

# DEVON FUNDS.

ANNUAL  
SUSTAINABILITY  
REPORT

2026





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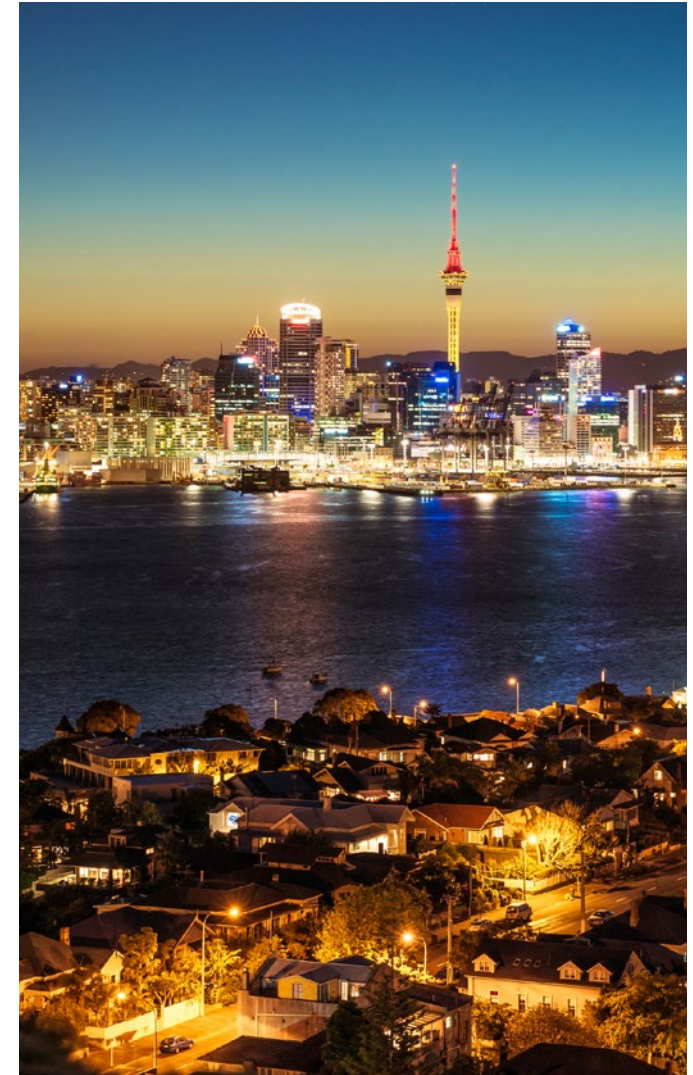


Devon Funds Management Limited (“Devon”) was established in 2010. Since 2017, Devon has been a subsidiary of Investment Services Group Limited (“ISG”), which is backed by EFG International, a global private banking group headquartered in Switzerland and listed on the Swiss Stock Exchange.

Devon is staffed by leading investment professionals who enjoy a boutique environment. The Devon Investment team can only invest in Australian and New Zealand equities via our own Funds to ensure there are no conflicts of interest between clients and staff and ensures that employees have the same investment experience and outcome as clients. We manage more than \$2.5 billion across our various strategies for a diverse range of leading New Zealand clients, including Community Trusts, charities, KiwiSaver Schemes, corporate pension schemes and individual investors.

For more information on who we are, visit our website:  
[www.devonfunds.co.nz](http://www.devonfunds.co.nz)

## DEVON FUNDS.



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**R**ELECTING ON PREVIOUS editions of our Sustainability Report it is sobering to note that conflict remains a near constant in the geopolitical, investment and sustainability environment. The latest outbreak of conflict in the Middle East has had global ramifications for fuel supply chains. For New Zealand this has resulted in rising fuel prices and potential inflationary pressure which tempers hopes of a long-awaited economic recovery. Beyond the immediate impacts, the conflict highlights how fragile our international supply chains are and created unexpected consequences in the sustainability landscape. On one hand, there are reports that some oil and gas companies have been forced to directly burn off more natural gas than usual as their facilities have come under attack or exports have been blocked, and that countries like Germany are considering reactivating mothballed coal-fired power plants to curb electricity prices. On the other hand, rising fuel prices have also prompted heightened interest from consumers in electric vehicles, Google Trends data indicates that searches for “electric vehicle” have reached record levels, which demonstrates how pricing signals are driving consumer behaviour.

