

Nature Statement

MAY 2026

Purpose

This statement has been developed to align with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and presents a summary of our approach to identifying, assessing and managing nature-related risks, impacts, dependencies and opportunities across our investment activities.

Alphinity is a registered TNFD Adopter, having formally registered with the TNFD in 2024. This is our first Nature Statement, however it builds on a number of years of nature related reporting within our annual Responsible Investment report.

This statement will be reviewed on an annual basis, or more frequently where required, and should be read in conjunction with our annual Responsible Investment Report and ESG Policy.

Introduction

Nature is a fundamental building block of our economy, providing essential services that businesses rely on to operate. The global deterioration of nature — encompassing land, ocean, freshwater and atmosphere — presents both material risks and opportunities for investors and the companies we invest in.

We align with the TNFD's definition of nature, which encompasses the diversity of living organisms and their interactions across land, ocean, freshwater and atmosphere. We recognise that nature-related risks are complex, systemic and often difficult to quantify, particularly when embedded within supply chains. In this respect, they share characteristics with human rights risks — they can arise at any tier of a value chain and can be difficult for companies to oversee and influence.

Within our ESG Framework, we have integrated the four realms of nature and five drivers of biodiversity loss through nine core, interlinking nature-related topics: biodiversity, deforestation, water use, waste, pollution, rehabilitation, air quality, transition risk and physical climate risk (the last two are reported separately in our Climate Change Statement).

For nature-related issues, we consider both dependencies and impacts when assessing the overall materiality of the issue in a company's operational footprint. We also

consider potential risks and opportunities related to nature impacts and dependencies embedded in the supply chain. In our view, this is one of the most complex considerations when assessing nature. As is the case with human rights, risks can be embedded at any tier along the supply chain and can therefore be difficult for companies to oversee and influence.

Our approach to nature is guided by the TNFD's four disclosure pillars: Governance, Strategy, Risk and Impact Management, and Metrics and Targets.

Response to the Recommendations of the Task Force on Nature-related Financial Disclosures

1. Governance

a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.

The Alphinity Board is responsible for approving the firm's Responsible Investment related policies and any associated disclosures.

Alphinity reports on organisational risks to its Board of Directors. These risks include nature considerations and the potential impacts to our investments.

b) Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.

The day-to-day management of nature-related risks and opportunities is the responsibility of the Alphinity investment team, spanning both portfolio management and the dedicated Responsible Investment (RI) team. Alphinity's 20-person team includes specialist RI professionals who lead on nature-related research, engagement, and reporting.

Responsibilities of the investment team are:

- Developing and maintaining nature-related components of the ESG Framework, including assessment criteria for biodiversity, deforestation, water, pollution, waste, air quality, and rehabilitation.
- Integrating nature-related dependencies, impacts, risks and opportunities into portfolio decision making

consistent with the approach to ESG integration outlined in our ESG Policy.

- Leading nature-related company engagements and tracking progress against engagement objectives.
- Escalating nature risks and management, as appropriate, through proxy voting activities and Director engagement
- Preparing TNFD-aligned disclosures, including this Nature Statement.
- Monitoring regulatory and market developments related to nature (including TNFD, GBF Target 15, ISSB, and Australian disclosure requirements).

c) Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in relation to nature-related dependencies, impacts, risks and opportunities.

Alphinity recognises that nature-related risks and impacts are frequently intertwined with First Nations heritage, rights and interests — particularly for resources, energy and infrastructure companies within our portfolios. In 2025, we commenced our Dhawura Ngilan pilot, a structured initiative to embed First Nations considerations across our ESG Framework and engagement activities.

Heritage management and Indigenous engagement constitute a standalone ESG issue within our Framework, assessed alongside related nature topics such as rehabilitation, biodiversity and water use. For example, this means our assessments in practice for mining and energy companies routinely incorporate the consideration of Traditional Owner relationships, consent processes, cultural heritage impacts and the impacts and dependencies related to biodiversity impact, rehabilitation costs, and water use.

Our Modern Slavery Act-aligned Human Rights Policy (published in 2025) provides a framework for assessing human rights risks, including those experienced by local communities and First Nations peoples as a result of nature impacts in the companies we invest in. We will continue to develop our approach to stakeholder engagement on nature over the coming years.

