IFM Investors

SUSTAINABLE INVESTMENT

2026 Annual Sustainability Report

Reporting period:
1 July 2025 – 30 June 2026





'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'.

In the Gamilaraay language the words 'ngiyani winangaylanha' mean we, as a collective term, acknowledge. (just 'we acknowledge', the word Country is not there. In context this would be said or written, "ngiyani winangaylanha Bunurong" - we acknowledge Bunurong)

Terms used

Throughout the FY26 Annual Sustainability Report the term "First Nations" is generally used in an Australian context. The term "Indigenous" is generally used in a global context, or where it forms part of an established name, framework or preferred terminology. This includes the United Nations Declaration on the Rights of Indigenous Peoples.

Contents

Section 01: Overview

Note from the Board p. 5
Message from our Chief Executive Officer p. 6
The year at a glance p. 7

Section 02: About IFM Investors

Our Purpose and approach to sustainability p. 10
Financial highlights p. 11

Section 03: Sustainable investing

Our sustainable investing approach p. 14
Implementing our sustainable investing approach p. 17
Infrastructure Equity investments p. 19
Debt Investments p. 25
Listed Equities p. 27
Real Estate p. 34

Section 04: Navigating market-wide risks

Risk management p. 37
Industry and peer collaboration p. 38
Engaging with government bodies and policymakers p. 40

Section 05: Climate change and advancing the transition

Climate risks and our commitment to emissions reduction p. 44
Climate governance and strategy p. 46
Our financed emissions disclosures p. 57

Section 06: Sustainability at IFM

Corporate sustainability p. 61
Modern slavery risk management p. 81

Section 07: Governance

Committees, roles and responsibilities p. 83
Reviewing our policies and processes p. 85
Conflicts of interest p. 86
External tools and resources p. 87
Client reporting and engagement p. 89

Appendices

Mapping to the UK Stewardship Code p. 93
IFM's Sustainable Investing Guidelines p. 94
Our Operational Emissions p. 118
Glossary p. 119
Important disclosures and disclaimers p. 120



Important Notes

This report provides activity updates for the 1 July 2025 – 30 June 2026 financial year (FY26) unless otherwise stated.

This report provides details of how we seek to align with the principles of the UK Stewardship Code.

During FY26, IFM engaged Black Kite Partners as an external investment adviser to support the day-to-day management of its remaining Australian private equity portfolio as IFM manages its gradual wind-down. IFM remains the investment manager and retains responsibility for overseeing the portfolio and making investment and divestment decisions. The legacy portfolio represented ~0.5% of IFM's funds under management at 30 June 2026 and is being wound down. Private equity is therefore referenced only where relevant to historic activities or IFM's broader approach and is not presented as a standalone asset class in this report. Accordingly, this report does not include detailed private equity reporting on net zero approach and progress, asset class emissions, or specific case studies. References to private equity should therefore be read as contextual only, unless otherwise stated.

This report contains forward-looking statements and metrics, including climate-related and other sustainability-related statements and metrics. These statements may appear throughout the report, including in case studies and sections describing future priorities, and may relate to targets, objectives, plans, intentions, expectations, estimates, projections or anticipated outcomes. These statements are not, and should not be considered to be guarantees, predictions or forecasts of future climate-related, sustainability-related or financial 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-related and other sustainability-related metrics and modelling that may limit the extent to which they are useful for decision-making, and because underlying risks and assumptions may cause actual outcomes to differ materially. Such uncertainties and risks include among other things: (i) evolving sustainability-related metrics and methodologies; (ii) data challenges, including 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 and 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 5 of this report.

Defined terms and glossary

Certain capitalised terms and expressions used throughout this report are defined in the Glossary (refer Appendix 4) and are intended to have the specific meanings given to them there. Readers should refer to the Glossary when interpreting sustainability-related, climate-related and other technical terms used in this report.

01

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 FY26. This report provides an update on our sustainability-related activities and highlights the progress we have made towards delivering outcomes for our clients, owners, colleagues and in relation to infrastructure and services relied upon by communities.

In a year marked by ongoing geopolitical and economic uncertainty, we remained focused on delivering positive long-term outcomes for our clients. We are proud that our Funds Under Management grew by 21% compared to FY25, while our global client base increased by 11%, reflecting the continued trust placed in IFM and our investment approach. At the same time, we continued to invest in the people, capabilities and investment expertise that support our ability to deliver long-term returns in an increasingly complex investment environment.

This report outlines IFM's global approach to sustainability and the role it plays in supporting our Purpose: to invest, protect and grow the long-term retirement savings of working people. We believe that our ongoing focus on value creation and de-risking through integration of sustainability into both investment decision making and active asset management positions us well to create long-lasting value for our growing global client base and their beneficiaries.

As a long-term investor, we recognise that investment outcomes are influenced not only by individual assets and companies, but also by the resilience of the broader economic, environmental and social systems in which they operate. We continue to work collaboratively with investors, governments, industry bodies and civil society to seek to contribute to effective policy outcomes and market practices that strengthen these systems, creating value for our clients.

We extend our sincere thanks to our clients, colleagues and owners for their continued support, trust and partnership throughout FY26.



David Neal
Chief Executive Officer

Message from our Chief Executive Officer

FY26 was a year of continuing evolution across our business, building on the strength of IFM's Sustainable Investing approach, identifying opportunities to invest, collaborate and create long-term value for our clients and owners, while supporting broader economic, environmental and social outcomes.

During the year, we made further progress integrating IFM's Australian Real Estate business (formerly ISPT). This included aligning governance and sustainable investing practices. As we continue bringing these capabilities together, we believe we are creating a stronger platform to deliver long-term value for investors and owners.

The examples throughout this report demonstrate how our sustainable investing approach is applied across asset classes in ways that reflect the distinct characteristics of each investment strategy. In FY26, we continued to support Sustainable Aviation Fuel development in Australia through our GrainCorp and Ampol partnership, recognising the important role private capital can play in contributing to efforts to develop new industries and supporting long-term economic resilience. We also continued to collaborate with other institutional investors to share learnings and engage with policymakers across jurisdictions, given the key role that policy settings play in unlocking long-term private capital investment.

We made further progress on our own sustainability journey during FY26, launching IFM's Corporate Operations Net Zero Action Plan to guide efforts to reduce operational emissions across our global offices and strengthen the foundations for future action. We also continued to build organisational capability through SustainED, IFM's global sustainability learning program, supporting a more consistent understanding and application of sustainable investing across the organisation.

Within our investment processes, we continued to integrate sustainability considerations into decision-making and asset management activities across the business. During the year, this included strengthening transition planning across asset classes, advancing climate solutions investments and expanding our capabilities through the launch of two new debt strategies with defined sustainability-related fund objectives.

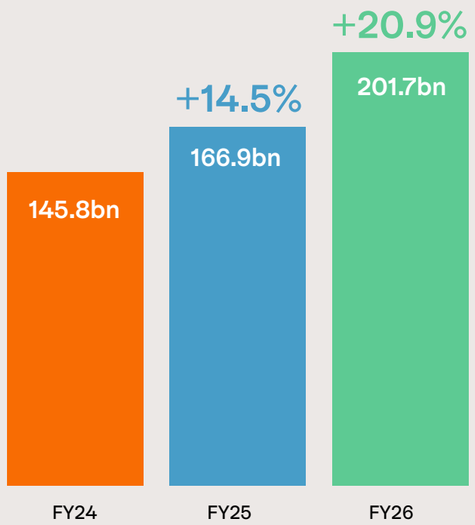
I would like to thank our colleagues for their continued dedication and contribution throughout the year. I also extend my gratitude to our clients, partners and broader stakeholders for their ongoing support, collaboration and trust.



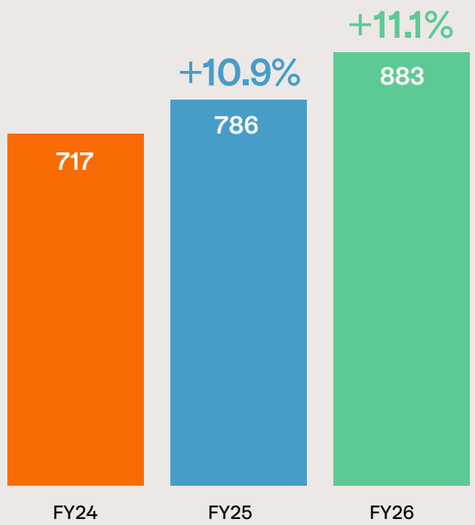
The year at a glance[1]

FIGURE 1

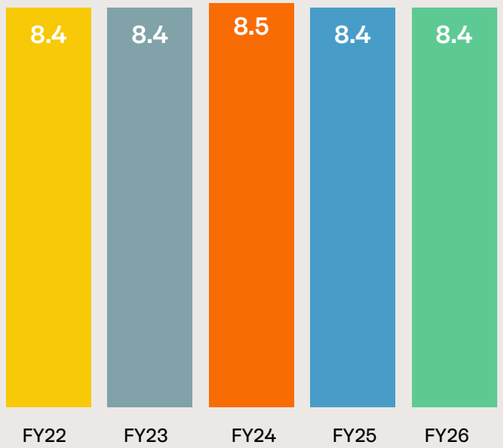
Funds under management (USD)



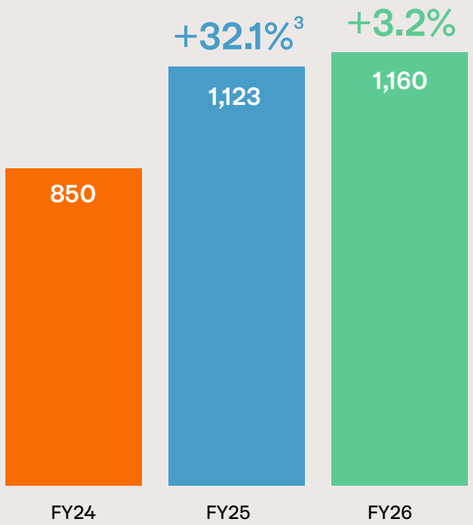
Growth in global clients



Investor Satisfaction Questionnaire (ISQ)



Growth in staff numbers[2]



[1] Figures as at 30 June 2024, 30 June 2025 and 30 June 2026 respectively. There can be no assurance that any historical trends or developments will continue.
[2] Full time equivalent.
[3] The increase in FY25 reflected the integration of ISPT into IFM, alongside broader investment in organisational capabilities to support IFM's growth strategy.

02

About IFM Investors



About IFM Investors

IFM Investors is a global asset manager, founded and owned by pension funds, with capabilities in Infrastructure Equity, Debt Investments, Real Estate, Listed Equities and Private Equity[4]. Our purpose is to invest, protect and grow the long-term retirement savings of working people. We believe long-term returns depend on resilient 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. We have over 880 clients who collectively manage the retirement savings of more than 160 million people[5] around the world. With the overarching purpose to invest, protect and grow the long-term retirement savings of working people, we help create benefits for the communities in which they live, now and for generations to come.

IFM acts in its capacity as a diversified portfolio adviser or manager for investments across our infrastructure equity, debt investments, listed equities and real estate. Our investment approach seeks to identify and manage financially material risks and opportunities, including relevant sustainability considerations, with the objective of supporting long-term risk-adjusted returns for clients.

As a large institutional asset manager with investments covering a broad cross-section of the economy, we are exposed to systemic risks that may affect the long-term performance of our portfolios. We therefore believe that we have a role in identifying and contributing to efforts to tackle systemic risks. We seek to do so through our sustainable investing approach, including integrating material sustainability considerations within our investment processes. We believe this approach benefits our clients and their beneficiaries, while supporting our efforts to engage with investments to help maximise net risk-adjusted performance. As a long-standing signatory to the United Nations-supported Principles for Responsible Investment (PRI)[6] 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, the level of governance rights and the legal arrangements applicable to such engagements.

We remain focused on the role we can play in supporting the long-term stability of the broader systems in which we invest and operate, and we see opportunity in collaborative policy and regulatory engagement on matters that can materially affect IFM's investments, clients or business. We believe that cultivating a unifying and purpose-aligned culture across our organisation is a key factor to our success in delivering on our clients' needs.

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

160m+
Number of working people whose retirement savings are managed by our clients and owners

16
15 Industry superannuation fund owners and one UK pension fund owner

880+
Institutional clients

18 offices



[4] In October 2025, IFM Investors announced the gradual wind-down of its mid-market growth Australian private equity strategy. IFM Investors remains the investment manager of the existing private equity portfolios and continues to make investment and divestment decisions. Black Kite Partners has been engaged as an adviser to support the portfolios' ongoing management.

[5] As at 30 June 2026.

[6] 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)

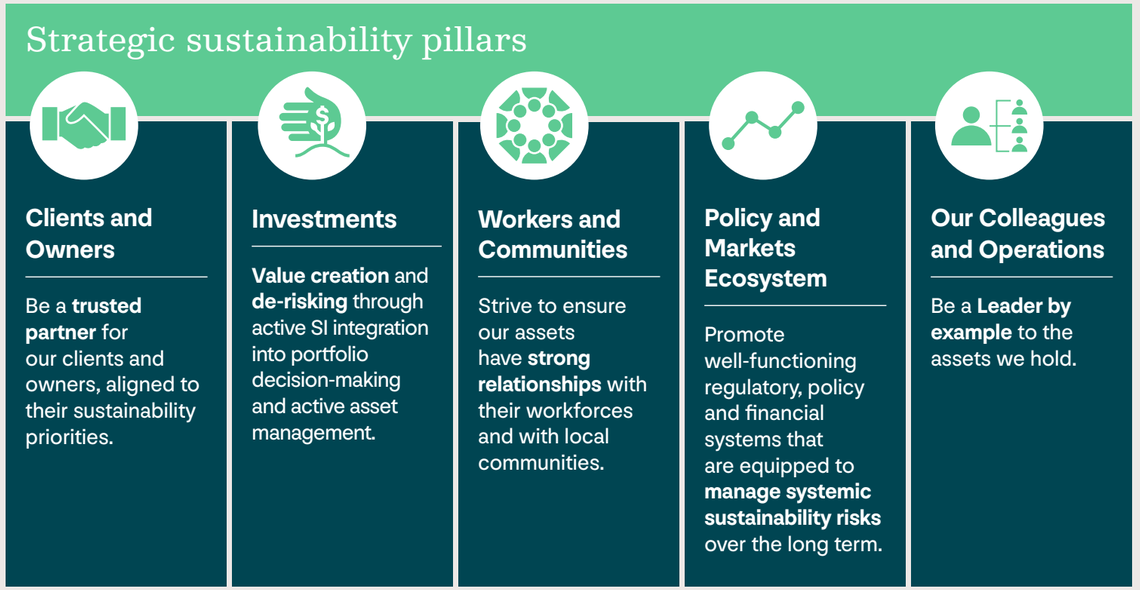
Our Purpose and sustainable business approach

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.



Our values 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.





Financial highlights[7]

USD 201.7bn

funds under management across five asset classes

Infrastructure Equity portfolio

USD 95.9bn

Targeting core infrastructure, with interests in 42 portfolio companies operating across Australia, Europe and North America.

Debt Investments portfolio

USD 29.2bn

We are a specialist credit, infrastructure debt, core bond and cash manager. Includes global infrastructure debt products, diversified credit products and treasury services.

Listed Equities portfolio

USD 60.8bn

Includes global listed equities across an extensive range of active, enhanced index and smart beta options.

Private Equity portfolio

USD 1.0bn

With direct holdings represented by investments in Australia in service sectors targeting technology, healthcare and business services.

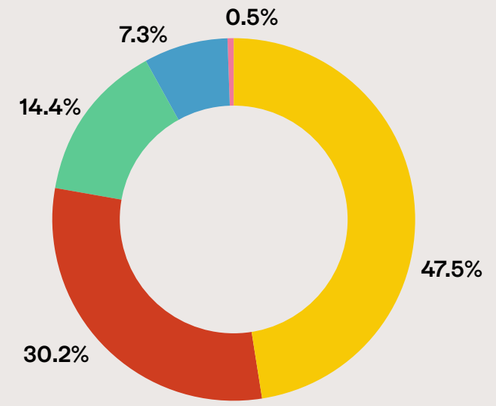
Real Estate portfolio

USD 14.8bn

Investing in and managing a diversified real estate portfolio across Australia, spanning sectors including office, retail, industrial and health, life sciences and education assets.

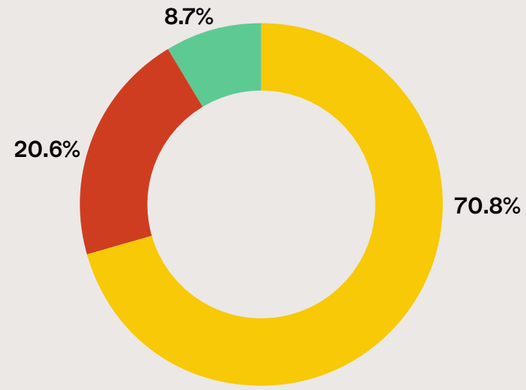
FIGURE 2

Funds under management (FUM) split by asset class



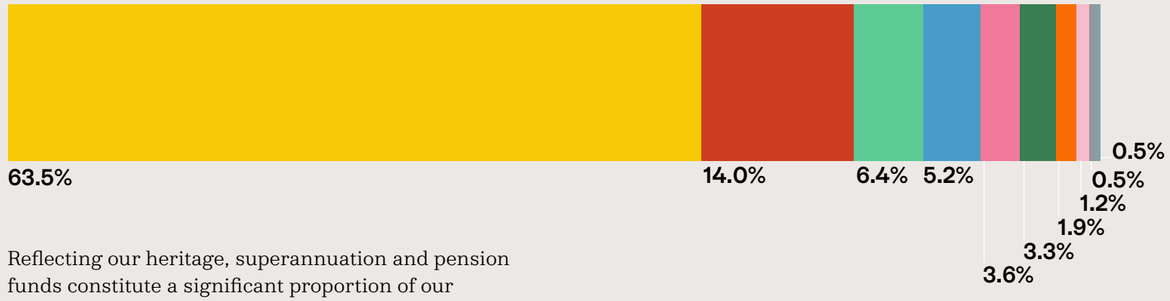
- Infrastructure equity
- Real estate
- Listed equities
- Private equity
- Debt investments

Percent of FUM by client geographical location



- Asia-Pacific
- Americas
- Europe, Middle East and Africa

Percent of FUM by client type



Reflecting our heritage, superannuation and 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.

- Superannuation
- Public Pension Fund
- Corporate
- Insurance Company
- Taft Hartley/ Multi Employer
- Government
- Asset Manager
- Endowment & Foundation
- Institutional Private Wealth
- Other[8]

[7] All figures in this graphic are as at 30 June 2026 and (where applicable) may not sum to 100% due to rounding.

[8] Includes client categories: Bank, Aggregator, Investment Consultant



Maria Nazarova-Doyle
Global Head of Sustainable Investment

Looking Ahead

Building on the progress made during FY26, we remain focused on further embedding sustainability considerations across our business, investment processes and portfolio activities, while continuing to develop long-term investment solutions for our growing global client base. In FY27, we will continue to strengthen our sustainable investment approach while responding to evolving climate, regulatory and market developments.

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

Climate Transition and Resilience

We will continue to strengthen transition planning across our portfolio, with a particular focus on improving the quality and maturity of transition plans and an evolution of our transition planning framework. We also plan to increase our focus on adaptation and resilience, recognising the growing importance of managing physical climate-related risks across global portfolios.

Investing in Long-Term Opportunities

As markets continue to evolve, we remain focused on investment opportunities arising from long-term structural trends, including climate solutions, digital infrastructure and next-generation infrastructure. Building on progress during FY26, we seek to identify investment opportunities that support long-term value creation, while aiming to deliver broader economic resilience and transition outcomes.

Integrating Worker and Community Considerations

Another important area of focus will be the continued embedding of worker and community considerations across asset classes, investment processes, stewardship activities and our corporate operations. This includes progressing our work with First Nations partners and communities and continuing to strengthen how social factors are considered across our investment activities.

Strengthening Sustainable Investment Delivery

Building on foundations established in recent years, we will further enhance the frameworks, governance arrangements and implementation processes that support sustainable investment delivery across IFM. This will include updating our Sustainable Investment Guidelines and improving the availability, consistency and practical application of sustainability-related data to support investment decision-making, client reporting and regulatory obligations.

Supporting Stronger Systems and Markets

Policy engagement and industry collaboration will remain important aspects of our approach. During FY27, we will continue engaging with superannuation and global pension system representatives, policymakers, industry bodies and other global counterparts to support policy settings that help manage systemic risks and improve long-term outcomes for beneficiaries.

As we look ahead to FY27, we remain focused on investing, protecting and growing the long-term retirement savings of working people. Through investment, stewardship and policy engagement activities, we will continue to seek opportunities to create long-term value while supporting resilient economies, markets and communities.



03

Sustainable investing



Our sustainable investing approach[9]

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

We organise our approach around seven sustainable investing focus themes, shown in the diagram below and underpinned by detailed principles set out in IFM's Sustainable Investing Guidelines[10]. 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 them across asset classes where practicable, recognising that implementation differs depending on factors such as investment strategy, holding period, data availability, and degree of influence.

Our sustainable investing approach forms part of our broad global strategy. Guided by our Purpose, we aspire to be our clients' most trusted investment partner by understanding their evolving priorities, applying disciplined investment management and providing transparent reporting on our approach, activities, and outcomes. We recognise the need for an approach that reflects the expectations of our owners, our clients and our people, while remaining mindful of the rapidly evolving regulatory and legislative environment, the range of both new investment opportunities and risks that global developments, such as the transition to a lower-carbon economy, present to IFM and our clients as we pursue our Purpose.

We use a combination of the following to seek to implement our principles and improve outcomes for our clients and owners:

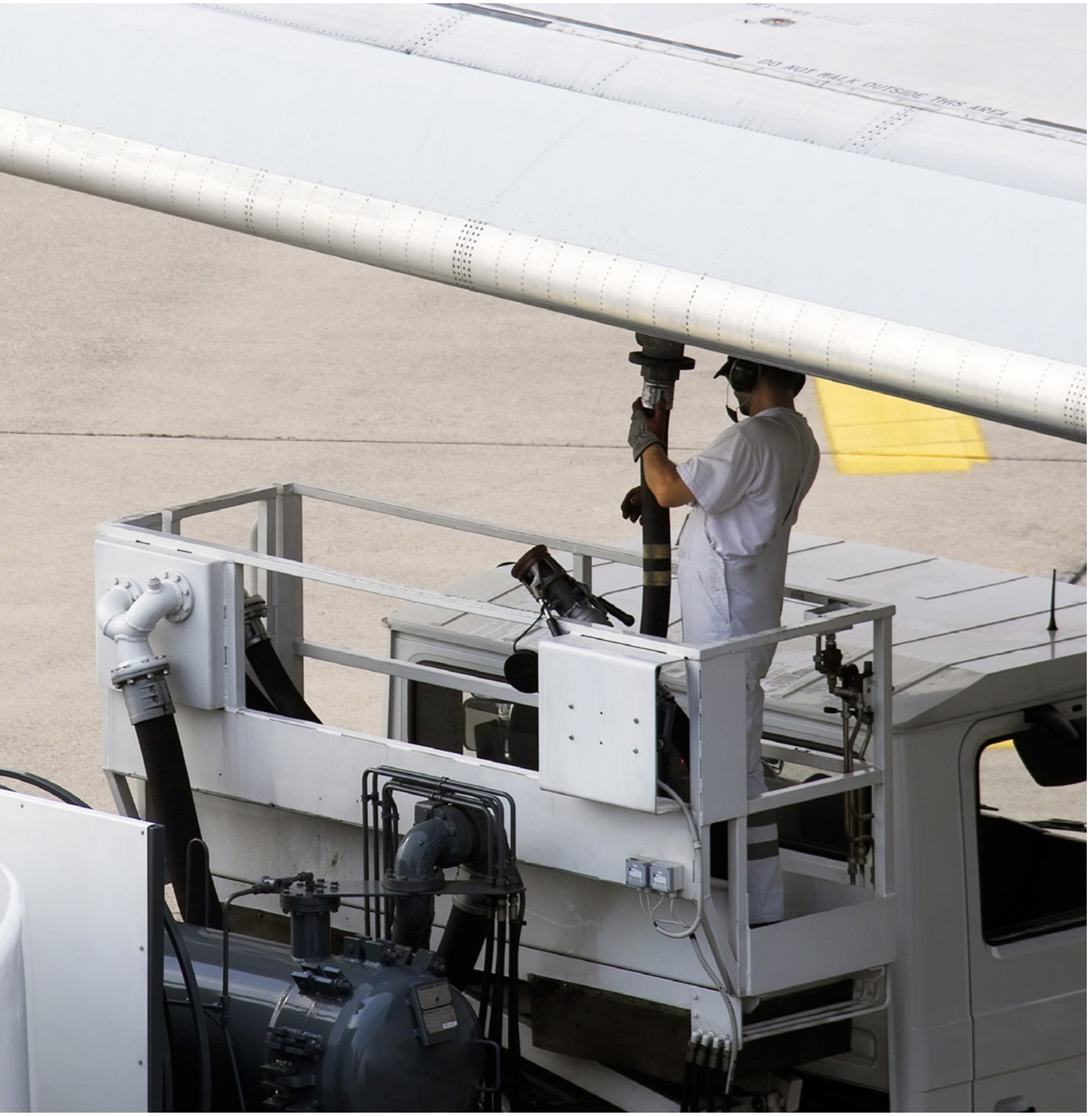
- Integration of sustainability considerations, where relevant, throughout the investment process
- Engagement and voting (where relevant) at an asset level
- Collaboration and engagement at an industry or national level
- Transparency and reporting



The picture above is for illustration purposes only.

[9] 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.

[10] Available on IFM's website: Governance and reporting | IFM Investors and as Appendix 2 to this report. See the Guidelines for full details.



Sustainable investing integration

We believe that integrating financially material sustainability considerations into IFM's investment management processes helps us deliver on our fiduciary duty to clients. It also supports the identification, assessment and management of sustainable investing risks and opportunities, with a view to achieving value creation, risk reduction, or both, where possible.

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 improve the overall awareness of these potential impacts including among our portfolio companies.

In pursuing long-term risk-adjusted returns, we consider sustainability-related risks and opportunities, including workforce wellbeing, safety, climate change and nature degradation, within our investment processes, as appropriate. Our approach varies across asset classes depending on the nature of the investment. Investment teams work closely with our Sustainable Investment team to support alignment with IFM's Sustainable Investing Guidelines, where appropriate and in line with client mandates and expectations.

Through our approach, we seek to support long-term value creation and financial market stability by considering market-wide and systemic risks that may affect long-term investment outcomes.

Issue prioritisation

The issues we choose to pursue and act on will depend on the asset class, 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.

Separate from 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;
- Significant issue exposures identified through our due diligence and monitoring process, particularly where there appears to be a lack of adequate controls; and
- Our ability to address material issues, based on governance structures, the nature of our investment, and therefore, our level of influence.

Investment time horizons

Investment time horizons vary by asset class, 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, real estate and infrastructure equity. Our various strategies are intended to meet the differing needs (including investment time horizons) 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. Sustainability-related risks and opportunities may emerge over different timeframes, influencing how sustainability considerations are assessed and managed across investment strategies.

Stewardship, engagement and voting

Stewardship

Stewardship for IFM involves the responsible allocation, management and oversight of capital to help create long-term value for clients and beneficiaries.

IFM believes that effective stewardship, incorporating company engagement and the exercise of voting rights where applicable, legally allowable and appropriate, and in line with client mandates, can contribute to better company performance and long-term value for our portfolios.

Our approach to addressing sustainability considerations is established at the IFM or investment adviser level, 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 alone or in collaboration with others.

Through this engagement, IFM seeks to:

- 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 financially material 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 or 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.

Engagement escalation

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

Voting

IFM exercises voting rights in accordance with applicable mandates and client arrangements. For IFM's Australian listed equities portfolios IFM's Listed Equities Proxy Voting Guidelines[11] provide structured voting principles across key areas including environmental action, social inclusion, director elections, and executive remuneration.

