

Milford 2025



**Engagement
Activities
& Outcomes
Report**



MILFORD

INVESTED IN YOU

Engagement Activities & Outcomes Report

June 2025

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Milford is proud to be a founding signatory of Aotearoa New Zealand's Stewardship Code, signifying our commitment to effective stewardship. This Engagement Activities and Outcomes report provides information on most aspects of our alignment with the Stewardship Code principles. See appendix for mapping of our disclosures against the principles of the Code.



Introduction

Engagement is how Milford plays a proactive role to help the transition to a more sustainable future.

We use our sustainability research to enable educated conversations with the companies we invest in and push them to deliver better outcomes through sustainability targets, action and reporting.

This Engagement Activities and Outcomes report outlines the engagement activities underway and provides detailed examples of the company communications we have undertaken in the last six months.

Alongside our proxy voting activities, engagement is how we action our commitment to be good stewards of capital. In this report, we also describe how engagement fits into our sustainable investment strategy and detail our Stewardship Principles; the beliefs that underpin all our stewardship activities.

Our intent is that sharing this information will encourage other investors to raise these issues with the subject companies to grow collective action and help drive real-world change.



Proxy Voting



Engagement



Stewardship

Our Philosophy

The Milford Investment team has always looked for the best companies. It is clear to us the best companies are those committed to sustainable practices.



Over time, we believe these businesses will deliver better environmental and social outcomes, more resilient business models and ultimately, higher shareholder returns.

At Milford, our approach to sustainability reflects our active management philosophy. We have a large team using a wide range of strategies to identify the best investments in changing market conditions. This includes a dedicated Sustainable Investment team who research sustainability best practice across the sectors we invest in.

As well as enabling us to identify areas of sustainability-related risk and opportunity within our portfolio, this research underpins our communication with companies to encourage them to improve their sustainability performance.

Every company needs to act to achieve the transition to a more sustainable future. We are acutely aware of our capacity as shareholders to encourage positive change and, rather than just avoid harm, we believe it is our duty to use our seat at the table to advocate for the transition.

We embrace this opportunity by working with company management, boards and policymakers to advocate for improvements in sustainability-related targets, investment and disclosure. This is how we can best play our part in the transition to a more sustainable future.

Our Sustainability Approach



Research and analysis underpin our approach to sustainable investing at Milford.

The Sustainable Investment team is a part of the broader Investment team responsible for managing the Milford Funds. This enables us to integrate our sustainability research into our company analysis and investment decision making process.

We use Milford's ESG Checklist to evaluate the companies we invest in. The Checklist is an internally developed assessment tool used to evaluate a company's environmental, social and governance performance, highlight sustainability-related risks and opportunities and identify the areas where the company can improve its sustainability performance.

While the ESG Checklist is the core of our sustainability process, engagement is our primary tool for action as we believe it has the most potential to deliver real-world change. We believe this is simply good stewardship, and we engage in a variety of complementary ways to maximise our impact on the companies we invest in.

The Exclusions Gate

Adherence to our ESG Exclusion List.



Sustainability Analysis

In depth analysis of every company we invest in.



Good Stewardship

Engagement and proxy voting to help drive change.



How We Engage

We define engagement as ‘using our influence to encourage the companies we invest in to improve their sustainability performance and help drive change’.

We believe this is our greatest opportunity to make a positive impact due to:

Our understanding of sustainability issues and the transition to more sustainable business models, enabling educated and impactful engagements.

Our size and active management approach, which provides influence and access to company management and Boards.

Our resource and capability to undertake long and difficult engagements with a range of companies.

Stewardship Principles

These principles guide our stewardship activities at Milford. They reflect the research we have undertaken into the most effective way to achieve the sustainable transition. Our Core Principles underpin our stewardship activities and the long-term objectives we aim to achieve. Our Environment, Social and Governance principles inform the specific outcomes we push for through stewardship actions focused on those topics.

Core Principles

We believe in helping to drive real-world change, not simply avoiding harm.

We acknowledge that 'transition' means change over time, not overnight. We target ongoing improvements from our engagements, and believe these activities support risk-adjusted returns.

We accept that the sustainable transition will require compromise. We invest in crucial transition activities and expect companies to minimise any negative impacts to ensure sustainable, long-term business models.

Stewardship Principles



Environment

- E1** Global warming is an existential threat and must be addressed. Further, the warming impact of atmospheric Greenhouse Gas (GHG) emissions is compounding, meaning time is of the essence.
- E2** We expect companies to set decarbonisation targets aligned with the most current and credible guidance offered by climate science, which is at present Net Zero operations by 2050.
- E3** Protecting ecosystems and biodiversity is key to the sustainable transition. We expect companies to prioritise their broader impacts and dependencies on the natural environment, including their management of pollution, water and waste.



