IFM Investors

SUSTAINABLE INVESTMENT

2026 Annual Sustainability Report Highlights

Reporting period:
1 July 2025 – 30 June 2026



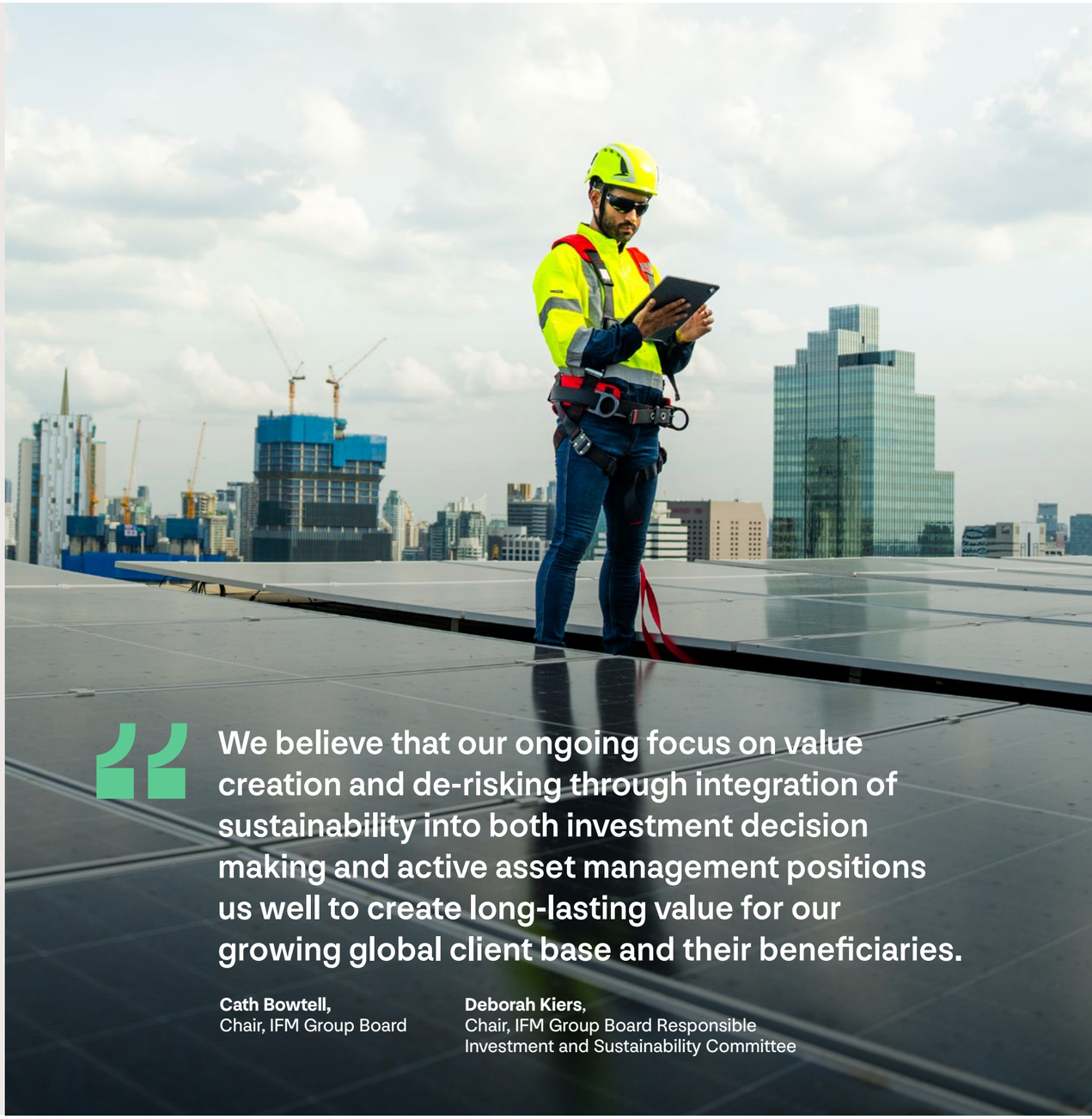
2026 Annual Sustainability Report Highlights[1]

IFM Investors is a global asset manager, founded and owned by pension funds, with capabilities in infrastructure equity and debt, private credit, listed equities, real estate and private equity.[2] Our purpose is to invest, protect and grow the long-term retirement savings of working people.