Alongside navigating markets amidst global conflict, we have witnessed the rapid adoption of artificial intelligence (AI) which is shaping and reshaping businesses as we know them. This has caused heightened uncertainty in markets as investors try to navigate which companies are positioned to benefit, and which may be open to disruption. If the general consensus on AI is to be believed, there will be few

corners of the economy left untouched. While AI offers unparalleled opportunities for efficiency, productivity, and innovation, it also raises significant challenges for corporate governance, energy usage, data privacy, workforce management, and ethical responsibility.

Last year was tied for the second hottest year in recorded history, a reminder that behind our day-to-day work on company climate targets and emissions data, the real-world impacts are being seen around us. In New Zealand our summer has been defined by intense bursts of rain, while Australia has had another very hot summer. Mildura, a town in northwest Victoria, which has previously recorded just six days above 45°C between 1946 and 2000, this year experienced four in January alone. Broadly, we expect this to change conversations around transition risk for companies into conversations around physical risk.

On the topic of climate change, we saw New Zealand listed companies publish their second Climate Related Disclosure reports last year which aimed to bring climate related risks into decision making processes. This year, we have seen the equivalent Australian reports beginning to be released. In general, we view this as positive progress which undoubtedly adds climate change risks to the regular board agenda. We remain focussed on engaging with companies in our portfolios that are the most carbon intensive and using collaborative engagement to promote best practice. Further details of our stewardship work can be found within this report.

Within our business, last year Devon’s parent company Investment Services Group (ISG) was acquired by Shaw

and Partners Limited, an Australian wealth manager who are in turn owned by EFG International, a global private banking group headquartered in Switzerland. Shaw have proven a very supportive shareholder and we’d like to assure

clients the ownership change has had little impact on Devon’s business. Another change is that there is a new face writing this letter this year – I’ve joined the team and replaced Slade Robertson who remains as a portfolio manager and now Chairman of our company. While officially new to Devon I have joined from another business within ISG so the team and ethos are familiar to me. I am impressed by the resources employed and depth of thinking Devon applies in the sustainability and stewardship space. I am pleased to be presenting Devon’s Annual Sustainability Report for 2026 which provides you with an overview on how we incorporate responsible investment into our process and our team’s efforts on client’s behalf in this important area. Should you have any questions related to this please don’t hesitate to contact our team [here](#).



**Josh Wilson**  
Chief Executive

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## Management Team



**Slade Robertson**  
*Chairman*



**Josh Wilson**  
*Chief Executive*



**Niall Hartigan**  
*Chief Financial Officer*



**Mark Brown**  
*Chief Investment Officer*



**Suki Chow**  
*Operations Manager*

## Investment Team



**Slade Robertson**  
*Chairman/Portfolio Manager*



**Josh Wilson**  
*Chief Executive/  
Portfolio Manager*



**Mark Brown**  
*Chief Investment Officer/  
Portfolio Manager*



**Tama Willis**  
*Portfolio Manager*



**Patrick Washer**  
*Portfolio Manager*



**Ben Jenkin**  
*Portfolio Manager*



**Alice Jones**  
*ESG Analyst*

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We recognise that diversity of background, experience, and thought contribute to a well-rounded and ultimately better placed business. In recognition of this, we have provided data below on the gender and ethnicity breakdown across our team. We recognise we have a way to go to reach true diversity and actively consider this within our recruitment processes.

## Gender diversity

Gender refers to a person’s social and personal identity as male, female, or another gender such as nonbinary. Gender may include the gender that a person internally feels (‘gender identity’), and/or the gender a person publicly expresses (‘gender expression’) in their daily life. A person’s gender may change over time. A person’s current gender may differ from the sex recorded at their birth and from what is indicated on their current legal documents. Some people may not identify with any gender. (Stats NZ, Data standard for gender, sex, and variations of sex characteristics)

Please note respondents could answer female, male, another gender, prefer not to say, or a free-text response.