Social

- S1** We believe in a 'just transition' that promotes sustainable development in a fair and equitable way for all members of the global population.
- S2** We expect companies to maintain their social licence to operate by actively addressing the scope of their social impact on their customers, employees, local communities, and society as a whole.
- S3** We expect companies to identify modern slavery risk in their supply chains and to take action to address this risk.



Governance

- G1** We believe effective boards are crucial to deliver long-term company performance. This is best delivered by prioritising a Board's skill set, capability, capacity and diversity.
- G2** Appropriate remuneration structures should be aligned with shareholders, incentivise management to excel and build long-term shareholder value.
- G3** We promote transparent disclosure as this attracts shareholder capital, provides confidence to all stakeholders, and demonstrates integrity and a positive culture.

Spotlight on Greenwashing

The lack of a harmonised definition of what constitutes 'green', 'sustainable', 'responsible' and similar terms can make it difficult for investors to determine if a company is **greenwashing**.

We generally assess a company as greenwashing where it has claimed or created the perception that its activities, products and services are more sustainable than they actually are.

Greenwashing can manifest as:

- Claiming to be on-track with sustainability targets with no credible plan in place to achieve them.
- Promoting improvements, such as GHG emission reductions, that have been achieved via asset sales with no underlying improvement delivered.
- Implying a minor improvement has a major impact or promoting a product that meets minimum regulatory requirements as if it is significantly better than the standard.
- Communicating the sustainability attributes of a product in isolation of brand activities (and vice versa).

We will engage with companies to address greenwashing concerns, and encourage companies to be transparent by communicating both achievements and challenges candidly, setting realistic and meaningful targets, providing data and evidence in support of key sustainability initiatives, and leveraging credible third-party verification and global reporting standards (where appropriate).

Overview of Engagement Approach



We undertake a wide range of engagement activities to maximise our influence in working towards our Stewardship Principles.

1 Proactive engagements

We undertake strategic engagements to affect change with the companies we invest in that have the most ability to cause harm and where we have the most influence.

We undertake informal engagements by asking sustainability-focused questions and promoting improvement in our regular dialogue with company management teams and boards. This should help drive change by demonstrating that active investors value and prioritise sustainable practices.

2 Reactive engagements

We respond to unexpected controversies, such as significant breaches of environmental or social requirements, in accordance with our Controversy Matrix.

3 Active proxy voting

We use the power of voting to communicate our expectations and agitate for change. We commit to voting all proxies where possible and engage with Boards to share our concerns when required.

4 Collaborative engagements

Collaboration between investors can increase influence and ability to achieve outcomes. We collaborate wherever there is an opportunity, including as a member of Climate Action 100+.

5 Policy engagements

We engage with policymakers where possible, such as collaborating with industry bodies and responding to regulatory proposals.

Strategic Engagement Process

Our strategic engagements have the most potential to encourage real-world change.

The companies are selected based on their ability to cause environmental and social harm, plus our expected level of influence due to the size of our holding or on our position in the local market.

We determine the specific engagement outcomes we seek for each company using our ESG Checklist and sustainability best practice research. These outcomes aim to progress the transition to a more sustainable future in line with our Stewardship Principles, reduce sustainability-related risk and improve the outlook for long-term shareholder returns.

We take a constructive and collaborative approach to our engagements, starting the process by sharing our research and targeted outcomes with the most appropriate company personnel and learning more details about the company's approach before making our recommendations.

While we acknowledge that change can take time, we do expect progress from our target companies and will advance engagements via our escalation framework if required.



Milford Escalation Framework

Milford's Escalation Framework is designed to incentivise companies to engage with us and adopt our recommendations. By being clear on the engagement process we will follow, and transparent about the consequences of refusing to take action, we hope companies will adopt a proactive approach to our engagement process and work with us to help drive positive change. If we are unable to make any progress with the companies we are engaged with, we will adopt the steps in the Escalation Framework as most appropriate for that engagement.

Indicative Timeframe

6-12 months

1 Trigger

No / dismissive response from company personnel.

Action

Escalate to CEO, Non-Executive Directors or Chair of target company.

2 Trigger

No / dismissive response from CEO, Non-Executive Directors or Chair .

Action

Contact other investors to raise the issue and collaborate.

AND/OR

Publicise the issue in Milford disclosures.

Indicative Timeframe

12-24 months

3 Trigger

Refusal to cooperate or adopt recommendations by company personnel, management and board.

Action

Vote against relevant resolutions and/or Directors at the next AGM.

AND/OR

Publicise the issue in broader media.

AND/OR

Divest based on ESG risk and add to the ESG Exclusion List.

4 Trigger

Continued refusal to cooperate or adopt recommendations by company personnel, management and board.

