PUBLIC DISCLOSURE STATEMENT

KILTER PTY LTD (TRADING AS KILTER RURAL)

ORGANISATION CERTIFICATION

FY2024

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Kilter Pty Ltd. Trading as Kilter Rural
REPORTING PERIOD	Financial year 1 July 2023 – 30 June 2024 Arrears report
DECLARATION	*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.* David Heislers
	David Heislers Landscape and Sustainability Analyst 9/12/2024

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

Version 9.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	157 tCO_2-e
CARBON OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Kilter Rural

Contents

2.CERTIFICATION INFORMATION

Description of organisation certification

This carbon neutral certification is for the business operations of the Kilter Corporate Group (‘Kilter’), comprising Kilter Pty Ltd (ABN 64 111 305 349) and its subsidiary Kilter Investments Pty Ltd (ABN 31 152 558 113).

This Public Disclosure Statement includes information for FY2023-24 reporting period.

Organisation description

Kilter is a natural capital investment manager. For more than 15 years it has been delivering large-scale impact investments in Australian farmland and water to balance agricultural production with ecosystem protection.

This certification relates to the business or office operations of the Kilter Corporate Group in managing its investment portfolio. The certification boundary is based on an operational control approach. It encompasses emissions relating to investment management operations chiefly managed from its offices located in Bendigo and Melbourne, Victoria (i.e. of the business entities and ABNs noted above).

Emissions directly associated with the investments managed by Kilter (a prime example is farmland operations of our agricultural funds) are excluded from the emissions boundary of this certification. Though there is strategic management decision influence both operationally and financially from Kilter, day-to-day operational decisions occur at the farm level. This facilitates a clear demarcation between Kilter and its managed investments to enable effective and consistent annual emissions comparison for Kilter Climate Active certification, occurring since FY2022-23. Large relative emissions especially from the managed farmland funds are subject to their own verified (and voluntary) emissions reporting regime by Kilter with an intent to offset emissions with sequestered insets.

The following investment entities are formally excluded from this certification:

Legal entity name	ABN	ACN
Kilter Water Fund	46 554 528 230	
Murray Darling Balanced Water Fund	66 181 443 016	
Australian Farmlands Fund	42 131 895 780	
Australian Farmlands Operating Fund	96 399 684 842	
Kilter Agriculture Fund	22 514 921 136	

3. EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation 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
Carbon neutral products and services
Cleaning and chemicals
Electricity
Food
ICT services and equipment
Professional services
Office equipment and supplies
Postage, courier and freight
Refrigerants
Stationary energy and fuels
Transport (air)
Transport (land and sea)
Waste
Water

Non-quantified

N/A

Optionally included

N/A

Outside emission boundary

Excluded

Investment funds

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Overall Goal

The emissions of the Kilter Corporate Group (‘Kilter’) will be reduced from the base year by 30% in 10 years (2032).

- The base reporting year is the 2022 Financial Year, the first reporting year for the organisation under Climate Active.
- As a mid-term target, Kilter’s emissions will be reduced by 15% by FY 2027.

Key Measurable Goals and Targets

Key measurable 30% reduction goals have been set for the top 5 emissions sources from the base year of Kilter’s Climate Active Inventory. Each goal has related measurable and time-bound targets such as an annual average reduction goal, with these to be reviewed and monitored annually.

<u>Air transport (Scope 1)</u>

- A reduction in the number of annual flights equivalent to 3 tonnes of CO_2 over 10 years. The annual emissions reduction goal for this category is 0.3 tonnes of CO_2 annually.
- Measurable actions to achieve this goal include:
    - Reducing the number of flights taken by Kilter staff, instead encouraging the use of online meetings or trains when the flight route is shorter.
    - Partnering with Climate Active-certified airlines, such as Virgin Australia’s 'Fly Carbon Neutral' product.