We believe long-term investment outcomes depend on healthy economic, environmental and social systems. As these systems continue to evolve, sustainability considerations remain an important part of IFM's investment approach, with implementation tailored to each asset class, investment strategy and degree of influence.

During FY26, IFM continued to progress from developing portfolio-level frameworks towards broader asset-level implementation. Across our portfolios, activities included strengthening transition planning, supporting emerging climate solutions, advancing asset-level resilience planning, and identifying and managing material social risks associated with our investments.

These highlights from our Annual Sustainability Report demonstrate how these themes are being applied across IFM's activities, with the aim of creating long-term value and managing risk.



> **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.**

Cath Bowtell,
Chair, IFM Group Board

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

[1] This document offers highlights of the ASR 2026 report. To read the full report, click here.
[2] During FY26, IFM continued the gradual wind-down of its Australian private equity portfolio, which represented approximately 0.5% of FUM at 30 June 2026. Private equity is referenced where relevant to historic activities and IFM's broader approach, but is not reported as a standalone asset class.

The year at a glance

160m+

(the number of working people whose retirement savings are managed by our clients and owners)

16

owners

We have 15 superannuation fund owners and one UK pension fund owner

880+

Institutional clients



18 offices

- IFM Head office
- IFM Office

Funds under management (USD)

FY25	166.9bn
FY26	201.7bn

+20.9%

Growth in global clients

FY25	786
FY26	883

+11.1%

Growth in staff numbers[3]

FY25	1,123[4]
FY26	1,160

+3.2%

Investor Satisfaction Questionnaire (ISQ)

FY23	8.4
FY24	8.5
FY25	8.4
FY26	8.4

Volunteering (Hours)

FY25	1,023
FY26	1,536

Giving[4]

$231,000 AUD

FY26

[3] Full time equivalent.
[4] Employees and IFM collectively donated through our global Workplace Giving [payroll giving] program

The importance of sustainability to institutional investors

Many institutional investors continue to support the energy transition, decarbonisation and sustainability more broadly. The depth of this sentiment was underlined by the findings of the Private Markets 700 report for 2026, conducted by IFM Investors and FT Longitude in May and June 2026.[5]

700 senior investment professionals from pension and superannuation funds, insurance firms, wealth managers and investment consultancies participated participated in the survey, which gained their views about several sustainability-affiliated factors:

Private Markets 700 Insights

Private Markets 700
The global investor barometer

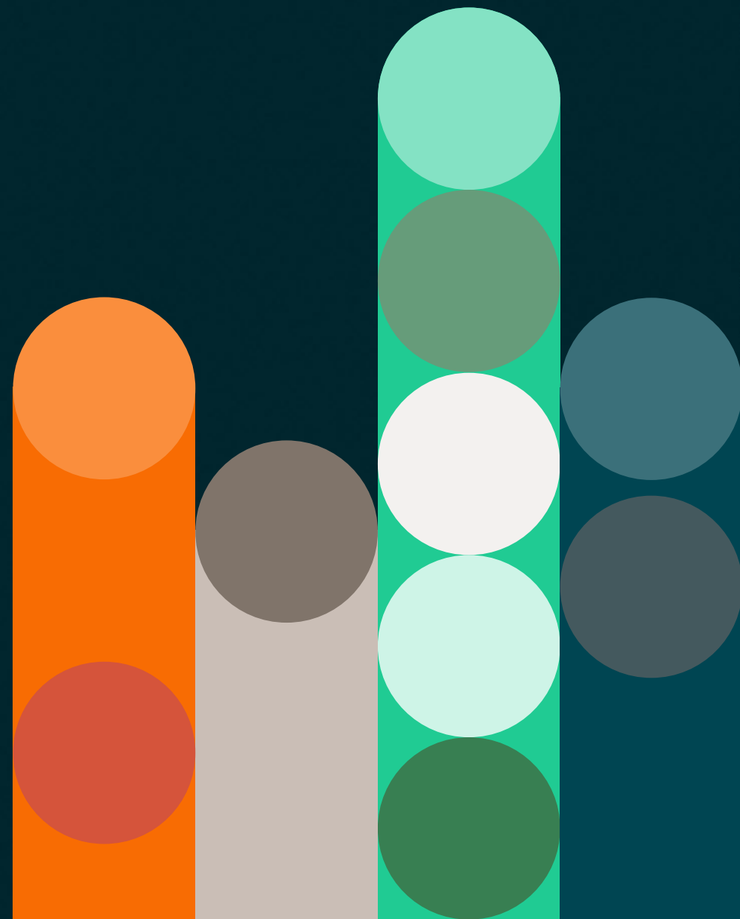
72%
of respondents agreed with the statement that the energy transition offers long-term private market investment opportunities.

