



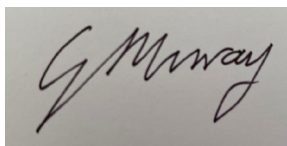
PUBLIC DISCLOSURE STATEMENT

**ETHICAL PARTNERS FUNDS MANAGEMENT
ORGANISATION CERTIFICATION
CY2021**

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Ethical Partners Funds Management
REPORTING PERIOD	Calendar year 1 January 2021 – 31 December 2021 Arrears report
DECLARATION	<p><i>To the best of my knowledge, the information provided in this public disclosure statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.</i></p>  <p>Georgina Murray Sustainability Analyst 25 May 2022</p>



Australian Government
**Department of Industry, Science,
Energy and Resources**

Public Disclosure Statement documents are prepared by the submitting organisation. The material in the Public Disclosure Statement documents represents the views of the organisation and do not necessarily reflect the views of the Commonwealth. The Commonwealth does not guarantee the accuracy of the contents of the Public Disclosure Statement document and disclaims liability for any loss arising from the use of the document for any purpose.

Version March 2022. To be used for FY20/21/CY2021 reporting onwards.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	31 tCO ₂ -e
OFFSETS BOUGHT	100% VERs
RENEWABLE ELECTRICITY	118.54%
TECHNICAL ASSESSMENT	Next technical assessment due: 2024

Contents

1. Certification summary	3
2. Carbon neutral information	4
3. Emissions boundary	5
4. Emissions reductions.....	7
5. Emissions summary	9
6. Carbon offsets	11
7. Renewable Energy Certificate (REC) Summary	14
Appendix A: Additional Information	15
Appendix B: Electricity summary	16
Appendix C: Inside emissions boundary	18
Appendix D: Outside emissions boundary	18

2. CARBON NEUTRAL INFORMATION

Description of certification

The Climate Active certification covers all of Ethical Partners Funds Management's (EPFM) (ABN 96 623 475 454) operations. It does not include EPFM's investments.

The inventory has been prepared for the calendar year from 1 January 2021 to 31 December 2021 and covers the business operations.

Organisation description

EPFM is a boutique fund manager based in Sydney managing approximately \$3 billion. EPFM is fully owned by its staff and founders with a dual focus on performance and investing ethically. There are 11 staff members and one small office space in the CBD.

"Climate Active certification is important to Ethical Partners as it reaffirms our commitment to doing our part in reducing our carbon emissions."

3.EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary. Emission sources can be excluded if they do not occur.

Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

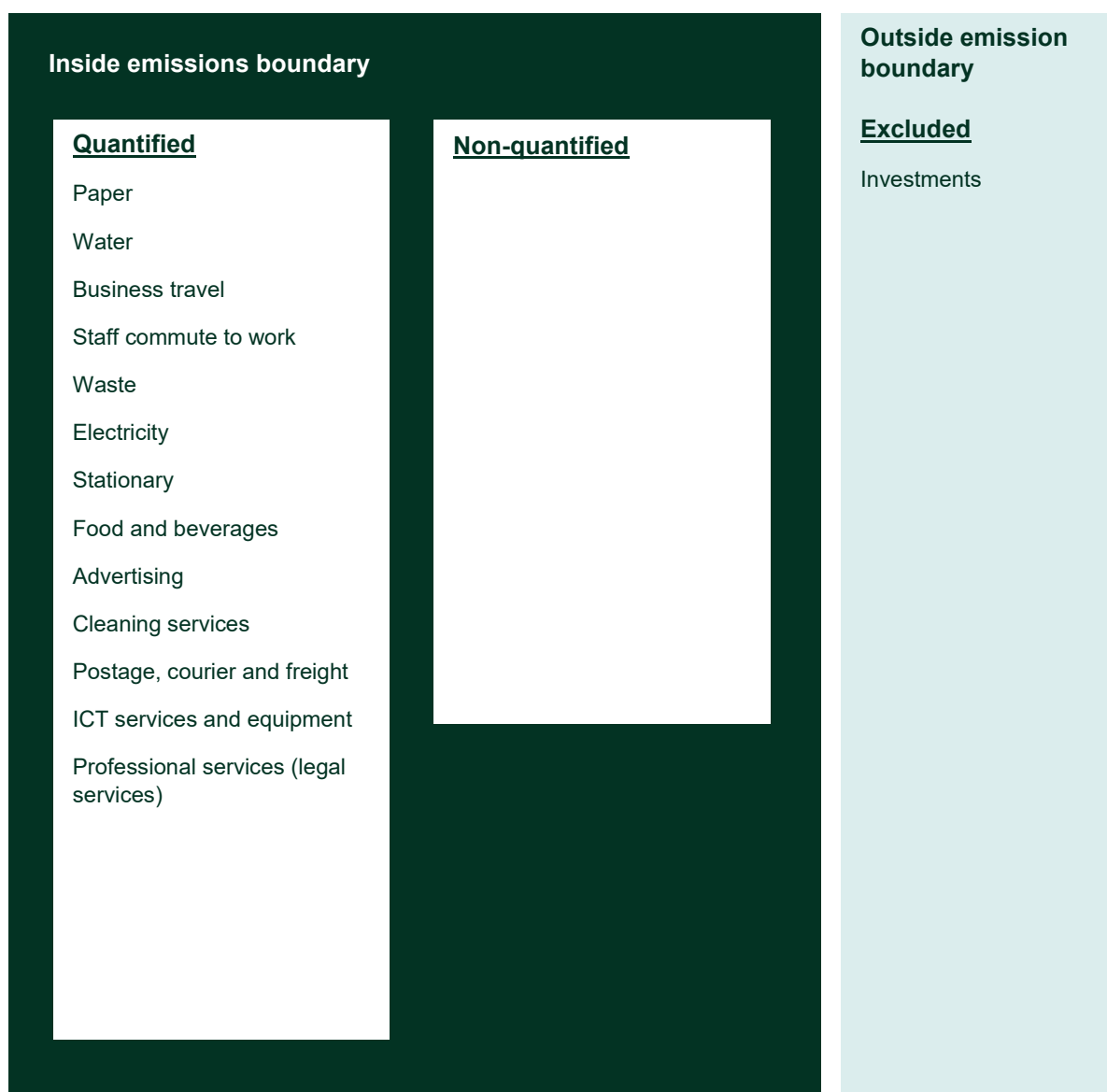
Quantified emissions have been assessed as relevant and are quantified in the carbon inventory. This may include emissions that are not identified as arising due to the operations of the certified entity, however are **optionally included**.

