

Australian Listed Equities Stewardship Report

July – December 2025



IFM Investors' Australian Listed Equities Stewardship Report provides an overview of the stewardship activities conducted on behalf of our Australian-based institutional investors who invest in our Listed Equities Funds and mandates.

We seek to engage with companies and exercise our proxy voting rights on material sustainability considerations where they support our aim to generate strong, long-term risk-adjusted returns. We believe that proactive company engagement and the exercise of voting rights are critical tools used to manage the investment risks and opportunities in our Australian listed equities portfolios. It is through these activities that we seek to build value in pursuit of our purpose, which is to invest, protect and grow the long-term retirement savings of working people.



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Glossary

IFM

“IFM Investors”, “IFM”, “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.

Stewardship

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

Sustainable investing¹

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.

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” differs 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.

¹ While IFM Investors seeks to integrate certain sustainability criteria into its investment process and firm operations, there is no guarantee that any investment or its operations will achieve its sustainability-related targets or, whether or not such targets are met, have a positive sustainability impact, either on particular sustainability related topics or as a whole. Additionally, adhering to a sustainability policy may result in missed opportunities, which may be difficult to predict due to the subjective and longer-term nature of some of these issues.



Aidan Puddy
Global Head of Listed Equities

A note from the Global Head of Listed Equities

I am pleased to report on IFM Investors' (IFM) stewardship activity in relation to IFM's Australian Listed Equities portfolio for the period 1 July to 31 December 2025. This report provides a summary of the stewardship activities we have undertaken on behalf of our clients and their members and beneficiaries, who include millions of hard-working Australians such as nurses, teachers, construction workers and hospitality staff.

In alignment with IFM's Sustainable Investing Guidelines, we engage with companies and exercise our proxy voting rights on material investment issues. IFM Investors is a member of the Australian Council of Superannuation Investors (ACSI) and we subscribe to their policies and voting advice.

We believe that proactive company engagement and voting are critical to the management of investment risks and opportunities. It is through these activities that we seek to build value in pursuit of our purpose, which is to invest, protect and grow the long-term retirement savings of working people.

If you have feedback on the contents of this report or IFM's approach to engagement and proxy voting, please email investorservices@ifminvestors.com.

² Not included in count of Votes Against Management.

Proxy Voting summary

Listed Equities voting activity 1 July 2025 – 31 December 2025

256

Number of company meetings

1520

Number of resolutions

1362

Voted With Board recommendation

153

Voted Against Board recommendation

5

Abstained

See table on page 5 for additional detail on 'Against' votes.

IFM abstained from voting on resolutions where we participated in placements.²



Summary of voting – proposal categories

Category	With Board recommendation	Against Board recommendation	Abstain
Audit / financials	35		
Board related (other) ³	50	11	
Capital management ⁴	65	8	3
Company statute changes	12	2	
Corporate activity ⁵	65		
Director elections	587	38	2
Director fees / grants	56	7	
Remuneration	470	80	
Say on climate ⁶	6		
Shareholder proposals - Environment	6	7	
Shareholder proposals - Governance	9		
Shareholder proposals - Social	1		
Total	1362	153	5

³ Relates to board spills, post-employment agreements, indemnification of directors, related party transactions.

⁴ Relates to stock issuance and share repurchase, etc.

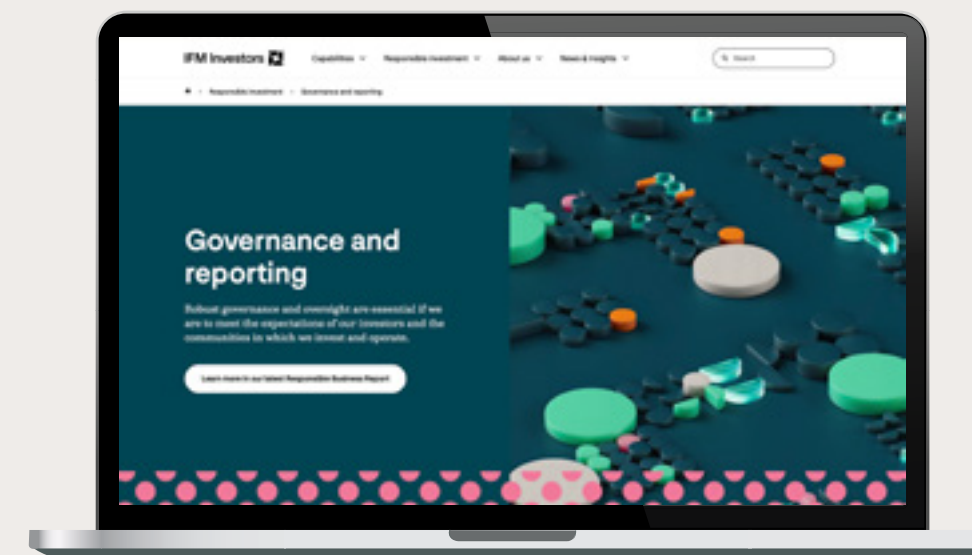
⁵ Relates to divestiture/spin offs, takeover provisions.

⁶ Non-binding vote on climate policy proposed by the company.

Learn more

IFM Listed Equities Proxy Voting Guidelines are available in our Sustainable Investing Guidelines, which is available on our website [here](#).

IFM Investors' searchable record of voting activity is available on our website [here](#).