Policy engagement and collaboration

Public policy and regulations are important contributors to portfolio risk adjusted returns. We seek to carry out policy engagement to support 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 such activities we can provide investment-market perspectives on policy developments relevant to client outcomes. We are members of and signatories to a range of collaborative industry initiatives, as detailed in Section 4. Through these initiatives and our policy engagement activities, we work with other investors, civil society and governments to share insights and contribute to policy and market discussions on issues that may affect long-term investment outcomes. In doing so, we seek to support the delivery of risk-adjusted returns for clients and our Purpose to invest, protect and grow the long-term retirement savings of working people.

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.

[11] IFM Investors (2024), IFM Listed Equities Proxy Voting Guidelines (see Appendix 2)

Implementing our sustainable investing approach

IFM's investment teams seek to integrate sustainability considerations, where relevant, into investment decision-making where those considerations are financially material or required by the mandate. They also 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.



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, which is described in further detail below.[12]

Sustainable Investment team involvement

Investable universe	Initial analysis	Due diligence	Investment decision	Ongoing stewardship
How we connect to global investment opportunities	Identification of sustainability considerations	Assessment of opportunities and risks, including mitigation measures, in relation to sustainability considerations	Investment decisions based on robust analysis	Monitoring of sustainability risks and opportunities
We are connected to global investment opportunities via broad relationships with global investor institutions, investment banks and advisers. Investment teams identify investable opportunities, informed in part by insights from the Sustainable Investment team on emerging sustainability risks, opportunities and impacts.	Over the course of pre-investment analysis investment teams identify sustainability considerations for investment opportunities to inform the investment decision. Where appropriate and applicable, screening overlays required by client mandates are applied.[13]	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. 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. Where appropriate, investment teams seek to identify and incorporate mitigants for any identified risk.	A final analysis of relevant and financially material 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, fund objectives and with our Purpose.	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. Where appropriate, IFM engages with portfolio company or borrower management teams to seek to influence activities and decisions that may influence investment value and returns.

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 of these asset classes.

Defined responsibilities

Our Sustainable Investment team and asset class sustainable investing specialists have clearly defined, complementary responsibilities throughout the investment process. The Sustainable Investment team develops IFM's overarching sustainable investing approach and related policies and organisational guidelines, while asset class sustainable investing specialists support the operationalisation of these group-wide policies and, where required, develop asset class-specific sustainability procedures, standards, guidelines and work instructions.

Supported by the Sustainable Investment team's expertise on sustainability considerations that may be applied to investment screening, analysis and due diligence, asset class investment teams are primarily responsible for sustainability-related asset-level activities, including the application of sustainability considerations in investment screening, analysis, and due diligence. They also manage asset- and portfolio-level data collation for external reporting.

[12] Sustainability considerations are integrated differently across asset classes, reflecting factors such as investment strategy, client mandates, investment structure, holding period, governance rights, degree of influence and financial materiality. See the relevant asset class sections for further detail.

[13] 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.

Infrastructure equity investments

Our approach

Key characteristics that underpin our investments include market exclusivity, high barriers to entry, long concession life, predictable revenues, inflation protection and exposure to economic growth. Our sustainable investment approach seeks to identify opportunities to both transition existing infrastructure assets and invest directly in lower-carbon assets, such as renewable energy assets and emerging lower-carbon industries such as bioenergy industries, with the aim of supporting long-term risk-adjusted returns.

Where financially material, climate-related considerations are integrated throughout the investment lifecycle, from pre-acquisition due diligence to ongoing asset management. This includes assessing climate-related risks and opportunities alongside financial, operational and regulatory considerations, informed by both internal expertise and external insights.

As members of company boards and management committees, we take steps to work with management teams, co-shareholders and other stakeholders to help build resilient businesses that create long-term value for shareholders, workers and local communities. Where IFM has an active governance role, ongoing oversight is provided through IFM-appointed Board Directors, supported by the Asset Management Specialist Team. This includes monitoring asset performance and key risk factors, overseeing delivery of business plans aligned with the investment case, and working with portfolio company management to execute asset-management objectives that enhance the asset's value, reduce its risk, or otherwise enhance the investment case for the asset.



How we engage

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

Post-acquisition planning

Year 1

Develop and implement asset-specific priorities, including sustainability considerations, risk, regulatory, return and capital expenditure plans.

Asset review

Annually

Evaluate risks, opportunities and asset management priorities.

IFM investment professionals are often seconded to portfolio assets to support this engagement.

Valuation and reporting

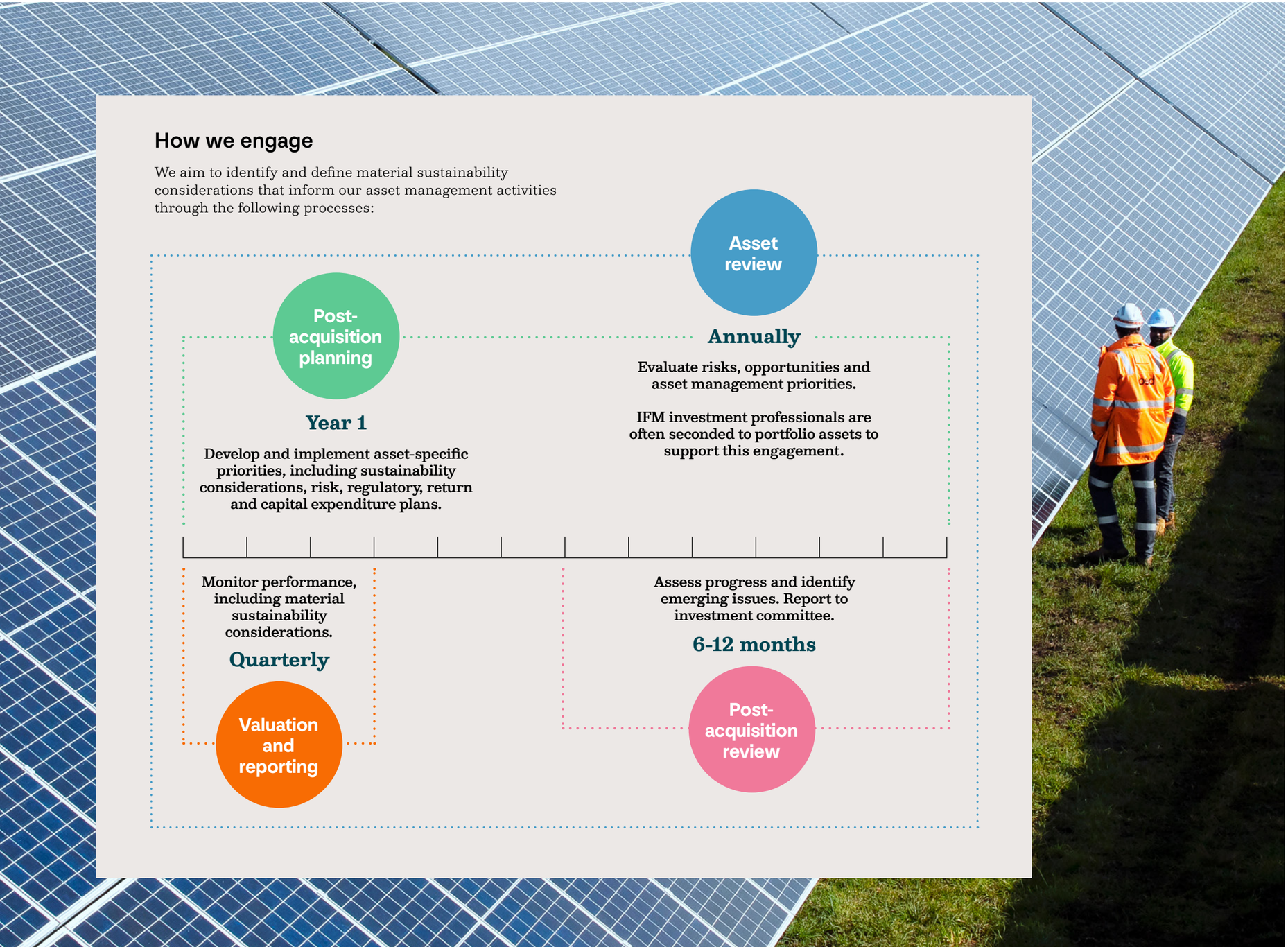
Monitor performance, including material sustainability considerations.

Quarterly

Post-acquisition review

Assess progress and identify emerging issues. Report to investment committee.

6-12 months



Sustainability-related engagement is embedded within IFM's asset management framework through tailored portfolio company strategies. The framework has three key objectives:

1. **To Protect** – seek to manage risks and deliver expected returns by promoting minimum standards for key management practices.

2. **To Enhance** – seek to achieve superior returns from individual portfolio assets by challenging asset-level management teams to achieve 'best-in-class' performance.

3. **To Exceed** – seek to deliver competitive performance from individual portfolio assets by leveraging our global strengths in synergies, scale and relationships.

Our teams engage directly with portfolio company management teams and, where relevant, IFM-appointed board representatives. This helps maintain oversight of sustainability risks and mitigation programs and initiatives.

Engagement escalation is determined on a case-by-case basis. IFM's preferred approach is to work collaboratively with the companies in our infrastructure equity portfolio to address issues and support long-term value creation, with the level of involvement informed by the nature of the issue and the circumstances of the investment.

INFRASTRUCTURE EQUITY CASE STUDY

Aligning capital and nature-based outcomes[14]

Nature and biodiversity can help to support the long-term resilience and performance of infrastructure assets in a changing climate, including by providing services such as flood mitigation, water management and natural cooling. The implementation of nature-based solutions can unlock cost savings, resilience benefits and new value-creation opportunities.

In 2025, we completed a portfolio-wide nature and biodiversity risk and opportunity assessment aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP (Locate, Evaluate, Assess, Prepare) framework. Combining sector-level benchmarking with asset-level analysis, the assessment identified that approximately 45% of portfolio assets were considering nature and biodiversity-related opportunities to varying degrees. These included potential financial and operational opportunities for the business, as well as opportunities that could contribute to nature and biodiversity-related goals.

Examples include:

- **Manchester Airports Group (MAG)** seeks to adopt the TNFD recommendations and set quantified biodiversity net gain targets across its airports by 2028. Biodiversity net gain is a legal requirement for certain new developments in the UK. In 2025, MAG appointed an expert consultant to undertake biodiversity baseline surveys across more than 1,500 hectares (the entire land holding) of airport land at Manchester and East Midlands airports. The surveys covered grassland, woodland, scrub and wetland habitats and used recognised UK biodiversity metrics. The work provides an evidence base to inform future land management, development planning and habitat-enhancement activities.
- **Anglian Water** issued a £375 million green bond to fund capital programs that support climate resilience, pollution prevention and habitat enhancement. The bond was 3.9x oversubscribed and proceeds will support both core infrastructure investment and catchment-based interventions, including nature-based solutions designed to strengthen environmental outcomes and long-term system resilience.
- **Sydney Airport** continued active management and protection of on-site biodiversity, with a particular focus on the Sydney Airport Wetlands and broader Botany Wetlands network through habitat management, flora and fauna monitoring, and population surveys. These activities are guided by dedicated Wetlands and Wildlife Management Plans that seek to balance biodiversity conservation with aviation safety requirements.

Together, these examples demonstrate how nature and biodiversity considerations are increasingly being integrated into asset-level decision-making across the portfolio. Over time, we expect this approach may strengthen asset resilience by supporting the identification and mitigation of nature-related risks to financial and operational performance, help portfolio companies respond to regulatory and stakeholder expectations and possibly contribute to long-term value creation and protection.



Picture: Manchester Airports Group (MAG)

[14] Select case studies are provided for illustrative purposes only as examples of IFM's investment process. It should not be assumed that any investment included herein was or will ultimately be profitable or that any investment made by IFM in the future will be comparable in quality or performance to such investment. The full list of IFM's investments is available upon request. Any targets, estimates, expectations or projections in such case studies are provided for informational purposes only and are not necessarily indicative, or a guarantee, of future results. There can also be no assurance that any historical trends or developments included in such case studies will continue.

INFRASTRUCTURE EQUITY CASE STUDY



Managing social risk across infrastructure

Infrastructure assets provide essential services and interact with employees, supply-chain workers, local communities, customers and end users. Decisions about procurement, workforce conditions, operations, customer experience and growth can affect these stakeholders and, if not appropriately managed, create financial, strategic, reputational, legal and compliance risks. As these risks vary by sector and asset, a consistent approach is needed to identify, assess and prioritise these risks, and therefore support more informed investment and asset management decisions.

IFM action

The Infrastructure Asset Management Specialist Team developed a social risk framework with Risk and Compliance. The framework maps how asset business practices may affect workers, communities, customers and end users, and how these impacts may translate into asset-level risks.

It combines portfolio-wide and sector-level analysis to identify potentially material social factors, including safe working conditions, workforce management and labour rights, modern slavery, affordability, community impacts and cultural heritage. Factors are prioritised based on the level of risk, helping to inform the appropriate response, from monitoring to targeted engagement.

The framework also informs enhancements to investment due diligence and practical guidance for investment teams and IFM-appointed directors.

Outcomes

During FY26, the framework supported targeted social risk management activity across infrastructure assets. These engagements addressed themes including workforce and industrial relations, safety governance and contractor oversight, modern slavery and supply-chain controls, inclusive workplace culture, and cultural heritage and First Nations engagement. Actions included:

- direct engagement with asset teams, management and IFM-appointed directors
- advice on design of governance and procurement processes, and
- ongoing engagement with worker representatives and other stakeholders.

The framework was also applied in one investment due diligence process to assess First Nations, community and supply-chain risks and inform transaction governance and investment decision-making.

Through these actions during FY26, we strengthened our asset-level governance and alignment with IFM's purpose and asset level outcomes. We also strengthened portfolio-wide capability through a targeted workshop for the Australian infrastructure team around the identification and oversight of contractor and labour risks.

INFRASTRUCTURE EQUITY CASE STUDY

Strengthening portfolio-wide oversight of health and safety

Infrastructure assets often combine complex operations with construction and maintenance activity. They bring workers, contractors, customers, suppliers, tenants and members of the public in to contact with potential hazardous environments. This creates a varied safety risk profile across assets, sectors and jurisdictions.

The infrastructure portfolio's workforce has expanded significantly from approximately 35,000 workers in 2015 to more than 135,000 in 2025, increasing exposure to activities with inherently higher safety risks. Fatal and serious incident risk can be particularly concentrated in contractor-led activities, such as maintenance, construction, work at height and work in confined spaces. Managing these risks requires sustained oversight of safety performance and supporting strong governance and controls.

IFM action

IFM sets and supports portfolio-wide expectations on oversight of high safety risk areas across four connected pillars[15]:

Governance 1

- Board-level accountability and safety capability
- Clear escalation expectations where risk increases
- Incentives linked to safety outcomes
- Oversight of fatal and high-risk activities

Controls 2

- Visibility of controls for high-risk and non-routine work
- Clear stop-work and permit-to-work expectations
- Consistent contractor-control frameworks
- Safety due diligence and verification of remedial actions

Data 3

- Portfolio-level performance benchmarking
- Leading and lagging safety indicators
- Identification of emerging or changing risk exposures
- Targeted engagement where risks escalate

Learning 4

- Internal and independent safety expertise
- Consistent review of fatal and serious incidents
- Cross-portfolio sharing of lessons and good practice
- Capability building for investment teams and IFM-appointed directors

During FY26, IFM monitored actions from earlier safety reviews, undertook two further asset reviews and engaged on contractor safety governance. Analysis was also progressed to identify heightened safety exposures, and an external specialist independently reviewed IFM's infrastructure portfolio safety-benchmarking.

In November 2025, IFM and the International Transport Workers' Federation agreed the co-developed Global Seaports Safety Charter following engagement across IFM's global seaport portfolio. The Charter formalises social dialogue with port worker unions to establish common expectations for safety, wellbeing and workforce participation across IFM's global seaport portfolio, including defined accountabilities and a structured mechanism for dialogue, escalation and issue resolution. It reinforces IFM's commitment to social dialogue with labor unions and our belief in the important role stakeholders play in building a "safety-first" companies.

Outcomes

During FY26, we reviewed the latest available data and found that the portfolio's five-year average lost-time injury frequency rate outperformed the applicable benchmark by 57%.[16] This benchmark has been calculated as the number of lost time incidents per 100 employees and independently reviewed by an external specialist consultancy.

Across the portfolio, nine independent third-party safety reviews were completed over the five years to FY26, while the Global Seaports Safety Charter established a consistent framework for safety dialogue. Together, these actions provide a clearer basis for identifying safety risks and targeted engagement, governance and cross-asset learning. Continued participation by management, employees, contractors, site users and other stakeholders will be important to building a safety-first organisation.

In FY27, there will be a focus on complementing performance benchmarking with greater focus on leading indicators, high-risk hazard identification and strengthened safety governance of contractors.

[15] Operational responsibility for health and safety remains the responsibility of each portfolio asset.

[16] Benchmark performance is based on available data compiled by safety regulators. A representative benchmark is constructed to reflect the composition of the Infrastructure portfolio.

INFRASTRUCTURE EQUITY CASE STUDY

Investing in resilience and adaptation

Ausgrid, an electricity distribution network operator serving more than four million people across Sydney, the Central Coast and the Hunter Valley, operates a network spanning 22,275 km² across diverse geographies and terrains. Over the past 15 years, more than half of customer outages were attributable to climate-related events. To better understand evolving physical climate risks, Ausgrid assessed its network using climate projections, identifying windstorms as the most material risk, followed by extreme heat and bushfires. Under a mid-range climate scenario, these risks are projected to increase over time and could reduce resilience to large-scale, prolonged outages if left unmitigated.

IFM activities

Through its ongoing engagement with Ausgrid, IFM monitors the company's approach to assessing climate-related risks and building network resilience. Ausgrid's FY24–29 regulatory determination includes a dedicated climate resilience program developed through an 18-month engagement process with customers and communities.

The program includes A$52 million of capital investment in network resilience and A$6 million in operating expenditure focused on community resilience and research. Key initiatives include replacing 120 km of bare high-voltage conductors with covered conductors in high-risk coastal areas, installing 41 reclosers to reduce outage propagation, rolling out remotely monitored Line Fault Indicators to improve fault detection and restoration times, and installing fire-resistant mesh on 3,000 timber poles by FY29. Investments are prioritised in areas with higher climate exposure and vulnerable populations, including the Central Coast, Lake Macquarie and Port Stephens.

Ausgrid has also expanded its focus beyond asset resilience by developing tools such as the *Power Outage Plan*, creating dedicated community resilience roles and partnering with local councils to strengthen the resilience of community hubs.

Outcomes

These investments are designed to strengthen network resilience, reduce outage impacts and improve community preparedness during extreme weather events. Their effectiveness was demonstrated during a major storm event in January 2025, the most severe experienced in a decade, which resulted in more than 210,000 customer interruptions. Despite the scale of the event, Ausgrid restored power to 99% of affected customers within five days, supported by enhanced operational response capabilities and prior resilience investments.

Community resilience measures also played an important role in supporting local response efforts. During a separate storm, the Yarramalong School of Arts Hall, one of Ausgrid's first community resilience hubs, remained operational while much of the surrounding valley experienced an outage, demonstrating how resilience planning can help maintain critical community support during extreme weather events.



Picture: Ausgrid

Debt investments

Our pre-investment approach

Our sustainable investment approach in Debt Investments is tailored according to business segment, with activities varying between Infrastructure Debt, Diversified Credit, and Treasury Services.

Lenders tend to prioritise identifying and assessing material sustainability risks and opportunities during the pre-investment process – i.e. before terms are agreed and capital is deployed. This represents their most direct opportunity to influence outcomes, making it a critical stage in the investment lifecycle.

The core[17] Infrastructure Debt and Diversified Credit due diligence processes involve the assessment of potentially material sustainability risks and opportunities using an underlying risk matrix, which is used to produce an analytical summary for inclusion in the Credit Assessment Memorandum. For Infrastructure Debt products, this matrix considers 18 discrete sustainability topics which are individually assessed in an iterative review process with peer review from the Sustainable Investment team. In Diversified Credit, the risk matrix covers 16 discrete sustainability topics.

Our Treasury Services team applies a rules-based approach to sustainability that applies client-directed investment restrictions where required by the mandate, where applicable. Across all debt strategies, our focus is on meeting our fiduciary duty, fulfilling commitments to our clients, and managing sustainability risks and opportunities that could affect long-term risk-adjusted returns.

Transition risk

As part of core due diligence, our Infrastructure Debt and Diversified Credit teams perform transition risk analysis based on the Cambridge Institute for Sustainability Leadership Transition Risk framework[18]. Under this framework, prospective investments in higher-risk sectors undergo quantitative analysis using established third-party climate scenarios.

Physical risk

Physical risk is considered as part of core due diligence for al Infrastructure Debt and Diversified Credit investments. In Infrastructure Debt, when asset value is concentrated in a small number of physical locations, physical risk analysis is supplemented by a third-party geospatial analytics platform, which is used to model environmental perils across different time horizons and transition scenarios.

Biodiversity and nature-related risk

Our Infrastructure Debt and Diversified Credit teams make use of third-party tools like ENCORE and Key Biodiversity Areas (KBAs) to support their assessments of biodiversity and nature-related risk during due diligence.

Our post-investment approach

In general, debt investors have less scope to influence investees during the holding period than their equity counterparts. Nevertheless, there are certain instances in which borrowers may be engaged post-investment.

Both Infrastructure Debt and Diversified Credit are supported by a dedicated Asset Management team, which monitors asset performance and engages with borrowers via calls, face-to-face meetings, and site visits. Where Asset Management identifies a new or evolving sustainability-related risk, it notifies the sustainability specialists on the investment team. Under these circumstances, the sustainability specialists will look to first gain an understanding of the issue, its materiality, and its potential to impact credit risk; then to determine whether mitigation actions are required and available.

With respect to the issuance of credit more broadly, our teams may work with syndicate participants and borrowers directly on sustainability considerations and lending controls, to the extent that is practical and applicable.

This may 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 to address specific issues; and
- Continuing to monitor progress of sustainability considerations post-investment.

Engagement

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

[17] Note that the core process may vary for certain types of investment activity (e.g. amendments to maturity date, follow-on investments.)

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

INFRASTRUCTURE DEBT CASE STUDY

Investing in zero-tailpipe emissions transport

Bike-sharing schemes can support the decarbonisation of the transport sector and reduce air pollution and traffic congestion in populated areas by replacing car use. A 2025 study commissioned by EIT Urban Mobility and Cycling Industries Europe found that[19] bike-sharing saves 46,000 tons of carbon dioxide and 200 tons of nitric oxide and nitrogen dioxide in Europe each year, delivering €40m in healthcare savings and supporting 6,000 full-time equivalent jobs.

As a result, many European municipalities[20] are expanding their investments in bike-sharing, with recent programmes funding larger fleets, additional stations, electrification, and upgraded operating infrastructure. In 2024, European station-based ridership increasing by 12% and dockless ridership by 58%.[21] This growth is occurring within a broader European policy environment supporting lower-emissions transport, as the EU moves towards its 2040 target of reducing transport-related greenhouse gas emissions by 90% against 1990 levels.

IFM action

In FY26, a fund managed by IFM committed to invest up to €45.5m in one of Europe's leading urban and metropolitan micro-mobility operators, providing bike-sharing services under long-term concession contracts with local municipalities.

The company operates a fleet of over 20,000 bikes across 10 different cities, offering mechanical, hybrid, and electric options and dock-based or free-floating parking. Annual sustainability reporting requirements were agreed as part of the pre-investment credit process, enabling periodic monitoring of sustainability performance against key indicators throughout the loan term.

Outcomes

The investment will support the borrower's existing contract base as well as future expansion activities. The company is well-positioned to benefit from the growth of the bike-sharing sub-sector and was recently awarded a new tender in Budapest to provide 3,300 bikes (2,500 mechanical and 800 electric-assisted), with the intention of scaling the total number up to 5,000+ over time. Its activities have the potential to deliver meaningful emissions reductions – the EIT study cited above finds that bike-sharing emits around six times less CO_2e over its lifecycle than private cars. IFM will monitor specific sustainability-related metrics throughout the loan term - including greenhouse gas emissions, renewable energy consumption, and total bikes in circulation.



[19] Compared to a hypothetical scenario where bike-share wasn't available and riders were distributed amongst the remaining transit modes in proportion to their current use (e.g., if bike share were 20% of transit in a 20-40-40 split, the hypothetical would assume a 50-50 split), the full study can be found at: Bike Sharing Generates €305 Million a Year Across Europe | EIT.

[20] Examples of municipalities that are expanding their investments in bike-sharing are Madrid, Barcelona, and London

[21] Fluctuo, *European Shared Mobility Annual Review* 2024 (2025), as reported by the EU Urban Mobility Observatory. The European Institute of Innovation and Technology (2025) reports that bike-sharing is present in more than 150 European cities across the EU-27, UK, Switzerland and Norway, comprising approximately 438,000 shared bicycles

Listed equities

Our approach

IFM manages a range of listed equities strategies spanning passive, low tracking error and active mandates. As investment objectives are largely determined by client Investment Management Agreements (IMAs), we work with clients to develop approaches that align with their requirements. Within this framework, engagement and voting are key stewardship tools used to integrate sustainability considerations, where appropriate and consistent with client mandates.

Our engagement activity is primarily focused on Australian listed companies, reflecting the composition of our listed equities portfolios. We engage directly with Australian companies or through collaboration with other investors, primarily via our membership of the Australian Council of Superannuation Investors (ACSI). Alongside these collaborative initiatives, IFM undertakes targeted engagements aligned with the priority areas set out in our Sustainable Investing Guidelines, supporting more focused company dialogue and measurable stewardship outcomes.

We manage voting on Australian listed companies in-house. We consider and deliberate on 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) and are carried out in line with IFM Listed Equities Proxy Voting Guidelines.

We also participate in thematic engagement initiatives alongside other major Australian shareholders through industry collaborations such as Climate Action 100+. In addition, portfolio managers of our active strategies engage directly with portfolio companies' management on business strategy and performance.

As our listed equities investment team is based in Australia and our international equities exposure is limited to passive strategies, our international engagement activities are more limited. For international voting activities, we consider advice from ACSI and Glass Lewis. Clients with individual mandates may also instruct IFM on voting positions for portfolios managed on their behalf.

How we engage

Our listed equities engagement program, covering only Australian holdings, is designed to encourage companies to identify, manage and disclose material risks and opportunities that may affect long-term shareholder value. Engagement is a key stewardship tool that helps us better understand how companies are responding to sustainability-related issues and provides an opportunity to communicate our expectations on topics that we consider financially material.

We use a combination of direct and collaborative engagement. Our Sustainable Investment team, often alongside representatives from our Listed Equities team, engages directly with companies on topics aligned to our Sustainable Investing Guidelines, as well as issues arising from previous engagements or proxy voting activities. These discussions help inform our investment insights, stewardship priorities and voting decisions.

Where collective action is likely to be more effective, we collaborate with other investors through industry initiatives and investor networks. This includes participating in engagements coordinated through organisations such as the Australian Council of Superannuation Investors (ACSI) and Climate Action 100+. These collaborations help elevate investor expectations on material sustainability issues, provide access to broader market insights and benchmarking, and support engagement on systemic risks that are often difficult for a single investor to address alone.

Our engagement approach is applied across our Australian listed equities holdings and is not differentiated by investment strategy. Whether holdings sit within active or passive portfolios, our stewardship activities are undertaken on behalf of all investments in Australian listed equities.

Engagement outcomes can take time to emerge and are often shaped by multiple factors. We therefore view stewardship as an ongoing process of dialogue, monitoring and, where appropriate, escalation to support sound governance, sustainable business practices and long-term shareholder value.

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.[22]

[22] https://www.ifminvestors.com/en-au/capabilities/listed-equities/stewardship/

LISTED EQUITIES CASE STUDY

NRW Holdings – Executive Remuneration and Board Accountability

IFM believes that executive remuneration should be aligned with long-term shareholder value, reflect company performance, and provide clear accountability where performance falls short. We also expect remuneration frameworks to appropriately recognise other material outcomes, such as workplace safety.

