

IFM Investors sets 2030 interim emission reduction target to help achieve Net Zero by 2050

IFM Investors has set a 2030 interim emissions reduction target of more than one million metric tons of CO₂e for its infrastructure asset class, as part of its commitment to target net zero by 2050. This reflects an emissions reduction target of 40% of IFM's existing infrastructure portfolio from 2019 levels.

IFM will also restrict investments in any assets that derive material amounts of revenue from thermal coal, while targeting zero coal exposure for our existing portfolio by 2030.

IFM Investors will continue to invest in essential infrastructure assets that working people rely on every day, in sectors such as transport, utilities and energy, with our focus on transitioning these assets to help ensure they can continue operating in a net zero world.

We are also seeking to take advantage of the significant investment opportunities that are arising because of the energy transition.

The quality of the returns for long-term investors is a function of the quality and sustainability of the economy and financial system, now and in the future. We, therefore, have a clear responsibility as a long-term investors to invest in this transition.

Last year, IFM committed to reducing greenhouse gas emissions across its asset classes, targeting net zero by 2050. To help meet that commitment, IFM established a taskforce to identify how each asset class – infrastructure, listed equities, debt, and private equity – would contribute.

Following this work, and understanding that to meet our net zero by 2050 commitments action is needed over the next decade, IFM will take the following steps for the infrastructure asset class:

- **Interim targets:** We have set a Scope 1 and 2 emissions reductions target of at least 1.16 million tonnes of CO₂e for the infrastructure asset class by 2030 (from a 2019 baseline). This reflects a 40% reduction in emissions across our existing infrastructure portfolio. We will adjust this target annually for divestments and new investments.
- **Investment processes:** We have enhanced our investment decision making processes to help ensure that new acquisitions are net zero by 2050 aligned, and that new acquisitions have considered climate change transition and physical risks under reference scenarios, including 1.5 degree reference scenarios.
- **Asset management processes:** We have enhanced our asset management processes so that climate change transition and physical risks are assessed on a periodic basis, utilising reference scenarios, including 1.5 degree scenarios. We will also continue to work closely with our infrastructure assets to implement emission reduction initiatives.
- **Investment restrictions:** We will phase out thermal coal by 2030 and will not make new investments in assets that derive material revenue¹ from thermal coal.
- **Pursuing climate solutions:** We, and our portfolio companies, will continue to seek to increase the amount we can invest in the significant investment opportunities that are arising from the energy transition.

¹ Revenue greater than 20% of total.

- **Increased reporting:** We will enhance our annual carbon footprint reporting by including disclosure on progress against IFM’s 2030 emissions reduction target, changes to portfolio level targets due to acquisitions and divestments, and updates on key emission reduction initiatives across the portfolio.

Further work is being undertaken on how IFM’s non-infrastructure asset classes will meet IFM’s net zero commitments, and will form part of IFM’s overarching Climate Change Strategy to be released in coming months.

Quotes attributable to IFM Investors Chief Executive David Neal:

“To continue delivering on our purpose, which is to protect and grow the long-term retirement savings of working people, it’s vital that we have a plan to mitigate the risks of climate change.”

“We’re confident that the measures we are putting in place for our infrastructure portfolios are real, achievable and, we believe, in the best interests of our investors, their members and beneficiaries.”

Quote attributable to IFM Investors Global Head of Infrastructure Kyle Mangini:

“We are making infrastructure investments today that our investors expect to hold for the long term in open-ended funds. If these investments are to generate strong, long-term sustainable returns, we need ensure that they continue to play an important role in society in a net zero economy.”

“We look forward to continuing to work closely with our investee companies as we embrace the energy transition together.”

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About IFM Investors

IFM Investors was established more than 25 years ago with the aim to protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has AU\$172bn under management as of 30 June 2021. Because IFM is owned by industry pension funds, we prioritise the interests of more than 550 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. As a signatory to The United Nations-supported Principles for Responsible Investment, IFM actively engages on ESG issues with the companies in which it invests with the aim of enhancing their net performance while minimising investment risk.

Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, New York, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit www.ifminvestors.com