## Ethnic diversity

We recognise ethnicity is a measure of cultural affiliation. It is not a measure of race, ancestry, nationality, or citizenship. Ethnicity is self-perceived, and people can belong to more than one ethnic group. An ethnic group is made up of people who have some or all of the following characteristics:

- a common proper name
- one or more elements of common culture, for example religion, customs, or language
- unique community of interests, feelings, and actions
- a shared sense of common origins or ancestry, and
- a common geographic origin

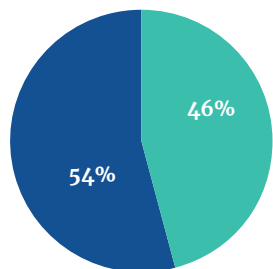
Our staff were asked to fill out a survey question using Stats NZ classifications, or provide a free-text response. Respondents were able to identify multiple ethnicities.

## Ethnic diversity continued

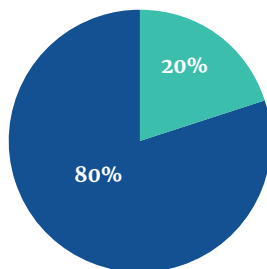
To accurately represent responses, we have presented these listed as opposed to categorising them for pie charts.

- Afrikaaner
- Chinese
- European
- European and Māori
- Irish
- Māori British
- New Zealand, South Africa
- New Zealand European
- New Zealand Māori
- Pakeha
- South African
- White English

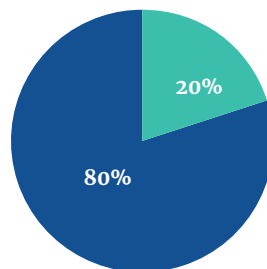
Gender Diversity – Whole Team



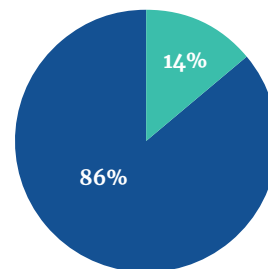
Gender Diversity – Directors



Gender Diversity – Management



Gender Diversity – Investment Team



● Male ● Female

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As part of our approach and commitment to Responsible Investing, we are signatories to various industry groups, and certified by Toitū and the Responsible Investment Association Australasia (RIAA).

## Aotearoa New Zealand Stewardship Code

The Aotearoa New Zealand Stewardship Code is a principles-based framework for achieving three goals of effective stewardship:

- To create and preserve long-term value for current and future generations
- To ensure the efficient management of capital whilst considering the best interests of clients and beneficiaries
- To contribute towards achieving sustainable outcomes for our environment, society, and economy.

Devon was a founding signatory of the Aotearoa New Zealand Stewardship Code and have published our Stewardship Report demonstrating out alignment to the code. It is available [here](#).

## Climate Action 100+

Climate Action 100+ is an investor led initiative to ensure the worlds largest corporate greenhouse gas emitters take necessary action on climate change. Over 600 investors are involved in the initiative who are engaging with companies on improving climate change governance, cutting emissions, and strengthening climate related financial disclosures. Devon has been an active member since 2019 and is involved in engagements with Woolworths (WOW.ASX), and Wesfarmers (WES.ASX).

## New Zealand Corporate Governance Forum

The New Zealand Corporate Governance Forum is committed to promoting good corporate governance in New Zealand companies. The Forum's members are investors with significant investment in NZ listed companies.

## UN Principles of Responsible Investment (PRI)

Devon has been a signatory to the UN PRI since inception. The initiative outlines six principles:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

In implementing these principles, signatories contribute to developing a more sustainable global financial system.



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## Spring

Spring is a UN PRI stewardship initiative for nature, addressing the systemic risks of biodiversity loss to protect the long-term interests of investors. Devon is part of the ongoing engagement group working with South32 (S32.ASX).