Agreement was particularly strong with EMEA respondents (81%) but it was also notable in North America (65%) and Asia Pacific (68%).

69%
of respondents said that sustainability is key to private markets investing.

32%
of respondents identified the ‘climate imperative’ as one of the three megatrends that will have the strongest impact on their private market investments.

71%
of respondents said accessing long-term megatrends such as artificial intelligence, the energy transition and demographic change are essential to return objectives.



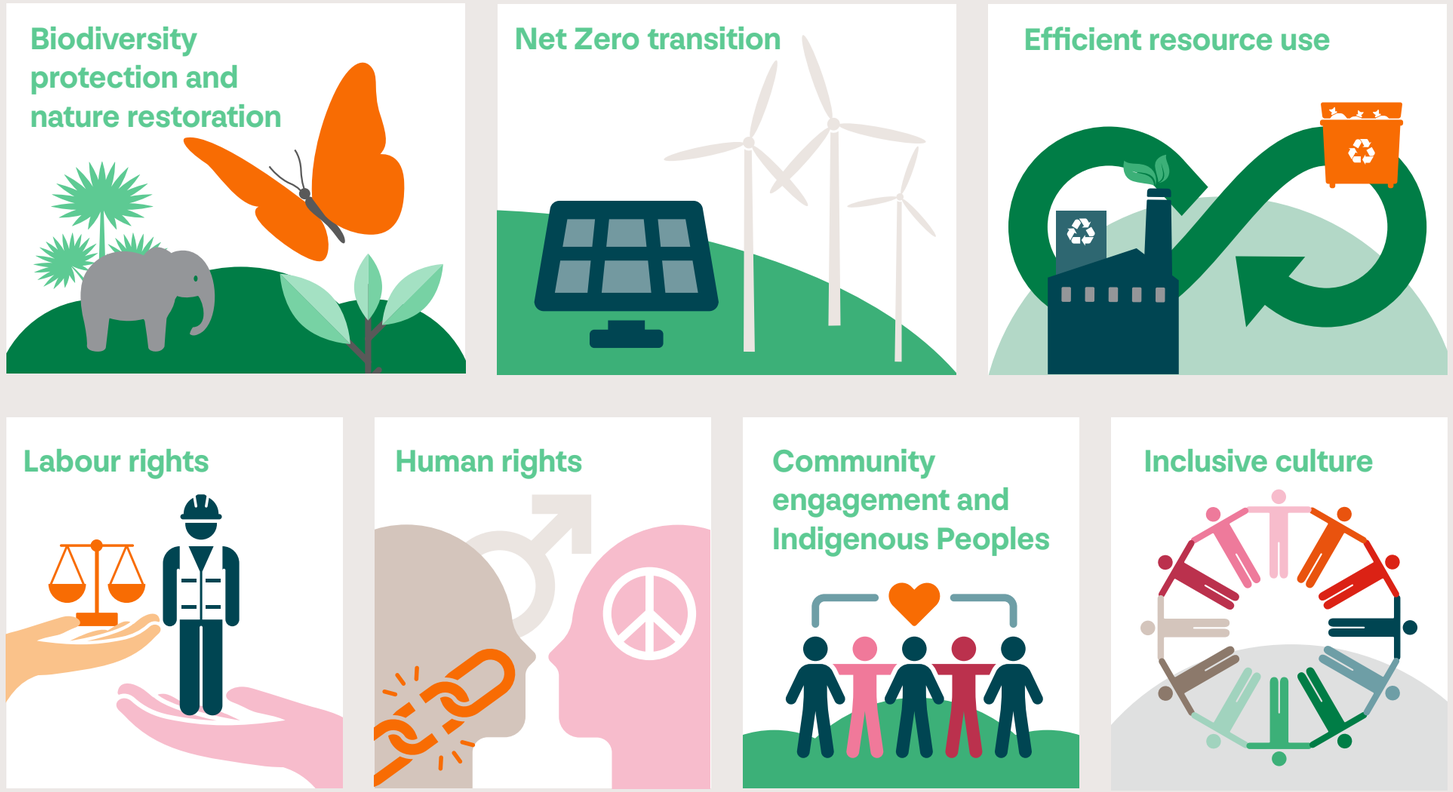
[5] Private Markets 2026 Trends | Private Markets 700 Research | IFM Investors

Our sustainable investing approach and team[6]

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

We organise our approach around seven sustainable investing focus themes, underpinned by the principles set out in IFM's Sustainable Investing Guidelines. We seek to apply these principles across asset classes where practicable, recognising that implementation varies depending on factors such as investment strategy, holding period, data availability and degree of influence.