Dhawura Ngilan Business and Investor Initiative (DNBII) — Pilot Partnership

In September 2025, Alphinity commenced a formal pilot partnership with the Dhawura Ngilan Business and Investor Initiative (DNBII). Dhawura Ngilan — meaning ‘remember country’ in the Dharawal language — is a First Nations-led initiative that has developed practical guides to help businesses and investors embed respect for First Nations peoples into their strategies, policies and processes.

Through the pilot, which runs until July 2026, Alphinity aims to:

- Improve our assessment of First Nations-related risks and opportunities across Australian and global equities;
- Identify stewardship priorities for material sectors, particularly mining, energy and financial services;
- Gather feedback on the applicability of the DNBII Guides for listed equity investors;
- Raise awareness of the initiative with portfolio companies and key stakeholders, including through company engagements conducted as part of the pilot.

The DNBII pilot intersects directly with our nature-related work. Many of the most material nature risks in our portfolios — land disturbance, water rights, heritage management, rehabilitation — sit at the intersection of environmental and First Nations considerations. The DNBII Guides provide a structured framework for assessing how companies manage these overlapping obligations and help us identify where engagement can most effectively drive improved outcomes for both nature and Indigenous communities.

2. Strategy

a) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.

ESG Framework

Our ESG Framework provides the structure for assessing and integrating material ESG risks and opportunities across our holdings. It is made up of three main components: bespoke frameworks, ESG materiality and risk levels, and ongoing risk management.

We use a materiality-based approach to assess the relative significance of ESG factors for each company and determine the appropriate integration response. When completing this assessment, we include issues across the short, medium and long term and those that may have an impact at a systemic, industry and company level.

Within our framework, we assess materiality across over 40 ESG topics. For example, energy transition, deforestation, pollution, waste, health and safety, labour relations, human rights, data privacy, corruption and bribery and corporate governance. Acknowledging the overlap amongst many of these issues (for example, community and environmental impacts) we consider where the emphasis of the risk lies and assign materiality on that basis.

For nature specifically (not including climate topics), we assess dependencies, impacts, risks and opportunities across seven topics including biodiversity, deforestation, water use, waste, pollution, rehabilitation and air quality.

Within our framework we also assess risks and opportunities related to topics which can have a material impact on nature-related dependencies, impacts, risks and opportunities. For example, community relations, heritage management, and transition risk.