NRW Holdings is an ASX-listed contractor serving the mining, civil, infrastructure and energy sectors. At NRW Holdings' 2025 AGM, shareholders voiced significant concerns about the company's remuneration practices. More than 70% of votes were cast against both the remuneration report and the proposed CEO long-term incentive (LTI) grant. Key concerns included a further increase in CEO remuneration despite recent financial impairments and questions around how the remuneration framework reflected accountability following a workplace fatality. The result followed several years of shareholder dissatisfaction, including multiple consecutive strikes[23] against the remuneration report.

IFM action

IFM voted against both the remuneration report and the proposed CEO LTI grant. We also voted against the re-election of two long-serving directors responsible for remuneration oversight, reflecting our view that board accountability was required.

Following the AGM, we wrote to the Board and engaged directly with the company to set out our expectations. Discussions focused on strengthening the link between performance and remuneration outcomes, improving transparency around LTI vesting outcomes and reducing reliance on discretionary adjustments.

Outcomes

Following shareholder feedback and engagement with investors, NRW Holdings proposed changes to its remuneration framework, including revisions to both short- and long-term incentive arrangements. The changes included the introduction of a positive total shareholder return (TSR) gateway, the use of a dual comparator group for TSR assessment, enhanced disclosure of vesting outcomes and the removal of positive Board discretion in determining LTI outcomes.

IFM considered these changes a meaningful step towards improved alignment between remuneration and performance and supported the revised FY26 LTI grant at the Extraordinary General Meeting in April 2026. The proposal received approximately 98% shareholder support. While encouraged by the changes, we will continue to assess how the revised framework operates in practice over time.



Picture: NRW Holdings

[23] Under Australia's "two-strikes" rule, a strike occurs when at least 25% of the votes cast on a listed company's remuneration report are against its adoption, as defined in section 250U of the Corporations Act 2001 (Cth).



LISTED EQUITIES CASE STUDY

Ansell – Modern Slavery Risk Management and Supply Chain Due Diligence

IFM considers modern slavery and broader human rights risks to be financially material issues that can affect a company's operations, reputation and long-term shareholder value – as demonstrated through our engagement with Ansell, an ASX-listed global manufacturer with an extensive international supply chain.

During the reporting period, IFM engaged with Ansell in February and April 2026 following an alleged modern slavery incident involving an indirect supplier in Malaysia. The 'MediCeram' incident highlighted the challenges of identifying and managing risks beyond Tier 1 suppliers and prompted discussion about the effectiveness of Ansell's approach to supply chain due diligence and risk oversight.

While the incident raised important concerns, IFM recognised Ansell's decision to remain engaged with the supplier and support remediation efforts for affected workers, rather than immediately terminating the relationship. We viewed this decision to remain engaged as an opportunity to address underlying issues and help improve outcomes for impacted workers.

IFM action

IFM engaged with Ansell's management and Board representatives to understand the circumstances surrounding the alleged incident, assess the company's response and discuss the steps Ansell was taking to strengthen supply chain oversight.

Our discussions focused on Ansell's process for identifying higher-risk suppliers, and undertaking human rights due diligence across its supply chain, and identifying steps Ansell could take to strengthen protections for vulnerable workers. We also sought greater clarity from Ansell on enhancements to its Supplier Management Framework, including the introduction of additional risk indicators such as exposure to high-risk geographies and reliance on migrant labour. Worker voice and grievance mechanisms were another area of focus, with the company identifying opportunities for further improvement.

Outcomes

In engagement with Ansell, the company outlined a number of measures it has implemented to strengthen its management of modern slavery risks.

Management advised that it had expanded its focus beyond direct suppliers, undertaking reviews of suppliers with similar risk profiles to seek to identify whether similar risks existed elsewhere in its supply chain. The company also indicated that lessons from the incident had resulted in changes to its Supplier Management Framework, including greater consideration of country and industry risks, and the extent to which suppliers rely on foreign workers.

During the engagement, management described ongoing work to strengthen its approach, including an external review of its labour rights management framework. The company also highlighted worker voice mechanisms and grievance effectiveness as key areas for future improvement.

The engagement provided insight into how Ansell is responding to the MediCeram incident and seeking to incorporate these learnings across its broader supply chain risk management processes. We will continue to monitor the implementation and effectiveness of these measures, including progress on worker remediation, supplier oversight, grievance mechanisms and broader human rights due diligence.

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, we share our voting intentions with clients invested in our Australian listed equities portfolios before votes are cast. We disclose all voting decisions and, where we vote against management recommendations, provide the rationale for our position. This information is made available to all Australian Listed Equities clients, regardless of whether they vote independently or have delegated voting authority to IFM.[24]

Proxy Voting and Engagement Committee (PEC)

IFM's PEC is responsible for the governance 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

IFM's voting activity is guided by the Listed Equities Proxy Voting Guidelines[25], which set out our approach to stewardship issues, including environmental and social matters, director elections and executive remuneration. The Guidelines are publicly available and form part of IFM's Sustainable Investing Guidelines, supporting transparency and consistency in our stewardship approach.

Voting process

IFM's voting decisions are informed by company engagement, prior voting history, internal and external research, and proxy advice from ACSI and Glass Lewis. While we consider external recommendations, voting decisions are determined independently by IFM and may differ from proxy adviser recommendations where the PEC considers this appropriate.

The PEC executes votes in the following order of priority:

- In accordance with client directives and/or instructions; and
- The IFM determined view of the resolution, based on the voting principles outlined in IFM's Listed Equities Proxy Voting Guidelines.

Prior to casting votes, a pre-voting report is prepared and issued to all clients of our Australian listed equities portfolios 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.

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 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 enables IFM to ensure 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 over a historical period of up to seven years. Records are archived beyond this timeframe.

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 IMAs. 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 Viewpoint[26] Platform, which is the platform we use to lodge our votes.

For any listed equities pooled funds, IFM, as trustee, would have full power to exercise its voting rights and do so in line with our voting guidelines. As at 30 June 2026, IFM had one listed equities pooled fund.

[24] For international voting, we vote in line with proxy adviser recommendations. We do not analyse reports or circulate voting intentions to clients.
[25] IFM Investors (2024), IFM Listed Equities Proxy Voting Guidelines (see Appendix 2)
[26] You can access the Viewpoint Platform via the Stewardship page of the IFM Investors website.

Voting summary statistics for FY26

FY26 Australian listed equities portfolio engagement and voting summary

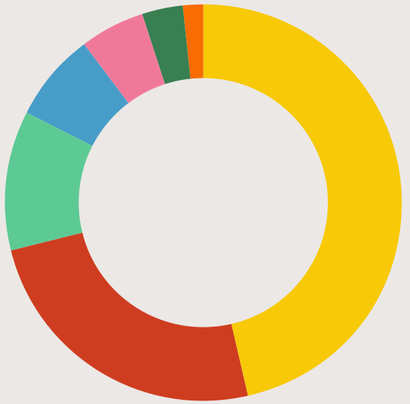
328
AGMs

1,952
Resolutions

206
equivalent to 10.6% votes were against the board

Category	With Board	Against Board	Abstain	Sum
Audit / financials	52	0	0	52
Board related (other)	63	15	0	78
Capital management	97	11	5	113
Company statute changes	20	3	0	23
Corporate activity	77	0	0	77
Director elections	757	51	2	810
Director fees / grants	120	23	0	143
Remuneration	526	96	0	622
Say on climate	6	0	0	6
Shareholder proposals – Governance	11	0	0	11
Shareholder proposals – Social	1	0	0	1
Shareholder proposals – Environment Change	9	7	0	16
Total	**1,739**	**206**	**5**	**1,952**

Votes Against Management



- Remuneration **47%**
- Director elections **25%**
- Director fees / grants **11%**
- Board related (other) **7%**
- Capital management **5%**
- Shareholder proposals – Environment Change **3%**
- Company statute changes **1%**

Voting summary statistics for FY26

FY26 international listed equities portfolio engagement and voting summary

2,358
AGMs

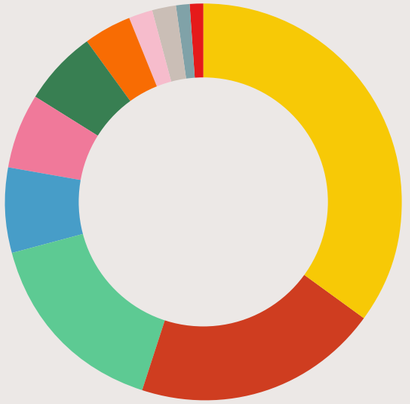
31,677
Resolutions

2,921
equivalent to 9.2% votes were against the board

Category	With Board	Against Board	Take No Action	Sum
Audit/Financials	4,170	211	9	4,390
Board Related*	3,208	1,030	7	4,245
Capital Management	2,302	104	16	2,422
Changes to Company Statutes	959	171	1	1,131
Compensation	3,320	592	16	3,928
Director Elections	13,121	458	11	13,590
M&A	164	0	0	164
Meeting Administration	827	50	2	879
Other	197	25	0	222
SHP: Compensation**	31	5	0	36
SHP: Environment	80	40	0	120
SHP: Governance	192	188	0	380
SHP: Miscellaneous	5	1	0	6
SHP: Social	118	46	0	164
Total	**28,694**	**2,921**	**62**	**31,677**

100% of eligible votes were cast in FY26 and the number of votes on which we abstained is shown in the table above. All IFM voting decisions can be searched and viewed on our website.

Votes Against Management



- Board Related* **35%**
- Compensation **20%**
- Director Elections **16%**
- Audit/Financials **7%**
- SHP: Governance 6%
- Changes to Company Statutes **6%**
- Capital Management **4%**
- Meeting Administration **2%**
- SHP: Social **2%**
- SHP: Environment **1%**
- Other **1%**

* excludes Director Elections
**SHP: shareholder proposal

Monitoring and assessing effectiveness

We record IFM's direct engagements with listed Australian companies in our listed equities portfolios 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.

In addition to tracking engagement progress and voting outcomes, we also meet regularly with ACSI as well as proxy adviser 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.

LISTED EQUITIES CASE STUDY

Cleanaway Waste Management – Safety Performance and Board Accountability

Cleanaway Waste Management is an ASX-listed waste management company with operations across Australia. In recent years, IFM has held concerns regarding the company's safety performance, particularly in light of multiple workplace fatalities across its operations. In FY2025, the company disclosed three fatalities, with a further two occurring in FY2026, raising ongoing concerns about the effectiveness of safety management systems and board oversight.

While the company did not meet its safety gateway conditions, resulting in nil payouts linked to safety metrics, the board exercised downward discretion to reduce short-term incentive (STI) outcomes for the CEO and executive team by 30%. However, IFM assessed that this reduction was applied to an already elevated base, with certain accounting adjustments improving the earnings measure used to determine bonus outcomes. As a result, our concerns remained regarding the overall alignment between safety performance and remuneration outcomes.

IFM action

In response, IFM voted against the company's remuneration report at the AGM, which resulted in a first strike with over 40% of shareholders voting against. To further signal concerns regarding safety oversight and accountability, IFM also voted against the re-election of the Chair of the Sustainability Committee, who has responsibility for overseeing workplace safety.

Following the AGM, IFM wrote to the Chair outlining our concerns regarding the company's safety performance, the continued occurrence of workplace fatalities, the adequacy of executive remuneration outcomes in the context of those incidents, and the need for stronger board accountability. In the letter, IFM also encouraged the company to enhance its approach to safety disclosure and provide greater transparency regarding actions being taken to improve safety outcomes.

These actions were intended to highlight IFM's expectation that persistent safety failures should more directly and meaningfully impact executive remuneration outcomes, and that stronger accountability at the board level is required.

Outcomes

The remuneration report received a first strike of 40% vote against, and the Chair of the Sustainability Committee received notable votes against their re-election, with 17% of shareholders voting against. These outcomes reinforce investor expectations for improved alignment between safety performance and remuneration, as well as stronger governance oversight of workplace safety risks.

IFM will continue to monitor Cleanaway's disclosures and progress on safety performance and will maintain constructive engagement with the company. We expect to see sustained improvements in safety outcomes, clearer linkage between safety metrics and remuneration, and stronger board accountability to support a meaningful uplift in safety culture across the organisation.



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 135 assets across sectors, including office, retail, industrial, healthcare, education, and social infrastructure.

Direct ownership and active asset management can give us significant influence over sustainability outcomes across the asset lifecycle, from acquisition and development through 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 regarding sustainability-related issues that may impact those investments.

Sustainability considerations are embedded within our real estate investment and asset management activities through 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, with progress monitored by 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:

- Real Estate 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.
- Central Sustainable Investment team: provides sustainable investment integration advice and peer review support.

Together, these teams and individuals help integrate sustainability considerations into investment decisions and ownership practices, as appropriate, at both the fund and asset levels, providing a comprehensive and coordinated approach to sustainability strategy 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 operational delivery.

How we engage

Our stewardship approach in real estate extends beyond direct asset management and relies on ongoing engagement with a broad range of stakeholders, including tenants, property managers, local councils, suppliers, Indigenous communities and social enterprises. These relationships help us identify and manage sustainability-related risks and opportunities, support asset performance, and enhance resilience across the portfolio.



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:** We monitor sustainability ratings, including National Australian Build Environment Rating System (NABERS) and Green Star certifications, to assess the performance of our real estate assets and identify opportunities for improvement. We also track sustainability indicators, including energy and water consumption, waste and, where available, social impact metrics, to inform asset management decisions.

- **Global Real Estate Sustainability Benchmark (GRESB) participation:** Our real estate portfolio team participates in GRESB, a global sustainability benchmark for real estate portfolios. In FY2025, two of our real estate funds achieved the highest 5-star rating,[27] reflecting strong sustainability performance and continuous improvement.

- **Cleaning Accountability Framework (CAF)[28]**: Our real estate portfolio team has worked with CAF since 2013 to promote ethical labour standards in the cleaning sector. We incorporate CAF requirements into national cleaning tenders and continued to partner with CAF to develop and pilot a portfolio certification model covering multiple assets. This approach seeks to improve labour practices, procurement standards, worker engagement and transparency, while reducing administrative burden and improving assurance across property portfolios.

Sustainability performance targets and reporting: Our real estate portfolio sets sustainability performance targets aligned with the real estate sustainability strategy. These targets may be 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. SLL performance metrics can include:

- Emissions reductions
- Waste management
- Water efficiency
- Labour standards

Each property has a Strategic Asset Plan, including identified performance initiatives, states emerging risks to the asset, as well as planning capital expenditure for a 10-year rolling period. Real estate property managers are expected to 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.

[27] In the 2025 GRESB assessment, two Funds achieved a 5-star rating; two Funds achieved a 4-star rating; and one Fund achieved a 2-star rating. 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. IFM pays an annual subscription fee for access to certain data from GRESB but did not compensate GRESB to be considered for, or ultimately receive, the ratings.

[28] https://www.cleaningaccountability.org.au/

REAL ESTATE CASE STUDY

Regenerating Sydney's 270 Pitt Street

270 Pitt Street presented an opportunity to reposition an existing office asset to meet evolving tenant expectations while avoiding the emissions and waste associated with demolition and redevelopment.

Demand for all-electric workplaces is increasing as occupiers pursue their own decarbonisation goals, yet supply remains limited. According to JLL, only 15% of Sydney's office inventory and 7% of Melbourne's is expected to be all-electric by 2027. Against this backdrop, IFM identified an opportunity to transform 270 Pitt Street into a more resilient, future-ready workplace while retaining and upgrading the existing building.

IFM action

In partnership with COX Architecture and Built, IFM completed the redevelopment of 270 Pitt Street in October 2025.

The project combined workplace modernisation with sustainability and resilience objectives. The building was fully electrified, supporting lower operational emissions and alignment with changing occupier requirements. The redevelopment also incorporated measures designed to address physical climate risks, including extreme heat, increased cooling demand, façade performance and extreme rainfall events.

Circular economy principles were integrated throughout the project. Existing materials were prioritised for reuse and recycling, including the rehoming of more than 1,400 workstations and the recycling of approximately 20,000sqm of floor tiles and 10,000sqm of ceiling tiles. The project also delivered upgraded tenant amenities, enhanced public spaces and improved connectivity to the Sydney Metro.

Outcomes

By retaining and upgrading the existing structure, including 99.3% of the structure by volume and 94% of the façade by area, the redevelopment achieved 74% lower upfront carbon emissions, and 36% lower lifecycle impacts than the modelled reference building.[29]

The project demonstrated how circular economy principles can be applied at scale within commercial real estate. A total of 68 tonnes of furniture, comprising more than 3,200 items, was retained and repurposed, while 95.9% of construction and demolition waste was diverted from landfill, equivalent to more than 2,250 tonnes of material. Building modelling indicates the upgrade could deliver approximately A$464,000 in annual operating cost savings compared with a 4 Star NABERS benchmark, with the building's NABERS performance to be assessed following its first year of operation.

The redevelopment also repositioned 270 Pitt Street as an all-electric workplace in a market where supply remains limited, helping to enhance the building's long-term relevance, resilience and appeal to occupiers.

[29] Based on an as-built life cycle assessment prepared for Green Star Buildings v1 certification. The refurbishment was compared with a modelled reference building of the same size, function and location, using typical Australian construction materials and practices. The assessment covered upfront carbon emissions and whole-of-life impacts and was independently peer reviewed.

04

Navigating market-wide risks



Risk management

Our investment teams assess sustainability-related risks and opportunities throughout the investment lifecycle, including market-wide and systemic risks that may affect long-term investment performance. These risks can arise from economic, social and environmental trends and may impact assets, companies, sectors, regions and broader market systems.

Because systemic risks often extend beyond the influence of any single company or asset, addressing them requires collaboration with policy makers, industry bodies, portfolio companies and other stakeholders. Through stewardship, engagement and policy advocacy, we seek to contribute to outcomes that support long-term resilience and value creation across the markets in which we invest.

A key aspect of our process is the early identification and detection of risks. IFM's Enterprise Risk Management Framework and Strategy is designed to enhance our identification and management of risks and support necessary adaptions to our business and processes.

IFM's Risk Management Framework

IFM's Enterprise Risk Management Framework & Strategy provides the tools and processes to identify, assess, manage and report on a broad universe of risks, including those that are climate-related. A number of internal and external sources are utilised to validate the risk universe, 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 risk assessments which include an analysis of the business context as well as the mitigating controls where appropriate. Risk assessments are performed in conjunction with the respective business areas, and final outcomes are shared with the Risk Committee and the Board Audit & Risk Committee.

IFM adopts a systematic approach to identify and respond to market-wide and systemic risks, and so promote a well-functioning financial system, encompassing:

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.

Participation 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.

Engagement with companies and regulators

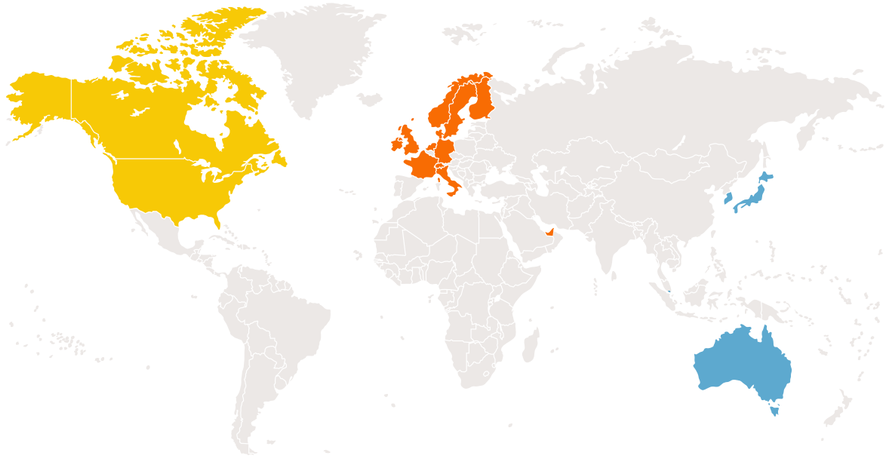
We engage with companies and regulators to gain insights into potential systemic risks. For example, we may ask companies about their exposure to certain risks or engage with regulators either directly or through our industry bodies to understand potential changes to regulation and work with them to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

Specialist tools and services

We leverage a range of tools and services to help identify, measure and monitor risks, market volatility and liquidity. 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.

Industry and peer collaboration[30]

IFM participates in industry collaborations to define, measure, and manage systemic risks which could affect our assets' performance and the broader financial system. We are signatories or members of a number of global organisations and initiatives promoting responsible and sustainable business principles. The below are examples of our current commitments.



Organisation	IFM involvement and FY26 activity
Global	
Climate Action 100+ (CA100+)[31]	IFM is a signatory and contributing investor, using the CA100+ benchmark framework to support engagement with high-emitting Australian companies on decarbonisation strategies, climate governance and disclosure.
FCLT Global	IFM is a member of FCLT Global, whose mission is to focus capital on the long-term to support sustainable economic growth. A number of our senior leaders contribute to working groups, events and strategic advisory activities.
Principles for Responsible Investment (PRI)	IFM has been a PRI signatory since 2008 and representatives from IFM have participated in a number of collaborative engagements and investment practice committees over the years.
Net Zero Asset Managers Initiative (NZAMI)	IFM is a founding signatory of NZAMI and remained a signatory following the initiative's 2026 relaunch and governance review.
Partnership for Carbon Accounting Financials (PCAF)	IFM uses PCAF methodologies to support financed emissions measurement and disclosure across relevant portfolios.

Organisation	IFM involvement and FY26 activity
North America	
CERES Investor Network	As a member of the CERES Investor Network, IFM participates in the Policy Working Group, contributing to discussions on climate-related disclosure, shareholder rights and the investment implications of regulatory and policy developments.

Organisation	IFM involvement and FY26 activity
EMEA	
Institutional Investor Group on Climate Change (IIGCC)	IFM participates in multiple IIGCC working groups, contributed to the Index Investing: Scaling NZIF Alignment paper and shared infrastructure transition planning case studies through industry forums. The IIGCC Net Zero Investment Framework continues to inform IFM's approach to net zero across asset classes.
UK Sustainable Investment and Finance Association (UKSIF)	IFM's Global Head of Sustainable Investment serves on the UKSIF Board. During FY26, IFM contributed to policy discussions on sustainability disclosures, ESG ratings regulation, pensions reform and investment in the UK's energy transition.

Organisation	IFM involvement and FY26 activity
APAC	
Australian Council of Superannuation Investors (ACSI)[32]	IFM is a full member of ACSI and is represented on both the Member Council and holds the Board Chair role. During FY26, IFM participated in the Social Factors, Climate Disclosures and Governance Guidelines working groups, contributing to guidance and investor expectations on workforce issues, climate reporting and corporate governance.
Australian Sustainable Finance Institute (ASFI)	IFM has been a member since 2021 and participated in policy-focused working groups, including ASFI's COP31 Working Group, which supports collaboration on sustainable finance priorities and policy engagement.
Investor Group on Climate Change (IGCC)	IFM participated in IGCC's Strategic Policy Advisory Group, Policy and Advocacy Working Group, Investor Practice Working Group and Corporate Engagement Working Group, contributing to climate and sustainable finance policy submissions and investor advocacy initiatives.
Responsible Investment Association Australasia (RIAA)	IFM representatives participated in RIAA's Human Rights, First Nations Peoples' Rights and Nature working groups. IFM's Director, Sustainable Investment & Stewardship serves as Co-Chair of the Human Rights Working Group.
Investors Against Slavery and Trafficking APAC (IAST APAC)	IFM engaged with ASX-listed companies through IAST APAC on modern slavery and human trafficking risks, including collaborative engagement on supply chains, worker protections and human rights management.
40:40 Vision	IFM supports the initiative's ambition to achieve gender balance in executive leadership across ASX 200 companies by 2030. IFM's Chief Executive Officer sits on the Steering Committee.[33]
Property Council of Australia (PCA)	IFM Real Estate maintains active participation in PCA sustainability forums and working groups, including committees focused on social sustainability and modern slavery.
Cleaning Accountability Framework (CAF)	IFM Real Estate has collaborated with CAF since 2013 to promote ethical labour standards in the cleaning sector. During FY26, two IFM real estate funds achieved CAF Gold Portfolio Ratings[34], and IFM became the first Australian property owner to achieve CAF Portfolio Certification.

[30] 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 organizations determines our strategy or, our investment decisions in whole or in part.
[31] For further details see: http://www.climateaction100.org/
[32] For further details see: https://acsi.org.au/about/board-member-council/
[33] For further details see here: https://www.hesta.com.au/4040vision
[34] A CAF Gold Portfolio Rating is the highest rating awarded by the Cleaning Accountability Framework. It provides portfolio-level assurance across multiple properties that cleaning services are procured, managed and delivered in accordance with the CAF Standard, including requirements relating to fair labour practices, responsible procurement, safe working environments, worker engagement and transparency.

CASE STUDY

FY26 collaboration highlights:
Memorandum of Understanding with Ampol and GrainCorp on Sustainable Aviation Fuel

IFM is a long-term investor in Australian airports. Aviation is one of the most difficult sectors to decarbonise. Aircraft emissions account for a significant proportion of airports' overall emissions footprint[35] and are expected to remain a material challenge for the sector over the long term. Emissions from aviation currently account for approximately 2% of global energy- related emissions in 2022 and have grown faster in recent decades than emissions from rail, road or shipping.[36] While alternative propulsion technologies are being developed[37], Sustainable Aviation Fuel (SAF) is widely expected to play an important role in reducing emissions from medium- and long-haul aviation, which currently account for approximately 73% of aviation emissions.[38]

Commercially mature hydrogen and electric solutions for short haul aviation have been mooted as one potential solution. However, they are not anticipated to reach market until 2035 at the earliest and will require the significant re-development of aircraft and airside refuelling infrastructure.[39]

IFM identified SAF as both a decarbonisation opportunity and a potential investment opportunity. We see the development of a domestic low-carbon fuels industry as having the potential to support the long-term resilience of aviation infrastructure, strengthen fuel security and create new avenues for investment on behalf of our clients and their beneficiaries.

IFM action

Drawing on insights from its airport investments, IFM identified the potential role of Sustainable Aviation Fuel and broader low-carbon liquid fuels in supporting aviation's transition.

In July 2024, IFM signed a Memorandum of Understanding with GrainCorp and Ampol to explore the development of Brisbane Renewable Fuels, a proposed facility that would produce Sustainable Aviation Fuel and renewable diesel in Australia.[40] The proposed project seeks to leverage Australia's agricultural capabilities and existing fuel supply chain infrastructure to support domestic renewable fuel production. As part of the proposed supply chain, GrainCorp is exploring the feasibility of developing additional canola-processing capacity to supply Australian canola oil to the future facility.

Alongside this investment opportunity, IFM has engaged with industry participants and policymakers on the conditions needed to support the development of a domestic SAF industry. Areas of focus include production incentives, measures to encourage SAF uptake and the development of robust sustainability and carbon intensity certification frameworks to support market confidence and alignment with international approaches.

Outcome

The Memorandum of Understanding brought together participants from across the value chain, spanning feedstock production, fuel manufacturing and aviation infrastructure, to explore the commercial viability of domestic renewable fuel production.

The initiative highlights the potential scale of the opportunity. Industry analysis suggests that a domestic low-carbon liquid fuels industry could unlock up to A$36 billion of investment in Australia[41], support more than 18,000 jobs and contribute to improved fuel security through the development of local supply chains.[42]

While the project remains subject to a range of commercial, policy and regulatory considerations, it demonstrates how infrastructure investors can work with industry participants to explore solutions to complex decarbonisation challenges. For IFM, SAF represents a potential pathway to support the long-term resilience of the aviation sector while creating opportunities for investment, regional economic development and stronger domestic fuel supply chains.