Rena Pulido
Head of Sustainable Investment, Australia

Summary of activity

During the period we engaged with Australian listed companies in a variety of forums. This included one-on-one meetings with management, collaborative engagements alongside superannuation fund representatives who are members of ACSI and together with other IFM owners via our membership of various investor-led initiatives.

Key highlights from the reporting period include:

- Leveraging our size and shareholder influence to help drive improved corporate governance in accordance with our Listed Equities Proxy Voting Guidelines by voting on 1520 resolutions. We voted against board recommendations in approximately 10.1% of cases.
- At ASX-listed James Hardie (JHX), we voted against the re-election of the Chair and certain directors, and against the remuneration report, CEO equity grant, and director fee increases, to hold the board accountable for governance failures, lack of shareholder input on a major acquisition, and misaligned executive pay.
- Supporting shareholder proposals at two major Australian banks calling for disclosure of their lending exposure to companies involved in deforestation and strategies to eliminate financed deforestation.
- Supporting shareholder proposals at two major Australian banks regarding client transition plans. Voted on six 'Say on climate' proposals
- Voted against the remuneration report and against the re-election of the Chair of the Sustainability Committee at Cleanaway Waste Management due to the company's poor safety record.
- In July, IFM launched the white paper, *Addressing Modern Slavery in Investment Portfolios*, to shine a light on the persistent and deeply embedded issue of modern slavery within the global economy and, by extension, within the portfolios of institutional investors, including within listed equities holdings.
- Participated in the ASX consultation on proposed changes to shareholder approval requirements for dilutive acquisitions and changes in admission status.

Key stewardship activities for Australian listed equities during the period are summarised in the following pages.

Nature and Biodiversity Shareholder resolutions

With investor attention increasingly turning toward nature and biodiversity, several shareholder resolutions this year highlighted rising expectations for Australian companies to manage and disclose nature-related impacts and dependencies, which refer to the ways a company affects nature through its operations and value chain (impacts), and how it relies on nature to generate revenue or manage costs (dependencies).

Supermarkets

This year saw a continuation of shareholder activism on biodiversity and nature-related issues at Australia’s major supermarkets Coles (COL) and Woolworths (WOW), with resolutions once again coordinated by Sustainable Investment Exchange (SIX). Ahead of the AGMs we met with the proponents to discuss their current campaigns for each supermarket, gaining a better understanding of the specific supply chain risks they are seeking to highlight and the reasons they consider additional disclosure necessary.

At Woolworths, shareholders considered a series of resolutions addressing biodiversity, sustainable seafood sourcing, and deforestation. One of these called for improved reporting on the impacts of farmed seafood procured for Own Brand products on endangered species, following a similar proposal last year that received over 30% shareholder support. Woolworths maintained that its existing standards and recent risk assessments were sufficient and committed only to enhanced disclosure in future sustainability reporting. IFM supported this resolution, believing that investors would benefit from more transparent disclosure and greater engagement with suppliers, as clearer information on biodiversity and sourcing risks

will help investors assess operational, regulatory and reputational risks. This year’s resolution saw even more shareholders support the resolution, with 34% of investors voting in favour, signalling the importance of this issue and in our view reinforcing the growing expectation that companies such as Woolworths demonstrate genuine oversight of nature-related risks.

In addition, shareholder resolutions were put forward seeking alignment of Woolworths’ seafood sourcing policy with global best practice, the inclusion of beef as a high-risk deforestation-linked commodity under the company’s No Deforestation commitment, and the removal of the Programme of the Endorsement of Forest Certification from its pulp, paper, and timber policy. On each of these, the board argued that Woolworths’ current policies, due diligence processes, and ongoing stakeholder engagement were adequate, and recommended voting against the proposals. IFM’s assessment generally aligned with this view, recognising the company’s progress in strengthening its approach to sustainable sourcing and deforestation risk, including its 2025 risk assessment of all Own Brand seafood species, the establishment of a No Deforestation goal that explicitly covers fresh beef alongside supplier guidance and supply-chain analysis, and enhanced due-diligence and chain of custody requirements for pulp, paper, and timber suppliers. Given these existing commitments and the company’s willingness to review and strengthen its approach as standards and regulations evolve, we didn’t consider that the additional measures requested by these resolutions were warranted at this time.

The same resolutions at Woolworths were lodged at Coles regarding its nature-related disclosure and seafood sourcing policy. The resolution regarding nature-related disclosure was withdrawn as SIX and its co-filers made an assessment that the level of disclosure

in the 2025 Coles Sustainability Report met the ask of the resolution. The second resolution sought alignment of Coles seafood sourcing policy with global best practice, such as the Conservation Alliance for Seafood Solutions (CASS) guidance, and enhanced reporting in its 2026 Sustainability Report. In response, Coles noted it had commenced reviewing its due diligence processes, will consider global frameworks such as CASS in FY26 noting existing alignment with several CASS principles and has already committed to greater transparency and ongoing disclosure. The board argued that these actions already address the resolution’s intent and recommended voting against it. We agreed, recognising Coles’ progress and responsiveness, and did not support the resolution, as further adoption of CASS was not seen to deliver additional material benefits. The resolution received 12.5% support at the AGM.

Banks

Shareholder resolutions at Australia’s major banks this year reflected what we believe is a growing concern about the financial sector’s exposure to deforestation risk. At both National Australian Bank (NAB) and ANZ Group Holdings (ANZ), the proponents of shareholder resolutions called for enhanced disclosure of financed deforestation and the development of credible strategies to eliminate such exposure, referencing global frameworks such as the Accountability Framework Initiative and the Taskforce on Nature-related Financial Disclosures (TNFD). Proponents highlighted Australia’s status as a global deforestation hotspot and the material risks posed by bank lending to sectors linked to land clearing.