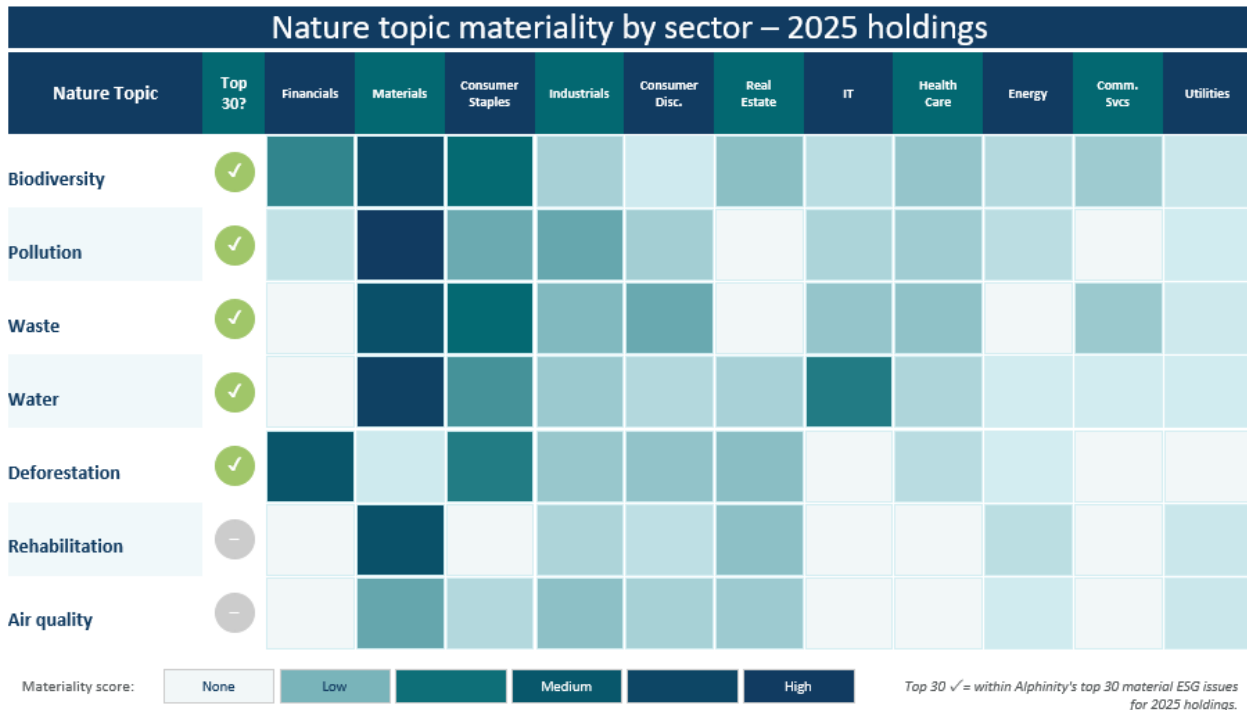
Materiality assessment process

Each year, Alphinity reviews the overall materiality of more than 40 ESG topics for all companies held during the reporting period. To determine the most material issues, we analyse risk and opportunity assessments captured within our ESG Framework across all investee companies. This internal assessment is combined with external inputs, including client priorities and the policy and investor environment.

In 2025, five nature-related topics were identified within our top 30 material ESG issues: deforestation, biodiversity, water, pollution and waste.

Our materiality assessment highlights materials is the most consistently material sector across all nature topics, driven by portfolio exposure to mining and resources companies where land disturbance, water consumption, pollution and rehabilitation are core operational issues. Consumer staples shows elevated scores for biodiversity, deforestation, waste and water, reflecting supply chain exposures in food retail and packaged goods. Financials registers most materiality for deforestation, driven by agricultural lending practices of major banks. IT scores notably on water, reflecting data centre cooling requirements. Deforestation shows the most distinctive sectoral profile — concentrated in Financials and Consumer Staples rather than Materials — underscoring that deforestation risk for investors often sits in supply chains and lending books rather than in direct operations.

The heatmap below presents portfolio-weighted internal materiality scores for each nature topic across sectors represented in Alphinity's 2025 holdings. Scores reflect the financial, reputational, operational and strategic risk and opportunity assessments within our ESG Framework, weighted by average portfolio size. Higher scores indicate greater materiality for that sector given Alphinity's specific holdings.



Source: Alphinity 2025 Materiality Assessment. Portfolio-weighted internal materiality scores.

Dependencies and impacts identified

As a listed equity investor, Alphinity's own operational footprint is modest (a single office in Sydney) and presents low direct nature-related risk. Our material exposure to nature arises through the companies we invest in — across their direct operations and value chains.

Key dependencies and impacts identified across our 2025 portfolios include:

Industry	Key Dependencies / Impacts
Mining & Resources	Land disturbance, water use in water-stressed regions, tailings management, biodiversity offsets, rehabilitation obligations
Banking & Finance	Deforestation and biodiversity impacts through agricultural lending; nature disclosure obligations for major banks
Consumer / Retail	Supply chain biodiversity impacts (seafood, agriculture, packaging); deforestation in supply chains; waste and pollution
Technology & Data Centres	High water consumption for cooling; land use for facilities; energy intensity
Real Estate & Infrastructure	Land use, habitat loss, construction waste, urban biodiversity
Industrials / Packaging	Deforestation in timber supply chains; circular economy and waste reduction

Risks and Opportunities

Nature-related financial risks arise where companies fail to adequately manage their dependencies or impacts on nature. We categorise these risks broadly as:

- **Physical risks:** operational disruption caused by ecosystem degradation (e.g. water scarcity, loss of pollination services, soil degradation affecting agricultural productivity).
- **Transition risks:** regulatory intervention, changing market expectations or legal liability arising from nature impacts (e.g. deforestation regulations, TNFD-aligned reporting requirements, shareholder resolutions).
- **Reputational and social licence risks:** stakeholder and community concern about nature impacts, particularly in relation to First Nations communities and sensitive ecosystems.

