



IFM Australian Infrastructure portfolio

FY19 Carbon Footprint Summary

The IFM Australian Infrastructure portfolio comprises a diversified portfolio of core infrastructure assets, including airports, toll roads, ports and electricity supply assets. IFM Investors assumes a long term stewardship approach for the ownership of these essential assets and consideration of environmental, social and governance factors is embedded in asset management.

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The following tables provide a summary of the financed emissions associated with IFM Investors Australian Infrastructure (AI) portfolio, using an ‘equity share’ approach¹.

Financed emissions are the greenhouse gas (GHG) emissions associated with our ownership stake in portfolio companies. Measuring and understanding the financed emissions helps

us understand our portfolio’s impact on climate change, manage key risks and determine opportunities for improvement.

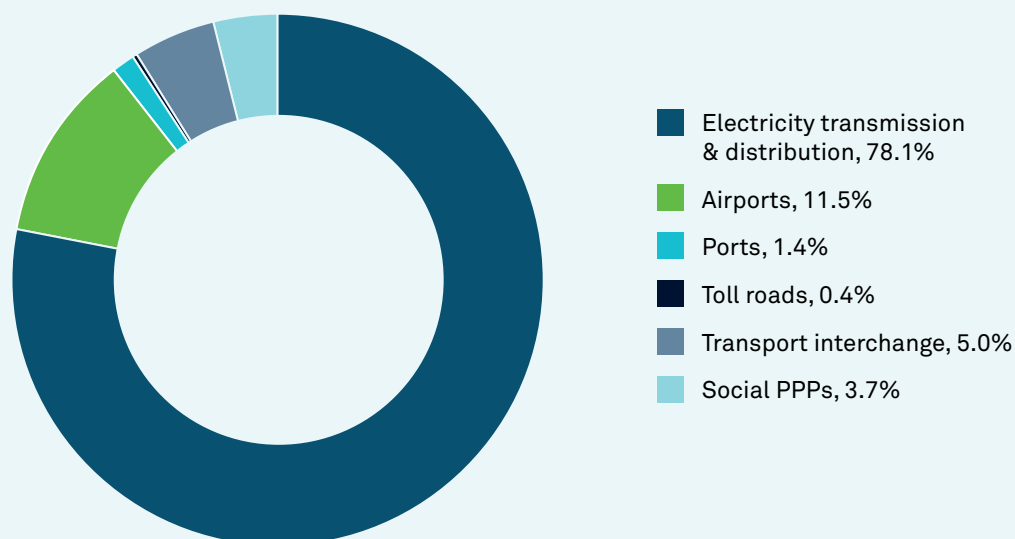
For the year ending June 2019, the financed emissions associated with the assets in the Australian Infrastructure portfolio total 273,514 tCO₂e. This is a reduction of more than 7% on June 2018².

Carbon footprint of Australian Infrastructure assets (year ending June 2019)				
Asset	Scope 1 emissions (tCO ₂ e)	Scope 2 emissions (tCO ₂ e)	% owned by IFM Investors	Portfolio financed emissions (tCO ₂ e)
Ausgrid	23,163	823,969	25.20%	213,477
Melbourne Airport	19,645	37,610	25.17%	14,412
Brisbane Airport	1,396	38,514	19.76%	7,888
NT Airports	184	10,145	77.44%	7,999
Adelaide Airport	618	8,008	12.76%	1,101
NSW Ports	47	1,918	35.05%	689
Port of Brisbane	9,276	2,899	26.67%	3,247
Eastern Distributor (M1)	101	5,417	14.37%	793
Interlink Roads (M5)	131	1,179	15.38%	202
Southern Cross Station	4,170	9,380	100%	13,550
Social PPPs ³	523	9,633	100%	10,156
Total emissions	59,254	948,672		273,514

Source: IFM Investors

Note that all assets in the AI portfolio except for Perth Airport Property Trust, Wyuna Water, IFM Aged Care Financing Trust and NSW Rent Buy were included in the footprint assessment. These non-reported assets comprise less than approximately 2% of the portfolio by value for the reporting period.

Carbon emissions by sector⁴ (year ending June 2019)



¹ Under the equity share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation.

² The comparative intensity data above has been provided for reference purposes only. Drawing conclusions, making decisions or setting targets would need to take a wider set of variables into account.

³ Includes Axiom Education, Praeco Pty Ltd and Western Liberty Group.

⁴ Percentages listed have been rounded.

Carbon Emissions Reduction & Energy Efficiency Initiative

During FY 2019, IFM Investors worked with seven of its largest Australian portfolio companies and co-owners to establish individual emissions reduction targets and encourage investment in renewables and energy efficiency projects. These companies included Ausgrid; Melbourne Airport; Brisbane Airport; Port of Brisbane; NSW Ports; NT Airports; and Southern Cross Station.

The overarching goal was to protect investment value and returns through building positive commercial and environmental outcomes and mitigating future business risks associated with the transition to a low-carbon economy. Portfolio companies set individual emissions reduction targets ranging from 8-25 per cent by 2024 and 17-100 per cent by 2030, which is expected to see annual emissions reduced by more than 200,000 tonnes CO₂ equivalent by 2030 – the same as removing



Brisbane Airport

almost 70,000 cars from the road.

The initiative is expected to prevent millions of tonnes of carbon entering the environment over the life of these businesses while helping to protect long term value for our investors. Programs initiated at the company-level to reduce carbon emissions include use of alternate power sources, the uptake of electric and low emissions vehicles, LED lighting, rooftop and large scale solar, smart management systems and energy efficient office spaces.

Please visit ifminvestors.com/emissions-reductions for a summary of individual company targets and pathway projects.

Emissions intensity for the Australian Infrastructure portfolio

Carbon emissions intensity	June 2019	June 2018	% change
Total financed emissions (tCO ₂ e)	273,514	297,009	-7.9%
US\$ value* as at 30 June 2019	\$8,006m	\$7,684m	4.2%
A\$ value* as at 30 June 2019	\$11,387m	\$10,398m	9.5%
Emissions intensity per US\$1M investment (tCO ₂ e)	34.2	38.7	-11.6%
Emissions intensity per A\$1M investment (tCO ₂ e)	24.0	28.6	-16.1%

Source: IFM Investors

* Reflects Investment Value of included assets. USD/AUD exchange rate as at 30 June 2019 =1.4222
In both 2018 and 2019, Perth Airport Property Trust, Wyuna Water, IFM Aged Care Financing Trust and NSW Rent Buy have been excluded from both the emissions and the investment value calculations.

Data assumptions and calculation methodology

- Scope 1 and 2 emissions data is included. Scope 1 emissions are direct emissions from operations including fuel combustion. Scope 2 emissions are indirect emissions from the purchase of acquired electricity, steam, heating or cooling.
- Data was collected directly from assets. While we believe the reported data to be materially correct, we cannot guarantee the completeness or accuracy of the data.
- Emissions factors were sourced from National Greenhouse Account Factors (August 2017).
- Financed emissions were calculated based on IFM Investors' share of total Scope 1 and Scope 2 emissions, by percentage ownership of each asset.
- Emissions offsets have not been included in emissions totals, in line with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard.
- All assets in the AI portfolio except for Perth Airport Property Trust, Wyuna Water, IFM Aged Care Financing Trust and NSW Rent Buy were included in footprint assessment. These non-reported assets comprise less than approximately 2% of the portfolio by value for the reporting period.



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