



MIL-OSI Australia: IFM Investors and the CEFC work together to cut carbon emissions in the infrastructure assets

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Source: Australian Government - Clean Energy Finance Corporation

In its first equity commitment to Australia's diversified infrastructure sector, the CEFC is investing \$150 million in the IFM Investors' managed IFM Australian Infrastructure Fund, which will target emissions reduction and energy efficiency initiatives across assets including Ausgrid, Brisbane Airport, Melbourne Airport, Sydney's Port Botany and the Port of Brisbane.

IFM Investors' agreement with the CEFC builds on its track record of working with asset management teams to deliver sustainable ESG outcomes that benefit both the communities they serve and superannuation member returns.

CEFC CEO Ian Learmonth said: "We recognise IFM Investors as a leader in sustainable investment in infrastructure and congratulate IFM Investors on this significant commitment to lowering emissions, and contributing further to the environmental sustainability of the assets in its Australian Infrastructure Fund.

"Infrastructure assets are central to our economic and social well-being.

They are usually large, expensive and built for the long term.

It is absolutely critical that the assets of today contribute to the overall emissions reduction task that we are facing.

"With this investment the CEFC will work with IFM Investors in targeting comprehensive and sustained improvements to the carbon footprint of some of our most important infrastructure assets.

We will also work with IFM Investors to enhance benchmarks and transparency around infrastructure emissions, so that we can deliver a step change in the emissions profile of our national infrastructure."

IFM Investors, owned by 27 of Australia's industry superannuation funds, invests on behalf of six million Australian workers and approximately 15 million pension fund members globally.

Kyle Mangini, IFM Investors Global Head of Infrastructure said: "IFM is a leader in sustainable investment.

With the support of the CEFC, we will accelerate our program of measuring, reporting, and decreasing emissions from Australian infrastructure assets.

"The fact that this is the first commitment by the CEFC to an infrastructure fund reflects our alignment in a cleaner future.

Today, I invite other investors in infrastructure to follow our lead and make a difference."

According to Australia's National Greenhouse Gas Inventory, infrastructure-related emissions account for more than half Australia's total greenhouse gas emissions, mainly from the electricity sector (35 per cent) and the transport sector (18 per cent).

The CEFC estimates that just a five per cent improvement across the assets in the portfolio would abate almost 69,000 tonnes of CO₂-e annually.

This is equivalent to removing 14,775 cars from the road each year, or providing electricity to about 7,450 homes a year.

CEFC infrastructure lead Julia Hinwood said: "IFM Investors has a track record of actively working with its assets to identify and introduce value add initiatives.

We're looking forward to drawing on our clean energy finance experience to help IFM drive carbon emissions reductions across its assets through an innovative approach to planning, construction and operations.

"This is about investing in global best practice infrastructure to support its important economic potential while proactively addressing the emissions challenge."

Ms Hinwood said initiatives may include installing on-site solar PV and battery storage solutions and converting to electric vehicles.

They are also likely to involve using smart management systems which monitor asset performance and assist with reducing energy consumption and optimising logistics and supply chains.

This equity investment builds on the CEFC's extensive record in infrastructure development, including up to \$150 million in debt finance to the Moorebank Logistics Park intermodal terminal in south-western Sydney.

The CEFC is also a leading investor in energy-related infrastructure, financing innovative large-scale solar, wind and energy storage developments Australia-wide.

CEFC finance for infrastructure projects is part of its Sustainable Cities Investment Program, which is aiming to invest \$1 billion into clean energy initiatives in Australian cities over 10 years.

ABOUT IFM INVESTORS

IFM Investors is a uniquely-structured global fund manager with A\$100bn under management at 30 December 2017.

Established more than 20 years ago and owned by 27 major superannuation funds, IFM Investors' interests are deeply aligned with those of its investors.

Investment teams in Europe, North America, and Australia manage institutional strategies across infrastructure (equity and debt), debt investments, listed equities and private capital.

IFM Investors is committed to the United Nations supported Principles for Responsible Investment and has been a signatory since 2008.

IFM Investors has offices in eight locations; Melbourne, Sydney, New York, London, Berlin, Tokyo, Hong Kong and Seoul.

For more information please visit www.ifminvestors.com.

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