Opportunities exist for companies actively managing their nature footprint, including through circular economy solutions, sustainable sourcing, nature-based carbon projects, and product innovation in lower-impact materials and packaging.

Time Horizons

- Short term (0–3 years): Regulatory disclosure requirements (TNFD, Australian mandatory reporting), shareholder resolutions on deforestation and biodiversity, supply chain disruption risks from weather events.
- Medium term (3–7 years): Tightening environmental licensing and biodiversity offset requirements for mining and infrastructure; growing client expectations on nature-related portfolio disclosures; increased integration of nature risk in credit assessments by banks.
- Long term (7+ years): Systemic nature loss affecting macro-economic conditions, agricultural productivity, water availability and insurance markets; regulatory carbon and biodiversity pricing mechanisms.

b) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.

Nature-related considerations influence our business primarily through three channels:

- **Investment analysis and decision-making:** Nature risk considerations generated through our ESG Framework are integrated into company-level ESG reviews, which may inform investment thesis quality assessments, position sizing and portfolio construction. Companies with material, unmanaged nature risks may receive

lower ESG quality scores, which can reduce conviction and influence investment decisions.

- **Stewardship activities:** Nature risks identified through ESG assessment trigger engagement objectives and inform proxy voting decisions.
- **Product and strategy development:** Our two RIAA-certified Sustainable Plus strategies invest in companies which have a net positive alignment to the United Nations Sustainable Development Goals. These strategies seek to invest in companies with a net positive alignment to the United Nations Sustainable Development Goals including goals related to nature solutions.

c) Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.

We are at an early stage of developing scenario analysis capability for nature-related risks. This is consistent with the broader market, which faces significant challenges related to data availability, methodology development and the location-specific nature of biodiversity risk.

Our current approach to assessing strategic resilience to nature risks relies on:

- Qualitative scenario assumptions embedded in our ESG Framework, drawing on understanding of regulatory trajectories, market expectations and stakeholder dynamics;
- Engagement with investee companies to understand how they are stress-testing their own operations against nature-related scenarios (for example, mining companies' rehabilitation obligations under tightening WA environmental licensing);
- Integration with our existing climate scenario analysis capabilities, given the strong interdependencies between climate change and nature loss.

We intend to develop more structured scenario analysis capability for nature over the coming years, drawing on the TNFD's guidance and emerging market practice. This will be informed by our participation in industry working groups and our engagement with investee companies that are themselves undertaking TNFD LEAP assessments.

d) Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chains, that meet the criteria for priority locations.

As a listed equity investment manager, Alphinity does not directly own physical assets or operations with a measurable land footprint. Our interface with nature is indirect, mediated through the companies we invest in and the engagement activities we undertake with those companies.

At the portfolio level, we identify priority locations for nature risk through:

- Sector-level screening: sectors with well-understood high nature dependencies (mining, agriculture, seafood, forestry) trigger more detailed location-based assessments;
- Engagement-driven location intelligence: on-the-ground research and site visits provide direct insight into ecologically sensitive locations, including the Boddington bauxite mine in the Perth hills (water catchment, jarrah forest rehabilitation), Macquarie Harbour in Tasmania (critically endangered Maugean skate, salmon farming impacts), and copper mining operations in water-stressed regions of Chile;
- Investee company disclosures: where investee companies report TNFD-aligned disclosures or identify material locations in their own sustainability reporting, this information is incorporated into our ESG assessments.

We note that developing a comprehensive location-level view of our financed nature exposure remains a data challenge and is an area we intend to develop in future reporting periods, consistent with the TNFD's recommended approach to priority location identification.

2. Risk and impact management

ai) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.

Alphinity's own operational footprint is confined to a single leased office in Sydney, with no manufacturing, resource extraction, or land management activities. Our direct operational nature risk is assessed as low. We do not generate significant waste streams, use large volumes of water, or have a material land footprint.

We measure and report our operational environmental footprint, including Scope 2 electricity use and Scope 3 travel-related emissions, through our annual Responsible Investment Report. We do not currently report direct operational metrics against TNFD core nature indicators (such as water use or land use) given the immaterial scale of our operations, but acknowledge this as an area for future development.

a ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chains.

