

JANA Net Zero Progress Report

Reporting on our commitments as a member of the
Net Zero Investment Consultants Initiative (NZICI)

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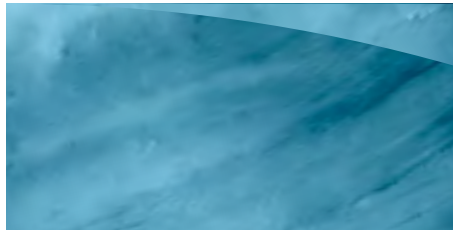
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Introduction

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- A Message from our CEO
- Firm Background

2024 Highlights

85

Clients

A\$1.5

trillion of Assets
Under Advice (AUA)

A\$14

billion of JANA
Investment Trust
Assets Under
Management (AUM)

A Message from our CEO

I am delighted to present the JANA 2024 Net Zero Investment Consultants Initiative Progress Report, which outlines our actions over the last year to advance on our commitment to net zero as an organisation and for our clients.

Since our last Report, we have broadened our net zero and stewardship offerings, reflecting our commitment to financial returns and real-world outcomes that align with our clients' values. This includes fully integrating net zero into our manager research programme to assess the credibility of managers' net zero efforts across all asset classes.

Our manager assessments provide in depth insights and actionable recommendations to enhance engagement, supporting our clients to make informed decisions that contribute to their sustainability goals. We've also been enhancing our focus on stewardship, working on a more effective approach to both implement and measure stewardship.

Our unwavering focus remains on our clients. Every decision we make, every innovation we pursue and every challenge we tackle is driven by our commitment to the success of our clients, including the achievement of net zero. We recognise that the path ahead will come with its ups and downs—markets will shift, and new challenges will arise—but our commitment to our clients and the achievement of net zero remains unchanged.

Sustainability considerations and matters continue to rapidly evolve, and we are acutely aware that we need to do more amid an environment of increasing regulatory requirements and scrutiny, and the need to take rapid and heightened action to ensure we can limit global temperature rises and meet net zero by 2050. Thus, we will continue to push forward and are excited with the tools, advice and support we will be sharing with our clients over the coming year as we advance further on our net zero journeys.

This Report is broken down into four key sections, which outline how we have integrated net zero through our advice and services:

- Supporting our Clients on Their Net Zero Journeys
- JANA's Implemented Consulting Business
- JANA's Business Operations
- JANA's Net Zero Advocacy in the Financial Community

We hope you enjoy reading this Report and I look forward to working with the investment community in achieving our global goal of net zero emissions.



Georgie Dudley

Georgie Dudley
CEO

Firm Background

JANA Investment Advisers Pty Ltd ('JANA') is one of Australia's leading investment consulting firms with 85 institutional clients, over A\$1.5 trillion of assets under advice including over A\$14 billion of assets under management through our Implemented Consulting business (as of 30 June 2024).

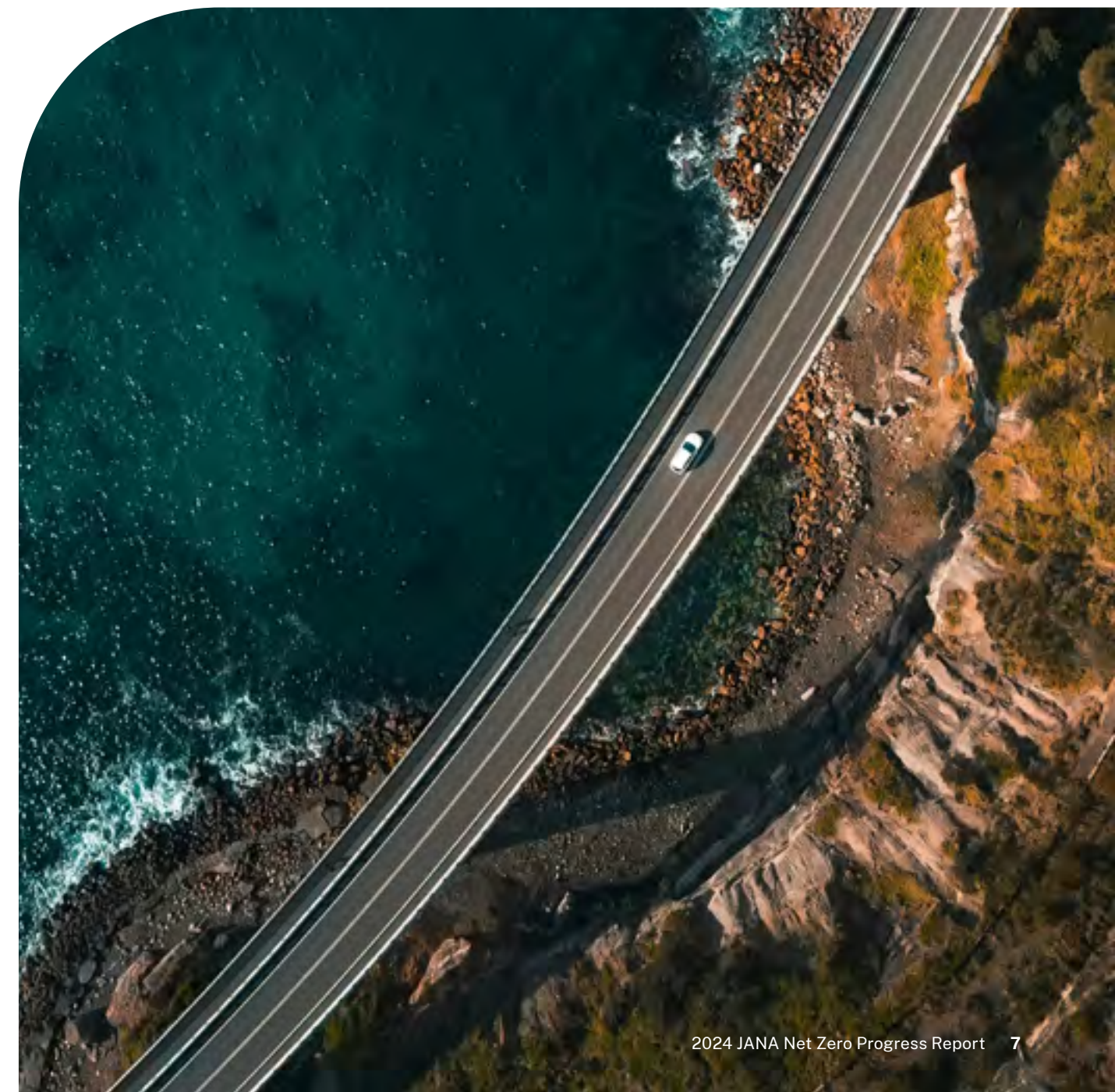
For 37 years, JANA has provided customised global consulting to institutional investors from Australia and New Zealand.

