

NET ZERO INITIATIVES AND IMPLEMENTATION

20 March 2024

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Investment Director – Sustainable Finance

Metrics. A new measure.



OUR JOURNEY TO NET ZERO



WHY

WHO

WHAT

HOW

ACCOUNTABILITY



Investor demand
Values



Dedicated team
External experts
Capacity building



Commitments
Targets



Data
Capacity building
Engagement
Collaborations
Advocacy

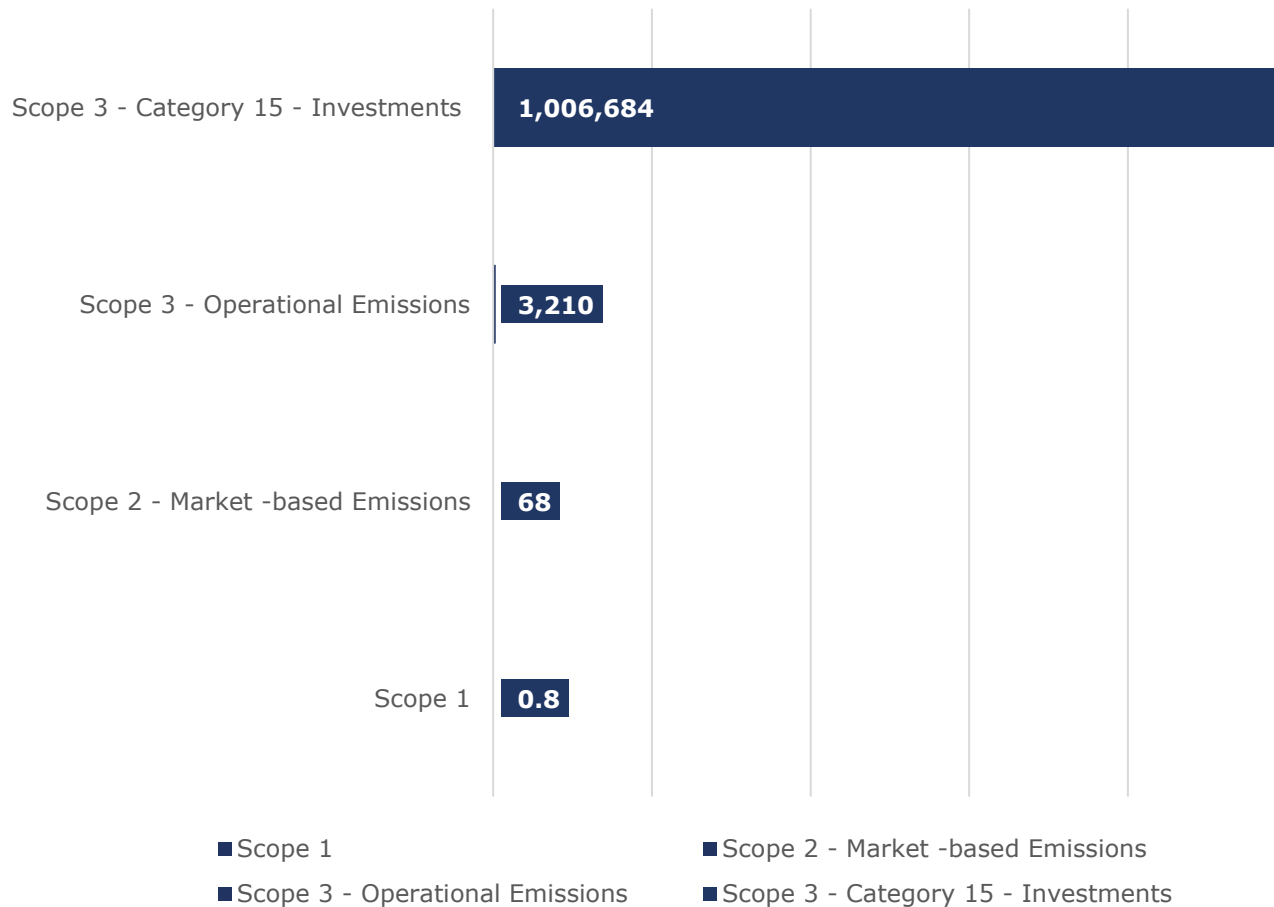


Governance
Reporting

OUR LARGEST IMPACT AS A BUSINESS – OUR INVESTMENT ACTIVITIES



Metrics' 2021 Emissions (tCO₂e)



Asset Classes



TARGET AMBITION

Metrics made the Net Zero Asset Managers (NZAM) Commitment in November 2021 to support the goal of net zero greenhouse gas (GHG) emissions by 2050, in line with global efforts to limit warming to 1.5 degrees Celsius above pre-industrial levels.

We further signalled our commitment to supporting efforts to reach net zero global emissions by 2050 or sooner by committing to set science-based emission reduction targets aligned with the target setting criteria of the Science Based Targets initiative (SBTi).