<u>Food (Scope 3)</u>

- A reduction in emissions from food-related sources equivalent to 3 tonnes of CO_2 over 10 years. With most of this reduction coming from food & catering expenses. The annual emissions reduction goal for this category is 0.3 tonnes of CO_2 annually.
- Measurable actions to achieve this goal include:
    - Many actions capable of reducing emissions in this area are related to practice changes and the source of the food, such as sourcing local produce. These changes would not be accounted for in the current Climate Active inventory given the factor is related only to expenses.
    - Seek out Climate Active-verified catering services and products.

<u>Land transport (Scope 1 & 3)</u>

- The majority of emissions from land transport relate to vehicle emissions produced from staff commutes and staff travel to the organisation’s fund assets. Emissions from cars are to be reduced by roughly 8 tonnes of CO_2 over 10 years. An average annual reduction in emissions of 0.8 tonnes CO_2 each year is required.
- Measurable actions to achieve this goal include:

    - Increase the use of public transport where available, such as regional train services.
    - Consider the future purchase or lease of electric commute vehicles, especially in relation to scope 1 vehicles such as through novated leasing.
    - Establish more effective carpool behaviour to reduce number of cars needed when multiple staff travel somewhere.
    - Encourage fit-for-purpose downsizing of large vehicles, especially in in relation to scope 1 vehicles such as through novated leasing.

<u>Professional services (Scope 3)</u>

- Professional services include emissions related to expenses spent on accounting, legal, marketing and advertising services. Overall emissions across these categories needs to be reduced by 9.5 tonnes of CO_2 over 10 years.
- Given the nature of the business, expenses on professional services can significantly vary year-to-year. Therefore, emissions reduction goals will be assessed over a 3-year average reduction, the equivalent of 2.85 tonnes of CO_2 every 3 years.
- Measurable actions to achieve this goal include:
    - Many actions capable of reducing emissions in this area are related to practice changes and selecting lower-emissions professional service partners. These changes would not be accounted for in the current Climate Active inventory given the factor is related only to expenses.
    - Seek out Climate Active-verified professional service organisations.

<u>Working from home (Scope 3)</u>

- Emissions related to the overall increase in electricity usage from staff working from home (WFH). A 30% reduction in these emissions over 10 years would be the achieved by a reduction of 2.8 tonnes of CO_2, and so an average annual emissions reduction goal for 0.28 tonnes of CO_2.
- Measurable actions to achieve this goal include:
    - Many actions capable of reducing emissions in this area are related to the type of electricity used at home and other practice changes. These changes would not be accounted for in the current Climate Active inventory given the WFH calculator is a product of WFH hours and general assumptions of WFH practises.
    - The number of hours spent in the office will likely increase post-pandemic leading to a reduction in emissions from working from home.
    - Increases in commuting emissions must be considered when reducing the number of hours worked from home.

Index for Business Growth

The organisation is currently expanding and seeking to grow the value and diversity of assets under management. Given this growth trajectory, some of the above-stated goals may not be met due to business growth. If this occurs, the following guidelines will be applied:

- If emissions rise during a reporting period, the reporting period's emissions will be compared to an indexed emissions goal. The goal will be indexed by the relative increase in the business's management fee income (excluding performance fees) compared to the baseline year. For example, if income from management fees increase by an average of 20% between the reporting period and baseline year, emission goals will decrease by 20%.
- Regardless of the resulting indexed emissions value, there must be a clearly demonstrated intention to reduce emissions, on average, over time. If the above-stated measurable actions have not been attempted during the reporting year and the business has seen an increase in the respective emissions category, the index does not apply (unless the only measurable actions are solely related to the number of staff employed at the time).

Emissions reduction actions

FY2023-24 recorded a 45% increase in emissions on Kilter's baseline (FY2021-22) account. This increase can be explained almost entirely by overseas travel undertaken in FY2023-24 for business development purposes, with such travel not required to be undertaken in previous CA reporting years.