Non-quantified emissions have been assessed as relevant and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

Outside the emissions boundary

Excluded emissions are those that have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary or are outside of the scope of the certification. These emissions are not part of the carbon neutral claim. Further detail is available at Appendix D.

Ethical Partners' emissions boundary is its Sydney, Australia based office. As a consequence of our operations the emissions generated are through the following: electricity in our office space, business travel, staff commute to work, water usage, waste generation, paper and stationary usage, food and beverage consumption, advertising spend and cleaning services. All of these emissions are relevant to Ethical Partners' carbon account. There are no emission sources that are identified but not quantified in the carbon account.



Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

In 2021, Ethical Partners Funds Management committed to reduce emissions across the value chain (Scope 1 and 2) by 100% by 2050 from a 2020 baseline. Over the past year, we have been working on how we will achieve this and some interim targets. **We have therefore set a target to reduce our operational emissions by 30% by 2030.**

As our operational footprint is small, we have focused predominantly on the emissions reduction plans in our investments. This includes a 2050 net zero target for our emissions and an emissions tracking mechanism to ensure we are meeting the annual decrease in the emissions of our investments between now and 2050.

In addition, we have now committed to working with our suppliers in a more structured way to reduce their emissions. We have conducted a comprehensive analysis of our 6 most material suppliers on their climate strategy and target setting. This includes Link Financial Services, Iress, ANZ, Grosvenor Place, Grant Thornton and Matrix Solutions. Out of these 6 suppliers, ANZ has a net zero 2050 target with interim targets to achieve this. Iress and Grant Thornton have both committed to set targets. Link Financial Solutions has a net zero by 2030 target and Grosvenor Place has a net zero target by 2024. Matrix Solutions is yet to commit or to set targets. With 50% of our suppliers currently having net zero targets, we will engage with the other three suppliers over the next year with a goal of ensuring that 80% of these suppliers have net zero targets by the end of CY2023.

Emissions reduction actions

Over the past year, Ethical Partners Funds Management has continued to focus on a range of initiatives to decrease our emissions. These include:

- Ensuring that office space is in energy efficient buildings. In 2021, Ethical Partners Funds Management moved offices spaces due to a growing business. The business grew from 8 to 11 people at the beginning of 2022 and thus in 2021, a larger office space was required. Ethical Partners searched for an office that aligned with our Sustainability objectives and thus we lease Level 6 in the Johnson's Building, part of Grosvenor Place. Grosvenor Place has 4.5 star NABERS Energy, 4.0 star NABERS Water Rating and 5.0 star NABERS IEQ Rating. 100% of the base building electricity supplied by Energy Australia is accredited green power. The complex also has sunshades on the outside, thermal storage to reduce electricity usage, smart meter Technology to manage energy and water usage and solar energy from the rooftop. This solar energy is used in the common areas.
- Ensuring that the new fit out for our office space had sustainability initiatives embedded. This included using LED lighting and sensors to turn off lights when there is no movement in the office. In the fit out process, we also investigated refurbished furniture and office equipment to use.
- Focusing on circular economy-based initiatives such as single-use coffee cup recycling. As a

consequence of the COVID lockdowns in 2021, Grosvenor Place (the office building we lease from) ceased the operation of this initiative. However, it is likely to commence again in 2022 and we aim to partake. We are also currently engaging with Grosvenor Place to explore other options around re-use schemes for coffee cups. We aim to have a solution in place within the next year.

