



PUBLIC DISCLOSURE STATEMENT


MELIOR INVESTMENT MANAGEMENT

**ORGANISATION CERTIFICATION
FY2023–24 (PARTIAL REPORTING)**

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Melior Investment Services Pty Ltd (ACN 637 770 293) as Trustee for Melior Investment Management Fund Services Trust
REPORTING PERIOD	1 July 2023 – 31 October 2023 (Partial reporting) 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>Lucy Steed CEO, Melior Investment Management 28/02/2024</p>



Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

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Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	28.55 tCO ₂ -e
CARBON OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	100%
CARBON ACCOUNT	Prepared by: Pathzero
TECHNICAL ASSESSMENT	11/10/2023 Pathzero Next technical assessment due: FY2026

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2.CERTIFICATION INFORMATION

Description of organisation certification

This inventory has been prepared for the financial year from 1 July 2023 to 31 October 2023 and covers the investment management business operations of Melior Investment Services Pty Ltd (ACN 637 770 293) as Trustee for Melior Investment Management Fund Services Trust (ABN: 40 660 840 848).

This inventory does not include emissions related to the investment portfolio in the Melior Australian Impact Fund.

In FY2023, Melior Investment Services triggered a base year reset due to the inclusion of all Professional Services to the emissions boundary. Melior Investment Services underwent an additional technical assessment and type 1 third-party verification as part of the base year reset procedures set by Climate Active.

FY2023 is Melior Investment Services base year. FY2024 (partial) is Year 1.

Melior Investment Services notified Climate Active of our intention to withdraw from the program in September 2023. Melior Investment Services has completed a partial annual report for the FY2024 to fulfill the requirement under clause 8 of our License Agreement with Climate Active.

Organisation description

The Melior investment management business was established in 2018 by Lucy Steed and Tim King with backing from the founders of Adamantem Capital, Rob Koczkar and Anthony Kerwick. After scanning the market, they saw a gap for an Australian equities impact investment manager. With their team of nine Melior currently manages the Melior Australian Impact Fund invests in Australian and New Zealand listed equities.

Melior believes that to have a genuinely positive impact and deliver sustainable performance, a company must focus on “what” it offers as well as “how” it operates. That’s why its investment approach involves deep assessment of a company’s impact along with its ESG practices. This is a key differentiator from traditional ESG investing, where ESG screens can be high level and applied without a deep understanding of the company. Companies must also pass a rigorous financial assessment and portfolio construction principles to be considered for investment.

Melior Investment Services Pty Ltd (ACN 637 770 293) as Trustee for Melior Investment Management Fund Services Trust (ABN: 40 660 840 848) operates at the following location: Level 8, 167 Macquarie Street, Sydney, 2000, NSW.

3.EMISSIONS BOUNDARY

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 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.

Inside emissions boundary

Quantified

- Accommodation
- Cleaning and chemicals
- Climate Active carbon neutral products and services
- Food
- ICT services and equipment
- Professional services
- Travel (Air)
- Transport (land and sea)
- Waste
- Water
- Office equipment and supplies
- Base building
- Staff commuting
- Working from home

Non-quantified

N/A

Optionally included

N/A

Outside emission boundary

Excluded

Investments

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Melior has set the following greenhouse gas emissions targets:

- A target to maintain carbon neutral Scope 1 and Scope 2 emissions.
- A target to reduce absolute Scope 3 emissions (excluding financed emissions) by 5% by FY30 relative to the FY23 baseline year.
- A target to reduce Scope 3 emissions intensity (excluding financed emissions) per FTE staff member by 30% by FY30 relative to the FY23 baseline year.

A combination of absolute and intensity targets has been set to reflect both our commitment to emissions reduction but also our projected business growth to FY30. Our largest source of controllable emissions are business flights, which will increase as our business grows. While our business was successfully managed through video-conferencing during the COVID-19 pandemic, face to face meetings with our investors, investee businesses and broader network are fundamental to our ongoing success. We will work towards reducing both our absolute emissions and our per FTE flight intensity between now and FY30, but also recognise that these targets rely on the airlines meeting their decarbonisation goals.