FY2023-24 has been a significant year of adjustment for Kilter in both the land and water investment products that it is managing and therefore the back office (corporate) operations supporting this. Expected business growth has been slow to materialize and so during the reporting year there has been a recalibration of Kilter's employment and internal cost profile especially in relation to business marketing. The need to tighten business outgoings also saw planning for more economical office accommodation to better match actual business requirement, this change coming to effect later in 2024. With Kilter staff already significantly embracing working-from-home (WFH) opportunity, corporate office accommodation changes are expected to materially lessen Kilter's business energy (and so carbon) footprint.

FY2023-24 saw Kilter's 2nd annual staff WFH and work commute survey that is becoming entrenched as an annual staff engagement activity. This is important not just for contributing data into the emissions inventory, but also for maintaining staff interest with the business carbon challenge. This is in the context that Kilter, since its inception 20 years ago, has always operated with a high level of awareness and ethic for environmental sustainability and is significantly along the resource efficiency and waste minimization curve.

Kilter is committed in FY2024-25 to making further tangible steps in systemically reducing emissions from deeper considerations in business procurement; supporting behavioral adaptions of staff; and implementing cost-effective physical solutions in the office. In the near term at least, with the building of new relations with potential international investors, it will be a challenge to curtail emission associated with international travel.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e (without uplift)	Total tCO_2-e (with uplift)
Base Year /Year 1:	2021–22	102.88	108.20
Year 2:	2022–23	90.91	95.46
Year 3:	2023-24	148.97	156.42

Significant changes in emissions

Annual inventory emissions have overall increased by 45% (46 tCO2-e) on the base year and 64% (58 tCO2-e) on F2022-23[1]. This difference is significantly explained by overseas travel undertaken in FY2023-24 for business development purposes. Unlike the opportunity for domestic flights, international flights are not disposed to CA certified offsets; and international travel has not been an activity undertaken by Kilter in the previous CA reporting years.

While international flights are the most significant contributor to the emissions change, the table below also itemises all large emission changes (i.e. >10% change of a >10% emissions contribution) from the previous year.

Significant changes in emissions			
Emission source	**Previous year emissions** ($t\ CO_2$-e)	**Current year emissions** ($t\ CO_2$-e)	**Reason for change**
Long business class flights (>3,700km)	0.00	33.11	Business development with potential new international clients; US agricultural study tour
Legal services	7.09	17.96	Increased legal and taxation complexity associated with land and water investment opportunities

[1] Before uplift

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

Certified brand name	Product/Service/Building/Precinct used
Powershop	Electricity
Virgin	Air flights – opt in offset
Qantas	Air flights – opt in offset

Emissions summary

The electricity summary is available in Appendix B. Electricity emissions were calculated using a location-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	3.88	3.88
Cleaning and Chemicals	0.00	0.00	0.55	0.55
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Construction Materials and Services	0.00	0.00	0.00	0.00
Electricity	0.00	5.00	0.44	5.44
Food	0.00	0.00	5.12	5.12
Horticulture and Agriculture	0.00	0.00	0.00	0.00
ICT services and equipment	0.00	0.00	8.27	8.27
Machinery and vehicles	0.00	0.00	0.00	0.00
Office equipment & supplies	0.00	0.00	1.88	1.88
Postage, courier and freight	0.00	0.00	0.01	0.01
Products	0.00	0.00	0.00	0.00
Professional Services	0.00	0.00	32.77	32.77
Refrigerants	0.99	0.00	0.00	0.99
Roads and landscape	0.00	0.00	0.00	0.00
Stationary Energy (gaseous fuels)	0.00	0.00	0.00	0.00
Stationary Energy (liquid fuels)	0.00	0.00	0.00	0.00
Stationary Energy (solid fuels)	0.00	0.00	0.00	0.00
Transport (Air)	0.00	0.00	37.52	37.52
Transport (Land and Sea)	14.03	0.00	31.92	45.95
Waste	0.00	0.00	0.95	0.95
Water	0.00	0.00	0.22	0.22
Working from home	0.00	0.00	5.42	5.42
Total emissions (tCO_2-e)	**15.02**	**5.00**	**128.96**	**148.97**

Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions that cannot 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
Mandatory 5% uplift for small organisations	7.45
Total of all uplift factors (tCO_2-e)	7.45
Total emissions footprint to offset (tCO_2-e) *(total emissions from summary table + total of all uplift factors)*	**156.42**

6.CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset unit	Quantity used for this reporting period	Percentage of total units used
Australian Carbon Credit Units (ACCUs)	157	100%

Project name	Type of offset unit	Registry	Date retired	Serial number	Vintage	Total quantity retired	Quantity used in previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period	Percentage of total used this reporting period
Sunset Ranch Native Forest Protection Project	ACCU	ANREU	18/10/2023	8,354,152,113 - 8,354,152,212	2022-23	100	96	0	4	2.55%
Sunset Ranch Native Forest Protection Project	ACCU	ANREU	25/11/2024	8,354,152,213 - 8,354,152,222	2022-23	10	0	0	10	6.37%
Paroo River North Environmental Project	ACCU	ANREU	25/11/2024	8,326,908,251 - 8,326,908,289	2021-22	39	0	0	39	24.84%
Paroo River North Environmental Project	ACCU	ANREU	25/11/2024	8,326,908,497 - 8,326,908,518	2021-22	22	0	0	22	14.01%
Paroo River North Environmental Project	ACCU	ANREU	25/11/2024	8,334,361,455 - 8,334,361,488	2021-22	34	0	0	34	21.66%

Paroo River North Environmental Project	ACCU	ANREU	25/11/2024	8,334,361,531 - 8,334,361,554	2021-22	24	0	0	24	15.29%
Paroo River North Environmental Project	ACCU	ANREU	25/11/2024	8,334,358,468 - 8,334,358,498	2021-22	31	0	7	24	15.29%

ANREU transaction screenshot:

Note that the retirement of the first listed ACCU series above was evidenced in FY2023 PDS (of which the residual balance of 4 ACCUs were applied in this reporting period).

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Australian National Registry of Emissions Units

Logged in as: David Heislers / Industry User

Transaction Details

Transaction details appear below.

Transaction ID	AU37462
Current Status	Completed (4)
Status Date	25/11/2024 10:51:30 (AEDT) 24/11/2024 23:51:30 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Heislers, David Scott
Transaction Approver	Heislers, David Scott
Comment	

Transferring Account

Account Number	AU-1331
Account Name	Kilter Pty Ltd
Account Holder	Kilter Pty Ltd

Acquiring Account

Account Number	AU-1068
Account Name	Australia Voluntary Cancellation Account
Account Holder	Commonwealth of Australia

Transaction Blocks

Party	Type	Transaction Type	Original CP	Current CP	ERF Project ID	NGER Facility ID	NGER Facility Name	Safeguard	Kyoto Project #	Vintage	Expiry Date	Serial Range	Quantity
AU	KACCU	Voluntary ACCU Cancellation			EOP100278					2022-23		8,354,152,213 - 8,354,152,222	10
AU	KACCU	Voluntary ACCU Cancellation			ERF104646					2020-21		8,326,908,251 - 8,326,908,289	39
AU	KACCU	Voluntary ACCU Cancellation			ERF104646					2020-21		8,326,908,497 - 8,326,908,518	22
AU	KACCU	Voluntary ACCU Cancellation			ERF104646					2021-22		8,334,361,455 - 8,334,361,488	34
AU	KACCU	Voluntary ACCU Cancellation			ERF104646					2021-22		8,334,361,531 - 8,334,361,554	24
AU	KACCU	Voluntary ACCU Cancellation			ERF104646					2021-22		8,334,358,468 - 8,334,358,498	31

