

IFM Investors' Global ex-Australia Infrastructure Portfolio

2020 Carbon Footprint Summary

IFM's Global ex-Australia Infrastructure portfolio comprises diversified core infrastructure assets, including airports, toll roads, ports and water services 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 CO₂e for our infrastructure asset class. In 2021, after the 2020 reporting period, we developed and commenced implementation of a strategy that aims to achieve this target. We are committed to continuing our annual carbon footprint reporting to track our progress over the coming decade.

The following tables provide a summary of the financed emissions associated with IFM Investors' Global ex-Australia Infrastructure (GI) 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 year ending 31 December 2020, the financed emissions associated with assets in the portfolio total 3.09 million tonnes of CO₂e. This is an increase of 18% from 31 December

2019, principally due to the commencement of operations of Freeport LNG Train 2 in 2020, as well as the expansion of Aqualia's operations in both existing and new markets, which increased the company's emissions profile. Emissions in the reporting period were partially offset by emissions reductions in other sectors. Emissions intensity per US\$M investment increased by 5%.

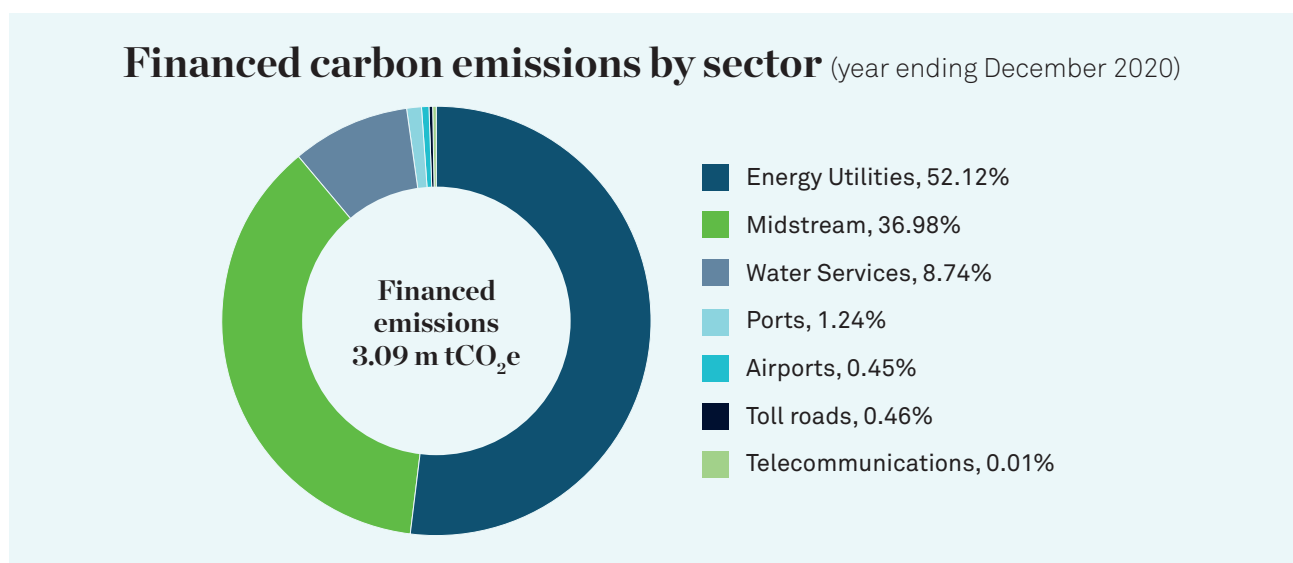
Over time, we expect there will be some fluctuations in the portfolio emissions we report year to year, due to changes in the composition of the portfolio and its underlying assets. We plan to continue working with portfolio assets to reduce emissions and to make investments that align with our 2030 interim target and our commitment to net zero by 2050.

TABLE 1 Carbon footprint of Global ex-Australia Infrastructure portfolio by sector (year ending 31 December 2020³)

Sector	Scope 1 emissions [k tCO ₂ e]	Scope 2 emissions [k tCO ₂ e]	Carbon offsets and exported renewables [k tCO ₂ e]	Portfolio gross financed emissions [k tCO ₂ e]	Portfolio net financed emissions [k tCO ₂ e]
Energy Utilities	3,608	419	0	1,611	1,611
Midstream	552	1,791	0	1,143	1,143
Water Services	215	497	-7	270	269
Ports	76	28	0	38	38
Airports	19	18	-14	14	9
Toll roads	7	8	0	14	14
Telecommunications	2	0	0	0	0
Total portfolio	4,479	2,760	-21	3,091	3,085

Source:
IFM Investors

- Notes:**
- All companies held in the portfolio at 31 December 2020 are included in the footprint assessment, including Freeport LNG Train 2, which commenced operations in January 2020.
 - Data in the table also reflects the increase in ownership of the M6toll from 70% in 2019 to 100% in 2020.
 - Scope 1 emissions, Scope 2 emissions, carbon offsets and exported renewables are total numbers for the assets within the portfolio and do not reflect our ownership stake. Gross and net portfolio financed emissions reflect IFM's ownership stakes.



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 (inc. IFM Investors' Australian infrastructure and IFM Investors' global ex-Australia infrastructure portfolio assets). We will review this target in light of recent investments and will begin reporting progress against it for the 2021 reporting cycle.

³ A small number of companies in the portfolio have reporting years that differ from calendar year; the data provided in this report is in line with their respective reporting requirements to ensure alignment in reporting.



Renewable energy across the portfolio

TABLE 2 Emissions intensity for the Global ex-Australia Infrastructure portfolio

Carbon emissions intensity	December 2020	December 2019	% change
Total gross financed emissions (k tCO ₂ e)	3,091	2,618	18%
US\$ value as at 31 December (M)	31,740	28,200	13%
Emissions intensity (tCO₂e per US\$1M investment)	97	93	5%

Source:
IFM Investors

Notes:

- Intensity values shown exclude carbon offsets and exported renewables.
- US\$ value reflects the investment value of portfolio assets. Investment value figures shown for 2019 exclude Freeport LNG Train 2 because it was not operational in 2019.

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.
- Gross and net financed emissions were calculated based on IFM Investors' share of total Scope 1 and Scope 2 emissions, by percentage ownership of each asset as at 31 December 2020.
- Data was collected directly from portfolio companies where available. For those companies not calculating Scope 1 and Scope 2 emissions, IFM collected input data and assisted in the emissions calculation.
- This approach ensures the best alignment with values reported by portfolio companies and their respective carbon footprint targets where available, while building climate change capabilities at portfolio companies still in the early stages of their climate change roadmaps.
- While we believe the reported data to be materially correct, we cannot guarantee the completeness or accuracy of the data.
- As part of the reporting, some portfolio companies revised their values for 2019 and data shown in this report has hence been restated in order to provide a like-for-like comparison between 2019 and 2020 carbon footprint.
- In line with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard, we provide gross financed emissions excluding the effect of carbon offsets and exported renewables. In addition and in the spirit of transparency, we also provide net financed emissions including carbon offsets and exported renewables.
- All assets in the portfolio except for Enwave and Naturgy are included in the reported data. Enwave and Naturgy were acquired after the 2020 reporting period and their emissions data will be incorporated in future reporting.

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