Our clients span multiple sectors across Australasia, including charities, foundations,

government entities, insurance, superannuation funds, universities, endowment funds, wealth entities, and family offices.

We provide advice which aims to deliver superior long-term investment results. Our advice is founded on our depth of talent, global research, deep insight and innovative thinking.

As a 100% management-owned firm, we use our structure, processes, tools and our diverse group of industry professionals to help our clients unlock opportunities.



Net Zero Advice

In this Section

- Supporting Our Clients on Their Net Zero Journeys
- Investment Strategy Integration
- JANA's Net Zero and Stewardship Services

2024 Highlights

81%

of JANA AUA committed to Net Zero

400

investment strategies reviewed under JANA's Net Zero Manager Assessment Framework

2

new clients supported with development of net zero action plans

Supporting Our Clients on Their Net Zero Journeys

JANA’s advisory services reach 85 Australian and New Zealand institutional investors, spanning superannuation, government entities, insurance firms, endowment funds (community, charitable and university trusts), long service leave funds, wealth entities and family offices.

As of June 2024, 18 of our advisory clients, accounting for 81% of the assets under JANA’s advice, are covered by net zero commitments.

This number increases to 46 clients when we consider the clients covered by JANA’s own net zero commitment across our Implemented Consulting business, bringing total Assets Under Advice (AUA) covered by net zero commitments to approximately A\$1.2 trillion. This number reflects both the strong commitment already shown by

many of our large superannuation clients and the broader mix of JANA’s implemented clients who look to JANA to drive sustainability goals within the management of their investment portfolios.

The table, below, summarises JANA’s collective efforts over the past 12 months to support our clients through dedicated discussions and advice on key elements of an effective climate or net zero action plan.

Client AUM (A\$)	>\$100b	\$10b-\$100b	\$1b-\$10b	< \$1b
Number of Clients	5	10	17	49
Total Assets Under Advice (\$billion)	1,036	386	53	10
Implemented Consulting Clients	–	–	3	27
Received Education on Net Zero Alignment	3	5	6	7
Received Climate Scenario Modelling	4	8	4	–
Received Baseline Emissions Data Reporting	–	–	3	27
Made a Net Zero Commitment ¹	4	8	6	29
Set Interim Targets ¹	2	5	4	27
Set Climate Solutions Target ¹	1	4	4	27

¹ Commitment and target figures shown are those that were established by JANA’s clients, with varying levels of support and review provided by JANA.

Net Zero Action Plan Support

Over the 12 months since our last Report, we directly supported an insurer and a foundation in establishing interim net zero targets for their investment portfolios. This involved assessing their ambitions in the context of their existing constraints and targets. The advice we provided for the interim targets were based off recommendations from global frameworks, including the Net Zero Investment Framework (NZIF) and the Glasgow Financial Alliance for Net Zero (GFANZ).

In addition, we have provided our clients with an overview of their underlying investment managers’ net zero ambitions, based on **JANA’s Net Zero Manager Assessment Framework**. The assessments provide an evaluation of the credibility (or lack thereof) of investment manager commitments and allows JANA and our clients to identify areas for engagement in their journeys to drive real world emissions reductions.

We have also deepened our research to identify **climate and transition solutions**, including approving new strategies as part of our JANA Research Committee due diligence ‘best ideas’ approval process. These new strategies span a broad range of asset classes, including Private Equity and Fixed Interest, with the strategies aimed at contributing to the global transition to support real world decarbonisation.

Investment Strategy Integration

JANA's research programme forms the foundation for our advice on investment policy, strategic and dynamic asset allocation, asset class structures and manager selection for each client's portfolio.

Research is conducted both from a top-down perspective (through macro and market research and portfolio construction analysis) and a bottom-up perspective (through manager research and assessment of investible strategies). Thus, we support our clients to identify how climate change impacts the risks and opportunities of their portfolios through this holistic advice lens.

Top-Down Integration

Structural Themes

JANA's **Structural Themes** describe the key long-term forces we expect to influence the macroeconomic and investment environment over the coming decade. Considering potential future developments and looking for evidence of their progress can help us prepare client portfolios for emerging opportunities and risks. **Energy Transition & Climate Change** and **Sustainable Capitalism** are two explicit sustainability-related structural themes JANA believes will impact on the broader system. These themes direct us in considering the implications for investment portfolios, with a particular focus on how opportunity sets may evolve.

2023 JANA Annual Conference

In our mission to support our clients in identifying the investment risks and opportunities from climate change, and the importance of net zero alignment, our 2023 JANA Annual Conference had climate and the net zero transition as a key topic of discussion under the, "Expanding Horizons: Navigating the Shifting Landscape" theme with keynote and breakout sessions including, "How will the energy transition evolve over the next 10-20 years?", "The Future of Sustainable Agriculture: Leveraging Technology for Positive Impact", and "Stewardship and the Critical Minerals required for Australia's Energy Transition".

Climate-Aware Capital Market Assumptions

Our **capital market assumptions** have been **climate-aware** since 2023. JANA uses both Medium-term Capital Market Assumptions (MTCMAs) and Long-term Capital Market Assumptions (LTCMAs) as inputs to the modelling of potential client portfolio risk and return outcomes. JANA's medium-term and long-term capital market assumptions reflect a forward-looking view on how climate change is likely to affect growth rates, real interest rates, and risk premiums under JANA's assumed climate scenario pathway.

Climate Change Scenario Modelling

JANA's **climate change scenario modelling** highlights the risks faced by investors, and the possible impacts to investment portfolio risk and return outcomes based on different climate change outcomes. We base our scenario modelling on the International Energy Agency (IEA) scenarios, with key inputs from the Network for Greening the Financial System (NGFS) scenarios and assumptions. The outputs from our modelling can be used to provide information on the likely impacts of climate change on investment performance. This in turn can help inform investment decision making, including decisions on strategy, asset allocation and manager selection. We expect climate change and climate related transition and physical risks to impact on future investment returns. Thus, we have annual conversations with our clients in relation to how we can support their climate scenario requirements.

Our climate change scenario modelling looks at the following three scenarios:

Current Path (3 degrees)

maps out a trajectory that reflects current policy settings or are under development by governments around the world. However, it assumes there are no material policy implementations.

Sustained Action (2 degrees)

assumes that all aspirational targets announced by governments are met on time and in full, including their long-term net zero and energy access goals.