## Toitū Envirocare

### Enviromark Gold Certification

Investment Services Group (ISG) which is the parent company of Devon Funds, engaged with Toitū Envirocare to assist with the implementation of a planned approach to managing our environmental aspects and impacts (including legislative health and safety requirements) through the Toitū Enviromarks programme. Annual independent audits are facilitated as part of the programme. ISG has achieved the Toitū Envirocare Enviromark Gold certification.

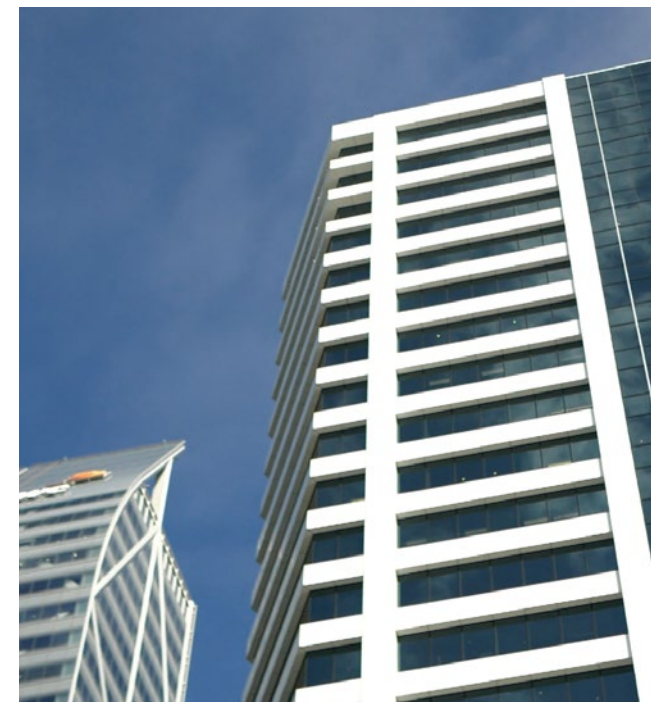
## Responsible Investment Association Australasia (RIAA)

### Member

Devon and TAHITO are both RIAA members. RIAA is an industry association with over 500 members, representing \$83 trillion (NZD) in assets under management. RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand. Their membership includes super funds, KiwiSaver providers, fund managers, banks, consultants, researchers, brokers, impact investors, property managers, trusts, foundations, faith-based groups, financial advisers and individuals.

## Responsible Investment Association Australasia Certified Sustainable Plus

The Devon Sustainability Fund and the TAHITO Ethical Sustainable Fund have been RIAA certified since 2022. The RIAA Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical, and impact investment products and services in Australia and New Zealand. RIAA has a Sustainability Classifications initiative that builds on RIAA's Responsible Investment Certification Program. The initiative introduces three classifications: Responsible, Sustainable, and Sustainable Plus. The classifications differentiate RIAA certified funds based on their responsible investment approaches, claims, processes, stewardship programs and disclosures. They focus on the approach that funds take in considering ESG factors and the degree to which sustainability is addressed or targeted. The Devon Sustainability Fund and TAHITO Ethical Sustainable Fund have been designated the 'Sustainable Plus' classification.



