in scope of PCAF

Scope 2 market basis emissions, Market-based emissions are Scope 2 emissions associated with the asset operations after accounting for any procured market mechanism, such as a Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs).

Scope 2 location basis emissions, Location-based emissions are the Scope 2 emissions associated with the asset operations without accounting for any market mechanism, calculated based on the average emissions intensity of the local grid where the electricity consumption occurs.

Infrastructure equity portfolio

The below table outlines the GHG emissions associated with our infrastructure equity portfolio. The data is the latest available from our infrastructure equity portfolio companies as at publication of this report – predominantly 30th June 2024 or 31st December 2024, depending on the assets annual reporting period and financial year end. The FY24 data also reflects this same approach, using 30th June 2023 and 31st December 2023 data.

Reporting period	Absolute financed emissions, scope 1 and 2 (location basis) in million tCO ₂ e	Absolute financed emissions, scope 1 and 2 (market basis) in million tCO ₂ e	Economic emission Intensity (tCO ₂ e per USD 1m invested)	Data coverage (on net asset value basis)
FY25	2.8	2.5	34.5	Greater than 99%
FY24	3.1	2.8	40.6	Greater than 99%

Data has been primarily collected directly from the portfolio companies and where this is not possible we make appropriate estimates applying industry methodology with the aim of aligning with PCAF standards. The majority of IFM's infrastructure equity portfolio companies have either third-party verified or internally audited GHG assessments.

During FY25, we conducted a detailed review of our data collection and calculation processes to ensure alignment with the GHG Protocol Standard principles of relevance, completeness, consistency, transparency, and accuracy. This exercise enabled us to review the consistency of both our assets' emissions and our own reported financed emissions. As a result some historic numbers may contain restatements.

We are taking steps with our infrastructure equity portfolio companies to improve the quality of their scope 3 emissions data so we can use the data insights to inform asset management initiatives and prioritise action. The calculation still involves significant estimation, uncertainty and assumptions and therefore has not been disclosed in this report.

Listed equities portfolio

The below table outlines the financed emissions for our listed equities portfolio. All listed equities portfolio data is taken from our data provider, MSCI,⁷⁷ at 30th June 2025.

Reporting period	Absolute financed emissions (million tCO ₂ e)	WACI (tCO ₂ e / USD 1m of revenue)	Economic emission Intensity (tCO ₂ e per USD 1m invested)	Data coverage (on net asset value basis)
FY25	2.4	118.8	52.6	Greater than 99%
FY24	2.2	131.1	57.9	Greater than 99%

The data represents the latest available data, through our third-party provider, for each company as at that date. Scope 2 emissions data is based on MSCI's methodology which predominantly uses a market basis for scope 2 emissions data where available, and a location basis scope 2 emissions data where it is not available.

Debt investments portfolio

The below table outlines our financed emissions data for FY24 and FY25 for our infrastructure debt and diversified credit products within our debt investments portfolio. As in previous years, emissions data for our treasury services were not calculated in FY25 and are therefore excluded from the figures in the table.

FY24 Financed Emissions (Scope 1 & 2)	Absolute emissions (million tCO ₂ e)	Economic emissions Intensity (tCO ₂ e per USD 1m invested)	Data Coverage (on net asset value basis)
FY25			
Diversified Credit	0.8	131	90%
Infrastructure Debt	2.0	457	94%
Total debt investments portfolio (excluding treasury services)	2.8	266	91%
FY24			
Diversified Credit	0.8	132	88%
Infrastructure Debt	2.6	614	96%
Total debt investments portfolio (excluding treasury services)	3.4	332	91%

The figures presented here have been prepared on a best-efforts basis and no assurance is provided as to their accuracy. Debt investors generally have limited control over assets post-investment, which can restrict their ability to obtain timely and consistent emissions reporting from borrowers. As a result of these limitations the Global Debt Investments data is subject to several limitations, including (but not limited to) the following:

- **Several borrowers do not report emissions data.** Where this is the case, we have sought to perform estimates using PCAF methodologies, where these are available for the asset type. We have disclosed the proportion of our portfolio which relies on estimated data, as well as the proportion that can be measured.
- **Borrowers do not report emissions data using a consistent methodology.** While many assets use the GHG Protocol, this is not exclusively the case. For example, many US-based assets rely on jurisdiction-specific regulatory reporting methodologies. Where assets do use the GHG protocol, there remains scope for methodological variation (e.g. in determining the organisational boundary, or giving preference to market- or location-based Scope 2 data.)

⁷⁷ MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, provided that applicable products or services from MSCI ESG Research may constitute investment advice. MSCI ESG Research materials have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc.

- **There is often limited scope to confirm that emissions reporting boundaries match investment perimeters.** Financing structures can be complex, with multiple operating companies and holding companies involved, and debt investors, such as IFM, may lack sufficient influence to insist on specific emissions reporting.
- **Emissions reporting generally lags financial reporting.** This means the financial data used to attribute emissions, by IFM, is often more recent than the emissions data itself.
- **Apportioned financed emissions are subject to attribution volatility.** Given the presence of public securities in our portfolios, the degree to which financed emissions are apportioned to debt holders is subject to movements in the market capitalisation of these companies. This can create significant volatility when comparing emissions data year over year.

Private equity portfolio

The table below outlines our financed emissions data for our private equity portfolio for FY24 and FY25.

The data provided is the latest available for each portfolio company as at the time of reporting.

Reporting period	Absolute financed emissions (thousand tCO ₂ e)	WACI (tCO ₂ e / USD 1m of revenue)	Economic emission Intensity (tCO ₂ e per USD 1m invested)	Data coverage (on net asset value basis)
FY25	1.3	5.1	14.5	100%
FY24	1.7	7.7	25.4	77%

The FY25 numbers have been calculated using FY24 actuals from the portfolio assets or estimates where the actuals weren't available. A combination of market and location methodology has been used to calculate scope 2 emissions.

The FY24 numbers have been calculated using actual data from FY23 with no estimates required and a location basis methodology has been applied for scope 2 emissions.

Real estate portfolio

Below are the emissions figures for our recently acquired real estate portfolio, we only include FY25 for this reason.

The emissions figures for our real estate portfolio for FY25 are based on FY24 emissions data for the real estate assets. Numbers are provided on a location basis for scope 2 emissions.

Reporting period FY25	Absolute emissions (thousand tCO ₂ e) for the portfolio	Emissions per m ² floor area	Data coverage (by floor area in m ²)
Buildings where IFM has operational control	55.5	0.025	98%
Buildings where tenant has operational control	201.4	0.078	91%

It should be noted that in accordance with the GHG protocol and PCAF Guidance scope 1 and 2 emissions from the buildings where IFM have operational control, fall under IFM's Scope 1 and 2 emissions and for the buildings where the tenant has operational control these emissions fall under scope 3, category 13: Downstream leased assets, for IFM. We have included both type of emissions data in this section to draw a clear distinction with the emissions generated from IFM's corporate operations, which are covered in Section 6 of this report.

Section 6

Sustainability at IFM

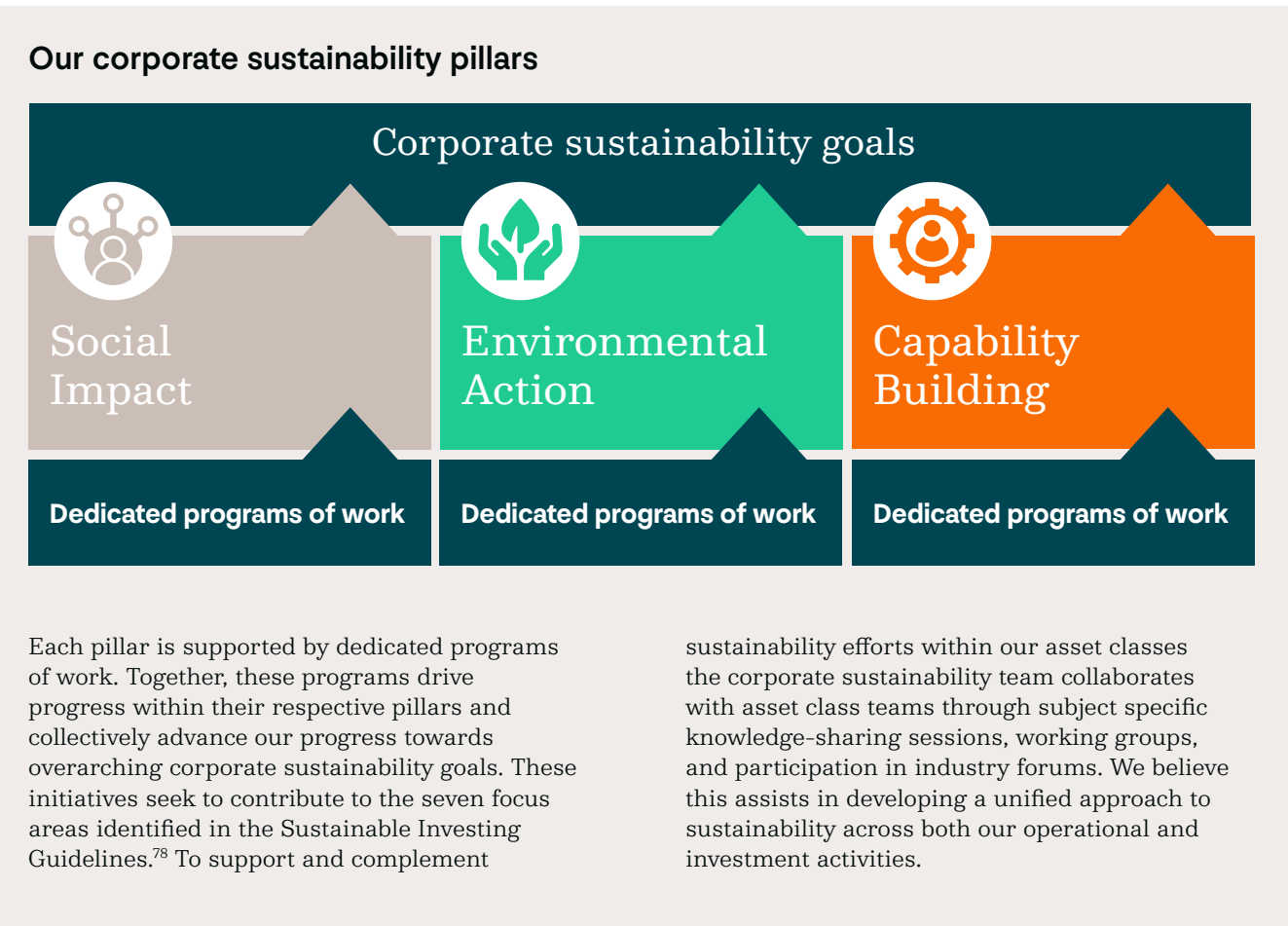
Corporate sustainability

Corporate sustainability refers to activities to manage environmental and social impacts in relation to IFM’s business operations, which form a key part of our sustainable business approach. The corporate sustainability program of work is delivered by a dedicated Corporate Sustainability team in collaboration with specialists from other operational business functions, notably People & Culture as well as Corporate Finance, Risk & Compliance and Procurement.

A framework to guide our corporate sustainability approach

During FY25, the newly expanded corporate sustainability team, which sits within the Sustainable Investment team, drove the next evolution of our

corporate sustainability strategy. This strategy articulates our commitments and actions that aim to minimise the environmental impact of our operations, create positive social outcomes through charitable giving and supplier engagement, and support our people’s sustainability learning. The strategy is underpinned by a ‘One IFM’ global approach to collaboration, allowing for regional nuances in how programs of work are delivered. Built around three pillars, as illustrated below, the corporate sustainability strategy provides a framework for the wide-reaching programs of work that seek to manage our operational sustainability risks and opportunities.



⁷⁸ Please see [Appendix 2](#)

Managing our global corporate operational emissions

In FY25 we continued to progress targeting net zero by 2050 for our global operational activities, as part of our wider organisational goal to transition to a net zero economy by 2050 in a manner that supports the global achievement of the goals of the Paris Agreement.

We focused on continuous improvement of inventory methods, to facilitate better planning and tracking of emissions reduction actions.

We updated emissions factors, moving from the Australian Government's Department of Climate Change, Energy, the Environment and Water to global factor sets from FY25 onwards. In making these updates IFM notes the ongoing evolution of factor sets and our selection in support of effective measurement. The global factor sets are:

- US Environmentally-Extended Input-Output (USEEIO)⁷⁹ methodology for Scope 3 spend emissions, and
- International Civil Aviation Organisation (ICAO) methodology for Scope 3 travel emissions.⁸⁰ This method combines multiple data points to increase the accuracy of emissions calculations.

Our focus in FY26 will be to progress modelling our path forward.

FY25 global corporate operational emissions

The main drivers of our scope 3 operational emissions (excluding financed emissions) are business travel, IT services and equipment and professional services. In FY25 there was a significant increase in CapEx spend associated with office refurbishments. For details, see [Appendix 3](#). There are some emissions from our property assets that fall under Scope 1 and 2 for IFM as they are under IFM's operational control, the remainder of our property portfolio falls under category 13 emissions for assets that are leased to other entities. These emissions are quantified and reported with the emissions from our assets in [Section 5](#) of this report.

Emissions reduction actions in FY25

Scope 2 emissions: We continued to progress our ambition to purchase 100% renewable electricity for all Australian offices. In FY25, we also commenced engagement with our office landlords in London and New York to identify opportunities of extending this commitment to these tenancies. This work will continue in FY26.

Scope 3 emissions:

Purchased goods and services (excluding travel):

We continued to engage with key suppliers seeking to ensure that by 2028, 50% of the suppliers for our purchased goods and services (by spend) have net zero targets to reduce their own climate impact. We updated our measurement metric to suppliers by spend (previously by emissions) to better account for changes in supplier behaviour. We assessed that 43% of suppliers were aligned with this target as at 30 June 2025. This work will continue in FY26.

Travel: We continued to engage with our travel suppliers to increase awareness and promote lower emissions options where available. In FY25 we updated our travel booking service to provide carbon emissions calculations at point of sale to support our colleagues in making more climate-aware travel choices. We also commenced working on prioritising low emissions ground transport, such as electric vehicles, as the preferred booking option for ridesharing services. We will continue building on and embedding awareness of these initiatives in FY26.

A circular approach to corporate operations: We continued to engage with key suppliers and landlords on actions to reduce emissions of our office-based operations. For our London office, we completed an energy audit and reported the results and planned actions to the Energy Savings Opportunity Scheme managed by the UK Environment Agency.⁸¹

⁷⁹ US Environmentally-Extended Input-Output (USEEIO) is a family of models designed to bridge the gap between traditional economic calculations, sustainability, and environmental decision-making developed by the US Environmental Protection Authority. It is widely used globally for calculating carbon emissions.

⁸⁰ The ICAO has developed a methodology to calculate the carbon dioxide emissions from air travel. The methodology applies the best publicly available industry data to account for various factors such as aircraft types, route-specific data, passenger load factors and cargo carried.

⁸¹ An energy assessment and energy saving scheme that applies to large undertakings and groups containing large undertakings in the UK

CASE STUDY

Minimising waste to landfill: our approach to e-waste

Rationale

During the COVID-19 Pandemic, IFM issued hundreds of laptops for staff who had previously worked on desktop PCs, to enable remote working. This quickly generated a significant amount of redundant equipment including desktop PCs & IT peripherals such as desk phones that needed to be either recycled or disposed of in a responsible way, while maintaining data security.

IFM action

To address this challenge in Australia the IFM IT team sought input from existing managed service providers Logicalis and together they identified PonyUp for Good.

PonyUp for Good collects donated, decommissioned technology, securely erases data and re-markets the technology, with a 'reuse first' mandate. PonyUp for Good also donates 50% of profits generated to SecondBite, a fresh food rescue charity, funding meal donations to people in need.

Outcomes

We began our partnership with PonyUp for Good in 2022. In FY25 through our ongoing partnership we:

- Diverted 2,317 kgs of e-waste from landfill, the equivalent of re-using 41.33% of IFM's total e-waste
- Donated the equivalent of 17,743 meals through SecondBite through profits generated from reuse of IFM's e-waste

To address the challenge of e-waste in our other geographies IFM is:

- Sourcing partners for our offices across Asia, where there is redundant equipment due to recent technology upgrades
- Partnering with Liquid Technology in New York for technology collections in 2026
- Partnering with EveryChildOnline where we have donated 195kgs in London to date (Since 2023)

As the shift towards mobility continues, the IT team's attention will continue to focus on the timely recycling of assets across geographies where we operate.

CASE STUDY

Circular economy principles applied to London office refurbishment

Rationale

To accommodate our growing UK workforce, which grew 23% to 213 people in FY25, IFM undertook a project to expand and refurbish our London office space.⁸² Sustainability considerations were incorporated into project planning and execution where possible. The aim of doing this was to minimise costs, where possible, as well as minimise negative environmental impacts, such as sending items to landfill that could otherwise be reused or recycled. Opportunities to donate items that IFM no longer needed to recipients in need were also considered.

IFM action

Embracing circular economy principles, we sought to minimise costs and reduce landfill waste.

Outcomes

Approximately 87% of furniture from existing and new floors, such as chairs, storage units and monitor arms, were reused or modified for renewed purpose. For example, some task chairs and monitor arms were reused and new locker units were crafted from repurposed end-of-desk cabinets. Just over 11% of furniture was recycled and 1.8% of furniture was donated to a local charity. Donated items included task chairs, monitor arms and other seating. Donating these items helped to reduce waste to landfill while providing goods of approximately £2,300 in value to the local charity.

The reuse and recycling of construction materials was a focus of the project. Some of the plasterboard and insulation materials were able to be reused, as well as other items like door stops. Other materials were recycled, including metal partition tracks, MDF skirting, glazing, timber doors, door handles, carpet, metal sinks and taps. As much as 35 tonnes (approximately 82%) of materials were recycled across the total project. Materials recycled included almost 10 tonnes of carpet tiles, which can be recycled into flooring and wall covering products, as well as 7 tonnes of plasterboard. Total embodied carbon savings through the reuse and recycling of construction materials was just over 12 tCO₂e.

⁸² UK workforce % increase based on contractor and employee headcount increase between 30 June 2024 and 30 June 2025.

CASE STUDY

Circularity in our operations: Cercle coffee cups in Melbourne

Reducing recycling contamination and waste going to landfill by providing a circular solution for takeaway coffee cups

Rationale

We conduct audits to identify problematic items in our waste stream and then seek to address these. In Melbourne, we recorded a large proportion of waste to landfill was single use coffee cups, with many of the cups originating from local cafes. In addition, the coffee cups were contaminating recycling streams, when people incorrectly assumed they were recyclable. Therefore, we identified that reducing disposable coffee cups coming into our offices would help address both these issues.

IFM action

As a first step we gifted every staff member an IFM branded Keep Cup to use in the office. This was not effective with waste audits revealing the issues we were seeking to solve, were persisting. So, we sought another approach.

In FY25 IFM was the inaugural participant in a precinct-wide trial of Cercle Cup in Melbourne with our Landlord CBRE. Cercle cups adopt a circular model with consumers purchasing their takeaway

coffee at designated cafes in a Cercle Cup instead of a disposable cup at no additional charge. Once empty the Cercle Cup is returned to a Cercle pod, located on every floor of the building as well as in local communal areas. The cleaners then wash and return Cercle cups to the designated cafes where the process is repeated.