Emissions reduction strategy remains unchanged from FY2023.

Emissions reduction actions

No update since FY2023.

5.EMISSIONS SUMMARY

Emissions over time

In FY2023, Melior Investment Services triggered a base year reset due to the inclusion of Professional Services to the emissions boundary. Melior Investment Services underwent an additional technical assessment and type 1 third-party verification as part of the base year reset procedures set by Climate Active.

FY2023 is Melior Investment Services base year. Year 1 emissions only represent a partial reporting period.

Emissions since base year			
		Total tCO ₂ -e (without uplift)	Total tCO ₂ -e (with uplift)
Base year:	2022-23	82.82	82.82
Year 1:	2023-24	28.55	28.55

Significant changes in emissions

No significant changes in the sources of emissions from Base Year to Year 1, however noting that the total is significantly different as Year 1 is only a partial reporting period.

Use of Climate Active carbon neutral products, services, buildings or precincts

Certified brand name	Product/Service/Building/Precinct used
Energy Australia	Electricity

Emissions summary

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

Emission category	Scope 1 emissions (tCO ₂ -e)	Scope 2 emissions (tCO ₂ -e)	Scope 3 emissions (tCO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	0.15	0.15
Cleaning and Chemicals	0.00	0.00	0.36	0.36
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Food	0.00	0.00	0.57	0.57
ICT services and equipment	0.00	0.00	2.04	2.04
Professional Services	0.00	0.00	13.61	13.61
Transport (Air)	0.00	0.00	2.65	2.65
Transport (Land and Sea)	0.00	0.00	0.37	0.37
Waste	0.00	0.00	0.97	0.97
Water	0.00	0.00	0.12	0.12
Office equipment & supplies	0.00	0.00	0.20	0.20
Base buildings	0.00	0.00	4.88	4.88
Staff commuting	0.00	0.00	1.61	1.61
Working from home	0.00	0.00	1.03	1.03
Total emissions (tCO₂-e)	0.00	0.00	28.55	28.55

Uplift factors

N/A

6.CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Australian Carbon Credit Units (ACCUs)	29	100%

Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity retired (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 (%)
Kilcowera and Zenonie Forest Regeneration Project	ACCUs	ANREU	26 February 2024	8,370,193,645 – 8,370,193,673 (ERF101776)	2022-23	-	29	0	0	29	100%
Total eligible offsets retired and used for this report										29	
Total eligible offsets retired this report and banked for use in future reports									0		

Co-benefits

The ACCUs were retired from Kilcowera and Zenonie Forest Regeneration Project. The landholder at Kilcowera Station has established a constructive partnership with The Budjiti and Kullilli Bulloo River Aboriginal Corporations, holders of Native Title rights over the land. This partnership guarantees that a share of the revenue from the credit sales is distributed, thereby directly supporting local communities, and upholding the rights of Traditional Owners. This arrangement not only fosters community development but also exemplifies a model of sustainable and inclusive environmental stewardship.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

OFFICIAL



Australian Government
Clean Energy Regulator



27 February 2024

VC202324-00407

To whom it may concern,

Voluntary cancellation of units in ANREU

This letter is confirmation of the voluntary cancellation of units in the Australian National Registry of Emissions Units (ANREU) by ANREU account holder, Climate Friendly Financial Solutions Pty Limited (account number AU-2980).

The details of the cancellation are as follows:

Date of transaction		26 February 2024
Transaction ID		AU32446
Type of units		KACCU
Total Number of units		29
Block 1	Serial number range	8,370,193,645 - 8,370,193,673
	ERF Project	Kilcowera and Zenonie Forest Regeneration Project – ERF101776
	Vintage	2022-23
Transaction comment		Voluntary retirement for Melior Investment Services Pty Limited ATF Melior Investment Management Fund Services Trust to meet Climate Active certification requirements FY2024 (partial year)

Details of all voluntary cancellations in the ANREU are published on the Clean Energy Regulator's website, <http://www.cleanenergyregulator.gov.au/OSR/ANREU/Data-and-information>.

