

DEVON FUNDS.

Devon Funds Management Stewardship Report

December 2025

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1. Overview

Devon Funds Management Limited (“Devon”) is an independent investment management business that specialises in building investment portfolios for our clients that are comprised of companies listed on the New Zealand and Australian stock exchanges.

We take our fiduciary duty seriously. We believe that, on behalf of our clients, we have an obligation to ensure that the businesses we invest in conduct themselves in accordance with the highest governance standards. We consider that good management of environmental and social concerns are a core element of high governance standards, which we collectively refer to as “ESG” throughout this report. Where these standards are not being demonstrated we will actively engage with the company to seek improvement. In our view, better returns can be achieved if the businesses we invest in are good corporate citizens who look after the interests of all stakeholders and operate in a sustainable manner.

This report outlines Devon’s stewardship process and sets out our adherence to the Aotearoa Stewardship Code. It provides information that is in addition to what is discussed across our public reporting on stewardship. Additional reporting includes our Responsible Investment Policy, Annual Sustainability Report, Quarterly Sustainability Reports, and Monthly Reports. We have used the appendix of this document to provide examples which relate specifically to our stewardship efforts, and where evidence of our adherence to the Aotearoa Stewardship Code sits outside of this report, it is also outlined in the appendix of this document. Examples and proxy voting data relate to the 12-month period between 1st July 2024 to 30th June 2025.

2. Governance

The investment team are wholly responsible for both engagement and proxy voting activities. The Devon investment team is a dedicated team of investment professionals, with extensive experience in the investment industry, both within Australasia and further afield.

The relevant experience of our investment team and compliance officer, as the team involved in our stewardship efforts, is detailed below:

- **Slade Robertson, Managing Director & Portfolio Manager**
Over 20 years’ industry experience

Slade has overall responsibility for Devon Funds Management. In addition to the role of Managing Director he is responsible for stock selection and portfolio construction for Devon’s Alpha fund. He also contributes to the stock selection and portfolio construction for the Trans-Tasman strategies. Before joining Devon, Slade held investment roles at Brook Asset Management, BT Investment Management, Challenger International and BNP Paribas in Australia. Slade is a CFA charter holder.

- **Mark Brown, Chief Investment Officer & Portfolio Manager**
Over 20 years’ industry experience

Mark has primary responsibility for stock selection and portfolio construction for clients’ Australasian Equity Core portfolios and New Zealand Equity funds. Mark is also responsible for overseeing the overall research and investment process at Devon. Prior to joining Devon, Mark was the Australasian Head of Equities at ANZ New Zealand Investments. Mark is a CFA charter holder.

- **Tama Willis, Portfolio Manager**
Over 15 years’ industry experience

Tama joined Devon in 2012 after a very successful career overseas where he held positions at Government of Singapore Investment Corporation as Senior Vice President, Natural Resources, Fidelity (London) and Deutsche Bank (London). Tama has primary responsibility for stock selection and portfolio construction for the Trans-Tasman Fund. Tama also has primary research responsibility for the Metals and Mining, Oil and Gas and Financials sectors.

- **Ben Jenkin, Portfolio Manager**

5 years' industry experience

Ben has primary responsibility for stock selection and portfolio construction for Devon's Sustainability and Australian funds. Prior to joining Devon, he was an Analyst in KPMG's Deal Advisory division. Ben graduated from the University of Otago with majors in Accounting and Finance. Ben is a CFA charter holder.

- **Patrick Washer, Portfolio Manager**

5 years' industry experience

Patrick has primary responsibility for stock selection and portfolio construction for Devon's Dividend Yield strategy. Prior to joining Devon, was an analyst at Rank Group. Patrick graduated from Waikato University with majors in Mathematics and Finance and is also a CFA charter holder.

- **Alice Jones, ESG Analyst**

4 years' industry experience

Alice is responsible for company ESG research as well as measuring and reporting on ESG factors to retail and wholesale clients. She is actively involved with company engagements and Devon's stewardship initiatives within the New Zealand and Australian markets. Alice joined Devon's investment team from the operations team. She holds a Bachelor of Science from the University of Auckland.