Transaction Status History

Status Date	Status Code
25/11/2024 10:51:30 (AEDT) 24/11/2024 23:51:30 (GMT)	Completed (4)
25/11/2024 10:51:30 (AEDT) 24/11/2024 23:51:30 (GMT)	Proposed (1)
25/11/2024 10:51:30 (AEDT) 24/11/2024 23:51:30 (GMT)	Account Holder Approved (97)
25/11/2024 10:49:54 (AEDT) 24/11/2024 23:49:54 (GMT)	Awaiting Account Holder Approval (95)

Co-benefits

100% of offsets Kilter purchased for the FY 2024 reporting period are certified Australian Carbon Credit Units (ACCUs). By purchasing and retiring 100% ACCUs, Kilter has contributed to activity in the high integrity local carbon market. The ACCUs for this carbon neutral certification are sourced from:

- Paroo River North Environmental Project in southern inland Queensland, under the human-induced regeneration methodology (143 retired ACCUs attributed to this reporting period); and the

- Sunset Ranch Native Forest Protection Project in western NSW, under the avoided deforestation methodology (14 retired ACCUs attributed to this reporting period).

Co-benefits from these projects include the contribution to the Sustainable Development Goal 15, Life on Land. In particular, this project contributes to 15.2, 15.3 and 15.5, assisting in the restoration of degraded soils and natural habitat which have been affected by deforestation, drought and intensive land-use.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A.

APPENDIX A: ADDITIONAL INFORMATION

N/A.

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 **location-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)	0	0	0%
Electricity products (LRET)	0	0	0%
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)	1,184	0	5%
Residual Electricity	23,327	21,228	0%
Total renewable electricity (grid + non grid)	**1,184**	**0**	**5%**
Total grid electricity	**24,511**	**21,228**	**5%**
Total electricity (grid + non grid)	**24,511**	**21,228**	**5%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**23,327**	**21,228**	
Scope 2	20,764	18,895	
Scope 3 (includes T&D emissions from consumption under operational control)	2,563	2,333	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	

Total renewables (grid and non-grid)	**4.83%**
Mandatory	**4.83%**
Voluntary	**0.00%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO_2-e)	**18.90**
Residual scope 3 emissions (t CO_2-e)	**2.33**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**4.16**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**0.51**
Total emissions liability (t CO_2-e)	**4.68**

Figures may not sum due to rounding. Renewable percentage can be above 100%

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	0	0	0	0	0	0
SA	0	0	0	0	0	0
VIC	24,511	24,511	19,364	1,716	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)	**24,511**	**24,511**	**19,364**	**1,716**	**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)	**24,511**					

Residual scope 2 emissions (t CO_2-e)	**19.36**
Residual scope 3 emissions (t CO_2-e)	**1.72**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**5.00**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO_2-e)	**0.44**
Total emissions liability	**5.44**

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)
Powershop's Carbon Neutral Electricity Product	**18,188**	**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

Non-quantified emission sources

All emissions sources Kilter assessed as relevant are captured within the emissions boundary and measured (quantified) in the carbon inventory.

Data management plan for non-quantified sources

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

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.

Kilter’s managed investments are excluded as they have been assessed as not relevant according to the relevance test. The emissions from farmland investments such as the Australian Farmland Funds (AFF) and Kilter Agricultural Fund (KAF) are likely to be very large relative to Kilter’s electricity and fuel emissions. Investments such as AFF and KAF have been defined as outside of the Organisation’s boundary based on the operational control approach.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Investment funds	Y	N	N	N	N	**Size:** Direct (farmland) emissions related to the agricultural investments managed by Kilter will be large relative to the emissions of the Kilter Corporate Group. **Influence:** Partially applicable. Day to day farmland operational decisions are typically made at the farm level (note that farmland investment operational activity is subject its own carbon emissions reporting). **Risk:** Low as funds operate in rural and agriculture sectors where there are no current laws or regulations necessitating emission limits. **Stakeholders:** With a clearly defined certification boundary, key stakeholders - including the public - are unlikely to consider this a relevant source of emissions for our business. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary.

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