[35] Air Transport Action Group (2021), Waypoint 2050: Balancing growth in connectivity with a comprehensive global air transport response to the climate emergency: a vision of net-zero aviation by mid-century, p. 12
[36] European Commission (2026), Reducing emissions from aviation
[37] McKinsey & Company (2023), Decarbonizing aviation: Executing on net-zero goals
[38] Air Transport Action Group (2021), Waypoint 2050, p. 56
[39] IATA (2025), Hydrogen for aviation: A future decarbonization solution for air travel?
[40] The project remains subject to feasibility, commercial, policy and regulatory outcomes and has not reached construction or production.
[41] CEFC (2025) New report finds Australia could build a $36b low carbon fuel industry, cut emissions by 230m tonnes, and strengthen fuel security
[42] Graincorp (2026) Renewable Fuels

Engaging with government bodies and policymakers

Many of the sustainability-related risks and opportunities that affect our investments are systemic in nature and cannot be addressed by investors acting alone. Through engagement with governments, regulators, industry bodies and other stakeholders, we seek to contribute to policy and market developments that support resilient financial systems, sustainable economic growth and long-term investment outcomes.

During FY26, we continued to engage with elected representatives, government officials and industry participants across the key regions in which we operate, both directly and through collaborative forums. We supported 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 risks to our investments.

We also continued to highlight the role that long-term pension and superannuation capital can play in financing new infrastructure and supporting the transition and resilience of existing assets, while continuing to deliver reliable returns for millions of working people.



Regional activity

Australia

Economic Reform Roundtable

In 2025, Australian Treasurer, The Hon Dr. Jim Chalmers convened the first Economic Reform Roundtable in Canberra, where leaders across government, business, and unions gathered to build consensus on improving productivity, resilience and budget sustainability. The closed-door summit focused on boosting lagging productivity and increasing long-term private sector investment.

IFM Investors Chair Cath Bowtell attended the Roundtable and advocated for a Build Australia Compact to formalise a partnership between government, industry, and institutional investors aimed at unlocking superannuation capital to accelerate infrastructure pipelines for transport, housing, energy, and defence projects.

Capital attraction was also a key focus of discussions, particularly the need to reduce barriers to investment in national priorities such as the net zero transition, housing and infrastructure. IFM used the Roundtable to advocate for policy settings that could accelerate the deployment of long-term superannuation capital, support the delivery of critical infrastructure and help improve Australia's productivity and economic resilience over the long term.

Low carbon liquid fuels

IFM is progressing feasibility work with GrainCorp and Ampol to support the development of a domestic low carbon liquid fuels (LCLF) industry. Under the terms of our Memorandum of Understanding (MoU), 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 has the potential to strengthen Australia's energy security, reduce reliance on imported fuels, and support the Federal Government's productivity and decarbonisation goals, including those advanced 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.

If developed, our MoU Project, Brisbane Renewable Fuels, could be Australia's largest renewable fuels manufacturer with the capacity to scale up to producing 750 million litres of sustainable aviation fuel annually. An Australian SAF industry has the potential to contribute approximately A$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.[43]

As the world's eighth-largest jet fuel consumer, Australia currently imports over 90% of its jet fuel. Conversely, Australia exports A$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 oil have the potential to reduce lifecycle emissions by up to 80% compared to conventional jet fuel.[44]

To support a SAF industry, the Australian Federal Government has[45] announced a A$1.1 billion Cleaner Fuels Program[46], and a commitment in the 2026-27 budget for development of a demand side mechanism to support the industry through market stimulation. This builds on a previous A$250 million commitment as part of the Australian Renewable Energy Agency-administered Future Made in Australia (FMA) Innovation Fund opened in December 2025 to accelerate the pace of Australia's growing domestic LCLF industry.

The Australian Treasurer also announced the government's intention to introduce a demand-side mechanism for LCLFs, with consultation expected to commence in mid-2026. This reflects the building momentum and the constructive work being done between industry and government to support this new industry.

Modern Slavery

In July 2025, we published a white paper, *Addressing Modern Slavery in Investment Portfolios*[47]. The paper examines the potential risks modern slavery presents for investors and provides a practical roadmap for identifying, assessing and managing these risks across investment portfolios. It also includes IFM's supply chain risk assessment model, which maps potential exposures across upstream, operational and downstream activities at a sub-industry level. The paper was developed with input from asset owners and other market participants.

During FY26, we used the findings and recommendations from the paper to inform our policy engagement activity in Australia and the UK. In Australia, in March 2026, we provided a submission to the Attorney-General's Department on proposed reforms to strengthen the modern slavery framework. In the submission, we supported the introduction of a mandatory, risk-based due diligence obligation aligned with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. We also advocated for requirements that are proportionate and adaptable to organisations' size, sector, resources and practical leverage, including the differing levels of influence available to investors across asset classes.

In the UK, we supported collaborative investor advocacy for stronger human rights due diligence legislation. This included an investor letter requesting that the UK Government provide parliamentary time to consider the introduction of human rights due diligence legislation, followed by further advocacy setting out the economic and investment case for a proportionate UK regime. The later letter was supported by 34 investors representing £1.61 trillion in collective assets under management and advisery.

This work reflects our focus on contributing to policy settings that strengthen accountability, encourage meaningful action and support better outcomes for people affected by modern slavery, while remaining practical and proportionate across different business and investment models.

[43] Qantas Group and Airbus ICF Report (2023): Developing a SAF industry to decarbonise Australian aviation.
[44] Renewable Fuels - Energy | GrainCorp
[45] As at October 2025.
[46] For details, please refer to IFM Investors, Ampol and GrainCorp welcome Federal Government support for Australian Low Carbon Liquid Fuels industry (2025)
[47] IFM Investors (2025), Addressing Modern Slavery in Investment Portfolios
Addressing Modern Slavery in Investment Portfolios | IFM Investors

Strengthening pension investment cooperation between Australia and Canada

In March 2026, IFM convened Australian industry super funds and Canadian pension funds and investment organisations in Sydney to sign an MoU establishing the Canadian-Australian Pension Funds Investment Initiative. Launched in the presence of the Prime Minister of Canada and senior government representatives, the initiative seeks to facilitate dialogue on policy barriers and build awareness of investment models that can support greater long-term pension capital investment in both countries.

United Kingdom and Europe

Transition Finance Council

During FY26, IFM continued to contribute to the UK's Transition Finance Council which was established by the UK Government and City of London Corporation to advance the recommendations of the Transition Finance Market Review. IFM representatives participated in working groups focused on credibility and integrity, pathways, policy and governance.

In its first year, the Council published draft Transition Finance Guidelines and an accompanying Implementation Handbook to help capital providers identify credible transition-finance opportunities. It also developed a playbook for sector transition finance plans, a roadmap for increasing investment in long-duration energy storage and four policy briefs addressing barriers to finance flows. The Council engaged with more than 100 domestic and international organisations, with its next phase focused on road-testing the Guidelines, supporting wider market adoption and increasing international alignment.

The Council's sector-planning work is also being joined more closely with the UK Government's wider net zero program. In March 2026, the Net Zero Council agreed to combine its sector transition plans working group with the relevant Transition Finance Council working group, helping sectors connect their decarbonisation pathways with credible finance cases.

Supporting UK–Australia pension investment collaboration

During FY26, IFM supported closer collaboration between the UK pension-sector participants and the Australian superannuation sector. IFM's Chair and Head of Global External Relations participated in the UK Government's Australian Superannuation Mission, engaging with pension funds, policymakers and regulators on opportunities for long-term capital to support UK infrastructure and economic growth.

Following discussions at the UK Investment Summit, the UK Government established a dedicated Supers Unit within the Office for Investment. The Unit provides Australian superannuation funds with a clearer route to identifying and progressing UK investment opportunities. IFM welcomed the initiative which builds on the UK–Australia Investment Partnership Memorandum of Understanding signed in April 2026 and further supports greater cross-border investment and cooperation between the two countries' pension systems.

Fiduciary duty guidance for UK pension trustees

During FY26, IFM's Global Head of Sustainable Investment joined the UK Department for Work and Pensions' technical working group developing guidance on fiduciary duty for pension scheme trustees. The guidance aims to give trustees greater confidence when considering long-term systemic risks, including climate change, and scheme members' views within their existing duties.

Engagement with the Pension Regulator

In 2025, The Pensions Regulator (TPR) in the UK commenced a research project looking for insights on private markets, productive finance, and infrastructure in the context of investment by UK pension schemes. The scope of the work is relatively broad but there is a specific emphasis on UK investment opportunities, particularly in the infrastructure space. The purpose of the exercise is to get a better understanding of the potential market opportunities, the investment vehicles available, the limitations, barriers, enablers, etc. and the appetite of both defined benefit and defined contribution schemes for investment in these types of assets.

Representatives from IFM's Sustainable Investment, Client Solutions and Infrastructure teams have met with TPR to discuss these themes and provide input for this research, supporting understanding of pension fund investment in private markets and infrastructure, as well as the opportunities for investment in the UK.



05

Climate change and advancing the transition[48]



[48] Any targets, estimates, expectations or projections in this section are provided for informational purposes only and are not necessarily indicative, or a guarantee, of future results. There can also be no assurance that any historical trends or developments included in this section will continue.

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 lower-carbon economy. Echoing the agreement reached at COP28, we believe that long-term investors benefit if this transition happens in a just, orderly and equitable manner.

Our 2050 Target

IFM has set a target to reduce greenhouse gas emissions, targeting net zero across our operations and all our asset classes (Scope 1 and Scope 2 emissions) by 2050 (2050 Target). This target does not apply to client mandates.[49] The work 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. We 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 targets

Infrastructure Equity

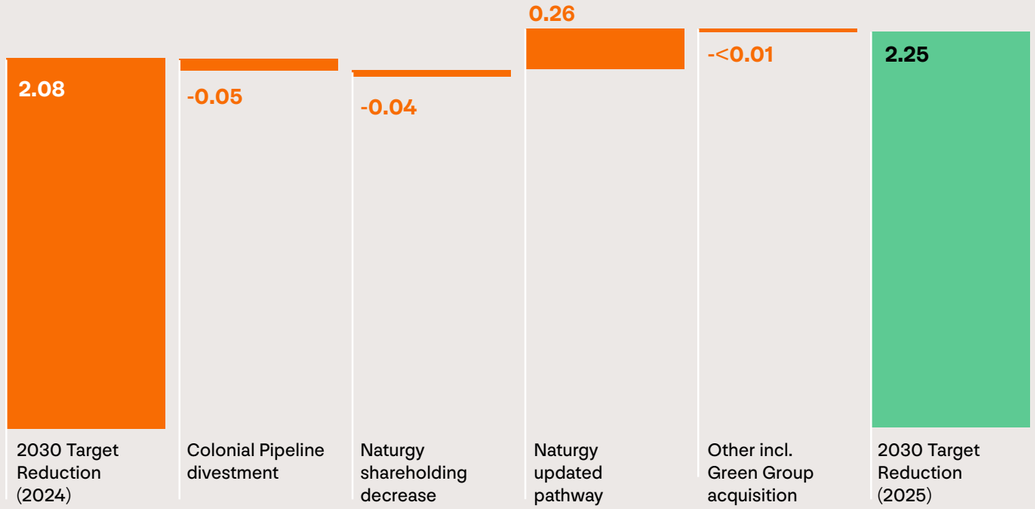
The infrastructure equity portfolio's 2030 decarbonisation reference target[50] is adjusted annually to reflect material acquisitions and divestments, with recent portfolio changes outlined in the figure below. Following the 2025 recalculation, the target was updated to an absolute reduction of 2.25 $mtCO_2e$ in Scope 1 and Scope 2 market-based financed emissions, relative to the restated 2019 baseline of 6.09 $mtCO_2e$. This represents a 37% reduction from the restated baseline and an increase from the 2024 reduction target of 2.08 $mtCO_2e$. As at 30 June 2026, the infrastructure equity portfolio represented approximately US$95.9 billion, or 47.5%, of IFM's assets under management across all asset classes.

Real Estate

In 2025, IFM set a decarbonisation target to reduce Scope 1 and 2 (market-based) emissions by at least 10% for IFM's Real Estate portfolio and 5% for Scope 3 (market-based) emissions by 2028.[51] These targets have been set against a 2025 financial year baseline in which Scope 1 and market-based Scope 2 emissions totalled 6,439 tCO_2e and Scope 3 emissions totalled 11,464 tCO_2e.[52]

FIGURE 3

Key changes to the Infrastructure Equity portfolio between FY24 and FY25



Unit: $mtCO_2e$

Note: Material changes in portfolio composition such as a divestment of an investee company will reduce both the 2019 baseline emissions as well as the 2030 target. Material changes to an investee's reduction targets and pathways will only alter the target's 2030 reduction.

Source: IFM Investors

[49] Our client mandates are based on specific arrangements with our clients and reflect their own approach to sustainability considerations.
[50] IFM Investors targets Net Zero by 2050 | IFM Investors
[51] These targets have been set by IFM on the basis of previous emissions reductions in the real estate portfolio of 89% in Scope 1 and 2 (market-based) emissions, and 36% in Scope 3 emissions between 2020 and 2025.
[52] No sectorial approach was used to set the target. The target includes assets within IFM's operational control boundary.

Net Zero Investment Framework

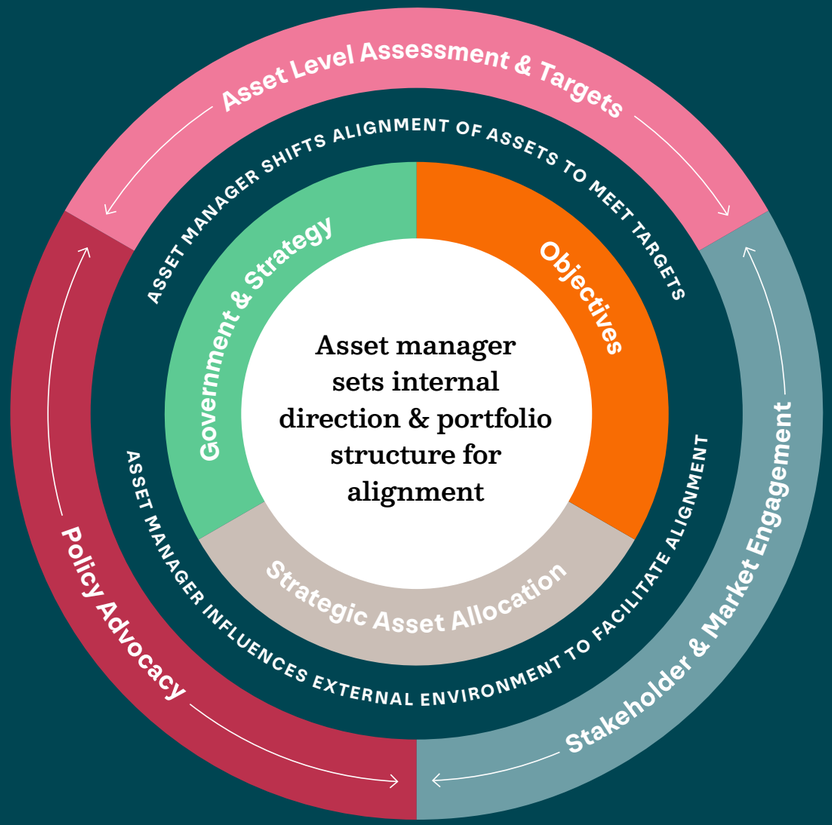
Since 2020, we have sought to improve our ability to measure the decarbonisation progress of our assets, and we continue to monitor and contribute to the evolution of NZIF 2.0, the Net Zero Investment Framework[53] (NZIF Framework) of the Paris Aligned Investment Initiative and its four investor networks (AIGCC, Ceres, IGCC and IIGCC), with our own strategy and targets being guided by the Framework where practicable and relevant. The NZIF 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 NZIF Framework allows us to consider actions and levers available at the firm, portfolio and asset level and informs how our asset classes approach portfolio decarbonisation monitoring.[54]

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

[53] Net Zero Investment Framework
[54] 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.



Why does decarbonisation 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 well below 2 degrees Celsius from the 1990 level reduces the risks and impacts of climate change[55]. One important way that businesses can help mitigate the impacts of climate change is by working towards net zero, by reducing greenhouse gas emissions to as close to zero as possible, with any residual emissions balanced through removals. Our 2050 net zero 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[56]. 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 working towards Paris Agreement-aligned net zero goals are likely to be more resilient in the long term. We seek to drive sustainable growth and help to deliver long-term returns by supporting our investments to become more resilient to climate-related risks and adapt to a transitioning future. Additionally, transitioning to a lower-carbon economy presents new investment opportunities in existing and emerging renewable energy, green technologies and sustainable infrastructure.

[55] The Paris Agreement | United Nations
[56] This target does not apply to client mandates. Our client mandates are based on specific arrangements with our clients and reflect their own approach to sustainability considerations.

Climate governance and strategy

Governance of IFM's climate strategy is consistent with that set out in Section 7. The IFM Board sets the strategy to ensure continuous improvement with regards to outcomes of our climate strategy, 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 NZIF 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 Corporate Scorecard or additional objectives for teams and individuals as set out in Section 6.

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 new and 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 on 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 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 Portfolio 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[57].

[57] These terms are defined and set out in more detail in the Net Zero Investment Framework updated: NZIF 2.0 (iigcc.org)

Our Infrastructure Equity portfolio's approach to climate change

Infrastructure assets are typically long-lived and capital-intensive, leaving them increasingly exposed to the effects of climate change. The Infrastructure Equity portfolio is exposed to both physical and transition risks. Integrating climate considerations into investment decision-making and active asset management is therefore important to managing downside risk, identifying opportunities for value creation and protecting and enhancing long-term asset value.

Climate-related considerations are integrated across the investment lifecycle, from pre-acquisition due diligence through to ongoing asset management. At the portfolio level, asset management teams work closely with portfolio companies to support the identification and management of climate-related risks and opportunities. This includes engagement with boards and management teams to incorporate climate considerations into governance processes, business planning and capital allocation decisions.

Assessing climate-related risks and opportunities

Climate-related risks and opportunities are assessed to identify factors that could affect the long-term performance, resilience and financial outcomes of the Infrastructure Equity portfolio. The methodology integrates scenario-analysis with bottom-up asset assessments to capture both transition and physical climate risks and opportunities.

The assessment considers the type, severity and frequency of climate-related events and trends; the exposure levels of assets and operations; and their sensitivity and capacity to respond or adapt. Risks and opportunities are evaluated over near-term (2030), and long-term (2050) time horizons, with a focus on potential financial impacts. This helps identify concentrations of risk and opportunities across sectors and geographies and informs the portfolio's approach to resilience and adaptation.

During the reporting period, the assessment was strengthened through greater analysis of underlying revenue streams, reflecting that these can provide a more risk-sensitive lens than traditional subsector classifications. This was complemented by the annual transition-planning maturity review across our assets, assessing how climate-related matters are incorporated into asset-level governance, strategy and capital planning. Together, these assessments help identify where risks and opportunities are most likely to be material and where active asset management may be most important.

Assets across the portfolio experienced extreme weather events, including tropical cyclones, extreme rainfall and flooding during 2025. No significant impact on portfolio performance was reported as a result, with management teams' priority always, in order, safety of the staff, community and maintaining and restoring services. Under the highest-temperature scenario considered, where warming of 3.6oC would occur by the end of the century, over half of the portfolio[58] was expected to experience worsening physical climate conditions by 2050.

Transition risks and opportunities also vary across the portfolio. Revenue linked to fossil fuel related activities is generally considered higher risk due to potential changes in policy settings, carbon costs, technology deployment and long-term energy demand patterns. Conversely, transition enabling assets may benefit from growth opportunities associated with electrification, renewable energy deployment and broader decarbonisation trends. As portfolio companies develop and implement their transition plans, the portfolio's exposure to transition-related activities is expected to evolve.



[58] Proportion of the portfolio holdings, at 31 December 2025.

Portfolio transition planning

Throughout the year, work continued to understand and improve the portfolio's approach to transition planning. Where opportunities to strengthen transition plans had been identified in prior-year assessments, we engaged with the portfolio companies to build on this.

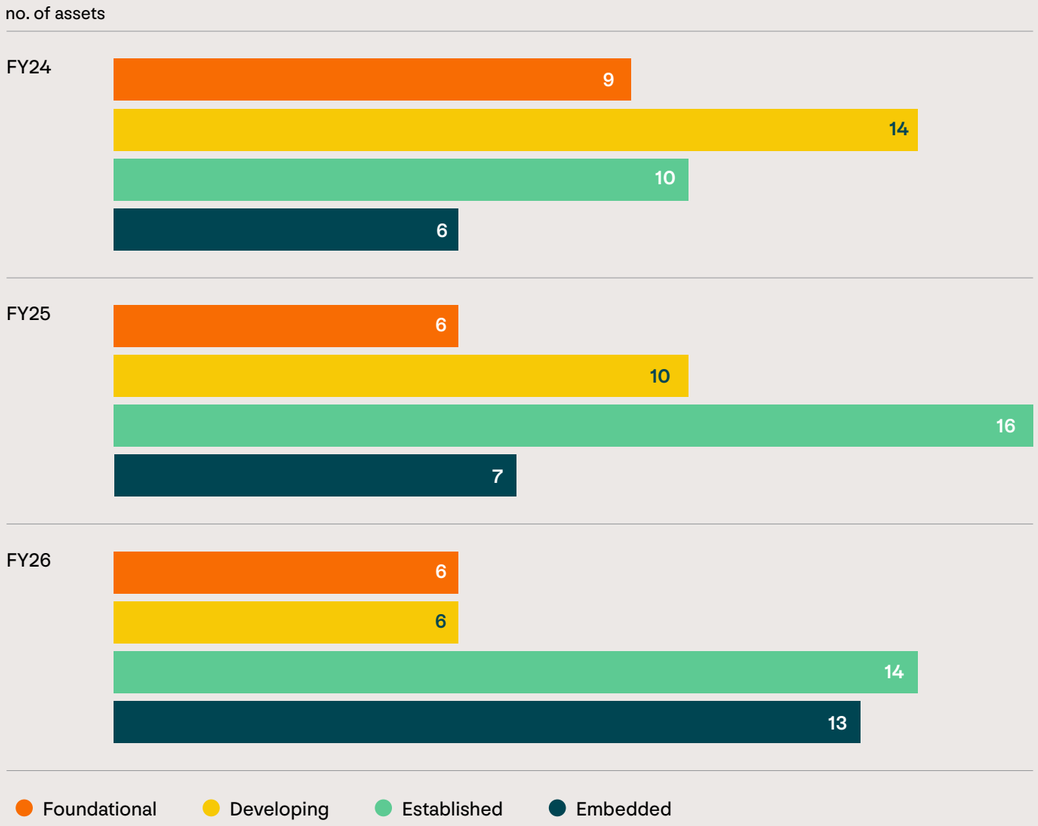
The portfolio was assessed using IFM's internal transition planning maturity framework across five pillars: climate governance, decarbonisation and carbon targets, transition risks, physical risks, and integration with broader company processes. In FY26, we continued to engage with portfolio companies to strengthen transition planning across these areas.

As a result, four companies improved their maturity rating from either Foundational or Developing to Established. Since the framework was launched in 2023, the proportion of portfolio companies rated Established or Embedded has increased by 28 percentage points, from 41% to 69%. Over the same period, the number of companies assessed as having embedded transition planning into business operations more than doubled, increasing from six to thirteen.

A full breakdown of maturity ratings over the past three years, together with the methodology, is provided below.

FIGURE 4

Infrastructure Transition Planning Maturity



Notes: 'Foundational' indicates a portfolio company has commenced transition planning in one criteria or more, 'Developing' indicates work has commenced across all criteria, some areas are progressing. Up to level 'Established', the portfolio company needs to meet all transition plan maturity criteria specified for its material locations. To be scored as having 'Embedded' transition planning, a portfolio company needs to have accounted for all transition plan maturity criteria at all locations of its assets and subsidiaries. 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). Materiality has been assessed with regards to the portfolio company's Net Asset Value, financed carbon footprint, and governance rights.

Source: IFM Investors



INFRASTRUCTURE EQUITY CASE STUDY

Integrating nature into transition planning

Nature-related risks can affect the resilience, performance and long-term value of infrastructure assets. For assets exposed to flooding, heat, drought, erosion and water stress, nature-based solutions may help strengthen resilience and complement traditional engineering approaches.

Recognising that these considerations are not always incorporated into transition planning and capital allocation decisions, IFM sought to support portfolio companies in identifying where nature-based solutions may create value and manage long-term risks.

IFM action

During FY26, IFM convened a roundtable with 14 portfolio companies to explore how nature-related risks and opportunities may influence resilience, asset performance and long-term value. The session focused on practical approaches to assessing, financing and implementing nature-based solutions.

IFM also developed guidance to help portfolio companies and IFM-appointed Board Directors consider nature-based solutions during capital planning and investment decision-making. The guidance supports evaluation of nature-based and engineered responses, with a focus on resilience, risk reduction and long-term asset performance.

Outcome

The roundtable and guidance established a more structured approach to considering nature in transition planning and capital allocation.

This work helps portfolio companies assess where nature-based solutions may support climate resilience, reduce operational disruption, improve project outcomes and strengthen long-term asset performance. It also provides a foundation for continued engagement during FY27 and consideration of nature-based solutions in future investment and capital planning decisions, where appropriate.



Progress on decarbonisation

Emissions across the Infrastructure Equity portfolio are tracked annually to monitor progress towards climate targets and assess how the transition to a lower-carbon economy may affect asset performance over time. This includes Scope 1 and 2 emissions, and an increasing focus on Scope 3 emissions, to better understand transition exposure.

Progress towards the 2030 target is driven by asset-level decarbonisation pathways rather than a uniform portfolio-wide trajectory, reflecting differences in emissions profiles, technical constraints and regulatory environments across infrastructure assets.

At the portfolio level, we engage with management teams to assess emissions performance, decarbonisation programs and progress towards emissions reduction targets.

In 2025, more than 99% of the portfolio's Scope 1 and 2 financed emissions, representing 97% of the portfolio holdings, are covered by interim and/or long-term targets set at the investee company level (Figure below).

This is an increase on 2024 as a result of actions taken with portfolio companies and changes to the portfolio. Where new acquisitions into the portfolio do not have targets in place, IFM will work with the management team with the intention to establish interim and/or long-term emissions reduction targets within the first year, where and as appropriate.

We are pleased to report that three Australian assets achieved net zero for Scope 1 and 2 emissions in 2025,[60] achieved through a range of initiatives, including operational efficiency, electrification, energy procurement and on-site generation initiatives. We will continue to monitor and assess progress towards decarbonisation targets as we focus on transition planning maturity across the portfolio.

Scope 1 and 2 financed-emissions reductions across the portfolio totalled 1.03mtCO_2e from the restated 2019 baseline in 2025, representing progress of 46% towards the 2030 target. Portfolio emissions nevertheless increased during the year mainly due to increased generation from an asset's gas-fired combined-cycle plants, to restore power following the April 2025 nationwide blackout in Spain.

Emissions reductions are not expected to follow a linear pathway. Year-on-year performance can be affected by operational conditions, changes in portfolio composition and the timing of major capital projects. Progress against the target is therefore considered over the medium term rather than through individual annual movements.

IFM has set a target to reduce Scope 1 and Scope 2 (market-based) financed emissions across the Infrastructure Equity portfolio by 2.25mtCO_2e from a restated 2019 baseline by 2030[59], supported by our longer-term 2050 Target.

FIGURE 5

Portfolio company target setting coverage in relation to total Scope 1 and 2 financed emissions footprint



Source: IFM Investors

[59] The portfolio's emissions baseline is adjusted for material acquisitions, divestments and changes in ownership so that the target remains relevant as the portfolio evolves. Following portfolio changes in 2025, the 2030 Scope 1 and 2 financed greenhouse-gas emissions reduction target was updated from 2.08mtCO2e to 2.25mtCO2e, on an equity basis, against the restated 2019 baseline. This represents a targeted reduction of 37%.

[60] Brisbane Airport, Melbourne Airport and NSW Ports. These portfolio companies that achieved net zero scope 1 and 2 emissions did so primarily through absolute emissions reductions, including reductions reflected in market-based Scope 2 accounting outcomes. Any remaining residual emissions (not greater than 4% of baseline emissions for reported assets) were addressed through the retirement of carbon credits by the portfolio company.