To encourage uptake the initial rollout was heavily incentivised by IFM through the offer of three free coffees when using a Cercle Cup.

Outcomes

The IFM trial was a success and showed that the Cercle Cup model was a user-friendly and lower waste alternative to disposable coffee cups. Cercle Cups are now available from seven retailers across both the building where we have our office and a neighbouring building, with a third building coming on board soon. Through this program and across the two currently participating buildings since April 2024, more than 17,000 cups weighing 350kg have been saved from going to landfill!

Our approach to carbon offsets

Where practicable, we are pursuing decarbonisation in our supply chain. As we progress, carbon credits will continue to be part of our decarbonisation journey. Projects selection is informed by co-benefits aligned to the seven priority themes in IFM's Sustainable Investing Guidelines.

In FY24 we purchased carbon credits equivalent to our FY24 operational greenhouse gas emissions of 16,498tCO_{2e}.⁸³

The mix of programs selected was:

- 25% Australian Carbon Credit Units
- 40% Gold Standard Verified Emissions Reductions (International) stapled with Australian Biodiversity Unit Credits
- 35% Verified Carbon Units offsets (International global)

To compensate our FY24 emissions, we selected projects aligned to IFM's sustainable investing focus themes that form a part of our Sustainable Investing Guidelines, including community engagement and indigenous people and biodiversity and nature restoration.⁸⁴

⁸³ As reported in IFM's Annual Sustainability Report 2024, page 64.

⁸⁴ Information on carbon projects provided by carbon credits broker, South Pole, at: <https://www.southpole.com/work-and-impact>

In FY24 the following projects were selected:

Mainoru Fire Management⁸⁵ - Savanna Fire Management

- Location: Katherine, Northern Territory Australia
- Australian Carbon Credit Units accredited by the Australian Government Clean Energy Regulator

About the project:

The Mainoru Savanna Burning Project is an early-dry season (EDS) savanna burning project aimed at reducing late-dry-season (LDS) wildfires. This is a 25-year-long project that started in 2011 and is scheduled to end in 2036, covering an area of 132,311 hectares. The objective of this project is to reduce the effect of the uncontrolled wildfires commonly occurring throughout Northern Australia during the LDS season, through prescribed fires during the EDS or other suitable activities. This helps mitigate the emission of a large volume of greenhouse gas released by these fires, alongside better protecting the essential infrastructure, cultural sites and biodiversity that are threatened by wildfire.

Tiwi Islands Savanna Burning

- Location: Tiwi Islands, 80 km to the north of Darwin adjoining the Timor Sea
- Australian Carbon Credit Units accredited by the Australian Government Clean Energy Regulator

About the project:

Controlled burning of savanna areas in high rainfall zones during the early dry season to reduce the risk of wildfires later in the season. The proceeds from the project provide income for the Tiwi people, helping to keep the community engaged and employed. Active fire management also protects important Tiwi assets, including plantation forests and cultural sites, while preventing ecosystem degradation, habitat loss, and species decline.

EcoAustralia: Mount Sandy Conservation (ABU) + Thai Hoa Wind (GS VER)

EcoAustralia™ is a stapled carbon credit product. The product blends state government-accredited biodiversity protection with international carbon credits.

Mount Sandy Conservation

- Location: Mount Sandy, South Australia
- Australian Biodiversity Units Credits

About the project:

Mount Sandy brings together indigenous and non-indigenous communities of Australia by promoting traditional land management for biodiversity conservation. This project protects a rare pocket of wetlands and woodlands between the Coorong National Park and Lake Albert. As one of the last remaining areas of native vegetation in the region, the land forms a strategic wildlife corridor and is of great significance to the Ngarrindjeri people, the Indigenous local nation.

Thai Hoa Wind

- Location: Thailand
- Gold Standard Verified Emissions Reductions (International) (stapled with Mount Sandy above)

About the project:

Located in Hoa Thang commune, Binh Thuan province, Vietnam, this project involves the construction of an environmentally sound onshore wind power farm. The farm consists of 18 large wind turbines, which generate renewable electricity that is fed into the national grid.

Boumba-et-Ngoko forest conservation

- Location: Cameroon
- Verified Carbon offset

Project description:

Nestled within Cameroon's dense and thick forest, this project aims to stop planned logging activities and mitigate the risk of illegal logging, plant disease, and wildfires. By preventing annual commercial logging, this project helps to avoid emissions generated by logging, transportation, and the processing of raw materials, as well as collateral damage to vegetation, decomposition of material left in the forest, and the construction of forest tracks for transport, hydraulic engineering works, and other infrastructure.

⁸⁵ Information on carbon projects provided by carbon credits broker, South Pole, at: <https://www.southpole.com/work-and-impact>

Social impact programs update

We believe that we have both responsibilities and opportunities to engage with and contribute to the sustainability of the communities in which we operate. Our activities include a range of corporate-led and people-led initiatives and programs.

Supporting natural and humanitarian disaster relief

In FY25 we continued our partnership with the Australian Red Cross, providing AUD 300,000 in disaster relief funding to communities impacted by disaster. These funds supported humanitarian relief for people impacted by disasters around the world including:

- Typhoon Yagi in Vietnam (September 2024)
- Vanuatu Earthquake (December 2024)
- North Queensland Floods in Australia (February 2025)
- Cyclone Alfred, Australia (March 2025)

In these efforts we were guided by the Australian Red Cross and its associated network of Red Crescent Societies⁸⁶ to seek to ensure our funds are utilised where they can have the greatest impact on the ground.

Charitable giving programs

Our charitable giving programs aim to enable our people to give time, skills and money to support community organisations making a positive difference where we live and work. IFM supports these efforts via financial donations and employee time.

Each year IFM offers our people two paid days of volunteer leave. In FY25 employees used this leave to contribute 1,012 hours to local communities, a 30% increase from the previous financial year.

Through Workplace Giving (payroll giving) globally we donated AUD 205,976. This figure includes both employee contributions and corporate matching.

We also supported community organisations through our matched team fundraising program. In FY25, we donated AUD 66,475 to a range of community organisations and fundraising events globally.⁸⁷ These included MacMillan Cancer Support and Save the Children fundraisers in our UK office; a disaster relief fundraising campaign in our New York office for the Californian Wildfires; and Movember, Walk for Autism and the Mother’s Day Classic in Australia.

Please see page below for examples of volunteering activities from around the globe.



Image: Red Cross

⁸⁶ About National Societies | IFRC (URL for hyperlink: <https://www.ifrc.org/who-we-are/international-red-cross-and-red-crescent-movement/about-national-societies>)

⁸⁷ Matched fundraising caps apply.

CASE STUDY

UK Workplace Giving program awarded gold status

In FY25, we undertook a review of social impact programs in each region. Our aim was to better align them with our 'One IFM' global first approach, while still recognising the need for local nuances.

We analysed engagement with programs and how they were delivered to identify opportunities for more streamlined processes and increased engagement.

In the UK, we took actions to increase the attractiveness of these programs, by improving accessibility to the program on our intranet, promoting engagement locally and absorbing administration costs at a corporate (not employee) level and communicating this change.

As a result, UK employee participation in the program increased by 15% during the year. In July 2025 our efforts were recognised by Charities Aid Foundation, which awarded the Gold Payroll Giving Quality Mark (PGQM) to our UK Workplace Giving program.

The Gold PGQM is a UK government-backed accreditation that recognises organisations that encourage charitable giving through payroll giving.⁸⁸



Image: Red Cross

⁸⁸ Charities Aid Foundation Payroll Giving Quality Mark <https://www.cafonline.org/corporate-giving/effective-ways-to-give/give-as-you-earn/payroll-giving-quality-mark>

Volunteering activities around the globe

United Kingdom

- Members of the London team participated in a volunteering event at Little Village, a London-based charity who manage donations of baby clothes, cots, prams and other items, gifting them to families in need.
- Members of our London team volunteered at Blackfriars Settlement, a social enterprise that provides a range of educational and wellbeing services to support people in the community. IFM volunteers spent time in the kitchen preparing meals for members of the community.

United States

- In December 2024, members of our New York office participated in a Winter Wishes in-office volunteering event. The volunteers, or “wish granters”, donated gifts, wrapped them and attached a note with holiday greetings. The gifts were distributed to children and teens from low-income families living in New York City.

Australia

- Team members from our Melbourne office volunteered at the Lost Dogs Home. They sorted donations and made toys for Melbourne’s lost, stray or injured dogs and other creatures who visit the temporary shelter.



Little Village, London



Winter Wishes, New York



Blackfriars Settlement, London



Lost Dogs Home, Melbourne

- A team of our Melbourne colleagues participated in a tree planting day at Yarra Bend with the Foundation for National Parks and Wildlife. The team participated in conservation work, including resurfacing tracks, planting and planting and mulching native bushland.
- Volunteers from our Melbourne office spent a day at Rotary Inner Melbourne Emergency Relief Network's warehouse, which provides furniture and other household essentials to welfare agency clients who have experienced homelessness, domestic violence and other crises. The team sorted and assembled donations.

- A team of volunteers from the Melbourne office took their team fundraising and volunteering to Siem Reap, Cambodia. Together with NGO Volunteer Building Cambodia and other volunteers, IFM volunteers spent five days building a house for a local family in need.

Hong Kong

- Team members in our Hong Kong office volunteered with Project Dignity, a social enterprise that provides vocational training and employment opportunities to people with a diverse range of abilities in Hong Kong.



Yarra Bend, Melbourne



Siem Reap, Cambodia



Rotary Inner Melbourne Emergency Relief Network



Project Dignity, Hong Kong



First Nations Corporate Strategy

During FY25, we continued to implement our First Nations Corporate Strategy. We completed a number of actions that focused on continuing to build cultural awareness and competency in our workplace. Key achievements for the year included:

- Working with First Nations owned and led business 15 Times Better (15XB) to develop our First Nations Cultural Protocols, which includes guidance for our people on cultural protocols, including appropriate language and acknowledgement. See case study to the right.
- Launching voluntary online cultural awareness training module for our people. The module, Seven Steps to Practical Reconciliation, was developed by Evolve Training.
- Commencing work with Naarm/Melbourne-based Kamilaroi artist, Katie Bugden to develop Acknowledgement of Country digital artwork, 'ngiyani winangaylanha' – we acknowledge, as displayed at the start of this report.

In light of the merging of the IFM and ISPT businesses, we commenced a review of our First Nations Corporate Strategy in FY25, which will continue into FY26. The purpose of the review is to identify a joint First Nations strategy as we go forward as one business, with guidance and input from 15XB.

Developing our First Nations Cultural Protocols guide

As part of IFM's First Nations Corporate Strategy, strengthening cultural competency and engagement across our workforce has been a key priority. We had an opportunity to establish accessible and practical support to promote respectful, confident, and culturally informed engagement aligned to our First Nations strategy.

We partnered with 15XB to develop IFM's inaugural First Nations Cultural Protocols guide. This practical resource covers topics such as appropriate language and terminology, Welcome to Country and Acknowledgement of Country, cultural and intellectual property considerations, and guidance for participating in community events and significant dates. While tailored to the Australian context, the guide is also shared with our global workforce, reinforcing our heritage and efforts to enhance cultural understanding.

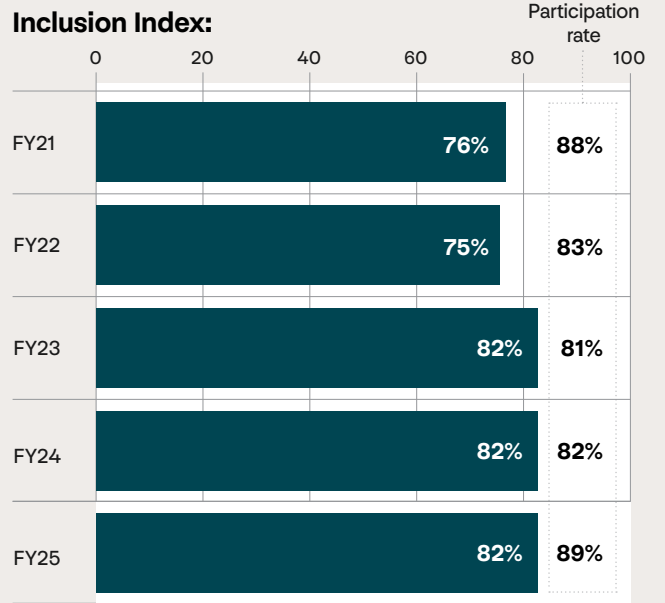
The First Nations Cultural Protocols Guide has equipped IFM with practical support to implement cultural protocols related to First Nations engagement, enhanced confidence and cultural capability across the workforce. It has been shared globally and highlighted for use by teams, including in major events, employee engagement activities and town halls. Embedded within IFM's First Nations Corporate Strategy, the guide serves as a lasting resource that supports informed and consistent engagement across the organisation.



Our Purpose-led inclusive culture

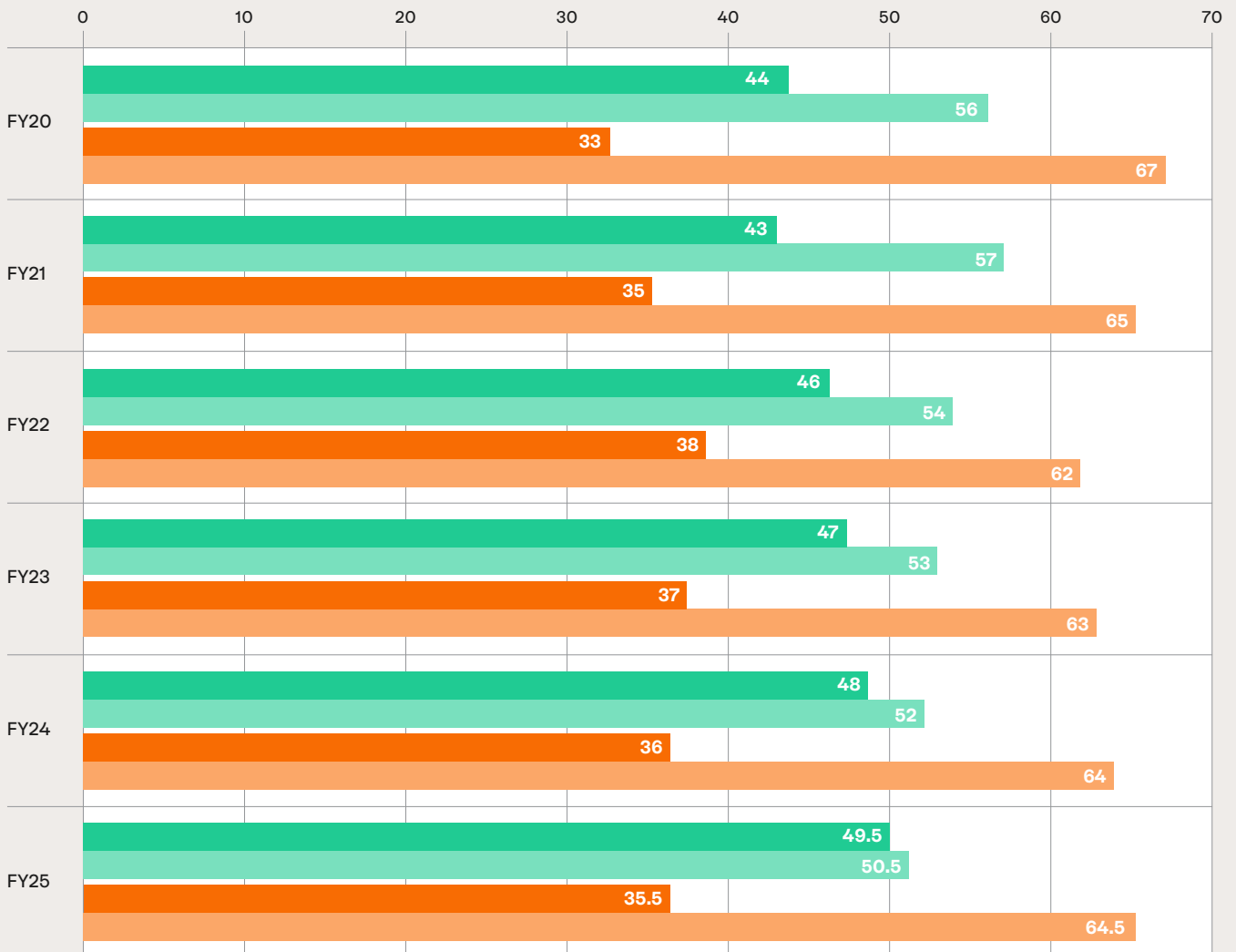
Fostering an inclusive culture is a key imperative for us. By valuing the individuality and variety of experiences that each employee brings, we can cultivate a workplace where all our people can thrive. We believe this will both enhance creativity and drive innovative thinking, leading to superior value for our investors and stakeholders.

Our Inclusive Workplace Index⁹⁰ aims to help us track and measure the inclusive experience of our people over time. The results of the March 2025 engagement survey indicated a positive overall Inclusion Index response score of 82%, maintaining our 2024 score.



⁹⁰ The Inclusive Workplace Index (formally the Inclusion Index) has comprised part of our enterprise engagement survey since 2021. It includes questions that seek the views and experience of our people as it relates to inclusion at IFM.

Gender representation, %, (outside of the United States)⁹¹



All Staff
■ Female ■ Male

Director and above
■ Female ■ Male

This data reflects information required of employees at onboarding in relation to biological sex. It does not include self-reported gender identity information, which we are unable to provide at this time.

We acknowledge that the gender representation imbalance among directors and above has increased since FY22.

To address this, outside of the United States (US), IFM has gender representation goals at the overall organisation level and at each business unit level with supporting strategies reported regularly to the Board and externally as required by the Workplace Gender Equality Agency (WGEA) Australia.

For employees outside of the United States, IFM generates quarterly reporting across all employee metrics for gender representation with reporting to the executive leadership team and Board. IFM has gender-based representation goals set for the senior leadership team (outside of the United States). Subject to applicable laws, progress against these goals form part of the senior leadership team members' annual performance assessment and annual review outcomes.