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**DEVON ALPHA FUND**

**DEVON AUSTRALIAN FUND**

**DEVON DIVERSIFIED INCOME FUND**

**DEVON DIVIDEND YIELD FUND**

**DEVON SUSTAINABILITY FUND**

**DEVON TRANS-TASMAN FUND**

## Externally managed funds

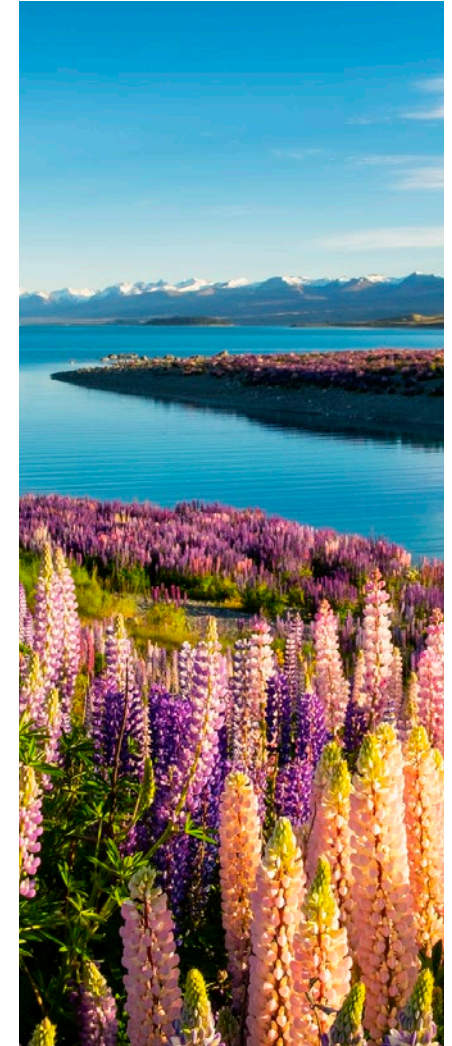
**DEVON GLOBAL SUSTAINABILITY FUND**

**DEVON GLOBAL IMPACT BOND FUND**

**ARTESIAN SHORT DURATION CORPORATE BOND FUND (NZD)**

**ARTESIAN GREEN AND SUSTAINABLE BOND FUND (NZD)**

**TAHITO ETHICAL SUSTAINABLE FUND**



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Responsible investment strategies vary and are often used in combination with one another by investors globally. The Responsible Investment Association Australasia (RIAA) categorise the approaches used by investors according to the below:

## ESG Integration

ESG integration: the systematic and explicit inclusion by investment managers of environmental, social and governance factors into the investment decision-making process.

## Negative/Exclusionary Screening

Negative/exclusionary screening: the exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria, such as what goods and services a company produces, or how inadequate a company or country response is to emergent risks such as climate change impacts.

## Minimum Standards (Norms-Based) Screening

Minimum-standards (norms-based) screening: screening of investments against minimum standards of business or government practice, for example as based on international norms such as those issued by the UN, ILO, OECD and NGOs (e.g. Transparency International) and may include exclusions of investments that are not in compliance with norms or standards or over and underweight.

## Corporate Engagement and Shareholder Action

Corporate engagement and shareholder action: employing shareholder power to influence corporate behaviour, including through direct corporate engagement (i.e., communicating with senior management and/or boards of companies), filing or co-filing shareholder proposals, and proxy voting that is guided by comprehensive ESG guidelines.

## Positive/Best in Class Screening

Positive/inclusionary screening: intentionally tilting a proportion of an investment portfolio towards positive solutions, or targeting companies or industries assessed to have better ESG performance relative to benchmarks or peers.

## Sustainability Themed Investing

Sustainability themed investing: investment in themes or assets and programs specifically related to improving social and environmental sustainability (e.g. safe and accessible water, sustainable agriculture, green buildings, lower carbon tilted portfolio, community programs).

## Impact Investing

Impact investing: investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.



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At Devon, we apply responsible investment strategies both at a firm level and in varying degrees across our portfolios. **All of our funds employ ESG integration**, in which environmental, social, and governance factors are fundamental to the investment decision making process.

Across our funds we apply the following strategies:

Externally managed funds

	Devon Alpha Fund	Devon Australian Fund	Devon Diversified Income Fund	Devon Dividend Yield Fund	Devon Sustainability Fund	Devon Trans-Tasman Fund	Global Sustainability Fund	Global Impact Bond Fund	Artesian Short Duration Corporate Bond Fund (NZD)	Artesian Green and Sustainable Bond Fund (NZD)	TAHITO Ethical Sustainable Fund
<b>Asset class</b>	Australasian Equities	Australian Equities	Fixed Interest	Australasian Equities	Australasian Equities	Australasian Equities	Global Equities	Global Bonds	Global Bonds	Global Bonds	Australasian Equities
<b>ESG Integration</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Negative/Exclusionary Screening</b>	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes
<b>Minimum Standards (norms-based) Screening</b>	No	No	No	No	No	No	No	No	No	No	No
<b>Corporate Engagement</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Positive/Best in Class Screening</b>	No	No	No	No	Yes	No	Yes	No	Yes	Yes	Yes
<b>Sustainability Themed Investing</b>	No	No	No	No	Yes	No	Yes	Yes	No	Yes	Yes
<b>Impact Investing</b>	No	No	No	No	No	No	No	Yes	No	Yes	Yes