INFRASTRUCTURE EQUITY CASE STUDY

Driving climate resilience through rapid water infrastructure deployment

Increasing water stress and prolonged drought are placing pressure on water systems globally, highlighting the need for resilient and scalable infrastructure solutions. In Corpus Christi, Texas, prolonged drought contributed to reservoir levels falling to approximately 9.5% capacity, creating a material risk to long-term water security and exposing the vulnerability of rainfall-dependent water systems.

IFM activities

Following the award of a contract in 2026[61], Aqualia was selected to design, build and operate a brackish water reverse osmosis desalination plant in Corpus Christi. The facility will have the capacity to treat up to approximately 24 million gallons of water per day and produce up to 21 million gallons of drinking water daily. Integrated into the existing O.N. Stevens Water Treatment Plant, the project is intended to provide a reliable, drought-resilient water source while reducing pressure on rivers, lakes and aquifers.

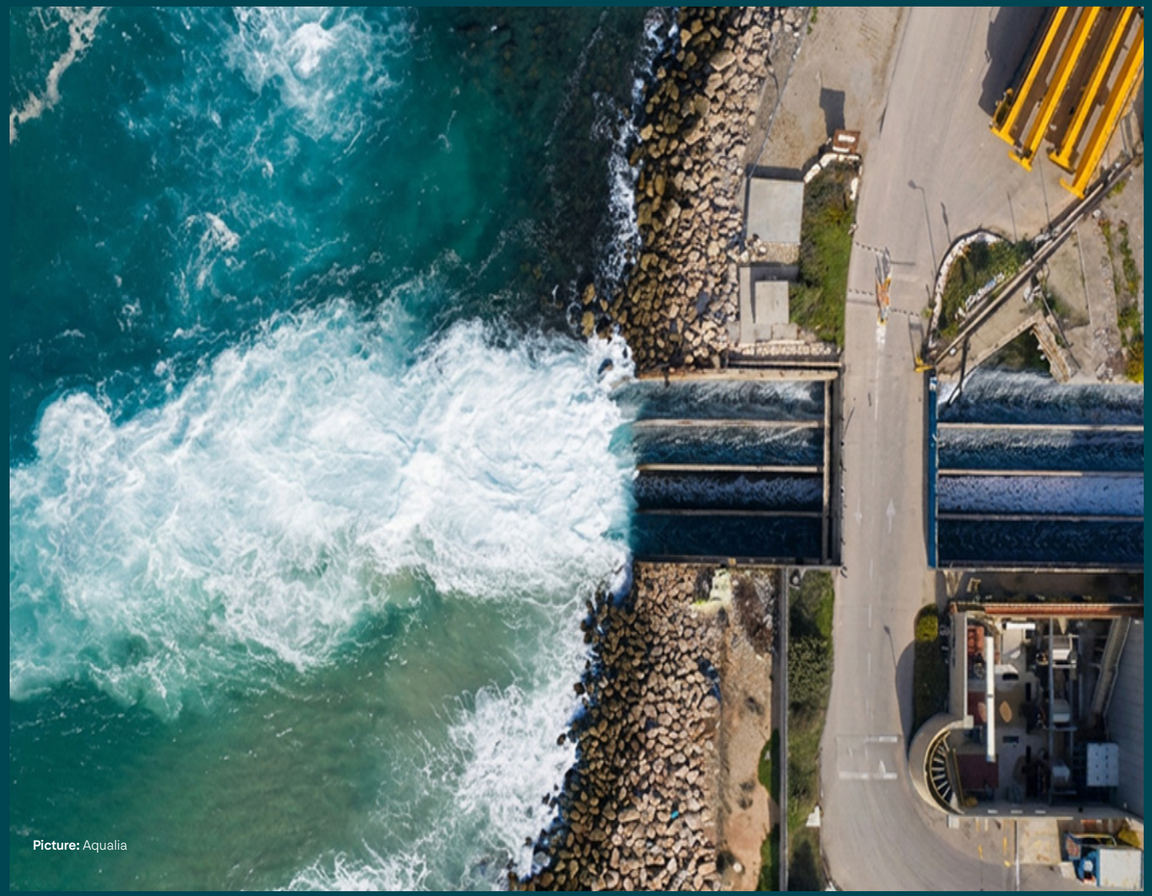
The project demonstrates how water infrastructure can support climate adaptation by diversifying water supply sources and reducing dependence on increasingly stressed freshwater systems. It also highlights the importance of delivery capability, under a seven-year contract, with initial production of approximately four million gallons per day expected within 11 months and capacity expected to increase progressively to approximately 21 million gallons per day within 24 months. The contract also includes five years of operations and maintenance. Aqualia brings experience from operating 48 desalination plants globally, supporting delivery and operational confidence.

Outcomes

Once operational, the facility is expected to strengthen water security for households, industry and critical infrastructure while increasing resilience to prolonged drought. By reducing reliance on conventional freshwater sources, the project is also designed to lessen pressure on natural water systems and support broader ecosystem resilience.

From an investment perspective, the project highlights growing demand for climate adaptation infrastructure and the role that technical expertise, established operational capabilities and efficient delivery can play in addressing water scarcity challenges. The contract is expected to generate approximately US$72 million in cumulative revenue and US$22 million in cumulative EBITDA, at a margin of around 30%. As Aqualia's first organic growth project in the US following its market entry in 2024, it also provides an opportunity to demonstrate its capabilities and support further expansion.

It provides an example of how resilient infrastructure investments can support long-term economic stability, water security and community resilience in regions facing increasing climate-related risks.



Picture: Aqualia

[61] Aqualia, Aqualia to Secure Water Supply in Corpus Christi, Texas, with a State-of-the-Art Desalination Plant (2026)

INFRASTRUCTURE EQUITY CASE STUDY

Supporting the transition of critical energy infrastructure

VTTI is an owner and operator of diversified energy infrastructure assets, comprising a global network of energy storage terminals that support the movement of critical liquid and natural gas fuels. While the traditional energy-storage business remains at its core, the company has set an ambition to generate 50% of earnings from low-carbon and transitional energy activities, positioning the business to respond to evolving energy needs and support both security of supply and the energy transition.

In 2024, VTTI acquired Dragon LNG as part of this growth and diversification strategy. Located near Milford Haven in Wales, Dragon LNG is one of three LNG receiving terminals in the UK. Linking the UK market with overseas gas resources, it has the potential to serve broader continental Europe through interconnector pipelines and act as a pillar of the country's energy security, with the capacity to supply up to 10% of the nation's gas demand.

IFM action

Dragon LNG aims to become a competitive Net Zero Terminal thriving in the Energy Transition. To support its decarbonisation objectives, the company is in the process of developing a number of renewable-energy projects at the adjacent Dragon Energy Park. The park includes 18,500 operational solar panels with 10MW of capacity and further three wind turbines commissioned 13.5MW in 2026.

In addition, Dragon LNG is exploring opportunities to deliver further decarbonisation and long-term value. One such initiative is the proposed Milford Haven CO_2 project, which is being explored via a partnership with RWE, a German energy company and the largest power producer in Wales.

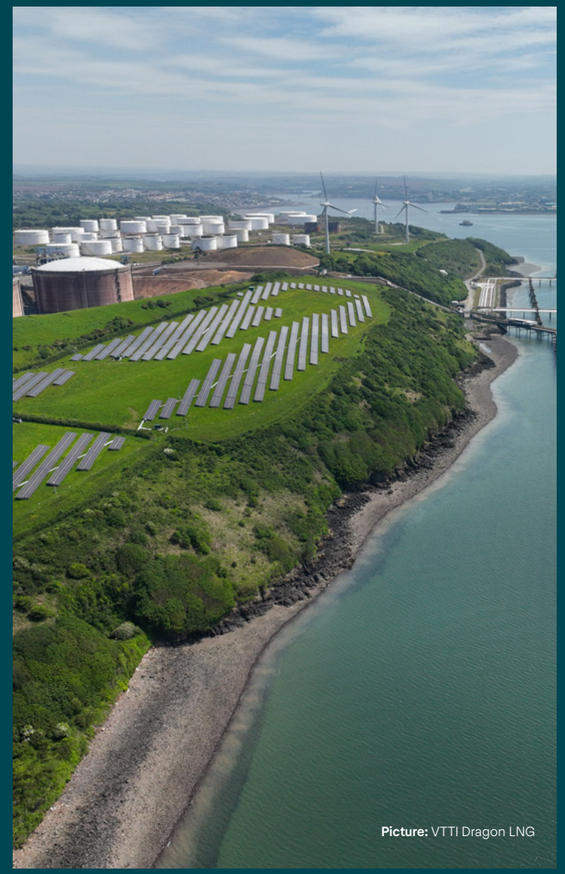
RWE operates the Pembroke Combined-Cycle Gas Turbine power plant on the Milford Haven waterway, which has a net capacity of 2.2 GW, enough to power around four million homes. The project aims to reduce the Pembroke power station's carbon emissions through carbon capture and storage. The captured carbon is proposed to be transported to the Dragon LNG site and liquefied using the cold energy from LNG before being shipped for storage in the North Sea.

Outcome

The renewable energy park is expected to contribute up to 47% of the terminal's on-site energy requirements, generate annual cost savings of approximately £6-8 million and reduce Scope 2 emissions by approximately 13,000 tCO_2e annually.

Subject to securing the necessary approvals and reaching commercial operation, the Milford Haven CO_2 project has the potential to support lower-carbon power supply by capturing and storing up to five million tonnes of CO_2e per year.

VTTI's global LNG platform comprises Dragon LNG, Adriatic LNG, and the Zeeland Energy Terminal in the Netherlands, currently in advanced permitting. These assets provide critical LNG import infrastructure supporting European energy security and supply resilience. For VTTI, the platform provides portfolio diversification and resilient long-term cash flows, while demonstrating how an energy infrastructure platform can evolve over time to meet energy needs and create value through the energy transition.



Picture: VTTI Dragon LNG

Our debt investments portfolio approach to climate change

IFM's debt investments business comprises global infrastructure debt, diversified credit, and treasury services. Climate-related transition risks are generally more concentrated in infrastructure debt and diversified credit, due to their longer time horizons and lower liquidity profiles. These risks are managed by the infrastructure debt and diversified credit teams through methodical due diligence, appropriate structuring controls (particularly tenor), and portfolio diversification.

The infrastructure debt platform has also launched two sustainability-focused strategies, targeting opportunities associated with the energy transition. The first invests in core infrastructure across five themes: energy transition, electrification of transport, energy efficiency, environmental management, and digital inclusion. The second aims to provide growth capital to environmentally focused technologies, supporting companies with established solutions that have limited access to traditional capital markets.

INFRASTRUCTURE DEBT CASE STUDY

Scaling Climate Solutions

Scaling climate technologies represents a critical next step in the transition to a lower carbon economy. However, despite large and growing capital flows into the energy transition, there remains a structural financing gap for growth-stage climate technologies, particularly those focused on the next generation of infrastructure and industry. These businesses often require flexible capital to scale commercially yet remain underserved by traditional infrastructure debt providers.

For long-term institutional investors, this creates an opportunity to deploy capital into established technologies across sectors that contribute to a more efficient, sustainable economy such as power and energy, sustainable transport, and industrial innovation, supporting real economy decarbonisation while generating attractive risk-adjusted returns.

IFM action

In 2026, IFM partnered with Nest, the UK's largest workplace pension scheme by membership, with over 13 million members, to deploy £200 million into infrastructure credit. The mandate followed Nest's decision to become IFM's first international owner.

The strategy focuses on international lending opportunities across developed markets and targets growth-stage, infrastructure-oriented businesses requiring scale-up capital, including venture-backed companies with established technologies and demonstrated commercial demand. It is designed to provide non-dilutive growth capital to businesses that may otherwise face a financing gap between venture capital and traditional project finance.

Building on IFM's established global infrastructure debt platform, the mandate expands IFM's focus towards innovative infrastructure and industrial technologies that support economic resilience, energy security, and supply chain strength. Potential areas of investment include technologies and businesses supporting decarbonisation and grid reliability.

Outcomes

This partnership enables the deployment of long-term institutional capital into climate solutions that are positioned to scale, helping bridge a key financing gap and accelerate the transition to a lower-carbon economy.

By supporting companies delivering measurable low-carbon outcomes across the real economy, the strategy seeks to generate durable returns for pension members while contributing to broader climate objectives and unlocking further capital flows into the sector.



Our listed equities portfolio approach to climate change

Our listed equities portfolio is predominantly made up of client mandates which are currently outside the scope of IFM's 2050 Target. Nevertheless, we work with our clients to understand their needs and tailor Investment Management Agreements to meet their decarbonisation strategies, when required. 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 stewardship. As detailed in Sections 3 and 4 of this report, we work with ACSI on a wide range of issues including climate change. As members of Climate Action 100+, we use their benchmark which aims to encourage improvements in focus companies' decarbonisation strategies, as a guide for interactions with companies when appropriate.

LISTED EQUITIES CASE STUDY

Woodside Energy – Climate Strategy and Board Accountability

Woodside Energy is a global energy company with significant exposure to climate-related risks and opportunities. IFM considers climate transition risks financially material and expects companies to maintain credible decarbonisation strategies, supported by clear Board accountability and transparent disclosure.

IFM has held longstanding concerns regarding Woodside's climate strategy and has consistently voted against climate-related resolutions, including successive "Say on Climate" proposals. Most recently, Woodside's 2024 climate transition plan received approximately 58% shareholder opposition, highlighting investor concerns regarding the credibility of the strategy and its alignment with a decarbonising economy.

While Woodside has enhanced some disclosures on portfolio resilience, IFM continues to have concerns regarding portfolio competitiveness in a lower-carbon economy, the absence of Scope 1 and 2 emissions targets beyond 2030, and limited transparency on abatement costs and lower-carbon product pathways.

IFM action

In line with our stewardship approach, IFM escalated its concerns at Woodside's 2026 AGM by voting against the re-election of Sustainability Committee members Larry Archibald and Swee Chen Goh. This reflected our view that accountability for climate strategy ultimately rests with the Board.

Following the AGM, IFM wrote to the Board outlining its expectations and advocating for shareholders to continue receiving an annual vote on the company's climate strategy. We also engaged with Woodside through the Climate Action 100+ investor group to discuss climate-related issues.

Outcomes

Through voting and engagement, IFM continues to reinforce investor expectations for stronger Board accountability and a more credible climate strategy. During engagement in June 2026, Woodside indicated it intends to enhance disclosure relating to portfolio resilience in response to investor feedback.

IFM will continue to monitor progress and engage on key areas including portfolio resilience, emissions reduction pathways, abatement costs and longer-term operational emissions targets. We also continue to support annual shareholder votes on Woodside's climate strategy, particularly given the significant opposition to previous climate transition plans.



Our real estate portfolio's approach to climate change

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 properties owned and managed by the IFM real estate funds is now 100% supplied by renewable energy, through a combination of on-site solar generation and renewable-electricity procurement arrangements, including PPAs. This shift has significantly reduced the carbon footprint of the IFM real estate funds property portfolio and supports the sustainability ambitions of our tenant partners.

Climate resilience

The IFM real estate climate resilience program aims to systematically identify and assess the impact of climate-related risks on the IFM real estate funds property portfolio, thereby enhancing its resilience. The program supports resilience across the asset lifecycle, from acquisition and development to ongoing operations, evaluating both physical climate risks and transition-related impacts.

We have undertaken a series of initiatives to understand asset exposure to climate hazards, identify vulnerabilities and prioritise assets for detailed risk assessment and adaptation planning.

In FY26, we completed an updated climate exposure and vulnerability assessment across the portfolio using up-to-date climate data, together with detailed asset-level information. The assessment considered historical weather events and forward-looking climate scenarios[63], supported by portfolio modelling, asset-level information and, where relevant, site inspections and engineering-based assessments. This helped us better understand the climate hazards facing individual assets and the factors that influence their resilience.

The results informed the prioritisation of 13 assets for detailed climate adaptation planning, with priority adaptation measures to be considered as part of future capital expenditure programs.

At the portfolio level, the assessment indicated low vulnerability to physical climate risk over the period assessed. However, physical climate exposure and resilience vary by asset and hazard, and therefore the results of our assessment do not guarantee that individual assets or the portfolio will be unaffected by future climate events. We therefore continue to undertake asset-level assessment and adaptation planning and to incorporate identified resilience measures into long-term asset and capital planning.



Developing Net Zero Transition Plans

As IFM Real Estate works towards net zero emissions by 2050, long-term decarbonisation planning is becoming increasingly important. Scope 1 and 2 (market-based) emissions across properties owned and managed by the IFM real estate funds have reduced by 94% since 2020,[62] meaning further reductions will become increasingly challenging to address the remaining hard-to-abate emissions.

To demonstrate progress achieved to date and support this next phase, IFM Real Estate partnered with ERM to develop Net Zero Transition Plans across 100% of owned and managed office and retail properties. The plans provide a structured model to highlight emissions trajectories, outlining a planned pathway to continue delivery against our net-zero objectives.

The plans consider the distinct characteristics, emissions profile and decarbonisation opportunities of each asset, including building efficiency upgrades, renewable electricity procurement and electrification initiatives. This approach strengthens the integration of climate considerations into asset management, capital planning and investment decision-making.

As technologies mature, market conditions evolve and new solutions emerge, IFM Real Estate will continue to refine the plans and update pathways where appropriate. The plans will continue to evolve to help prioritise future investment and support delivery of IFM Real Estate's net zero commitments.

[62] Total emissions are reported for properties under IFM's operational control and include Scope 1 and 2 market-based emissions compared to the FY2020 baseline year. The 94% reduction is primarily attributable to the implementation of renewable electricity procurement initiatives, including the progressive reduction of Scope 2 market-based emissions to zero in FY26.

[63] The climate scenario analysis was undertaken using the SSP1-2.6 and SSP3-7.0 scenarios across the 2030, 2050 and 2070 time horizons. These scenarios and assessment periods were selected following a workshop with IFM Real Estate and relevant stakeholders in September 2025.

REAL ESTATE CASE STUDY

Building integrated solar façade at 100 St Georges Terrace

At 100 St Georges Terrace in Perth, IFM was undertaking a significant redevelopment of the office tower and adjoining Enex retail precinct. As part of the works, sections of the building northern façade containing legacy composite cladding needed to be replaced to meet evolved Australian Standards.

This need presented a distinct opportunity to introduce building-integrated photovoltaics, which would generate renewable energy, reduce operational emissions, lower future electricity costs and enhance the long-term sustainability performance of the asset.

IFM action

Alongside upgrades to public spaces, retail amenity and workplace facilities, IFM incorporated more than 200 solar panels directly onto levels 4, 5 and 23 of the building's northern façade. This 64kW solar system generates renewable electricity while maintaining the building's architectural appeal. Rather than treating solar generation as an add-on, renewable energy became part of the building fabric itself.

The A$40 million transformation repositions 100 St Georges Terrace and Enex as Perth's first urban commercial village, creating a connected destination that brings together workplace, retail, dining and community experiences in a single precinct.

Outcomes

This project is one of Western Australia's largest façade-integrated solar installations, generating renewable electricity for the building yet delivered at a comparable cost to a conventional replacement façade.

The system is predicted to lower operational emissions by 6% annually and demonstrates how existing commercial buildings can incorporate renewable energy generation in constrained city environments. The project is also expected to deliver annual outgoings savings of up to A$18,000 and a A$400,000 reduction in capital expenditure compared with the alternative considered in the business case. Alongside these anticipated benefits, the asset's environmental performance ratings have remained strong or improved since FY24, as shown below.

FY26 Environmental Performance	FY24 Environmental Performance
5.5 Star NABERS Energy	**5.5 Star** NABERS Energy
5.5 Star NABERS Water	**5 Star** NABERS Water
5 Star Green Star Performance v1.2 rating.	**4 Star** Green Star Performance v1.2 rating.

Our emissions disclosures for our assets

We measure both our corporate operational emissions and the emissions from our investment activity.

As defined in the Partnership for Carbon Accounting Financials, Financed Emissions 2nd Edition (2022),[64] not all emissions associated with our investment activities fall under the definition of 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 emissions from investment activities is an important part of our investment and asset management processes. We include our latest available emissions data for each asset class below. For detail on emissions from our corporate operations, please see Section 6 of the report.

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 (tCO_2e), economic emissions intensity (tCO_2e per US$1m invested) and weighted average carbon intensity. We define these measures in line with the methodology provided by the Partnership for Carbon Accounting Financials (PCAF). The table below shows the definition of these measures. It should be noted that our real estate business does not fall under the scope of PCAF because we have lease agreements and operational control of our assets.

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_2e	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_2e / 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_2e / 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_2e/m^2	Only used for our Real Estate portfolio which does not fall under Financed emissions and therefore not in scope of PCAF

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).[65]

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

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.

Scope 2 market basis 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 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.

[64] Partnership for Carbon Accounting Financials (2022), Global GHG Accounting and Reporting Standard: Part A - Financed Emissions
[65] Partnership for Carbon Accounting Financials (2022), Global GHG Accounting and Reporting Standard: Part A - Financed Emissions

INFRASTRUCTURE EQUITY

Infrastructure equity portfolio

The below table outlines the GHG emissions associated with our infrastructure equity portfolio. The FY26 reported data reflects the latest available from our infrastructure equity portfolio companies as at publication of this report – predominantly 30th June 2025 or 31st December 2025, depending on the assets annual reporting period and financial year end.

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.

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.

Reporting period	Absolute financed emissions, Scope 1 and 2 (location basis) in million tCO_2e	Absolute financed emissions, Scope 1 and 2 (market basis) in million tCO_2e	Economic emission Intensity (tCO_2e per USD 1m invested)	Data coverage (on net asset value basis)
FY26	2.8	2.5	30.2	Greater than 99%
FY25	2.8	2.5	34.5	Greater than 99%
FY24	3.1	2.8	40.6	Greater than 99%

INFRASTRUCTURE DEBT

Debt investments portfolio

The below table outlines our financed emissions data for FY25 and FY26 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 FY26 and are therefore excluded from the figures in the table.

Financed Emissions (Scope 1 & 2)	Absolute emissions (million tCO_2e)	Economic emissions intensity (tCO_2e per USD 1m invested)	Data coverage (by AUM* **)
FY26			
Diversified Credit	0.8	88	89%
Infrastructure Debt	1.4	350	86%
Total debt investments portfolio (excluding treasury services)	2.2	169	88%
FY25			
Diversified Credit	0.8	131	90%
Infrastructure Debt	2.0	457	94%
Total debt investments portfolio (excluding treasury services)	2.8	266	91%

* Given its exposure to listed debt, Diversified Credit has measured AUM on a market value basis, while Infrastructure Debt has used face value.

** Investments not included in the calculations have generally been excluded because of either:

i) a lack of established financed emissions methodology for the specific asset type; or

ii) a lack of reliable data with which to perform estimates (for example, estimates have not been performed for assets under construction which have no stabilised financial or operating data.)

The figures presented here have been prepared on a best-efforts basis and no assurance is provided as to their accuracy. The Global Debt Investments data is subject to uncertainty arising from several limitations, including (but not limited to) the following:

- Debt investors generally have limited control over assets post-investment, which can restrict their ability to obtain timely and consistent emissions reporting from borrowers. Several borrowers do not report emissions data. Where this is the case, we have sought to perform estimates, generally 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.
- There is often limited scope to confirm that emissions reporting boundaries match investment perimeters, which can create uncertainty over attribution factors. Financing structures can be complex, with multiple operating companies and holding companies involved, and debt investors may lack sufficient influence to insist on specific financial or emissions reporting.
- Emissions reporting generally lags financial reporting. This means the financial data used to attribute emissions is often more recent than the emissions data itself.
- Apportioned financed emissions are subject to attribution volatility, particularly in relation to enterprise value. 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 markets enterprise values are also subject to uncertainty arising from accounting treatment, particularly in relation to consolidation, complex group structures, or where acquisitions/divestments have taken place.

REAL ESTATE

Real estate portfolio

The table below presents IFM Real Estate's reported Scope 1, 2 and selected Scope 3 emissions for FY26, alongside FY25 comparatives. Reporting boundaries, data coverage and methodology are outlined below.

Operational-control category	Emissions included	FY25			FY26		
		FY25 emissions (tCO_2e)	FY25 Emissions per m2 floor area	Data coverage (by floor area in m2)	FY26 emissions (tCO_2e)	FY26 Emissions per m2 floor area	Data coverage (by floor area in m2)
IFM has operational control	Scope 1 & 2 emissions, market-based	6,439	0.0036	100%	3,330	0.0018	100%
	Scope 1 & 2 emissions, location-based	37,216	0.0210	100%	31,459	0.017	100%
Tenant has operational control	Tenant emissions (including tenant emissions from buildings both within and outside IFM's operational control)	201,411	0.0748	88%	192,512	0.063	75%

Scope 1 and 2: Reported emissions cover base-building gas, diesel, refrigerants and electricity at properties under IFM's operational control. Scope 2 is presented on both a location-based and market-based basis, with the lower market-based figure primarily reflecting renewable electricity procurement.

Tenant emissions: Scope 3 emissions disclosed here comprise tenant energy consumption in tenant-controlled spaces (Category 13), including buildings both within and outside IFM's base-building operational control. Data is sourced through GRESB with a one-year lag: FY26 figures use FY2025 data and FY25 comparatives use FY2024 data. Tenant data may combine market-based and location-based emissions.

Coverage and exclusions: Data coverage is shown in the table by floor area. Reported emissions exclude base-building emissions from joint ventures and other investments outside IFM's operational control, and Scope 3 categories other than tenant energy consumption.

Prior-year comparatives: FY25 Scope 1 and 2 figures have been restated using actual FY2025 data rather than FY2024 data, and excluding joint ventures outside IFM's operational control, to align with the FY26 reporting boundary.

LISTED EQUITIES

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,[66] at 30th June 2026. 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.

Absolute financed emissions increased from 2.4 million tCO_2e in FY25 to 3.0 million tCO_2e in FY26, while economic emissions intensity decreased per US$1 million invested. WACI increased from 118.8 to 132.7 tCO_2e per US$1 million of revenue, largely reflecting increased portfolio exposure to higher-carbon-intensity holdings. Changes in portfolio-level emissions metrics may reflect movements in portfolio composition and market values as well as changes in the emissions performance of underlying companies.

Reporting period	Absolute financed emissions (million tCO_2e)	WACI (tCO_2e / USD 1m of revenue)	Economic emission Intensity (tCO_2e per USD 1m invested)	Data coverage (on net asset value basis)
FY26	3.0	132.7	50.5	Greater than 99%
FY25	2.4	118.8	52.6	Greater than 99%
FY24	2.2	131.2	57.9	Greater than 99%

[66] 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.

06

Sustainability at IFM[67]



[67] Any targets, estimates, expectations or projections in this section are provided for informational purposes only and are not necessarily indicative, or a guarantee, of future results. There can also be no assurance that any historical trends or developments included in this section will continue.

Corporate sustainability

Corporate sustainability encompasses how we manage the environmental and social impacts of our operations, and support the long-term resilience of our business. It forms an important part of our sustainable business approach and is delivered by a dedicated Corporate Sustainability team working with colleagues across People & Culture, Corporate Finance, Risk & Compliance, Procurement, and other support functions.

A framework to guide our corporate sustainability approach

During FY26, the Corporate Sustainability team, which sits within the Sustainable Investment team, delivered the second year of our corporate sustainability strategy, which launched in FY25.

This strategy articulates our commitments and actions that guide our approach to minimising the environmental impacts of our operations, supporting positive social outcomes through charitable giving and supplier engagement, and support sustainability learning. The strategy is underpinned by a 'One IFM' approach that provides a consistent global framework while allowing for regional nuances in program delivery.

Built around three pillars, shown below, the strategy guides programs that support transition planning, strengthen organisational resilience and address social issues across our operations.

Our corporate sustainability pillars



Each pillar is supported by dedicated programs of work. Together, these programs drive progress within their respective pillars and collectively advance our progress towards overarching corporate sustainability goals. These initiatives seek to contribute to the seven focus areas identified in the Sustainable Investing Guidelines.