Action

Raise resolution at next AGM to deliver change.

AND/OR

Divest based on ESG risk and add to the ESG Exclusion List.

Engagement Targets

We have formalised our commitment to our strategic engagements by setting engagement targets directed at the companies that we believe have the greatest potential to cause harm, with consideration for where Milford has the greatest potential to help drive change via our position as a large fund manager in the New Zealand and Australian markets.

For the FY26 year, we have set three engagement targets:

1. Fossil fuels

We commit to engaging with every Australasian Energy company in our equity holdings.

2. High emitters

We commit to engaging with the five highest financed greenhouse gas emitters in our Australasian equity holdings (excluding the Energy sector).

3. Social harm

We commit to engaging with our top five social harm and modern slavery exposed companies in our Australasian equity holdings.

The specific engagement outcomes Milford will seek for each target company, outlined in the next pages, are set by the Sustainable Investment team using the ESG Checklist and our sustainability best practice research. These outcomes aim to support the transition to a more sustainable future in line with our Stewardship Principles, reduce sustainability-related risk and improve the outlook for long-term shareholder returns.

The subject companies are determined by the opening holdings at the start of the 2026 financial year.

We report progress against these outcomes, including contact with the company, issues discussed and any company action, in this report alongside examples of our broader stewardship activities. Any divestments, which will challenge our engagement progress, will also be reported.

Engagement Targets

Energy sector

The energy sector is the primary provider of fossil fuel resources to the Utility, Industrial and Transport sectors. The production and consumption of these resources is responsible for approximately 75% of global greenhouse gas emissions.

We have identified our current Energy sector companies using Global Industry Classification Standard (GICS) codes. The focus of these engagements, in line with our Stewardship Principles, is to progress to the adoption of targets aligned with Net Zero 2050 supported by appropriate transition plans and capital expenditure to shift to more sustainable long-term business models.

Our engagement target companies are based upon our opening holdings as at 1st April 2025 (the first day of our FY26 financial year). A number of our FY25 target companies are not included in our Energy sector engagement target for this reporting period as they were not held on this date. We will continue to monitor these names and, where appropriate, reinstate our engagement.



Oil & gas exploration,
production & marketing



Coal mining



Oil refining, importing
and sales



Fuel import terminal



Oil & gas exploration &
production

Top 5 highest emitters excluding Energy

High emitters outside of the Energy Sector, such as Utilities or heavy industry, can have a significant impact upon global emissions by reducing the energy intensity of their operations

We prioritise progressing the sustainable transition for all high emissions companies given their environmental impact and sustainability-related risk.

We are targeting our top 5 highest emitters outside of the Energy sector, as measured by the portion of the company's absolute total scope 1, 2 and 3 GHG emissions attributable to our holding, described as 'financed emissions'.



Metals & mining



Electricity generator
& electricity & gas
retailer



Electricity generator
& electricity & gas
retailer



Metals & mining



Steel production

Engagement Targets

Top 5 Social Harm and Modern Slavery exposed companies

The sustainable transition is more than just GHG emissions. Social harm and human rights are hugely important to us at Milford and we are committed to engaging to minimise social harm and modern slavery risk across our investments.

We have used a combination of sector-based screening, our ESG Checklist and geographic risk to identify our target list of companies.

Sectors identified with higher risk of social harm are the alcohol, gaming and fast-food sectors. Sectors identified with higher risk of modern slavery are the retail and manufacturing industries, as their supply chains are often based in high-risk geographies where labour is lower cost. Our assessment of companies whose operations are within high-risk geographies is informed by the Global Slavery Index. The ESG Checklist enables us to analyse companies bottom up and identify company-specific potential harm, allowing us to better classify Milford's highest risk holdings and prioritise engagement in order of greatest harm and influence.

Using this methodology, the target companies identified based upon our opening holdings as at 1 April 2025 (the start of our FY26 financial year) include retail (clothing), healthcare equipment manufacturing and gambling technology providers. Resmed and Universal Store have been added to our target due to the modern slavery risk associated with the often geographically diverse and complex supply chains of healthcare equipment providers and clothing retailers, respectively.



Health care equipment

Universal Store

Clothing retailer



Gaming



Gaming



Gaming

Engagement Outcomes

We have seen a number of improvements in sustainability actions and reporting aligned with our engagement activities.

It is important to acknowledge the number of factors influencing company action including internal stakeholders, cost and returns from investment, regulation and political pressure. However, we believe our engagement activities have helped deliver the below outcomes aligned with our engagement priorities with the target companies.