⁹¹ Figures are as at June 30 2025 for the respective financial years, figures may not sum due to rounding. US-based employees and Board Members have been excluded from gender representation figures. This exclusion has been applied retrospectively to prior years for consistency. For a full list of IFM Board members, please visit our website: <https://www.ifminvestors.com/en-au/about-us/our-people/our-board/>

Highlights of our inclusive workplace activities in FY25 included:

- Retaining our certification as a Family Inclusive Workplace in Australia, meeting the Global Work + Family Standards.⁹² Our 2023–2025 certification recognised a 24-month action plan that drove global improvements across IFM in flexible work practices, enhanced parental leave resources, integration of caregiver data into Board reporting, and broader support for all families and caregivers. Building on this foundation, our 2025–2027 action plan expands our focus to include topics such as pre- and postnatal mental health, kinship care, improved return-to-work support for parental leavers, and stronger leadership capability in supporting our people through life stages. While the certification is Australian, we seek to apply these principles globally, in line with local laws. This reflects our ongoing efforts, as per our Employee Value Proposition, to foster a workplace where all families feel supported, valued, and included.
- Implementing our first global Access and Inclusion Action Plan, with valuable insights from the Australian Disability Network’s Accessibility & Inclusion Index helping to shape its design. We have made steady progress, embedding greater accessibility into key areas of our business such as recruitment, the information technology vendor processes, client experiences, event planning, and learning and development programs— subject to applicable laws.
- We continued to welcome interns from the Australian CareerTrackers program and US based Prep for Prep to support employment pathways for Indigenous students and New York City’s most promising students from modest backgrounds.
- In our London office, we established a new partnership with Young Women In Finance (YWIF), hosting two interns in our UK Infrastructure team through the program. YWIF supports talented young women from socio-economically disadvantaged backgrounds by providing pathways into careers in finance.
- Our three regional employee-led Inclusive Workplace Forums, which are open to all employees to join, continue to amplify voices across the business and sponsor key days of significance observed both globally and regionally. In FY25, we commemorated several global days of significance with internal speaker events, employee insights and reflections, and awareness campaigns. These days included International Day of Persons with Disabilities, 16 Days of Activism against Gender-Based Violence, International Women’s Day, International Day for the Elimination of Racial Discrimination, Mental Health Awareness Month and Pride Month. Additionally, our regional forums celebrated days of significance that held meaning in their respective regions.
- In Australia, we’ve launched PrIdeFM —an employee-led internal community, open to all, supporting colleagues who identify as part of the LGBTQ+ community and their allies.
- We submitted our report to the Workplace Gender Equality Agency in Australia for the 2024-25 reporting year, as required under Australian law. This reporting obligation covers our organisation’s policies, strategies and actions on gender equality, with the aim to improve gender equity and close the gender pay gap.

⁹² <https://familyfriendlyworkplaces.com.au/standards/>

Remuneration

To help deliver on our purpose, we see the importance of attracting highly talented, motivated professionals and paying globally competitive remuneration. As such, our remuneration structures, which are managed through our performance and reward framework, are based on market benchmarking and are designed to attract, retain, motivate and align our people in support of our purpose, while taking into consideration external market conditions, the individual's skills and experience and the performance outcomes to be delivered for our clients.

Our remuneration structures are designed to:

- link individual outcomes to our purpose and values;
- emphasise the importance of upholding our Risk Management Framework;
- ensure the independence of key risk and financial control employees in carrying out their roles and functions; and
- comply with legal and regulatory obligations.

Our performance framework seeks to balance what our people deliver with how they deliver it.

Under the performance framework our employees' performance is assessed on an annual basis considering:

- how they undertake the core requirements of their role in alignment with our values; and
- their contribution to the achievement of key goals in the context of the overall business unit performance.

This assessment of performance is then linked to the calculation of the annual incentive plan outcome. This means our approach to performance and reward is linked to promoting the IFM culture as well as supporting the delivery of our business performance, which we believe helps ensure that our employees are held accountable for their decisions, behaviours and associated risk management.

Achievement of targets in a year, in a way that is aligned to our culture, should be expected to result in an annual incentive plan outcome of 100% of target. However, IFM employees have the ability to earn up to a maximum of 150% of their target annual incentive plan remuneration for exceptional performance and exceptional demonstration of our values.

A portion of each IFM employee's annual incentive plan outcome is dependent on our Corporate Scorecard result, except for individuals in control roles.⁹³ This helps to ensure reward at IFM is aligned to corporate performance as well as individual contribution.

The table below outlines the components of our Corporate Scorecard for FY25 which incorporated a 10% weighting to the delivery of sustainable investment objectives. Our Board assessed our delivery of these objectives for FY25 as "Strong".

Components of our Corporate Scorecard for FY25

Category	Component	% Weighting
Enhance delivery of excellent long-term sustainable investment outcomes	Product Performance	50%
	Sustainable Investment	10%
Deliver profitable growth and diversification with an enhanced client focus	Net Sales	7.5%
	Net New Annualised Revenue (NNAR)	7.5%
	ISQ	5%
Increase our speed, scalability and resilience	Financial performance (Operating Profit and Grossed-up Statutory Profit)	10%
Execution of our Global Strategy	Board Assessment	10%

The Sustainable Investment component comprises a composite measure of our progress on our Sustainable Investment strategy against asset class (70%) and organisational objectives (30%).

⁹³ For control function employees, any variable remuneration will have performance measures based on achievement of objectives linked to their functions, allowing independence from the performance of the business areas they control to avoid potential conflicts. Remuneration of US based employees is not linked to Sustainability KPIs.

Gender Equality in Remuneration

IFM seeks to eliminate unintended bias in its pay practices by regularly comparing the remuneration of men and women in like-for-like roles, within like roles and when compared to external market benchmarks. Where material differences between the average pay of people of different genders in like for like roles are identified, IFM documents, investigates and takes appropriate action where relevant (applicable outside of the US and subject to US law).

In Australia, we submit remuneration data for our Australian employees to the Workplace Gender Equality Agency (WGEA) to facilitate assessment of the gender pay gap in Australia, as required under the Australian Workplace Gender Equality Act 2012.⁹⁴

Since February 2024, WGEA has been publishing gender pay gap data by firms annually, under the Australian Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023.

Gender Pay Gap ⁹⁵	IFM	Industry Comparison Group
Median base salary	21.4%	15.1%
Median total remuneration	27.3%	16.3%

Source: Workplace Gender Equality Agency, WGEA Reporting Industry Benchmark Report 2024

It is important to note that the gender pay gap as reported by WGEA compares the difference in earnings between women and men in the workplace⁹⁶ and should not be confused with men and women being paid the same for the same or comparable job. This is equal pay, and we have strategies in place to help ensure we remunerate all of our people equally for equal work or work of equal value.

We acknowledge that our gender pay gap has increased since FY24 and is above the industry comparison. Through the processes we have in place to monitor differences in pay between genders, we believe we have a clear understanding of what is driving our overall difference in earnings between women and men. IFM's gender pay gap is primarily related to the number of men compared to women in senior investment roles. These roles attract high levels of variable pay linked to IFM's strong investment performance.

We have strategies in place to improve gender balance across all levels (applicable outside of the US and subject to US laws), and we are monitoring progress. We know that increasing our gender representation, especially in investment teams and at the senior levels requires a long-term approach. Further highlights of our broader inclusive workplace programs are set out earlier within this report.

Learning and development

We aim to cultivate a learning culture at IFM with a range of programs, tools and resources based on the following principles:

1. Learning is a shared responsibility - Employees drive their growth with the support of their leaders and the organisation.
2. Leverage your strengths - We help employees build on what they do best to deliver lasting impact.
3. Learn from others - Collaboration and knowledge-sharing strengthen our collective capability.
4. Experience counts - Application of learning drives meaningful development.
5. Development is continuous - Learning evolves with our people and our business.

In FY25, we focused on strengthening leadership capability, enabling leaders to navigate complexity, drive meaningful outcomes and amplify their impact. We implemented our Breakthrough Leadership, Executive Director Induction and Lead UP programs; programs aimed to foster collaboration to build enterprise leadership. Our Learning Cafes continued to foster a deeper understanding of our business and strategic initiatives. We encouraged social learning and continuous growth through our peer learning program, Learner Loops. To support individual career development, we provided targeted learning opportunities, resources and guidance aligned to personalised development plans. We also delivered a suite of mandatory learning to comply with regulatory requirements and reinforce our commitment to an inclusive, safe and respectful workplace, in line with our employee Code of Conduct and our Values.

⁹⁴ For further details see our most recently submitted report here: [wgea-report-2023-2024.pdf](https://www.ifminvestors.com/wgea-report-2023-2024.pdf) ([ifminvestors.com](https://www.ifminvestors.com))

⁹⁵ As analysed under the WGEA methodology. The median gender pay gap is the percentage difference between the median earnings of men and women. For details see i) [Publishing employer gender pay gaps FAQ | WGEA](#); and ii) [Employer Gender Pay Gap Technical Guide.pdf](#) ([wgea.gov.au](https://www.wgea.gov.au))

⁹⁶ While WGEA collects data for those identifying as non-binary, these results are not published due to the small numbers and voluntary nature of reporting.

Building sustainability knowledge, skills and mental agility

We believe that strengthening the collective sustainability knowledge, skills and mindset of our employees is critical as we pursue our strategic priorities and focus on building resilient portfolios to deliver on our purpose.

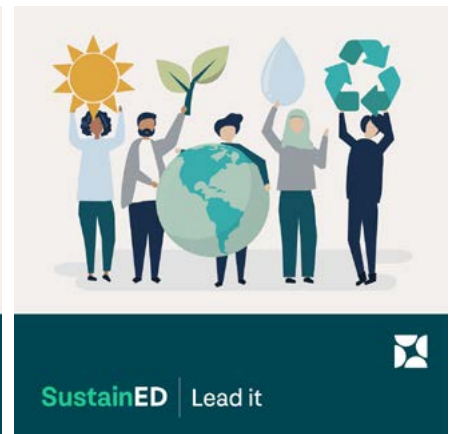
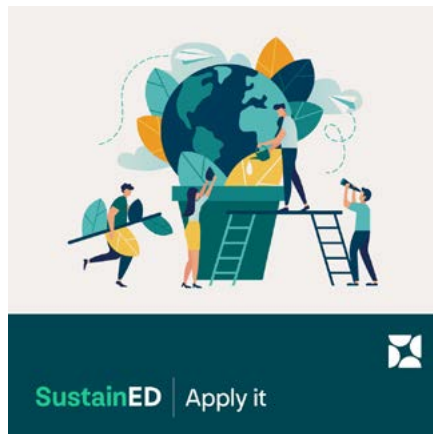
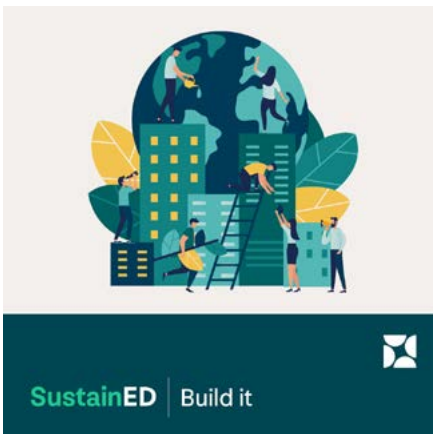
In May 2025, IFM launched Sustained, our first organisation-wide sustainability learning program. Sustained was developed to help employees navigate regulatory changes and meet stakeholder expectations, as well as support IFM's focus on sustainable long-term investment outcomes.

The program offers various learning interventions to improve employees' sustainability knowledge and skills across foundation, technical and leadership levels. To support engagement in program offerings, we created three learning personas to guide employees to suitable learning opportunities: Built it; Apply it; Lead it.

Learning interventions leverage internal and external expertise and include the following:

- **Sustained Resources Hub:** Located on our company intranet, the Hub is where employees can explore what's on offer and access key program elements.

- **Sustainable Investment @ IFM Module:** This Module aims to create a clear and consistent understanding of sustainable investment and why we do it at IFM. It also defines key sustainable investment terms used at IFM.
- **Stickerbook:** We partnered with micro-learning platform Stickerbook to offer short, easy-to-digest videos on a wide range of sustainability topics.
- **Sustained Course Catalogue:** A curated list of courses from education providers globally to suit various job levels and functions, focusing on our organisation's priority learning themes and topics.
- **Global Sustainability Forums:** These regular online forums aim to support employees' understanding of global issues impacting our sustainable business approach. Forums enhance connectivity and communication across IFM and are recorded for on-demand viewing.
- **SI Espresso Shots Newsletter:** A regular newsletter for IFM employees containing a curated collection of key sustainable investment updates from IFM and beyond. Content aims to highlight developments, risks, and opportunities across the markets in which we operate and invest in. It includes commentary on implications for IFM and our clients.



Modern slavery risk management

We continue to pursue improvements in our approach to managing the risk of modern slavery in our portfolios and supply chains, including targeting improvements for assessing and managing our portfolios as well as monitoring our approach for IFM's suppliers.

Activities undertaken in FY25 include:

Hotel chain supplier deep dive

We conducted a deep dive into our preferred hotel chain accommodation, to review their ongoing efforts in monitoring and addressing their highest priority risks in their own supply chain. This identified:

- They have maintained a high-quality framework of policies, planning and actions to help them to minimise the risk and impact of modern slavery occurring within their supply chain.
- They invite suppliers to participate in EcoVadis, a platform which conducts robust due diligence on suppliers for a range of risk factors, including prevalence of modern slavery.
- They also take particular care in their operations and food sourcing, given these are an area of particular risk, centralising what they are able to in order to create a consistent approach and evaluation process.

We concluded that the standards this global supplier provides around general corporate social responsibility and modern slavery mitigation specifically, are a key reason for our ongoing relationship with them.

Launching our Supplier Code of Conduct

The launch of the Supplier Code of Conduct in FY25 was a great step forward in articulating the importance of engaging with suppliers on the issues that are important to IFM and our stakeholders.

This document aims to support IFM's suppliers to understand and meet the standards we expect from them as well as delivering high quality goods and services, and where possible, we encourage suppliers to seek opportunities to exceed these requirements.

The Supplier Code of Conduct covers:

- Labour and other Human Rights
- Environmental Management
- Business Conduct and Ethics
- Social Considerations

In FY26, we will continue work to raise awareness of and embed the Supplier Code of Conduct across the organisation.

We annually produce a modern slavery statement⁹⁷ which provides more detail on the work we have undertaken this year.

Building capability

Learning

IFM's new organisation-wide sustainability learning and development program, SustainED, offers learning opportunities in relation to human rights and modern slavery, including:

- Within online micro-learning platform Stickerbook's social sustainability themes chapter.

- As part of our external provider course catalogue, which includes the University of Technology Sydney's course *A Practical Guide to the Modern Slavery Act* (Australia).

As the SustainEd program continues to evolve, we aim to offer new opportunities aligned to building modern slavery and human rights knowledge and capability building.

For information related to modern slavery in our investment portfolios, please see [Section 3: Implementing our sustainable investing approach](#), and [Section 4: Engaging with government bodies and policymakers](#).

⁹⁷ <https://www.ifminvestors.com/en-au/sustainable-investing/modern-slavery/>

Section 7

Governance



Governance

As we pursue our Purpose and aim to support long-term value creation for stakeholders, we understand the importance of robust governance. We seek to maintain policies and procedures throughout our investment and corporate decision-making to ensure accountability in our sustainable investing practices.

Our governance framework, from the boardroom to the investment committees and our investment teams, is designed to define, integrate and monitor our sustainable investing approach, as described in our Sustainable Investing Guidelines. We regularly review our risks, policies and processes to seek to ensure ongoing effectiveness and compliance with both internal governance standards and externally mandated regulatory requirements.

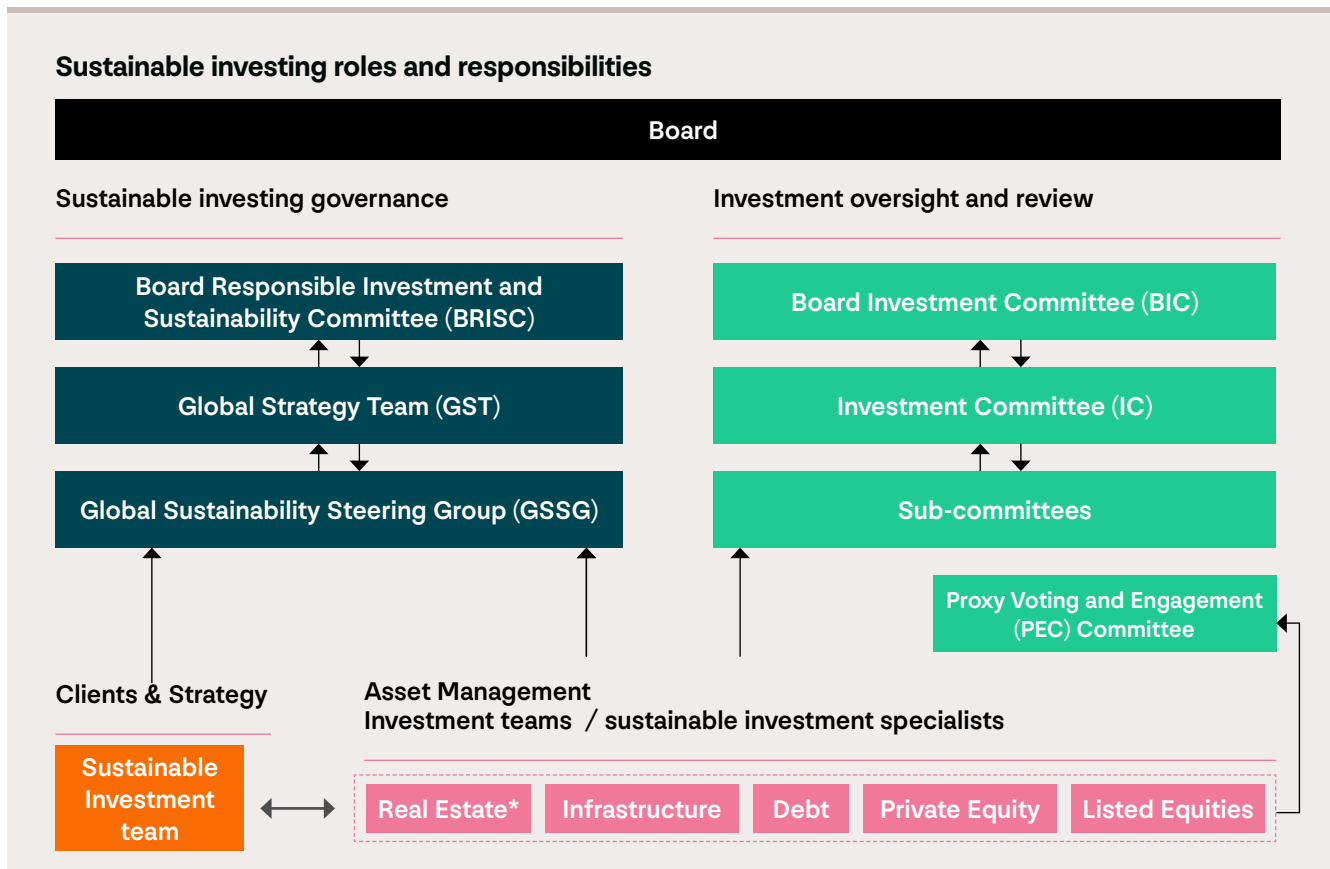
Established in 1994, IFM is owned by 16 industry superannuation funds and pension fund owners, and operates as an independent entity focused on institutional funds management. This ownership model, with our owners investing alongside

clients, fosters alignment of interests and a shared commitment to our Purpose. This approach underpins our aim to maximise long-term returns for the benefit of our clients.

Our due diligence on potential clients considers factors such as institutional status, anticipated investment tenor, alignment with our Purpose, reputational risks, and operational complexity. This process, combined with ongoing stakeholder engagement, is subject to ongoing review to seek to ensure our due diligence remains robust and protects the interests of our client base.

Committees, roles and responsibilities⁹⁸

At IFM, our overarching sustainable investing approach is established and monitored at the IFM Board level. Management supports the execution of this approach, aiming to ensure sustainability opportunities and risks are appropriately reflected in our risk management frameworks and plans at the corporate and investment levels.



⁹⁸ The diagram and the accompanying sections on governance, shows the target operating model for our real estate asset class, the work to integrate our recently acquired real estate business is still underway..