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, clients and people, while responding to evolving regulatory requirements and the investment risks and opportunities arising from long-term global trends, including the transition to a lower-carbon economy.



The picture above is for illustration purposes only.

[6] 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 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[7] 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[8] experience (years)

As at 30 June 2026



[7] Refers to experience in the sustainability and/or financial services sectors.
[8] Refers to experience in the sustainability and/or financial services sectors.

Highlights for 2026

Progressing climate transition planning across portfolios

Expanded asset-level assessment and planning to identify and manage physical climate risks across Infrastructure Equity and Real Estate portfolios.

Infrastructure Equity increased the proportion of portfolio companies rated Established or Embedded under IFM's transition-planning framework from 41% when the framework was launched in 2023 to 69% in FY26.

Infrastructure Equity achieved 46% progress towards its updated Scope 1 and 2 financed-emissions reduction target[9], representing a reduction of 1.03mtCO_2e from the restated 2019 baseline.

Real Estate developed Net Zero Transition Plans covering 100% of owned and managed office and retail properties.

Listed Equities continued climate stewardship through engagement, voting and Climate Action 100+ participation, including engagement on climate strategy and board accountability.

Improving asset adaptation and resilience approaches

Across portfolios, IFM continued to strengthen approaches to managing physical climate risk, resilience and adaptation.

Infrastructure Equity enhanced climate-risk assessment methodologies through scenario analysis, asset-level reviews and revenue-stream analysis to support investment and asset-management decisions.

Infrastructure Equity completed a portfolio-wide nature and biodiversity assessment and developed guidance to support consideration of nature and biodiversity outcomes in capital planning.

Infrastructure Equity supported resilience investments including electricity-network resilience at Ausgrid and drought-resilient water infrastructure through Aqualia.

Real Estate completed a climate exposure and vulnerability assessment and prioritised 13 assets for detailed adaptation planning.

Investing in opportunities associated with economic transition

Launched two sustainability-focused Debt Investments strategies targeting opportunities across the energy transition, transport electrification, environmental management and climate technologies including an infrastructure-credit strategy targeting growth-stage infrastructure and climate-related investment opportunities seeded through a £200 million mandate from Nest.

Continued development of the proposed Brisbane Renewable Fuels facility with GrainCorp and Ampol, supporting the proposed development of domestic sustainable aviation fuel and renewable-diesel production capacity.

Infrastructure Equity supported investments in energy-transition infrastructure, including modernisation of district-heating networks and deployment of lower-emissions infrastructure.

Real Estate advanced electrification, renewable energy and building-performance initiatives to improve long-term asset efficiency and resilience.

Managing risks affecting workers and communities

Continued to develop approaches to identifying and managing material social risks, including labour rights, modern slavery, community impacts and cultural heritage, through asset-class-specific activities.

Infrastructure Equity introduced a social-risk framework supporting targeted engagement on labour rights, modern slavery, affordability, community impacts and cultural heritage.

Infrastructure Equity's five-year average lost-time injury frequency rate outperformed the applicable benchmark by 57%[10], supported by continued implementation of the Global Seaports Safety Charter.

Listed Equities used engagement and voting to address modern slavery, workplace safety, executive remuneration and board accountability.

During FY26, Real Estate achieved two CAF Gold Portfolio Ratings and IFM became the first Australian property owner to achieve CAF Portfolio Certification.

[9] Based on 2025 emissions data.
[10] Assessment of lost-time injury frequency rate was conducted during FY26, using the latest available data.

Infrastructure Equity

Infrastructure Equity activity during FY26 demonstrates how active asset management can support transition planning, physical resilience and the management of risks affecting workers and communities, across our portfolio. IFM continued to engage with portfolio companies on asset-level transition plans, decarbonisation pathways, safety governance, social risks and adaptation measures, reflecting the long-term and capital-intensive nature of infrastructure investment.