For Alphinity, our primary exposure to nature is through our investee companies. Our approach to identifying and assessing nature-related issues within our portfolios follows a structured process aligned with the TNFD's LEAP framework (Locate, Evaluate, Assess, Prepare):

Step 1 — Materiality assessment (annual)

Each year, we assess the materiality of more than 40 ESG topics across all companies held in our strategies. For nature-related topics, we assess risk and opportunity on a spectrum from high opportunity to high threat, considering short-, medium- and long-term relevance across financial, reputational, operational and strategic dimensions. This assessment is weighted by average portfolio size and combined with external materiality inputs to produce our final priority ranking.

Step 2 — Company-level ESG assessment

Nature-related risks and opportunities are assessed at the company level using our ESG Framework. For each company, we evaluate eight nature-related elements (biodiversity, deforestation, water, pollution, waste, rehabilitation, air quality, and climate). Assessments incorporate:

- Company disclosures (sustainability reports, TNFD-aligned disclosures where available, regulatory filings);
- Third-party ESG data, including Sustainalytics;
- Direct company engagement, including dedicated ESG meetings, results meetings, site visits, and pre-AGM discussions;
- On-the-ground research and insights

Step 3 — Supply chain assessment

We consider nature risks embedded in company supply chains as a key dimension of our assessment, particularly for sectors where supply chain nature impacts are likely to be more material than direct operations. This includes:

- Agricultural lending portfolios of Australian and international banks (deforestation, land use change, water risk);
- Seafood sourcing practices of food retailers and consumer companies;
- Timber and packaging supply chains for industrial and consumer goods companies;
- Battery minerals and mining supply chains for companies exposed to transition economy demand.

Step 4 — Sector and Thematic Research

To support our analysis of material ESG topics we develop bespoke framework and conduct thematic research. For example, in 2025, we conducted a deep-dive on nature risks in farmed seafood, visiting Tasmania to assess salmon farming impacts on marine ecosystems (water quality, biodiversity, endangered species), aquaculture welfare standards and regulatory risks. This research informed a Sustainable Seafood Framework covering six assessment attributes: site selection, community engagement, certification and due diligence, environmental

management, environmental monitoring, and animal welfare. Insights from this research directly inform our assessment of companies including Coles, Woolworths, Walmart and Costco.

b) Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.

Engagement

Engagement is Alphinity's primary stewardship tool for managing nature-related risks in our portfolios. In 2025, we held 220 engagements with more than 100 companies, of which 26% (approximately 57 meetings) included discussion of nature-related issues. This reflected the breadth of nature as a material topic across sectors and geographies.

Our engagement on nature covers five main sub-topics, with approximate frequency data from 2025:

Nature Sub-Topic	Approx. Meetings (2025)	Example Companies
Biodiversity	28	BHP, Coles, Brambles, Capstone Copper, Alcoa, L'Oréal
Waste	31	Wesfarmers, Procter & Gamble, Walmart, Amcor, Brambles
Water	23	Capstone Copper, Rio Tinto, Coles, NVIDIA, SK Hynix, GDS
Pollution	22	Coles (salmon), BHP, Alcoa, L'Oréal
Deforestation	19	NAB, CBA, Banco do Brasil, Brambles, Ansell

Engagement Objectives Framework

In 2025, we introduced a more structured engagement objective framework with defined milestones, escalation levels and priority ranks. Engagement objectives are established where a nature-related issue is material to a company, where we believe engagement can drive positive change, and where the issue is relevant to our portfolios. Examples of nature-related objectives can be viewed in our 2025 Responsible Investment Report

Proxy Voting

We integrate nature-related considerations into our proxy voting decisions. In 2025, we voted on all proxy items put to shareholders across our holdings (100% voting rate), with 35% of meetings seeing at least one vote against management or a shareholder proposal. Nature-related shareholder resolutions were supported at several

companies, including at Coles and Woolworths, where proposals called for improved reporting on biodiversity and environmental impacts in seafood supply chains. We also supported shareholder resolutions at NAB calling for enhanced transparency on nature-related risks in agricultural lending.

Escalation

Where nature-related risks are identified as material and company responsiveness to engagement is insufficient, our escalation pathway includes formal written communications, voting against management resolutions, and as a last resort, divestment. We monitor the direction of travel for nature risk management at each company and factor this into ongoing investment considerations.