⁹⁸ Please refer to our [Sustainable Investing Guidelines](#) in Appendix 2 for details.

Sustainable investment capability and resourcing

AVERAGE TENURE AND EXPERIENCE OF THE SUSTAINABLE INVESTMENT TEAM

	Number in team (people)	Average tenure with IFM (years)	Average sustainability experience (years)	Average industry experience (years) ⁹⁹
As at 30 June 2025	12	3.2	9.4	15.3

In addition, there are eight dedicated sustainability specialists within our investment teams.

AVERAGE TENURE AND EXPERIENCE OF ASSET CLASS SUSTAINABLE INVESTMENT SPECIALISTS¹⁰⁰

	Number of specialists (people)	Average tenure with IFM (years)	Average sustainability experience (years)	Average industry experience (years) ¹⁰¹
As at June 30 2025	8	2.8	10.8	13.4

Reviewing our policies and processes

Our policy framework

Our sustainable investing integration and stewardship approach is guided by the following key policies and manuals:

- IFM Sustainable Investing Guidelines (published in May 2024 and updated in August 2025)
- IFM Group Corporate Proxy and Engagement Committee (PEC) Charter
- IFM Group Listed Equities Climate Change Engagement and Escalation Policy
- IFM Group Sustainable Finance Disclosure Regulation (SFDR) Policy
- IFM Group Sustainability Commitments Procedure

We also have detailed Operations & Compliance Manuals that outline applicable policies and procedures for each asset class or investment team, and for specific strategies where relevant. In addition to our own policies and manuals, IFM is a member of ACSI and considers many of ACSI's policies as part of our broader approach to stewardship. This includes ACSI's Governance Guidelines¹⁰² and Gender Diversity Voting Policy.¹⁰³

Policy and procedures review

Our policies define what, why and how IFM will seek to manage risk and ensure regulatory obligations are met. To support accuracy and currency, policies are

subject to periodic review and update. The relevant approval authority is determined based on the type of policy or procedure. This may include the IFM Board, a Board Committee, a Management Committee or the relevant executive approval. The majority of frameworks and policies are subject to review and initial approval by the Policy and Document Sub-Committee (PDSC), which is a sub-committee of the IFM Risk Committee.

The PDSC is responsible for:

- Overseeing the application of IFM's Policy Governance Principles;
- Approving frameworks and policies not requiring IFM Board, Board Committee or Management Committee approval; and
- Approving procedures applicable to IFM.

The PDSC is comprised of delegates from several business units including Risk & Compliance, People & Culture, Operations, Commercial and Investments.

The IFM Policy Governance Principles are in place to support the application of a principles-based approach to content, document type and policy governance, supported by the IFM Policy Governance Procedure which outlines the process for writing, reviewing and/or updating policy documents.

⁹⁹ Refers to experience in the sustainability and/or financial services sectors.

¹⁰⁰ These figures do not include real estate sustainability specialists. IFM acquired a subsidiary operating in real estate mid-way through the reporting period. As at 30 June 2025, integration is ongoing.

¹⁰¹ Refers to experience in the sustainability and/or financial services sectors.

¹⁰² [ACSI Governance Guidelines | ACSI](#)

¹⁰³ [ACSI Gender Diversity Policy | ACSI](#)

In situations where major updates are needed, we may engage the services of a third party to undertake a gap analysis or benchmarking exercise to provide an external lens and help ensure our policies and procedures remain current. The same occurs for our process documents.

Assurance activities are performed regularly throughout IFM, across three 'lines of defence' (consisting of all employees, our Risk & Compliance Team and our Internal Audit function) as part of the IFM Risk Management Framework. These assurance activities take the form of attestations, self-assessments, control testing, compliance monitoring, risk assessments, internal audit, external audit, and/or independent reviews.

Monitoring regulatory developments

To seek to effectively manage our regulatory risks, working with external counsel, we have identified and mapped out what we understand to be our key regulatory obligations across our operating jurisdictions and captured them within a register. An external electronic tool is used to capture relevant amendments to existing compliance regulations and alerts relating to new compliance regulations on the horizon. In the event that legislation and regulation fall outside of the capabilities of the electronic feed, manual monitoring of relevant regulator websites is also used.

Following analysis and identification of regulations impacting IFM, a business impact assessment (BIA) is undertaken to determine the level of change impact to IFM. The BIA process involves regular communication and input from the business units within IFM that are to be impacted by the regulation. A regulatory change management process is in place that is governed by the IFM Group Regulatory Change Management Policy. This process seeks to identify, assess, communicate and manage the implementation of new or amended regulation in all relevant jurisdictions. IFM's Regulatory Change Working Group (RWG) provides oversight for the portfolio of regulatory change activity across IFM. The RWG operates under delegated authority from the IFM Risk Committee, meeting on a monthly basis.

Conflicts of interest

IFM's Conflicts Management Policy and Procedure emphasise acting in our clients' best interests and outline how conflicts are identified, managed and disclosed. All employees have access to the Policy and Procedure, and are required to consider conflicts in every aspect of their role and adhere to IFM's Code of Conduct.¹⁰⁴

Identifying potential conflicts

IFM's Conflicts Management Policy and Market Abuse Policy capture the process of identifying conflicts. As part of our stewardship activities, guidelines are adopted to recognise potential conflicts of interest, including personal (e.g. account trading), investment (e.g. competing asset interests), and corporate (e.g. related party transactions). Our Global Risk and Compliance team is informed of any material non-public information obtained through stewardship activities, and relevant controls are implemented, such as information barriers. We believe proper management of material non-public information is critical to effectively manage conflicts of interest and to maintain the trust of our owners, clients, regulators and the communities in which we operate.

We have implemented policies, procedures and training that aim to ensure employees understand the concepts of material non-public information and insider trading, and the controls we must implement to manage and monitor the risk of unauthorised disclosure of material non-public information that could lead to insider trading and undermine the fair operation of financial markets.

Managing conflicts of interest

IFM's Conflicts Management Policy sets out principles for managing conflicts between our business, clients, and between and within investment teams. Key principles include all clients should be treated fairly and equitably, and seeking to ensure no investor is disadvantaged in the management or avoidance of the relevant potential or perceived conflict.

¹⁰⁴ <https://secure.ethicspoint.com/domain/media/en/gui/67853/index.html>

The IFM Conflicts Management Policy is reviewed biennially or when material changes occur, and is approved by the IFM Audit & Risk Committee. Potential conflicts are assessed by the Conflicts Committee, a sub-committee of the IFM Risk Committee, which operates independently of the business units involved in the potential conflict.

In the rare instance that a potential conflict scenario cannot be avoided, the Conflicts Committee reviews controls to ensure appropriate management. Examples of personal potential conflicts include

relationships with service providers, external employment with an investor or service provider, or financial gain misaligned with client interests. Matters may be escalated to the IFM Board and/or Board Audit & Risk Committee if needed.

The IFM Conflicts Management Policy also provides guidance on conflict scenarios such as investment decisions, external advisor appointments, related party transactions, and common board memberships. A conflicts register is maintained and reviewed regularly.

CASE STUDY

In FY25, IFM's Debt Investments team was approached by an external arranger to consider participating in lending to the Operating Company (OpCo) of a data centre where IFM was already a lender to the Holding Company (HoldCo). This situation presents potential conflicts, such as in the event the entity becomes financially distressed and thus resulting in a workout, where the interests of two or more IFM funds or client mandates might be misaligned.

IFM requires such actual or potential conflicts to be referred to the IFM Conflicts Committee for consideration. The Committee will satisfy itself of the controls each of the parties propose to implement to manage the conflict.

In this instance, the following mitigating factors and conflict management arrangements were outlined:

- Deal source: The new issuance was an arms-length public transaction brought to the Debt Investment team via the arranging bank.

- Disclosure: The sponsor involved in the HoldCo transaction was aware of the proposed OpCo opportunity and expressed support for the additional investment, and the investor in the proposed OpCo transaction was informed of the existing loan to the organisation at the HoldCo level.
- Materiality: The proposed OpCo loan represented <2% of the new term loan with limited influence on lender decisions.
- Governance: A team separate to the deal team oversees the holdings post-transaction, and in the event of any disruption such as restructure, amendment, or enforcement scenario, IFM has the resources in place to separately manage both positions, with appropriate persons appointed above the wall to independently manage any necessary decision making.

The Conflicts Committee determined that the factors above to manage the identified conflicts in relation to this particular transaction were appropriate, in accordance with IFM's conflicts management policy.

External tools and resources

IFM leverages both internal teams and external resources to support our sustainability research, due diligence and stewardship. For our infrastructure equity and private equity portfolios, we typically access sustainability-related data and information directly from portfolio assets/companies and engage directly with them to seek to understand sustainability-related performance. External consultants are engaged for specialised assessments and transaction support.

We use tools such as Pathzero to measure, analyse and guide on emissions reduction options in our private equity portfolio, and MSCI ESG Manager for ratings and underlying sustainability data and analytics for our listed equities' portfolio companies. These data points help identify portfolio companies that are lagging behind their peers on sustainability considerations and inform our engagement priorities.

We believe these tools are useful because they help quantify material sustainability-related risks of a particular company on a case-by-case basis, informing targeted engagement and investment decisions. Climate change research and data is sourced from investor bodies, external analysts, and working groups, and we commission climate assessments related to our infrastructure equity portfolio from external providers such as BCG, Arup, ERM and Pollination.

In addition to our own direct stewardship engagement with certain Australian listed companies, IFM is a member of ACSI which engages with Australian listed companies on our behalf, provides pre and post meeting file notes, and ongoing engagement tracking. Proxy voting is executed via Glass Lewis, using its Viewpoint platform, with research and recommendations from two proxy advisors informing IFM's voting decisions. See [Section 3](#) for details on our approach to exercising voting rights in companies within our listed equities portfolio.

Third-party data and research providers and platforms that support our sustainability integration and stewardship activities

Service provider	Description
MSCI ESG Manager	ESG data, research and ratings acts as an input into proprietary analysis and screening.
S&P	Individual company data is used on a case-by-case basis by our debt investments portfolio team. Scenario modelling solutions to provide climate risk modelling for both our listed and private assets.
Arabesque	Provides an assessment of a company's performance on certain sustainability criteria and is used as an input in our proprietary investment process in active strategies within our listed equities portfolio.
RepRisk	We use RepRisk to identify and assess potential sustainability risks faced by companies and investments.
PathZero	Pathzero is an online platform that we use to measure and analyse a company's emissions.
PWC DataKit	A data collection platform for assets within our infrastructure equity portfolio, covering SFDR and other sustainability data requirements.
Ownership Matters	Provides bespoke governance and accounting risk analysis for ASX 300 companies.
ACSI	Company engagement service and proxy voting research and advice for the ASX 300.
Glass Lewis	Proxy voting research and recommendations and the provision of the Viewpoint online voting management platform.
ENVIZI	A data collection platform used by the real estate portfolio team to track, validate, and report emissions.
Edge Impact Acclimatise	A climate risk assessment platform used by the real estate portfolio team to evaluate and manage climate-related physical risks across its asset portfolio.
Bintracker	On-line reporting platform used by our real estate portfolio team to manage and validate supplier waste data.

In addition, IFM works with a number of consultancies across our global locations to supplement our internal resources and seek specialist advice on an ad hoc basis.

Monitoring external advisors and service providers

External advisors and consultants

IFM manages all of investment portfolios internally and does not use external portfolio managers. However, we engage with a global network of external advisors to support operations and the delivery of projects, and to provide specialist expertise and support to our investment teams during various phases of the investment and transaction process.

We maintain a list of 'Preferred Advisors' with pre-agreed terms, which is reviewed periodically. The IFM Group Policy for the Engagement of External Advisors outlines the process which must be undertaken in appointing any external advisors.

Outsourcing and supplier oversight

Our procurement team and business units oversee outsourced relationships, guided by the IFM Group Outsourcing Policy, which outlines our process and assurance requirements for outsourcing arrangements. Providers are classified as:

- Primary relationships: integral to the operations of IFM or our investment portfolios.
- Secondary relationships: typically support and ad hoc consulting services with minimal impact if changed.

When appointing key external providers, we may typically carry out an initial assessment across a range of criteria outlined in the IFM Group Outsourcing Policy or the IFM Group Engagement of External Advisors Policy, such as financial abilities, technical abilities, as well as the ability to support the implementation of our sustainable investing approach and Sustainable Investing Guidelines.

A Supplier Code of Conduct was finalised in FY25 to provide further rigour around supplier appointments. This document sets out the high standards and behaviours we expect from our suppliers relating to human rights, ethical sourcing, bribery and corruption, labour standards, workforce inclusion, health and safety and the environment.

Monitoring of service providers is undertaken on a regular basis depending on the relationship to gauge whether performance and service levels are

consistent with expectations. We recognise it is important that we retain sufficient capacity (skills and knowledge) to be able to supervise ongoing service delivery and performance. Monitoring may involve:

- Meeting with key personnel of the service provider or agent;
- Monitoring changes to key personnel of the service provider or agent; and
- Receiving performance reports and/or presentations from the service provider or agent, and periodic onsite and offsite reviews.

Supplier performance management framework

We have developed a supplier performance management framework which was built in response to our growing supplier base and the increasing obligations that IFM has in relation to sustainability and regulation, including those of the supply base. We segment suppliers into different categories to help distinguish critical suppliers from those that are more easily substituted. This allows us to increase our focus on the assessment and oversight of the critical suppliers, such as those that are involved in the provision of custodial services, valuation, fund administration, core technology services and internal audit.

We believe a more structured approach to our management of suppliers helps drive improved performance, enable better risk control, create greater alignment with suppliers and enable us to more effectively demonstrate to regulators, our clients and owners how we are managing those key relationships.

Listed equities portfolio engagement and proxy voting services

ACSI undertakes engagement with ASX 300 companies on behalf of members including IFM and provides us with proxy voting research and advice. Our representation on ACSI's Board and Member Council helps to ensure alignment with our engagement priorities. We also contribute to ACSI's Corporate Governance Guidelines through its biennial working group.

The Sustainable Investment team and listed equities portfolio team monitor ACSI and Glass Lewis to ensure their services remain fit for purpose for IFM, including through formal reviews during contract renewals. An external auditor conducts annual reviews to verify compliance with IFM's internal controls and voting account policies.

Sustainability data providers

We use a range of sustainability data inputs, analytics and research providers in the management of our listed equities and debt investments portfolios which include MSCI, Arabesque, S&P, RepRisk and Ownership Matters, as well as obtain engagement and proxy voting advice from ACSI and Glass Lewis (where applicable) as outlined above. Credit ratings agencies are used where coverage is available.

Infrastructure equity and private equity portfolios face data coverage challenges. We use RepRisk for ongoing portfolio screening of our infrastructure equity portfolio companies and diligence screening for our infrastructure debt products within our debt investments portfolio. Generally, our infrastructure equity and private equity portfolio companies independently engage their own data and service providers and provide relevant information to our portfolio managers.

We regularly monitor the quality and depth of sustainability data and research from external providers by undertaking a comparison across different data providers for investments where possible, frequently reviewing new data offerings and trialling new data solutions. We also formally review service contracts annually with a view to ensuring they continue to meet our needs.

Client reporting and engagement

We engage frequently with our owners and clients. Our engagement is two-way and provides us the opportunity to seek feedback via the following formal and informal channels:

- Owners Council;
- Investor Advisory Committees;
- Our Investor Service Quality survey; and
- Direct interaction via investor forums, regular briefings and client meetings.

Owners Council

The Owners Council consists of representatives from IFM's shareholders who meet to discuss IFM's company strategy, business planning, results, leadership and other agreed topics of interest including sustainable investing matters.

Investor Advisory Committees

IFM's Investor Advisory Committees (IAC's) are also important forums for consultation between IFM and our clients on matters including our sustainable investing approach. These committees exist for our

infrastructure equity portfolio, our private equity portfolio and our infrastructure debt products within our debt investments portfolio. We seek broad investor representation on these committees, which are designed to provide a forum for consultation between IFM and our clients on a variety of issues relating to their investments. The IAC platform enables the sharing and discussion of feedback, requests and advice amongst committee members.

The following are examples of some of the functions relating to the IAC platform for our infrastructure equity portfolio:

- Discuss and consider the impact of changing circumstances and market conditions on the strategy and performance of the infrastructure equity portfolio.
- Review conflicts of interest and related party transactions.
- Discuss and consider opportunities as to how IFM and our clients and owners, where appropriate, may influence stakeholders to contribute to the opportunities available to the portfolio.

Aligning our investment management approach to our clients' needs

Our approach to seeking to align our investment management approach with our clients' needs includes focusing on understanding their priorities and using this information to inform our actions; working hard to build long-term, constructive investor relationships; and acting as a trusted advisor and steward of our clients' money.

Our Owners Council and IACs enable us to regularly engage in a formal way with our clients and learn more about their needs and concerns. The information obtained from these interactions is used to inform our business decisions and the types of products and services that we offer our client base.

We seek to develop new investment strategies that take into account the changing needs of our clients. These strategies incorporate sustainability objectives and aim to support our clients who have set their own net zero commitments. These were developed in consultation with clients, to strengthen alignment to their investment policies with respect to sustainability considerations.

At the individual client level, we can develop bespoke mandates and sustainability strategies in collaboration with clients that are tailored to their

⁹⁰ <https://www.ifminvestors.com/en-au/capabilities/listed-equities/stewardship/>

direct needs. These bespoke solutions can also be adjusted over time, for example, as a client's climate goals evolve.

We value the feedback we obtain from our owners and clients as part of our annual Investor Service Quality survey and regular interactions, and we use this information to help improve our approach and better meet client needs.

The collaborative efforts in which we participate also result in us engaging alongside some of our clients. While client engagement is not the primary objective of our involvement in these collaborations, it nonetheless helps provide another channel to determine the range of issues our clients consider important.

Client forums, regular briefings and client meetings

Our clients and owners are regularly provided with investment performance, fund information, qualitative commentary, quantitative indicators, sustainable investing approach considerations and market developments through the following channels:

- Monthly statements and quarterly reports detailing performance and market developments;
- Regular conference calls, client updates and client briefings;
- Publication of thought leadership white papers;
- Masterclass sessions to share investment insights; and
- Customised client deliverables, as agreed.

This is complemented by engagement and outreach undertaken by IFM's Chief Executive Officer and senior executives, including investment team heads. As a result, IFM can stay close to our clients and respond quickly to market developments, investment trends and sustainable investing themes.

Investor Service Quality survey

Our Investor Service Quality (ISQ) survey uses independent qualitative research via interviews with chief executives, chief investment officers, key investment team members and asset consultants to assess our investor service quality on an annual basis. This assessment includes a critical assessment of IFM's sustainable investing approach.

The ISQ provides IFM's clients the opportunity to give feedback about their experience with IFM. The areas covered in the 2025 ISQ review included: overall satisfaction with IFM, investment performance, strategic alignment, client engagement, consultant feedback, onboarding, legal and related documentation, client meetings, reporting and sustainable investing policy, process and reporting.

The results for the 2025 ISQ survey continued to reinforce the momentum we have seen in previous years, with the "overall satisfaction" score at 8.4 out of 10, our second highest score received to-date, reflecting the continued level of achievement across all dimensions measured in the ISQ.