- **Chris Knight, Compliance Officer**

Over 10 years' industry experience

Chris has considerable risk and compliance experience across top UK law firms as well as stakeholder and relationship management experience. Chris holds a Bachelor of Arts: Politics, Master of Arts: International Relations from University of East Anglia and a Graduate Diploma of Law qualification from BPP Law School in London.

a. Code of Conduct

All staff are subject to our Code of Conduct Policy which sets out the expectation of staff to act legally, ethically and with integrity in a manner consistent with our policies, guiding principles and values. It ensures we act in the best interest of our clients, undertake our duties with care and diligence, and conduct ourselves in a way that demonstrates honesty and integrity.

b. Remuneration and Stewardship Incentives

Staff salaries are determined with reference to prevailing market remuneration practices. Compensation also comes from the bonus pool and is directly tied to the performance of funds/portfolios and business performance. Several funds have performance fees so that the firm and client incentives are aligned.

Devon believes that stewardship is directly tied to better returns, and that this can be achieved when we invest in companies that are good corporate citizens.

c. Conflicts of Interest

All staff are subject to our Conflicts of Interest Policy which sets out the expectation to protect the interests, integrity and decision-making process of the business and give priority to our client's interests. Whilst not explicitly stated within the policy, it is the firm's expectation that the application of the policy is directly related to our stewardship activities within capital markets. Please refer to the Conflicts of Interest Policy within appendix F of this document.

3. Stewardship Activities

Devon conducts stewardship through engagement and proxy voting. Factors considered across both engagement and proxy voting are broad, including, but not limited to, the following topics:

- Board composition
- Board remuneration
- Company strategy
- Company structure
- Cyber security
- Decarbonisation
- Employee conditions
- Environmental impacts
- Executive remuneration
- Financial information
- Financial outlook
- Gender diversity
- Harm minimisation
- Iwi partnerships
- Management capabilities
- Market share
- Modern slavery
- Over boarding
- Regulatory and legislative issues
- Safety
- Social license
- Traditional owner relationships
- Workplace sexual harassment

a. Engagement

Engagements with investee companies are undertaken by the investment team and are overseen by Devon's Chief Investment Officer. This structure ensures the investment team is cohesive and working towards mutual outcomes.

Engagement is typically with the CEO, CFO and/or other senior management and may take the form of face-to-face meetings, phone conversations, or written communication. Engagement provides us with insights into the quality of a company's management, strategy, market environment, operations, governance structure and their approach to ESG issues. Additionally, we actively engage with Investee Company Boards either to address issues or to engage on various matters as the custodians of our equity investments. In this regard we often engage proactively with boards with respect to their construction, member contribution, and tenure.

Meetings with senior management or boards are typically organised on an ad hoc basis when the investment team is researching new companies, when we have immediate issues of concern, or following written communication. Additionally, we routinely meet with management post financial result reporting, and boards as part of annual governance roadshows. At all meetings, minutes are taken by a member of our investment team, which are then shared amongst all members of the team. When topics are specifically related to ESG concerns, we log these in our engagement register.

Engagements with management and boards helps us to form a view of the companies we are invested in, or are looking to invest in. All engagements are discussed at the weekly Investment Committee Meeting (ICM) or the bi-weekly ESG ICM. Based on these discussions, portfolio positioning is discussed and where our view on a company has changed, we may change our position size or divest.

Whilst it is hard to claim company progress and strategic changes are directly correlated to our engagements, we believe our active and consistent engagement with companies has had a cumulative impact, alongside public pressure, political and regulatory pressure, and feedback from other investors.

b. Collaborative Engagement

In addition to our own company engagements, Devon participates in collaborative engagement activities, recognising the impact of collaborative stewardship efforts. We are members of Climate Action 100+ which is an investor-led initiative to collaborate to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Devon sits within the collaborative engagement group for Woolworths and Wesfarmers, both of which we have chosen given the businesses have large and complex supply chains. We view collaboration with these companies as a strategic opportunity to influence and implement systemic improvements within supply chains.

