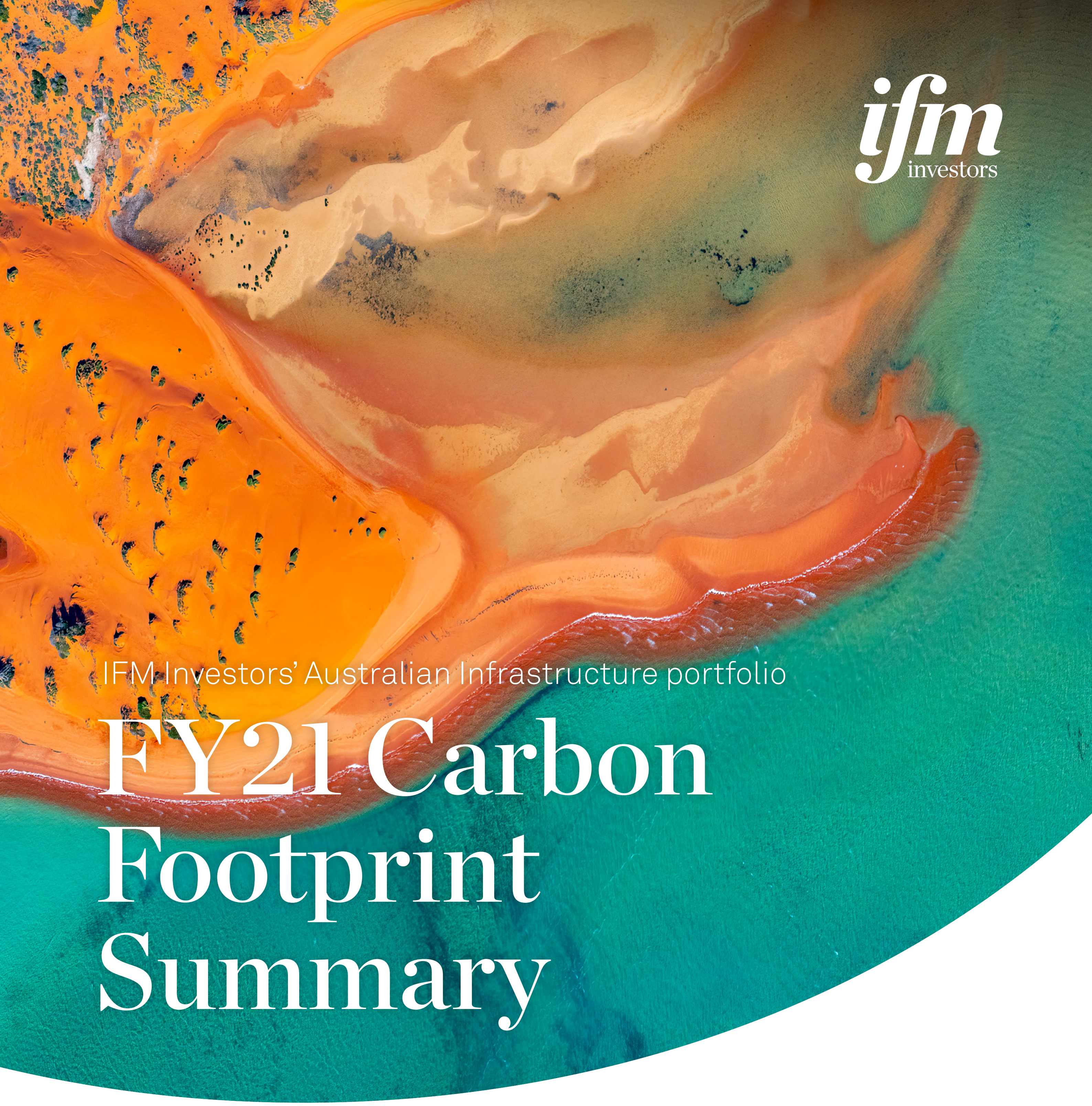

IFM Investors' Australian Infrastructure portfolio

# FY21 Carbon Footprint Summary

IFM's Australian Infrastructure portfolio comprises diversified core infrastructure assets, including airports, toll roads, ports and electricity supply assets. Our approach to infrastructure investment centres on the long-term ownership and active management of these assets that provide essential services underpinning economies and communities.