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At Devon, we apply responsible investment strategies both at a firm level and in varying degrees across our portfolios. **All of our funds employ ESG integration**, in which environmental, social, and governance factors are fundamental to the investment decision making process.

We view ESG as a lens through which we think about material risks or opportunities within our company analysis. We execute this in three ways, as outlined here.

The first is through initial company research. For any company we are looking at we will evaluate:

- Environmental impact, predominantly from a carbon emissions perspective
- Social impact, which can include safety, labour issues, or consideration of community impact (including traditional owners)
- Corporate governance best practice

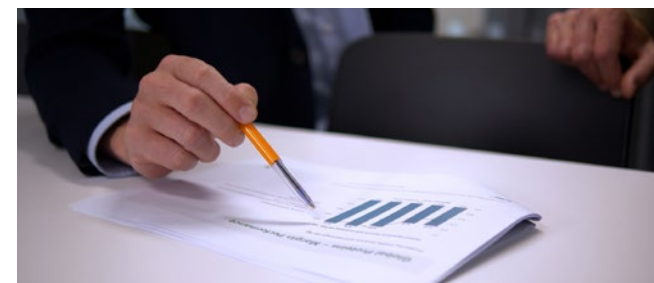
If any issues are identified in this process, depending on the severity, we will either adjust our position sizing to account for these issues, or use this as a point of engagement in our meetings with the companies.

We also perform ongoing monitoring of the companies we own. This is done on a regular basis through monthly controversy screening. However, given this is backwards looking, we monitor all company announcements, news reports, and policy and regulatory updates to address controversies as and when they arise. In addition, we monitor all company results and annual reports for updates on their performance against ESG targets.

Finally, the global shift towards a more sustainable world presents material opportunities for companies. In the past couple of years, we have seen an increase in investment in this space and political appetite to provide funding in these areas. Contact Energy (CEN. NZX) is an example of a company that we have viewed as benefitting from these opportunities. The energy sector is key to decarbonising significant parts of

New Zealand's economy, including transportation and process heat. It makes both commercial and environmental sense for Contact Energy to pursue a decarbonise their portfolio and grow the demand for renewable energy. Pleasingly, the company reported in their first half 2026 numbers, that they had 97% renewable generation year on year<sup>1</sup>. We are always looking for companies whom we feel will benefit from this set of circumstances.

<sup>1</sup> <https://contact.co.nz/investor-centre/reports-and-results/annual-and-half-year-2026-Interim-Financial-Statements>



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We recognise that some of our clients do not want their money invested in businesses which derive revenue from activities which cause environmental and social harm. As such we have funds which apply various exclusions, which are outlined below.

## Devon Sustainability Fund

Excludes companies where more than 10% of business revenue comes from:

- » Alcohol manufacturing
- » Gambling
- » Pornography
- » Fossil fuel exploration, extraction, and refining<sup>1</sup>

Also excludes companies where any business revenue is derived from:

- » Manufacturing of tobacco-based products or nicotine alternatives<sup>2</sup>
- » Manufacturing and sale of armaments<sup>3</sup>

As well as any company on human rights watchlists as stated by MSCI, or involved in whaling activities.