Devon has also been involved in a local stewardship initiative, which the Investor Group on Climate Change (IGCC) has been the secretariat. The initiative is the same structure as Climate Action 100+, but with a focus on New Zealand companies. The companies involved are Auckland International Airport and Freightways.

Details regarding our engagement activities with companies named and case studies are included in the appendix of this document.

c. Proxy Voting

We are advocates for strong corporate governance structures, shareholder rights, and transparency. We vote on all proxies on behalf of clients, unless the client has a preference to vote these proxies themselves. The objective in voting is to support proposals and director nominees that maximize the value of a portfolio's investments over the long term.

Each proposal must be evaluated on its merits, based on the particular facts and circumstances as presented. Our practice seeks to ensure that proxy voting decisions are suitable for individual portfolios. For most proxy proposals, the evaluation will result in the same position being taken across all portfolios. We use Institutional Shareholder Services (ISS) research to supplement our own research.

Upcoming proxies are flagged at the weekly ICM. Following discussion, a portfolio manager will review the motions requiring a vote. They will use their own research, company resources, and ISS research to reach their voting decision. Our ESG analyst will then complete a secondary review of the voting decisions. Lastly, our compliance officer will review the votes and approvals before the votes are lodged, ensuring the votes that are executed match the rationale provided. All votes are recorded in Salesforce and our proxy voting register, in which comments are provided when we have voted against management recommendations.

Details regarding our proxy voting within the reporting period are in the appendix of this document.

4. Incorporation of Material ESG Matters

The investment team are acutely aware of new and emerging ESG matters that may present material challenges for our investments, as well as alter our investment beliefs and values. In practical terms, we are active participants in industry responsible investing events and working groups. We have a dedicated ESG analyst who sits within our investment team. Additionally, across the investment team we are up to date with policy updates, current events, company reporting, sell-side (investment banks and brokerages) research reports, releases from dedicated responsible investment organisations (RIAA, PRI, MSCI etc.), and academic research where relevant. Remaining aware of new and emerging ESG matters that may present material challenges for our investments is part of managing both the risks to any company we invest into, and material opportunities. This is an important part of our fiduciary duty to our clients. and investors.

Devon views climate change as the single biggest environmental risk globally, with extreme consequences for society. We therefore view decarbonisation as a priority across all our investments. We do not take a firm wide exclusion-based approach with the exception of our internally and externally managed Sustainability labelled funds., We use stewardship as our primary approach to addressing decarbonisation. To date, this has predominantly taken the form of engagement with issuers on the topic of decarbonisation. Climate related proxy votes have been uncommon across the companies we own. Where climate related proxy votes have arisen, we have made a considered vote on these motions.

Whilst climate change is our predominant focus for long term systematic ESG matters, we also actively respond to new information related to ESG matters. For example, where governance related concerns emerge, we will engage with management or boards as and when they happen and take further action if required. As part of our investment process, we also perform a monthly ESG controversy screening across all our funds and will engage with companies where controversies are flagged.

We review our stewardship priorities on a rolling basis, subject to new research insights and emerging themes. We proactively address any issues we identify, and respond to new and evolving issues. In addition, on an annual basis Devon sends out a survey to the NZX 50 companies to get a sense across the whole market on a topic that relates to our investment beliefs and purposes, as well as our values.

a. Incorporating a Te Ao Māori Worldview

Our commitment to Responsible Investment is aligned with values such as Kaitiakitanga, as it is at the core of our role as investors and stewards. We manage savings and retirement funds that may not be accessed for decades,

and therefore we recognise our duty to our clients and investors to engage with issuers on material ESG matters given their fundamental importance to long term societal impacts. We look at the companies we invest in with a wide lens, that encapsulates the communities that they operate in, the customers they serve, the staff they employ, or the land they operate on. They do not exist in isolation from these things.