Santos (CA100+)

Set GHG emission reduction target aligned with carbon capture and storage volumes

Delegat

Age gates on social media accounts

Ryman Healthcare

Development of formal sustainability strategy and science-based GHG emission reduction target

New Hope Corporation

Greater reporting of GHG emissions for investors to analyse climate risk, and progression of methane reduction investment projects

Aristocrat Leisure

Roll out of self-exclusion tools and setting quantitative social harm reduction targets

Spark

Reset of strategic focus and capital allocation policy

Origin Energy (CA100+)

Ensured Climate Transition Action Plan is published and put to vote at 2025 company AGM

Fisher & Paykel Healthcare

Supported increasing robustness of Modern Slavery Risk minimisation framework

Stride Property Group

Roll out of GHG emission monitoring and GHG emissions reduction target set

Strategic Engagement Schedule

This schedule outlines the key engagement opportunities we are progressing to achieve outcomes aligned with our Stewardship Principles. Through these engagements, we hope to further progress the transition to a more sustainable future via targets, actions and disclosures from the companies we invest in.

Energy Sector Engagements

Company	Engagement Priorities	FY25 Status and outcomes	FY26 Status and Next steps
Santos Ltd.	<p>Increase disclosure of the credibility of any carbon offsetting.</p> <p>Recommend becoming a signatory to OGMP 2.0 and increasing methane reduction ambition.</p> <p>Demonstrating alignment of emissions reduction targets with the Paris Agreement including the impact of new Oil and Gas development.</p>	Milford is co-lead of Climate Action 100+ engagement. Some disclosure recommendations adopted, including the establishment of a Scope 3 target. Flagship CCS plant now operating.	Reengage with CA100+ co-leads post AGM to determine next steps after STO Say on Climate Vote results.
Whitehaven Coal Ltd.	Establish emissions reduction targets and improve disclosures.	Recommendations made with limited take up. Applied Escalation Framework and met with Chair of the Board to reiterate recommendations.	Made contact with WHC ahead of their mid-year reporting to reiterate the recommendation of setting a credible emissions reduction target.
New Hope Corporation Ltd.	Establish emissions reduction targets and improve disclosures.	Recommendations made and improved emissions disclosure adopted.	New Hope was not held by Milford as at 1st April 2025, and as such has been removed from the official Engagement Target.*
Karoon Energy Ltd.	Strengthen emissions reduction targets and associated disclosures, revise offset strategy, set internal carbon price.	Recommendations made and met with Chair in April 2024. Some recommendations adopted, including adoption of stronger targets and establishment of internal carbon price.	Karoon Energy was not held by Milford as at 1st April 2025, and as such has been removed from the official Engagement Target.*

*We will continue to monitor company progress against our engagement objectives and reassess our engagement if our holding or company assessment changes.

Energy Sector Engagements cont.

Company	Engagement Priorities	FY25 Status and outcomes	FY26 Status and Next steps
Viva Energy Group Ltd	Improved disclosures and inclusion of emissions related awards metrics in remuneration.	Recommendations made and followed up in meeting with the Chair. Improved integration of Sustainability-linked remuneration.	Review updated disclosures for adoption of recommendations and re-engage post AGM.
Amplitude Energy (FKA Cooper Energy Ltd)	Establish emissions reduction targets, quantify impact of decarbonisation initiatives.	Formal engagement recommendations made to increase granularity of emissions reporting and further disclosure around decarbonisation project assessments.	Follow up meeting pre-October 2025 sustainability report to assess readiness to uptake recommendations.
Beach Energy Ltd	Increased target rigour and ambition, development of CCS project in Moomba.	Initial meeting undertaken and recommendations made for next round of disclosures.	Beach Energy was not held by Milford as at 1st April 2025, and as such has been removed from the official Engagement Target.
Channel Infrastructure NZ Ltd	Scope 3 emission reduction target, SAF expansion strategy.	Initial meeting undertaken, company demonstrated commitment and progress against engagement priorities.	Monitor for material development regarding new Energy Precinct, otherwise re-engage ahead of next Sustainability Report.
Nexgen Energy Ltd	Remote site fossil fuel consumption, responsible supply chain and hazardous waste management.	Progress against initial engagement objectives is on-track, and long-term objectives will continue to be monitored.	Given current non-operational status of the company's energy projects and our confidence in their strategy, NexGen has been removed from the FY26 Engagement Target.*

*We will continue to monitor company progress against our engagement objectives and reassess our engagement if our holding or company assessment changes.