Net Zero by 2050 (1.5 degrees)

maps out a way to achieve a 1.5 °C stabilisation in the rise in global average temperatures, alongside universal access to modern energy by 2030.

JANA's analysis shows that over the longer term, net zero by 2050 is in the best financial interests of the global economy, while a 'do nothing', 'Current Path' scenario will have detrimental impacts on the global economy, impacting asset values and investment returns.

Our current modelling looks at how these scenarios will play out over the time periods to 2030 and 2040, and we will be working on building out the timeframes beyond 2040, and consider a greater than 3 degrees scenario, which will demonstrate the more dramatic negative impacts of climate change on portfolios over the longer term.

Net Zero Investment Strategy

As noted above, our **Energy Transition & Climate Change** Structural Theme concludes that the energy transition, and outlooks for policy and the macroeconomy are deeply connected, and the progress of the energy transition and its speed will have major implications for economies and markets. The opportunity set for investment is vast, with a significant ‘green financing gap’ that

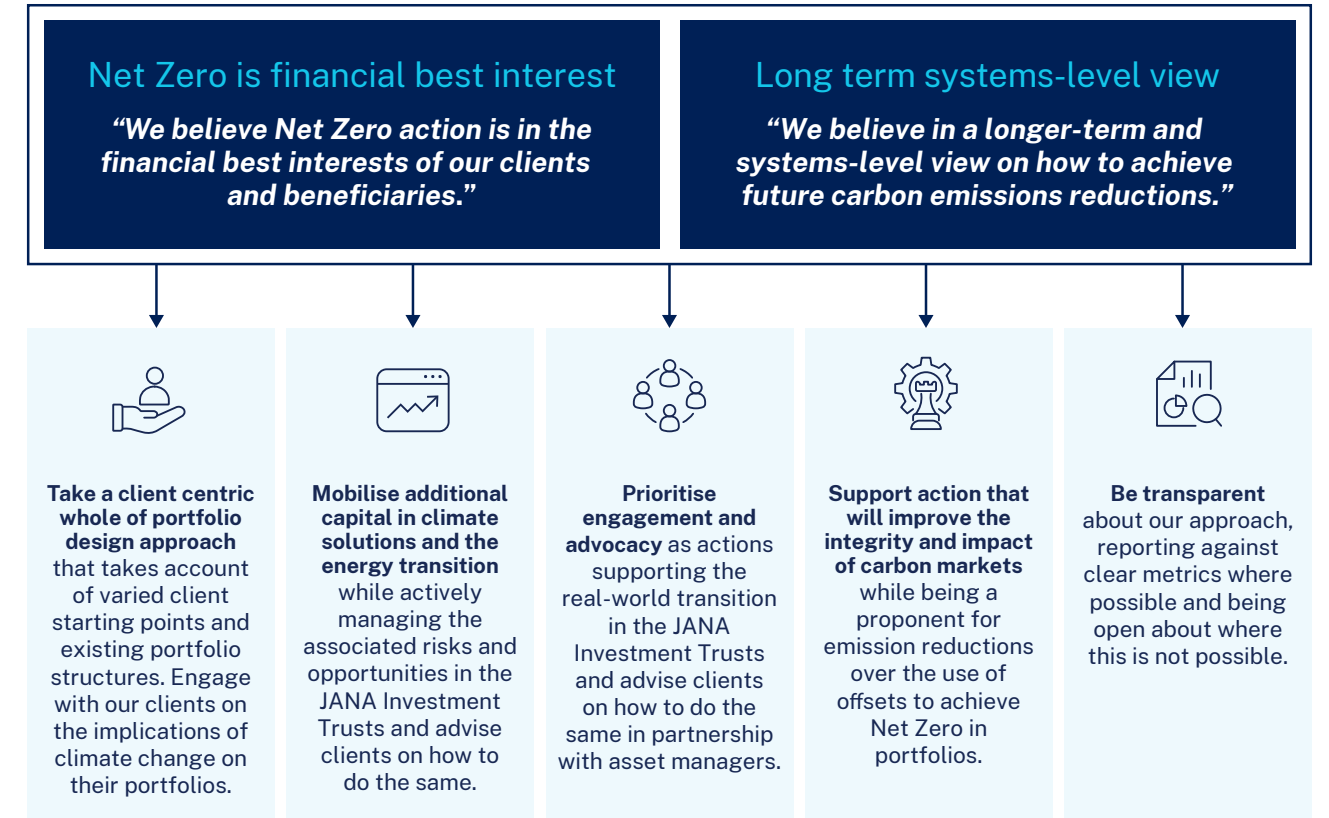
needs bridging. Climate change and energy transition effects are likely to impact on expected returns as the transition is priced in.

Thus, our recommendation to our clients is to adopt the following net zero strategies and principles:

- **Implement a net zero action plan** (if not already done so) using best practice guidance on targets and referencing the Fund’s aspirations, operational resources and governance capabilities. A net zero plan that advocates real world change supports a longer-term and holistic view that is in the financial best interests of investors and their beneficiaries.
- **Understand the net zero alignment of the Fund’s investment managers and engage where required**, by reviewing their goals and targets and evaluating the credibility of these targets - tapping into JANA’s Net Zero Manager Assessments. Engagement and stewardship efforts should focus on the managers who have yet made a commitment but demonstrate awareness of net zero and have the foundations to make a commitment to net zero e.g., have strong ESG processes.
- **Prioritise engagement on materiality – a combination of greatest impact and greatest influence**. This results in most engagement occurring in Australian equities and real assets, where investors are directly invested. JANA’s Stewardship Tool supports our clients in delivering results in their own engagement programs. JANA recommends clients deploy an advocacy approach to engagement.
- **Look to add portfolio investments in climate and transition solutions** that are likely to benefit or be more able to adapt to the impact of climate change. This can act as a climate hedge within the portfolio, helping to offset expected negative impacts in other parts of the portfolio. Recognise that the opportunity set for climate and transition solutions will be larger, and have more impact, in some asset classes than others e.g., Infrastructure, Private Equity, and Fixed Interest.
- **Advocate active management** where possible by investing in managers that comprehend and are vigilant regarding the impacts of climate change on economies, sectors, businesses and their investments.

These principles and actions are summarised in our net zero investment beliefs (below):

JANA’s Net Zero Investment Beliefs



Bottom-Up Integration

From a **bottom-up** perspective, all investment managers recommended by JANA, are assessed on their ESG integration credentials and this assessment is communicated to clients. We believe that the consideration of ESG-related factors in the investment process is prudent risk management and should be part of any investment manager’s investment strategy. This is captured through our **ESG Manager Assessment Framework** and our **Net Zero Manager Assessment Framework**.