Both NAB and ANZ acknowledged the significance of nature-related and deforestation-related risks and described steps they are taking to strengthen due diligence, monitoring, and customer engagement. For example, NAB highlighted the use of geospatial mapping trials, updates to land valuation processes,





and the development of green finance products for agribusiness customers. ANZ outlined its application of geospatial tools within due diligence, its Social & Environmental Risk Policy, and ongoing enhancements to disclosure and stakeholder engagement.

Both banks noted that isolating and quantifying portfolio-wide deforestation exposure remains complex due to data limitations and the diverse nature of customer activities. Each committed to ongoing improvements in nature-related risk management and future disclosures, with further enhancements expected in upcoming reporting cycles.

However, IFM supported these resolutions, as we believe there is a need for greater transparency and a proactive, portfolio-wide approach to managing deforestation risk by Australian companies such as NAB and ANZ. We believe that enhanced disclosure and a clear strategy are reasonable expectations for major lenders with significant exposure to agribusiness. Approximately 14% of NAB and 23% of ANZ shareholders supported these resolutions.

Overall, we believe the lodging of these shareholder resolutions demonstrates the increasing investor focus on biodiversity, nature, and deforestation as material issues for Australian financial institutions. Even where resolutions are not passed, they serve as important signals to boards and management of the need for ongoing improvement in transparency, risk mitigation, and alignment with global best practice.

Given growing investor interest in biodiversity and nature, and the increasing levels of shareholder support for recent resolutions on these issues, we expect to see more of these proposals in future years.

Say on climate

Climate strategies have been at the forefront of this year's AGM season, with a number of Australian companies putting their climate strategies to a shareholder vote.

Major Australian energy generators and retailers continue to update and expand their decarbonisation plans, introducing more explicit emissions reduction targets, longer term pathways and broader coverage of Scope 1, 2 and 3 emissions. At AGL Energy (AGL), IFM supported the enhanced commitments to a FY2035 coal exit, net zero operational emissions shortly thereafter, and deeper Scope 3 reduction ambitions, underpinned by expanded renewable and storage targets, improved transparency, and integration of climate metrics into executive remuneration. We wrote to the board post AGM to encourage the company to provide further clarity on firming investments and near-term Scope 3 milestones.

Similarly, at Origin Energy's (ORG) AGM, IFM voted in favour of a plan anchored by the scheduled closure of Eraring Power Station by 2029, a 40% reduction in emissions intensity and 20 million tonnes absolute reduction by 2030, and net zero Scope 1, 2, and 3 emissions by 2050. Origin's strategy is underpinned by noticeable investment in renewables and storage, expansion of virtual power plants, and a comprehensive just transition programme for affected workers and communities. IFM recognised the plan's credible pathway and robust governance, although we would like to see further detail on Scope 3 milestones and interim targets.

Gas pipeline owner and operator APA Group (APA) presented its second climate transition plan, reaffirming its 2030 targets for gas infrastructure and methane

emissions, and introducing new Scope 3 goals for supplier engagement and non-operated assets. IFM supported the plan's comprehensive approach, which included enhanced methane measurement, scenario analysis, and capital allocation alignment. IFM wrote to the board post-AGM to encourage the company to further clarify its pathway to power generation decarbonisation and improve just transition disclosures.

South32 (S32) expanded its net zero commitment to include Scope 3 emissions, reaffirmed its 50% reduction target for Scope 1 and 2 by FY35, and set new objectives for supplier and customer engagement. IFM supported the plan, noting tangible progress through coal divestment and increased focus on transition minerals, as well as robust scenario analysis and adaptation strategies. Looking ahead, IFM will encourage South32 to enhance project-level climate investment disclosures and reporting on supply chain engagement.

At Dyno Nobel (DNL), IFM supported its climate transition progress report featuring measurable operational emissions targets, alongside new Scope 3 targets, scenario analysis and a capital allocation framework for sustainability investments. Sims Ltd (SGM) similarly demonstrated suitable progress, having exceeded its 2025 Scope 1 and 2 reduction target and achieved 100% renewable electricity globally, underpinned by robust governance and circular economy innovation.

Across the ASX300, IFM supported all 'Say on climate' resolutions offered during this AGM season, being AGL, Origin, APA, South32, Dyno Nobel and Sims Ltd, reflecting our confidence in the ability of these companies to deliver against their announced transition plans.

Climate Shareholder resolutions - Banks

In addition to company-led ‘Say on climate’ votes, this AGM in Australia season saw a continuation of climate-focused shareholder resolutions at the major Australian banks ANZ and Westpac (WBC), centring around customer transition plan assessments and Paris-alignment. We met with the proponents Market Forces and Australian Ethical to discuss the shareholder resolutions ahead of these AGMs, where representatives emphasised their belief that strong transition planning and transparent disclosure were critical for banks to manage climate-related financial risks and uphold Paris-aligned commitments.