Top 5 Highest Emitters excluding Energy

Company	Engagement Priorities	FY25 Status and outcomes	FY26 Status and outcomes
AGL Energy Ltd	Coal-fired power station retirement and renewable energy generation strategy.	Engagement recommendations made to increase ambition of renewable energy roll out and pace of coal retirement. AGL battery capex increased in the FY.	AGL was not held by Milford as at 1st April 2025, and as such has been removed from the official Engagement Target.*
Origin Energy Ltd	Alignment with stated targeted emissions reductions and renewable energy generation strategy.	Milford is participating in Climate Action 100+ engagement. Initial meeting complete and recommendations have been shared.	Monitor for adoption of recommendations in 2025 CTAP and re-engage with CA100+ collaborative group.
BHP Group Ltd	To be determined with collaborative engagement group.	UNPRI Collaborative Engagement re-scheduled to 2025.	UNPRI collaborative engagement scheduled for late 2025.
Bluescope Steel Ltd	Adoption of low-emission steel manufacturing technologies in EAF or hydrogen technology.	Milford is participating in Climate Action 100+ engagement.	Meeting with existing engagement group set for late 2025.
South32 Ltd	Strengthening of interim target to include Scope 3 emissions. Commitment to coal phase out timeline and specific methane targets.	Initial recommendations made including increased disclosures on targets and offsets and supporting renewables development at key sites.	South32 was not held by Milford as at 1st April 2025, and as such has been removed from the official Engagement Target.*
Rio Tinto Ltd	Clarifying plans to meet emissions reductions targets with future minerals portfolio changes. Value chain decarbonisation strategy. Improving disclosures on just transition, physical risk and policy engagement.	FY26 Engagement Target - not captured by FY25 Target.	Member of the Climate Action 100+ Investor Group. Meeting between CA100+ and RIO scheduled for September 2025.
Contact Energy Ltd	Renewable energy and carbon capture ambition in meeting emissions reduction targets.	FY26 Engagement Target - not captured by FY25 Target.	Meeting to be set post-FY25 reporting in August 2025.

*We will continue to monitor company progress against our engagement objectives and reassess our engagement if our holding or company assessment changes.

Top 5 Social Harm and Modern Slavery

Company	Engagement Priorities	FY25 Status and outcomes	FY26 Status and Outcomes
Aristocrat Leisure Ltd	Wider roll-out of harm prevention tools. Investment in harm behaviour identification.	New Sustainability Plan released with new Responsible Gaming strategy. Some recommendations adopted or partially adopted.	Recommend adopting quantitative and measurable metrics vs. current qualitative targets. Increase ambition in measuring harmful play.
Delegat Group Ltd	Development of low alcohol alternatives. Social media and marketing alignment with best practice. Improving label disclosures and responsible drinking resources.	Recommendations made and follow-up engagement complete.	Near term engagement objectives have been met and this company has been removed from our FY26 Engagement Target.*
Foley Wines Ltd	Development of low alcohol alternatives. Social media and marketing alignment with best practice	Recommendations made and follow-up engagement complete.	Near term engagement objectives have been met and this company has been removed from our FY26 Engagement Target.*
Jumbo Interactive Ltd	Investment in harm behaviour identification, data security and voluntary responsible gaming tools.	Initial engagement complete and additional disclosure requested in next reporting cycle.	Review updated reporting for recommended disclosures and re-engage.
Light and Wonder Inc	Expansion of harm prevention tools. Investment in harm behaviour identification and intervention.	Initial engagement complete and additional disclosure and the setting of targets requested in next reporting cycle.	Review updated reporting for recommended disclosures and requested targets and re-engage.
ResMed Inc	Supply chain auditing and reparation framework to reduce Modern Slavery risk within the equipment supply chain.	FY26 Engagement Target - not captured by FY25 Target.	Meeting to be set post-FY25 reporting in August 2025.
Universal Store Ltd	Modern Slavery risk mitigation actions within textile supply chain.	FY26 Engagement Target - not captured by FY25 Target.	Meeting to be set post-FY25 reporting in August 2025.

*We will continue to monitor company progress against our engagement objectives and reassess our engagement if our holding or company assessment changes.

Engagement Schedule

Other Engagements			
Company	Engagement Priorities	FY25 Status and outcomes	FY26 Status and Outcomes
Fletcher Building Ltd	<p>More explicit divisional decarbonisation targets and action to meet them disclosed.</p> <p>Increase clarity of emissions disclosures and targets.</p>	Re-engaged in March 2025 to discuss progress in re-setting SBTi validated targets and more granular divisional reporting and targets.	Set meeting to provide best in class examples for emissions disclosure, divisional reporting and target setting.
Auckland International Airport Ltd	<p>Progress towards ACA L5 accreditation.</p> <p>Formalise approach to stakeholder engagement to support aviation sector decarbonisation.</p> <p>Publish and progress against Climate Adaptation Plan.</p>	Milford is leading NZ collaborative engagement. Initial meetings held, best-in-class disclosure examples and formal objectives letter shared ahead of FY25 annual reporting suite.	Meeting set for September following FY25 annual results.