INFRASTRUCTURE EQUITY CASE STUDY

Investing in resilience and adaptation

Building resilience to physical climate risks across a critical electricity network serving more than four million people across Sydney, the Central Coast and the Hunter Valley.

Challenge addressed:

Increasing exposure to windstorms, extreme heat and bushfires could affect network reliability and resilience if not proactively managed.

Investor relevance:

Illustrates active ownership supporting climate adaptation planning, resilience investment and long-term asset performance.

Engagement journey:

1. Objective

Strengthen network resilience to physical climate risks and support reliable service delivery for customers and communities.

2. IFM engagement

Ongoing governance and asset management oversight supporting climate risk assessment, resilience planning and investment prioritiswation.

3. Key milestones

Climate risk assessment completed; dedicated climate resilience programme incorporated into the FY24-29 regulatory determination, including A$58 million of resilience and community investment.

4. Current status

Resilience initiatives are being implemented across the network, including network hardening, bushfire mitigation and community resilience measures.

5. Next step

Continue delivery of resilience investments and monitor effectiveness as climate risks evolve.

Outcomes:

Ausgrid is implementing investments designed to reduce outage impacts, strengthen network reliability, improve community preparedness and enhance the long-term resilience of a critical infrastructure asset. The program includes network-hardening, bushfire-mitigation and community-resilience measures. During a major storm event in January 2025, AusGrid reported 99% of affected customers had power restored within five days.



INFRASTRUCTURE EQUITY CASE STUDY

Nature-based solutions in transition planning

Considering nature-based solutions in infrastructure planning and resilience assessments. Nature-based solutions can help infrastructure assets manage physical climate risks, improve resilience and create long-term value alongside traditional engineering approaches.

Challenge addressed:

Nature-related risks and opportunities are often not systematically considered in transition planning, resilience assessments and capital allocation decisions.

Investor relevance:

Illustrates consideration of climate adaptation, resilience planning and long-term value creation through practical integration of nature-based solutions.

Engagement journey:

1. Objective

Support portfolio companies in identifying, assessing and implementing nature-based solutions that may enhance resilience and long-term asset performance.

2. IFM engagement

Convened a dedicated roundtable with 14 portfolio companies and developed guidance to support the integration of nature-based solutions into transition planning and capital expenditure decision-making.

3. Key milestones

Completed a portfolio-wide nature and biodiversity risk and opportunity assessment aligned with the TNFD LEAP framework and launched a portfolio-wide engagement programme on nature-based solutions.

4. Current status

IFM is incorporating nature considerations into resilience planning and developing practical guidance to support evaluation of nature-based solutions across the capital planning process.

5. Next step

Continue supporting portfolio companies and IFM-appointed directors to identify commercially appropriate opportunities to integrate nature-based solutions into asset planning and investment decisions.

Outcomes:

Approximately 45% of infrastructure assets were considering nature and biodiversity-related opportunities to varying degrees[11]. 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.

The full Annual Sustainability Report also includes additional case studies on portfolio decarbonisation, climate-risk assessment, labour rights, health and safety, community impacts, cultural heritage and modern slavery risk management.



[11] The portfolio-wide nature and biodiversity risk and opportunity assessment was conducted in 2025.

Debt Investments

Debt Investments focused on integrating sustainability considerations at the point where lenders generally have the greatest influence: before capital is deployed and financing terms are agreed. During FY26, this was complemented by new strategies intended to finance climate solutions and next-generation infrastructure.

INFRASTRUCTURE DEBT CASE STUDY

Scaling climate solutions[12]

Supporting the scale-up of climate technologies and next-generation infrastructure through flexible long-term capital. In 2026, IFM partnered with Nest, the UK's largest workplace pension scheme by membership, to over time, deploy £200 million into innovative infrastructure and industrial technologies.

Challenge addressed:

Growth-stage climate and infrastructure technology businesses often face a financing gap between venture capital and traditional project finance, limiting their ability to scale commercially.

Investor relevance:

Illustrates how private debt can support the growth of climate solutions,[13] energy security and economic resilience while seeking long-term risk-adjusted returns for investors.

Engagement journey:

1. Objective

Provide growth capital to businesses developing infrastructure and industrial technologies that support the transition to a lower-carbon economy.