- Implementing recycling throughout the office space. In our Grosvenor Place office we have a comprehensive recycling system including paper/cardboard, plastics, glass etc. This also includes starting an engagement with Grosvenor Place to discuss options for food wastage. Grosvenor Place additionally offers e-waste options, where staff can bring in e-waste from home to add to the recycling program.
- Encouraging staff to use online communications and reporting systems to reduce paper usage and air travel.
- Encouraging staff to take public transport and offering work from home arrangements.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year/Year 1:	2020	21.5
Year 2:	2021	30.4

Significant changes in emissions

The carbon emissions for Ethical Partners Funds Management's operations has increased slightly from Year 1 in 2020 to Year 2 in 2021. This is due to a few significant changes. Firstly, the business moved office spaces during the year to a larger office space to accommodate a growth in the business. This was accompanied by an increase in staff numbers (from 8 to 11). Secondly, as COVID lockdowns were less prominent in 2021, there was more opportunity for business travel and less working from home. Lastly, some key previously excluded emissions sources (ICT services and equipment, and postage, courier and freight) are included in 2021 and not 2020. There were also some additions to the Professional services emissions source that had some data omitted in Year 1 (and included in Office equipment and supplies). Below is a summary of the emissions sources that have had a significant change between this year and the previous year.

Emission source name	Current year (tCO ₂ -e and/ or activity data)	Previous year (tCO ₂ -e and/ or activity data)	Detailed reason for change
Air transport	1.25	0.25	Air transport increased significantly in 2021 compared to 2020. This was due to less time in lockdowns and more opportunity for staff to travel for work.
Electricity	0	10.18	As a consequence of moving office spaces during 2021, our electricity usage has increased. This is due to a larger office space and a larger complex whereby the base building electricity usage is higher. However, the base building electricity is accredited green power.
Land and Sea Transport	5.91	2.93	This has increased over the last year due to more staff commuting to the office and less working at home time.

Office equipment & supplies	0.97	4.03	This has decreased in the current year as some of the data is now more accurately being captured as ICT services.
Professional services	13.95	3.60	There has been a large increase in professional services fees over the past year. This is due to some compliance and legal fees that were not included in the 2020 inventory as a result of data missing from our first report.
ICT services and equipment	6.70	Not reported	In 2020 this data was missing from our first report and/or included in the Office Equipment and Supplies source so was not included in the inventory.
Postage, courier and freight	0.13	Not reported	In 2020 this data was missing from the first report so was not included in the inventory.

Use of Climate Active carbon neutral products and services

Ethical Partners Funds Management use carbon neutral electricity through Powershop.

Organisation emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a market-based approach.

Emission category	Sum of total emissions (tCO ₂ -e)
Cleaning and Chemicals	0.46
Electricity	0
Food	1.20
ICT services and equipment	6.70
Office equipment & supplies	0.97
Postage, courier and freight	0.13
Professional services	13.95
Transport (Air)	1.25
Transport (Land and Sea)	5.91
Waste	0.48
Water	0.18
Working from home	-2.26
Total	28.98

Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions, which can't be reasonably quantified or estimated. This conservative accounting approach helps ensure the integrity of the carbon neutral claim.

Reason for uplift factor	tCO ₂ -e
compulsory additional 5% of the total to be added for small organisations	1.45
Total of all uplift factors	1.45
Total footprint to offset <i>(total net emissions from summary table + total uplifts)</i>	30.4

6. CARBON OFFSETS

Offsets retirement approach

ONGOING REPORT

In arrears		
1.	Total number of eligible offsets banked from last year's report	0
2.	Total emissions footprint to offset for this report	31
3.	Total eligible offsets required for this report	31
4.	Total eligible offsets purchased and retired for this report	47
5.	Total eligible offsets banked to use toward next year's report	16

Co-benefits

Ethical Partners have purchased offsets through the Gold Standard called the Cambodia National Biodigester Program. This program provides a way for individual households with livestock to reduce their dependence on polluting firewood and expensive fossil fuels for cooking and lighting. The project also provides additional benefits with the bio-slurry providing a great means for fertilising and improving local agricultural production. As well as environmental benefits it also provides health, livelihood and employment improvements and addresses SDG's 2,3,5,7,8 and 13. These offsets also have a special

alignment with our Tatrai Giving Fund which is named after our first project, a school in a remote rural village in Cambodia. You can read more about our chosen offsets here: <https://lnkd.in/gem5Cnzx> .