At Westpac, the proponents called for clear assurance that its customer transition plan ratings genuinely reflect Paris Agreement alignment, and that new or renewed finance is only provided to fossil fuel customers with credible transition plans. This followed changes in Westpac’s policy, which shifted from a strict 1.5°C pathway to a more flexible “well below 2°C” standard and relaxed requirements for Scope 3 emissions. IFM supported the resolution, which received 13.8% support from shareholders, as we believed the asks are reasonable, prudent, and aligned with both Australian market best practice and shareholder interests. In the lead up to the AGM, we engaged with Westpac several times, with discussions focusing on climate strategy, customer transition plans, business performance, and

governance. These engagements provided insight into Westpac’s strategic priorities including its broader transition planning approach, cultural and operational transformation, and the board’s oversight of evolving sustainability and risk considerations.

Similarly, at ANZ, the proponents sought enhanced disclosure and verification of customer transition plans, with a focus on ensuring that lending decisions are truly consistent with the Paris Agreement. IFM voted in favour of the resolution as, while ANZ has committed to net zero financed emissions by 2050 and set interim reduction targets across eight sectors, we believe there remain areas for improvement. Notably, ANZ does not require Paris-aligned transition plans or Scope 3 emissions targets for all clients in certain emissions-intensive sectors, nor does it extend these requirements to clients receiving capital markets services. In addition, ANZ’s disclosures lack clarity on how transition plan assessments influence financing decisions. Addressing these shortcomings represents sound risk management which we believe will strengthen the credibility of ANZ’s climate commitments. We engaged with ANZ in late November ahead of the AGM, where discussions centred on cultural transformation, board renewal, accountability, and the bank’s approach to risk and governance.

These resolutions reflect a broader expectation that Australian banks implement robust, transparent processes to ensure their lending activities support genuine Paris aligned climate action.



Spotlight on James Hardie

The James Hardie AGM in October 2025 was a watershed moment for governance and shareholder rights in Australia, setting a precedent for accountability and board renewal in the ASX100. The catalyst was the company's ~US\$8.75bn acquisition of AZEK in the US, which was executed without a shareholder vote due to the company applying for, and receiving, an ASX waiver. This involved issuing ~35% new equity and fundamentally altering the business, triggering widespread investor concern evidenced by a sharp share price decline following the announcement.

At the AGM, IFM voted against the re-election of the Chair and several directors who had overseen the acquisition and its aftermath. The outcome was decisive: Chair Anne Lloyd was voted off the board with 67% of shareholders voting against, while directors Peter John Davis and Rada Rodriguez were also removed from the board, receiving approximately 53% and 60% against votes respectively. Two directors from the acquired business, Gary Hendrickson and Howard Heckes, narrowly retained their positions, with 41% and 44% against votes. The newly appointed director and former CEO of AZEK, Jesse Singh, was comfortably elected with 98% support. We supported his election recognising the need for relevant expertise as the company integrates its new operations.

This positive investor action regarding voting against these director elections followed a period of pronounced investor dissatisfaction, driven not only by the acquisition but also by a sharp profit downgrade announced on 20 August 2025. James Hardie reported a 60% fall in quarterly net profit, a 9% drop in revenue, and a 24% cut to full-year EBITDA guidance, citing weaker North American demand and broader macroeconomic headwinds.⁷

IFM also voted against the remuneration report, which received a 66% against vote and delivered a first strike for the company. Our voting decision reflected concerns about misalignment between executive pay and shareholder outcomes, as incentive payouts remained high despite the 12-month total shareholder return (TSR) performance across FY2025 of -37.5%. The CEO's equity grant was similarly opposed, with 51% against, and we voted against this resolution on the basis that the revised targets did not adequately reflect the risks and challenges facing the business post-acquisition. Additionally, IFM did not support the proposed increase in the non-executive director fee pool, which was voted down with 58% against, given the lack of clear justification and what we judged was already high fee levels.

Notably, the events at James Hardie have had broader market implications, prompting a review of ASX listing rules, which is considering if substantial equity issuances as part of takeovers will require shareholder approval in future. The AGM also catalysed shareholder resolutions at other Australian listed companies such as Orora (ORA) and Sims Ltd (SGM), seeking to prevent similar situations and reinforce the principle of shareholder consent for major equity financed transactions.

We believe the James Hardie AGM outcome sends a clear message to boards across the Australian market about the importance of accountability and the need for alignment between company and shareholders. IFM will continue to monitor the company's response and advocate for further improvements in governance standards, both at James Hardie and across the ASX300.

⁷ James Hardie Reports First Quarter FY26 Results; Issues FY26 Guidance Reflecting Closing of AZEK Acquisition:: James Hardie Industries plc (JHX)



ASX Listing Rules Consultation

The ASX initiated a public consultation on proposed changes to shareholder approval requirements for dilutive acquisitions and changes in admission status. This process was prompted by investor concerns raised following the James Hardie–AZEK transaction, where a noticeable equity issuance to finance a corporate acquisition occurred without shareholder approval, exposing shortcomings in the existing ASX Listing Rules and prompting widespread investor advocacy.

The consultation seeks to address these shortcomings by proposing several key reforms. Notably, the ASX is suggesting lowering the threshold for share issues in scrip-based mergers to 25% of existing ordinary shares on issue for ASX300 companies, bringing Australian standards in line with major international markets. Additional proposals include requiring shareholder approval for companies seeking to change to ASX Foreign Exempt Listing status, for dual-listed companies wishing to delist from the ASX, and potentially for changes to the nature or scale of a company's activities, even where no new shares are issued.

IFM Investors welcomes the ASX's review as an important step in strengthening shareholder protections and maintaining market integrity. We believe robust governance standards are essential to sustaining trust and confidence in the Australian market. We provided a response to the consultation which was guided by two principles: proportionality and investor protection.