Net Zero Manager Assessment Framework

JANA’s Net Zero Manager Assessment Framework assesses investment manager actions and decision making in support of the net zero transition, which is consistent with the guidance provided by the Glasgow Financial Alliance for Net Zero (GFANZ) and The Investor Agenda’s Net Zero Investor Framework (NZIF). The assessment consists of a qualitative determination of investment manager actions across various criteria at both the firm and investment strategy-level of which our clients are invested. Essentially, JANA aims to assess the credibility and viability of manager net zero commitments to support our clients in achieving their own net zero commitments.

JANA Net Zero Manager Assessments

Over the course of a year, JANA's Research Teams met with and collected information from around 400 'JANA Active'² investment strategies across all asset classes. The research revealed that there are a multitude of approaches that may support net zero objectives in investment portfolios. The research also provided JANA with clarity around what can be considered a credible net zero plan in each asset class at this point of the global net zero journey.

Overall, the results highlighted that climate change investment risk management and net zero portfolio management, whilst closely related, are not identical challenges or skill sets. A step change is required in the entire global market if net zero targets are to be achieved.



JANA's Universe of Managers



² JANA Active refers to investment strategies of asset managers that JANA considers as having outstanding characteristics and we believe they are likely to meet or exceed their objectives.

JANA's research confirmed a number of expectations while also revealing new useful insights. In terms of expected results, it is clear that private markets (infrastructure and property) are further developed and have higher quality data and initiatives to support their net zero commitments and plans. This observation is exemplified by many leading property and infrastructure managers having net zero commitments much sooner than 2050, in part due to having a higher degree of direct ownership in the assets and being closer to the social license and cost benefits of making improvements in line with the net zero transition.

In terms of something unexpected, when looking under the surface as opposed to looking across the level of public net zero commitments, was the high level of understanding of net zero investment approaches exhibited in all asset classes paired with the willingness and capability of a large proportion of asset managers to implement a client directed net zero objective via a mandate or separately managed account. The takeaway being that the power to greatly lift the net zero alignment of portfolios is very much in asset owners' hands.

JANA's research did find that notwithstanding collaborative industry initiatives, such as the Net Zero Asset Managers Initiative (NZAM) that provide guidance for members on setting net zero targets and plans, there are some managers, independent of such groups, that have developed considered and credible plans to support the net zero transition.

JANA's Net Zero and Stewardship Services

Researching Climate and Transition Impact Solutions

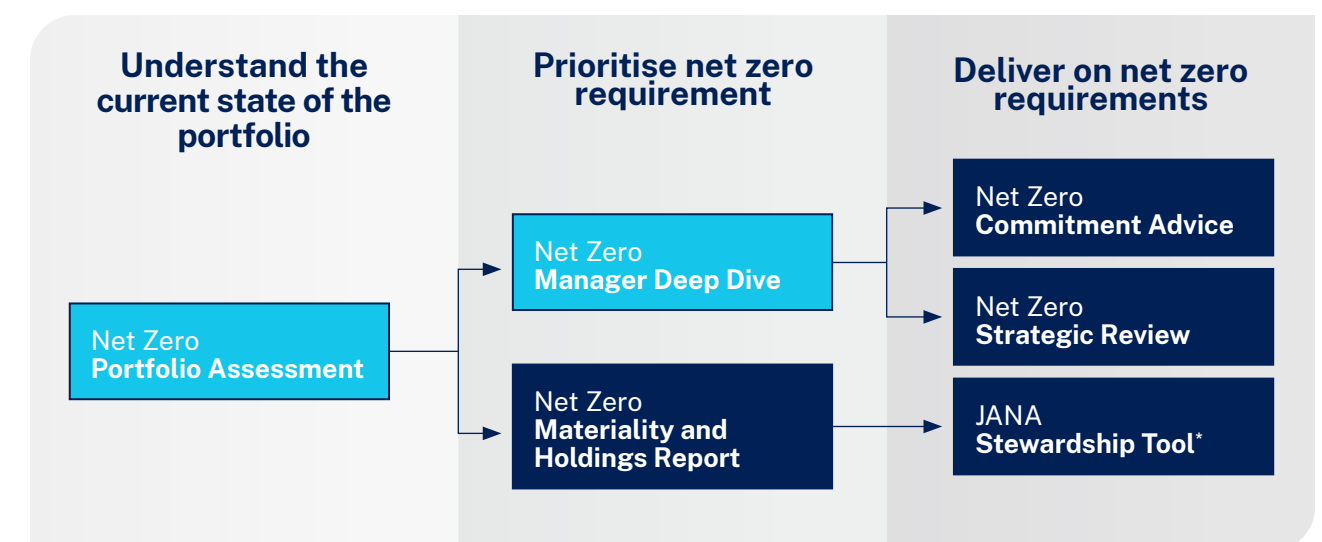
As per our top-down recommendations, significant investment is required in climate and transition solutions. Thus, JANA continually researches 'best idea' solutions to support our clients on their sustainability journeys. For example, we have researched specific 'impact' and 'climate and transition solution' strategies to support our clients who have made explicit allocations to such areas and who are seeking to utilise their capital for positive impact. JANA's Research Committee approved five climate and transition solutions investment strategies over the last 12-18 months. Further, it remains a key agenda item for asset classes where this theme is a key opportunity. For example, JANA's Fixed Interest Research Team will be undertaking a research trip in early 2025, which will include a focus on sustainability, including green bonds where the universe has expanded significantly over the last few years.

JANA continues our proactive research into impact strategies across all asset classes, in recognition that the world faces critical environmental and social challenges that require trillions of dollars in funding per annum, of which private capital plays a critical role. Further, the quality of the pool of impact strategies continues to advance, with our Research Teams identifying high quality strategies with strong capabilities for delivering both market returns and real-world impact.

Sitting across the entire market, our Net Zero and Stewardship offerings seek to challenge the status quo, providing our clients with access to alternative insights that are designed to contribute to real-world outcomes and stronger risk-adjusted returns across the entire portfolio. Our emphasis is that net zero should not be viewed as a stand-alone theme, but be viewed through a systems-level lens, which incorporates adjacent themes of natural capital, social impact and governance, which are all self-reinforcing.