In early 2023, our Group (the Investment Services Group) was able to further strengthen its ESG product offering with the addition of the TAHITO Te Tai o Rehua Fund. The Fund is an indigenous ethical and sustainable fund which uses positive ESG integrated screens in selecting investments. Māori indigenous values and principles serve as the foundation to the Fund's philosophy and investment selection process. The fund is offered by our group in partnership with investment firm [TAHITO Limited](#).

In 2024, we looked at ways to imbed Te Tiriti o Waitangi into Devon's stewardship activities. To do this, we chose to engage with our five biggest New Zealand holdings across the firm. Our questions related to the four principles: protection, participation, partnership, and procurement. The purpose of these engagements was to deepen our own understanding and knowledge and look at how we can understand these principles across the broader set of companies that we own. We discussed the results of this survey within our Quarterly Sustainability Report in Q4 2024, available [here](#).

Throughout 2025 we have been deliberating on how we better integrate Te Tiriti o Waitangi into our stewardship process, will look at how the industry is evolving in this area and seek guidance from RIAA and the New Zealand Stewardship Code. This is an active consideration for us.

5. Effectiveness and Measurement

Whilst we do track the number of engagements, the reasons for and key discussion points of those engagements, the way we evaluate the success of an engagement with a company is not prescriptive. Engagements will often change our view of a company, either positively or negatively, possibly leading to different portfolio positioning. Often when we are seeking specific information, engagements will provide us with a more well founded and informed view on a topic or issue.

The effectiveness of our stewardship efforts is ultimately reflected in our performance. We strive to invest in companies that exemplify the best corporate governance practice, and we view effective management of social and environmental issues as fundamental to governance best practice. This is because we believe our stewardship efforts drive better returns for shareholders, and our investors.

6. External Managers

Devon offers three externally managed funds with an ESG focus. The Devon Global Impact Bond Fund invests into the Wellington Global Impact Bond Fund, managed by Wellington Management ("Wellington"). The Devon Global Sustainability Fund invests into the Wellington Global Stewards Fund, also managed by Wellington. The Artesian Green and Sustainable Bond Fund (NZD) invests into the Artesian Green and Sustainable Bond Fund (AUD), managed by Artesian Corporate Bond Pty Ltd ("Artesian"). Each of the external managers is responsible for their own proxy voting and engagements. However, to ensure our external managers are meeting their sustainability and stewardship objectives, and are aligned with our responsible investment expectations, we perform periodic checks across our external managers. These are detailed within our [Responsible Investment Policy](#).

Clarity Funds Management offers the TAHITO Sustainable & Ethical Fund, managed by TAHITO Limited under the same parent company as Devon Funds Management. The fund applies Te Kōwhiringa Tapu (The Sacred Selection Process), grounded in ancestral Māori knowledge. While ESG funds typically apply negative screens and incremental sustainability improvements within existing business models, TAHITO's dual-framework evaluates whether companies genuinely operate from collective wellbeing consciousness rather than shareholder primacy, measuring transformation from substantive mode (individual self-focused) to relational mode (collective self-intelligence). The fund maintains its own Environmental, Social, Governance, Sustainability, Ethics and Impact Policy (ESG-SEI Policy) governing ethical, sustainability and stewardship objectives. The TAHITO Investment Committee monitors compliance with the ESG-SEI Policy.

7. Reporting

Devon reports on stewardship efforts across our [Monthly Reports](#), [Quarterly Sustainability Reports](#), and [Annual Sustainability Reports](#). Our stewardship policy sits within our [Responsible Investment Policy](#). Further examples have been provided within the appendix of this Stewardship Report.

Externally, we report on stewardship to the PRI, and RIAA as part of our certification for the Devon Sustainability Fund which looks at our internal processes that apply firm wide, such as the application of our responsible investment policy and our stewardship work. Our proxy voting records are available on our website for the Devon Sustainability Fund, as part of our RIAA certification, however most companies in the fund are also held across the firm.