To support and complement sustainability efforts within our asset classes the corporate sustainability team collaborates with asset class teams through subject specific knowledge-sharing sessions, working groups, and participation in industry forums. We believe this assists in developing a unified approach to sustainability across both our operational and investment activities.

Managing our global corporate operational emissions

In FY26, IFM continued to progress efforts to reduce greenhouse gas emissions across our global operations as part of our commitment to achieve net zero by 2050, informed by the goals of the Paris Agreement.

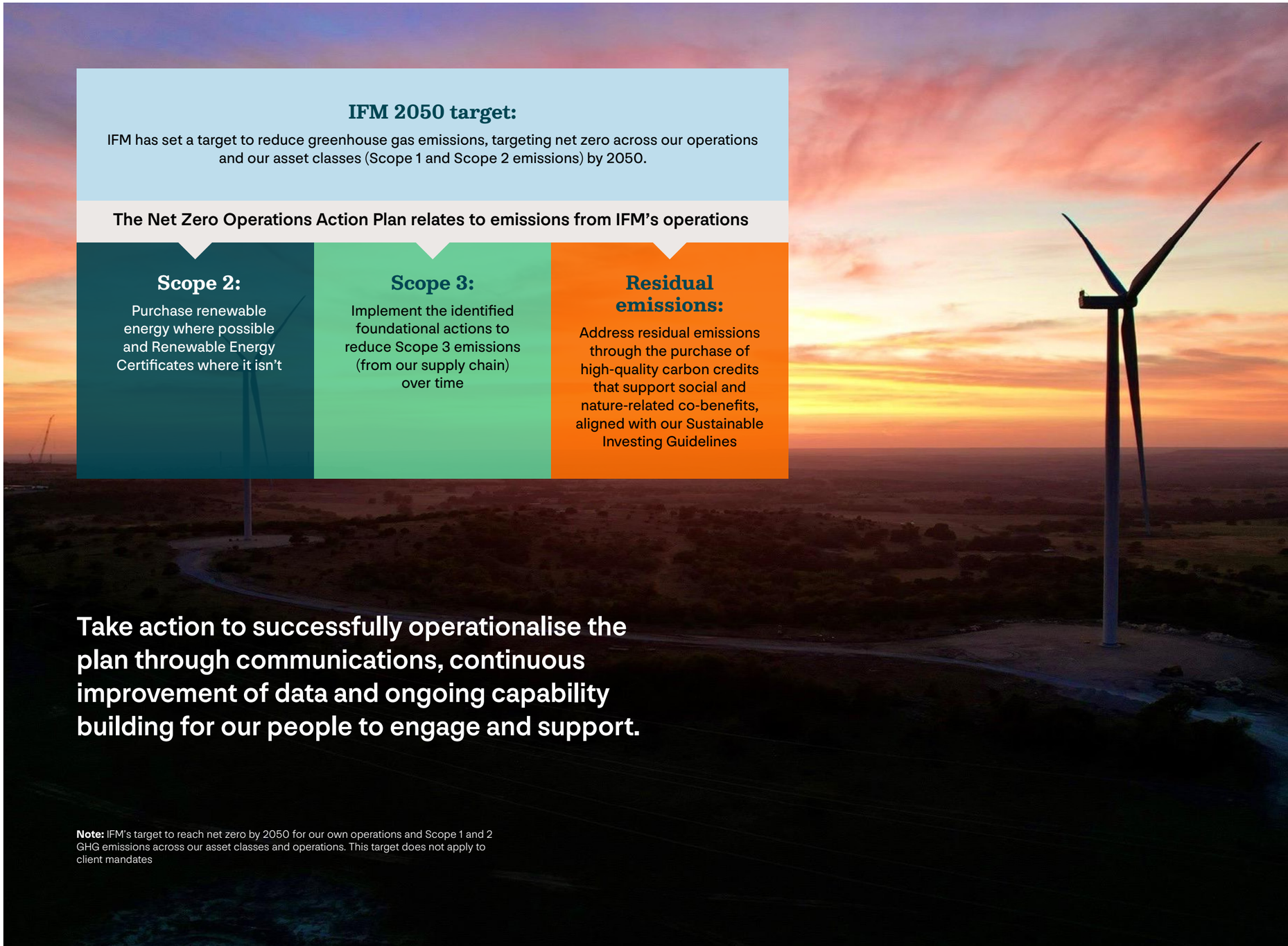
Our focus areas were:

1. **Modelling our path forward to deliver on our targets:**
   - By 2050: net zero Scope 2[68]
   - By 30 June 2028: 50% supplier alignment (by spend) with net zero commitments
2. **Identifying foundational actions to address Scope 3 emissions over time**

During the year, we also developed and launched our Net Zero Operations Action Plan for FY27-FY29. This global plan identifies opportunities to engage our people and suppliers in collective efforts to help protect the environment that IFM and our stakeholders rely on to prosper. The plan focuses on near-term actions with the greatest potential for impact, with a three-year review and renewal cycle for actions.

The plan identifies these focus areas to support our decarbonisation journey, as outlined:

[68] IFM's corporate operations (excluding emissions from property assets that fall under our operational control) do not generate Scope 1 emissions.



FY26 global corporate operational emissions

The main drivers of our corporate operational emissions (excluding financed emissions) are Scope 3 emissions relating to business travel, IT services and equipment and professional services. For details, see Appendix 3.

Emissions reduction actions in FY26

Scope 2 emissions:

We continued to pursue our target of net zero Scope 2 emissions by 2050 by:

- Continuing to progress towards our goal of purchasing 100% renewable electricity for IFM's Australian offices[69]
- Certified our claim for 100% renewable energy in our New York City office via Renewable Energy Certificates (as purchased by Building Management)
- Installing energy-efficient occupancy-sensor lighting as part of IFM's New York office refurbishment, to help reduce electricity usage.

In FY27 we will continue this work with the following actions:

- Progressing our goal to purchase 100% renewable energy in IFM Australian offices
- Taking action to reduce net electricity emissions in IFM's global offices through the purchase of geographically appropriate renewable energy certificates
- Continuing to identify energy savings initiatives in our office tenancies
- Developing global screen guidelines to help reduce associated emissions

Scope 3 emissions:

Our Scope 3 operational emissions (excluding financed emissions) represent the majority of IFM's operational emissions. We are taking actions within our sphere of influence to decarbonise and reduce the emissions intensity of our operations. We are also focussed on ongoing improvement of inventory methods, to facilitate better planning and tracking of emissions reduction actions.

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 assessed that 35% of suppliers (by supplier spend) have net zero targets as at 30 June 2026. This work will continue in FY27.

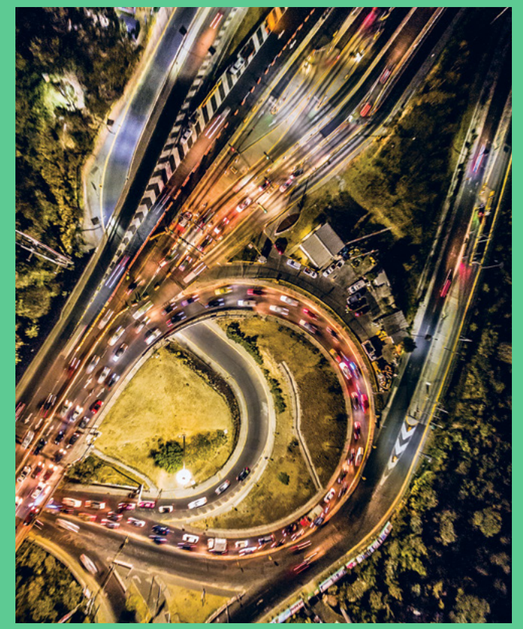
Supporting more climate-aware travel choices

We engaged with travel suppliers on initiatives to reduce emissions intensity of business travel over time.

Flights: We continued to progress work commenced in FY25 to increase awareness and promote lower emissions options where available. We undertook training for employees who book travel on selecting lower emissions options according to the information available at point of sale in our travel booking system. Lower emitting options typically use newer, more fuel-efficient aircraft and fly more direct routes.

Ground transport: IFM encourages use of Uber Green and Comfort Electric for ground transport. In FY26 we extended availability of Uber for Business to IFM's UK and European offices, expanding this program from Australia and North America only.

We will continue building on and embedding awareness of these initiatives in FY27.



[69] IFM is progressing this goal by purchasing 100% GreenPower for its Australian offices. GreenPower is an Australian Government-managed accreditation program under which electricity retailers purchase renewable energy certificates to match the customer's electricity consumption, supporting the generation of an equivalent amount of accredited renewable electricity.

A circular approach to corporate operations

We continued to engage with key suppliers and landlords on actions to reduce emissions intensity 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 Environment Agency.[70]

Globally, we ran education and awareness sessions for our people, to support informed choices by:

- Choosing to purchase from net zero aligned suppliers
- Reducing waste to landfill by recycling correctly in our offices
- Increasing use of re-usable items in our offices to replace single-use items, including sustainability considerations in event planning

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

CASE STUDY

Circular economy principles applied to office refurbishment for IFM Brisbane

To support our growing Australian workforce, IFM established a new office in Brisbane within the 345 Queen Street building, one of IFM Real Estate's actively managed property assets. From the outset, sustainability considerations were incorporated into the fit-out process, with a focus on reducing waste and maximising the reuse of existing materials and assets.

IFM action

Circular economy principles were considered as part of the project, to reduce costs and avoid sending reusable materials to landfill. This included identifying opportunities to retain, reuse, repurpose or recycle materials throughout the fit-out process.

Outcome

The fit-out achieved a 90% landfill diversion rate. Carpet tiles, ceiling tiles and light fittings were retained and reused where possible, while existing white goods were rehomed rather than disposed of. The project demonstrates how circular economy principles can be embedded into workplace fit-outs to reduce waste and extend the useful life of existing materials and assets.

First Nations Acknowledgement

As part of the project IFM engaged with First Nations designers, curators and placemakers at Blaklash to create a series of artworks for the office. The brief was to create artworks that convey the idea that financial stewardship can learn profound lessons from First Nations Peoples' enduring stewardship of Country - see case study on page 74.



CASE STUDY

Minimising waste to landfill: our approach to e-waste

Electronic waste is one of the fastest-growing waste streams globally, according to the Global E-Waste Monitor[71], with more than three quarters of it not being reused or recycled. Recognising the environmental impact of discarded technology, IFM sought to extend the life of decommissioned equipment and reduce waste sent to landfill through responsible reuse, donation and recycling programs.



IFM action

To address this challenge the IFM IT team partners with specialist organisations across Australia, London and New York to divert decommissioned technology from landfill and prioritise reuse where possible.

Outcomes

In FY26, IFM repurposed or donated (via partnerships) 1,819kg of e-waste across its Australian, London and New York offices.

In Australia, 2,180kg of technology was donated through PonyUp for Good, with 36% reused following secure data erasure. In London through a partnership with EveryChildOnline, 54 laptops and chargers were donated to charities and local schools to help address digital exclusion. In New York, 76kg of decommissioned technology was donated through a partnership with Liquid Technology for responsible processing and recycling.

The program helped reduce waste to landfill while extending the useful life of technology and supporting community organisations. Building on these outcomes, IFM plans to expand existing partnerships and identify new opportunities across its Asian offices in FY27.

[71] The Global E-waste Monitor 2024 - E-Waste Monitor

CASE STUDY

Circularity in our operations: Extending our circular operation partnerships

Since November 2023, IFM has partnered with Reground to recycle coffee grounds and soft plastics from our Melbourne office at Spring Place, supporting our circular economy goals. In FY26, together with property managers CBRE, we identified an opportunity to extend this program to other tenants in the Spring Place precinct.

IFM action

Working together with property manager CBRE, IFM helped expand the program to other tenants to promote opportunities to divert soft plastics from landfill and re-use coffee grounds locally. The initiative supports circular economy outcomes by recycling coffee grounds for use in community gardens and other local projects and reduces contamination of traditional recycling streams through dedicated soft-plastic collections.

Outcomes

The expanded program helped reduce waste while building awareness of circular economy opportunities across the precinct. During FY26, 50 collections of coffee grounds, totalling 1.55 tonnes, were made from IFM's Melbourne office and two other Spring Place tenants and recycled through Reground's local circular economy program. Across Spring Place Precinct, 17kg of soft plastics were collected in addition to 66kg collected from IFM's Melbourne office.


Picture: Reground

As a social enterprise Reground also aims to make a positive community impact through its recycling programs. Since 2023 Reground has provided 2,882 hours of employment for disadvantaged individuals, demonstrating how circular economy initiatives can support both environmental and community outcomes.

CASE STUDY

Circularity in our operations: In-office initiatives

Across our offices, we seek to reduce waste by replacing products and practices that generate unnecessary landfill or are problematic to recycle, with more sustainable alternatives.

IFM action

Working with suppliers and workplace partners, we review materials, catering and workplace services across our offices to identify opportunities to reduce single-use items, improve reuse and recycling outcomes, and minimise food and packaging waste.

Outcomes

During FY26, a range of initiatives were introduced across our global offices. In Melbourne, we reduced packaging at events by serving catering on reusable platters wherever possible. We also work with sustainability-focused caterers to improve ordering accuracy and minimise food waste.

In Sydney, single-serve snacks were replaced with bulk dispensers and compostable sugar-cane bowls that can be processed through the organics waste stream.

In New York, individual bottled water was replaced with a ‘Bevi’ hydration station and water fountains, reusable dishware was introduced, and surplus catering is shared locally, where excess food cannot be avoided. In London, we launched Uber Green as a preferred option for colleague business travel, prioritised catering suppliers using sustainable packaging, and increased reusable crockery in office kitchens.

Together, these initiatives helped reduce waste and embed more circular practices across our operations.



Picture: Melbourne catered events

Our approach to carbon credits

Where practicable, we seek to purchase and retire carbon credits in a volume equivalent to reported emissions across our operations and supply chain. As we progress, carbon credits will continue to play a role in addressing residual operational emissions.

In FY26, we purchased verified carbon credits equivalent to our FY25 operational greenhouse gas emissions of 16,821tCO_2e (market basis). Reflecting our global footprint and the disproportionate impact of climate change on developing economies, we selected a diversified portfolio of Australian and international projects. Project selection is guided by the principles in IFM's Sustainable Investing Guidelines, considering factors such as community engagement and Indigenous Peoples, biodiversity, and nature restoration.



[72] Percentages may not sum to 100% due to rounding.

Selected projects:



Mount Sandy Biodiversity Conservation Project.
Photo credit: Cassinia Environmental

Tiwi Islands Savanna Burning Project (Australia)

The project uses controlled early dry-season burning to reduce the risk of more severe late-season wildfires. In addition to generating ACCUs, it provides employment and income opportunities for the Tiwi people and through active fire management, protects important Tiwi assets, including plantation forests and cultural sites.

Mount Sandy Conservation Project and Hoa Binh 2 Wind Power Project (Australia and Vietnam)

Through EcoAustralia™, IFM supported both biodiversity conservation and renewable energy generation. The Mount Sandy project protects and restores native vegetation in South Australia. The project is implemented in partnership with Ngarrindjeri representatives and Traditional Owners are actively involved in land management, monitoring and restoration activities.



Hoa Binh 2 Wind Power Project (GS11314).
Photo credit: Pagroup.vn

The Hoa Binh 2 project operates an onshore wind farm in Vietnam, generating renewable electricity for the national grid through 18 wind turbines.

TeakMex Reforestation Project (Mexico)
This afforestation and reforestation project supports carbon sequestration through sustainably managed teak plantations. The project also delivers local benefits through workforce training, nursery development and forest management activities.

Sustainable Timber Plantations Project (Sierra Leone)
This 12,000-hectare afforestation project is restoring degraded land through sustainable forestry operations. The project is expected to sequester approximately 1.6mtCO_2 over 30 years while supporting rural employment through planting, forest management and timber processing activities.

CASE STUDY

How we select carbon credit projects

IFM purchases carbon credits as part of its broader corporate sustainability strategy. We seek to support projects that deliver social and nature-related co-benefits aligned with our Sustainable Investing Guidelines.

To support this, all carbon credits must be independently verified under recognised standards, such as Gold Standard, Verra and the ACCU Scheme, and meet defined eligibility criteria.

IFM action

To source projects, IFM partners with South Pole, a global carbon credit broker and developer. In addition to independent third-party verification, South Pole applies its own due diligence framework, assessing quality criteria including additionality, carbon accounting, permanence, social and environmental safeguards, and reputational risk.

Projects are subject to ongoing monitoring and periodic review, supported by counterparty due diligence and where available, external assessment from carbon market rating agencies. South Pole's Quality Management Framework has also received independent assurance from KPMG under the ISAE 3000 standard.

When carbon credits are purchased, South Pole retires them on public registries in IFM's name, ensuring they cannot be resold or retired more than once.

Outcome

Through this approach, IFM supports independently verified carbon projects that are subject to due diligence, monitoring and retirement controls. This provides confidence in the quality and integrity of the carbon credits purchased.

Social impact programs update

We believe that we have both a responsibility and an opportunity to engage with and contribute positively to the communities in which we operate. Through charitable giving, volunteering and employee-led fundraising, we support community organisations and causes aligned with our Sustainable Investing Guidelines.

In FY26 we updated our Charitable Giving Policy to strengthen alignment between our community investment activities and the themes prioritised within our Sustainable Investing Guidelines.

Supporting natural and humanitarian disaster relief

FY26 marked the second year of IFM's disaster response partnership with the Australian Red Cross. Through this partnership, IFM donates AUD$300,000 annually to support global disaster relief efforts. In FY26 IFM supported the following disaster relief appeals:

In determining how funds are allocated, IFM is guided by the Australian Red Cross and its associated network of Red Crescent Societies[73] to help ensure support reaches areas of greatest need.

$80,000 AUD
Madagascar Flooding

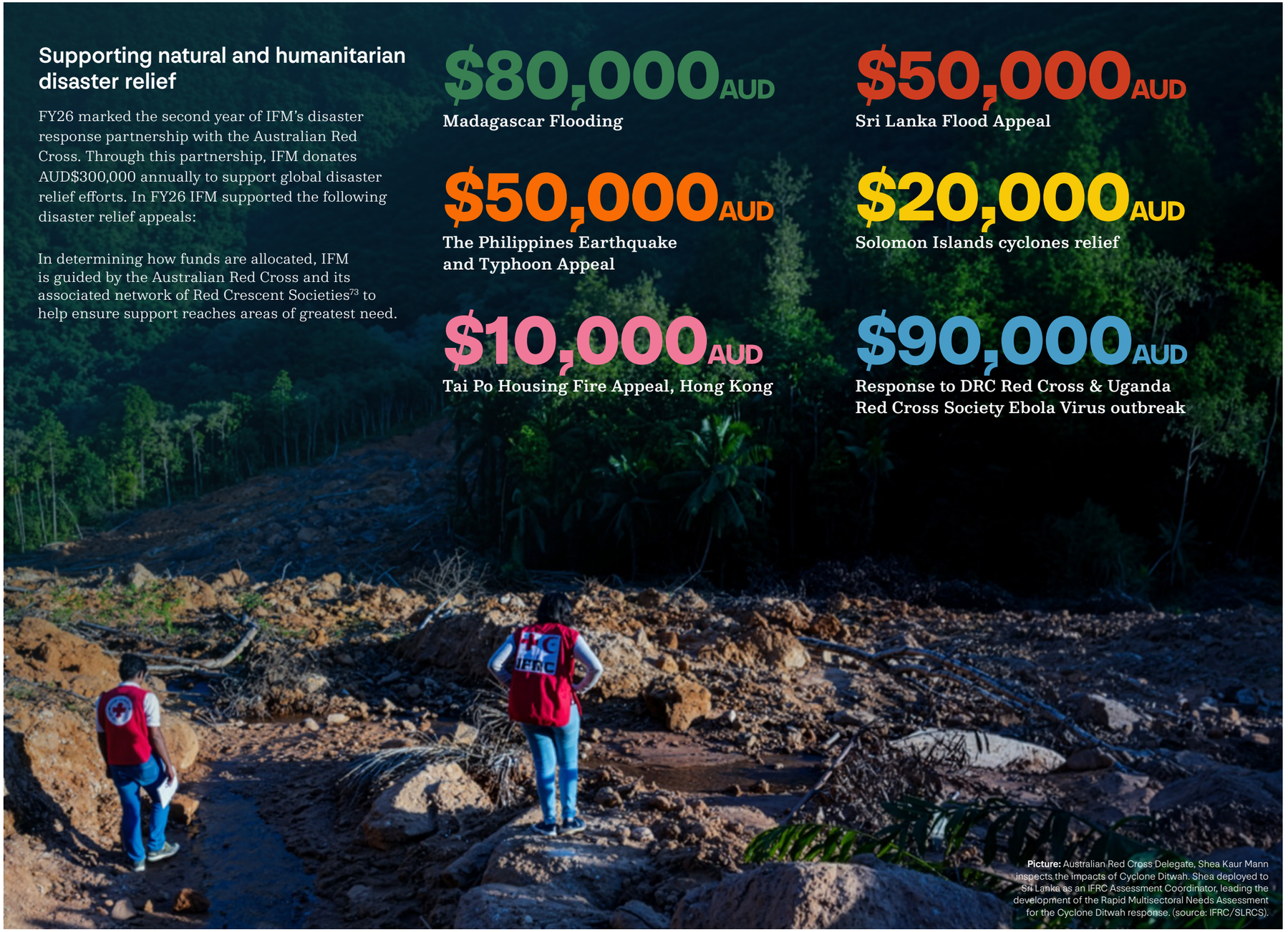
$50,000 AUD
Sri Lanka Flood Appeal

$50,000 AUD
The Philippines Earthquake and Typhoon Appeal

$20,000 AUD
Solomon Islands cyclones relief

$10,000 AUD
Tai Po Housing Fire Appeal, Hong Kong

$90,000 AUD
Response to DRC Red Cross & Uganda Red Cross Society Ebola Virus outbreak



Picture: Australian Red Cross Delegate, Shea Kaur Mann inspects the impacts of Cyclone Ditwah. Shea deployed to Sri Lanka as an IFRC Assessment Coordinator, leading the development of the Rapid Multisectoral Needs Assessment for the Cyclone Ditwah response. (source: IFRC/SLRCS).

[73] About National Societies | IFRC

Charitable giving programs

Our charitable giving programs aim to enable our people to give time, skills and financial support to support community organisations. IFM supports these efforts via financial donations and paid volunteering leave.

Volunteering

IFM offers our people two paid volunteering days each year. During FY26, employees contributed 1,536 volunteer hours, an increase of approximately 50% compared with 1,023 hours in FY25.

These activities supported both environmental and social initiatives across the communities where we operate, while helping strengthen employee engagement and connection to local causes.

Workplace Giving

Through our global Workplace Giving (payroll giving) program, employees and IFM collectively donated approximately AUD$231,000 during FY26.

Team Fundraising

Across our offices, employees supported a broad range of organisations and causes through our matched team fundraising program. Employees and IFM collectively donated approximately AUD$51,900 to a range of community organisations and fundraising events globally.[74]

In Australia, fundraising efforts included support for the Property Industry Foundation, The Pinnacle Foundation, Cancer Council Australia and the Magic Moments Foundation. In London, teams raised funds for Médecins Sans Frontières and UNICEF UK, while colleagues in the United States supported organisations including the Wounded Warrior Project and Movember.

[74] Matched fundraising caps apply.

1,536

volunteer hours contributed

$231,000 AUD

collectively donated through our global Workplace Giving

$51,900 AUD

collectively donated to a range of community organisations and fundraising events.



Picture: Steps for Homeless Youth 2026

CASE STUDY

Volunteering activities around the globe: Environmental impact

In FY26, teams across IFM used their volunteer days to support biodiversity, nature conservation, and the protection of native fauna. Through hands-on activities, employees contributed to habitat restoration, ecosystem health, and environmental stewardship, while strengthening connections with local communities.

Australia

Team members from our Melbourne office supported a range of environmental initiatives across Victoria. Volunteers worked with CERES, a community garden and social enterprise, undertaking planting, weeding, mulching and site maintenance activities. Additional volunteering at the Port Phillip Eco Centre saw teams remove 5kg of litter, clear 10kg of invasive weeds and plant 100 indigenous seedlings. Volunteers also contributed to habitat restoration at Yarra Bend Park and along the Moonee Ponds Creek Trail through native planting, weed removal and litter collection, helping to enhance local biodiversity and regenerate green spaces.

London

In London, employees volunteered with the London Wildlife Trust at Oak Hill Wood Nature Conservation Park, removing invasive cherry laurel and repurposing the material into protective hedging that supports wildlife movement and habitat connectivity. Other colleagues volunteered at Holland Park, contributing to conservation activities including preparing wildflower areas, planting young trees, maintaining greenhouses and supporting the park's broader environmental management objectives.



Picture: Melbourne CERES volunteering



Picture: London volunteering LWT

CASE STUDY

Volunteering activities around the globe: Social impact

Across IFM, employees also used their volunteer days to support people experiencing adversity and strengthen the communities in which we operate. Activities ranged from addressing food insecurity and providing essential goods to supporting disability inclusion, reducing social isolation and helping young people and families in need.

Australia

Teams across Sydney and Melbourne supported a range of community organisations focused on food security, wellbeing and essential services. Sydney volunteers worked with Thread Together to sort and distribute new clothing to people in need and supported the Salvation Army's Sydney City Salvos Weekly Community Meals program. In Melbourne, volunteers worked with FareShare to prepare meals for charities, First Nations communities and people experiencing food insecurity, while teams at Foodbank Victoria packed food hampers that collectively provided 10,858 meals for distribution through community organisations, schools and families.

New York Office

In New York, volunteers partnered with Birch Family Services to create Picture Exchange Communication (PEC) books that support communication and learning for students with autism and developmental disabilities. Teams also participated in the annual Holiday Food Drive with City Harvest and the Daily News, collecting 2,415 pounds of food for local pantries and soup kitchens. Through the Winter Wishes program, volunteers purchased and donated gifts to children and teenagers from low-income families, helping bring some holiday joy to young people across New York City.

London Office

Members of the London team volunteered at Stone's End Day Centre, supporting programs that promote social connection and cognitive engagement for older adults. Through conversations, creative activities and group games, volunteers helped create an inclusive and welcoming environment for participants while supporting efforts to reduce social isolation.



Picture: Salvos


Picture: Thread Together


Picture: Picture Exchange Communication (PEC)



Picture: Stone's End Day Centre

First Nations Engagement

During FY26 our First Nations engagement activities focused on building cultural awareness and capability across our workforce and engaging in respectful partnerships with First Nations organisations.

Acknowledging Country in our workplaces
Across our offices, we continued to create visible and meaningful connections to First Nations culture and Country. In Brisbane, we commissioned bespoke artworks from Yuggera, Lardil and Kullilli artist Ailsa Walsh for our new office. In Melbourne, the opening of a new office floor was marked with a Welcome to Country from Wurundjeri Woi-wurrung Elder Uncle Colin Hunter Jnr, followed by a didgeridoo performance.

We also continued our partnership with Kamilaroi artist Katie Bugden, who developed Acknowledgement of Country digital artworks for use across IFM, including bespoke Microsoft Teams backgrounds for employees in Sydney, Melbourne and Brisbane.

Celebrating culture and building cultural competency
During NAIDOC Week 2025 employees engaged with First Nations People's perspectives through a collaborative workshop led by Anthony Kemp, a proud Ghungalu, Gorang, Wakka-Wakka and Iman man. The workshop brought employees together to create a shared artwork inspired by the theme *The Next Generation: Strength, Vision & Legacy*. The artwork now hangs permanently in our Melbourne office as a reflection of shared learning, connection and respect.

Building cultural competency remained a focus throughout the year. During FY26, 131 employees completed the voluntary *Seven Steps to Practical Reconciliation* training program, developed by Evolve Communities, this training aims to build allyship and contribute to a more culturally safe and inclusive workplace.

Partnerships with First Nations organisations
We continued to strengthen partnerships with organisations supporting First Nations People's education, employment and economic participation.