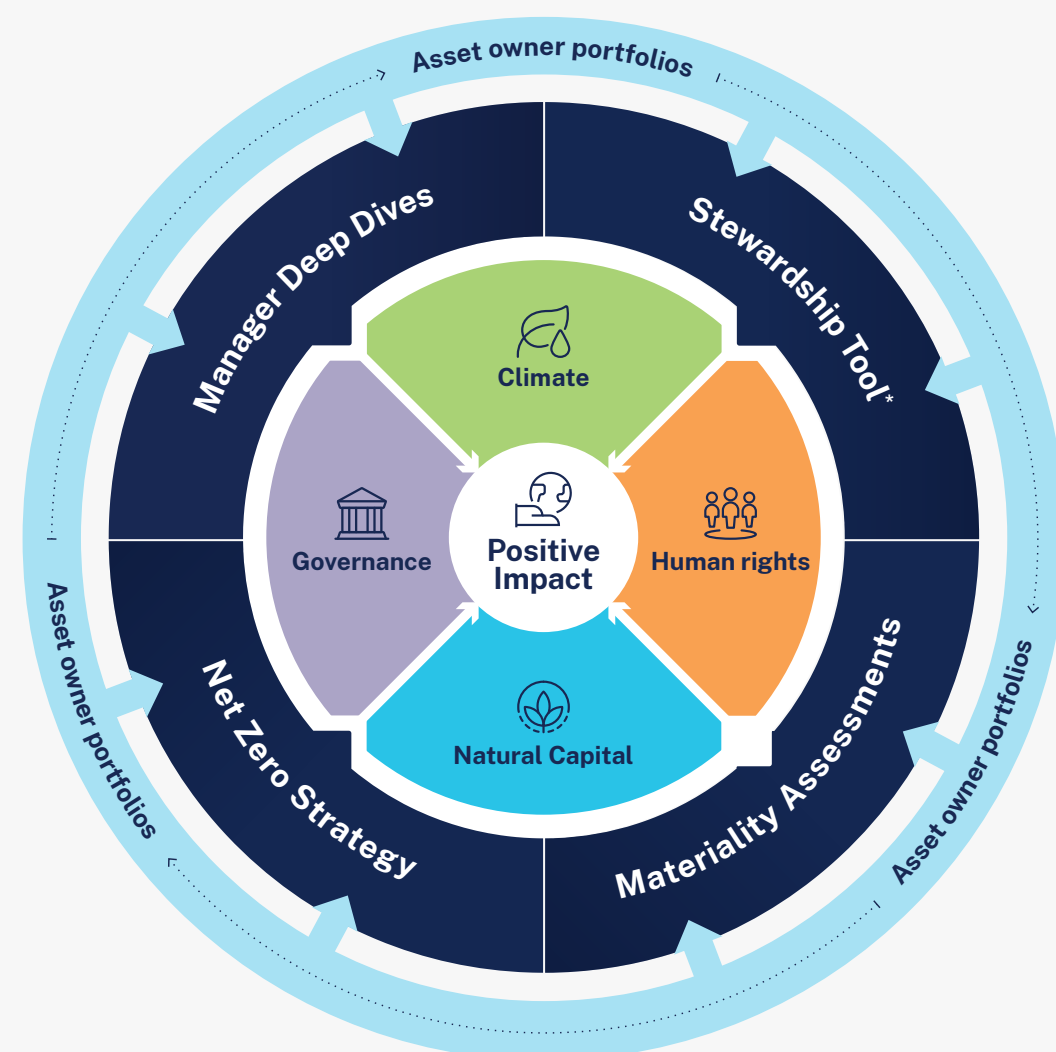
JANA's Net Zero and Stewardship services (summarised below) are a direct response to the changing expectations of clients and regulators, who seek to take a proactive and in-depth approach to sustainability across the portfolio.

This in-depth approach is also evolving into a deeper integration of sustainability factors into our engagement with investment managers and stakeholders.



* Currently under development

The following service offerings reflect JANA's ability to support our clients at all stages of their journey, and with varying approaches to stewardship:



- **JANA Net Zero Portfolio Assessment:** This offers an objective analysis of portfolios, focusing on manager net zero alignment across diverse asset classes, empowering our clients with crucial insights for sustainable investing. This provides a holistic view of asset managers' processes, evaluating their readiness to deliver on net zero objectives. Whether setting net zero strategies or refining portfolio construction, it equips our clients with the insights needed for sustainable investment decisions.

- **Net Zero Manager Deep Dive:** The JANA Net Zero Manager Deep Dive offers a thorough evaluation of investment managers' progress toward net zero outcomes, scrutinising the credibility of their plans and execution capabilities on behalf of asset owners. Building upon insights from the JANA Net Zero Portfolio Assessment, it facilitates setting interim targets and selecting and engaging managers. This analysis provides vital insights for informed decision-making and effective capital stewardship toward net zero goals.

* Currently under development

- **JANA Materiality and Holdings Report:** JANA implements materiality assessments on a whole of portfolio basis, as well as for specific asset classes. Materiality assessments can be undertaken on any of JANA's four key whole of portfolio themes, including governance, climate, human rights and natural capital. The process involves consideration of the key risks at the holdings level for material holdings in selected asset classes and includes recommendations for engagement with holdings companies and/or asset managers to uplift management of the identified risks and improve measurable performance outputs.
- **Net Zero Commitment Advice:** We advise our clients on developing and implementing net zero plans that align with their investment and corporate objectives. To deliver on this, our Sustainability Team provides our clients with written advice and convenes stakeholder workshops to develop a net zero action plan that is tailored to our client's ambitions and objectives, by adopting best practice frameworks and guidance, and reviewing positioning relative to peers/competitors in the market.
- **Net Zero Strategic Review:** We support our clients in assessing the progress of their net zero action plans, particularly the progress of their interim targets and assessing whether they remain sufficiently ambitious and achievable.
- **JANA Stewardship Tool:** This tool, which is currently under development, aims to assist our clients in achieving impactful stewardship results across various themes in any asset class. It offers tailored questionnaires and objectives for holding companies/managers regarding each theme, along with interpretative guidance on their probable responses. Additionally, it includes follow-up inquiries and guidance for continuous stewardship efforts. By leveraging this tool, clients can adeptly navigate the evolving stewardship terrain and enhance investment performance through the identification and mitigation of unquantified risks.

Physical Risk Materiality Assessment

JANA conducted a materiality assessment for an asset owner on physical and transitional climate risk across multiple asset classes. The assessment identified several trends, including significant variability between holdings companies within industries such as banking, mining and energy. The assessment also identified asset-specific risks that represented potentially significant unpriced risk within the portfolio.

The assessment culminated in recommendations for engagement with holdings companies to set measurable objectives relating to the highest risks, to reduce the client's exposure to the financial implications of physical and transitional climate risk.