We support requiring shareholder approval for governance shifts such as changes in admission category, voluntary delisting, and equity issuance, as these decisions materially affect investor rights, liquidity, and confidence in the ASX. Given the significance of these changes, we believe a special resolution requiring 75% shareholder support is the most suitable mechanism.

On equity issuance, we recommended removing exemptions under Listing Rule 7.2 and introducing clear, proportionate caps on the amount of new equity that can be issued without shareholder approval of 25% of shares on issue for companies inside the ASX300 and 50% for companies outside the ASX300.

This tiered approach is intended to balance capital-raising flexibility for companies with appropriate safeguards against excessive shareholder dilution.

If implemented, our suggestions would reinforce market integrity, protect investor rights, and sustain confidence in Australia's capital markets. The ASX will review feedback and publish a response in the first half of 2026. Any rule changes are not expected to be implemented until the second half of 2026.

Governance and corporate culture

Governance issues were a recurring theme at ASX-listed companies during the period, with Mineral Resources and Wisetech Global standing out as high profile controversies that first came to light last year which remained a key focus for IFM over the course of 2025.

At Mineral Resources (MIN), serious governance failures emerged which in IFM's view highlighted poor board oversight, inadequate disclosure, and weak internal controls at the highest levels of the organisation. In July, we met directly with the company during which the new Chair acknowledged these shortcomings and outlined steps being taken to refresh board composition, strengthen financial and governance expertise, and improve internal processes. While the board announced financial penalties and cultural reviews, we remained concerned that consequences for senior executives were insufficient, particularly as long-term and short-term incentive grants continued to vest without meaningful downwards discretion. In response, we voted against the remuneration report which received 13.6% vote against and opposed resolutions to grant securities to the Chair, which had an intrinsic value of approximately \$15m, and to the Managing Director, which was valued at over \$6m. We believe these grants were excessive and unjustifiable. These resolutions received 17.4% and 12.5% vote against, respectively. We also wrote to the board outlining our expectations for improved governance and accountability.

Wisetech Global (WTC) faced heightened scrutiny over governance and cultural issues, with IFM having concerns about board independence, succession planning, and concentrated decision-making power. For us, these challenges were compounded by discretionary remuneration practices, notably the board's decision to allow executives to 'retest' missed FY2025 equity incentives in FY2026; an approach we viewed as undermining accountability and the integrity of the incentive structure. In response, we voted against the remuneration report, alongside 49.5% of shareholders. IFM also opposed the re-election of long-serving director Maree Isaacs, whose continued presence raised questions about board renewal and independence. We questioned why Maree Isaacs is on the board while the new CEO is not. Maree Isaacs re-election received 21.7% vote against. We wrote to the board post-AGM to reiterate our expectations for stronger governance, our expectation of the new CEO's position on the board, and improved transparency on related-party transactions.

These cases highlight the need for boards to set the tone from the top, embedding a culture of transparency, independence, and responsibility to safeguard long-term value and investor trust.

Remuneration

This AGM season 29 companies received a strike (defined as when 25% or more of shareholders vote against a listed company's remuneration report), taking the total 2025 tally to 33, slightly down from the past two-year record highs, as per the chart from ACSI below.

Remuneration outcomes have remained a central focus of IFM's Australian listed equities stewardship activities during this period, with several high-profile remuneration report strikes and dissatisfaction on remuneration structures and incentive grants. The large number of remuneration report strikes indicates to us that shareholders have continued to voice concerns about remuneration outcomes that are perceived as overly generous or insufficiently reflective of company performance and specific incidents.

As stated in the Listed Equities Proxy Voting Guidelines, 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 supporting long-term shareholder value.

Several companies received significant strikes over in the period, including NRW Holdings (NWH). The company received a record eighth consecutive strike, with over 73% of shareholders voting against both the remuneration report and the CEO's long-term incentive grant. IFM voted against both proposals. This reflected our ongoing concerns about the board's decision to further uplift the CEO's remuneration package, limited accountability for a recent fatality, and persistent financial impairments.

In many cases, significant votes against remuneration reports were accompanied by notable votes against director re-elections, demonstrating that investors are escalating their concerns beyond non-binding votes and seeking accountability at the board level, which was the case at NRW Holdings. The Chair Michael Arnett and director Jeff Dowling who are both long-serving directors and have been members of the Remuneration Committee every year that NRW Holdings has received a strike, received 48.6% vote against and 41.6% vote against their re-election, respectively. IFM voted against both directors.