Industry Super Holdings (ISH), IFM's parent company, renewed its partnership with the Aurora Education Foundation, extending support for programs designed to empower Aboriginal and Torres Strait Islander students achieve their educational goals through culturally informed, student-centred support. During the year, we also provided opportunities for IFM's global offices to support Aurora's international study tours.

We continued to welcome interns through the CareerTrackers program, to support employment pathways for First Nations students by providing practical workplace experience and development opportunities.

We also work with First Nations-owned and led consultancy 15 Times Better (15xB), which provides strategic advice and ongoing support to help inform and strengthen IFM's First Nations engagement approach.

CASE STUDY

Acknowledging Country

An Acknowledgement of Country shows respect for Traditional Owners and the continuing connection of First Nations Peoples to Country. IFM has a commitment to display an Acknowledgement of Country in all offices in Australia.

IFM action

In FY26, IFM opened a new office in Meanjin, Brisbane. To acknowledge the Traditional Owners, the Turrbal and Yuggera Peoples, IFM commissioned Ailsa Walsh (she/her), an accomplished Yuggera, Lardil & Kullilli artist, to create bespoke artworks for the office.

Outcome

Ailsa created two artworks, a benchtop installation and a rug, which together explore themes of Country, connection and stewardship.

The benchtop artwork celebrates the importance of waterways as the lifeblood of Country and highlights the ongoing role of First Nations Peoples in caring for land, water and community. The rug artwork depicts an interconnected living system, with creek lines, native vegetation and geological features representing the enduring relationships that sustain Country over time.

Together, the artworks create a visible connection to place within the Brisbane office and encourage reflection on the relationship between caring for Country, long-term stewardship and intergenerational value.



Drift, Trade, Nourish
Ailsa Walsh, Wulkuraka Designs



The River Trades Back
Ailsa Walsh, Wulkuraka Designs

CASE STUDY

Supporting First Nations employment pathways

Creating meaningful employment pathways can support greater economic participation and improve long-term outcomes for First Nations Peoples.

IFM action

IFM supports this objective through its partnership with CareerTrackers by, providing paid internship opportunities for First Nations university students. These internships help build professional capability, create pathways into the workforce and contribute to a more inclusive workplace.

Since 2019, IFM has welcomed eight First Nations interns in total, including Teddy Caldwell (pictured below), who recently completed a third internship with our People & Culture team in Sydney.

Outcome

During the internship, Teddy contributed to a range of initiatives across the business, including policy updates, the development of internal resources and activities supporting IFM's broader First Nations engagement approach. These included assisting with the commissioning of artwork by Kamilaroi artist Katie Bugden, which now forms part of IFM's Acknowledgement of Country templates.

Teddy also contributed to NAIDOC Week activities and supported the development of resources for IFM's Access & Inclusion Plan. The internship provided practical workplace experience for Teddy, while helping advance several initiatives across the organisation.



Reflecting on their experience, Teddy shared:

"A key insight was seeing how inclusion works in practice through everyday actions, not just one-off initiatives...The internship helped build my confidence in a professional environment, particularly in communicating with stakeholders and working across teams. It also gave me a strong foundation in cultural awareness and inclusive practice, which has been directly relevant to my current role working with Aboriginal youth. I've been able to apply what I learned about engagement, communication, and cultural respect in a hands-on, community-focused setting."

Looking ahead, Teddy hopes to continue building on this experience in roles that support Aboriginal and Torres Strait Islander communities to create meaningful, lasting impact.

CASE STUDY

Aurora Education Foundation New York City Study Tour networking event

Aurora Education Foundation (AEF) Study Tours are designed to help First Nations students to build supportive networks and develop an understanding of their options and pathways for success at leading international universities.

IFM action

In April, our New York office team welcomed nine AEF Study Tour participants for an evening of networking as they explored studying at some of the city's leading universities. Employees shared their experiences of living and working abroad, including navigating a new culture, building a sense of belonging and making the most of the opportunities available in the United States.

Outcome

The event created an opportunity for participants and IFM employees to exchange experiences and insights. Students shared how they had built support networks, established a sense of community and balanced studying, living and working overseas.

The evening also strengthened IFM's partnership with AEF and highlighted opportunities for employees to support students through mentoring and knowledge-sharing. Following the event, each participant was connected with an IFM employee to continue conversations. For IFM, the event provided an opportunity to extend support for AEF's programs through the involvement of colleagues from across our global offices.



Picture: Aurora Education Foundation Networking Event

REAL ESTATE CASE STUDY

Connecting with Country at Burrah Park

Burrah Park will be a 280-hectare industrial and employment precinct located on Dharug Country, adjacent to Western Sydney International Airport. As the project progressed through planning and design, IFM Real Estate sought to incorporate First Nations perspectives into the development to better understand the cultural, social and environmental values associated with the site.

Recognising the importance of First Nations knowledge in informing land stewardship, environmental management and cultural heritage outcomes, IFM will to develop a precinct that reflects local cultural knowledge, supports ecological restoration and creates long-term value for both community and Country.

IFM action

IFM Real Estate partnered with First Nations consultancy Yerrabingin and Dharug community representatives to undertake a multi-year engagement process that included workshops, site walks and community feedback sessions.

The engagement was guided by three principles:

- Celebrate ongoing connection to Country
- Restore waterways and ecological systems
- Enable cultural, community and economic opportunities

Insights from this process informed a site-wide design framework centred on connection to Dharug Country, cultural practice, community wellbeing and opportunities for First Nations participation. These principles were incorporated into the design of waterways, parklands, gathering spaces, streetscapes and future industrial buildings across the precinct.

Outcome

The engagement process directly informed the precinct masterplan and helped embed cultural, environmental and community considerations into the development.

The masterplan protects and enhances Cosgroves Creek and surrounding riparian corridors, supporting the restoration of ecological systems that have been altered through decades of agricultural use. The project also seeks to improve biodiversity, strengthen climate resilience and enhance flood management outcomes, while retaining soil on site where practical to reduce waste.

Engagement outcomes are also reflected in the design of spaces for ceremony, storytelling, gathering and cultural learning, alongside bush tucker plantings, wildflower gardens and opportunities for First Nations enterprise and participation.

The influence of Dharug culture is embedded throughout the design of the precinct, including in its naming. Guided by Yerrabingin and with approval from the Traditional Custodians, the choice of Burrah, meaning “sky” in the Dharug language, reflects the site’s location alongside Western Sydney International Airport.

More broadly, the engagement process helped provide insights into local cultural values, ecological systems and land management practices that informed project planning and design. This has supported IFM’s objective of delivering a precinct that is responsive to local context and positioned to create long-term value for both community and investors.



Picture: Burrah Park NSW industrial community hub

Our purpose-led inclusive culture

Fostering an inclusive culture is a key imperative for us. By valuing each other and the variety of experiences each employee brings, we can cultivate a workplace where all our people thrive. Our inclusive workplace culture enhances creativity and drives innovative thinking, leading to superior value for our investors and stakeholders.

Our Inclusive Workplace Index[75] helps us track and measure the inclusive experience of our people over time. The results of the March 2026 employee engagement survey indicated a positive overall Inclusive Workplace Index response score of 86%, demonstrating our inclusive culture and continued improvement.

FIGURE 7

Inclusive Workplace Index:

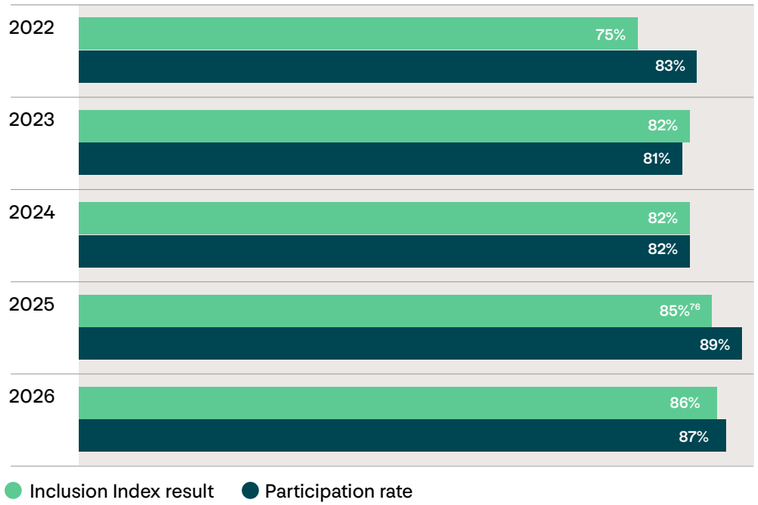
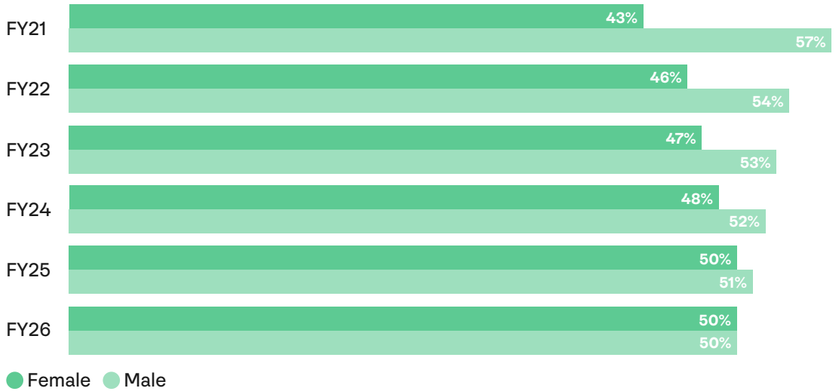


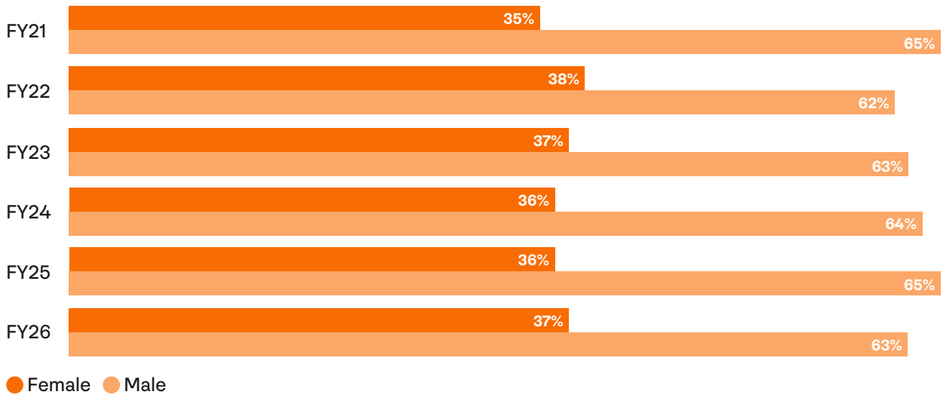
FIGURE 8

Gender representation, % (outside of the United States)[77]

All Employees



Director and above



From FY22 to FY26, our overall workforce has moved steadily to gender parity, reflecting consistent progress in improving gender balance across the organisation, consistent with applicable laws. At Director level and above, however, representation has remained broadly unchanged since FY22, with little movement over the period. While the overall workforce is now evenly balanced, improving gender representation in senior leadership remains an ongoing focus.

To help drive further progress, IFM has established gender representation aspirations outside the United States, at both the organisation-wide and business unit level, supported by strategies that are regularly reported to the Board. In Australia, as required, we also continue to report annually to the Workplace Gender Equality Agency (WGEA).

This data reflects information required of employees at onboarding in relation to biological sex. It does not refer to self-reported gender identity information.

[75] 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.

[76] The Inclusion Index score for FY25 was incorrectly reported as 82% in the 2025 Annual Sustainability Report. This has been corrected to 85% in this report.

[77] Figures are as at 30 June 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: Our Board | IFM Investors.

Highlights of our inclusive workplace activities in FY26 included:



Extending our certification as a Family Inclusive Workplace to the UK, meeting the Global Work + Family Standards.[78] Building on our Australian certification, our 2026–2028 UK accreditation is supported by a 24-month action plan focused on flexibility, family care and wellbeing, reflecting our commitment to inclusive, family-friendly workplaces.



Being recognised as one of Australia's top 20 organisations in the Family Friendly Workplace Family Care Index, reflecting our commitment to meaningful, flexible work practices.[79]



Maintaining our Australian Workplace Equality Index Bronze Tier status through to 2029, recognising our sustained commitment to LGBTQ+ inclusion and cultural change.



Progressing initiatives under our global Access and Inclusion Action Plan, guided by recommendations from the Australian Disability Network, to further embed accessibility across recruitment, information technology vendor processes, procurement, client experience, event planning, and learning and development programs, subject to applicable laws.



Continuing to support employment pathways through the Australian CareerTrackers and US-based Prep for Prep programs, welcoming interns from both programs and helping create opportunities for First Nations students and New York City's most promising students from modest backgrounds.



Supporting early-career pathways into financial services in the UK through partnerships with Young Women Into Finance and 10,000 Interns, welcoming five interns across our UK Infrastructure, Global Client Solutions, Operations and Legal teams.



Continuing to grow employee-led Inclusive Workplace Forums across our regions, helping to amplify voices across the business and recognise regional days of significance. During FY26, activities included events and awareness campaigns for International Women's Day, Pride Month, Mental Health Awareness Month, International Day of Persons with Disabilities, the International Day for the Elimination of Racial Discrimination and 16 Days of Activism against Gender-Based Violence.



In Australia, IFM Real Estate has worked with peers and the Property Council of Australia to address persistent pipeline barriers in capital transactions and leasing, including supporting the launch of the Capital Transactions and Leasing Early Career Program for 26 early-career women.



In accordance with Australian reporting requirements, submitting our annual report to the Workplace Gender Equality Agency (WGEA), outlining our policies, strategies and actions on gender equality, with the aim to improve gender equity and reduce the gender pay gap.

[78] Global Work + Family Standards.
[79] Australia's Top Scoring Workplaces for Carers Revealed - Family Friendly Workplaces.

Remuneration

To help deliver on our purpose, we see the importance of attracting highly talented, motivated professionals and paying globally competitive remuneration. Our remuneration structures, managed through our performance and reward framework, are designed to align our people with our purpose, while taking into account external market conditions, individual capability and experience, and the performance outcomes to be delivered for our investors.

Our remuneration structures are designed to:

- attract, retain, motivate and align our people in support of our purpose;
- link individual outcomes to our goals, purpose and values;
- emphasise the importance of upholding our Risk Management frameworks;
- 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 and reward framework is designed to support our long-term strategy by balancing what our people deliver with how they deliver it. Performance goals are aligned with the delivery of long-term sustainable investment outcomes for our clients.

Employees' performance is assessed on an annual basis considering:

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

Performance outcomes directly inform annual incentive decisions. This approach reinforces our culture, promotes sound decision-making and risk management and helps ensure remuneration outcomes reflect both performance and behaviour. Achievement of performance targets, in a manner consistent with our values, is expected to result in an annual incentive outcome at 100% of target, while exceptional performance and role modelling of our values can result in outcomes of up to 150% of target.

For most employees, annual incentive outcome is dependent on our Corporate Scorecard result, creating a direct connection between individual outcomes and IFM's overall performance. This approach does not apply to employees in control functions, whose variable remuneration is determined solely by objectives related to their independent oversight responsibilities[80].

The FY26 Corporate Scorecard incorporated a 20% weighting to Strategic Outcomes including the delivery of sustainable investment objectives. Our Board assessed our delivery of the sustainable investment objectives for FY26 as "Strong".[81]

Components of our Corporate Scorecard for FY26

Strategic Objective	Component	% Weighting
Enhance delivery of excellent long-term sustainable investment outcomes	Product Performance	40%
Deliver profitable growth and diversification with an enhanced client focus	Net New Annualised Revenue	10%
	Net Sales	5%
	Client Satisfaction – Investor Service Quality (ISQ)	5%
Increase our speed, scalability and resilience	Operating Profit – 1 year	5%
	Operating Profit – 2 year	5%
	Grossed-up Statutory Profit – 2 year	5%
	Valuation growth	5%
	Strategic Outcomes (including delivery of sustainable investment objectives, consistent with applicable laws)	20%

The Sustainable Investment component of Strategic Outcomes comprises our progress on our sustainable investment strategy and corporate sustainability objectives.

[80] For control function employees, any variable remuneration will have performance measures based solely on achievement of objectives linked to their functions, maintaining independence from the performance of the business areas they control to avoid potential conflicts.

[81] Performance against the FY26 sustainable investment objectives was assessed on a five -level scale of Unsatisfactory, Adequate, Successful, Strong or Exceptional. The Board determined the overall rating by applying qualitative judgement to the scorecard results, including reported performance against the underlying quantitative measures, and progress updates provided during the year to the Board Responsible Investment and Sustainability Committee (BRISC).

Gender Equality in Remuneration

IFM remunerates equally for work of equal value. We regularly benchmark like for like roles to identify any unintended bias in our pay practices. If material differences between the average pay of people of different genders[82] in like for like roles is identified, IFM takes appropriate action.[83]

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, as required under the Australian Workplace Gender Equality Act 2012.[84]

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.

The table below outlines our 2024-25 gender pay gap as publicly disclosed by WGEA.

Remuneration at IFM comprises a mix of fixed and variable pay for most employees. We also operate incentive schemes for investment teams that are linked to the investment returns. As a result, investment returns, combined with the higher proportion of men in senior investment roles, are key drivers of IFM's gender pay gap.

Increasing gender representation, especially in investment teams and at the senior levels, requires a long-term approach. We have strategies in place across recruitment, retention, promotion, career development and leadership accountability to help ensure our workforce is drawn from a wide talent pool. Our award-winning work and family initiatives also support employees with caring responsibilities to thrive at IFM.[86] We monitor the impact of these, with senior management accountable for supporting the delivery of our inclusive workplace strategy. Further highlights of our broader inclusive workplace programs are set out earlier within this report.

Gender Pay Gap[85]	IFM	Industry Comparison Group
Median base salary	22.0%	14.3%
Median total remuneration	29.2%	16.4%

Source: Workplace Gender Equality Agency, WGEA Reporting Industry Benchmark Report 2024-25



[82] 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.

[83] Subject to applicable laws and outside the United States.

[84] For further details, see our 2024-2025 WGEA report

[85] 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)

[86] Subject to applicable laws, and outside the United States.

Learning and development

SustainED: building sustainability capability at IFM

Building sustainability capability across our organisation is an important part of delivering IFM's sustainable business approach. In FY26, we continued to expand SustainED, our sustainability learning and development program.

Launched in FY25, SustainED provides employees with learning opportunities ranging from foundational sustainability education (**Build it**) and role-specific capability development (**Apply it**) to sustainability leadership development (**Lead it**).

The program combines online learning, webinars, curated external courses and practical resources to support employees at different stages of their sustainability learning journey. It forms part of IFM's broader approach to learning and development, helping equip our people with the knowledge and skills needed to support long-term organisational success.

During FY26, our focus was on growing awareness, participation and organisational reach. Learning priorities included climate transition risks and opportunities, sustainability regulation, reporting and disclosure, and emerging sustainability issues relevant to our business and investment activities.



FY26 SustainED highlights

- Completions of the Sustainable Investment @ IFM learning module increased by 92, representing 46 learning hours and bringing the cumulative total since launch (early 2025) to 447 completions
- 416 learning hours delivered through Global Sustainability Forums.
- 324 learning hours supported through the Stickerbook micro-learning platform.
- Sustainability-themed peer-pod activities developed for participants in the Nexus leadership program.
- Enrolments in external courses, including PRI Academy and Cambridge Institute for Sustainability Leadership programs, expected to deliver up to 425 learning hours upon completion.

1,145 learning hours were supported through SustainED in FY26. Insights from engagement trends, participant feedback and lessons learned through delivery will help inform future priorities as we continue to refine and strengthen SustainED in FY27.

SustainED learning channels

SustainED combines internal and external learning opportunities designed to support employees wherever they are on their sustainability learning journey.

- **SustainED Resources Hub** – A central location on the company intranet providing access to program resources and learning opportunities.
- **Sustainable Investment @ IFM Module** – A bespoke introduction to sustainable investment at IFM, including key concepts and terminology.
- **Stickerbook** – A micro-learning platform offering short, practical content across a range of sustainability topics.
- **SustainED Course Catalogue** – A curated selection of external courses aligned with IFM's priority learning themes.
- **Global Sustainability Forums (GSFs)** – Regular webinars exploring sustainability topics relevant to IFM's business and stakeholders.

CASE STUDY

Global Sustainability Forums: building shared understanding of sustainability challenges

As sustainability issues continue to evolve, supporting employees to understand the implications for IFM and our clients remains a priority. Global Sustainability Forums (GSFs) were established to provide an accessible platform for learning, discussion and knowledge sharing across the organisation.

IFM action

During FY26, IFM delivered a series of GSF webinars covering topics including net zero, carbon markets and carbon credits. Sessions were open to all employees and designed to be accessible regardless of prior technical knowledge.

Each webinar incorporated discussion and Q&A, with recordings made available on demand to extend access across regions and time zones. Previous sessions covering topics such as climate reporting, nature and biodiversity, and system-level risks also remained available to employees.

Outcome

GSFs supported 416 sustainability learning hours across the organisation during FY26. The forums continue to provide a consistent platform for building sustainability capability, strengthening cross-regional collaboration and developing a shared understanding of sustainability-related issues across IFM.

Feedback from participants remained positive, with webinars achieving a Net Promoter Score of 100 among survey respondents.

416
sustainability learning hours across the organisation during FY26

100
Net Promoter Score

CASE STUDY

Embedding sustainability into IFM's Nexus Leadership Program

As sustainability considerations become increasingly relevant to investment and business decision-making, IFM recognises the importance of building leadership capability to navigate complex risks, opportunities and stakeholder expectations. In FY26, IFM focused on embedding sustainability into existing leadership development programs, including Nexus, IFM's program for emerging and mid-level leaders.

IFM action

Sustainability was integrated into Nexus through a series of global small group activities. Participants worked in cross-functional and cross-regional groups to explore sustainability-related challenges, including intergenerational investing, systems thinking in infrastructure, and labour rights considerations in investment decision-making.

Supported by business coaches, participants were encouraged to evaluate sustainability risks, opportunities and trade-offs, and consider how these factors may influence investment outcomes and broader social and environmental impacts.

Outcome

Feedback from the Nexus program indicated that the peer-pod activities supported leadership development across areas including influencing, collaboration, stakeholder engagement and navigating complexity.

The initiative also marked an important step in extending our sustainability skills beyond knowledge-building by embedding sustainability considerations into leadership development and decision-making capability across the organisation.



Modern slavery risk management

We continue to strengthen our approach to managing modern slavery risk across our portfolios and supply chains. This includes improving how we assess and manage risks within our portfolios, as well as how we monitor modern slavery risk among IFM's suppliers.

Activities undertaken in FY26 include:

Third-party governance framework review: As part of our commitment to proactive and ongoing supplier engagement, we reviewed and updated our third-party governance framework. Key changes were:

- Introducing supplier tiering based on criticality and risk, with risk and due diligence requirements tailored to each supplier's assigned tier.
- Determining supplier tiers through questions that assess potential exposure to modern slavery risk, including indicators such as industry, geographic location and the composition of the supplier's own supply chain.
- Updating supplier due diligence questions in the third-party governance framework to include additional questions on modern slavery management, as well as related areas such as suppliers' commitments to reducing carbon emissions.

These updates will be progressively implemented.

Plans to establish a new, centralised procurement system

IFM identified the need for a new procurement system to improve supplier risk management and identified a potential solution.

- The potential solution will aim to support IFM's efforts to improve supplier management and monitoring by providing a central repository for onboarding questionnaires and supplier responses.
- The centralised procurement system is expected to incorporate data feeds from other IFM and external systems. This will aim to support internal visibility of sustainability-related supplier metrics, including modern slavery risk, decarbonisation efforts, business continuity, and data risk, and support more informed supplier assessments and decision-making.

07

Governance



Governance

Our overarching sustainable investing approach is established and monitored at the IFM Board level.

As we pursue our Purpose and seek to create long-term value for stakeholders, robust governance remains fundamental to our approach. We maintain policies, processes and oversight mechanisms across our investment and corporate activities to support accountability in our sustainable investing practices.

Our governance framework[87], 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 support their ongoing effectiveness and compliance with internal standards and externally mandated regulatory requirements.

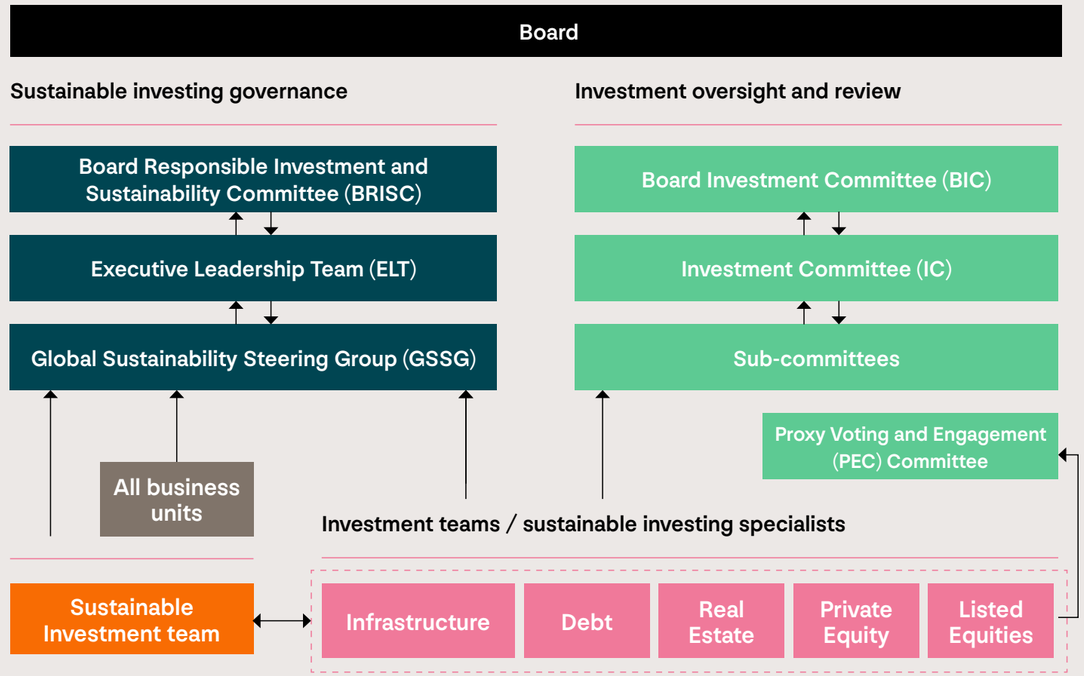
Established in 1994, IFM is owned by 16 industry superannuation funds and pension fund owners and operates as an independent entity focused on institutional funds management. With our owners investing alongside clients, this ownership model promotes alignment of interests and supports our Purpose of maximising long-term returns for the benefit of clients.

Our client due diligence considers factors including, but not limited to, 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 responsibilities[88]

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.

SI roles and responsibilities



[87] The application of this framework varies according to the relevant asset class, investment structure, client mandate, governance rights and applicable jurisdictional requirements.

[88] Please refer to our Sustainable Investing Guidelines in Appendix 2 for details.

Sustainable investing capability and resourcing

Average tenure and experience of the **Sustainable Investment team**

13	4.0	9.9	15.5
Number in team (people)	Average tenure with IFM (years)	Average sustainability experience (years)	Average industry[89] experience (years)

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

Average tenure and experience of **asset class sustainable investment specialists**

15	3.3	12.6	14.3
Number of specialists (people)	Average tenure with IFM (years)	Average sustainability experience (years)	Average industry[90] experience (years)

As at 30 June 2026

[89] Refers to experience in the sustainability and/or financial services sectors.
[90] Refers to experience in the sustainability and/or financial services sectors.



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
- IFM Listed Equities Proxy Voting Guidelines
- IFM Group Corporate Proxy and Engagement Committee (PEC) Charter
- 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 team, and for specific strategies where relevant.