Implemented Consulting

In this Section

- JANA's Implemented Consulting Business
- JANA Net Zero 2030 Interim Targets
- Our Principles for Net Zero Strategy
- Governance
- Reporting and Next Steps

2024 Highlights

~56%

of JANIT AUM invested with managers who have net zero targets

~0.2%

of JANIT AUM invested in intentional climate and transition solutions

~50%

of JANIT portfolio holdings have net zero targets

JANA's Implemented Consulting Business

JANA Net Zero 2030 Interim Targets

We established our interim targets for the JANA Investment Trusts¹ (JANITs) last year, to support a 50% reduction in global emissions (i.e., CO2) by 2030 and developed initiatives to support the achievement of these targets:

Long Term Target: Net Zero Financed Emissions by 2050 (or sooner)

Interim Targets by 2030

Designed to support a 50% global reduction in CO2

1. Manager Alignment

75% of JANIT AUM will be invested with managers that have net zero targets.

2. Investment

2.5% of JANIT AUM will be invested across Climate and Transition Solutions.

3. Portfolio Alignment

75% of JANIT portfolio holding companies and assets will have net zero targets.

Our interim targets were developed with a view to what levers were at our disposal in the context of the structure of our Implemented Consulting business. In particular:

- JANA does not directly manage or hold any assets, rather the JANITs appoint investment managers to manage the assets;
- Our clients have engaged us to deliver on certain objectives, typically risk and return objectives; and
- Our clients may have a desired asset allocation or investment strategy that could influence our ability – positively or negatively – to meet net zero aligned goals over time.

Thus, our interim targets were developed with reference to these parameters and focus our actions on where our influence is best placed to drive real-world emissions reductions, rather than portfolio actions that drive accounting changes in portfolio level emissions in isolation.

Portfolio Coverage

As part of our net zero commitment, JANA aims to include all Assets Under Management (AUM) within our Implemented Consulting business, for asset classes that have credible methodologies to calculate emissions data. Our approach is informed by global investment manager and asset owner best practice guidance, as well as JANA's own observations. As of 30 June 2024, our commitment covered circa 93% of AUM, excluding only Alternative and Cash investments, and tailored client mandates held alongside a JANA Investment Trust.

We note that we are transitioning our sustainability data provider to broaden the coverage of climate emissions reporting and enhance the quantitative portfolio insights we can utilise in support of our net zero commitment. The new data provider will allow us to measure carbon emissions for our Fixed Interest Trusts.

Our Principles for Net Zero Strategy

We recognise that the application of net zero is not universal across all asset classes and strategies. Globally, net zero approaches are more advanced in some asset classes and sectors than others. These factors underpin our decision-making principles to influence our strategy and actions towards net zero implementation.

Thus, the following high-level principles guide us in our strategy and decisions for the JANA Investment Trusts and ensure we focus our finite resources on areas that can make the most impact:

- All else being equal, a net zero aligned manager is preferred.
- We are aiming for holistic year-on-year improvement against the three interim targets to 2030; although acknowledge it will not be a linear pathway.
- Some asset classes lend themselves more to net zero alignment than others e.g., listed equities relative to alternatives.
- The infrastructure, private equity and fixed interest asset classes are more suited to identifying opportunities within climate and transition solutions.

¹ Channel Investment Management Limited is the responsible entity of the JANA Investment Trusts and has appointed JANA Investment Advisers Pty Ltd as the investment adviser to the JANA Investment Trusts.



1. Manager Alignment Target

As of 30 June 2024, approximately 56% of JANIT AUM is invested with managers who have net zero targets.

Our strategy over the coming year will be to engage with our Australian and Global equity managers who have yet to make a net zero commitment, but where we have identified that they have strong ESG processes and the foundations for net zero integration. In addition, we will continue to focus on the viability of each JANIT manager’s plans to deliver on their commitment, using JANA’s Net Zero Manager Assessment Framework. Our objective is to encourage uplifted alignment and ambition from our managers in contributing their fair share of actions towards the net zero transition.

2. Investment Target

Our current allocation to climate and transition solutions is approximately 0.2% of AUM as of 30 June 2024, via the JANA Diversified Infrastructure Trust, while our look-through allocation for the same period is approximately 5.4% of AUM, across the Equity and Infrastructure JANITs, where data is available. We reiterate that we are only measuring deliberate and targeted allocations to climate and transition solutions for the purposes of achieving this interim target. While we will track indirect exposures and continue to encourage our managers to allocate to this area where the risk and return credentials stack up, we will not credit these indirect exposures towards our target. This target is designed to ensure climate and energy transition solutions are considered as a focus when our clients’ capital is invested, with these areas being critical, in our view, to helping deliver real-world emissions reductions.

As aforementioned, we have met with many managers over the last 12–18-month period to discuss their climate and transition solutions-related investment strategies, broadening our understanding of what is available and the level of impact attributable to each strategy. This research continues to expand as opportunity sets expand.

As per our decision-making principles, we recognise there are some asset classes and strategies more conducive to investing in climate and transition solutions. Therefore, we note that if we have clients who require us to invest more in other asset classes that are not aligned to this theme, it may inhibit JANA’s ability to meet this target over time.



3. Portfolio Alignment Target

Understanding and monitoring underlying company and asset net zero targets will help JANA track the success of our manager engagement programs, as well as help us understand the investment community’s contribution to change that is occurring in the real world. JANA has determined that as of 30 June 2024, approximately 50% of the JANITs’ portfolio holdings have net zero targets in the asset classes for which data is available².

Governance

In ensuring we make appropriate progress towards our net zero commitment we report to our internal JANA Platform Investment Committee (JPIC) on an annual basis on our progress relative to our interim targets. In addition, we have formally incorporated the consideration of our net zero interim targets as part of all new investment considerations and annual asset class review templates, which are presented to and approved by JPIC prior to implementation.

JANA’s net zero plan has a built-in milestone to review in 2026 our progress towards and effectiveness of our interim targets.

Reporting and Next Steps

JANA will continue to provide all our Implemented Consulting clients with an annual report covering our assessment of each manager within each JANIT from both a broad ESG and net zero perspective. The report also includes ESG Risk Ratings³ and the financed emissions intensity of each JANIT.

In addition, we will provide a net zero update pack, which provides all our Implemented Consulting clients with timely and transparent updates regarding our plans and progress towards our net zero commitment, including if any material changes are required.

² As of 30 June 2024, JANA has access to portfolio (underlying companies and assets) net zero target data for Australian equities, global equities, corporate bonds, infrastructure, and property portfolios.

³ The ESG Risk Ratings are only presented for listed equity and Fixed Interest JANITs utilising our sustainability data provider.

