



PUBLIC DISCLOSURE STATEMENT

**ETHICAL PARTNERS FUNDS MANAGEMENT
ORGANISATION CERTIFICATION
CY2022**

Australian Government
Climate Active
Public Disclosure Statement



Ethical Partners
 FUNDS MANAGEMENT



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Ethical Partners Funds Management
REPORTING PERIOD	Calendar year 1 January 2022 – 31 December 2022 In-arrears reporting
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><i>Robyn Parkin</i></p> <hr/> <p>Robyn Parkin Head of Sustainability 27 June 2023</p>



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

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Version March 2023.



1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	135 tCO ₂ -e
OFFSETS USED	100% ACCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Ethical Partners Funds Management
TECHNICAL ASSESSMENT	N/A small organisation certification

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	12
7. Renewable Energy Certificate (REC) Summary	14
Appendix A: Additional Information	15
Appendix B: Electricity summary	16
Appendix C: Inside emissions boundary	19
Appendix D: Outside emissions boundary	20

2. CARBON NEUTRAL INFORMATION

Description of certification

The Climate Active certification covers all 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 2022 to 31 December 2022 and covers the Australian business operations.

Organisation description

EPFM is a boutique fund manager based in Sydney managing approximately \$2 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 Sydney CBD.

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 and facilities
- Cleaning and Chemicals
- Climate Active Carbon Neutral Products and Services
- Electricity
- Food
- ICT services and equipment
- Office equipment & supplies
- Postage, courier and freight
- Professional services
- Transport (Air)
- Transport (Land and Sea)
- Waste
- Water
- Working from home

Non-quantified

Outside emission boundary

Excluded

Investments

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. We also 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 2022, we 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. Last year, 50% of these suppliers had net zero targets and we set ourselves the goal of ensuring that 80% of our material suppliers had net zero targets by the end of CY2023. There has been some significant improvement including Iress who now have set comprehensive interim emission reduction targets for all Scope 1, 2 and 3 and are working towards net zero. Grant Thornton has also set an interim and net zero target. We are still engaging and working with Matrix on their target setting and emissions reduction strategy. As such we have already achieved our goal of more than 80% of suppliers having net zero targets.

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:

- Purchasing Powershop electricity is one of the key strategies we use to ensure that our electricity is already carbon neutral.
- Being in an office space that is energy efficient is crucial as well. When we moved offices in 2021 this was a key factor in searching for a new space. 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 common areas.
- Continuing our recycling initiatives and system in our Grosvenor Place office. This includes paper/cardboard, plastics, glass etc. We also have a specific organic food wastage bin and recycling for takeaway coffee cups. Engagement and usage from staff have been positive and we will continue to ensure these recycling systems are used and improved. Grosvenor Place additionally offers e-waste options, where staff can bring in e-waste from home and also clothing recycling options too. In 2021, we begun a project to find the best solution for single-use coffee cup recycling and engaged with Grosvenor Place management to find this solution. We implemented the coffee cup recycling at the beginning of 2022.
- 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 (without uplift)	Total tCO ₂ -e (with uplift)
Base year:	2020	21.5	22.58
Year 1:	2021	28.98	30.40
Year 2:	2022	128.17	134.58

Significant changes in emissions

The carbon emissions for Ethical Partners Funds Management’s operations have increased significantly from 2021 to 2022. This is due to a few significant changes but in particular 2022 was the first year that key personnel in the business started to travel internationally again.

Emission source name	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Detailed reason for change
Accommodation and facilities	0	1.26	In 2022, travel for staff increased significantly and therefore there were associated accommodation costs.
ICT services and equipment	6.70	12.50	We underwent an IT migration to the cloud to improve our systems in 2022 and therefore there were additional costs.
Professional services	13.95	17.80	In 2022, we had an increase in the number of total staff by 2 people which increased costs across the board within professional services.
Transport (Air)	1.25	83.65	This was the largest area where emissions increased in 2022. This was mainly driven by the increase in international travel but also more domestic travel. As the effects of the pandemic were still being felt in 2020 and 2021, travel was not occurring at normal rates and there was some significant catch-up travel that occurred in 2022.
Transport (Land and Sea)	5.91	8.07	In 2022, all staff returned to their normal levels of working in the office which increased the transport emissions slightly from the previous year.

