

# 2022 Climate Report Summary

In line with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)



ILIM's responsible investment team has published a report detailing ILIM's climate-related strategy, management and oversight, according to the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The infographic below illustrates how ILIM is implementing policies across the four pillars recommended by the TCFD.

## Governance

ILIM Responsible Investment Committee reviews and monitors adherence to the responsible investment strategy and reports to the executive management team.

## Risk management

ILIM's sustainability risks policy aims to mitigate ESG risks that are likely to cause material negative impacts on ILIM's clients' investments.

## Strategy

ILIM is a signatory of the Net Zero Asset Managers initiative. We have enhanced our net zero strategy with specific net zero targets aligned with the PAII Net Zero Investment Framework.

## Metrics and targets

Across ILIM's proprietary assets, there is ~30%<sup>1</sup> decarbonisation versus the respective parent benchmarks and there will be further future improvements relating to decarbonisation, including a planned coal phase-out in advance of the 2030 deadline.

<sup>1</sup> Scope 1 and 2 greenhouse gas emissions.

## Key ILIM highlights

### Governance

Sustainability, including climate, is incorporated into performance-related goals for all executive leaders in ILIM.

### Strategy

Signed the 'Global Investor statement to Governments on the Climate Crisis'.

Target heavy emitters through collective and direct engagement that represent 70% of financed emissions by 2025 and 90% of financed emissions by 2030.

### Risk management

ILIM commits to continue its engagement and voting activities to ensure companies are mitigating climate risks and embracing the opportunities of the transition.

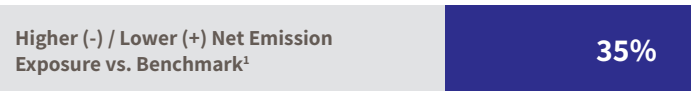
### Metrics and targets

Weighted average carbon risk rating: all equity and corporate groupings outperform in absolute terms.

ILIM targets a minimum required reduction in weighted average carbon intensity of 25%<sup>1</sup> by 2025 and of 50%<sup>1</sup> by 2030 from 2019 levels for 'ring fenced assets'.



- > ILIM's engagement strategy targets heavy emitters through collective and direct engagement. The aim is to target companies that represent 70% of financed emissions by 2025 and 90% of financed emissions by 2030.
- > ILIM joined with 532 investors (\$39 trillion in AUM) to sign the 'Global Investor statement to Governments on the Climate Crisis'.
- > IILIM has made significant inroads across its property portfolio to achieve net zero before 2050, developing Paris-aligned energy use intensity targets both at fund level and at asset level up to 2050. Targets have been set for key dates of 2025, 2030, 2040, and 2050.
- > ILIM's future strategy is also aligned with our net zero commitments in:
  - > **Decarbonisation:** for 'ring fenced assets' ILIM targets a minimum required reduction in weighted average carbon intensity (WACI) of 25%<sup>1</sup> by 2025 and of 50%<sup>1</sup> by 2030 from our identified base year of 2019.
  - > **Coal policy:** phase out of unabated coal by 2030 in developed markets and by 2040 in emerging markets.
- > The carbon performance of the 'ILIM IP ESG' Equity portfolio is characterised by a lower Relative Carbon Footprint and a lower WACI as compared to the benchmark, as illustrated in the sector breakdown in the chart below.



<sup>1</sup> Scope 1 and 2 greenhouse gas emissions initially.