IFM's overall sustainable investing reporting scores have remained high, with IFM's Sustainable Investment team, capabilities, alignment, stewardship and overall delivery at their highest levels since measurement began.

Reporting

We believe transparent reporting about our sustainable investing approach, actions and outcomes is important to earning and maintaining the trust of our clients and other key stakeholders. We aim to ensure our reporting is fair, balanced and understandable. We seek to do this through internal reviews of our reporting before publication and via reviews and benchmarking of our reporting against peers and competitors. Formal and informal feedback from clients and other key stakeholders also informs our consideration of improvements to our reporting.

Below we outline publications we provide our clients and owners and other key stakeholders explaining our approach, activities and outcomes.

IFM's sustainability reporting and disclosures

Sustainable Investing Guidelines: Defines our sustainable investing approach.¹⁰⁵

Annual Sustainability Report: Reports on how we are delivering on our Purpose for our clients and owners via our investment, stewardship, advocacy and corporate activities.

PRI Transparency and Assessment Reports: We publish our PRI Transparency and Assessment reports on our website.¹⁰⁶

Net Zero Asset Managers Initiative: We provide a submission on our progress for inclusion in NZAMI's annual report on signatories' target disclosures. The framework is currently under review so a submission was not required this financial year.

GRESB:¹⁰⁷ In 2025 IFM again participated in the GRESB assessment process for our infrastructure portfolio. The results for all three products in our infrastructure equity portfolio were maintained. This included a management score of 30 out of 30 for two products and the third product again achieving the maximum 5-star rating

Our real estate portfolio maintained the top rating of 5 stars in the 2025 GRESB Real Estate Assessment.

Insights: We produce a range of thought leadership, white papers and regular updates for our clients and other stakeholders which include topics relating to our stewardship activities and outcomes. We publish these on our website.¹⁰⁸

Listed Equities Stewardship reports and voting records: We publicly report every six months on our Australian listed equities portfolio stewardship activities, covering our proxy voting and engagement activities and outcomes for the period. We also provide a real-time list of voting activities on our website. These are available via the stewardship page on our website.¹⁰⁹

Modern Slavery Reporting: We publicly report on our processes and controls to prevent modern slavery within IFM operations, investment activities and third-party providers.¹¹⁰

EU SFDR Disclosure: We provide annual disclosure of environmental and social considerations for our global products within our infrastructure equity portfolio that are in scope of the European Union's Sustainable Finance Disclosure Regulation (SFDR).

Infrastructure Climate Change Report (distributed to our clients): We report carbon footprint data and outline our decarbonisation pathways and progress towards our 2030 Infrastructure Equity Portfolio target for the portfolio to our clients via annual reports and periodic client updates.

Private Equity Sustainable Investment Report (distributed to our clients): We review and disclose our progress regarding sustainability objectives and priorities and highlight focus areas for the year ahead for our private equity portfolio.

¹⁰⁵ Available on our website [Governance and reporting | IFM Investors](#) and as Appendix 2 to this report.

¹⁰⁶ Available on our website [Governance and reporting | IFM Investors](#)

¹⁰⁷ GRESB is an internationally recognised global ESG benchmark for real assets. It aims to provide validated ESG performance data and peer benchmarks to support investors' and investment managers' engagement and decision-making. GRESB Members are able to access our portfolio Management Scores and Asset Scores for portfolio companies that have exited the 'first 12 months' grace period.

¹⁰⁸ [Thought Leadership | IFM Investors](#)

¹⁰⁹ [Engagement & Proxy Voting Reports | IFM Investors](#)

¹¹⁰ [Modern Slavery | IFM Investors](#)



Maria Nazarova-Doyle

Global Head of Sustainable Investment

Building on a strong start to the year, we are focused on further embedding sustainability considerations in our business and portfolio-related activities, while continuing to provide long-term investment solutions to our growing global client base. It's going to be another busy year as we concentrate on the new and ongoing initiatives highlighted in this report.

Below are some of our key focus areas for the year ahead.

Our journey to net zero

Continue the work to enhance our plans for implementing our 2050 Target across our operations and our asset classes.¹¹¹ This will include working with assets in our infrastructure and our private equity portfolios to improve the maturity of their transition plans.

Mandatory climate disclosures

In FY26 we will continue to prepare for the first climate disclosure under the new Australian mandatory sustainability reporting regime, with requirements set out in the Corporations Act 2001 (Cth) and Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures. The standard was developed by the Australian Accounting Standards Board and is based on International Sustainability Standards Board's (ISSB) IFRS S2 standard. The work undertaken by IFM seeks to ensure that IFM's disclosures with regards to the managing of climate risk are timely and transparent, and allow for close alignment with the global baseline that ISSB represents.

Nature and biodiversity

During FY25 we undertook focused work to further evolve our approach to managing nature and biodiversity-related risks and dependencies. As we move into FY26, we continue to progress this work further, with the aim on ensuring we have effective risk management strategies in place and take advantage of the opportunities to create value and help protect the natural environment within which our assets operate.

Social considerations

During FY26 we aim to continue to advance our work on embedding social considerations into our asset management activities for our private and public assets, and on supporting related activities at the industry level. This report gives details on some of the initiatives undertaken during FY25 (see [Section 3](#)) and we plan to continue these initiatives through the next financial year. We look forward to updating you on the progress in our next report.

New products

As we move into FY26, we remain committed to developing products and solutions that meet our clients' evolving needs, with sustainability integrated by design and guided by our strategic aim of delivering long-term sustainable investment outcomes to clients globally.

Policy advocacy

The importance of the superannuation system to the Australian economy cannot be underestimated. We intend to continue to play a convening role to bring together industry and government, as we work on the intersection of our investment focus areas and key national priority areas. This work isn't restricted to Australia and we continue to advocate for supportive pension and sustainability policy in our other key markets.

There is a lot to do and we are excited about what the future holds.

¹¹¹ Please see [Section 5](#) for details of our 2050 Target



Appendices



Appendix 1: Mapping to the UK Stewardship Code

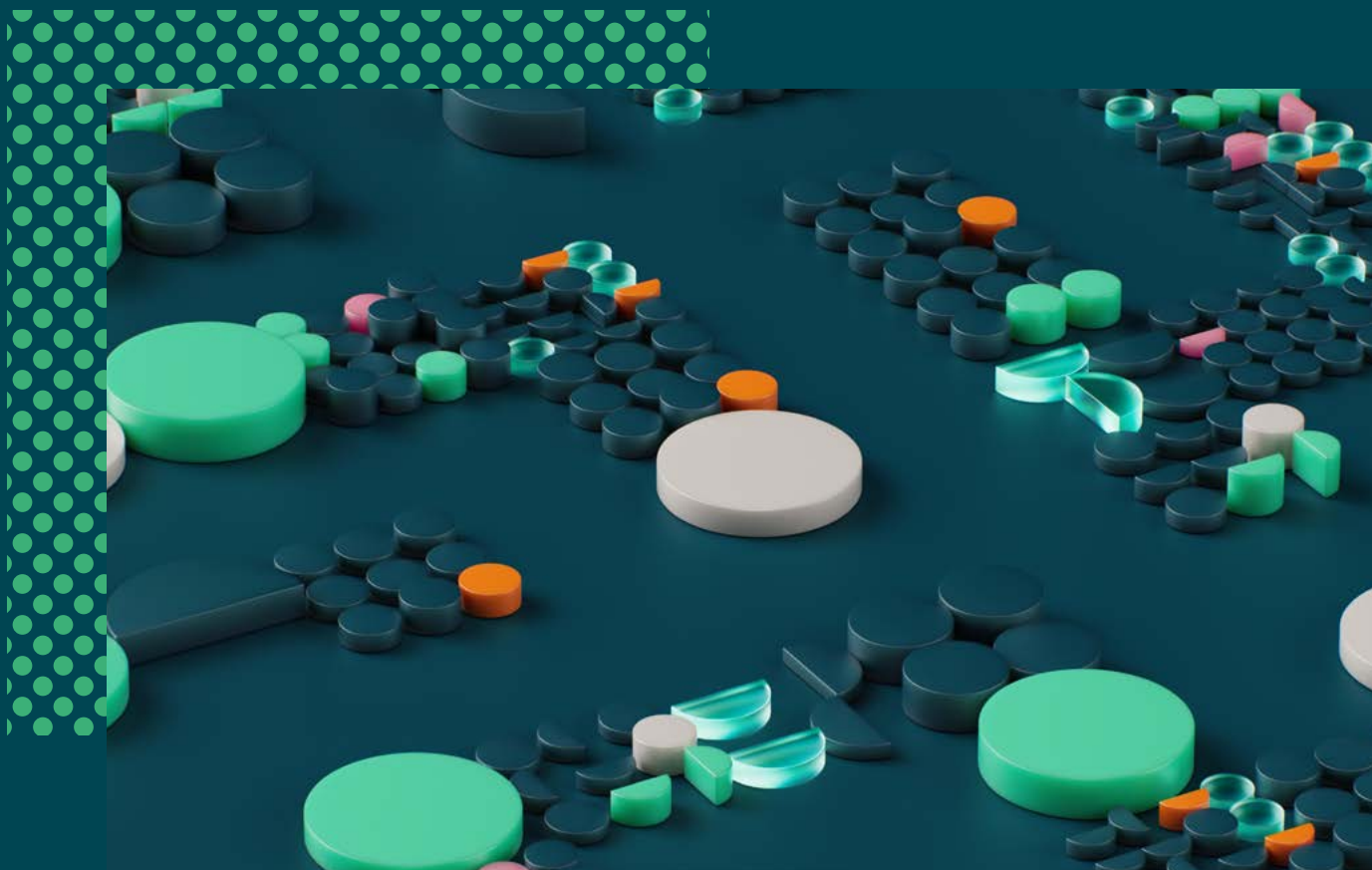
<p>PRINCIPLE 1:</p> <p>Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.</p>	<p>Section 2: About IFM</p> <p>Section 3: Sustainable investing - Our sustainable investing approach</p> <p>Section 6: Sustainability at IFM - Corporate sustainability</p>
<p>PRINCIPLE 2:</p> <p>Signatories' governance, resources and incentives support stewardship.</p>	<p>Section 3: Sustainable investing - Implementing our sustainable investing approach</p> <p>Section 6: Sustainability at IFM - Corporate sustainability</p> <p>Section 7: Governance - Reviewing our policies and processes, External tools and resources</p>
<p>PRINCIPLE 3:</p> <p>Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.</p>	<p>Section 7: Governance - Conflicts of interest</p>
<p>PRINCIPLE 4:</p> <p>Signatories identify and respond to market-wide and systemic risks to promote a well- functioning financial system.</p>	<p>Section 4: Navigating market-wide risks</p> <p>Section 5: Climate change and advancing our net zero transition - Climate risks and our commitment to emissions reduction</p>
<p>PRINCIPLE 5:</p> <p>Signatories should explain how they have reviewed their policies to ensure they enable effective stewardship.</p>	<p>Section 3: Sustainable investing - Our sustainable investing approach - Transparency and reporting</p> <p>Section 3: Sustainable investing - Implementing our sustainable investing approach - monitoring and assessing effectiveness</p> <p>Section 7: Governance - Reviewing our policies and processes</p> <p>Section 7: Governance - Client reporting and engagement</p>
<p>PRINCIPLE 6:</p> <p>Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.</p>	<p>Section 2: About IFM - Financial highlights</p> <p>Section 3: Sustainable investing - Our sustainable investing approach - sustainable investing integration</p> <p>Section 3: Sustainable investing - Our sustainable investing approach - Transparency and reporting</p> <p>Section 7: Governance - Client reporting and engagement</p>
<p>PRINCIPLE 7:</p> <p>Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.</p>	<p>Section 3: Sustainable investing</p> <p>Section 5: Climate change and advancing our net zero transition</p>

<p>PRINCIPLE 8: Signatories monitor and hold to account managers and/or service providers.</p>	<p>Section 7: Governance - External resources and tools</p>
<p>PRINCIPLE 9: Signatories engage with issuers to maintain or enhance the value of assets.</p>	<p>Section 3: Sustainable investing</p>
<p>PRINCIPLE 10: Signatories, where necessary, participate in collaborative engagement to influence issuers.</p>	<p>Section 3: Sustainable investing - Our sustainable investing approach – Advocacy and collaboration</p> <p>Section 4: Navigating market-wide risks - Industry and peer collaboration</p> <p>Section 4: Navigating market-wide risks - Engaging with government bodies and policymakers</p>
<p>PRINCIPLE 11: Signatories, where necessary, escalate stewardship activities to influence issuers.</p>	<p>Section 3: Sustainable investing - Implementing our sustainable investing approach</p>
<p>PRINCIPLE 12: Signatories actively exercise their rights and responsibilities.</p>	<p>Section 3: Sustainable investing - Implementing our sustainable investing approach – Listed equities</p>

Appendix 2: IFM's Sustainable Investing Guidelines

IFM Investors Sustainable Investing Guidelines

August 2025



Why

Our purpose is to invest, protect and grow the long-term retirement savings of working people. Maximising long-term risk-adjusted returns is central to delivering on our purpose, and we believe sustainable investing (SI) is integral to doing this. We aim to identify and act on sustainable investing risks and opportunities across our portfolios.

IFM Investors (IFM) is owned by Australian pension funds. This ownership model and the fact that our owners invest alongside our clients drives alignment between our purpose and our owners' and clients' objectives, affirming our commitment to investing for the long-term and reinforcing our belief that a healthy environment and strong societal foundations are important to achieving sustained economic growth.

What

IFM's Sustainable Investing Guidelines (Guidelines) seek to define our sustainable investing approach. These Guidelines generally apply to IFM's funds across the following investments:

- Infrastructure Equity
- Debt Investments
- Private Equity
- Real Estate
- Listed Equities

Client mandates and certain indirect investments (such as derivatives) are not subject to these Guidelines.¹

Sustainability considerations are considerations that relate to society and the environment, such as climate change, worker safety and labour rights. These considerations can give rise to investment risks, opportunities and impacts that can be financially relevant and ultimately affect investment performance.

Sustainable investing is the approach we use to integrate sustainability considerations into investment analysis, decision-making, ongoing management, and oversight of investments, recognising the impacts these can have on investment performance, as well as on wider society and the environment.

Our sustainable investing approach aims to manage financial risk and improve the performance. As part of this approach, we seek to identify, understand, and manage a broad range of risks and opportunities that can materially impact the value of our investments.

Our sustainable investing approach varies across asset classes and is tailored based on considerations such as the holding period and the degree of influence we have.

IFM has adopted our own definitions of sustainable investing and sustainability considerations in these Guidelines and such terminology is not intended to refer to any regulatory definition.

Through our sustainable investing approach, IFM aims to support a sustainable transformation of the economy in a manner we believe helps deliver long-term value to our clients and considers the impacts on people and the planet. To effectively implement IFM's sustainable investing approach across our portfolios, we have developed organisation-wide principles covering our approach to environmental action and social inclusion as set out in more detail below. We aim to implement these principles across asset classes where practicable and consistent with our duties.

¹ With respect to client mandates, certain Listed Equity mandates could be subject to the voting and engagement sections of these Guidelines based on the specific client agreements.

How

We assess sustainability considerations and their impact on investments across the majority of asset classes¹ and strategies, noting that the approach differs between asset classes.

Our Sustainable Investment team leads on the development and agreement of IFM's overarching approach to sustainable investing with each Investment team and other IFM business units, and provides expert advice on sustainable investing-related issues. The Investment teams lead on all investing activities and integrating sustainability considerations into those activities.

Our teams will refer to these Guidelines in their relevant activities, which may include, one or more of the following:

- Analysis, mitigation, and management of sustainability considerations for investments
- Due diligence
- Identification and compliance with applicable laws and regulations
- The design, construction, refurbishment and ongoing management of properties, where directly owned and managed in our real estate portfolio.
- Seeking to improve the performance of portfolio companies across a range of sustainability considerations through asset management and stewardship, including exercising voting rights, where practicable
- Monitoring and reporting
- Advocating to encourage the shift toward a more sustainable financial system
- Representing IFM in industry bodies and investor practice development.

These Guidelines are reviewed annually following an established review process.

Who

These Guidelines apply to all IFM Investors' and its subsidiaries' people, including employees, directors, temporary agency employees and contractors in all jurisdictions.²

² See Section 'What' for scope definition.

IFM Sustainable Investing Principles

We have developed a set of sustainable investing principles to guide us to make investment decisions which aim to maximise the returns and manage risks for our clients. We aim to implement these principles across asset classes where practicable. The implementation of these principles is an ongoing process with some areas more advanced than others, and we update these principles as new information emerges.

1

Environmental Action

Net Zero transition risks and opportunities

We believe the risks and opportunities arising from climate change and the transition to a net zero economy are unprecedented, making it important in our view that we seek to integrate these considerations into our investment processes so we can continue to deliver strong risk-adjusted returns for our clients.

We believe the most efficient way to mitigate climate change risk for long-term investors is to consider whether and how their assets can transition to a net zero economy by 2050 in a manner that achieves the goals of the Paris Agreement. Echoing the agreement reached at COP28, we believe that long-term investors benefit if this transition happens in a just, orderly and equitable manner to maximise long-lasting benefits throughout the global economy.

IFM has set a target aligned with the International Panel on Climate Change (IPCC) findings to reduce greenhouse gas emissions, targeting net zero across our asset classes (scope 1 and scope 2 emissions) by 2050. This target does not apply to client mandates. The work to determine our approach to deliver on this target is ongoing, tailored across asset classes and aligned with our priority to maximise risk adjusted returns for our clients.³ Our overarching approach largely encompasses transition and adaptation, and climate solutions investment rather than divestment. Our ability to achieve our net zero targets is dependent on advances in technology, alternative energy sources being available at scale and, policymakers and portfolio companies making and delivering on their own net zero commitments.

Biodiversity protection and nature restoration

We believe that there is a need and an opportunity to contribute positively towards biodiversity protection and nature restoration. We believe the current rate of nature degradation is not sustainable, and there is a need to reduce the adverse impacts where practicable as well as increase the positive interactions between investment and nature conservation and/or restoration. IFM's teams take a tailored approach to the management of nature related risks, prioritising where we can have the greatest degree of influence aligned with maximising long-term risk-adjusted returns. This approach may include where practicable:

- Encouraging and supporting our portfolio companies or real estate assets to monitor, assess and disclose risks, dependencies and impacts on nature and biodiversity in their operations and supply chains
- Collecting data at asset and portfolio level on activities negatively affecting biodiversity sensitive areas and assets located in proximity of protected areas
- Undertaking periodic assessments of nature related risks across our portfolios both in terms of materiality to our assets and the impacts of assets on biodiversity
- Assessing nature related risks at the due diligence stage of acquiring new assets
- Deepening our awareness of the impact of deforestation across our assets, understanding any key risks, and taking steps to mitigate such risks
- Collaborating and taking part in investor coalitions targeting action on biodiversity, nature, and deforestation.

³ As at the publication of these Guidelines, with respect to pooled products, for IFM's infrastructure equity portfolio we have also announced interim 2030 emissions targets. For our other asset classes we continue to evolve our transition plans, to aim for our overall 2050 target.