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

Certified brand name	Product/Service/Building/Precinct used
Climate Active Purchased Electricity	Powershop electricity

Emissions summary

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

Emission category	Sum of Scope 1 (t CO2-e)	Sum of Scope 2 (t CO2-e)	Sum of Scope 3 (t CO2-e)	Sum of Total Emissions (t CO2-e)
Accommodation and facilities	0.00	0.00	1.26	1.26
Cleaning and Chemicals	0.00	0.00	0.90	0.90
Climate Active Carbon Neutral Products and Services	0.00	0.00	0.00	0.00
Electricity	0.00	0.27	0.02	0.29
Food	0.00	0.00	1.46	1.46
ICT services and equipment	0.00	0.00	12.50	12.50
Office equipment & supplies	0.00	0.00	1.32	1.32
Postage, courier and freight	0.00	0.00	0.14	0.14
Professional Services	0.00	0.00	17.80	17.80
Transport (Air)	0.00	0.00	83.65	83.65
Transport (Land and Sea)	0.00	0.00	8.07	8.07
Waste	0.00	0.00	0.16	0.16
Water	0.00	0.00	0.28	0.28
Working from home	0.00	0.00	0.34	0.34
Total	0.00	0.27	127.90	128.17

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	6.4
Total of all uplift factors	6.4
Total emissions footprint to offset <i>(total emissions from summary table + total of all uplift factors)</i>	134.58

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 134.58 t CO₂-e. The total number of eligible offsets used in this report is 135. Of the total eligible offsets used, zero were previously banked and 135 were newly purchased and retired. Zero are remaining and have been banked for future use.

Eligible offsets retirement summary

Offsets retired 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 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 (%)
Raak Nguunge	ACCU	ERF	31 August 2023	8,344,037,894 - 8,344,038,028	2021-22		135	0	0	135	100%
Total eligible offsets retired and used for this report										135	
Total eligible offsets retired this report and banked for use in future reports									0		
Type of offset units		Eligible quantity (used for this reporting period)					Percentage of total				
Australian Carbon Credit Units (ACCU)		135					100%				

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

RETIREMENT CERTIFICATE

230901 - ANREU Cancellation Ethical Partners (135 ACCU - CY2022)

Australian
National Registry
of Emissions Units

Logged in as: Angus Robertson / Industry User

Transaction Details

Transaction details appear below.

Transaction ID	AU29511
Current Status	Completed (4)
Status Date	31/08/2023 16:50:33 (AEST) 31/08/2023 06:50:33 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Robertson, Angus
Transaction Approver	Anderson, Julien Jal
Comment	These units are being retired on behalf of Ethical Partners Funds Management for Climate Active carbon neutral accreditation for the CY2022.

Transferring Account

Account Number	AU-1291
Account Name	Corporate Carbon Advisory Pty Ltd
Account Holder	Corporate Carbon Advisory 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			ECP100813					2021-22		8,344,037,894 - 8,344,038,028	135

Transaction Status History

Status Date	Status Code
31/08/2023 16:50:33 (AEST)	Completed (4)
31/08/2023 06:50:33 (GMT)	
31/08/2023 16:50:33 (AEST)	
31/08/2023 06:50:33 (GMT)	
31/08/2023 16:50:32 (AEST)	Proposed (1)
31/08/2023 06:50:32 (GMT)	Account Holder Approved (97)
31/08/2023 15:43:18 (AEST)	Awaiting Account Holder Approval (95)
31/08/2023 05:43:18 (GMT)	

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	370	0	6%
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)	69	0	1%
Residual Electricity	6,211	5,932	0%
Total renewable electricity (grid + non grid)	438	0	7%
Total grid electricity	6,650	5,932	7%
Total electricity (grid + non grid)	6,650	5,932	7%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	6,211	5,932	
Scope 2	5,485	5,238	
Scope 3 (includes T&D emissions from consumption under operational control)	726	693	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	6.59%
Mandatory	1.04%
Voluntary	5.56%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	5.24
Residual scope 3 emissions (t CO₂-e)	0.69
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

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	6,650	6,650	4,854	339	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)	6,650	6,650	4,854	399	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)	6,650					

Residual scope 2 emissions (t CO ₂ -e)	4.85
Residual scope 3 emissions (t CO ₂ -e)	0.40
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	0.27
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	0.02
Total emissions liability	0.29

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
<i>Powershop Electricity</i>	6,280	0
<i>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.</i>		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. 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.

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.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Investments	Y	N	N	N	N	<p>Size: The emissions from Ethical Partners' investments (scope 3) is very large in comparison to our own operations.</p>



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