Business Operations

In this Section

- JANA's Business Operations
- Greening our Footprint

2024 Highlights

100%

renewable energy
for offices

50%

reduction target in flight
emissions by 2030

50%

reduction target in
vendor service emissions
by 2030

JANA's Business Operations

Sustainability is critically important to JANA – both in how we work with our clients and in how we operate as an organisation. We recently completed our inaugural three-year Corporate Responsibility plan and established our new plan for 2024-2026, with our focus being on four impact areas of: Clients & Suppliers, Environment, Communities, and Our People.

With respect to the Environment (UN SDGs 7, 12, 13), our focus and goal is for net zero by 2050 (or sooner), and is guided by the following enablers:

- Annual Scope 1, 2 & 3 emissions accounting.
- 2030 interim decarbonisation targets for our operations.
- Membership in various net zero and climate initiatives.
- Ongoing integration of net zero alignment into our advice and Implemented Consulting business.
- Enabling stakeholders' net zero pathways.



Greening our Footprint



As part of our net zero commitment, we completed the switch of our office locations, base building and tenant sourced electricity, to 100% renewable energy in 2021.

JANA has been certified as a Carbon Neutral organisation since 2020 by the Australian Government Climate Active program. As a result of actions taken to date JANA has reduced our Scope 1 and 2 emissions to zero. The focus for 2023 was researching, developing and gaining organisational buy-in into our 2030 interim decarbonisation targets for JANA's main sources of emissions - business flying and vendor services.



Business Flights

JANA has already seen a reduction in kilometres flown as employees are making greater use of video conferencing and embracing JANA's official travel principles to question whether travel is truly necessary, and if it is indeed required, to make sure to maximise the benefit of that travel. To continue to make gains in this area JANA set the following stretch targets:

- 30% reduction in Business Flight CO₂e/FTE from 2019 baseline levels by 2025
- 50% reduction in Business Flight CO₂e/FTE from 2019 baseline levels by 2030

JANA had above-average growth in headcount in 2023 to support growth in our business. Business flights grew in passenger kilometre terms by 21% in line with JANA's growth in FTE of 20%. JANA's emissions from flying are on track to meet our 2025 flight emissions intensity target; however, continued focus on JANA's largest source of Scope 3 emissions will include developing tools to better understand the future emissions for budgeted travel and research into sustainable aviation fuel (SAF) claims.

Vendor Services

JANA's corporate responsibility team held a workshop with key stakeholders internally to promote and generate ideas for using sustainable and carbon neutral suppliers for accommodation, and internal and external food and beverage options. More work needs to be done to formalise these ideas into a sustainable procurement policy and engagement program within JANA's vendor management processes. In the interim, JANA aims to seek out 'green' providers, such as those who publicly report on and plan to reduce their emissions and adopt green energy in their operations. Also, where appropriate, we will consider delaying purchasing decisions to maintain existing equipment for longer.

JANA's interim target to guide continuous improvement in purchased services is for a 50% reduction in vendor service emissions by 2030 from 2022 levels. Detailed information and analysis of our corporate operations emissions across all categories for the periods of 2019-2022 can be found on [JANA's Climate Active Profile](#) page.

Net Zero Advocacy

In this Section

- JANA's Net Zero Advocacy in the Financial Community

2024 Highlights

Australian
Treasury's
Sustainable
Finance Strategy
Consultation
submission

Climate Active
Consultation
submission

2024 Global
Investor
Statement
on the Climate
Crisis

JANA's Net Zero Advocacy in the Financial Community

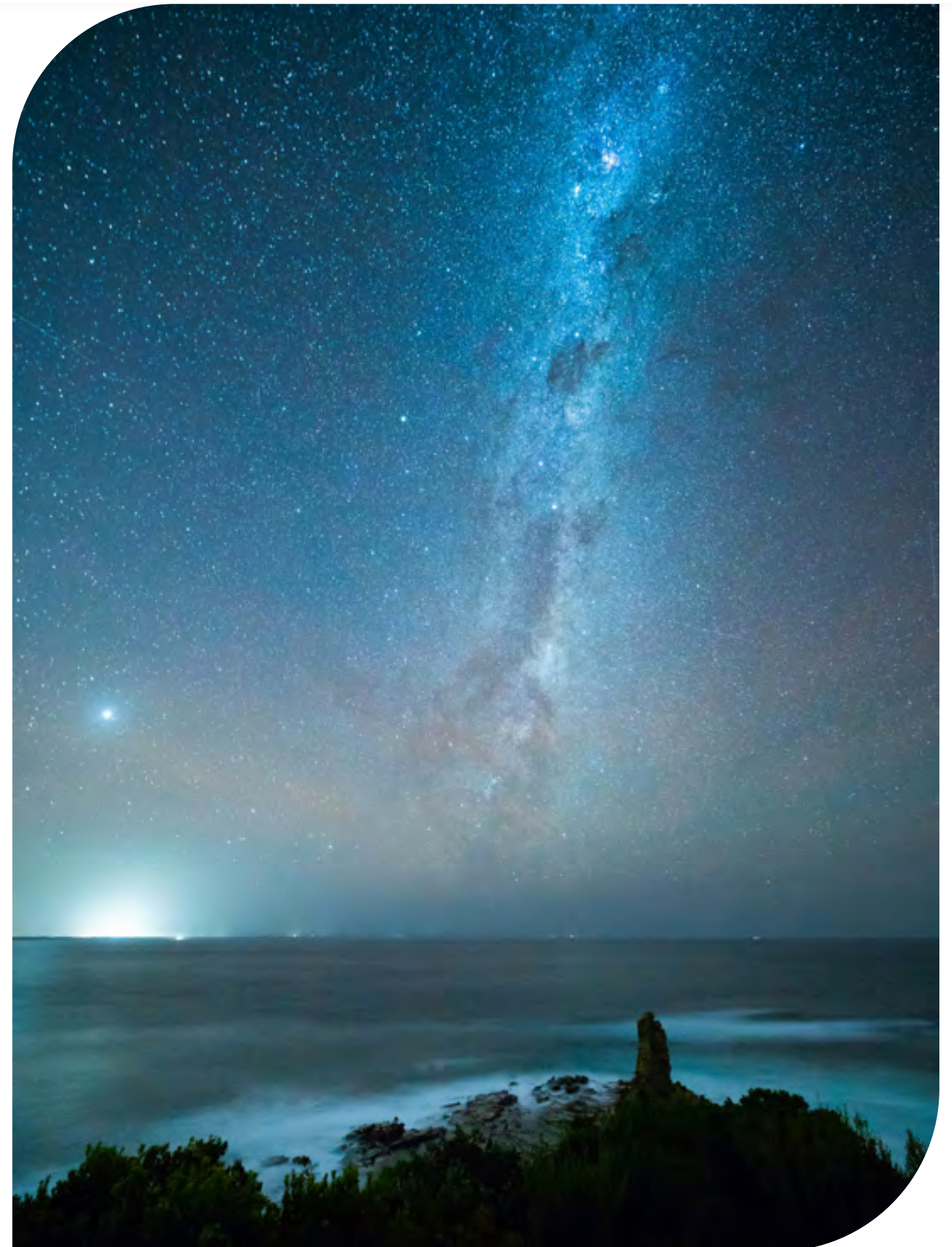
We continue to engage with our clients, investment managers and third-party providers (such as sustainability data providers) to broaden our understanding in applying and implementing net zero across a broad range of investments, including the measurement of financed emissions across a broad range of asset classes.

