

IFM Investors' Australian Infrastructure portfolio

FY20 Carbon Footprint Summary

IFM Investors' 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' approach.¹

Portfolio financed emissions are the greenhouse gas (GHG) emissions associated with our ownership stake in portfolio assets. Measuring and understanding the financed emissions helps us to understand the

portfolio's potential impact on climate change, manage key risks and determine opportunities for improvement.

For the year ending 30 June 2020, the financed emissions associated with the assets in the AI portfolio total 262,296 tCO₂e. This is a reduction of 4 per cent on the previous year ending 30 June 2019.²

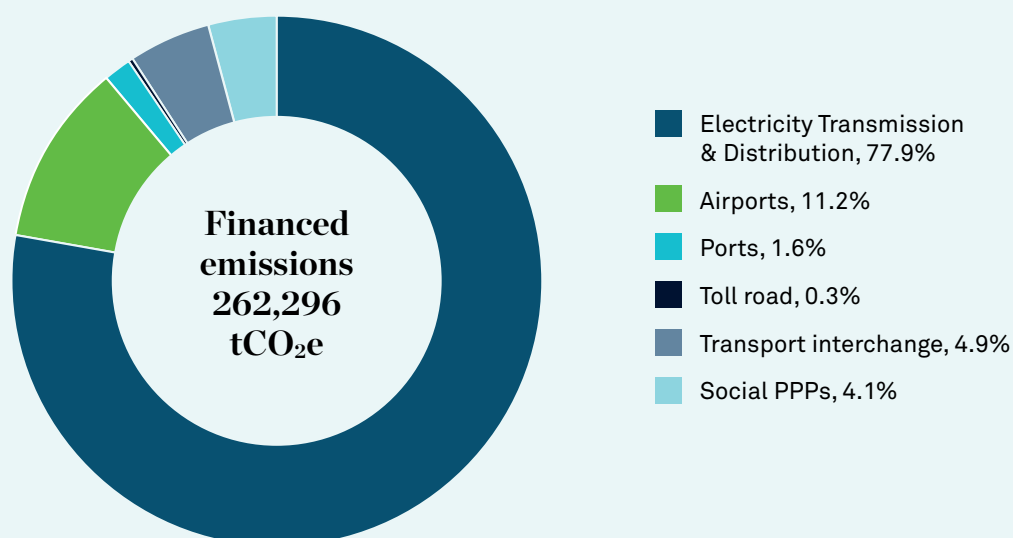
Carbon footprint of IFM Investors' Australian Infrastructure assets (year ending 30 June 2020)

Asset	Scope 1 emissions (tCO ₂ e)	Scope 2 emissions (tCO ₂ e)	% owned by IFM Investors	Portfolio financed emissions (tCO ₂ e)
Ausgrid	21,950	789,287	25.20%	204,432
Melbourne Airport	23,787	31,920	25.17%	14,022
Brisbane Airport	1,404	41,059	20.01%	8,497
NT Airports	245	7,179	77.44%	5,749
Adelaide Airport	634	7,903	12.76%	1,089
NSW Ports	42	1,969	35.05%	705
Port of Brisbane	9,466	3,434	26.67%	3,440
Eastern Distributor (M1)	102	5,289	14.37%	775
Southern Cross Station	480	12,370	100%	12,850
Social PPPs ³	590	10,146	100%	10,736
Total emissions	58,701	910,556		262,296

Source: IFM Investors

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

Financed carbon emissions by sector (year ending June 2020)



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 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. Investments in infrastructure are subject to various risks including regulatory risk and market risk, which are outlined in further detail on the "Important Disclosures" page. Prior to making an investment in any infrastructure strategy, investors should refer to the offering documents for a complete discussion of risks.

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

Reducing emissions, harnessing energy efficiency opportunities

Companies across IFM's AI portfolio continue to develop and implement climate change adaptation and/or risk mitigation projects, many of which focus on reducing emissions and harnessing opportunities that improve operational efficiencies, including:



Energy efficiency improvement programs such as upgrades to energy efficient LED lighting



Behind the meter (BTM) renewable energy installations and power purchase agreements (PPAs)



Smart building design such as building efficiency upgrades



Deployment of low emissions fleet vehicles such as electric vehicles



Electrification of operational plant and equipment using onsite renewable energy

BTM renewable energy at Melbourne Airport

Solar photovoltaic (PV) is the most widely deployed renewable energy source across the AI portfolio. In 2020, Melbourne Airport commenced a 12MW solar PV development at Tullamarine. It will be the largest of its kind at any Australian airport, capable of delivering approximately 17GWh of electricity each year, equivalent to powering 1,387 homes for a year.⁴ When operational in 2021, the system is expected to meet up to 15 per cent of the airport's total electricity consumption (at normal capacity).

Electric vehicles at Brisbane Airport

The benefits of low emissions vehicles and electrified plant and equipment can include lower running costs, emissions and noise pollution. Brisbane Airport operates a fleet of 11 electric buses for transporting customers within the airport precinct. The buses are 100 per cent electrically charged, which means there are no exhaust

emissions. In addition to reducing noise pollution, operating the buses has reduced annual carbon emissions by 250 metric tonnes of CO₂ emissions - equivalent to taking more than 50 cars off the road.⁴ The operation of the buses required a dedicated base location for maintenance and electric charging. Following completion of this in June 2019, the bus fleet was fully up and running during FY20.

Energy efficient lighting at Southern Cross Station

One of the most cost-effective and straightforward ways to implement energy efficiency improvement strategies is the replacement of energy-hungry lighting with modern energy-saving LED equivalents. This strategy can deliver both emissions reductions and operational cost savings. In 2019, Melbourne's Southern Cross Station replaced fluorescent lighting in a section of its 24/7 car park with energy efficient LED lights. This led to a 17 per cent decrease in energy consumed.

Emissions intensity for IFM Investors' Australian Infrastructure portfolio

Carbon emissions intensity	30 June 2020	30 June 2019	% change
Total financed emissions (tCO ₂ e)	262,296	273,318	-4.0%
A\$ value* as at 30 June	\$11,157m	\$11,387m	-2.0%
Emissions intensity per A\$M investment	23.5 tCO₂e	24.0 tCO₂e	-2.1%
US\$ value* as at 30 June ⁵	\$7,679m	\$7,990m	-3.9%
Emissions intensity per US\$1M investment	34.2 tCO ₂ e	34.2 tCO ₂ e	-0.1%

Source: IFM Investors

* Reflects Investment Value of included assets.

In both 2019 and 2020, Perth Airport Property Trust, Wyuna Water and IFM Aged Care Financing Trust were excluded from both the emissions and the investment value calculations.

⁴ Calculated using EPA Equivalencies Calculator <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁵ Australian assets are valued in AUD. USD values have been shown for comparability. The AUD/USD exchange rate was 0.6883 as at 30 June 2020 and 0.7017 as at 30 June 2019.

Data assumptions and calculation methodology

- Scope 1 and 2 emissions are 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.
- 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 and IFM Aged Care Financing Trust were included in the footprint assessment. These non-reported assets comprise less than approximately 2 per cent of the portfolio by value for the reporting period.

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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. This material is confidential and should not be distributed or provided to any other person without the written consent of IFM Investors.

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HEAD OFFICE

Level 29 | Casselden | 2 Lonsdale Street | Melbourne | VIC 3000
+61 3 8672 5300 | www.ifminvestors.com | investorrelations@ifminvestors.com

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