As we develop our strategy for reducing greenhouse gas emissions across all of our asset classes, targeting net zero by 2050, we recognise the net zero economy will rely heavily on existing infrastructure transitioning to progress and thrive. We have set an interim 2030 emissions reduction target of more than one million metric tonnes of $CO_2e$ for our infrastructure asset class, and we are committed to continuing our annual carbon footprint reporting to track our progress over the coming decade.

December 2021

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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' approach.[1]

Financed emissions are the greenhouse gas (GHG) emissions associated with our ownership stakes in portfolio companies. Measuring and understanding the financed emissions helps us to understand the portfolio's impact on climate change, manage key risks, determine opportunities for improvement and track progress towards the portfolio's 2030 interim emissions reduction target.[2]

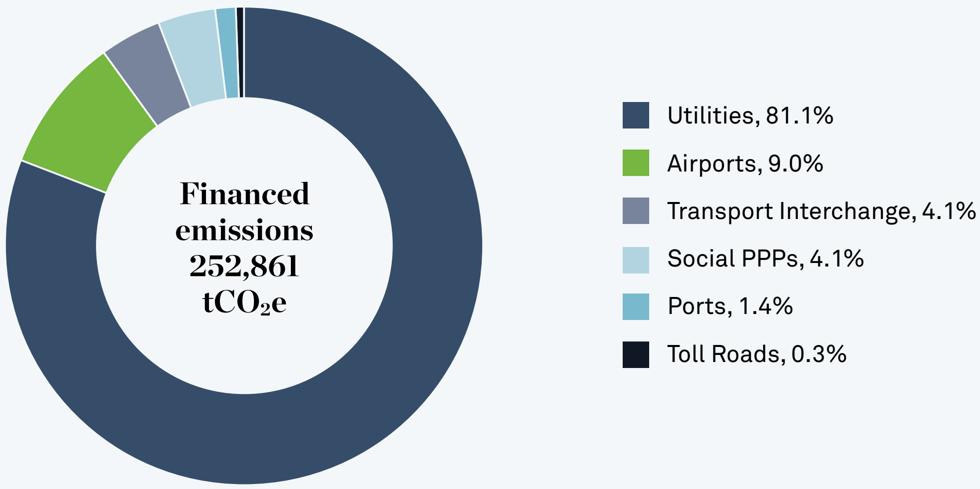
For the financial year ending 30 June 2021, the financed emissions associated with assets in the portfolio total 252,861 $tCO_2e$. This is a reduction of 5% on the 30 June 2020 restated figure, as listed in Table 2.[3] This reduction is largely attributable to the impact of Covid-19-related travel and border restrictions on portfolio assets, primarily transport assets, including airports and Southern Cross Station. Lower patronage meant that measures were put in place to economise the use of facilities. Ausgrid's emissions also reduced due to lower distribution line losses that were a result of lower power usage across the Ausgrid network.

**TABLE 1 Carbon footprint of Australian Infrastructure assets (year ending 30 June 2021)**

| Asset | Scope 1 emissions ($tCO_2e$) | Scope 2 emissions ($tCO_2e$) | % owned by IFM Investors | Portfolio financed emissions ($tCO_2e$) |
|---|---|---|---|---|
| **Ausgrid** | 22,768 | 781,247 | **25.20%** | **202,612** |
| **Melbourne Airport** | 30,431 | 7,237 | **25.17%** | **9,482** |
| **Brisbane Airport** | 1,455 | 29,164 | **20.01%** | **6,127** |
| **NT Airports** | 188 | 7,894 | **77.44%** | **6,258** |
| **Adelaide Airport** | 113 | 7,049 | **12.76%** | **914** |
| **NSW Ports** | 41 | 1,978 | **35.05%** | **708** |
| **Port of Brisbane** | 6,680 | 3,483 | **26.67%** | **2,710** |
| **Eastern Distributor (M1)** | 86 | 4,698 | **14.37%** | **687** |
| **Southern Cross Station** | 480 | 10,000 | **100%** | **10,480** |
| **Wyuna Water** | 289 | 3,282 | **70%** | **2,500** |
| **Social PPPs[4]** | 475 | 9,908 | **100%** | **10,383** |
| **Total emissions** | **63,006** | **865,940** | | **252,861** |

**Source:** IFM Investors
**Note:** All assets in the AI portfolio except for Perth Airport Property Trust and IFM Aged Care Financing Trust were included in the footprint assessment. These non-reported assets comprise less than 1.2% of the portfolio by value for the reporting period.