JANA believes the investment community should focus on the real-world economy emissions trajectory and take an active role to engage on the challenges, including the harder to abate sectors, rather than avoiding them and effectively assuming (or hoping) that someone else will address this challenge.

Some of the key engagements we undertook over the year include:

- **Sustainable Finance Strategy:** We provided our views to the Australian Government on how the investments industry can contribute to supporting Australia's commitment to net zero, whilst delivering on investment outcomes. We encouraged the Government to take a systems-level approach to investing, which incorporates broader environmental and social issues concurrently, and not just a 'climate first' approach. We also requested the Government to provide some context on how their priorities and policies would complement the mobilisation of private sector investment to support net zero. See our response [here](#).
- **Climate Active Consultation Submission:** We provided our views on how the reform could offer Climate Active and its members the chance to improve the program's efficiency and real-world impact by focusing action on areas that will support rapid emission reductions required to meet Australia's legislated 2030 target and beyond. See our response [here](#).
- **ASFI Canberra Visit:** Our Head of Sustainability visited Canberra with a diverse group of asset owners and asset managers to encourage the Government to adopt higher climate ambition.
- JANA is a signatory to the [2024 Global Investor Statement on the Climate Crisis](#), demanding a whole-of-government approach with policy implementation at all levels of government; urging enactment of policies that will unlock the private capital flows needed for a just transition to a climate-resilient, net-zero economy.

JANA will continue to seek out forums and formal means to engage with policymakers on climate related investor considerations.





Appendix

Appendix

JANA’s commitment to the NZICI is made in the context of our legal and fiduciary duties to clients and applies to our: investment advisory services, fully discretionary services (i.e., JANA’s implemented consulting services), and our own business operations. Members of NZICI commit to the following:

With respect to our investment advisory services, we commit to:

- **Commitment 1:** Integrate advice on net zero alignment into all our investment consulting services as soon as practically possible and within two years of making this commitment.
- **Commitment 2:** Work with our institutional asset owner clients to identify the investment risks from climate change, highlight the

importance of net zero alignment and, where applicable, support our clients in developing policies that align their portfolios to a net zero pathway.

- **Commitment 3:** Support efforts to decarbonize the global economy by helping our clients prioritize real economy emissions reductions, reflecting the target of 50% global emissions reduction by 2030 or sooner using existing decarbonization methodologies.

- **Commitment 4:** Assess and monitor asset managers on the integration of climate risks and opportunities in their investment decisions and stewardship and reflect this evaluation in our client recommendations.

With respect to our fully discretionary services, we will:

- **Commitment 5:** Align with the Net Zero Asset Manager Initiative as soon as practically possible and within two years of making this commitment.

With respect to our own business operations, we will:

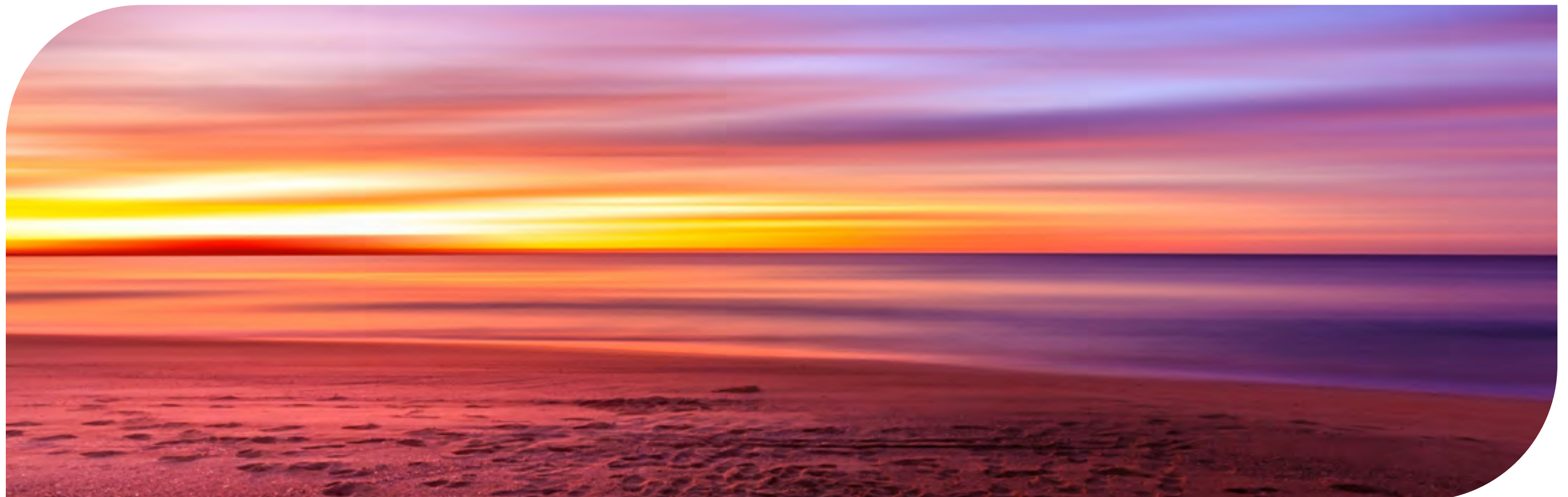
- **Commitment 6:** Set emissions reduction targets across all our operational emissions in line with 1.5°C scenarios.

Within the wider financial community, we will:

- **Commitment 7:** Where suitable net zero methodologies do not exist, work collaboratively for the benefit of our clients to address these challenges, seeking harmonized methodologies.
- **Commitment 8:** Engage, directly or in collaboration, with regulators and policymakers, to facilitate the transition to net zero carbon emissions, addressing any barriers to our clients adopting and achieving their net zero targets.

To ensure accountability, we will:

- **Commitment 9:** Report progress by our firm against the commitments made here at least annually in public domain.



Important information

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