Efficient resource use

With a growing global population and increasing consumption rates, we believe the risk of breaching planetary boundaries in key environmental systems is high and rising. We believe this necessitates better management of finite resources and a focus on circular economic activity. We believe a key pillar of this is the adoption of a circular approach, which seeks to reduce waste by keeping products and their underlying resources in use for as long as possible. Where appropriate and depending on our level of influence, we will use our position to encourage portfolio companies or real estate holdings to consider, disclose, and manage risks and opportunities regarding efficient resource use, reducing waste, and adopting a circular approach to their products and operations.

2

Social Inclusion

Human rights

We seek to conduct our business in a manner that respects the human rights and dignity of all people. We expect the same from our portfolio companies and real estate holdings. We support international efforts to promote and protect human rights, including opposition to all forms of slavery and human trafficking.

Internationally recognised standards and guidance⁴ inform how we consider human rights. Integrating human rights within our overall risk assessment approach and due diligence efforts, where practicable and appropriate, allows us to be alert to higher risk investments and factor this into our ongoing monitoring and stewardship activities across our portfolios.

IFM's ongoing approach to identifying and addressing modern slavery risk in our investments, operations and supply chain is outlined in our Modern Slavery statement published annually on our website. We also work together with industry peers through network collaborations to better understand and influence the way human rights risks are managed by the companies in which our portfolios invest and across our property-related asset management activities.

Labour rights

We aim to conduct our business in a manner that respects labour rights and we expect the relevant companies in which our portfolios invest to do so as well. Our purpose puts working people at the heart of our activities, and this includes demonstrating workplace leadership with a focus on promoting fair and safe conduct.

We support international efforts to promote and uphold these fundamental labour rights and standards and seek to avoid being complicit in labour rights abuses and all forms of compulsory (forced) or child labour. Our approach is informed by:

- Internationally recognised standards and guidance⁵
- Upholding labour laws and maintaining fair employment conditions
- Continuous improvement of workplace health and safety standards
- Respect for the rights of workers to be represented by and active in trade unions.

Our focus on labour rights includes the promotion of safe, fair, and inclusive workplaces and protecting workers' rights during key transitions, such as those relating to industry-focused automation and global energy transition.

We believe that our commitment to social dialogue with civil society stakeholders supports our success, so we seek to facilitate mutually beneficial engagements between our portfolio companies, unions, and governments, where we have the ability to do so. Formalisation of dialogue supports constructive engagement of stakeholders.

Inclusive workplace culture

IFM believes that strong, diverse, equitable and inclusive cultures are a value driver for companies in which our portfolios invest and that a lack of diversity can lead to poor company performance. Respect and support of diversity and inclusion and avoiding discrimination in the workplace is therefore one of our focus areas. Diversity is a broad concept - including diversity of thought, gender, culture, age, ethnicity, skills, experience, and other characteristics. We believe an inclusive culture that embraces diverse qualities, backgrounds and perspectives leads to more innovative thinking, better decision-making and competitive business performance.

⁴ These include:

- International Bill of Human Rights - The International Bill of Human Rights comprising the Universal Declaration of Human Rights and the main instruments through which it has been codified: International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. <https://www.ohchr.org/en/what-are-human-rights>
- UN Guiding Principles on Business and Human Rights - <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>
- UN Global Compact - <https://unglobalcompact.org/what-is-gc/mission/principles>
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - MNE Guidelines - Organisation for Economic Co-operation and Development ([oecd.org](https://www.oecd.org))
- United Nations Declaration on the Rights of Indigenous Peoples - <https://www.ohchr.org/en/indigenous-peoples/un-declaration-rights-indigenous-peoples>

⁵ Including International Labour Organization's (ILO) Core labour standards, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, UN Global Compact.

Community engagement and Indigenous people

We believe in supporting collaborative engagement with communities to create positive and mutually beneficial outcomes. We recognise that engaging local communities is an important part of companies maintaining their standing and reputation locally.

We believe in building relationships with local communities that are honest, open, inclusive, and based on a genuine commitment to understand their history, needs and expectations. This engagement should help our aim to ensure that the health and wellbeing of communities in which we operate is protected, that cultural heritage, protocols and land rights are respected, and the community voice is considered in decision-making to avoid significant adverse impacts.

This approach is informed by the standards of the UN Global Compact, and frameworks such as the UN Guiding Principles on Business and Human Rights.

We believe in the notion of Free Prior and Informed Consent (as enshrined in UN Declaration of the Rights of Indigenous Peoples) and expect relevant companies in which our portfolios invest to adhere to this in their interactions with indigenous people in their countries of operation. Where we have the ability to do so, we will challenge companies' strategies relating to indigenous people if we believe their strategies are ineffective.

3

Governance, roles & responsibilities

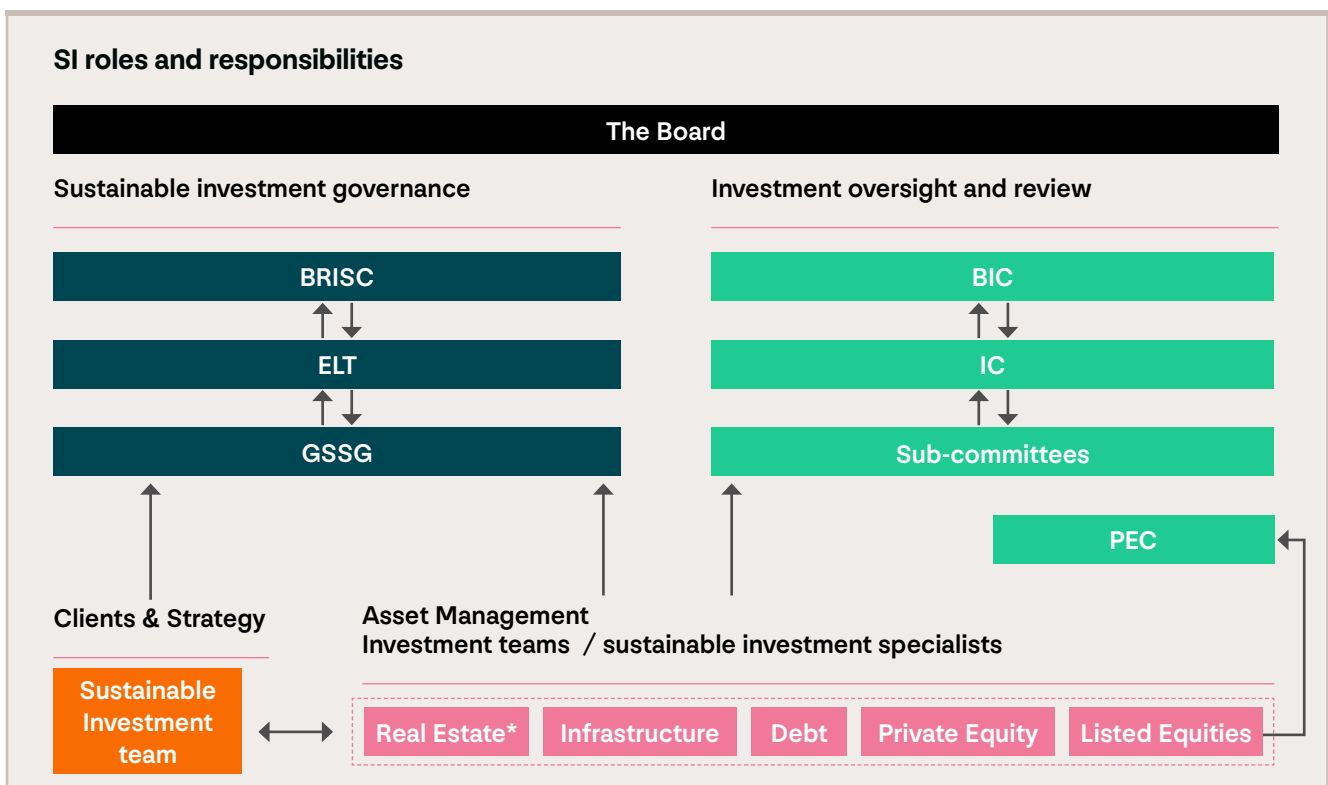
As we pursue our purpose and strive to support the creation of long-term value and meet the expectations of our stakeholders, we understand the importance of robust governance.

Roles and responsibilities

Our overarching sustainable investing approach is established and monitored at the IFM Board level. Management supports the execution of this approach, aiming to ensure sustainability opportunities and risks are reflected in our risk management frameworks and plans at the corporate and investment levels.

Board oversight – Board Responsible Investment and Sustainability Committee (BRISC)

The BRISC assists the IFM Board by providing an objective, non-executive view of the efficacy of our sustainability strategy and reporting framework. The Board approves (or delegates approval to the BRISC) IFM's sustainable investing strategy, Guidelines and organisational performance scorecard for sustainable investing and receives regular reporting on sustainable investing-related developments from asset classes and the central Sustainable Investment team. The BRISC monitors and oversees progress against key sustainable investing and sustainability objectives and provides guidance on



*The diagram and the accompanying sections on governance, shows the target operating model for our real estate asset class, the work to integrate our recently acquired real estate business is still underway.

IFM's sustainable investing approach as proposed by management.

Executive management responsibility - Executive Leadership Team (ELT)

The ELT supports IFM's Chief Executive in executing overall responsibility for the management of IFM. The ELT is focused on ensuring high-quality support is provided to the IFM Board, including by seeking to maintain an efficient and collaborative workplace, foster a strong, coherent, and inclusive culture, and develop IFM's capabilities, including those related to sustainable investing and stewardship.

Investment oversight and review - Board Investment Committee, Investment Committee and Sub-committees

IFM's Board Investment Committee, Investment Committee and Sub-committees have oversight of our investment programmes and portfolios, with a view to ensuring our sustainable investing approach and guidelines are appropriately factored into investment decisions and ongoing portfolio management.

The Investment Committee and Sub-committees are responsible for reviewing and approving new and follow-on investments for our infrastructure equity, debt investment, and private equity and real estate portfolios, consistent with internal guidelines and procedures. The approval process includes an assessment, where relevant, of material sustainability risks and opportunities by the Investment teams which is also reviewed by integrated asset class sustainable investment specialists and the Sustainable Investment team. The review and, where appropriate, challenge on sustainability assessments helps with the appropriate consideration of sustainability risks in support of investment objectives (including the delivery of long-term risk adjusted returns) as part of the approval process and in the context of our overall purpose. The Investment Committee is also responsible for monitoring the outcomes of past investment decisions.

Global Sustainability Steering Group (GSSG)

The GSSG, comprising senior executives from each IFM business unit and chaired by the Global Head of Sustainable Investment, helps coordinate and share information across IFM, supports multi-disciplinary projects, and monitors progress against sustainability initiatives.

Firm-wide Sustainable Investing responsibilities - Sustainable Investment team

IFM's Sustainable Investment team leads on the development and agreement of our overarching sustainability strategy and associated policies and

guidelines with each Investment team and other IFM business units. These policies and guidelines are implemented and developed further by the Investment Teams through applicable procedures or operating manuals. The Sustainable Investment team is divided into four functional areas: sustainable investing integration, stewardship, governance/reporting/research, and corporate sustainability. The team focuses on integrating the expectations of IFM's clients and wider stakeholders into the organisation's sustainable investing approach and works closely with Investment teams to seek to ensure client voices are appropriately reflected in investment strategies and processes.

The team also provides support and specialised advice, collaborating with Investment teams on their sustainable investing and stewardship approaches. Additionally, they coordinate knowledge sharing between asset classes and across the broader business and also provide specialist peer review support to the Investment Committee.

Investment & Portfolio-level Sustainable Investing responsibilities - Investment teams

The Global Heads of each asset class and the Global Head of Asset Management (Infrastructure) are accountable for the execution and implementation of these Guidelines in the investment and asset management process. They are supported in this process by their Investment teams and, where applicable, integrated asset class sustainable investment specialists and the Sustainable Investment team.

Each Investment team considers sustainability considerations and, to the extent practicable and consistent with our duties, undertakes stewardship in their respective investment and asset management processes. Investment teams, and their integrated sustainable investment specialists where in place, lead on the design and execution of asset class-specific strategies, frameworks, and reporting, in line with these Guidelines and in consultation with the Sustainable Investment team. Asset class teams manage asset and portfolio specific data, and the Sustainable Investment team collates this data for external client and regulatory reporting.

Proxy voting and engagement – Proxy Voting and Engagement Committee (PEC)

The PEC provides oversight of proxy voting activity for the Australian listed equities' portfolio assets within our Listed Equities asset class and is completely independent of proxy advisers. The committee determines our approach to our Australian listed equities portfolio proxy voting and approves significant votes relating to our largest holdings. The PEC also approves and monitors

engagement activities that take place between IFM and our Australian listed equities' portfolio companies. The PEC delegates authority for day-to-day engagement and voting on listed securities to representative members in the Sustainable Investment team and our listed equities portfolio team.

Remuneration

We include sustainable investing as a part of our corporate performance scorecard to increase focus on delivering positive performance on sustainable investing and wider sustainability goals. By linking the remuneration of IFM employees to our sustainability focus areas, we aim to create the necessary alignment across the business.⁶ Overall our reward approach is also designed to incorporate and uphold IFM Risk Management frameworks, including consideration of sustainability risks.

Reporting

IFM supports a range of sustainability focused frameworks and standards and transparently reports both publicly and to clients on a range of sustainability considerations across asset classes.

We are also subject to mandatory requirements under certain regulations. We monitor upcoming regulations, assess their impact on our business and work to ensure we comply with new and developing regulatory requirements.

Sustainability initiatives across IFM are reported to the BRISC and the Board on a regular basis.

4

Stewardship, engagement and voting

Stewardship is the use of various strategies, including the responsible allocation, management and oversight of capital with the aim of creating long-term value for clients, leading to sustainable benefits for the economy, the environment and society.

We include systems-level matters in our stewardship activities. This means, where appropriate, we pursue improvements to specific companies or investments that also have the added benefit of positively influencing the broader economic system and society in which we operate. IFM believes that effective stewardship, incorporating

company engagement and exercising voting rights (where applicable and appropriate), can lead to better company performance, with a wide range of benefits for our investment portfolios and beyond.

The overarching approach to how we address sustainability-related matters with the companies our portfolios invest in is established at the IFM or investment advisor level, and then we seek to tailor our stewardship practices to match the needs of specific asset classes and strategies, considering the nature and tenure of holdings and the degree of influence we have.

For our infrastructure equity portfolio investments, we work collaboratively with management teams and other stakeholders to support sustainable investing initiatives and business practices with the view to preserving and enhancing the value of these businesses.

For our debt investment portfolio investments, we recognise that our greatest ability to influence is during the initial investment phase and at refinancing. Post-deal engagement with issuers is limited, though it does form part of ongoing investment monitoring and our response to emerging or potential material sustainability risks.

Our stewardship approach to Australian assets within our listed equities portfolio involves direct and indirect company engagement and exercising our proxy voting rights, while for global listed equities portfolio investments we work with a proxy adviser to support our stewardship activities.

In our private equity portfolio, our approach considers how we can integrate sustainability considerations into value creation. During ownership, we seek to drive a range of sustainability-related initiatives to support the generation of long-term risk-adjusted returns.

For our real estate assets that we directly own and manage, we engage across our value chain (including our tenants) to promote improved sustainability outcomes. Where we don't have operational control of the real estate assets, we engage with the joint venture partners to influence sustainability outcomes aligned with our standards and expectations.

Engagement

Where we believe it is appropriate, we look to engage in direct dialogue with the entities where we invest our clients' funds. We conduct this engagement

⁶ Applies to all IFM employees excluding some risk and financial control employees, and employees based in the US.

either on our own or in collaboration with other investors.

Through this engagement, IFM seeks to:

- Build strong relationships that facilitate the transfer and flow of important sustainability data
- Deepen its understanding of how a company / issuer / asset manages sustainability considerations
- Influence positive change in sustainability practices, processes and behaviours regarding company / issuer / asset specific issues and broader industry, sector or thematic issues
- Escalate issues of concern where relevant.

Voting

IFM has developed proxy voting guidelines which we apply in relation to listed equities' portfolio investments. IFM's Listed Equity Proxy Voting Guidelines are contained in Appendix 2.

5

Advocacy & Collaboration

Public policy and regulation are important contributors to portfolio risk adjusted returns. We engage in policy advocacy as part of our contribution to the management of systemic risks, as well as where there is another appropriate link to our business or client interests. We aim to engage the broader investment market and stakeholder groups to share learnings on systemic sustainability risks affecting long term returns for our clients. We seek to achieve this by working closely with our clients and owners to build collective solutions that meet their needs in domestic and global private markets, and by engaging proactively in public affairs to support asset teams and the wider business.

6

Sustainable investing integration

The integration of sustainability considerations into IFM's investment management processes enables us to:

- Identify, understand and manage sustainable investing risks and opportunities that can affect investment value and returns in the short, medium and long term (i.e. focusing on how sustainability issues impact our investments).
- Understand the potential impacts and consequences of our investments on external environmental and social considerations (i.e. focusing on how our investments impact sustainability issues externally), given the potential of such impacts to dynamically turn into direct risks and opportunities.

As discussed in these Guidelines, IFM's investment teams across asset classes (in line with the scope set out at the start of the document) consider sustainability considerations alongside traditional financial and other investment data considerations in our investment analyses and decision-making, and stewardship activities to support value creation. IFM recognises that adverse impacts from investment decisions may be wide-ranging, and for this reason, we seek to engage, promote, and improve the overall awareness of these impacts and operating performance of our portfolio companies and real estate assets. We do this by collaborating and consulting with a diverse range of key stakeholders.

7

Waivers and exceptions to these Guidelines

Client mandates and certain indirect investments (such as derivatives) are not covered by these Guidelines. The voting and engagement sections of these Guidelines may, however, be relevant to certain mandates for our listed equities portfolio team based on the specific client agreements. In addition, passive index tracking equity strategies within our listed equities portfolio do not integrate sustainability considerations unless tracking a specific index with sustainability characteristics. They do however use voting and engagements as stewardship tools.