On-the-Ground Research: Site Visits and Research Trips

A distinctive feature of Alphinity's approach to nature risk management is our commitment to on-the-ground research. We believe that direct observation of how companies manage their environmental footprint — in the field, not just through disclosures — provides insights that company reporting alone cannot. In 2025, we completed more than ten site tours and four dedicated research trips with material nature relevance. Three are highlighted below

Tasmania — Salmon farming and nature risks (June 2025)

Our Responsible Investment team visited Tasmania to assess the environmental and community challenges facing the salmon farming industry, with a focus on the extinction risk of the Maugean skate in Macquarie Harbour. Activities included farm visits to Tassal's hatcheries, sea pens and processing facilities; stakeholder discussions with a local member of parliament, the Blue Economy Cooperative Research Centre, advocacy groups and an independent EPA scientist; a visit to the Institute for Marine and Antarctic Studies captive breeding program for the Maugean skate; and a follow-up engagement with Coles.

Outcomes: The trip produced a six-attribute Sustainable Seafood Sourcing Framework (covering site selection, community engagement, certification and due diligence, environmental management, environmental monitoring, and animal welfare) that now underpins our engagement approach with companies including Coles, Woolworths, Walmart and Costco. It directly prompted a new engagement objective with Coles on seafood supply chain disclosure and informed our proxy voting on nature-related resolutions at Coles and Woolworths AGMs.

Brazil — PRI conference and tailings management (November 2025)

Our Head of Responsible Investment participated in the PRI conference in São Paulo, where sessions covered nature-related risks, First Nations engagement, and climate action. This was complemented by a site visit to Vale’s Brumadinho tailings disaster area and monitoring facilities, including the 24/7 monitoring control room, filtered tailings operations, and the community centre established following the 2019 collapse.

Outcomes: Though Alphinity is not a Vale shareholder, the insights directly informed our ESG analysis for BHP and Alcoa, both of which have Brazilian operations and are implementing comparable tailings management programs. The visit provided ground-level understanding of what leading-practice tailings monitoring and community rehabilitation look like in practice, enabling more precise and challenging engagement on these issues with portfolio mining companies.

These visits reflect a broader principle in our approach: direct observation and stakeholder engagement provide a quality of insight that company disclosures alone cannot replicate. They allow us to verify claims, identify gaps, challenge assumptions, and develop a more grounded understanding of the nature-related risks and opportunities that affect the companies we invest in.

c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.

Nature-related risk management is integrated into Alphinity's broader ESG Framework, which operates alongside and informs our investment process. The ESG Framework covers eight priority thematics — including nature as a standalone thematic — and generates ESG risk scores that are disclosed across all holdings annually.

Integration occurs at three levels:

- **Company level:** Nature risk scores for individual companies are incorporated into ESG review reports, alongside assessments of governance, climate, workforce, human rights and other material topics. These scores inform investment analysis and stewardship priorities.
- **Portfolio level:** We monitor portfolio-level exposure to high nature-dependency sectors and geographies. Nature is considered in the context of portfolio construction, including in our sustainable strategies where additional nature-related standards apply.

- **Systemic level:** We participate in industry initiatives and policy advocacy related to nature risk, including engagement with IGCC working groups and TNFD early adopter networks. We recognise that nature loss is a systemic risk with macro-economic implications that affect all portfolios.

We apply both financial materiality (impact on company value and investment returns) and impact materiality (significance of company impacts on nature) in our assessments, consistent with a double materiality approach. This dual lens is necessary to understand both the investment risk implications of nature loss and Alphinity's responsibilities as a steward of investee company behaviour.

4. Metrics and targets

a) Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.

Alphinity tracks a range of stewardship and portfolio metrics related to nature. Given the current limitations of nature-related data for listed equities, our primary metrics focus on engagement activity and ESG framework outcomes, with directional commentary on portfolio-level nature exposure where data allows.