Our Stewardship Report demonstrates the ways in which we have met the principles and requirements of the Aotearoa Stewardship Code.

In addition, we share our stewardship work with our clients, investors, and general public to improve awareness of stewardship. We do this through our public reporting on a monthly, quarterly, and annual basis, as well as on our social media channels, predominantly LinkedIn.

Appendix A: Aotearoa Stewardship Code Mapping

Principle	Requirements	Key topics	Pages/Document Reference
Principle 1	<i>Signatories will establish and publicly articulate how their investment philosophy, governance structures and resourcing support the goals of effective stewardship.</i>	<ul style="list-style-type: none"> Organisations values, purpose, governance Fiduciary duty Oversight and accountability Resourcing, incentives, remuneration Effectiveness (in meeting goals of stewardship) 	Section 1, 2, & 5
Principle 2	<i>Signatories will develop and implement measurable and effective stewardship policies.</i>	<ul style="list-style-type: none"> Purpose, priorities, and approach Scope and standards Integration (into investment process) Accountability (for policies and processes) 	Section 2, 3, Responsible Investment Policy Section 4
Principle 3	<i>Signatories will incorporate material ESG matters in their investment decision making, to seek to achieve the goals of effective stewardship.</i>	<ul style="list-style-type: none"> Materiality and focus Systemic risk management Incorporate material environmental, social, and governance matters Consider stewardship from a Te Ao Māori worldview 	Section 4, appendix B
Principle 4	<i>Signatories will engage regularly and effectively with underlying asset managers, issuers, and other key stakeholders.</i>	<ul style="list-style-type: none"> Who with, and who by Methods and processes Escalation Reporting (activities and outcomes) Legal environment and cultural norms 	Responsible Investment Policy
Principle 5	<i>Signatories will exercise voting rights in accordance with their investment mandate, and regularly and transparently disclose voting actions and outcomes.</i>	<ul style="list-style-type: none"> Policy and principles Exercise voting rights Maintain and disclose voting decisions and outcomes 	Section 3c, Annual Sustainability Report , appendix E
Principle 6	<i>Signatories will endeavour to avoid any conflict of interest that does not put the best interests of their clients and beneficiaries first and explain their approach to managing conflicts of interest that do arise.</i>	<ul style="list-style-type: none"> When a conflict of interest exists Conflict of Interest Policy Compliance Identification and mitigation Review Disclosure 	Appendix F, section 2c
Principle 7	<i>Signatories will work collaboratively to amplify investor influence on ESG matters with issuers, policy makers, index providers, standard setters, and other key stakeholders.</i>	<ul style="list-style-type: none"> Benefits Collaboration Drawing upon the experience of others Disclosure 	Section 3b, appendix c
Principle 8	<i>Signatories will regularly measure and publicly report on their actions to support stewardship and demonstrate</i>	Public reporting and disclosure: <ul style="list-style-type: none"> Stewardship policies and practices 	Section 6, Annual Sustainability Report , Quarterly

	<i>how these have contributed to the goals of effective stewardship.</i>	<ul style="list-style-type: none"> • Regular (and at least annual) stewardship report (activities and outcomes) • Performance against the Code and the goals of effective stewardship 	Sustainability Reports
Principle 9	<i>Signatories will work to improve their clients' and beneficiaries' awareness of stewardship, improve their internal capabilities, and provide resources to deliver impactful stewardship.</i>	Periodic review of: <ul style="list-style-type: none"> • Capacity, resources, and capabilities • Stewardship policies and practices • Effectiveness • Third-party review, verification, and assurance 	Responsible Investment Policy

Appendix B: Stewardship Case Studies

Case Study: Fletcher Building

In October 2023, Fletcher building was accused by Western Australia's largest home builder BGC that Fletcher Building Iplex Pro-fit thin pipes were faulty and causing leaks in homes throughout Western Australia. BGC made claims that the total cost of fixing all the houses impacted could be up to \$709 million. This, amongst various other challenges the company has faced, was a catalyst for both the CEO and Chair to resign.