Sustainable Investing Guidelines: Appendix 1 - Glossary

asset classes	Refers to the sum of our infrastructure equity portfolio, our listed equities portfolio, our debt investment portfolio and our private equity portfolio and our real estate portfolio (see Our capabilities IFM Investors IFM Investors for further details)
greenhouse gas (GHG)	As defined by the Intergovernmental Panel on Climate Change (IPCC) in its AR6 Synthesis Report, greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of radiation emitted by the Earth's surface, the atmosphere itself, and by clouds. This property causes the greenhouse effect. Carbon dioxide (CO ₂), nitrous oxide (N ₂ O), methane (CH ₄) and ozone (O ₃) are the primary greenhouse gases in the Earth's atmosphere. Human-made GHGs include sulphur hexafluoride (SF ₆), hydrofluorocarbons (HFCs), chlorofluorocarbons (CFCs) and perfluorocarbons (PFCs); several of these are also O ₃ -depleting.
IFM	"IFM", "IFM Group", "we" and "our" refer to IFM Investors Pty Ltd (see https://www.ifminvestors.com/en-au/about-us/) and its subsidiary undertakings. IFM Investors Pty Ltd acts in a capacity as a diversified portfolio adviser or manager and any references to IFM acting as an "asset manager" or references to "our investments", "our portfolios", "IFM's portfolios" or equivalent should be read as understood to be in this capacity.
Infrastructure/Debt/Listed Equities/Private Equity/Real Estate portfolios	Refers to our investments across asset classes. See: Debt Investments IFM Investors Infrastructure IFM Investors Listed Equities IFM Investors Private Equity IFM Investors Real Estate IFM Investors
portfolio company / companies	Refers to a public or private company where IFM holds an equity investment. This excludes debt investments.
purpose	IFM's purpose is to invest, protect and grow the long-term retirement savings of working people.
stewardship	Refers to IFM's use of various strategies, including the responsible allocation, management and oversight of capital with the aim of creating long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.
sustainability considerations	Considerations that relate to society and the environment, such as climate change, worker safety and labour rights. These considerations, and how they are integrated into investment processes, can give rise to investment risks, opportunities and impacts that may be financially relevant and ultimately affect investment performance. Our assessment of relevant sustainability considerations and the approach we take varies across asset classes, tenure of holding and degree of influence we have. References to "sustainability opportunities", "sustainability risks" and "sustainability impacts" shall be construed as opportunities and risks associated with such sustainability considerations (as applicable). Our definition and use of "sustainability considerations" and "sustainability risks" may differ from, and is not intended to refer to, the technical definitions of "sustainability factors" and "sustainability risks" in Article 2, points (24) and (22) respectively under the European Union's Sustainable Finance Disclosure Regulation (SFDR) or other applicable regulations.

sustainable investing

Refers to IFM’s approach to integrating sustainability considerations into investment analysis, decision-making, ongoing management and oversight of investments, recognising the impacts these can have on investment performance, as well as wider society and the environment. Our sustainable investing approach is tailored to asset classes, tenure of holding and degree of influence we have as owners. Our definition of “sustainable investing” differs from, and is not intended to refer to, the technical definition of “sustainable investment” in Article 2, point (17) under the European Union’s Sustainable Finance Disclosure Regulation (SFDR) or other applicable regulations.

social and environmental boundaries / planetary boundaries

Refers to the frameworks⁷ that identify 12 social foundations and 9 environmental critical Earth system boundaries within which humanity can continue to develop and thrive.

The social foundations are internationally agreed minimum social standards and established through the Sustainable Development Goals.

⁷ <https://www.stockholmresilience.org/research/research-news/2023-09-13-all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed.html>

Sustainable Investing Guidelines: Appendix 2 - Voting Guidelines

Guidelines at a glance

Why

As a holder of listed equities, IFM can cast votes at company general meetings. The resolutions at company general meetings can relate to matters such as remuneration of key executives, election of directors to the board, environmental and social targets, and progress.

IFM seeks to achieve an alignment of interest between company performance and shareholder value over the long-term and sees the exercise of its voting rights as a key tool offered to shareholders.

These guidelines provide information that should be considered as part of the voting decision process.

While every company and general meeting resolution should be judged on its own merits, these guidelines seek to ensure consistency in the key considerations of our voting rationales. We recognise that companies may be in varying stages in their governance maturity, and this will be taken into consideration when determining a voting position.

What

These guidelines can be used as part of the evaluation process for resolutions at company general meetings.

How

Following these guidelines when evaluating resolutions and our voting position will enable IFM to exercise its voting rights in alignment with overarching principles and positions on various issues and with a consistent approach, which we see as a key tool to fulfil our purpose to invest, protect and grow the long-term retirement savings of working people.

Who

These guidelines apply to our listed equities holdings where applicable and will be implemented by the IFM Proxy Voting and Engagement Committee (PEC) and its delegates.

Where our clients retain authority for proxy voting, our client's instructions will take priority and be implemented accordingly.

The PEC's independent decision-making process aligns with the voting guidelines. In addition to input from IFM's listed equities teams, this process also considers advice from independent, external research firms and proxy advisers.

The PEC aims to ensure that any proxy advice and voting recommendations adopted are aligned with IFM's own sustainable investing guidelines and that voting decisions are in best interests of our investors.

1

Introduction

IFM Investors' (IFM) Sustainable Investing Guidelines¹ outline our overall approach to sustainable investing which aims to manage financial risk and improve the performance of our investments. As part of this approach, we seek to identify, understand, and manage a broad range of risks and opportunities that can materially impact the value of our investments.

Our stewardship approach for Australian assets within our listed equities portfolio involves direct and indirect company engagement and exercising our proxy voting rights, seeking to influence positive change. Our stewardship approach for global listed equities focuses on exercising our proxy voting rights.

We see voting as a key pillar of our stewardship activities. Our approach is outlined in regular stewardship reporting available on our website^{2,3}.

2

Environmental action

2.1 Net zero transition

We believe the risks and opportunities arising from climate change and the transition to a net zero economy are unprecedented, and our expectations on strategy and disclosure by companies are aligned with the Climate Action 100+ initiative Net Zero Company Benchmark⁴, and are set out below.

Specifically, and using the net zero benchmark as a guide, we expect companies to:

- Have set an overall ambition to achieve net zero GHG emissions by 2050 or earlier. This should include at least 95% of its Scope 1 and 2 emissions, and the most relevant Scope 3 emission categories for the company's sector (where applicable).
- Set short, medium, and long-term greenhouse gas (GHG) reduction targets that are aligned with or below the relevant sector trajectory (where

applicable) needed to achieve the Paris Agreement goal of limiting global temperature increase to 1.5°C with low or no overshoot.

- Have a credible and transparent decarbonisation strategy outlining how the company intends to meet its medium and long-term GHG reduction targets.
- Commit to decarbonise in line with defined Just Transition principles, recognising the social impacts of its decarbonisation efforts.
- Be working to decarbonise its capital expenditures.
- Commit to conducting its policy engagement activities in accordance with the goals of the Paris Agreement.
- Ensure the Board has clear oversight of its climate strategy and management of climate change risks.
- Employ climate-scenario planning to test its strategic and operational resilience.

Voting

When voting on climate issues, we will assess company progress against the above expectations. We understand that progress is not linear, but we expect there to be a Paris-aligned decarbonisation plan and for it to be executed over time.

Where this has not been disclosed and/or insufficient progress in developing and implementing a Paris-aligned decarbonisation strategy has been demonstrated, we may vote against non-binding resolutions such as 'say on climate' or remuneration reports.

If we believe there is insufficient progress or a lack of adequate acknowledgement by the company, we will consider voting against Director re-elections. This will be in order of persons accountable for oversight of climate change related risks:

- Vote against member(s) of a board committee that has climate or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board.
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

¹ [ifm-sustainable-investing-guidelines-may-24.pdf \(ifminvestors.com\)](#)

² Australian Listed Equities Stewardship reports and voting records: [Stewardship, engagement and active ownership | IFM Investors | IFM Investors](#)

³ IFM's Stewardship Report: Governance and reporting | IFM Investors | IFM Investors

⁴ Net Zero Company Benchmark | [Climate Action 100+](#)

2.2 ‘Say on climate’ resolutions

A ‘say on climate’ resolution is typically a non-binding advisory resolution for shareholders to vote on the climate strategy of a company.

We will make an assessment on whether there is sufficient detail to form a view on the strategy, whether it is Paris-aligned, and whether there is sufficient clarity on how this would be achieved. Importantly, we will evaluate whether the progress the company is making in the execution of its strategy meets our expectations. If these conditions are satisfied, we will generally vote in favour of the proposal.

A credible decarbonisation strategy should include:

- A set of actions the company intends to take to achieve Paris-aligned emission reduction targets, including material Scope 3, where appropriate.
- Contribution of individual decarbonisation levers to achieve overall reduction targets where applicable (e.g. changing technology or product mix or supply chain measures).
- Disclosure of quantity and type of offsets, offset certification and negative emissions technologies it intends to use.
- Role of climate solutions in the decarbonisation strategy (e.g., technologies and products that will enable the economy to decarbonise).

Voting

- IFM will generally support proposals that seek greater disclosure and / or progress from companies regarding their energy transition and climate transition action plans.
- We will likely vote against a ‘say on climate’ resolution where we are not satisfied that a Paris-aligned decarbonisation strategy exists or if we do not have confidence that it can be successfully implemented.

2.2.1 Frequency of ‘Say on climate’ resolutions

IFM will advocate for an annual vote given the rapidly evolving nature of climate transition risk and believes that a three-year voting cycle can create risk that action plans become out of date, or the company becomes less responsive to investor expectations.

We do not expect that companies update their climate strategy on an annual basis. We do believe that votes in intervening years can focus on the disclosure of progress on the execution of their strategy.

We also believe that an annual vote can encourage greater engagement and mutual understanding on the topic between investors and the company, and result in greater Board accountability.

2.3 Orderly and equitable transition

Echoing the agreement reached at COP28, we believe that long-term investors benefit if the energy transition happens in a just, orderly, and equitable manner to maximise long-lasting benefits throughout the global economy. A just, orderly, and equitable transition seeks to ensure that people and communities are not left behind due to companies and governments implementing decisions in relation to the energy transition.

We recognise that it may be difficult for companies to disclose their approach regarding the impact its decisions may have on its workers and communities. Thus, we seek to engage in a constructive dialogue to help companies inform us of their approach to the issue. We expect the approach to be part of an overall energy transition plan with ultimate oversight by the Board.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress of a company’s approach to the social aspects of the energy transition.

If IFM is not satisfied with the company’s approach regarding the workers and communities that are being impacted by its decisions, we may vote against non-binding resolutions such as ‘say on climate’ or remuneration reports.

If we believe there is insufficient progress or a lack of adequate acknowledgement by the company, we will consider voting against Director re-elections. This will be in order of persons accountable for oversight of just transition considerations:

- Vote against member(s) of a board committee that has sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board

- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

2.4 Fossil fuels

Where companies have operations that have a material source of revenue from fossil fuels such as oil and gas or thermal coal, our expectation is that these companies have energy transition plans that are Paris-aligned.

We expect such companies to clearly articulate their plans to deliver shareholder value over the short-, medium- and long-term. We expect to see planned and actual capital expenditure aligned with company strategy. Furthermore, we expect companies to disclose and substantiate the demand for their product for future scenarios including in the medium to long-term.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress from companies regarding the energy transition and climate transition action plans.

Where this has not been disclosed and/or sufficient progress in developing and implementing a Paris-aligned decarbonisation strategy has been demonstrated, we may vote against non-binding resolutions such as 'say on climate' or remuneration reports.

If we believe there is insufficient progress or a lack of adequate acknowledgement by the company, we will consider voting against Director re-elections. This will be in order of persons accountable for oversight of the energy transition strategy:

- Vote against member(s) of a board committee that has climate or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

2.5 Biodiversity protection and nature restoration

We believe the current rate of nature degradation is not sustainable, and there is a need to reduce the adverse impacts where practicable as well as increase the positive interactions between investment and nature conservation and/or restoration.

We recognise that it is difficult for companies and investors alike to collate and assess relevant biodiversity protection and nature restoration related data. However, we encourage companies to proactively develop an approach to monitoring, assessing, and disclosing these risks in their operations and supply chains.

Where a company's impacts and dependencies on nature present material financial risks, IFM expects it to identify, assess, mitigate, and disclose these risks.

We expect companies that have high exposure to deforestation related commodities (e.g., palm, oil, soy, timber, paper etc.) to have policies and processes in place to address and mitigate the risks within their businesses and supply chains.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress of adoption of methodologies relating to protection of biodiversity and deforestation.

If we consider that material biodiversity risks are not being adequately addressed by a company, we may vote against non-binding resolutions such as 'say on climate' or remuneration reports.

If we believe there is insufficient progress or a lack of adequate acknowledgement by the company, we will consider voting against Director re-elections. This will be in the order of persons accountable for oversight of nature degradation considerations:

- Vote against member(s) of a board committee that has sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

2.6 Efficient resource use

We believe that companies should adopt a circular approach, which seeks to reduce waste by keeping products and their underlying resources in use for as long as possible.

We encourage companies to consider, disclose, and manage the risks and opportunities available to them regarding efficient resource use (including water), reducing waste, and adopting a circular approach

to their products and operations. We also expect all policies and targets relating to these issues to be disclosed publicly.

We expect companies to improve their environmental performance and reduce their environmental impact (where possible). This includes reducing waste and improving the re-use of their products. We expect companies to incorporate these factors into their corporate strategy as well as the design of new products.

For companies where water is a material input into their operations, we expect a policy relating to water management use and treatment to be in place.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress of a company's approach to efficient use of resources including water, reducing waste and the adoption of circular economy principles.

3

Social inclusion

3.1 Human rights

We expect companies to respect the human rights and dignity of all people and to have a formal commitment to do so, including having a due diligence process to identify related risks. We also expect that companies proactively seek to identify and assess modern slavery risks in their supply chain and put in place (and disclose) actions to mitigate these risks.

We believe that the Boards of companies should have ultimate responsibility for ensuring that human rights are respected not only by the company but also via those entities in its supply chain.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress on a company's approach to human rights in both its own operations and its supply chain.

We expect companies that are covered by specific modern slavery or related legislation in their

respective jurisdictions to have a process to assess, manage and mitigate modern slavery risks in their operations and supply chains. Where we are not satisfied that a company has done so and are not willing to improve their approach, we will likely vote against Director re-elections.

Additionally, if the organisation has an incident where it breaches our expectations regarding upholding human rights, we will consider voting against director re-elections. This will be in order of persons accountable for oversight of human rights related risks:

- Vote against member(s) of a board committee that has human rights or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

3.2 Labour rights

We expect labour rights to be upheld at all companies and this can range from freedom of association, the right to collective bargaining, the provision of decent working conditions, and safety in the workplace.

Vulnerable workers, such as those through labour hire companies or migrant workers who may not have access to freedom of association, may face heightened risks to their safety and wellbeing. We expect companies to identify, assess and mitigate these risks and uphold international human rights standards.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress on a company's approach to labour rights in both its own operations and its supply chain.

If we are not satisfied that a company has adequate processes in place, or if the performance of the company is not satisfactory, then we may vote against non-binding resolutions such as the remuneration report.

If we believe there is insufficient progress, a lack of adequate acknowledgement by the company, or if the organisation has an incident where it breaches our

expectations regarding upholding labour rights, we will consider voting against Director re-elections. This will be in order of persons accountable for oversight of labour rights related risks:

- Vote against member(s) of a board committee that has human rights or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board.
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

3.3 Workplace safety

Companies have a duty to provide safe working conditions for their employees. Accidents and fatalities can have a significant impact on the workforce and can negatively impact the performance of the organisation ranging from productivity loss, possible litigation, impact on culture, and reputational risks.

IFM expects companies to consider, assess and manage these risks, with appropriate processes in place to provide safe working conditions. Additionally, we also expect companies to focus on the psychological safety of their employees and have an approach that focuses on mental wellbeing.

We expect safety data to be disclosed by companies including any targets and performance against those targets. This includes both leading and lagging indicators of safety performance. Leading indicators may include near-misses, and lagging indicators should include lost-time injury frequency rate (LTIFR) and total-recordable injury frequency rate (TRIFR).

We expect any fatalities to be promptly disclosed to the relevant stock exchange and that information on consequence management be provided, including any remedial action post the incident. Companies should also disclose the results of any investigations.

Where a fatality has occurred during the period, we expect companies to adjust remuneration outcomes for executives appropriately including but not limited to:

- Nil payout of the safety component (if applicable)
- Overall downward discretion to executive

remuneration, taking into consideration other elements of the scorecard and overall remuneration outcomes.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress on a company's approach to workplace safety including psychological safety.

If we are not satisfied that a company has adequate processes in place, or if the performance of the company is not satisfactory, we may vote against non-binding resolutions such as the remuneration report. If we believe there is insufficient progress or a lack of adequate acknowledgement by the company, we will consider voting against Director re-elections.

If the organisation has an incident where it breaches our expectations regarding workplace safety, or if there are repeated incidents of fatalities over an extended period, we will consider voting against director re-elections. This will be in order of persons accountable for oversight of workplace safety including psychological safety:

- Vote against member(s) of a board committee that has safety or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board.
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

3.4 Community engagement and Indigenous people

IFM believes that indigenous people should have their rights and cultural heritage respected. We expect companies to consider First Nations issues in all aspects of their decision-making, and as early on as the project planning phase for any activity that may directly impact indigenous people.

We believe in the notion of Free Prior and Informed Consent (as enshrined in UN Declaration of the Rights of Indigenous Peoples) and expect companies to adhere to this in their interactions with indigenous people in their countries of operation.

We expect the Board to have ultimate oversight and responsibility for setting the First Nations strategy.

Voting

IFM will generally support proposals that seek greater disclosure and / or progress on a company's approach to community engagement and indigenous peoples activities.

If we believe there has been inadequate consideration for the rights and cultural heritage of indigenous groups by companies, we may vote against non-binding resolutions such as the remuneration report.

If we believe there is insufficient willingness to engage and respect the rights of indigenous groups, or if the organisation has an incident where it breaches our expectations regarding indigenous people/ community engagement, we will consider voting against director re-elections. This will be in order of persons accountable for oversight of indigenous and community related decisions:

- Vote against member(s) of a board committee that has human rights or sustainability in its remit, starting with the Chair of that committee.
- If no such position is up for re-election, then vote against the Chair of the Board
- If the Chair is not up for re-election, then vote against independent directors, starting with the lead independent director.

3.5 Data Governance and Cybersecurity

Cybersecurity related breaches are a serious risk for companies with significant negative consequences for the firm and broader society.

We expect companies to have processes to identify, assess, and mitigate these risks and for the Board to have the ultimate oversight of the company's data governance and cybersecurity. This includes, where relevant, oversight over a company's automation and artificial intelligence (AI) strategy.

If a breach was to occur, we expect the response to be timely and well managed.

Voting

If we believe that there has been a breakdown in approach that leads to loss of shareholder value or has a meaningful negative impact on society, we may consider voting against directors who have responsibility and oversight in this area.

IFM will generally support proposals seeking greater disclosure of a company's approach to managing cybersecurity related risks.

We acknowledge that the use of AI is an emerging area, and IFM will generally support proposals seeking greater disclosure of a company's approach to its use of Artificial Intelligence as well as the ethical use of Artificial Intelligence.

4**Corporate Governance****4.1 Board composition**

The Board is responsible for the overall governance, management, and strategic direction of the organisation and for delivering accountable corporate performance in accordance with the organisation's goals and objectives⁵.

We recognise that the responsibility of a director is becoming increasingly complex and demanding. As such, we believe that a board of directors should constantly be evaluating its composition and effectiveness.

IFM believes that the best functioning company boards are those with majority independent directors and a Chair who is independent.

If the company has a founder or majority shareholder that is the Chair, we expect a lead independent director be appointed.

We expect the roles of Managing Director and Chair to be held by two different individuals.

We expect Boards to have both an audit and a remuneration committee, chaired by an independent director and be comprised entirely of independent directors. Boards should also contain a nominations committee which should have an independent Chair and majority independent directors as members. In all cases, these committees should be at a minimum of three individuals.

Our preference is that for the Chair of the board not to chair the board committees to reduce the risk of a concentration of power by a single person.

We encourage companies to disclose a matrix of the board composition including details of individual skills, education, experience, gender, age, and cultural background. Additionally, we expect companies to have a director tenure policy in place and a succession plan for the Chair.

⁵ [role-of-board-director-tool.pdf \(aicd.com.au\)](#)

We believe that the company should determine the structure of its board in accordance with its size and complexity. We do expect the size of the board of, for example, an ASX300 company to be at least five directors to allow for sufficient skills, experience, and diversity.