If you require additional information about the above transaction, please email CER-RegistryContact@cer.gov.au

Yours sincerely,

David O'Toole
NGER and Safeguard Branch
Clean Energy Regulator
registry-contact@cer.gov.au



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REGULATOR

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APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

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.

For this certification, electricity emissions have been set by using the **market-based approach**.

Market-based approach summary			
Market-based approach	Activity Data (kWh)	Emissions (kg CO 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)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCS surrendered)	0	0	0%
Electricity products (voluntary renewables)	2,100	0	81%
Electricity products (LRET)	491	0	19%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	0	0	0%
Residual Electricity	0	0	0%
Total renewable electricity (grid + non grid)	2,591	0	100%
Total grid electricity	2,591	0	100%
Total electricity (grid + non grid)	2,591	0	100%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	0	0	
Scope 2	0	0	
Scope 3 (includes T&D emissions from consumption under operational control)	0	0	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	.

Total renewables (grid and non-grid)	100.00%
Mandatory	18.96%
Voluntary	81.04%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	0.00
Residual scope 3 emissions (t CO₂-e)	0.00
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.00
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.00
Total emissions liability (t CO₂-e)	0.00
<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) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	100%	(kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)	(kWh)	Scope 3 Emissions (kgCO ₂ -e)
ACT	0	0	0	0	0	0
NSW	2,591	2,591	1,762	130	0	0
SA	0	0	0	0	0	0
VIC	0	0	0	0	0	0
QLD	0	0	0	0	0	0
NT	0	0	0	0	0	0
WA	0	0	0	0	0	0
TAS	0	0	0	0	0	0
Grid electricity (scope 2 and 3)	2,591	2,591	1,762	130	0	0
ACT	0	0	0	0		
NSW	0	0	0	0		
SA	0	0	0	0		
VIC	0	0	0	0		
QLD	0	0	0	0		
NT	0	0	0	0		
WA	0	0	0	0		
TAS	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	2,591					

Residual scope 2 emissions (t CO₂-e)	1.76
Residual scope 3 emissions (t CO₂-e)	0.13
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.00
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.00
Total emissions liability	0.00

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO ₂ -e)
N/A	0	0
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market-based method is outlined as such in the market-based summary table.		

Climate Active carbon neutral electricity products

Climate Active carbon neutral electricity product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
Energy Australia - Business Carbon Neutral Plan	2,591	0

Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market-based summary table.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

N/A

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation'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.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Investments in Melior Australian Impact Fund (Fund)	Y	N	N	N	N	<p>Size: The emissions sources from all listed companies within the Melior Australian Impact Fund is likely to be significantly larger than those of Melior's investment management business.</p> <p>Influence: The senior management teams of the companies within Melior's Australian Impact Fund are responsible for setting and implementing strategies to influence the reduction of those companies' emissions. As a shareholder, Melior is supportive of the management teams' approaches to emissions reduction initiatives within these companies.</p> <p>Risk: The activities of the companies within the Fund portfolio are unrelated to the investment management business of Melior and these activities will not be likely to be linked to future investment management emissions.</p> <p>Stakeholders: Key stakeholders in our industry appreciate the distinction between the organisational greenhouse gas emissions arising from our day-to-day business operations and the emissions related to the investments within Melior Investment Management's Australian Impact Fund. The investments within the Melior Australian Impact Fund portfolio are not considered a relevant source of emissions for the measurement of "organisational" emissions only (as per the Climate Active certification for organisations).</p> <p>Outsourcing: The activities of the listed companies within the Fund portfolio are not part of the investment management supply chain and the activities conducted by those companies would not be considered to be part of an investment management business.</p>

We note that our relevance testing is consistent with FY2023.



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