

Strategic report

For the year ended 30 June 2023

Section 172 Companies Act 2006 Statement

The directors have a duty to promote the success of the Company for the benefit of its shareholder and describe how they have performed this duty with regards to matters set out in S172(1) of the Companies Act 2006. The Board recognises that taking into account the interests of the Group's clients, the Company's employees and sole shareholder, as well as the longer term impact of its decisions and the desire to maintain the Company's reputation and improve the investment universe, will improve the Board's decision making. The Board ensures that the impact of their decision making is aligned with the long term sustainable success of the Company.

The Company's value is created by its delivery of services to clients, identification of investment opportunities and managing investment returns, in accordance with the wider directives of the Group, allowing it to drive its own relationships and success. To maintain and build investment value over the long term, the directors recognise the importance of aligning the Company's interests with the interests of the customers and the community in which it operates.

A core part of the Company's vision is to invest, protect and grow the retirement savings of working people. The Board recognises the importance and impact of employees on the success of the Company, and invests heavily in the development and retention of employees. The Company encourages staff development and progression, endeavouring to build long term, rewarding careers for staff. The Board receives regular feedback from employees, including annual results of the Employee Engagement Survey.

The Company strives to make inclusion and diversity fundamental to how we do business by embracing unique qualities, backgrounds and perspectives. Inclusion and diversity in our workplace leads to innovative thinking, better decision making and superior value for our investors and stakeholders.

The core of our Inclusion and Diversity strategy is to create an inclusive culture supported by five pillars:

- Cultural & Ethnic Diversity;
- Mental Health & Wellbeing;
- Ability;
- LGBTQI+; and
- Gender

The Board acknowledges the importance of environmental, social and governance matters and is committed to maintaining and demonstrating high standards in relation to the Company's business conduct, its impact on the environment and society, and contribution to the long-term strength and resilience of the markets in which we operate.

As part of the Group's net zero by 2050 commitment, the Group has set a 2030 interim emissions reduction target of 1.16 million tonnes of CO₂e for the infrastructure asset class. This target covers Scope 1 and Scope 2 emissions and translates to a 40% reduction in the emissions of the Group's existing infrastructure portfolio from 2019 levels. The target will be adjusted annually for divestments and new investments.

IFM's Chief Executive and other Australian infrastructure investors met the UK Prime Minister to discuss the UK's energy transition and the role investors can play, including investment across the UK in clean energy, technology and infrastructure projects over the next decade. IFM seeks to invest in opportunities across new net zero projects and to enhance our existing UK assets, including the M6toll road, Anglian Water, and Manchester, Stansted and East Midland airports.

In summary, the Board's primary focus is promoting the long term success of the Company for the benefit of its shareholders, its employees and the Group's clients. In doing so, as described above, it has due regard for the impact of its actions on other stakeholders and the wider community.