We have committed to:

- ✓ Manage 97.5 per cent of our AUM as at 31 December 2021 in line with a near-term science-based net zero target.
- ✓ Align our Scope 1 and 2 Portfolio Temperature Rating within the asset classes Corporate loan, Private equity and Project finance from 3.2 degrees Celsius in 2021 to 2.3 degrees Celsius by 2027.
- ✓ Align our Scope 1, 2 and 3 Portfolio Temperature Rating within the asset classes Corporate loan, Private equity and Project finance from 3.2 degrees Celsius in 2021 to 2.5 degrees Celsius by 2027.
- ✓ Reduce our absolute Scope 1 and 2 (market-based) GHG emissions 50 per cent by 2030 from a 2021 base year and to increase annual sourcing of renewable electricity from 0 per cent in 2021 to 100 per cent by 2030.

Our targets reflect a 1.5 degrees Celsius ambition for our operational Scope 1 and 2 targets as well as our Portfolio Temperature Rating target for Scope 1 and 2. Note that our Portfolio Temperature Rating target for Scope 1 and 2 (1.5 degrees Celsius) goes beyond SBTi's minimum requirement (1.75 degrees Celsius). The Portfolio Temperature Rating target for Scope 1, 2 and 3 is aligned with a 2 degrees Celsius ambition.

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COLLABORATIONS AND ADVOCACY



METRICS ACTIVELY CONTRIBUTES TO LEADING INDUSTRY INITIATIVES



- Global & Australian Policy Reference Groups
- Submissions on:
 - sustainability standards
 - mandatory climate disclosures
 - effective stewardship
- Signatory roundtable on outcomes-focused stewardship
- A Legal Framework for Impact



- Net Zero Asset Managers Initiative



- First member in Australia and NZ
- Global Core Team



- 2023 Net Zero Emissions Pathways Accelerator
- TCFD Gap Analysis



- Sustainable Finance Taxonomy Technical Advisory Group
- Transformational Leadership for Sustainability Working group
- Joint statement on Accelerating Sustainable Finance, engagement visits to Canberra to meet Deputy Treasurer, Minister for the Environment
- Submissions on mandatory climate disclosures, Safeguard Mechanism, National Reconstruction Fund
- TNFD Pilot



- Low Carbon Buildings Industry Working Group



- Green & Sustainable Loans Committee:
 - update Principles and Guidance
 - template sustainability-linked loan term sheet and ESG Diligence Questionnaire
 - best Practice note on sustainability-linked loans
 - LMA/APLMA Transition Task Force



OUR JOURNEY TO NET ZERO

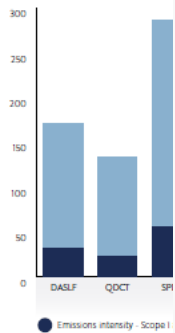


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Table 8: Metrics' financed em

Underlying
Metrics Credit Partners Divers (DASLF)
Q Diversified Credit Trust (QDCT)
MCP Secured Private Debt Fund
MCP Secured Private Debt Fund
MCP Real Estate Debt Fund (MREDF)
MCP Credit Trust (CT)
Multi-Strategy
MCP Wholesale Investments
Metrics Wholesale Income Opportunity
Metrics Diversified (Australia) (MDLF)
Metrics Multi-Strategy Private
ASX
Metrics Master Income Trust (MMIT)
Metrics Income Opportunities

Figure: Metrics' financed em



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Table 4: Business loans and unlisted equity – financed emissions

PCAF estimation options used	1
Scope 1 and 2 emissions	109
Scope 3 emissions ^a	359
Scope 1, 2 and 3 emissions	468
Average data quality score – Scope 1 and 2 ^b	
Average data quality score – Scope 3 ^b	
Emissions intensity	162 t

^a Required Scope 3 (oil, gas, and mining sectors): 49,283 t CO₂e
^b Please refer to the general description of the data quality score (PCAF Standard on page 26)

Table 6: Commercial real estate – financed emissions

PCAF estimation options used	
Scope 1 and 2 emissions	60,4
Scope 3 emissions ^a	
Scope 1, 2 and 3 emissions	60,4
Average data quality score – Scope 1 and 2 ^b	
Average data quality score – Scope 3 ^b	
Emissions intensity	51 t

^a In line with PCAF requirements, only Scope 1 and 2 emissions are included
^b Please refer to the general description of the data quality score (PCAF Standard on page 27)

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APPENDIX: OUR EMISSIONS

Table 1: Metrics' operational GHG emissions

Emissions category
Scope 1 - total
Natural gas
Scope 2 - total (location-based)
Electricity consumption (location-based)
Scope 3 - total
Category 1 - Purchased Goods and Services
Category 3 - Fuel and Energy related Activities
Category 5 - Waste Generated in Operations
Category 6 - Business Travel
Category 7 - Employee Commuting
Category 15 - Investments
Total


Table 2: Metrics' total GHG emissions including financed emissions

Emissions category
Scope 1 - total
Scope 2 - total (location-based)^a
Scope 3 - total
Category 1 - Purchased Goods and Services
Category 3 - Fuel and Energy related Activities
Category 5 - Waste Generated in Operations
Category 6 - Business Travel
Category 7 - Employee Commuting
Category 15 - Investments - required disclosures (PCAF Standard)
Category 15 - Investments - optional disclosures (PCAF Standard)
Total - excluding Category 15 - Investments
Total - including Category 15 - Investments