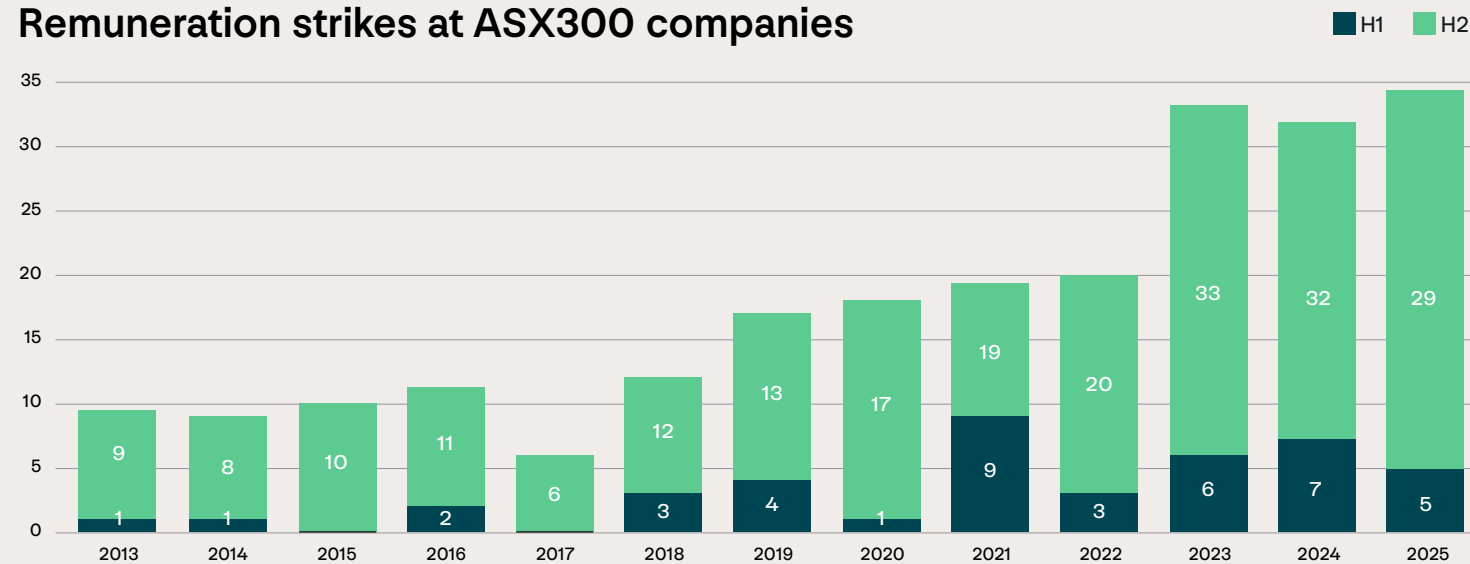
Clinuvel Pharmaceuticals (CUV) also faced a third consecutive strike, with nearly 63% of shareholders voting against the remuneration report. The CEO's pay package exceeded \$5.2m in a year when the share price declined by around 32%, and retention agreements meant the CEO was set to receive over \$8m across two years regardless of performance. IFM voted against the remuneration report reflecting our view that executive pay must be clearly linked to performance and shareholder value.

We also recognise and support companies that have constructively responded to investor feedback on remuneration. Following the 2024 AGM, we wrote to Worley Ltd (WOR) expressing our concerns regarding the long-term incentive (LTI) performance hurdles, particularly that the earnings per share (EPS) growth targets were not sufficiently demanding given the company's recent performance and stated growth ambitions. In response to this feedback, WOR increased the EPS growth hurdle for the LTI which we believed were more appropriately challenging. As a result, we found the LTI grant to the CEO supportable at the 2025 AGM and are pleased to see the company respond to investor feedback.

Similarly, we wrote to Superloop Ltd (SLC) after the 2024 AGM, highlighting our preference for more robust deferral of short-term incentives, removal of cliff vesting for relative TSR, and more challenging EPS hurdles. Subsequently, following receipt of our letter, the company requested a meeting with us to discuss potential remuneration changes. Pleasingly, the company introduced a 20% short-term incentive (STI) deferral into equity with a 12-month holding period, replaced cliff vesting with a vesting range, and increased the EPS growth hurdle from 10-12% to 10-15% over three years. In our view, these enhancements improved the alignment of pay with performance, which made the remuneration arrangements supportable at the 2025 AGM. The remuneration report received 98.9% support at the 2025 AGM.

We hope companies will reflect on these voting outcomes and take meaningful steps to improve remuneration practices, ensuring that executive pay is transparent, performance-based, and designed to support long-term shareholder interests.

Remuneration strikes at ASX300 companies



Source: ACSI, January 2026

Director elections

Director elections have continued to be a focal point for ASX investor scrutiny over the past six months, with several recurring themes underpinning voting decisions. As discussed above, accountability for remuneration outcomes remains a key theme, particularly where directors have overseen practices involving persistently high incentive payments, insufficiently challenging performance hurdles, or pay increases, especially one-off bonuses, that in our view are not clearly justified.

Governance standards and board composition have also featured prominently in our voting. We have concern where there has been insufficient board refreshment, lack of independence, or slow progress regarding succession planning. For example, at Premier Investments (PMV) we voted against the re-election of all directors standing for re-election due to the board not being majority independent and concerns regarding the classification of directors' independence after extended service. In line with our Listed Equities Proxy Voting Guidelines, we believe that a refreshed and more independent board enables robust governance and effective oversight.

We also seek to hold directors accountable for what we perceive are failures in risk management, regulatory compliance, or operational performance, particularly where these have resulted in adverse outcomes for the

company and its shareholders. In such cases, voting against a director re-election serves as a mechanism to drive improved board effectiveness and better ensure directors are responsive to material risks. For example, following governance failures and operational challenges at Nuix Ltd (NXL), we wrote to the company post the 2024 AGM outlining our expectations for improved accountability and transparency at board level. At the 2025 AGM, given the abrupt CEO departure, ongoing regulatory scrutiny, and a decline in shareholder value, we believed continued board accountability and renewal were essential, voting against a director who has been present through all major governance and performance issues since the IPO.