Voting

If the organisation has not met our expectations on board composition, we will generally vote against Director re-elections including members of the committee we deem to be most directly accountable. In order it will be, based on who is up for re-election:

- Board Chair
- Nomination Committee Chair
- Longest serving member of the Nomination Committee
- Longest serving member of the board

We recognise that companies such as those that are newer entrants to listed markets may be developing their corporate governance structures and therefore, we may allow them some grace in the adoption of these above expectations. This grace period will depend on the specific circumstances of the company.

4.1.1 Independent directors

The role of an independent director is crucial in ensuring appropriate governance processes are being adhered to and that the interests of all shareholders, regardless of ownership size, are accounted for in the decision making of the company.

We may not consider a director as independent if they:

- Are a substantial shareholder or associated with a substantial shareholder of the company.
- Have been an executive of the company within the past three years.
- Have served for a significant period (defined as 3 full director cycles or 10 years) on the board.
- Have in the past three years been associated with a material professional service provider to the company.
- Are an employee of, or associated with, a material

supplier or customer of the company.

- Their family have material contractual relationships with the company, or any other association with the company and its management, other than as a director.
- Have received equity-based remuneration where vesting is based on the performance of the company.
- Have any relationship which could be reasonably perceived to materially interfere with their ability to act in the best interests of the company.

Voting

If any of the above criteria exist, we will likely classify the director as affiliated, and depending on the board composition this may result in a vote against a director re-election.

IFM Investors will generally not support the election of affiliated, non-independent directors on company boards that are not majority independent.

4.2 Director elections

In assessing candidates for election or re-election to the board of directors, and resolutions to remove directors, IFM Investors will have regard to:

- The performance of the incumbent board giving regard to financial performance, long-term shareholder value and conduct.
- The performance of the candidate at the company in question and at other companies, especially their record of creating shareholder value.
- If the candidate has demonstrated poor conduct or judgement.
- Attendance at board meetings.
- The composition of the board and its key committees, and the capacity of the board and its key committees to oversee the company's conduct and performance on behalf of all shareholders.
- The capacity of the candidate, given other commitments and attendance at board and committee meetings, to adequately discharge his or her duties as a director (see below).
- The length of the director's tenure on the company's board.

- The mix of skills, capabilities, and diversity of the incumbent board.

Voting

When assessing the workload and capacity of a director, we will consider other obligations of the individual as well as attendance of board meetings and performance of the companies the individual has an association with. We will use a scoring measure for each role:

- Chair of a listed company = 2
- Executive of a listed company or large private company = 2
- Independent board director = 1
- Director of a listed company committee = 1
- Director of a not-for-profit entity = 0.5
- Advisory role = 0.5

Generally, a total score of five or above would indicate that the director has limited capacity to fulfil their required duties, and this may result in a vote against a director re-election; however, we will assess each individual on a case-by-case basis.

For a shareholder nominated director, we will assess the director based on the same criteria above. Generally, we will consider supporting the election if we believe the nominated director is more suitable than other directors, taking into consideration the board's recommendation.

Voting

Generally, IFM will vote in favour of a director election or re-election unless:

- There are clear concerns over the total composition of the board and/or expertise of directors.
- Past performance of the nominee shows clear concerns, including repeated absence at board meetings, criminal behaviour, or breach of fiduciary responsibilities.
- The nominated director is an insider or affiliate to the company and the board is not sufficiently independent.
- A more suitable director nominated by shareholders

is available for election.

- The board repeatedly shows unwillingness to implement good governance standards, such as persistently unacceptable compensation practices and board refreshment.
- The nominee adds to a sub-standard composition compared to local best practices in terms of tenure, diversity, skills, and external commitments.
- The board fails to incorporate basic considerations for gender diversity (see gender diversity section for more detail).
- There have been questionable transactions with conflicts of interest.

4.3 Gender Diversity

IFM believes that strong, diverse, equitable and inclusive cultures are a value driver for companies in which our portfolios invest and that a lack of diversity can lead to poor company performance.

We believe that a gender diverse board and management team will lead to greater decision making and better overall organisational performance and that companies should have a clear governance structure in place to foster diversity throughout the organisation.

For gender diversity, we expect at least 30% of board and senior management positions in the companies we invest in should identify as male and at least 30% should identify as female. We also believe that boards should strive for a gender balance by 2030 which we define as 40% of people who identify as male, 40% who identify as female, and 20% to allow for any gender⁶. This should include at least one board member who self-identifies as an under-represented minority.

Voting

IFM will generally support resolutions which seek to promote greater disclosure and / or progress for how companies consider various forms of diversity in their organisations, as well as their approaches to reducing inequity such as gender pay discrepancies.

If our expectations for gender composition are not met or if there are insufficient plans to address this, then we may vote against director re-elections including members of the committee we deem to be most directly accountable. This will be in the

⁶ In line with 40:40 Vision, an Australian investor and business led initiative working towards gender balance in executive leadership across all ASX 200 companies by 2030. For further details see here: <https://www.hesta.com.au/4040vision>

following order of oversight responsibility, based on who is up for re-election:

- Board Chair
- Nomination Committee Chair
- Longest serving member of the Nomination Committee
- Longest serving member of the board.

4.4 Board spill resolutions

We consider each board spill resolution on a case-by-case basis. When considering board spill resolutions, we will note:

- Company performance and the performance of the board and management.
- The interests of long-term shareholders and the impact of any significant change in board composition.
- Shareholder engagement and changes made by the board to address investor concerns.
- The significance of underlying remuneration issues at the company.

5

Remuneration

IFM believes that the remuneration of directors and executives should be designed to ensure long-term alignment with shareholder interests, including rewarding, attracting, and retaining high quality executives and directors who are key to delivering long-term shareholder value.

Remuneration reports should facilitate an understanding of company's remuneration policies and practices. Boards should ensure there is full disclosure of total remuneration packages, including all components and any termination provisions.

5.1 CEO and key executives

Voting

For remuneration related resolutions such as remuneration reports or specific equity grants and plans, we will generally support remuneration policies and outcomes where:

- Remuneration structure, policies, metrics, and targets are disclosed in a clear and meaningful way.
- The quantum of executive pay is reasonable and aligned with the performance of the company.
- Fixed remuneration is at a level that is reasonable with regards to a company's sector and relevant peer group.
- There is a reasonable balance between fixed and variable remuneration.
- The structure of long-term incentives is primarily delivered in equity.
- The performance of the share price compared to the overall equity market or its peers has not significantly underperformed as judged by the investment team.
- Variable remuneration underpinned by demanding and relevant performance hurdles, and is genuinely 'at risk', aligned with investor interests and the company's strategic objectives, and capable of being a true incentive for performance above the executive's core duties.
- There is a mixture of financial, non-financial, and strategic metrics which is used to assess executive team performance. Non-financial metrics should include environmental or social metrics that are relevant for the organisation.
- The vesting timeframes associated with incentive payments facilitate a focus on long-term value creation, with a minimum of three years vesting period.
- Clawback provisions exist which would mean executives would forgo incentive payments which were subsequently found to be not justified.
- CEO pay is disclosed as a ratio against the median, 25th percentile, and 75th percentile, of total workforce pay.

If the above are not a feature of the remuneration outcomes at the company, then we may vote against remuneration related resolutions.

In addition:

- We generally will not support one-off payments or special bonuses that are unrelated to company or individual performance.
- We will generally not support performance targets

that have been changed retrospectively.

- We will generally not support variable incentive payments that do not have any performance conditions associated.

5.2 Non-executive directors

Voting

For remuneration related resolutions for non-executive directors, we will generally support outcomes where:

- The structure of non-executive director pay ensures it maintains and promotes non-executive director independence.
- The quantum of director pay is reasonable and aligned with the performance of the company.
- Remuneration consists of fixed pay only and there should be no incentive payments.
- Any increase to a fee cap is clearly disclosed with adequate explanation.

In addition:

- For smaller companies in exploration or development phase, we may support the grant of options or share rights to non-executive directors as a cash saving measure if there are no performance conditions and full vesting occurs within 12 months.

5.3 Related-party transactions

We expect the company to have a policy on how it considers related-party transactions and for this policy to be disclosed and consistently applied.

Related-party transactions will be assessed on a case-by-case basis, and we expect such transactions to be subject to shareholder approval. We expect such transactions to contain proper oversight and be on full commercial terms.

We expect the company to clearly explain how the transaction is in the best interests of shareholders.

We expect companies to have a conflicts of interest policy which will be disclosed and consistently applied, and any director who may be considered a related party will remove themselves from any board discussions regarding the transaction.

5.4 Termination payments and change of corporate control

IFM will generally not support equity grants and plans for senior executives that vest based on continuity of employment.

IFM will generally not support guaranteed termination payments that exceed 12 months' fixed pay. Termination payments should not be paid where an executive retires from office, has resigned, or has been terminated for poor performance.

IFM will generally not support the automatic vesting of options and performance rights in the event of a takeover or change of control of the company. Nor will IFM likely support the automatic vesting of equity awards in the event of termination of employment.

6

Capital Management

6.1 Equity raisings and placements

We will support equity raisings that we determine are in the best interests of shareholders.

Where IFM has participated in a placement, an 'abstain' vote will be recorded as we are ineligible to cast a vote.

6.2 Mergers and acquisitions

Major company transactions such as mergers and acquisitions can potentially increase or decrease shareholder value. We will assess the proposed benefits to shareholders.

7

Other

7.1 Meeting format

Shareholders should have the right to physically attend meetings as this promotes transparency and strengthens engagement between companies and their respective shareholders. We believe hybrid

meetings (a simultaneous combination of in-person and virtual venues) are a good approach as it allows shareholders the ability to participate per their flexibility.

IFM does not support amendments to company constitutions which permit 'virtual only' general meetings.

7.2 Shareholder proposals

We respect the right of shareholders to put forward resolutions at annual general meeting (AGM's) regardless of the topic of the resolution and acknowledge that they can be requisitioned by parties with various objectives.

IFM assesses shareholder resolutions on a case-by-case basis and judges each resolution on its merit in the context of how they maintain or increase shareholder value creation over the long term. This involves a consideration of the importance of the issue raised as well as the urgency of the company response. We will consider the resolution in the context of the company's own performance as well as in relation to its peers.

Voting

IFM will generally support shareholder proposals that promote good corporate citizenship, improved governance, and transparency, while enhancing long-term shareholder and stakeholder value. Where our analysis and / or engagement indicate a need for improvement in the company's approach to the issue, we will support shareholder proposals that are reasonable and not unduly constraining on management. We will subsequently look to the board and management to demonstrate action relating to the proposal.

Following the support of a shareholder proposal, if we fail to see demonstrable improvement on the topic, IFM may consider a vote against a director re-election as a means of escalating the issue to the board.

If the board is recommending an 'against' vote, we expect the company to clearly disclose the rationale for such a recommendation and why its stance is in the best interests of long-term shareholders.

IFM will typically not support shareholder resolutions where we believe the adoption of the proposal would be an over-reach on what we would expect the company to undertake or disclose.

IFM will generally not support a constitutional amendment resolution that will allow shareholders

to submit non-binding proposals at company shareholder meetings. This amendment would eliminate a potential obstacle to the submission of such shareholder proposals, i.e., whether the subject matter of the proposal is properly a matter for shareholder determination or infringes on the prerogative of the board in respect of the management and operation of the company, with which shareholders are not entitled to interfere.

We believe that a law-reform approach would be preferable to approving 'ad hoc' amendments to individual companies' constitutions.

7.3 Auditor resolutions

The board must appoint an independent auditor. In considering resolutions relating to auditors, IFM Investors will consider the history of the audit firm and any relationships outside of the audit relationship between the company and the audit firm.

Appendix 3: Operational Emissions

	GHG Protocol categories reported for IFM operations	IFM Operations (tCO ₂ e)
Scope 1		0
Scope 2	Location basis	666
	Market basis	480
Scope 3	1. Purchased goods and services	4,842
	2. Capital goods	4,451
	3. Fuel- and energy-related activities (location-based)	68
	3. Fuel- and energy-related activities (market-based)	49
	5. Waste generated in operations	59
	6. Business travel	6,173
	7. Employee commuting	610
	8. Upstream leased assets (location-based)	559
	8. Upstream leased assets (market-based)	157
Total on a location basis		17,427
Total on a market basis		16,821

In addition to emissions from IFM operations, we report emissions associated with our asset portfolio. The methodology for these is outline in detail in [Section 5](#) of the report.

- Real estate assets where we have operational control contribute 55.5 thousand tCO₂e to IFM's scope 1 and 2 emissions.
- Real estate assets where we don't have operational control contribute 201.4 thousand tCO₂e, to IFM's scope 3, Category 13 emissions – Downstream leased assets.
- Infrastructure Equity, Debt, Private Equity and Listed Equities portfolios contribute 7.7million tCO₂e to IFM's scope 3, Category 15 – Financed emissions.

All emissions data is calculated to the best of our ability, based on the availability and quality of data accessible to us. While we strive for accuracy, we acknowledge that these figures are subject to limitations and uncertainties, and no guarantee is provided regarding their provision.

Appendix 4: Important Disclosures and Disclaimers

Important Disclosures

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Certain statements in this Report may constitute "forward looking statements" or "forecasts". Words such as "expect," "anticipate," "plan," "believe," "scheduled," "estimate," "will," "may," "intend," "seek," "would," "should," "could," "effort," "budget," "continue," "forecast," "outlook," "assumption," "target," "goal," "commit," "guidance," "objective," "potential," "projection," "probability," "indicative," "risk," "aim," "ambition" and variations of these words and similar expressions generally indicate forward-looking statements, which include but are not limited to projections of earnings, performance, and cash flows. These statements involve subjective judgement and analysis and reflect IFM Investors' intent, belief or current expectations and views and are subject to change, certain known and unknown risks, significant uncertainties, risks, assumptions and other factors, many of which are outside the control of IFM Investors. This may cause actual results, performance, conditions, circumstances or the ability to meet commitments and targets to vary materially from those expressed or implied by these forward-looking statements. While IFM Investors has prepared the information in this Report based on its current knowledge and understanding and in good faith, it reserves the right to change its views in the future. All forward-looking statements speak only as of the date of this Report or, in the case of any document referenced or incorporated by reference in the material, the date of that document. All subsequent written and oral forward-looking statements attributable to IFM Investors or any person deemed to be or acting on its behalf are subject to the same limitations, uncertainties, assumptions and disclaimers set out in this Report. Readers are cautioned not to rely on such forward-looking statements, the achievement of which is not guaranteed. Targets referred to in this Report are aspirational in nature and there can be no assurance that targets will be met. In general, emissions targets apply to Scope 1 and 2 emissions only and not to Scope 3 emissions unless otherwise stated.

Except as required by law, IFM Investors assumes no obligation to revise or update any forward-looking statements in this Report, whether from new information, future events, conditions, or otherwise, after the date of this Report.

Past performance does not guarantee future results. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

Important information regarding sustainability including climate change related statements

This Report contains forward-looking statements and other representations relating to sustainability topics, including but not limited to climate change, net zero, climate resilience, emissions intensity, human rights and other sustainability-related statements, commitments, targets, projections, risk and opportunity assessments, pathways, forecasts, estimated projections and other proxy data. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics and modelling on which these statements rely. In particular, the metrics, methodologies and data relating to sustainability matters are often relatively new, are rapidly evolving and maturing and are not of the same standard as those available in the context of other financial information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There are inherent limits in the current scientific understanding of the impacts of climate change. It is not possible to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies are also likely to be affected by underlying data quality, which can be hard to assess and we expect industry guidance, market practice, and regulations in this

field to continue to change. There are also challenges faced in relation to the ability to access data on a timely basis and the lack of consistency and comparability between data that is available. Some material contained in this Report may include information including, without limitation, methodologies, modelling, scenarios, reports, benchmarks, tools and data, derived from publicly available or government or industry sources that have not been independently verified. In addition, estimating climate change emissions requires the collection and analysis of large sets of new data and there are significant challenges and obstacles with both the availability and quality of such data. As such, no representation or warranty is made as to the accuracy, completeness or reliability of such information. In light of uncertainty as to the nature of future policy and market response to climate change, including between regions, and the effectiveness of any such response, IFM Investors may have to re-evaluate its progress towards its sustainability ambitions, commitments and targets in the future, update the methodologies it uses or alter its approach to sustainability analysis and may be required to amend, update and recalculate its sustainability disclosures and assessments in the future, as market practice and data quality and availability develops rapidly. In particular, we may not achieve our targets and commitments, which may result in our failure to achieve any of the expected benefits of our strategic priorities.

The sustainability-related forward-looking statements made in this Report are not guarantees or predictions of future performance and IFM Investors gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of these statements), nor guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements in this Report, including factors that are outside IFM Investors' control. These include, but are not limited to, climate change project risk; data availability, accuracy, verifiability and data gaps; evolving methodologies; variations in reporting standards; changes in the sustainability regulatory landscape; and changes in risk management capabilities. Sustainability-related strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. Sustainability-related strategies will be subject to the risks associated with their underlying investments' asset classes. Further, the demand within certain markets or sectors that a sustainability-related strategy targets may not develop as forecasted or may develop more slowly than anticipated. Sustainability-related practices differ by region, industry, and issue and are evolving accordingly. As such, an investment's sustainability performance and practices, or IFM's assessment of such performance or practices, may change over time. Similarly, new and evolving sustainability requirements imposed by jurisdictions in which IFM does business and/or in which its funds are marketed may result in additional compliance costs, disclosure obligations, or other implications or restrictions on IFM. Under such requirements, IFM may be required to classify itself, its funds, or an individual investment therein against certain criteria, which may be open to subjective interpretation. IFM's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry practices or approaches to classification. A change to the relevant classification may require further actions to be taken, such as requiring further disclosures by the relevant fund or new process to be set up to capture data about the relevant fund or its investments, which may lead to additional costs. It should not be assumed that any investment will be profitable or avoid losses.

This Report may include certain information on the sustainability practices and track record of IFM Investors at an organisational and investment team level, which may not necessarily be reflected in the portfolio or practises of any fund managed by IFM Investors. Please refer to the offering documents of any fund for details on how, and the extent to which, such fund takes sustainability considerations into account on a binding or non-binding basis.

Investment on the basis of sustainability criteria involves qualitative and subjective analysis. There is no guarantee that the determinations made by an adviser will align with the beliefs or values of a particular investor, and we cannot guarantee that our sustainability policies will result in the performance or outcomes expected. For example, this document contains sustainability-related statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of inherent uncertainty. Certain statements may also be based on standards and metrics for measuring a company's sustainability profile, as well as standards for the preparation of any underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve. While these are

based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. Relatedly, there is no guarantee that any investment or its operations will achieve its sustainability-related targets or, whether or not such targets are met, have a positive sustainability impact, either on particular sustainability-related topics or as a whole. There are significant differences in interpretation of what constitutes positive sustainability impact, and those interpretations are rapidly changing. We may be required to expend substantial effort or incur additional costs to address such matters, including but not limited to evolving legal obligations or due diligence.

Other important disclosures

This Report does not constitute investment, legal, accounting, regulatory, taxation or other advice and it does not consider your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the information in this Report. Tax treatment depends on your individual circumstances and may be subject to change in the future.

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