<sup>1, 2, 3</sup> Please refer to our website for further details on these exclusions: [devonfunds.co.nz/sustainability-fund](http://devonfunds.co.nz/sustainability-fund)

## TAHITO Sustainable Ethical Fund

Tahito Ethical Sustainable Fund excludes companies with no female board representation and any company subject to global sanctions. It further excludes companies involved in:

- » Adult entertainment/pornography
- » Civilian firearms
- » Defence and weapons

- » Fossil fuels
- » Gambling
- » Genetic engineering (GE)
- » Global Sanctions
- » Human rights & environmental violations
- » Military Weapons
- » No Female Board Representation
- » Nuclear power
- » Production or purchase of palm oil
- » Production of alcohol
- » Tobacco and vaping
- » Agricultural chemicals: Companies Manufacturing or distributing synthetic pesticides, herbicides, or soil-degrading inputs

## Global Sustainability Fund

Excludes companies that are involved in the following:

- » Production of controversial weapons, including cluster munitions, landmines, biological/ chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments
- » Production of nuclear weapons
- » Production, distribution, retail or supply of tobacco related products

- » Thermal coal extraction or thermal coal-based power generation
- » Production and generation of oil sands (also known as tar sands)

## Global Impact Bond Fund

Excludes companies that are involved in the following:

- » Production of controversial weapons
- » Thermal coal extraction or power generation
- » Production and generation of oil sands
- » Significant activities associated with controversial weapons
- » Significant activities associated with fossil fuels principal adverse impacts

## Artesian Green and Sustainable Bond Fund (NZD)

The Investment Manager has determined various products and practices attract unacceptable social and environmental risks. The Investment Manager adopts a zero-tolerance for issuers involved in the production of tobacco, alcohol, pornography, munitions, palm oil, gaming equipment and exploration and or production of fossil fuels.

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## Proxy voting

We are advocates for strong corporate governance structures, shareholder rights, and transparency. We vote 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.

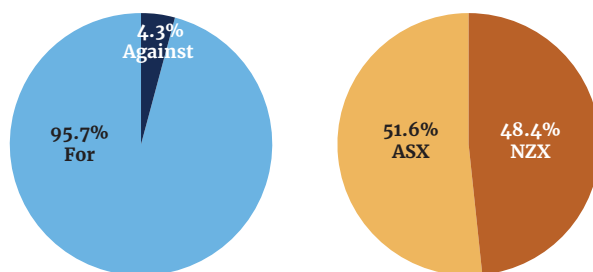
Each proposal must be evaluated on its merits, based on the particular facts and circumstances as presented. Our practice seeks to ensure that proxy voting decisions are suitable for individual portfolios. For most proxy proposals, the evaluation will result in the same position being taken across all portfolios.

Clients of Devon's Sustainability Fund have access to all their relevant voting outcomes through the Devon Funds website (<https://devonfunds.co.nz/sustainability-fund>).

Please note this information relates only to Devon's internally managed funds.

Further information regarding proxy voting is available in our Stewardship Report, available [here](#).

### Breakdown of votes:



## Engagement

Direct engagement with companies and their stakeholders is an important part of Devon's investment process, and a key driver of our approach to Responsible Investment.

Engagement is typically with the CEO, CFO and other senior management and may take the form of face-to-face meetings, phone conversations, or written communication. This 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 corporate 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, their gender diversity, member

contribution and tenure.

We collaborate with other fund managers through the New Zealand Corporate Governance Forum, of which we are a founding member, where we believe a collaborative approach will be in the best interests of our clients and achieve the greatest result.

### Engagement Example

Cleanaway (CWY) Limited is an Australian waste management company. An issue the Devon investment team had been monitoring was the worker fatalities, and on the 18th December 2025 it was reported in the Australian Financial Review (AFR) that a worker at Cleanaway's Melbourne regional landfill facility died after being struck by a truck. This marked the ninth fatality in three years at Cleanaway.

As the worker fatality reports had continued to rise for Cleanaway, our team had spent considerable time



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discussing whether recent fatalities at Cleanaway could have been isolated and, at worst, simply bad luck. However, we found it difficult to understand how, based on the sheer number of fatalities and their ongoing occurrence, this could not be systematic in nature and reflective of poor health and safety standards and culture across the business.