We met with the Chair and discussed our governance concerns regarding both the CEO and the Chair stepping down. The company was entering a significantly challenging period, and it would not have stable leadership at both the management and board level. The Chair had received a variety of feedback from investors but had ultimately come to the decision it was best for both himself and the CEO to leave.

Mark Brown, our CIO, spoke with other significant shareholders in Fletcher Building, to understand their thoughts around a new chair appointment. In April 2024, we sent a letter to the director who had been appointed as interim Chair. We expressed that it was our preference that all remaining Board members also take accountability for the performance of Fletcher Building and tender their resignations upon the appointment of the new Chair. We also outlined our expectations regarding the new Chair and indicated our support for an outside candidate. We received a response from the interim Chair that described the wide range of views they had received and assured us that they are committed to finding the best possible CEO and Chair for Fletcher Building. In August 2024 Fletcher Building announced the appointment of a new CEO and Managing Director.

In another discussion with the interim Chair we discussed the resolutions at the upcoming meeting, where we were asked if we could support the re-election of a director given the directors litigation experience. Following this meeting, our CIO spoke with the other shareholders on the company's register.

We discussed Fletcher Buildings existing issues, our recent meetings, discussions with other shareholders, and the upcoming proxy votes at our investment committee meeting. We ultimately decided we would vote against the re-election of the director, given they were a member of the previous board. Whilst we had sympathy for maintaining a full board and the directors experience, our issue was with the proposed three-year term. Had the re-election been for a one-year term we feel we could have reasonably voted for their re-election. However, given the governance issues Fletcher Building has faced, we would prefer the new Chair, when appointed, had the discretion to appoint directors that they see fit.

Case Study: Genesis Energy

For over four years we have engaged with Genesis Energy's management and board regarding their transition away from fossil fuels. Given they operate both a coal fired power plant in Huntly and have a 46% interest in the Kupe oil and gas field, and their competitors are either 100% renewable or close to it, it is a material ESG issue for the company. For most of our funds, which do not necessarily have focus on emissions, it has been difficult for us

to justify a holding in the company, when we could own two gentailers who are fully renewable and one which has a much smaller percentage of non-renewable generation.

However, we have always been cognizant that the issue is difficult to unravel given New Zealand’s need for an alternative fuel source when weather conditions do not favour our renewable assets. In our discussions over the years the main issue has been a lack of biomass (an alternative to coal), available at scale, with security of supply. The nature of our engagements over the years has been ensuring there is still momentum towards biomass as a solution. We have spoken to both management and the board about this.

Winter 2024 was one of the driest on record, exposing how dependent our national grid remains on Huntly for electricity security. Hydro storage in lakes Taupō and Tekapo fell to decade lows, while calm conditions halted wind generation, and declining gas availability constrained gas supply from Taranaki gas fields.

In response, Huntly Firing Options (HFOs) were created, which are specially designed financial contracts established between Genesis Energy and New Zealand’s other major electricity generators. Under these agreements, participating companies pay an annual premium to secure the right to call upon a set amount of generation capacity from one of Huntly’s Rankine units during periods of electricity scarcity or stress, such as dry winters when hydro and wind outputs fall short. HFOs essentially give the contract holders (the other gentailers) flexible access to thermal generation when it’s needed and shares the cost of maintaining such an enormous stockpile of coal for the good of New Zealand.

Genesis has a target of securing 300,000 tonnes per annum of biomass by FY28. Biomass not only acts as an opportunity for Huntly Power Station to reduce its reliance on coal, but also for ‘New Zealand inc’ to have a new local industry.

In summation we are confident that Genesis is committed to pursuing biomass as a credible alternative to coal, and that with the HFO arrangement in place, the cost burden of a firming facility is shared amongst the industry. This satisfies the basis of our engagement and we will be continuing to monitor any strategy developments.