Policy and procedures review

Our policies define how IFM seeks to manage risk and meet regulatory obligations. To support accuracy and currency, policies are reviewed periodically and approved by the relevant authority, which may include the IFM Board, a Board Committee, a Management Committee or an executive. Most frameworks and policies are subject to review and initial approval by the Policy and Document Sub-Committee (PDSC), 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

The PDSC comprises representatives from Risk & Compliance, People & Culture, Operations, Commercial and Investments.

The IFM Group Policy Governance Procedure outline a principles-based approach to policy development, governance, review and maintenance.

Where material updates are required, we may engage external advisers to undertake gap analyses or benchmarking exercises to help ensure our policies, procedures and process documents remain current.

Assurance activities are conducted across IFM's three 'lines of defence', comprising all employees, our Risk & Compliance Team and our Internal Audit function, as part of the IFM Risk Management Framework. These assurance activities include attestations, self-assessments, control testing, compliance monitoring, risk assessments, internal audit, external audit, and/or independent reviews.

Monitoring regulatory developments

To support the effective management of regulatory risks, we maintain a register of regulatory obligations across our operating jurisdictions, developed as necessary with support from external legal counsel. Regulatory developments are monitored through an external compliance tool that tracks relevant amendments to existing compliance regulations and emerging regulations. Where legislation and regulation fall outside the tool's coverage, relevant regulator websites are monitored directly.

Generally, where regulatory changes may affect IFM, a business impact assessment (BIA) is undertaken to assess potential impacts and determine required actions. The process includes input from affected business units and is governed by the IFM Group Regulatory Change Management Policy, which sets out how regulatory changes are identified, assessed, communicated and how implementation is managed.

Oversight of regulatory change activity is provided by IFM's Regulatory Change Working Group (RWG), which operates under delegated authority from the IFM Risk Committee and meets monthly.



Conflicts of interest

IFM's Conflicts Management Policy and Conflicts Management Procedure emphasise acting in our clients' best interests and outline how conflicts are identified, managed and disclosed. All employees have access to both the Conflicts Management Policy and Conflicts Management Procedure and are required to consider conflicts in every aspect of their role and adhere to IFM's Code of Conduct.[91]

Identifying potential conflicts

IFM's Conflicts of Interest Policy capturesthe requirements for identifying and managing conflicts of interest. Across our business and investment activities, processes 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), and managing them.

Personal Conflicts: IFM uses a third-party Compliance system to record all personal securities accounts, holdings and trading, approve all gifts and entertainment received or offered, outside business activities, outside connected persons, and US political donations.

Transactional conflicts: IFM undertakes a periodic review of all investment pipeline transactions, comparing entries between investment teams, IFM Listed Equities holdings, employee holdings, employee outside activities and employee connected persons.

These processes are supported by a range of controls, including personal compliance monitoring, transaction reviews, maintenance of a conflicts register and referral of relevant matters to the Conflicts Committee where appropriate.

Where material non-public information is obtained through stewardship or investment activities, controls are applied in accordance with IFM's Market Abuse Policy, including the use of information barriers where required.

Managing conflicts of interest

IFM's Conflicts Management Policy sets out principles for identifying, managing and disclosing actual, potential and perceived conflicts of interest. The Conflicts Management Policy is underpinned by the principle that clients should be treated fairly and equitably, and that IFM will seek to avoid or appropriately manage circumstances in which an actual, potential or perceived conflict may affect a client. The Conflicts Management Policy is reviewed every two years, or when material changes occur, and is approved by the IFM Group Board Audit & Risk Committee. Certain conflicts may be referred to the Conflicts Committee. When assessing a conflict, the Conflicts Committee takes steps to ensure that committee members are not members of the business unit involved in the conflict.

The Conflicts Committee seeks to determine whether any proposed controls to manage identified conflicts are consistent with the IFM Group Conflicts Management Policy.

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



[91] https://secure.ethicspoint.com/domain/media/en/gui/67853/index.html

External tools and resources

IFM leverages both internal expertise and external resources to support our sustainability research, due diligence and stewardship activities. Within our Infrastructure Equity portfolio, sustainability-related information is primarily sourced directly from portfolio companies, supported by ongoing engagement to understand sustainability performance and emerging risks and opportunities. Specialist consultants are engaged where additional technical expertise or transaction support is required.

For Listed Equities, we use tools such as MSCI ESG Manager for ratings and underlying sustainability data and analytics. These inputs help identify portfolio companies that may be lagging behind their peers on sustainability considerations and inform our stewardship and engagement priorities.

We use these tools to better understand material sustainability-related risks at a company level, informing targeted engagement and investment decisions. Climate change research and data is sourced from investor bodies, external analysts, and working groups, and where appropriate, we commission climate assessments related to our infrastructure equity portfolio from external providers such as ERM, BCG, Arup, and Pollination.

In addition to direct engagement with certain Australian listed companies, IFM is a member of ACSI. ACSI engages with ASX300 companies on behalf of members, provides pre and post meeting notes, and ongoing engagement tracking. Proxy voting is executed via the Glass Lewis Viewpoint platform, with research and recommendations from two proxy advisers contributing to IFM's listed equities 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

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.
ESG Book	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.
Auquan	We use Auquan for ongoing monitoring of our infrastructure equity portfolio companies and diligence screening within our Debt Investments portfolio.
Pathzero	Pathzero is an online platform that we use to measure and analyse a company's emissions.
Ownership Matters	Provides bespoke governance and accounting risk analysis for ASX300 companies.
ACSI	Company engagement service and proxy voting research and advice for the ASX300.
Glass Lewis	Proxy voting research and recommendations and the provision of the Viewpoint online voting management platform.
Novata	Provides sustainability data collection, analysis, estimation and benchmarking capabilities to support reporting for our debt investments portfolio.

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 advisers and service providers

External advisers and consultants

Except for its Australian private equity portfolio, IFM manages all investment portfolios internally and does not use external portfolio managers. We do, however, engage a global network of external advisers, consultants and specialist providers to support operations, project delivery and investment activities.

To support consistency and oversight, we maintain a periodically reviewed list of 'Preferred Advisers' with pre-agreed terms. The engagement of external advisers is governed by the IFM Group Policy for the Engagement of External Advisers.

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 comprise 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 in relation to labour and other human rights, environmental management, business conduct and ethics, and social considerations. These include modern slavery and other supply-chain risks, bribery and corruption, fair working conditions, inclusion, health and safety, and environmental impacts.

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 engages with ASX300 companies on behalf of members, including IFM, and provides engagement insight, tracking and proxy voting research and advice. Through our representation on ACSI's Board (as President) and Member Council, and participation in the Corporate Governance Guidelines working group, we help shape engagement priorities and governance expectations.

The Sustainable Investment team and Listed Equities 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, analytics and research providers across our listed equities and debt investments portfolios which include MSCI, Arabesque, S&P, Auquan and Ownership Matters. Credit ratings agencies are used where coverage is available.

Data coverage across infrastructure assets can be more limited. For Infrastructure Equity and Infrastructure Debt portfolios, we use Auquan for portfolio and due diligence screening, while portfolio companies generally engage their own specialist providers and supply relevant information to IFM.

We monitor the quality and depth of sustainability data and research through comparisons across providers, regular reviews of emerging solutions and periodic trials of new products. 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;
- 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.

Aligning our investment management approach to our clients' needs

Understanding and responding to our clients' priorities is central to our investment approach. We seek to build long-term relationships and act as a trusted adviser and steward of our clients' capital.

The Owners Council provides a formal mechanism for engagement with our major clients and shareholders, helping us better understand their priorities and informing business decisions, product development and service delivery.

We continue to develop new investment strategies that reflect the evolving needs of our clients, including strategies designed to support client objectives relating to sustainability considerations and commitments. At the individual client level, we can also develop tailored mandates and investment approaches that can evolve over time as client requirements change.

Our participation in collaborative efforts can also create opportunities to engage alongside clients, providing additional insight into the issues they consider most important.

Client forums, regular briefings and client meetings

We regularly provide our clients and owners 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 whitepapers;
- 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 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 annual Investor Service Quality (ISQ) survey uses independent qualitative research, including interviews with chief executives, chief investment officers, heads of RI and other key investment team members, and asset consultants, to assess our investor service quality. The review includes a critical assessment of IFM's sustainable investing approach.

The ISQ survey provides our clients with an opportunity to share feedback across a broad range of areas, including 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 2026 ISQ survey delivered an overall satisfaction score of 8.4 out of 10, unchanged from FY25 and the second-highest result since the programme began in 2013.[92]



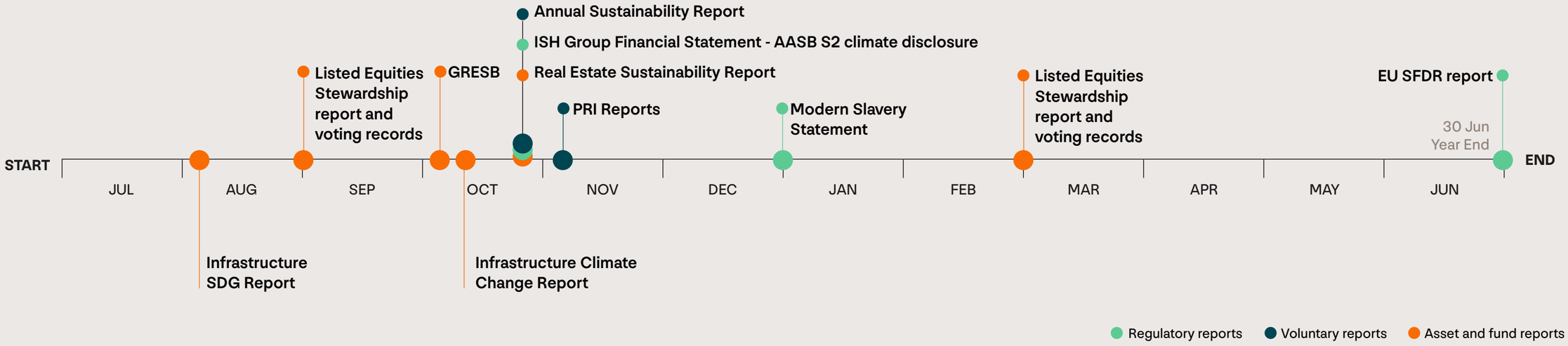
[92] In 2026, the online survey was simplified and most questions were made optional, while the interview programme was expanded across all regions. These methodology changes mean that comparisons with previous years should be cautiously interpreted.

Reporting

We believe transparent reporting on our sustainable investing approach, actions and outcomes is important for earning and maintaining the trust of our clients and other key stakeholders. We aim to ensure our reporting is fair, balanced and accessible through internal review processes, peer benchmarking, and stakeholder feedback.

Annual Sustainability Reporting Timeline 2026

Reporting year: 1 July – 30 June



Source: IFM Investors

IFM's sustainability reporting and disclosures

Annual reporting

Infrastructure SDG Report (distributed to our clients): Reports on how investments made by a Fund managed by IFM investments contribute to the UN Sustainable Development Goals.

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.[93]

GRESB:[94] In 2026 IFM again participated in the GRESB assessment process for our infrastructure portfolio. The results for all three products in our infrastructure equity portfolio were largely maintained. This included a management score of 29.3 out of 30 for two products and the third product achieving the maximum 5-star rating and full score of 99.7 out of 100. Our real estate portfolio achieved a 5-star rating for two funds, a 4-star rating for two funds, and a 2-star rating for one fund in the 2026 GRESB Real Estate Assessment.

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.

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.

ISH Group Financial Statement - AASB S2 climate disclosure: Provides climate-related disclosures in line with the Australian AASB S2 climate reporting standard, including climate-related risks, opportunities, governance, strategy and metrics.

Real Estate Sustainability Report (distributed to clients): Reports on the sustainability performance and outcomes of IFM's real estate portfolio.

PRI Reports: We report to the Principles for Responsible Investment and use the resulting Transparency and Assessment Reports to review our practices and benchmark our performance. These reports may also be shared with clients and other stakeholders, subject to PRI's publication guidelines.

Modern Slavery Statement: We publicly report on our processes and controls to prevent modern slavery within IFM operations, investment activities and third-party providers.[95]

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).[96]

Other Disclosures

Sustainable Investing Guidelines: Defines our sustainable investing approach.[97]

Net Zero Asset Managers Initiative: Following a strategic review, NZAM relaunched in February 2026 with an updated Commitment Statement. IFM remains a signatory and reports annually on its individual targets, implementation approach and progress via the NZAM survey.

National Greenhouse and Energy Reporting (NGER): Industry Super Holdings (ISH), the ultimate parent entity of IFM Investors, reports under the NGER Scheme for energy consumption and associated Scope 1 and 2 emissions for all operations over which it has operational control. This includes all properties owned and managed by the IFM real estate funds, as well as IFM's corporate offices within Australia.

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.[98]



[93] Engagement & Proxy Voting Reports | IFM Investors

[94] 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. IFM pays an annual subscription fee for access to certain data from GRESB but did not compensate GRESB to be considered for, or ultimately receive, the ratings.

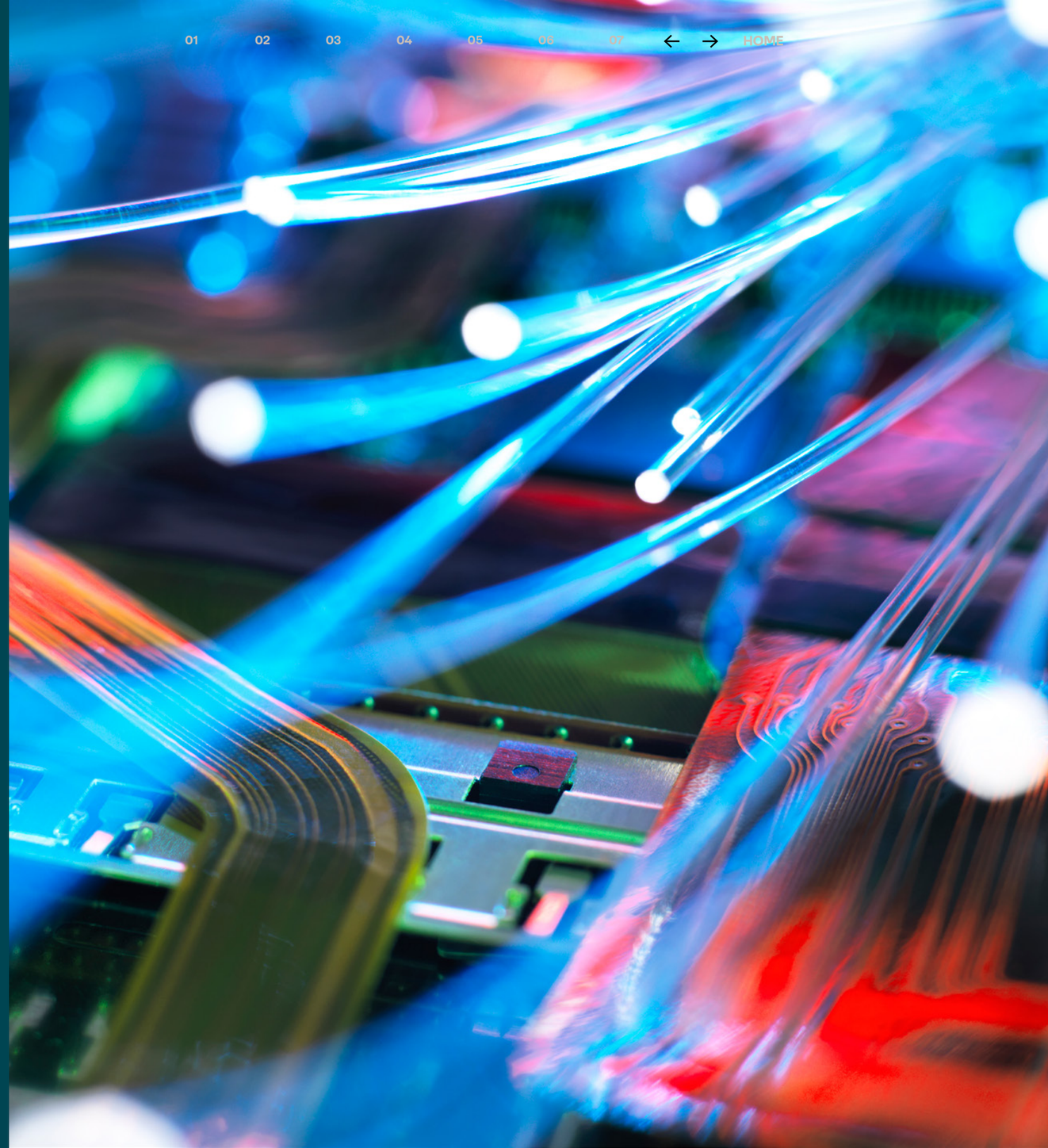
[95] Modern Slavery | IFM Investors

[96] This report includes certain information on the sustainability practices and track record of IFM at an organisational and investment team level, which may not necessarily be reflected in the portfolio or practices of a particular fund. Please refer to the offering documents of any fund prior to investment, for details on how, and the extent to which, the fund takes sustainability considerations into account on a binding or non-binding basis.

[97] Available on our website Governance and reporting | IFM Investors and as Appendix 2 to this report.

[98] Thought Leadership | IFM Investors

Appendices



Appendix 1: Mapping to the UK stewardship Code[99]

UK Stewardship Code 2026	Relevant sections of this report
POLICY AND CONTEXT DISCLOSURE A Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.	**Section 2: About IFM** – Our Purpose and sustainable business approach; Financial highlights
	Section 3: Sustainable investing – Our sustainable investing approach; Issue prioritisation; Investment time horizons
POLICY AND CONTEXT DISCLOSURE B Describe how your resources enable effective stewardship.	**Section 3: Sustainable investing** – Implementing our sustainable investing approach; Sustainable investing specialists; Asset-class approaches
	Section 6: Sustainability at IFM – Learning and development
	Section 7: Governance – Committees, roles and responsibilities; Sustainable investing capability and resourcing; External tools and resources
POLICY AND CONTEXT DISCLOSURE C Describe your stewardship policies and processes, and how you review them.	**Section 3: Sustainable investing** – Stewardship, engagement and voting; Engagement escalation; Proxy voting
	Section 7: Governance – Reviewing our policies and processes
POLICY AND CONTEXT DISCLOSURE D Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.	**Section 7: Governance** – Conflicts of interest
POLICY AND CONTEXT DISCLOSURE E Describe how you maintain a dialogue with clients and/or beneficiaries.	**Section 7: Governance** – Client reporting and engagement; Owners Council; Client forums, regular briefings and client meetings; Investor Service Quality survey; Reporting

UK Stewardship Code 2026	Relevant sections of this report
PRINCIPLE 1 – INTEGRATING STEWARDSHIP AND INVESTMENT Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.	**Section 3: Sustainable investing** – Our sustainable investing approach; Sustainable investing integration; Implementing our sustainable investing approach; Asset-class approaches and case studies
	Section 5: Climate change and advancing the transition
PRINCIPLE 2 – PROMOTING WELL-FUNCTIONING MARKETS Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.	**Section 4: Navigating market-wide risks** – Risk management; Industry and peer collaboration; Engaging with government bodies and policymakers
	Section 5: Climate change and advancing the transition – Climate risks and our commitment to emissions reduction
PRINCIPLE 3 – ENGAGEMENT Signatories engage to maintain or enhance the value of assets.	**Section 3: Sustainable investing** – Stewardship, engagement and voting; Engagement escalation; Asset-class engagement approaches and case studies
PRINCIPLE 4 – EXERCISING RIGHTS AND RESPONSIBILITIES Signatories actively exercise their rights and responsibilities.	**Section 3: Sustainable investing** – Infrastructure equity investments; Listed equities – Proxy voting, Proxy Voting and Engagement Committee, Voting process and Voting summary statistics; Debt investments; Real estate investments; Engagement escalation
PRINCIPLE 6 – MONITORING SERVICE PROVIDERS Signatories monitor and hold to account stewardship service providers.	**Section 3: Sustainable investing** – Listed equities – Voting process; Monitoring and assessing effectiveness
	Section 7: Governance – External tools and resources; Monitoring external advisers and service providers; Listed equities portfolio engagement and proxy voting services; Sustainability data providers

[99] Please note that Principle 5 has been omitted because it applies where a signatory delegates asset management to external managers. As IFM manages its investment portfolios internally and does not use external portfolio managers, this Principle is not applicable.

Appendix 2: IFM's Sustainable Investing Guidelines



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 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 classes[1] 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 guidance[4] 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 guidance[5]
- 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 though 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)
- 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 Peoples

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 Peoples in their countries of operation. Where we have the ability to do so, we will challenge companies' strategies relating to Indigenous Peoples 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.

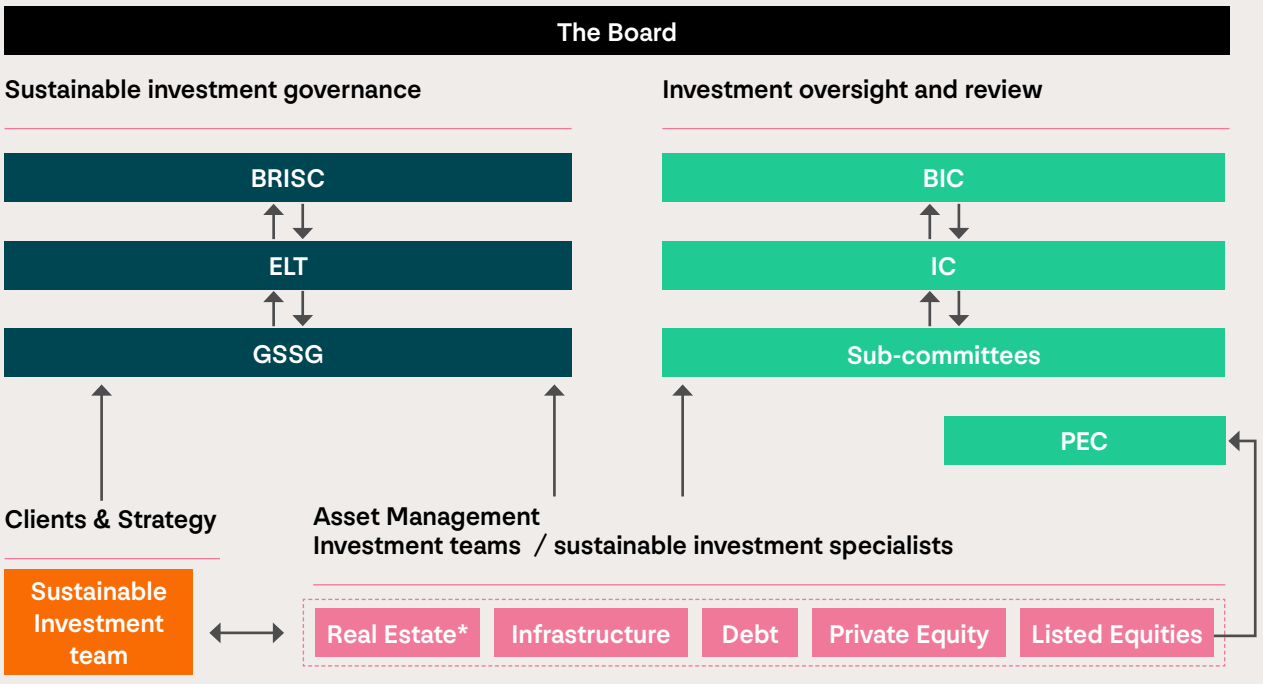
Roles and responsibilities

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

SI roles and responsibilities



*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 focusses 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 focussed 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.

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.

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 (CO2), nitrous oxide (N2O), methane (CH4) and ozone (O3) are the primary greenhouse gases in the Earth's atmosphere. Human-made GHGs include sulphur hexafluoride (SF6), hydrofluorocarbons (HFCs), chlorofluorocarbons (CFCs) and perfluorocarbons (PFCs); several of these are also O3-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 frameworks[7] 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

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 Guidelines[1] 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 Benchmark[4], 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, of 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 Peoples

IFM believes that Indigenous Peoples 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 Peoples.

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 Peoples 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 Peoples/ 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 objectives[5].

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 direction 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 gender[6]. 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.

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An infrastructure investment is subject to certain risks including but not limited to: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impractical; changes in environmental and planning laws and regulations, and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative economic developments that depress travel; uninsured casualties; force majeure acts, terrorist events, under insured or uninsurable losses; and other factors beyond reasonable control.

Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, interest rate, call and extension risk.

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IFM-23SEPTEMBER2025-4840164



Appendix 3: Operational Emissions

Scope	GHG Protocol categories reported for IFM operations	IFM Operations (tCO_2e)
Scope 1		0
Scope 2	Location basis	785
	Market basis	359
Scope 3	1. Purchased goods and services	5,400
	2. Capital goods	1,358
	3. Fuel- and energy-related activities (location-based)	72
	3. Fuel- and energy-related activities (market-based)	17
	5. Waste generated in operations	51
	6. Business travel	6,064
	7. Employee commuting	613
	8. Upstream leased assets (location-based)	596
	8. Upstream leased assets (market-based)	198
Total on a location basis		**14,939**
Total on a market basis		**14,061**

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.

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: Glossary

2030 infrastructure equity portfolio target	IFM's target to reduce Scope 1 and 2 financed GHG emissions, on an equity basis, for the Infrastructure Equity Portfolio by 2.25 $mtCO_2e$ from a restated 2019 baseline by 2030.
2050 target	IFM's target to reach net zero by 2050 for our own operations and asset classes (Scope 1 and 2 emissions). This target does not apply to client mandates.
asset classes	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). Private equity is referenced where relevant in this report but is not reported as a standalone asset class. 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.
carbon credits	transferable instruments that represent a verified reduction, removal or avoidance of greenhouse gas emissions, typically equal to one tonne of carbon dioxide equivalent (tCO_2e), and which may be purchased and retired as part of an emissions management approach.
climate solutions	for the purposes of this report, references to "climate solutions" should be read as activities, technologies or services that contribute to climate change mitigation, including through the reduction or avoidance of greenhouse gas (GHG) emissions, or help society adapt to the impacts of climate change.
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_2O), 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 O3-depleting.
IFM	"IFM", "IFM Group", "we" and "our" refer to IFM Investors Pty Ltd (see About us | IFM Investors) 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 equity/ debt investments/ listed equities/ real estate portfolios	refers to our investments across asset classes. See: Debt Investments | IFM Investors | Infrastructure | IFM Investors | Listed Equities | IFM Investors | Real Estate | IFM Investors.
lower-carbon fuels or energies	fuels with a lower lifecycle greenhouse gas emissions intensity than conventional fossil fuels such as diesel, petroleum and natural gas. These include renewable and alternative fuels such as sustainable aviation fuel (SAF), biodiesel, renewable natural gas and hydrogen, which can help reduce emissions in sectors where electrification may be difficult or uneconomic.
modern slavery	a violation of human rights involving the exploitation of individuals through coercion, threats, deception, violence or the abuse of power. It includes practices such as slavery, servitude, forced or compulsory labour, human trafficking, debt bondage, forced marriage, deceptive recruitment practices and child labour.
portfolio company / companies	refers to a public or private company in which an IFM managed or advised fund or mandate 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.
renewable natural gas (RNG)	RNG means pipeline-quality fuel produced by purifying biogas, typically derived from decomposing organic waste such as manure, food waste, and landfill sludge.
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 or acquired electricity, steam, heating or cooling consumed by an entity. Purchased or acquired energy is energy 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.[100]
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, contributing 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 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).
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 available to IFM in its capacity as a manager or adviser 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.
sustainable aviation fuel (SAF)	SAF is a renewable or waste-derived aviation fuel that meets applicable sustainability criteria and can be blended with conventional jet fuel for use in existing aircraft and fuelling infrastructure. Its lifecycle greenhouse gas emissions relative to conventional jet fuel vary depending on factors including the feedstock, production process, energy inputs and land-use impacts.
transitional fuels or energies	fuels such as natural gas and liquefied natural gas (LNG) that are used to support the transition from higher-emitting energy sources while lower-carbon alternatives continue to scale.

[100] Where the actual data on the energy 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).

Appendix 5: Important Disclosures and Disclaimers

Important Disclosures
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There can be no assurance that any historical trends or developments will continue. 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.

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This material 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 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 material 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 material 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 material, 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.

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