Engagement Examples

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Santos



Engagement Type: **Proactive - Strategic**

Engagement Focus: **Carbon Reduction Target**

Milford has been engaging with Santos for a number of years, including as co-lead of the Climate Action 100+ engagement for the past 18 months. Santos has a significant carbon footprint as one of Australia's largest oil and gas producers and as a result presents material climate risk across the Milford portfolios. The scale of Santos' emissions also means the company has a sizable opportunity to contribute to Australia's climate goals through its strategic actions.

The primary outcome targeted throughout our engagement with Santos has been the establishment of a scope 3 GHG emission reduction target. The emissions of its customers via the use of its oil and gas (being scope 3, category 11) comprise over 90% of Santos' total emissions profile. Without a clear plan to reduce these emissions, we believe the company will not materially reduce its impact on the environment and may be exposed to greater transition risk in the future.

In effort to address their scope 3 emissions, Santos has been a pioneer of large-scale Carbon Capture and Storage (CCS) technology. This technology allows Santos to capture CO₂ and store it in natural gas wells that have been drained via the company's own gas production. Santos have one of the most economic and attractive storage sites in the world, which presents the opportunity to sell gas with full emissions offset to customers in countries still highly dependent on fossil fuels for energy generation, such as those in South East Asia.

In its latest Climate Action Plan, published in February, Santos set a target to capture approximately 14 million tons of CO₂-e per annum by 2040. This volume is approximately equivalent to 50% of the emissions generated from the combustion and use of its products currently. Santos has also expressed a long-term aspiration to store more carbon than their total GHG emissions. This is a significant commitment to an important technology in the battle to combat climate change.

Santos



In addition to setting the above target, Santos has improved the integrity of its decarbonisation progress versus internationally recognised benchmarks, and became a signatory to the 'Aiming for Zero Methane Emissions' initiative with a 21% reduction in methane emissions achieved in the last 12 months.

We will continue to engage with Santos as co-lead of Climate Action 100%, shifting our focus to ensuring effective execution of Santos' CCS initiatives.

NexGen Energy



Engagement Type: **Proactive - Strategic**

Engagement Focus: **Mining operations Best Practice**

NexGen Energy is a uranium miner with the largest development-stage uranium project in Canada. NexGen's flagship project, Rook I, is being developed with the intention of producing low-cost uranium while maintaining best practice environmental and social governance standards.

Uranium mining, and the mining sector more broadly, are associated with significant environmental and social risks including water contamination, disruption of ecologically and culturally significant areas, and impacts on local and indigenous communities. As such, it is critical that mining companies demonstrate a robust commitment to identifying, managing and mitigating these risks throughout the project lifecycle.

The initial focus of Milford's engagement with NexGen was to explore NexGen's ability to lower emissions onsite via renewable energy sources and electrified mining equipment, with a forward-looking view to set emissions reduction targets once the Rook I project is operational. Pleasingly, NexGen has completed a fulsome review of potential power supply types onsite, noting environmental limitations arising from Canada's climate, and has expressed willingness to continue to explore alternative energy solutions, such as nuclear, throughout project lifecycle.

We also discussed the nature of NexGen's Impact Benefit Agreements (IBAs) with four First Nations communities in the project area. We highly commend the proactive manner in which NexGen has approached these agreements, which were signed ahead of the federal approvals process, allowing for local indigenous knowledge to be integrated into the environmental planning phase. Additionally, the IBAs provide for community upskilling and broader support for local businesses to set communities up to operate in tandem with and beyond the life of the mine.



NexGen has demonstrated many leading practices we often engage with mining industry peers to uptake, and we are supportive of NexGen's commitment to integrating these practices into the mine design phase. We will continue to monitor NexGen's progress as they advance through project approvals and development.

South32



Engagement Type: **Proactive - Strategic**
Engagement Focus: **Disclosure, target**

South32 is a globally diversified mining and metals company with key assets in Australia, Southern Africa, and South America. South32 produces a range of commodities including aluminium, copper, nickel, silver, lead, zinc, and manganese, which are critical to many industries, including energy, infrastructure and technology. South32's approach to climate change is to reshape their portfolio to commodities critical to a low-carbon future, decarbonising their operations, working with others to decarbonise the value chain and understanding and responding to potential physical impacts. This strategy change is reflected in the sale of their coal assets in 2024 to focus on transition metals.

Milford engaged with South32 ahead of its upcoming Climate Change Action Plan (CCAP) to seek more granular disclosure of the pathway and offsets required to meet their current emissions reduction targets and further detail on how South32 intends to address its scope 3 emissions.

We are supportive of South32's commitment to pursuing grid-scale decarbonisation solutions at its sites in South Africa and Western Australia. These sites represent ~73% of South32's scope 1 and 2 emissions and require integrated, 'whole-of-grid' solutions to address site-specific challenges, such as grid capacity constraints and feasibility of renewable energy sources. We have encouraged South32 to provide more visible commitments to facilitate renewable energy development, including consideration of renewable energy Power Purchase Agreements, in its upcoming disclosures.