Stewardship metrics (2025)

Metric	2025 Data
Total company engagements	220 engagements with 100+ companies
Engagements including nature-related discussion	26% of all engagements (~57 meetings)
Nature sub-topic — Biodiversity discussions	28 meetings
Nature sub-topic — Pollution discussions	22 meetings
Nature sub-topic — Waste discussions	31 meetings
Nature sub-topic — Water discussions	23 meetings
Nature sub-topic — Deforestation discussions	19 meetings
Active nature engagement objectives	Multiple (incl. NAB, Coles, Rio Tinto, Brambles)
Proxy votes on nature-related resolutions	Voted 100% of items; supported nature resolutions at Coles, Woolworths, NAB

Metric	2025 Data
Site visits with nature research focus	>10 site tours and research trips (incl. salmon farming, mine rehabilitation, tailings)

ESG Framework metrics

Nature topics are assessed for each company across our portfolio using our ESG Framework. In 2025, we calculated and disclosed an ESG risk score distribution across all holdings. Within this assessment, the following nature-related data points inform our portfolio view:

- Proportion of portfolio (by weight) in high nature-dependency sectors, including mining and resources, agriculture-exposed financials, consumer food and beverage, and retail;
- Company-level nature risk ratings (Low / Medium / High) for deforestation, biodiversity, water, pollution and waste across all assessed companies;
- Tracking of companies with active engagement objectives on nature, and milestone progress against those objectives.

Portfolio-level nature considerations

We acknowledge that comprehensive nature-related data for listed equity portfolios remains limited compared to climate data. Key data gaps include:

- Lack of standardised, company-reported nature metrics (e.g. land footprint, water consumption by location, biodiversity impact scores) across the majority of our holdings;
- Limited availability of location-specific ecosystem sensitivity data at the portfolio level;
- Early-stage development of methodologies for calculating financed nature impacts analogous to financed emissions.

We will seek to close these gaps over time as company disclosure standards improve (particularly as TNFD adoption increases) and as data providers develop more robust nature-related datasets for listed equities.

b) Disclose the metrics used by the organisation to assess and manage material nature-related dependencies and impacts.

As a financial institution, our material nature-related dependencies and impacts arise through our financed activities rather than our own operations. The TNFD recommends financial institutions report against core global metrics where relevant and material. We provide the following against the TNFD core global dependency and impact indicators:

TNFD Indicator	Disclosure	Comment / Data Gap
Land use change	Not currently quantified at portfolio level	Directional exposure assessed via sector allocation; quantitative data not available from investees at scale
Freshwater use	Not currently quantified at portfolio level	Water risk assessed qualitatively per company; location-specific data gaps remain
Greenhouse gas emissions	Disclosed separately in Climate Change Statement and RI Report	Financed emissions disclosed annually across all strategies
Pollution	Assessed qualitatively per company	Pollution incidents tracked via engagement and ESG Framework; portfolio-level aggregation not yet available
Solid waste	Assessed qualitatively per company	Waste management assessed in ESG reviews; portfolio-level aggregation not yet available
Invasive species / biodiversity impacts	Not currently quantified	Biodiversity risk assessed through engagement and ESG Framework; no standardised metric available at portfolio scale

c) Describe the targets used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and performance against targets.

Alphinity does not currently have formal quantitative targets for nature-related risk management. This is consistent with our approach to targets generally: given the dynamic nature of active portfolio management and our fiduciary obligation to maximise risk-adjusted returns for investors, we do not consider it appropriate to place hard limits or specific nature targets on our investment activities at this stage.

We are, however, committed to the following directional goals in relation to nature:

- Continue to expand and deepen TNFD-aligned disclosures annually, working towards comprehensive coverage of all 14 recommended disclosures;
- Develop formal nature engagement targets (for example, a target number of companies with active nature engagement objectives) for inclusion in future reporting;

- Improve the quality and coverage of nature-related data in our ESG Framework, including integration of more quantitative nature indicators where available;
- Progress towards greater alignment with Global Biodiversity Framework Target 15, which requires disclosure of nature-related dependencies, impacts and risks along value chains;
- Assess the feasibility of developing portfolio-level nature metrics analogous to financed emissions over the medium term.

Performance against these directional goals will be reported annually in the Responsible Investment Report.

Disclaimer

This material has been prepared by Alphinity Investment Management (ABN 12 140 833 709 AFSL 356895) (Alphinity), the investment manager of Alphinity Australian Share Fund, Alphinity Concentrated Australian Share Fund, Alphinity Sustainable Share Fund, Alphinity Global Equity Fund – Active ETF and Alphinity Global Sustainable Equity Fund -Active ETF (the Funds).

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