As a result, we sent a letter to the Chairman of Cleanaway Waste Management Group expressing our concerns. We acknowledged that the waste management industry presents challenges for workplace safety with heavy vehicles, and manual handling of hazardous materials. We also acknowledged that the company is in the process of reviewing its safety practices and has made changes to the safety weighting within the short-term incentive component of remuneration. The purpose of the letter was to further urge the company to investigate and address the issues with urgency and to implement best-practice health and safety procedures across the entire organisation.

We were pleased to speak directly with the Chair of Cleanaway Waste Management, who responded to our letter almost immediately. The Chair discussed the seriousness of the situation for them as a board and management team, and that even he, as Chair, had gone on site and done “ride-alongs” in order to understand what was going wrong. We viewed the fact that the Chair responded to our letter so quickly as a demonstration of the seriousness they were taking the situation. The Chair clarified that issues have been predominantly with third party contractors, and they felt from an organisational perspective they have done what they can in terms of policies and processes, and



now they’ll have to look at engineered solutions, for example cameras and separate parking bays for trucks.

We have continued to follow up with the company regarding safety since our discussion with the Chair. Speaking with management, they discussed the way safety issues have weighed on sentiment. Regarding the independent review of safety that took place, they said there were no identification of systemic risk of business, but there was a lack of consistency of the application of standards, and they have 12–15 recommendations that they will work through.

We have used proxy voting to address the safety issues, and reinforce the view that we have communicated directly. The CEO took a significant cut to the STI component of his remuneration package and with two deaths in FY26, this is likely to happen again. At the

2025 AGM over 40% of shareholders voted against the Cleanaway remuneration report in a protest against the CEO’s STI bonus. Institutional Shareholder Services (ISS) who are a proxy advisor noted that the CEO’s \$1.2 million FY25 STI bonus is above market cap peer group median, despite the 30% reduction due to board discretion (as a result of fatalities). The 30% reduction, whilst significant, was still not aligned with best market practice of 50%, and as a result we voted against the remuneration report.

This is an issue that we will continue to monitor over time and continue to discuss progress with the company.

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### Collaboration

We recognise that collaboration within the investment industry can be a powerful tool for leveraging change within an organisation.

We collaborate with investors as part of the Climate Action 100+ (CA100+), and through this initiative we are part of an engagement with Woolworths which is ongoing. We have also been involved in the CA100+ engagement group for Wesfarmers, as a collaborating investor. Both Woolworths and Wesfarmers 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.

#### Collaboration Example:

During 2025, as part of our Climate Action 100+ initiative, we have had meetings with the Executive General Manager, Corporate Affairs for Wesfarmers.

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.

Wesfarmers has reached a key milestone, which is the achievement of 100% renewable energy by 1 July 2025<sup>1</sup>. The Wesfarmers discussed the ways they have reduced operational emissions through energy efficiency, generating behind the meter renewable energy, and procuring PPAs. Wesfarmers also discussed exploring battery storage and dispatch potential going forward. Wesfarmers emphasised the value of adopting an internal carbon price in making investment and project decisions.

Scope 1 emissions programs are concentrated in WesCEF. The company clarified that WesCEF plants are currently below the Safeguard Mechanism carbon intensity requirements, which has been a 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. Wesfarmers has

received \$33m of commonwealth funding to support the transformation of its other two plants<sup>2</sup>.

In terms of ammonia production, Wesfarmers discussed a small-scale project = 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 CO<sub>2</sub>e.

Ongoing engagement with Wesfarmers will be focussed on WesCEF decarbonisation, and Scope 3 emissions.

<sup>1</sup> [https://www.wesfarmers.com.au/docs/default-source/reports/wesfarmers-2025-final\\_interactive\\_spreads.pdf?sfvrsn=affaefbb\\_5](https://www.wesfarmers.com.au/docs/default-source/reports/wesfarmers-2025-final_interactive_spreads.pdf?sfvrsn=affaefbb_5)

<sup>2</sup> <https://wescef.com.au/2024/04/24/commonwealth-funding-to-help-wescef-accelerate-decarbonisation>



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# DEVON FUNDS.

**For the  
informed  
investor.**

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