Conversely, at Super Retail Group (SUL), we evaluated the need for director accountability alongside the stability of the board. Recent governance failures including the abrupt termination of the CEO following what the board described as 'new information'⁸ relating to his relationship with a senior executive and subsequent whistleblower complaints, highlighted the importance of board oversight and accountability. Ahead of the AGM, we engaged with the company, where the Chair acknowledged the board had been blindsided by events and emphasised the need for closer oversight and alignment with the management team. With the sudden departure of the CEO and with the Chair standing for re-election, continuity and leadership during a period of transition and ongoing litigation were consideration of ours, and we determined that

supporting her re-election would best serve the company's interests at this pivotal time. The Chair retained her position with ~75% shareholder support.

The workloads of directors has also emerged as a key theme in our voting decisions over the period. As per our Listed Equities Proxy Voting Guidelines, we have generally opposed the election or re-election of directors who hold what we deem to be an excessive number of board positions, as this can compromise their ability to effectively discharge their duties. For example, at Virgin Australia (VGN), we voted against the election of the Chair, Peter Warne, on the basis that his multiple directorships raised questions about his capacity to provide adequate oversight and leadership, particularly during periods of crisis. This received ~4.2% vote against from shareholders. Likewise, due to his excessive workload we voted against Gary Weiss at both the Cromwell Property Group (CMW) and Myer Group (MYR) AGMs, which received ~27.2% and 17.8% vote against, respectively.

Our voting decisions over the past six months reflect a commitment to robust governance, board independence, and director accountability at ASX-listed firms. By scrutinising issues such as remuneration outcomes, board composition, performance oversight, and director workload, we aim to support boards that are well equipped to drive long-term value for the company.



⁸ <https://announcements.asx.com.au/asxpdf/20250916/pdf/06p835741wm3h0.pdf>

Spotlight on safety: Cleanaway Waste Management

Cleanaway Waste Management (CWY) Ltd is an ASX-listed waste management company with operations across Australia. In recent years, the company's safety record has been a source of concern for IFM, with multiple workplace fatalities⁹ occurring across its operations. In FY2025 alone, the company disclosed three workplace fatalities, with a further two already occurring in this current financial year.¹⁰

While the company did not meet its safety gateway conditions, resulting in nil payouts for those safety metrics, the board also exercised downward discretion, reducing the CEO and executive team's short-term incentive outcomes by 30%. For the CEO this was a reduction of ~\$518,000, resulting in an STI award of ~\$1.205m. We held concerns that this reduction was applied to an already inflated base, as certain accounting adjustments effectively improved the earnings measure used to determine the bonus outcome.

Therefore, we voted against the remuneration report, which received a first strike, with over 40% of shareholders voting against. We also voted against the re-election of the Chair of the Sustainability Committee, who oversees workplace safety, which received 17% vote against. We believe this course of action is necessary to signal our ongoing concern with the persistent fatalities at the company and to encourage the board to take more decisive action to address safety performance within the organisation.

We will continue to monitor Cleanaway's disclosures and progress on safety, and we look forward to ongoing constructive engagement with the company as it works to strengthen its safety culture and performance.

Modern Slavery

Modern slavery continues to be a key theme in our ASX-listed company engagement activities, working closely with investors and companies in the region. Our approach has centred on supporting collaborative investor engagement, particularly in sectors and supply chains where labour hire, subcontracting, and migrant workers present heightened risks.

During the reporting period, we engaged with Ansell (ANN) regarding an alleged modern slavery incident involving a supplier in Malaysia. We welcomed Ansell's decision to remain engaged with the supplier and support remediation for affected workers, rather than simply terminating the relationship. Following this incident, Ansell expanded its risk management framework to include indirect suppliers and increased its focus on higher-risk regions such as Malaysia. The company acknowledged gaps in its previous risk identification processes and is now working to address them. We will continue to monitor Ansell's progress and encourage ongoing improvements in due diligence and supplier engagement.

Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) is an investor-led, multi-stakeholder initiative established in 2020 to collaborate on eradicating modern slavery and human trafficking within operations and supply chains across the Asia Pacific region. Through IAST APAC, IFM has supported collaborative investor engagement with two companies operating in high-risk sectors. In both cases, we advocated for enhanced grievance mechanisms, greater transparency in supplier management, and targeted training for staff and suppliers. We also encouraged companies to adopt technology-driven solutions for risk management and to promote worker voice and education, recognising that effective grievance channels are critical but often underutilised.

We are unable to name the companies we engage with, but in engagements with the first company, the investor group welcomed the company's proactive approach to ethical sourcing, including comprehensive supplier compliance requirements, financial and practical support for suppliers, and ongoing collaboration with industry peers. IFM believes that the company's initiatives in the horticulture and seafood sectors, such as developing accommodation standards, refining audit methodologies, and supporting worker voice, demonstrate a commitment to improving oversight and addressing risks in complex supply chains.

In our other engagement with an ASX-listed retailer, the investor group emphasised the importance of industry collaboration and practical support for suppliers, such as tailored compliance requirements and financial assistance for audit participation. The company's piloting of Fair Farms certification, development of a Labour Hire Provider Management Framework, and targeted support for small suppliers reflect steps taken to improve oversight of labour providers. IFM also highlighted the need for ongoing vigilance in sectors facing market volatility and complex supply chains, particularly in the viticulture industry.

We see great benefit in collaborating with other investors through this initiative on modern slavery and human rights. These engagements reflect our commitment to supporting investors and companies in their efforts to identify risks, remediate issues, and drive continuous improvement in modern slavery risk management. We look forward to continuing our participation in 2026 and beyond.