^a Our Scope 2 market-based emissions were measured using the Location-Based Method
^b Our Scope 2 market-based emissions were measured using the Location-Based Method

OUR APPROACH TO TACKLING CLIMATE CHANGE

STEP	DESCRIPTION	IMPACTS
STEP 1	Formalising our position on climate change	Over the past two years, we have driven our internal climate strategy. As part of our strategy, we have joined industry bodies.
STEP 2	Policy enhancements	We recognise that our ESG Policy is not sufficient. Our ESG Policy Agreement goal is to reduce our climate-related emissions by 10% by October 2022. We understand robust systems for more information.
STEP 3	Emissions measurement	We have measured our Scope 3 - Category 15 emissions. This report includes our operational energy reduction purchasing options.
STEP 4	Target setting	Our clear underpins our emissions reduction strategy. We made our internal climate strategy to work.
STEP 5	Developing our strategy & implementation	Having quantified our emissions, and our strategy to manage them, we have formed The Working Group. The growth of our need to focus on our strategy to manage our emissions. We have launch considerations impact framework. Our strategy development is currently underway.
STEP 6	Climate-related disclosures	We aim to provide our targets. We will seek to align our climate-related standards. As with the Aotearoa NZ Climate Resilience recommendations, our governance, structure, and strategy.



CLIMATE REPORT

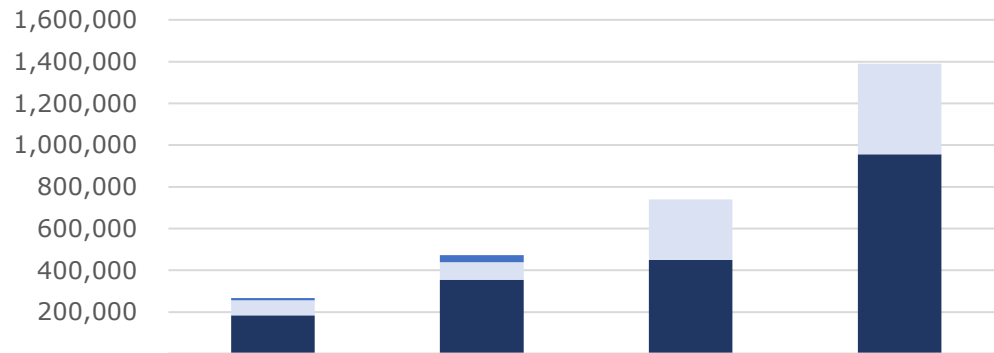
**METRICS CREDIT PARTNERS:
PATH TO NET ZERO**

December 2022

HOW WE ARE TRACKING



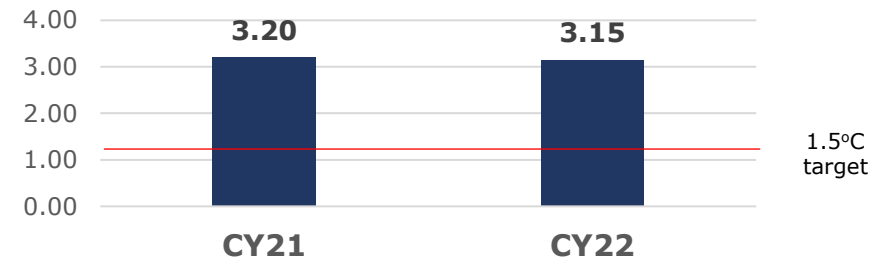
CY21-22 Financed Emissions



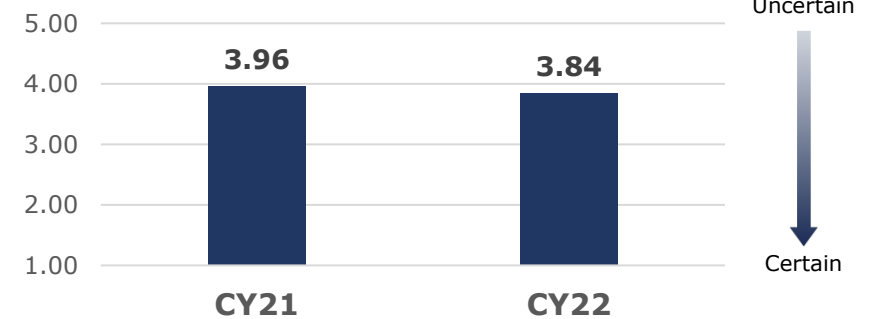
	CY21 Scope 1 and 2 emissions t CO2e	CY22 Scope 1 and 2 emissions t CO2e	CY21 Scope 3 emissions t CO2e	CY22 Scope 3 emissions t CO2e
Commercial real estate	10,490	34,663	-	-
Project Finance	72,525	84,137	289,908	435,183
Business loans and unlisted equity	183,705	354,169	450,056	955,605

■ Business loans and unlisted equity ■ Project Finance ■ Commercial real estate

Portfolio Temperature Score (Scope 1&2)



Weighted average data quality score (Scope 1&2)



CONTACT DETAILS



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