2. IFM engagement

Partnered with Nest to launch and deploy capital, leveraging IFM's global infrastructure debt platform.

3. Key milestones

Secured a £200 million mandate from Nest, following its decision to become IFM's first international owner, and established the strategy's focus on growth-stage infrastructure-oriented businesses across developed markets.

4. Current status

The strategy is targeting lending opportunities in innovative infrastructure and industrial technologies that support energy security, supply chain resilience, decarbonisation and grid reliability.

5. Next step

Deploy capital into qualifying businesses and support the scaling of technologies that contribute to a more resilient and lower-carbon economy.

Outcomes:

The partnership enables long-term institutional capital to be deployed into climate solutions positioned to scale, helping bridge a key financing gap while supporting innovation, energy security and economic resilience. The strategy seeks to provide debt financing to qualifying growth-stage infrastructure and industrial-technology businesses while targeting long-term risk-adjusted returns.



[12,13] For the purposes of this case study, references to "climate solutions" refers to 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.

INFRASTRUCTURE DEBT CASE STUDY

Investing in zero-tailpipe emissions

Supporting the expansion of shared active transport infrastructure. The investment provides financing to a leading European bike-sharing operator, supporting expansion of the operator's shared cycling network across European cities.

Challenge addressed:

Cities face increasing pressure to reduce transport emissions and congestion while providing accessible and affordable mobility options.

Investor relevance:

Illustrates how infrastructure debt can support scalable transport solutions that contribute to urban mobility, emissions reduction and long-term infrastructure development.

Engagement journey:

1. Objective

Provide growth capital to support the expansion of shared cycling infrastructure and increase access to low-emissions transport options.

2. IFM engagement

Committed to providing financing through the Infrastructure Debt platform and agreed sustainability reporting requirements to monitor performance throughout the loan term.

3. Key milestones

Completed financing and established sustainability reporting and monitoring arrangements with the borrower.

4. Current status

Capital is supporting the continued growth of the operator's bike-sharing network and services across European cities.

5. Next step

Monitor sustainability performance and support the ongoing expansion of lower-emissions urban transport infrastructure.

Outcomes:

The financing supports the expansion of shared cycling infrastructure across European cities, helping scale accessible, lower-emissions transport options. The investment supports the expansion of shared cycling infrastructure, which has the potential to contribute to lower transport emissions.

The full Annual Sustainability Report also includes additional case studies on sustainability-focused investment strategies, energy-transition financing, environmental management infrastructure and sustainable financing approaches.



Listed Equities

Listed Equities used engagement and voting to address material issues affecting long-term shareholder value, with a particular focus on board accountability, workplace safety, modern slavery and climate-transition risk. The case studies demonstrate escalation from dialogue and voting through to monitoring company responses.

LISTED EQUITIES CASE STUDY

Climate Strategy and Board Accountability

Strengthening board accountability for climate strategy at a global energy company. Woodside Energy has significant exposure to climate-related risks and opportunities, making climate strategy and transition planning financially material considerations for long-term shareholders.



Challenge addressed:

Investor concerns regarding the credibility of Woodside's climate strategy, board accountability and the company's preparedness for a decarbonising global economy.



Investor relevance:

Illustrates how stewardship and escalation can be used to encourage stronger oversight of climate-related risks and improved long-term disclosure.



Engagement journey:

1. Objective

Encourage a more credible climate strategy, stronger board accountability and improved disclosure on transition risks and portfolio resilience.

2. IFM engagement

Long-standing engagement through voting, direct company engagement, correspondence with the board and participation in the Climate Action 100+ engagement process.

3. Key milestones

Successive votes against Woodside's climate-related resolutions; vote against Sustainability Committee directors at the 2026 AGM; direct engagement with the company regarding climate strategy and disclosure expectations.

4. Current status

IFM continues to engage with Woodside on portfolio resilience, emissions reduction pathways, operational emissions targets and board accountability for climate-related risks.

5. Next step

Monitor progress and continue advocating for improved disclosure, longer-term emissions targets and an annual shareholder vote on climate strategy.



Outcomes:

The engagement reinforced investor expectations for stronger climate governance and board accountability. Following investor feedback, Woodside indicated it would increase disclosure relating to portfolio resilience, with continued engagement focused on demonstrating progress against investor expectations.

The full Annual Sustainability Report also includes additional case studies on workplace safety stewardship, modern slavery risk management and supply chain due diligence, executive remuneration, board accountability and governance-focused engagement and voting.