Case study: Contact Energy

Off the back of a series of share sales by the CEO of Contact Energy, we reached out to the Chair expressing our view that such consistent selling of a relatively low holding of shares sends a negative message to the market. This prompted a meeting with the Chair where the issue was discussed. In Contact’s FY25 Annual Report it was noted that for the CEO the annual LTI grant has been increased from 35% to 40% of base salary, and a new requirement has been instituted where 60% of all Performance Share Rights that vest into shares must be retained until the end of the CEO’s tenure.

Appendix C: Collaborative Engagement Initiatives

Dec-24	Woolworths (WOW.ASX)	CA100+	<p>Investors involved in the initiative convened to meet with Bel Quince, the General Manager Sustainability for Planet at Woolworths.</p> <p>The group discussed with the company the updated baseline in their latest sustainability report. This was part of Woolworth’s requirement to have their targets verified by SBTi. Bel emphasized there are a lot of dependencies for their targets, but they are focused on materiality and where they can make the most change.</p> <p>We also discussed Woolworths engagement on climate lobbying and advocacy. Bel explained that they actively look for new forums they can engage with. They are part of the Climate Leaders Coalition which has been beneficial to date for knowledge sharing and receive pro bono support from the big four consultancy firms. They are currently working on heavy haul transport.</p>
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			<p>Woolworths acknowledged their poorer scoring against CA100+ framework regarding disclosure on policy engagement and indicated they could improve this in FY25.</p> <p>Regarding Woolworths climate and remuneration strategy, Bel shared they have ESG related components, for example 20% of balanced scorecard for commercial teams is linked to reputation, which is measured through the 'RepRisk' score. There are also KPI's linked to food waste and climate for the broader commercial team. She mentioned that their balanced scorecard will evolve constantly and KPIs are reviewed yearly so may expand to other items.</p> <p>Finally, given the link between climate and nature the group discussed the recent shareholder resolutions put forward at the AGM with regard to salmon farming. Regardless of the outcomes from the shareholder resolutions, Woolworths has said they will provide reporting on the impacts of farmed seafood in FY25.</p> <p>In summary, the key outcomes from the engagement were that Woolworths will be improving disclosure on climate lobbying and farmed seafood reporting.</p>
Jun-25	Auckland Airport (AIA.NZ)	Local collaborative initiative	<p>We have been part of the ongoing collaborative engagement initiative with Auckland Airport. The objectives of this engagement are:</p> <ol style="list-style-type: none"> 1. Defining Plans to Address Scope 3 Emissions Investors are seeking clear definitions of the future aviation fuels and technology AIA is considering/preparing to integrate and accompany feasibility considerations. 2. Advocacy to Progress Industrywide Decarbonisation The group is seeking a formalized plan for how AIA is engaging with stakeholders to be an effective enabler of clean aviation fuels and low emission aircraft. 3. Disclosure of Adaptation Plan Investors are also encouraging partial disclosure of the Climate Adaptation Plan with time frames and capex requirements, and seeking a clear link between adaptation investment and scenario analysis.
Jun-25	Wesfarmers (WES.ASX)	CA100+	<p>Below is a summary of our initial meeting as part of the CA100+ initiative with Wesfarmers. The meeting was with Naomi Flutter the Executive General Manager, Corporate Affairs.</p> <p>The company provided a clear overview of climate governance across the 6 operating divisions and remuneration settings and noted the significance of climate change considerations at the board level. There has been resistance around group level targets given the diversity of the emissions profile across its retail and industrial business, various de-mergers, divestments and acquisitions, and view that it is more efficient to focus on divisional specific emissions profiles.</p>