⁹ [Delivering our ambition together: Cleanaway Sustainability Report 2025](#)

¹⁰ [Cleanaway safety record: Executive bonuses cut after multiple deaths at waste facilities | Australian Financial Review](#)

IFM White Paper: Addressing Modern Slavery in Investment Portfolios

In July, IFM launched the whitepaper, '[Addressing Modern Slavery in Investment Portfolios](#)', to shine a light on the persistent and deeply embedded issue of modern slavery within the global economy and, by extension, within the portfolios of investors like IFM. One of the harsh realities we face is that modern slavery is not a distant problem; it is present in supply chains and business operations worldwide, affecting millions of people and posing risks to investors. The white paper provides practical guidance for investors and reinforces IFM's approach to engaging with companies and collaborating with other investors to address these risks.

Meaningful progress requires coordinated action across the investment ecosystem involving asset owners, asset managers, companies, regulators, governments, civil society, and potentially affected workers and communities. Investors can address modern slavery risks by incorporating relevant considerations across the investment cycle, supplementing company disclosures with additional data sources, and engaging through stewardship and voting activities. We believe the fight against modern slavery is both a moral imperative and a business necessity, requiring practical, evidence-based approaches that protect vulnerable workers while safeguarding investment portfolios and maintaining stakeholder trust.

By sharing this paper, we aim to support practical action and deeper engagement across the investment community to better identify and manage modern slavery risks within investment portfolios, recognising the potential implications these risks present for long term value creation.

Further details and the full whitepaper are available on [our website](#). IFM's Modern Slavery Statement was published at the end of last year and is available on [our website](#).



Proxy voting guidelines

IFM's approach to engagement and voting our Australian assets within our listed equities portfolio involves direct and collaborative company engagement, together with the exercise of proxy voting rights, as part of managing financial risks and supporting the long-term performance of investments.

Our approach is guided by the OECD Guidelines for Multinational Enterprises, the Guiding Principles on Business and Human Rights, the United Nations Principles for Responsible Investment (PRI), the UK Stewardship Code, and the ACSI Governance Guidelines.

IFM's Listed Equities Proxy Voting Guidelines are closely aligned with the ACSI Governance Guidelines, and we are part of the Governance Guidelines working group that reviews the guidelines every two years. An IFM representative sits on the ACSI Member Council.

Our voting activity is overseen by IFM's Proxy Voting and Engagement Committee (PEC), which is Chaired by our Executive Director, Head of Sustainable Investment, Australia, working in conjunction with the Global Head of Listed Equities (who manages the Indexed & Quantitative Equities, Small Cap Active Equities and Large Cap Active Equities investment teams).

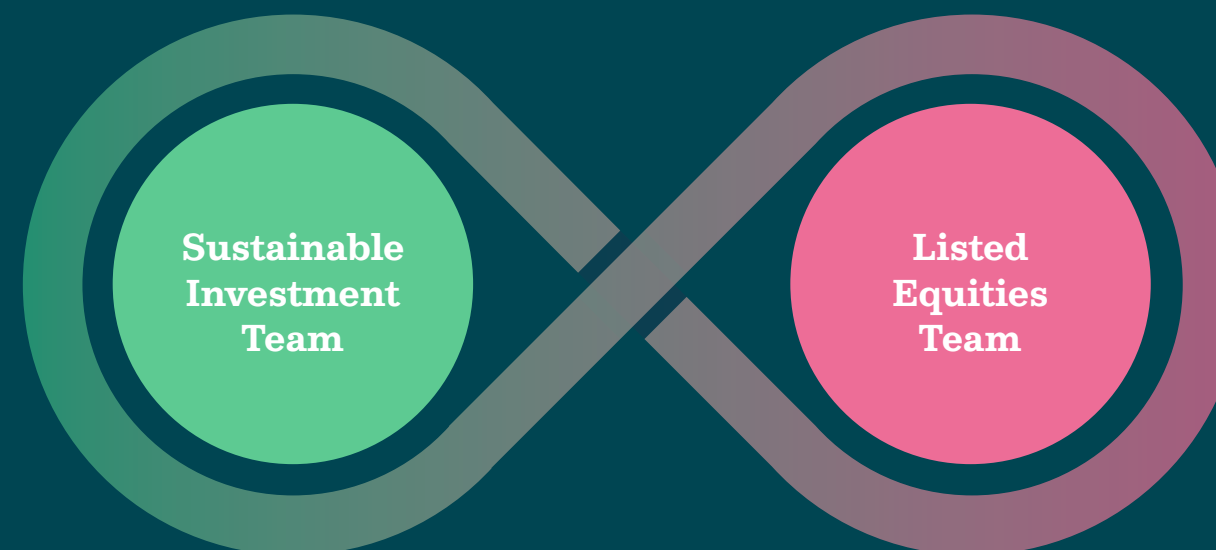
The PEC's decision-making process aligns with our voting guidelines and in addition to input from IFM's equities teams, this process also considers advice from independent, external research firms and proxy advisers.

In all instances, the PEC aims to ensure that any proxy advice and voting recommendations adopted are aligned with IFM's own sustainable investment guidelines and in the in best interests of our investors.

IFM maintains full independence when exercising its voting power as a trustee, and there are instances where our final voting decisions differ from proxy advice.

More information on our approach to engagement and voting, our individual voting records, and our high-level guidelines are disclosed in the IFM Sustainable Investing Guidelines available at www.ifminvestors.com.

IFM Investors Proxy Voting & Engagement Committee



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