Milford also encouraged greater articulation of South32's scope 3 aspirations, including the potential to set quantified targets, and better alignment of the climate scenario analysis approach to best practice, which South32 expressed will be contained in their upcoming CCAP.

We will review South32's progress against our recommendations following the release of the CCAP in August.



Jumbo Interactive



Engagement Type: **Proactive - Strategic**

Engagement Focus: **Disclosure, target setting**

Jumbo Interactive is an online retailer of lottery tickets in Australia. They also provide software and services to governments, charities and non-profits to facilitate fundraising and charity lotteries. In FY24, Jumbo enabled raising over \$260 million dollars of charity funding. Lotteries, especially charity lotteries, present lower risk to problem gamblers than Electronic Gaming Machines (EGMs), sports betting or wagering due to the long timeframes between games, the increased inability to chase losses (one off draws), and lack of perceived “skill” overlay (versus sports or racing betting).

With that said, all gambling technology providers have an obligation to ensure their products are not contributing undue social harm to their customers or community.

Our engagement with Jumbo centred on their Responsible Gaming risk management framework, and how they might better publicly disclose their process and progress. Jumbo Interactive already has a robust risk management process and a well-defined escalation framework to address potential problem gambling incidents, however these processes are not disclosed in high detail to external stakeholders. We recommended the company increase disclosure relating to their process to allow investors to better assess risk. We also recommended publishing quantitative metrics which would enable an efficacy measurement of their Responsible Gaming initiatives over time. Our recommendation was that they publish a % of total accounts identified by the problem gambling risk framework during the period. This data would allow for comparison between periods and provides evidence of efficacy of risk reduction programs.

Jumbo Interactive were open to engaging with us and we look forward to seeing improved disclosures in their reporting later this year.



WiseTech Global



Engagement Type: **Reactive – Governance**

Engagement Focus: **Board Independence**

WiseTech Global is an Australian logistics software solutions provider, which serves 16,500 organisations globally and whose software is used by 24/25 of the largest freight forwarders in the world. One of its co-founders, Richard White, owns approximately 36% of the company's shares. Richard White was the CEO of the company from its foundation until October last year when he stepped down after allegations of misconduct. These allegations related to inappropriate interpersonal relationships and misuse of company funds.

After stepping down as CEO, Richard White took on a consultant role focused on product and business development whilst an internal review was undertaken. An initial internal investigation cleared White of misuse of funds and bullying. Upon the findings of this initial review, Richard White returned to the company as Executive Chairman and Chief Innovation Officer. In response to his return, four independent board members of WiseTech resigned from their positions.

The initial allegations against White raised concerns for Milford about the quality of governance at WiseTech, and the resignations of four independent directors, which further reduced oversight at the company, increased these concerns. Upon this news being released, Milford initiated an engagement with the company, and met with Richard White, Andrew Cartledge (Interim CEO), and Caroline Pham (Interim CFO). We impressed upon the company our expectations for a majority-independent Board and increased transparency in the ongoing internal investigation process into the allegations made against Richard White. Whilst we understand the potential strengths offered by founder-led companies, a foundation of competent, ethical and credible directors is a must.



The company had replaced two independent directors ahead of our meeting, and shared with us their roadmap to filling the remaining seats. The company positioned that the recent media controversy was one relating to Richard White's personal life rather than his professional one. We continue to monitor the situation very closely, and will make a final assessment of the company's governance upon the appointment of the final two independent directors.

Auckland Airport



Engagement Type: **Proactive - Strategic**

Engagement Focus: **Scope 3 emissions, climate adaptation**



Milford is participating in a new investor-led initiative to facilitate collaborative investor engagement with NZX listed companies on climate-related risk and decarbonisation. The initiative is run by the Investor Group on Climate Change, an Australasian collaborative investor network which also manages Australasian Climate Action 100+ (CA100) company engagements.

This initiative is modelled on engagement initiatives such as CA100 and Climate Engagement Canada, but with specific focus on New Zealand-based listed companies. The participating investors are based in Aotearoa New Zealand and are engaging with companies to discuss the company's climate action and their approach to addressing climate-related risks, with the aim of preserving long-term shareholder value.

As part of the initiative, Milford is leading a collaborative engagement with Auckland International Airport (Auckland Airport). The selection of Auckland Airport as one of the first companies for this initiative reflects both the opportunity to uplift the company's climate approach, and our belief that the progress Auckland Airport has made to date means the company is well positioned to engage constructively and execute improvements for the benefit of all stakeholders and Aotearoa New Zealand.