## Financed carbon emissions by sector (year ending 30 June 2021)




[1] Under the equity share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation.
[2] IFM has set a scope 1 and 2 emissions reduction target of at least 1.16 million tonnes of CO2e for the infrastructure asset class. This translates to a 40% decrease across our existing infrastructure portfolio by 2030 (from a 2019 baseline). We will adjust this target annually for divestments and new investments.
[3] 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.
[4] Includes Axiom Education, Praeco Pty Ltd and Western Liberty Group.

Solar panel installation at Melbourne Airport

**TABLE 2 Emissions intensity for the Australian Infrastructure portfolio**

| Carbon emissions intensity | 30 June 2021 | 30 June 2020 (Restated)** | % change |
|---|---|---|---|
| Total financed emissions ($tCO_2e$) | 252,861 | 265,409 | -5% |
| A$ value* as at 30 June 2021 | $12,113m | $11,217m | 8% |
| US$ value* as at 30 June 2021 | $9,092m | $7,721m | 18% |
| **Emissions intensity per A$1M investment** | **20.9** | **23.7** | **-12%** |
| Emissions intensity per US$M investment | 27.8 | 34.4 | -19% |

**Source:** IFM Investors

* Reflects Investment Value of included assets.
**Restatement reflects the inclusion of Wyuna Water and minor changes in airport emissions.
Notes:
- Australian assets are valued in AUD. USD values have been shown for comparability. The AUD/USD exchange rate was 0.7506 as at 30 June 2021 and 0.6883 as at 30 June 2020
- In both 2020 and 2021, Perth Airport Property Trust and IFM Aged Care Financing Trust have been excluded from both the emissions and the investment value calculations.
- Past performance is not indicative of future results.

# 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, line losses, 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.
- 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 and IFM Aged Care Financing Trust were included in the footprint assessment. These non-reported assets comprise less than approximately 1.2% of the portfolio by value for the reporting period.

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# Infrastructure and the energy transition

We remain committed to working closely with portfolio companies to support their critical role in the transition to a net zero economy. These companies are implementing a range of strategies that aim to build resilience to climate change, harness opportunities in a decarbonising economy and create long-term value for investors.

These strategies include renewable energy installations and energy efficiency improvements, as well as the deployment of low emissions fleet vehicles and infrastructure that supports the uptake of electric vehicles.

As at 30 June 2021, a total of 30 megawatts (MW) of solar capacity was installed across the portfolio, with an additional 9 MWs of capacity planned to be online by 2025.


## Portfolio company initiatives

1. **Melbourne Airport** - Melbourne Airport's 12 MW solar farm became operational in early 2021. It is the size of 26 soccer fields and has the capability to produce enough renewable energy to power all four passenger terminals, or up to 15% of the airport's annual electricity use.

2. **Brisbane Airport** – 6 MW onsite solar generates energy supplying c.18% of the airport annual energy. The airport also operates a fleet of electric buses for transporting customers across the airport precinct.

3. **NT Airports** – 6.9 MW of solar capacity across Darwin and Alice Springs airports supplying c.84% of annual energy needs. In the next 12 months, the group aims to cover 100% of its own annual energy consumption as well as 40% of its precinct tenants' energy consumption.

4. **Ausgrid** – launched a community battery trial across three Sydney locations. The first of its kind on the east coast, the batteries allow local residents to store excess solar power in a centralised and shared local facility. This aims to encourage solar uptake by substantially lowering costs for individual households and increasing the amount of clean energy that goes into the grid. Ausgrid has also partnered with JOLT to develop a free and fast EV charging network across Sydney.

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An infrastructure investment is subject to certain risks including but not limited to: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impractical; changes in environmental and planning laws and regulations, and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative economic developments that depress travel; uninsured casualties; force majeure acts, terrorist events, under insured or uninsurable losses; and other factors beyond reasonable control.

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**IFM-09December2021-1946102**

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