

# Sustainable Business Governance & Oversight

**As we pursue our Purpose, sustainable business governance and oversight remain essential. IFM's overarching sustainable business approach is established and monitored at the IFM Board level. Management is responsible for the execution of this strategy, ensuring financially relevant sustainability risks are reflected in our risk management frameworks, investment analysis, stewardship and corporate-level activities.**

We believe the systems and governance throughout our investment decision-making processes support rigour and accountability in our approach. From the boardroom to the investment committee and our investment teams, we have structures and policies in place that define, integrate and track our sustainable business practices.

## **Our ownership structure**

Our ownership structure is quite distinct within the funds management industry and it underpins our approach to active management. IFM was established in 1994 and is wholly owned by Industry Super Holdings Pty Ltd, which itself is owned by a collective of 17 profit-to-member Australian industry superannuation funds. IFM operates as a separate business entity, with a focus on institutional funds management for aligned investors.

We seek to maximise net investor returns in a way that aligns to the broader sustainability objectives of our owners, many of which are also our clients and invest with us on behalf of their members.

## **Governance**

Responsibility for oversight of IFM's approach to integrating sustainability factors and stewardship sits with the IFM Board, Executive and individual teams who take IFM's SI strategy and tailor it to their individual asset classes.

## **Board and BRISC**

The IFM Board Responsible Investment and Sustainability Committee (BRISC) was set up in 2019 to assist the IFM Board by providing an objective, non-executive view of the effectiveness of IFM's sustainable business strategy and reporting framework. The BRISC is responsible for monitoring and overseeing progress against key sustainability objectives, as well as endorsing and providing guidance on sustainable investment strategies proposed by management.

## **Executive Management**

The Global Head of Sustainable Investment leads the Sustainable Investment team and is responsible for providing strategic leadership and direction on sustainability developments for IFM. The Global Heads of our investment teams for each asset class and the Global Head of Asset Management (Infrastructure) are accountable for the execution and implementation of IFM's ESG Policy in the investment and asset management process. They are

supported in this process by their investment teams and embedded asset class SI specialists. IFM’s ESG Policy provides guidance to teams regarding the integration of sustainability factors and stewardship processes. Each investment team is responsible for considering sustainability factors and undertaking stewardship in their respective investment and asset management processes in line with the overarching Policy.

**Board Investment Committee, Investment Committee and Sub-committees**

IFM’s Board Investment Committee, Management Investment Committee and sub-committees (ICs) have oversight of our investment programs and portfolios, helping to ensure that our sustainable business strategy and ESG policy is appropriately factored into new acquisition decisions and ongoing portfolio management. The ICs are responsible for reviewing and approving new and follow-on private market investments and the approval process includes review and, where appropriate, challenge on assessments of sustainability factors to help ensure sustainability risks and opportunities have been properly considered in support of investment objectives.

**Proxy Voting and Engagement Committee (PEC)**

The Proxy Voting and Engagement Committee (PEC) provides oversight of all proxy voting activity on listed securities. The PEC comprises Executive Directors from the IFM Listed Equities team and the SI team. While the PEC delegates authority for day-to-day engagement and voting on listed securities to representative members in the team, it is responsible for reviewing and approving votes cast in relation to shareholder proposals.

**Sustainable Investment (SI) team**

The SI team is responsible for the development and implementation of IFM’s overarching sustainability strategy and associated policies and guidelines. The team is focused on bringing the client voice into IFM’s investment process when it comes to clients’ current and developing sustainability preferences and expectations. The team aims to ensure that clients’ sustainable investment needs are met by IFM investment teams and provides support and specialised advice and works collaboratively with investment teams on their sustainable investment and stewardship approaches. The team coordinates knowledge sharing between asset class teams, and regularly attends conferences, forums and signatory working group sessions to build knowledge and share information with investment teams and wider management on sustainability trends and developments. It also supports cross-industry collaborations and works with regulators and policymakers on sustainability matters.



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IFM Investors – 12 February 2024 - 3382390