A key priority for this engagement is seeking clarity over how Auckland Airport intends to address its scope 3 emissions. For an airport, the vast majority of its emissions (>95%) are generated by aircraft using the airport. The decarbonisation of aviation is dependent on the availability of alternative fuels and aircraft, both of which are heavily reliant on technology developments and complementary policy settings, such as mandatory Sustainable Aviation Fuel blending mandates. As such, we've encouraged Auckland Airport to provide more disclosure on how it considers the feasibility of emerging solutions and consider adopted a formalised stakeholder engagement strategy to demonstrate its role as an enabler for aviation decarbonisation in New Zealand. Both of these objectives intend to support Auckland Airport in their journey towards Level 5 Airport Carbon Accreditation. Level 5 is the topmost level of accreditation programme - which has only been

achieved by 21 airports globally - setting high standards for airports to significantly reduce their absolute carbon emissions.

The group has also expressed support for Auckland Airport's development of a holistic climate Adaptation Plan and encouraged the disclosure of key elements, such as timelines and capital expenditure for adaptation actions, and demonstrating a clear link between adaptation investment and insights from climate scenario analysis.

Feedback from Auckland Airport participants has proven the value in taking a collaborative approach, which ultimately allows them to take action of investors' collective recommendations faster than if they would have to consult and weigh up our suggestions individually.

We look forward to continuing our engagement with Auckland Airport as they strengthen their climate approach, and we hope this engagement will serve as a positive catalyst for further collaborative engagement in Aotearoa New Zealand.

New Zealand Modern Slavery Bill



Engagement Type: **Policy**

Engagement Focus: **Mandatory reporting on modern slavery risk for NZ companies**



In December 2024, a report, '[Building Consensus: A comprehensive Framework for Combating Trafficking in Persons and Modern Slavery in New Zealand](#)' was released by the Modern Slavery and Trafficking Expert Practitioners Group (MSTEP) and introduces the *Combatting Trafficking in Person and Modern Forms of Slavery Bill* (the Bill).

Progress towards modern slavery legislation for Aotearoa NZ has stalled over the past few years. This Bill has been designed to revitalise the conversation by attracting support from enough MPs (min. 61) to skip the Members' bill ballot process, which is purely based on the luck of the draw.

It is designed to be co-sponsored by New Zealand's two major political parties, with the potential for broad cross-party support.

As a Responsible Investment Association Australasia (RIAA) member, we participate in working groups to collaborate and share leading practice across several themes and regions, including the Aotearoa Collaborative Working Group (ACWG). Alongside other New Zealand investors, Milford aided in the creation of a survey seeking ACWG members' view on the Bill, including experience in other jurisdictions with existing modern slavery reporting regimes and case studies on how they deal with modern slavery risk at present in New Zealand.

Milford has undertaken significant in-house research on how companies can best address their modern slavery risk to ensure we are both minimising our investment risk, and supporting our holdings to maintain best practice standards in addressing human rights within their operations.

This survey is intended to be used to provide tangible information and examples from the industry about managing modern slavery risk.

Alignment with NZ Stewardship Code

All referenced sources are available on our webpage: <https://milfordasset.com/about-us/sustainable-investing>

Principle	Description	Evidence
Be committed	Signatories will establish and publicly articulate how their investment philosophy, governance structures and resourcing support the goals of effective stewardship.	Pg. 4 Climate Statements (March 2025), pg. 8-12 Sustainability Statement, pg. 6
Establish and maintain policies	Signatories will develop and implement measurable and effective stewardship policies.	Pg. 5, 10-13
Incorporate material ESG matters	Signatories will incorporate material ESG matters into their investment decisions and stewardship practices.	Pg. 5, 7-8
Be engaged	Signatories will engage regularly and effectively with underlying asset managers, issuers, and other key stakeholders.	Pg. 6, 10-13
Vote responsibly	Signatories will exercise voting rights in accordance with their investment mandate, and regularly and transparently disclose voting actions and outcomes.	Sustainability Statement, pg. 19 VDS Proxy Voting Dashboard
Manage conflicts of interest	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 any conflicts of interest that arise.	Sustainability Statement, pg. 26
Collaborate and advocate for change	Signatories will work collaboratively to amplify investor influence on ESG matters with issuers, policymakers, index providers, standard setters, and other key stakeholders.	Pg. 10, 23, 28
Measure and report	Signatories will regularly measure and publicly report on their actions to support stewardship and demonstrate how these have contributed to the goals of effective stewardship.	Pg. 16-29
Educate and improve	Signatories will work to improve their clients' and beneficiaries' awareness of stewardship, improve their internal capabilities, and provide resources to deliver impactful stewardship.	Sustainable Investing webpage Milford Blog



ENGAGEMENT ACTIVITIES
& OUTCOMES REPORT 2025

June 2025



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