Real Estate

Real Estate activity demonstrates how existing buildings and new developments can be repositioned for a changing climate and evolving occupier requirements. FY26 initiatives combined transition planning, adaptation, technological improvements, circular design, labour standards and engagement with First Nations communities.

REAL ESTATE CASE STUDY

Building an integrated solar façade at 100 St Georges Terrace

Integrating renewable energy generation into the redevelopment of an existing commercial building. During the redevelopment of 100 St Georges Terrace and the adjoining Enex precinct in Perth, IFM identified an opportunity to incorporate building-integrated solar technology as part of a broader asset transformation.

Challenge addressed:

Replace legacy façade materials while improving energy performance, reducing emissions and enhancing the long-term sustainability of the asset.

Investor relevance:

Illustrates how climate technologies can be incorporated into existing buildings to support operational efficiency, emissions reduction and long-term asset performance.

Engagement journey:

1. Objective

Incorporate renewable energy generation into the redevelopment while improving the building's sustainability and long-term performance.

2. IFM engagement

Integrated building-integrated photovoltaics into the redevelopment alongside upgrades to workplace facilities, public spaces and retail amenities.

3. Key milestones

Installed more than 200 solar panels across the building façade, delivering a 64kW façade-integrated solar system as part of the A$40 million redevelopment.

4. Current status

The redevelopment has been completed, repositioning 100 St Georges Terrace and Enex as Perth's first urban commercial village.

5. Next step

Monitor building performance and demonstrate how renewable energy technologies can be integrated into existing commercial buildings.

Outcomes:

One of Western Australia's largest façade-integrated solar installations was delivered at a comparable cost to a conventional replacement façade while generating renewable electricity for the building. The system is expected to reduce operational emissions by 6% annually, deliver annual outgoings savings of up to A$18,000 and reduce capital expenditure by approximately A$400,000 compared with the alternative considered in the business case.

The full Annual Sustainability Report also includes additional case studies on labour standards, First Nations engagement, asset regeneration, building electrification, circular economy initiatives, climate adaptation and resilience planning, and net zero transition planning.

Climate transition progress across portfolios and operations

Why do we consider decarbonisation in our investment approach?

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 pre-industrial levels reduces the risks and impacts of climate change.[14] One key 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.[15] 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.



IFM continued to work towards its target of net zero Scope 1 and Scope 2 emissions (market based) across its asset classes and corporate operations by 2050. The target does not apply to client mandates. Progress and the available implementation levers differ across asset classes, reflecting investment structures, portfolio composition, governance rights, client requirements and the availability of technological and policy solutions.

Infrastructure Equity: Achieved 46% progress towards its updated 2030 target to reduce Scope 1 and 2 financed emissions by 2.25mtCO_2e, representing a targeted 37% reduction against the restated 2019 baseline. Progress was supported by increased transition-plan maturity, expanded target coverage and continued portfolio decarbonisation initiatives.

Real Estate: Advanced delivery of its 2028 interim targets, including a reported 94% market-based reduction in Scope 1 and 2 emissions since 2020 , supported by asset-level Net Zero Transition Plans and renewable-energy procurement initiatives.

Debt Investments: Continued to embed climate considerations through investment selection and structuring activities, while expanding climate-focused investment strategies and developing financed-emissions measurement and reporting capabilities.

Listed Equities: Continued climate stewardship for Australian listed investments through engagement and voting on climate strategy, governance and disclosure, while providing transparent reporting of financed emissions and weighted average carbon intensity (WACI).

Corporate operations: Launched the FY27–FY29 Net Zero Operations Action Plan, focused on operational emissions reduction, supplier engagement and near-term action, including progress towards 50% supplier alignment by spend with net zero commitments by 30 June 2028.

Building on progress

The 2026 Annual Sustainability Report highlights how sustainable investing is embedded across IFM's investment activities, stewardship and reporting. Through a focus on resilient portfolios and disciplined management of sustainability-related risks and opportunities, we seek to deliver long-term value for our clients while continuing to strengthen our approach over time.

[14] The Paris Agreement | United Nations
[15] 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.

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Except as required by law, IFM Investors assumes no obligation to revise or update any forward-looking statements in this material, whether from new information, future events, conditions, or otherwise, after the date of this material.

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.

Important information regarding sustainability including climate change related statements
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.

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