Eligible offsets retirement summary

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity (tCO ₂ -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Cambodia National Biodigester Programme	VERs	Gold Standard	25 May 2022	GS1-1-KH-GS751-4-2020-22126-57845-57891 https://registry.goldstandard.org/credit-blocks/details/270903	2020	0	47	0	16	31	100%
Total offsets retired this report and used in this report										31	
Total offsets retired this report and banked for future reports									16		

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Verified Emissions Reductions (VERs)	31	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach.

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary			
Market Based Approach	Activity Data (kWh)	Emissions (kgCO ₂ e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	0	0	0
Total non-grid electricity	0	0	0
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0
GreenPower	33,524	0	100%
Jurisdictional renewables (LGCs retired)	0	0	0
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0
Large Scale Renewable Energy Target (applied to grid electricity only)	6,215	0	19%
Residual Electricity	-6,215	-6,180	-19%
Total grid electricity	33,524	-6,180	100%
Total Electricity Consumed (grid + non grid)	33,524	-6,180	119%
Electricity renewables	39,739	0	
Residual Electricity	-6,215	-6,180	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		0	
Total renewables (grid and non-grid)	118.54%		
Mandatory	18.54%		
Voluntary	100%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	0		
<i>Figures may not sum due to rounding. Renewable percentage can be above 100%</i>			

Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO ₂ e)	Scope 3 Emissions (kgCO ₂ e)
ACT	0	0	0
NSW	33,524	26,149	2,347
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	33,524	26,149	2,347
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Non-grid electricity (Behind the meter)	0	0	0
Total Electricity Consumed	33,524	26,149	2,347
Emission Footprint (TCO₂e)	28		
<i>Scope 2 Emissions (TCO₂e)</i>	26		
<i>Scope 3 Emissions (TCO₂e)</i>	2		

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO ₂ e)
<i>Powershop electricity</i>	4,371	0

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

N/A

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to one of the following reasons:

1. **Immaterial** <1% for individual items and no more than 5% collectively
2. **Cost effective** Quantification is not cost effective relative to the size of the emission but uplift applied.
3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
4. **Maintenance** Initial emissions non-quantified but repairs and replacements quantified.

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to an organisation's or precinct's operations and are outside of its emissions boundary. These emissions are not part of the carbon neutral claim. Emission sources considered for relevance must be included within the certification boundary if they meet two of the five relevance criteria. Those which only meet one condition of the relevance test can be excluded from the certification boundary.

Emissions tested for relevance are detailed below against each of the following criteria:

1. **Size** The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
2. **Influence** The responsible entity has the potential to influence the reduction of emissions from a particular source.
3. **Risk** The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
4. **Stakeholders** Key stakeholders deem the emissions from a particular source are relevant.
5. **Outsourcing** The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.

Ethical Partners Funds Management's investments are excluded as it has been assessed as not relevant. The emissions from our investments are likely to be very large relative to our electricity, stationary energy and fuel emissions.

The processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets and franchises are also excluded as they are not relevant to our business model.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Purchased goods and services	Yes	Yes	Yes	Yes	Yes	Yes
Capital goods	Yes	Yes	Yes	Yes	Yes	Yes
Fuel and energy related activities	Yes	Yes	Yes	Yes	Yes	Yes
Upstream transportation and distribution	Yes	Yes	Yes	Yes	Yes	Yes
Waste generated in operations	Yes	Yes	Yes	Yes	Yes	Yes
Business travel	Yes	Yes	Yes	Yes	Yes	Yes
Employee commuting	Yes	Yes	Yes	Yes	Yes	Yes
Upstream leased assets	Yes	Yes	Yes	Yes	Yes	Yes
Downstream transportation and distribution	Yes	Yes	Yes	Yes	Yes	Yes
Processing of sold products	Yes	No	Yes	Yes	Yes	No
Use of sold products	Yes	No	Yes	Yes	Yes	No
End-of-life treatment of sold products	Yes	No	Yes	Yes	Yes	No
Downstream leased assets	Yes	No	Yes	Yes	Yes	No
Franchises	Yes	No	Yes	Yes	Yes	No
Investments	Yes	No	No	No	No	No



An Australian Government Initiative