			<p>Wesfarmers has achieved an impressive 35% reduction in operational emissions relative to FY20 baseline. A key milestone has been the achievement of 100% renewable energy by 1 July 2025, which has removed 97% of operational emissions in retail relative to FY20. Success has been driven by energy efficiency, generating behind the meter renewable energy, and procuring PPAs, and Wesfarmers is exploring battery storage and dispatch potential going forward. Wesfarmers emphasised the value of adopting an internal carbon price in making investment and project decisions.</p> <p>Scope 1 emissions programs are concentrated in WesCEF. Nitrous oxide emissions have been addressed through secondary abatement technology since 2012 on a voluntary basis. WesCEF plants are currently below the Safeguard Mechanism carbon intensity requirements (benefit of voluntarily pursuing emissions reduction early), however, they don't disclose by how much and if/when this will move to a carbon liability. There will be some safeguard credits it is generating now that can be used in future. It has recently installed tertiary abatement in one of the three Nitric Acid plants. Wesfarmers has received \$33m of commonwealth funding to support the transformation of its other two plants.</p> <p>In terms of ammonia production, a small-scale project accounts for 1% of production through a partnership with Jupiter Ionics on green ammonia technology, however, there are fundamental challenges due to electricity needs and associated cost. Wesfarmers presented the case for blue ammonia via CCS and mentioned a Mitsui trial which is a solid indicator of transition planning. The potential for CCS is significant, with the possibility to displace 500 000 tonnes of CO₂e.</p>
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Appendix D: Engagement Statistics

Engagements by Industry

Construction	15%
Materials	15%
Retail	15%
Telecommunications	15%
Utilities	15%
Transport	10%
Entertainment	5%
Gambling	5%
Waste	5%

Engagement Method

Meeting with management	42%
Meeting with Chair	21%
Collaborative Engagement	16%

Letter to Chair	16%
Email to Management	5%

Engagement Themes

Decarbonisation	60%
Governance	30%
Governance/Responsible Gaming	5%
Governance/Social	5%

Appendix E: Proxy Voting Statistics

Votes FOR	91%
Votes AGAINST	9%

Votes in line with management	94%
Votes not in line with management	6%

Appendix F: Conflicts of Interest Policy

GP 5: Conflicts of Interest Policy

Version 1.0

Purpose

The purpose of this Policy is to protect the interests, integrity and decision-making process of the Group and to enable stakeholders to have confidence in the integrity, intentions and actions of the employees, directors and board members.

The Policy also meets our obligations under the Financial Markets Conduct Act (FMCA), to give priority to a client's interests.

Scope

This Policy applies to all Group employees and directors.

Definitions

Conflict of Interest – A situation where an employee or director is in a position to derive personal benefit from actions or decisions made in their official capacity.

Conflicts of Interest Register – Where all actual, potential or perceived conflicts of interest are recorded for assessment, monitoring and reporting.

A conflict may be actual, potential or perceived:

- **Actual** conflict is an activity, transaction or interest that is currently causing a conflict of interest
- **Potential** conflict refers to an activity, transaction or interest that could give rise to an actual or perceived interest, either at the time or at some time in the future
- **Perceived** conflicts occur when an activity, transaction or interest could reasonably allow a third party to form the view that a conflict currently exists or may exist in the future.

Conflicts of interest could potentially arise for the Group where:

- An employee or Board member's own interests or their interest in another business or company interferes with their position in the Group or the Group's duties to clients
- The Group's interests' conflict with the best interests of clients
- There is a conflict between the entities within the Group

Personal conflicts of interest of employees and board members may arise from:

- Shareholdings
- Interests in a company with whom the Group intend to invest in
- Professional or personal commitment or a community, charitable or commercial endeavour

Application – What is expected?

The Group's employees and directors must:

- report to Compliance the existence of an actual or potential conflict at the earliest opportunity
- exercise their powers in good faith and in what they believe to be the best interests of the Group
- exercise their powers for a proper purpose
- exercise the care, diligence and skill that a reasonable employee, director or board member would exercise
- not allow a conflict between a personal interest or a duty that is owed elsewhere and the duty to act in the best interests of the Group
- not make improper use of their position within the Group to gain, directly or indirectly an advantage for themselves or any other person or cause detriment to the clients of the Group

Policy Governance

This Policy will be reviewed at least annually or when change occurs to the obligations or to our business.